

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On March 10, 2022 – remotely via telephone conference –

Pursuant to Governor Lamont's Executive Order No. 7B regarding suspension of In-Person Open Meeting requirements, the State Properties Review Board conducted its Regular Meeting at 9:30AM on March 10, 2022 remotely via telephone conference at (866)-692-4541, passcode 85607781.

Members Present:

Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert
Jeffrey Berger
William Cianci

Members Absent:

Staff Present:

Dimple Desai
Thomas Jerram

Guests Present

Terry Obey, DOT Director of Rights of Way
Steven Degen, DOT Transportation Principal Property Agent
Joseph Arsenault, DOT Transportation Supervising Engineer
Scott Mathein, Farmington

Mr. Valengavich moved and Mr. Halpert seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

1. ACCEPTANCE OF MINUTES

Mr. Valengavich moved and Mr. Berger seconded a motion to approve the minutes of the March 7, 2022 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

Director Desai informed Board Members of the Department of Agriculture's response to an earlier Board request and that the Department was continuing to draft their response to the Board.

All Members were reminded of their annual requirement to submit their Statement of Financial Interest as soon as possible. All Members were emailed with the appropriate link to complete the on-line form.

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

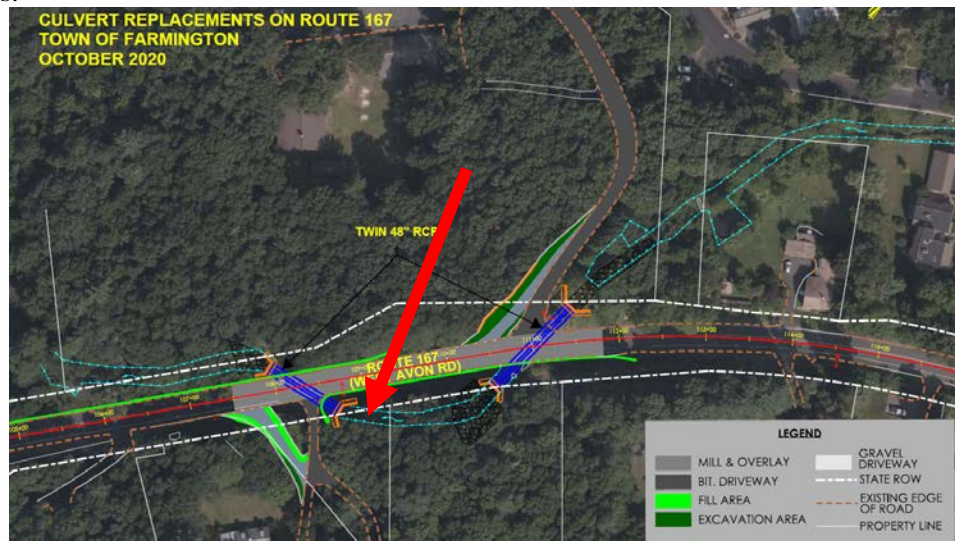
<i>PRB #</i>	22-015
<i>Transaction/Contract Type:</i>	RE – Voucher
<i>Origin/Client:</i>	DOT/DOT
<i>DOT Project #:</i>	051-275-002
<i>Grantor:</i>	Scott C. Mathein, et al
<i>Property:</i>	Farmington, West Avon Rd (78)
<i>Project Purpose:</i>	Culvert Replacement on Route 167
<i>Item Purpose:</i>	Voucher

At 9:46 Mr. Mathein, owner of the property to be discussed, joined the Meeting to participate in the Board's discussion of this Proposal. He left the meeting at 12:03.

