Leasing and Property Transfer Workgroup Report

Governor's Task Force on Contracting

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Appendix A

Summary of DPW's Current Leasing and Property Transfer Unit

- Approximately 2,800,000 square feet under lease
- Approximately $40,000,000 rent annually
- Approximately 240 leases and 60 lease outs
- Approximately 1,600,000 square feet surplus property (for sale)
- Providing leasing and property transfer services to 80 agencies
- 90 projects currently underway for leases - 35 projects for property transfer
- Judicial Department accounts for approximately 35% of DPW's Leasing work
- Staff consists of:
    - Administrator
    - Supervisor
    - Three property agents (one additional position is open)
    - One property transfer employee
    - Paralegal
    - One secretary
    - One compliance officer

Summary of Improvements Made to Date

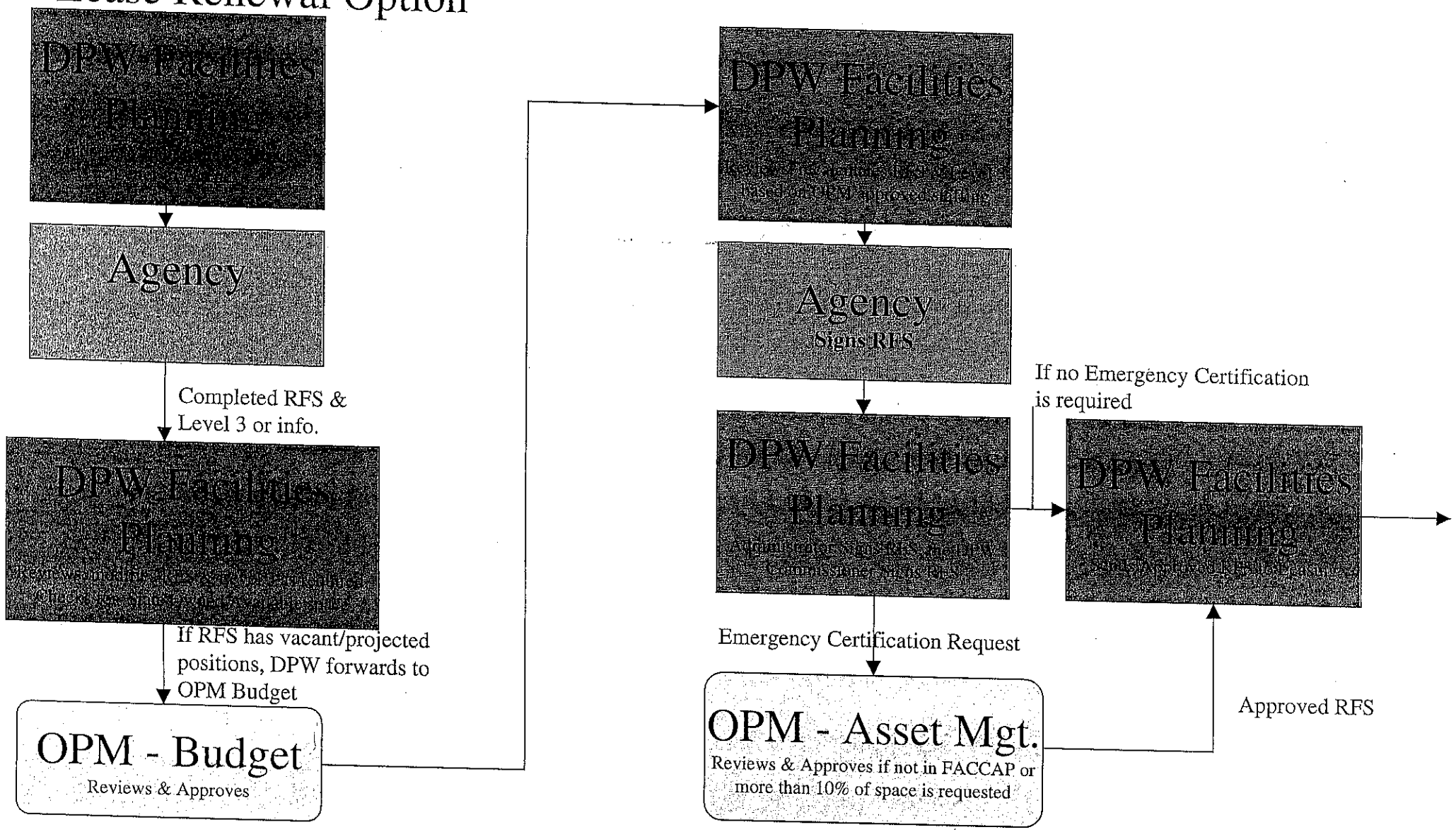
- Administrator of Leasing and Property Transfer placed in February 2003
- Two additional property agents hired in September 2003
- Hiring of Director of Planning Unit is underway
- Leasing and Property Transfer Unit was combined in December 2003 and reports directly to Deputy Commissioner
- Training, via the Building Owners Association, (three courses) have been completed by all Leasing Personnel
- Increased levels of review for transactions (I.e., Property Agent, Supervisor, Administrator, Deputy, DPW legal, Commissioner)
- New standard lease, locked agreement (agreed to by DPW, OPM, SPRB, AG) eliminated lease proposal outline. Saved approximately 6 months in approval process and ensures document cannot be changed
- The DPW State Standards for Space has been updated and will be issued third quarter 2004
- In conjunction with Department of Information Technology, a Computer Aided Facilities Management System will be acquired to aid in leasing and overall facilities/space management of DPW controlled space
- A draft update of the Leasing and Property Transfer Unit operating manual has been completed and is under review
- Creation of a DPW in-house legal department with a real estate attorney assigned to the Leasing and Property Transfer Unit