DAMAGES: \$7,500

DOT PROJECT: From December 10, 2020 DOT Virtual Public Meeting:

- Project location and purpose was discussed. Flooding at an adjacent property is an issue on site, and there are maintenance needs that need to be addressed. Conditions of the concrete headwalls were shown to be deteriorated.
- Proposed work will include replacing the 48" Concrete Pipes with twin 48" concrete pipes, which will increase the hydraulic capacity for the flooding concern. The wooden post cable guiderail will also be upgraded to metal guiderail. Lastly, there will be resurfacing of the pavement within project limits.
- A visual of the pipe configuration was shown and it was explained how one pipe of the twin configuration will be set 1' lower for habitat concerns during low flow.
- A detour lasting 9 days will be implemented for the project. Route 167 will be closed to allow the contractor work undisturbed. It is estimated the project would last 6 months or more if we were to maintain one-way alternating traffic during the project. The detour will be using Route 4 (Farmington Ave) and Brickyard Road, to get to either side of Route 167.
- Discussed and showed a visual of the right of way to be purchased for the project. There will be four Drainage Right of Way acquisitions and several construction easements.
- The project is scheduled to begin construction in the summer of 2023 and is expected to last 3 months.



SITE DESCRIPTION: The subject property consists of an irregular-shaped, 2.83 acre site with approximately 150' of frontage on the southeasterly side of West Avon Road. The topography slopes upward from about 250 feet above sea level along CT Route 167 to about 300 feet along the southernmost property line. The northern (front) portion of the site is encumbered by inland wetlands drainage areas along Roaring Brook, which traverses the site in an east/west direction. The improved portion of the property is located in an R-40 zone and appears to conform to zoning.

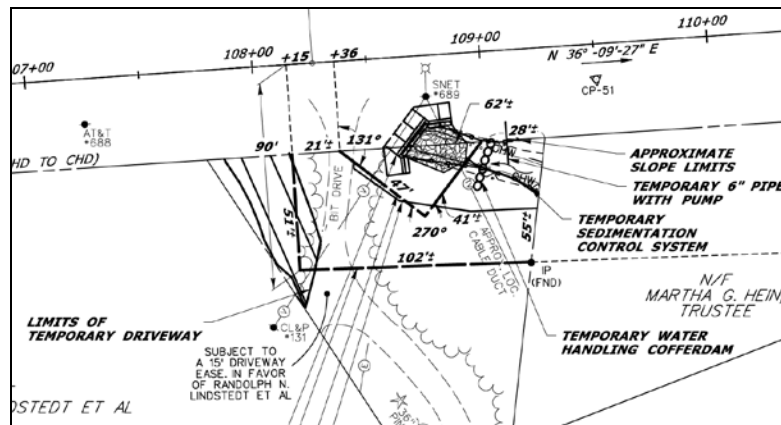
The site is improved with a 1,880 square foot colonial-style single-family residence built in 1993 (6/3/2.5).

The Appraiser opines the highest and best use of the site, as-vacant, is for single-family residential development, and as-improved, is for continued single family residential use.



The Taking: DOT will acquire the following:

- A drainage right of way acquired over an area of 958± square feet;
- A construction easement for the purpose of access, installation of temporary 6” pipe with pump, installation of temporary sedimentation control system, installation of temporary water handling cofferdam and construction of temporary driveway, acquired over an area of 3,930± square feet;
- Easement to slope for the safety of the highway and remove, use or retain excavated material acquired over an area of 675± square feet; and
- Right to construct and remove temporary driveway acquired over an area of 1,317± square feet.



DOT plans call for the replacement of the existing culvert, the construction of a new endwall and the addition of new riprap. The endwall will consist of formed concrete built up just above grade level and capped with a 6-foot high vinyl wrapped chain link fence. A new metal beam guardrail will be installed along the street front as well.

Restricted Use/Short Form Value Finding - The DOT appraisal was completed as of November 4, 2021 by DOT Appraiser Matthew Dufour.

Land Valuation: Comparably sized sales of residential lot sales in Farmington (2019-2021) were analyzed by the Appraiser. Based upon the appraiser’s analysis of the subject and sales data, the estimated value of the subject property’s land was estimated at \$1.85/square foot x 123,126 =, \$227,783, or \$227,800 (rounded).

The Appraiser then calculated the Permanent Damages, as follows:

Item	Calculation	Value
Drainage Right of Way	958 sf x \$1.85/sf x 90%	\$1,595
Easement to Slope	675 sf x \$1.85/sf x 75%	\$937
Contributory Value of Site Improvements	Lump Sum	\$4,000
	Total	\$6,532

Calculation of Temporary Damages

Construction Easement Area	3,930 sf x \$1.85/sf x 10% x 1 year	\$727
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Total damages are then Permanent Damages plus Temporary Damages, or \$6,532 + \$727 = \$7,259, rounded to \$7,500.