Appendix B

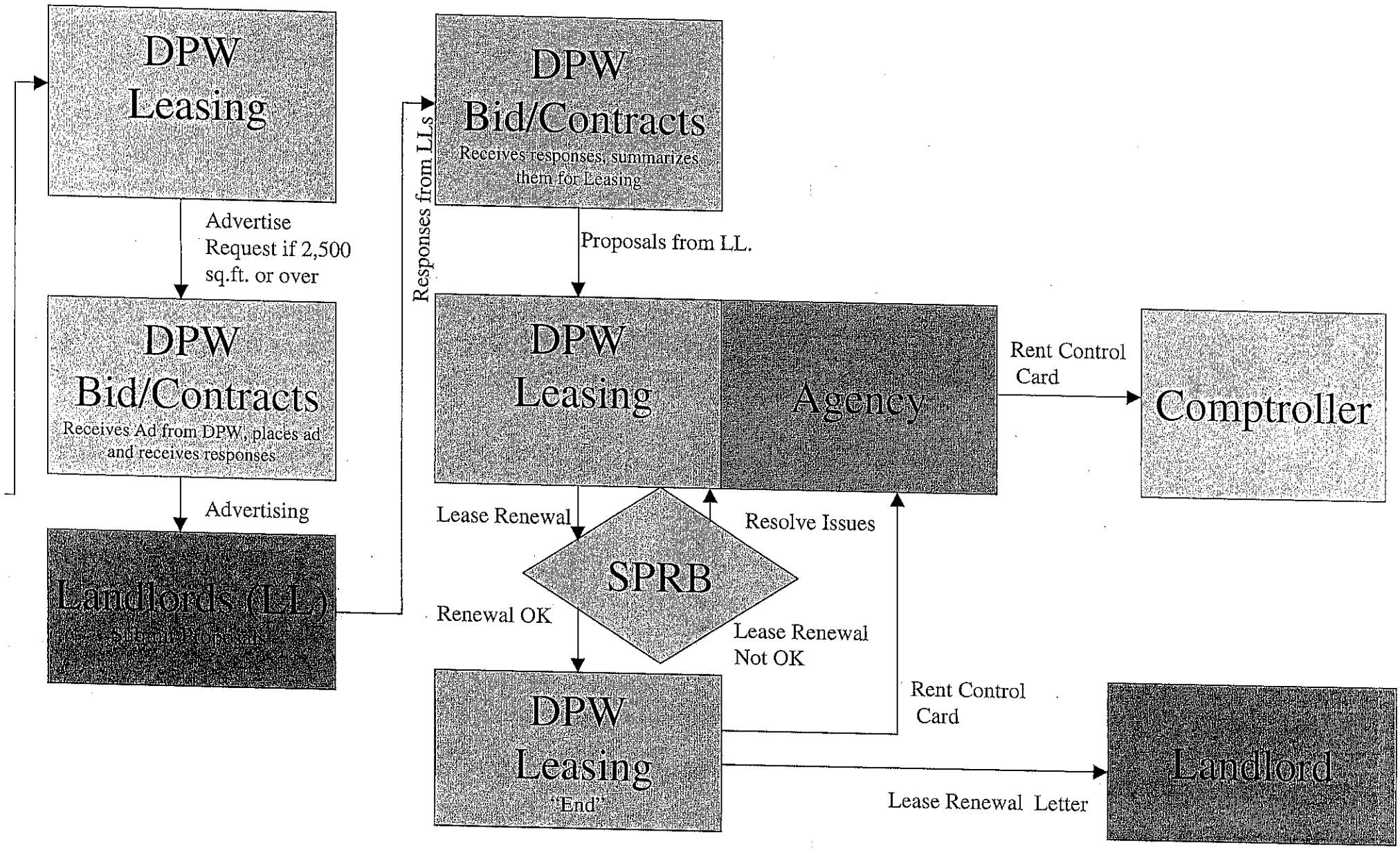
Leasing and Property Transfer Guidelines and Approval Flow Chart