RECOMMENDATION: Board approval of damages in the amount of \$7,500 is recommended for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.
2. The acquisition value is supported by the DOT appraisal report.

PRB # 22-031
Transaction/Contract Type: RE – Administrative Settlement
Origin/Client: DOT/DOT
DOT Project #: 076-220-001
Grantor: Connecticut Southern Railroad, Inc.
Property: Manchester, Main Street (RT 83) to Oakland St & Intersections
Project Purpose: Safety & Operational Concerns on Route 83
Item Purpose: Administrative Settlement

It is noted that this Proposal was identified on the Agenda as “For Discussion Purposes Only.” Members will not be voting on this Proposal at today’s Meeting.

At 9:35 Mssrs. Obey, Degen and Arsenault joined the Meeting to participate in the Board’s discussion of this DOT Proposal. All left the meeting at 11:55.

DAMAGES/SETTLEMENT: \$455,000/\$1,381,350 (plus STB filing & Equip. Removal - \$151,000)

Project Background

This DOT Project will address traffic operational concerns while improving vehicular, bicycle and pedestrian safety along Route 83, Oakland Street and intersecting Roadways within the project limits.

The rail line is located between the two closely spaced four-way intersections of Oakland Street at Old North Main Street and Woodbridge Street. In addition, the rail line crosses Main Street, creating a second rail crossing a short distance to the West. The presence of the rail line and rail crossings requires vehicles to stop creating congestion and safety issues.

Various design options were considered, however the presence of the rail line posed significant challenges in realizing the project objectives. In an effort to mitigate these issues and to find a cost-effective solution, the Department chose the “no build” alternative which requires the acquisition of the

Rail Corridor. This acquisition will eliminate the need for an expensive construction project and allow for inexpensive modifications to the existing intersections. As an added benefit, the acquisition of this Rail Corridor will allow the Department to close a critical gap in the existing multi-use trail network under future project activities.

Prior to electing the “no build” alternative, the DOT Project would have constructed two separate roundabouts. This option had certain design limitations and was significantly more expensive with an estimated total project cost of \$7,500,000.



Under this Proposal (PRB #22-031) DOT is seeking SPRB approval of an Administrative Settlement for the State’s acquisition of an 11.2 acre railroad right-of-way extending from approximately 250’+ west of Main Street (Rt 83) approximately 5,500 linear feet east to Colonial Road. The DOT states the negotiated price of the real estate to be acquired is \$1,381,350. Additional payments under the Administrative Settlement to the Grantor include reimbursement of an expense for the administrative process of abandoning the rail line through the federal Surface Transportation Board (estimated at \$75,000, reimbursed based on DOT review of actual bills) and reimbursement of the expense for the Grantor to remove certain railroad equipment (estimated at \$76,000, reimbursed based on DOT review of actual bills).

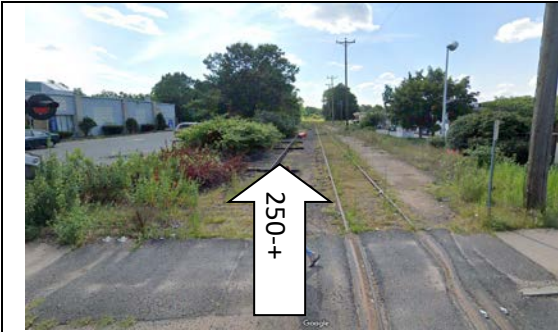
In accordance with Federal law, a common carrier rail line cannot be abandoned and rail service cannot be discontinued without prior authorization from the Surface Transportation Board (STB). This is a pre-requisite to the proposed acquisition and requires cooperation and agreement from the owner/operating railroad.

DOT also noted that the Department does not have the authority to unilaterally acquire the Rail Corridor via condemnation and to complete this acquisition negotiations with the Grantor were required.