DPW Current Leasing Process

Step 1
Lease Renewal Option

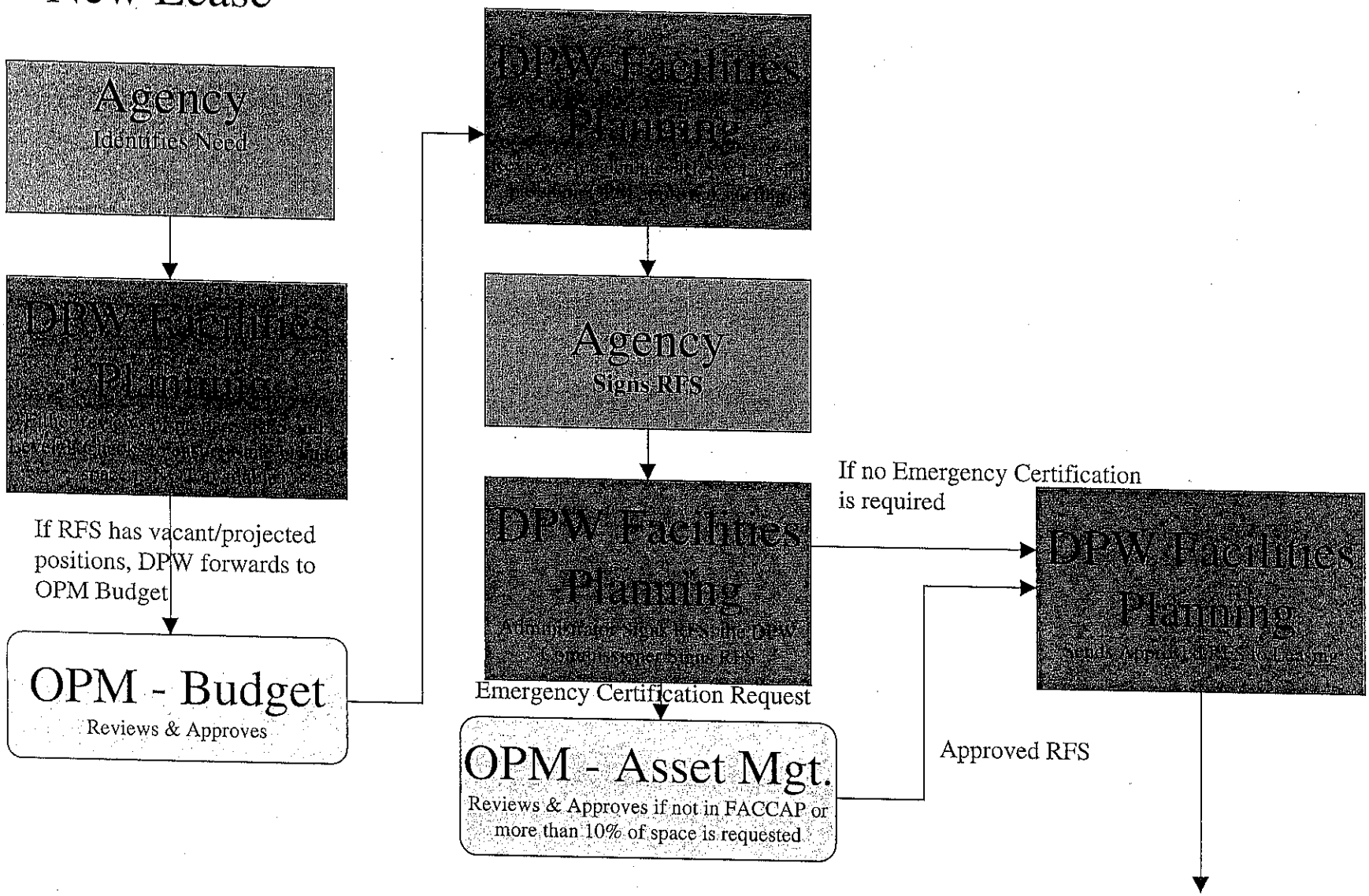


Step 2
Lease Renewal Option

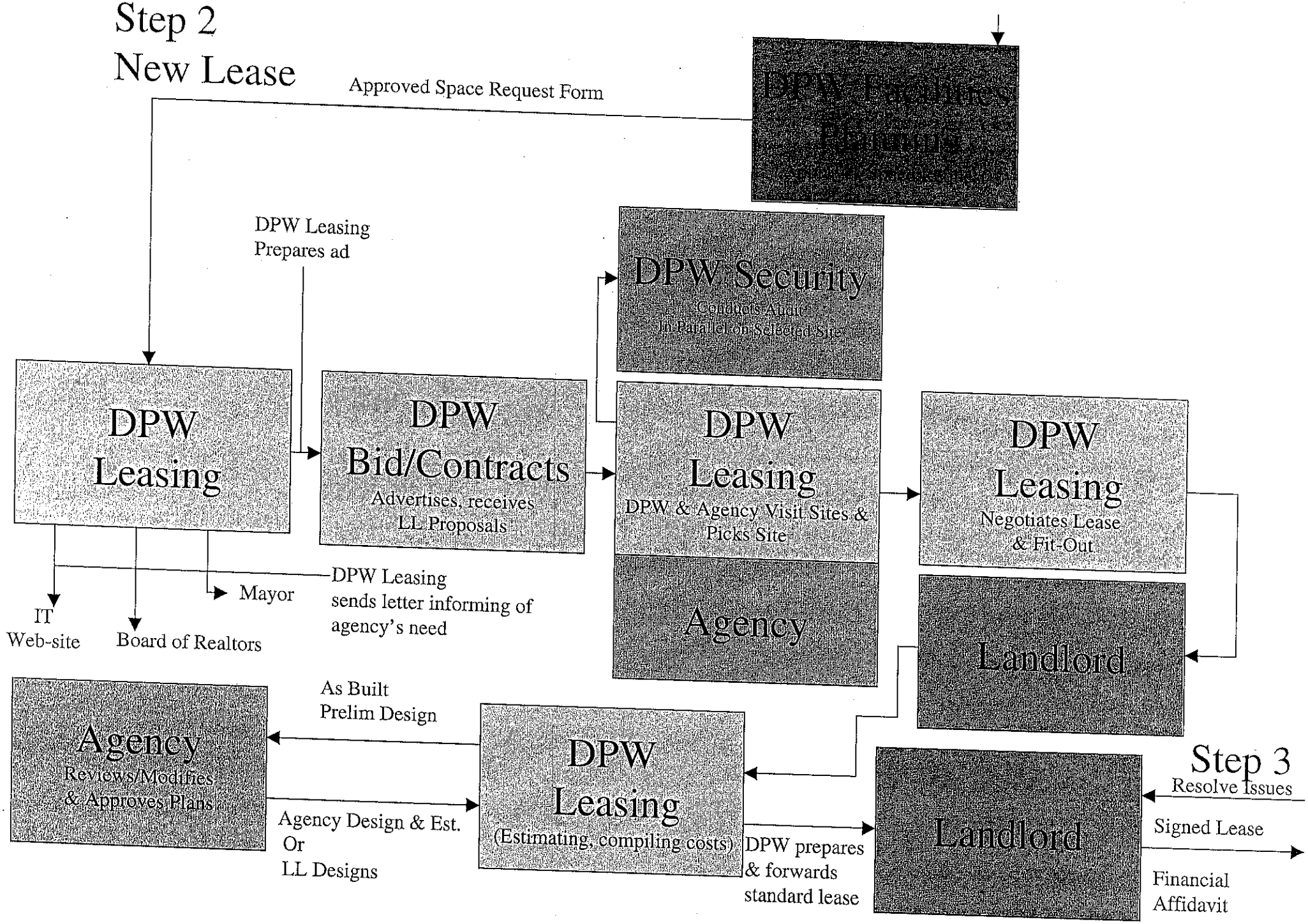


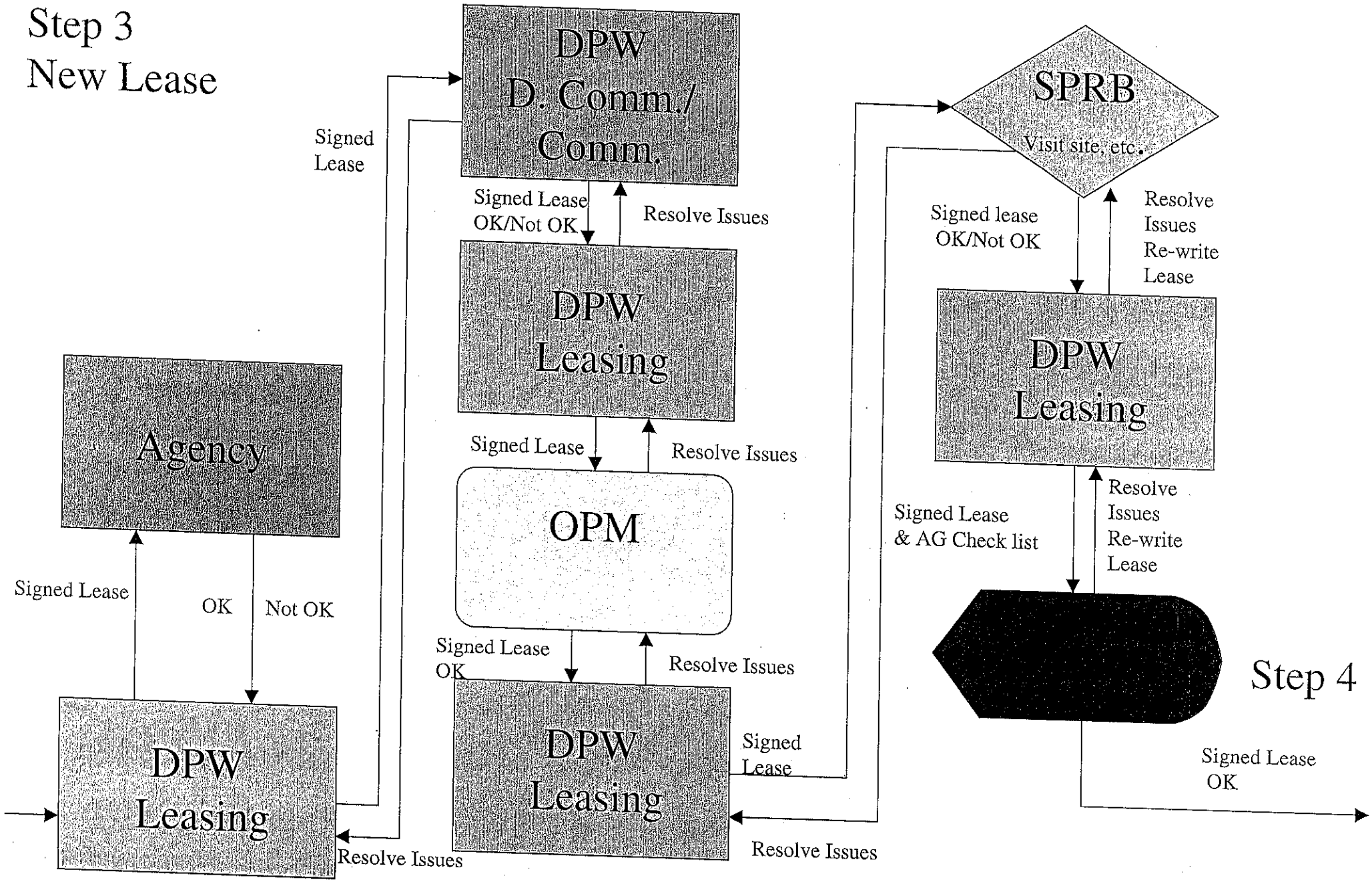
DPW Current Leasing Process

Step 1
New Lease

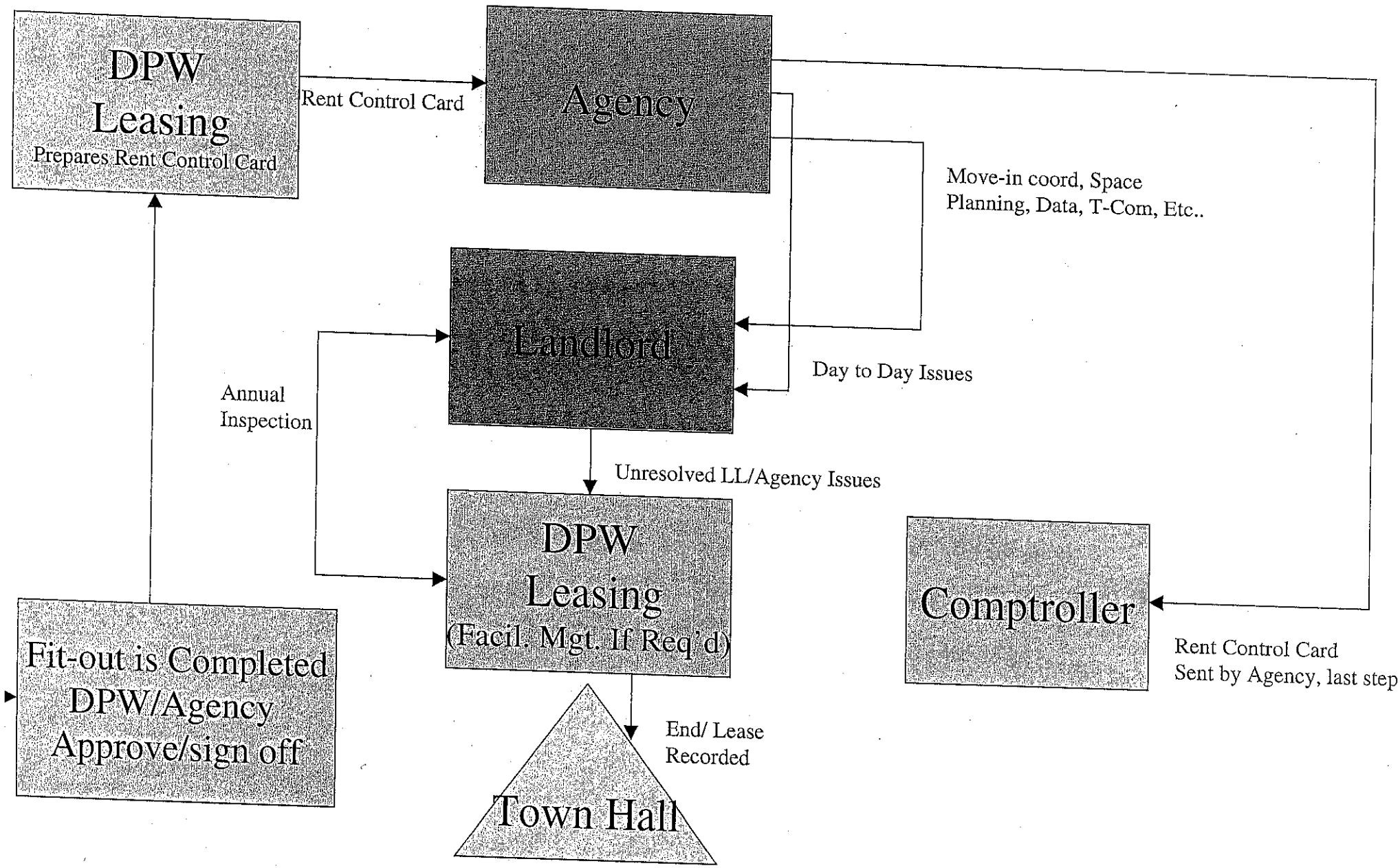


Step 2
New Lease




Step 3
New Lease
DPW
D. Comm./
Comm.
SPRB
Visit site, etc.
Signed
Lease
Signed Lease
OK/Not OK
Resolve Issues
Signed lease
OK/Not OK
Resolve
Issues
Re-write
Lease
DPW
Leasing
DPW
Leasing
Agency
Signed Lease
Resolve Issues
OPM
Signed Lease
& AG Check list
Resolve
Issues
Re-write
Lease
Signed Lease
OK
Not OK
Signed Lease
OK
Resolve Issues
DPW
Leasing
Signed
Lease
Step 4
DPW
Leasing
Signed Lease
OK
Resolve Issues
Resolve Issues

Step 4
New Lease



DEPARTMENT OF PUBLIC WORKS
LEASING UNIT

◈

THE LEASING PROCESS
An Overview

DIRECTORY

Department of Public Works

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Commissioner

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Jonathon Holmes
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Leasing and Property Transfer
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Elizabeth Fuerst
Ken Goldberg
Paralegal Specialist: Mary Taylor
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INTRODUCTION

The purpose of this pamphlet is to provide an overview of the Department of Public Works' (DPW) leasing function, its goals and objectives, and a summary of the process, which will help the reader understand the steps involved in negotiating leased space for the State of Connecticut.