Subject Property Description, Before the Taking: The subject property (per Appraiser) consists of a abandoned railroad corridor consisting of a 11.2-acre (487,872 square feet) strip of land approximately 5,500 feet in length the runs generally from Main Street to Colonial Road. The property is located in three different zones:

Business Zone	1.7 acres	74,052 +/- SF
Industrial Zone:	4.4 acres	191,664 +/- SF
Residential Zone	5.1 acres	222,156 +/- SF

The Appraiser utilizes the Extraordinary Assumption that ‘the subject abandoned rail corridor will continue to be subject to reserved subsurface and surface easements as specified in the deed transferring ownership to Connecticut Southern Railroad.’



RR Crossing at Main Street, looking westerly



RR Crossing at Main Street, looking easterly

Buried railroad track looking west in residentially zoned area at Mitchell Drive



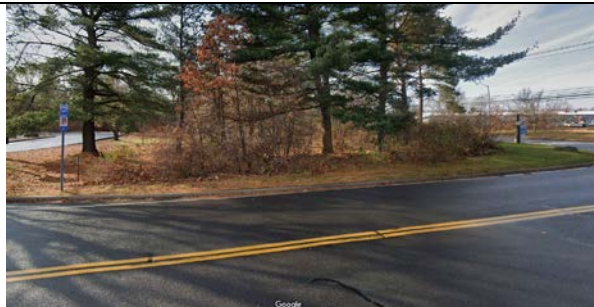
Buried railroad track at Mitchell Street looking east



Oakland St intersection (courtesy: Google 10/2021)



Oakland St intersection (courtesy: Google 10/2021)



Terminus of acquisition at Colonial Rd



Beginning of Hop River State Park Trail at Colonial Rd

The Appraiser states the rail corridor is improved with ballast stone, railroad ties and welded single track rails, with one bridge span over Lydall Brook. The Appraiser also states there are no other structures, and no contributory value is allocated to any of the existing improvements. The property contains or may contain underground communications lines, and the future use of the communication lines, existing or proposed will run with the property if sold by Connecticut Southern Railroad.

The Appraiser’s opinion of Highest and Best Use is as follows:

In my opinion the highest and best use is maintenance of the continuity of the corridor as this corridor, if acquired, would extend the 20 +/- mile Hop River linear State Park trail system. Partition to abutters in my opinion is not the highest and best use as less than fee simple rights would be acquired in any partition sales action, considering the permanent easements in place..

Before Valuation: An appraisal was prepared by independent DOT appraiser Howard Russ as of July 11, 2018.

The Appraiser utilized an “Across The Fence” (ATF) method of valuation to appraise the rail corridor. This method assumes that the value of the land within the corridor is at least as valuable as the land adjacent to the corridor.

The Dictionary of Real Estate, 5th Edition, defines the ATF method as follows; “is used to develop a value opinion based on a comparison to abutting land.”

In light of the three different zones, the Appraiser analyzed different sales of land for each of the three different zones. All comparable properties were located in Manchester. The Apprasier concluded a per square foot value for each of the zones as follows:

Commercial	\$6.00
Residential	\$3.00
Industrial	\$1.00

The Appraiser researched and provided sales of abandoned railroad corridors. Data is limited, but he identified four sales in Manchester, as follows:

178	Colonial Rd	Manchester	1.797	\$60,000	\$0.77
	Middle Tnpk	Manchester	4.01	\$55,000	\$0.31
44	Hilliard St	Manchester	0.64	\$170,000	\$6.10
265	Center	Manchester	5.30	\$107,000	\$0.46

Russ concluded the following:

In my opinion the above analysis comparing abandoned railroad corridor sales to similar time frame buildable land sales in comparable zones in Manchester would support an overall corridor factor of 35%, or a reduction of 65% from buildable sales data.

Thus the calculated value across the fence for the subject 11.2 acre corridor is as follows:

	AC	SF / AC	SF per Zone	\$/ SF ATF	Corridor Factor	VALUE Across the Fence	
Commercial	1.7	43,560	74,052	\$6.00	\$444,312	0.35	\$155,509
Residential	5.1	43,560	222,156	\$3.00	\$666,468	0.35	\$233,264
Industrial	4.4	43,560	191,664	\$1.00	\$191,664	0.35	\$67,082

\$455,855

round	\$455,000
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The Taking: DOT will acquire the property in its entirety, subject to the subterranean easements in place.

After Valuation: \$0

Staff inquired with DOT regarding the following issues:

1. Is the DOT's submission of this acquisition to the SPRB premature in that the federal Surface Transportation Board (STB) has not approved of abandoning this railway line?

DOT Response: No.

Staff Response: OK

2. Based on photographs provided in the Appraisal Reports, does DOT have any data regarding the last time the railway crossing signals were activated?

DOT Response: No

Staff Response: Pictures from the Appraisal and those available on line via Google reveal the rail line is overgrown in several areas indicating lack of use.

3. If the DOT was unable to condemn the railway land due to federal Surface Transportation Board rules/policy prohibiting abandonment of an active railway line, please clarify why DOT accepted the Grantor's Appraiser's value conclusions without critical/written review.

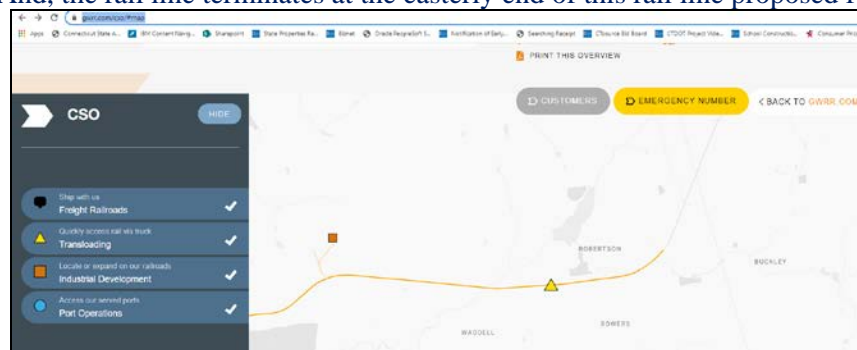
DOT Response: DOT reviewed Grantor's appraisal and critiqued internally as is typically for any negotiation.

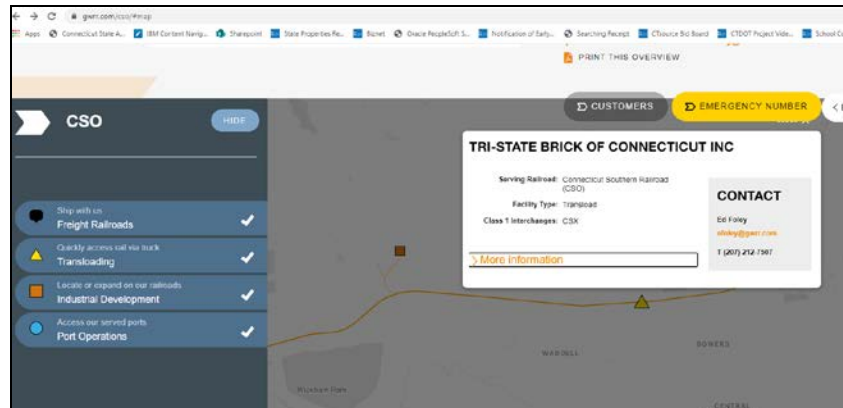
Staff Response: No Appraisal Review report of the Grantor's was provided to SPRB.

4. The original DOT Project appears to have been in the planning stage since 2014, or earlier, roughly 8+ years ago. Please clarify what other 'no-build' projects were considered as an alternative to the original Project. Were any 'no-build' projects considered under the premises that the railway line remains but is not active?

DOT Response: The "no build" alternative is simply not to build a "project." In order to not build a project, the crossings must be eliminated. To ensure the crossings are eliminated and never reinstalled, the rail line needs to be abandoned. The Railroad will not abandon the line without DOT agreeing to purchase.