The leasing process begins ***after*** the planning and budgetary approval process has been completed. ***Prior to the Leasing unit's search for space, state agencies must receive authorization through the Statewide Facility and Capitol Plan (FACCAP) and/or Emergency Certification via DPW Facilities Planning Unit.***

DPW VISION

To create for and with our client agencies innovative and responsive physical environments, which support and enhance their workplace missions.

DPW MISSION

To be the leader in providing quality facilities and in delivering cost effective, responsive and timely services to state agencies in the areas of planning, design, construction, facilities management, leasing and real property disposition. With our diverse, competent workforce, to partner with our customers and industry providers to make the best use of the State's resources.

LEASING PROGRAM OBJECTIVE

The *objective* of DPW Leasing is to lease property and to assign required space to state agencies in accordance with established State statutes and departmental policies and procedures at the most economically advantageous terms and conditions to the State of Connecticut.

Our goals are:

- To assist state agencies in determining space requirements.
- To conduct extensive site searches for suitable space.
- To maintain a current inventory of available space.
- To advertise for space needs of 2,500 square feet or more in accordance with state statutes
- To review prospective sites with state agencies.
- To conduct skillful negotiations to obtain the best transaction possible for the state.
- To ensure completeness and accuracy of file documents.
- To prepare detailed and complete submissions to the State Properties Review Board.
- To prepare lease documents in a form acceptable to the Office of the Attorney General.
- To perform on-site inspections to ensure renovations are performed in accordance with approved plans and specifications.
- To receive and expedite complaints from tenant agencies relative to the terms and conditions of the lease agreement.
- To conduct lease compliance reviews each year to ensure lessors comply with their responsibilities.

SUMMARY OF LEASING PROCESS

For existing leases, DPW Facilities Planning notifies agencies eighteen (18) months in advance that their lease will expire, and requests a decision regarding the course of action the agency wishes to pursue, e.g. remain at the leased facility, attempt to find alternative space, etc. If there is a continuing need for leased space, the agency forwards a Request for Space (RFS) form to DPW Facilities Planning. These forms provide DPW with information concerning the number of personnel to be located in the leased space, the number of parking spaces needed, and any special requirements an agency might have (hearing rooms, equipment rooms, conference rooms, labs, data processing requirements, etc.). Once received by DPW Facilities Planning, these forms are reviewed to verify whether the space requested by the agency has been included in the State's current Facility and Capital Plan (FACCAP) and adequately meets agency needs. If the space request has not been included in the FACCAP plan, the requesting agency must prepare an emergency certification statement justifying the critical need for the space, and explain why this information was not included. Emergency certification requests require approval from the Office of Policy and Management (OPM). ***Without OPM's approval the Leasing process cannot begin.***

Once DPW Facilities Planning has completed its review, which includes such analyses as whether existing state-owned or leased space is available to meet the agency's needs. If the request contains vacant or proposed positions, DPW Facilities Planning sends the space analyses to OPM budget for their confirmation of the staffing levels. Upon their sign off on the number of positions, DPW Facilities Planning sends the entire package to the requesting agency's Commissioner for review and approval. DPW's Administrator, Leasing and Property Transfer, then reviews and if appropriate signs the RFS. It is then sent to DPW's Commissioner. The Commissioner reviews the material and upon his approval, if the request is within FACCAP or less than 10% more than approved, DPW Facilities Planning sends the approved RFS and space analysis to Leasing. If the requested exceeds 10% or is not in FACCAP, DPW Facilities Planning forwards it to OPM. The request is received at OPM's Assets Management Unit for their review and approval. Upon their approval, the request is sent to the Secretary of OPM for final decision. If the Secretary denies the request, DPW and the agency must work to develop a proposal that is acceptable to OPM. ***OPM approval must occur prior to the site search process.***

Upon approval from OPM, DPW Leasing initiates the search process. If more than 2,500 square feet is needed, state statute requires the placement of a newspaper advertisement (C. G. S. Sec. 4b-34). If the space request is less than 2,500 square feet, the property agent researches the space inventory file to determine the availability of suitable space. If no suitable space exists, an ad is prepared and placed according to the

above procedure. The ad, which is drafted by Leasing, is forwarded to DPW Procurement for placement.

Proponents are given between fourteen (14) and thirty (30) calendar days to respond to the advertisement. Late proposals are not considered unless all other proposals have been considered and rejected. Once the closing date has passed, the DPW Procurement forwards the package of responses directly to DPW Leasing. Once the Leasing Supervisor reviews the responses and gives the responses to the property agent, he/she selects those locations which meet the general requirements of the advertisement, e.g. amount of square feet, parking, geographical location, etc., and an initial site inspection is conducted by the agent and a representative(s) of the requesting agency.