Staff Response: It appears that DOT is seeking SPRB approval to expend \$1,381,350 based on value conclusions obtained by the Grantor's Appraiser that is three times more than the appraised value (\$455,000) as determined by their own independent Appraiser to effect these improvements in Manchester. It appears that the owners of the rail line have allowed this portion of the railway to become dormant – that is not currently utilized, but also not formally abandoned – as it is not economically viable to operate. Furthermore, the owner of the rail line identifies that the last point of activity on the line is at 71-R Hilliard St, which is west of the westerly-most area of the proposed acquisition. And, the rail line terminates at the easterly end of this rail line proposed for acquisition.





<https://www.gwrr.com/cso/#map>

<https://www.gwrr.com/transload/tri-state-brick-of-connecticut-inc/>

5. If the intent of the DOT Project is to effect Safety & Operational Concerns on Route 83 in Manchester, and the DOT presented this land as abandoned, why is it necessary to acquire the railroad right-of-way to implement the Project?

DOT Response: The rail line has not been formally abandoned by STB.

Staff Response: DOT is correct that the line has not been formally abandoned. However, DOT cannot quantify how many rail crossings have occurred, and possible when the last time a rail crossing occurred (see #4 above too).

6. The DOT Taking Maps prepared in 2021 identifies two areas to be acquired totaling 9.297 acres (11,650 sf & 9.03 acres). The DOT Appraiser states 11.2 acres throughout the Report and the Grantor's Appraiser 10.62 acres (+.26 ac added to account for west of Main St). Please clarify the following:

- a) How did DOT determine the land area to be acquired was 11.2 acres? Was there an earlier version of the 2021 Taking Map identifying the areas to be acquired?

DOT Response: No.

Staff Response: OK

- b) Did DOT utilizing their Mapping Software to assist in determining the areas contained within each of the three zones in Manchester?

DOT Response: No, these determination were made by the appraiser as is typical.

Staff Response: OK

- c) During the negotiations, did DOT provide the Grantor with the actual land area to be acquired as evidenced on the Taking Maps for purposes of establishing the proper facts of the acquisition?

DOT Response: Yes.

Staff Response: DOT states the actual land area to be acquired, as evidenced by the Taking Maps, was provided to the Grantor, yet continue to represent the area is 11.2 acres, not the actual 9.297. If the State were to proceed with acquiring the rail ROW is it in essence overpaying for nearly two acres of land as the Grantor's Appraiser stated 10.62 acres, but did not include 0.26 acre west of Main St?

7. In the Letter of Authorization to the DOT Independent Appraiser it was stated that the rail line was abandoned and that information was utilized throughout the Appraisal Report. In this Administrative Settlement it is presented to the Board that the rail line is not abandoned. Please clarify the following:

- a) What information was utilized by DOT to inform the Appraiser the rail line was abandoned?

DOT Response: The term "abandoned" in DOT's appraisal assignment and acceptance document was used in terms of the appearance and condition of the corridor and not to suggest legal STB abandonment. A review of the corridor identified a large portion was overgrown, not currently in use and with no potential customers to suggest possible future use.

Staff Response: It appears this may conflict with the Grantor's Appraisal as no references to the rail line being "abandoned" were referenced in the Grantor's Appraisal Report.

- b) Upon learning from the Grantor the rail line was not abandoned did DOT policy require that the Appraiser revisit their Appraisal Report and Conclusions?

DOT Response: The appraiser was not provided any information to suggest the corridor was formally abandoned by STB and the appraisal report was completed accordingly.

Staff Response: What would the impact on the DOT appraisal if the Appraiser was informed that the rail line was not "abandoned."

- c) Would the Appraiser's conclusions/opinion be different had DOT represented to the Appraiser that the railway was not abandoned?

DOT Response: Same answer as "b" above.

Staff Response: See #b above.

- d) Was a second Appraisal required under DOT policy/regulations?

DOT Response: No.

Staff Response: OK

8. Was any formal review (per USPAP standards) of the Grantor's Appraisal Report undertaken, including a review of the 12 sales (2002-2013) in support of the Corridor Factor?

DOT Response: No formal review was completed as its not required by USPAP. Of course DOT reviewed and critiqued Grantor's appraisal internally as is typical.

Staff Response: It is difficult to draw any conclusions with respect to the veracity of the Grantor's data utilized in the report, as well as the corresponding Corridor Factor in the report.

Sale	Date	Location	Seller	Buyer	Sale Price	ATF Value	Length	Corridor Factor	Intended Use
1	12/2002	Columbia County New York	Peschel	Columbia Land Conservancy	\$70,000	\$52,500	1.04 miles	1.33	Recreational Trail
2	1/2004	Albany County New York	Delaware and Hudson Rail	Village of Green Island	\$329,960	\$271,000	1.18-miles	1.22	Recreational Trail
3	11/2005	Sullivan County New York	Lafarge North American	NY-NJ Trail Conference	\$223,000	\$237,500	3.20-miles	0.94	Recreational Trail
4	6/2003	Wake County North Carolina	CSX Transportation	Research Triangle Regional Publix	\$22,080,000	\$9,435,000	6.94-miles	2.34	Public Transportation
5	6/2009	Boulder, Colorado	Union Pacific Rail	Denver Regional Transportation	\$117,637,821	\$98,850,000	32.7-miles	1.19	Future Mass Transit
6	10/2008	Sudbury, Massachusetts	RR Company	Town of Sudbury	\$700,000	\$500,000 to \$583,333	1.275-acres	1.2-1.4	Recreational Trail
7	11/2000	Watertown, Massachusetts	RR Company	Comm. Of Massachusetts	\$1,700,000	\$1,416,667	5.77-acres	1.20	Urban Bike trail
8	9/2002	Scituate, Massachusetts	Town of Scituate	Mass Bay Trans. Authority	\$3,080,000	\$2,565,000	5.05-miles	1.20	Commuter Rail expansion
9	12/2011	Toledo, Maumee, Perrysburg, Ohio	CSX	Trust of Public Land	\$6,571,534	\$6,180,000	105.12-acres	1.06	Multi use trails
10	6/2012	Poughkeepsie Dutchess County New York	CSX	Dutchess County	\$1,150,000	\$932,194	0.9-miles	1.23	Link to walkway over Hudson
11	12/2010	Gilchrist County Florida	State of Florida	Trust for Public Land	\$2,787,200	\$2,229,760	9.33-miles	1.25	Recreational coast trail
12	5/2013	Watertown/Cambridge, MA	N/A	Commonwealth of MA.	\$1,300,000	\$1,920,000	0.67-miles	0.86	Urban bike trail w' 20 telecom easement

9. Under DOT Project #131-203-001 (Southington), DOT acquired a railway bed containing 194,893 sf for \$500,000 (2-14-2020 QC Deed 1471/796). This land consisted of commercially and industrially zoned land and the DOT Appraiser utilized a .65 Corridor Factor. Please clarify if DOT inquired with their Appraiser regarding the differences in the two Corridor Factors. Please provide an explanation regarding the differences in the selection of the two Corridor Factors for Manchester and Southington?

DOT Response: No we did not. Please provide an explanation regarding the differences in the selection of the two Corridor Factors for Manchester and Southington? These are two separate appraisal reports on different projects valuing different corridors. The respective reports provide the explanation and justification for the individual valuations.

Staff Response: OK

10. The Grantor's Appraiser utilized 12 nationwide sales (all beyond CT) in concluding a 1.2 Corridor Factor, 3.4 times that of the DOT Appraiser's .35 Corridor Factor. Please clarify the following:

a) How does DOT reconcile the variance between the two Corridor Factors?

DOT Response: We don't. Both are based on the opinion of independent appraisers.

Staff Response: See #8 above.

b) If the Grantor's Appraiser utilized sales that took place between 2002 and 2013, did DOT object to the fact that the Grantor's Appraiser failed to acknowledge similar market sale(s) right in the immediate market area, as evidenced by the DOT's own Appraiser?

DOT Response: Yes.

Staff Response: OK

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #22-015 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB 22-015.

9. NEXT MEETING – Monday, March 14, 2022.

The meeting adjourned.

APPROVED: _____ **Date:** _____
John Valengavich, Secretary