Once the sites have been reviewed and visited, the agency completes the "Initial Site Evaluation Proposal" form indicating a preference for a particular location(s) and whether or not the site offering appears to be acceptable or unacceptable. These forms can be completed with the property agency or individually. They are signed by the agency and forwarded to DPW Leasing.

The property agent reviews all agency comments. The property agent also meets with the Leasing Supervisor to discuss the proposed sites. A final decision is made between the agency and DPW Leasing regarding sites to be given further consideration. *The objective is to narrow down the field of competition to two (2) or three (3) sites that are generally acceptable to the State for contemplative use by the agency.*

At this point, the negotiation process begins. For new locations, a proposed layout as well as plans and specifications outlining the agency's needs are developed either by the agency or by the property owner which are used by the property owner to assist in preparing a firm proposal. DPW-Teams must be consulted by Leasing for architectural, engineering, energy or code assistance if major renovations are involved (over $500,000).

General terms and conditions are discussed with the owner. The owner will submit a proposal to DPW Leasing, which is reviewed by the property agent. The property agent proposes counteroffers when it is determined that the owner's proposal is too costly or does not conform to the specified requirements of the agency. Negotiations between the property owner and the property agent continue until either an agreement is reached or an impasse forces the property agent to pursue other sites.

While the property agent is responsible for ensuing that the agency is appraised of progress concerning lease negotiations, ***it is critical that the agency refrain from dealing directly with the owner or visiting sites without authorization from DPW***. Contact with the owner of a potential site can only cause confusion and delays, and may unintentionally mislead or raise the expectations of the property owner. ***It is also a Class A misdemeanor*** (see Sec. 4b-27 of the C.G. S.).

No person affiliated with any requesting agency shall discuss outside of that agency its real estate needs or interests prior to formal notification to the Commissioner of Public Works,

which authorization shall be filed with the review board; nor shall anyone with knowledge of said needs gained as a result of his employment by the state disclose any information regarding state real estate needs to anyone except as authorized by the commissioner. Anyone who discloses any such information without authority by the commissioner before said information is made public by the commissioner shall be guilty of a class A misdemeanor.

Once there is agreement between the property owner and the property agent, and once the property agent has discussed the site selection with the Leasing Supervisor, the property agent drafts a lease using the DPW Standard Lease form. The draft lease is prepared by the Paralegal Specialist for signatures after internal reviews are completed. After review by the Administrator of Leasing and Property Transfer and the Supervisor, Leasing, the lease is first sent to the property owner for signature and then to the agency, DPW Commissioner and OPM for review and signature. Once the lease is approved and signed by OPM, the property agent then prepares the Lease Summary package (which includes all supporting documents such as the space analysis, the Initial Site Evaluation forms, the advertisement, plans and specifications, code compliance review, etc.). The package is reviewed for completeness and then signed by the Leasing Supervisor and the Administrator of Leasing and Property Transfer and sent to the State Properties Review Board (S.P.R.B.) for its review and approval.

The Board's Executive Director reviews all items preparatory for presentation to the Board. If the Board has questions or concerns relative to the proposal, it may direct the staff to seek additional information. The Board may also request the presence of the Administrator, Leasing and Property Transfer and/or the Leasing Supervisor and the property agent before the Board. In addition, the Board may conduct a site visit as deemed necessary. If, upon review, the Board still has concerns it may return the package to the DPW Leasing and suspend its approval. In this case, the Leasing Supervisor reviews the file with the property agent to assess the nature of the Boards' concerns and comments. Appropriate action is taken to address the concerns and the package is then resubmitted for final approval.

When the S.P.R.B. approves the Lease package, it then signs the lease document. The lease document is now ready to be sent to the Assistant Attorney General (AAG) assigned to DPW for review and final signature by the Attorney General as to form.

Upon return of the completely executed lease, the original document is sent for recording to the Clerk of the town where the leased space is located. Additional copies are sent to the requesting agency, the State Properties Review Board, etc. ***Any renovation work that is required to be completed by the lessor can be started at this time.*** If there is no renovation work required, or if the renovation work has been completed and inspected by the property agent and found to be complete, the property agent prepares a Rent Control Card which is sent to the business office of the occupying agency or DPW Financial Management unit if the leased space is within the City of Hartford. This Rent Control Card is the indication to the occupying agency that the lease has commenced and rent will be processed for payment.

It is the responsibility of the agency to contact the Department of Administrative Services for the installation of any telecommunications and any necessary utility company for commencement of service.

The same procedure is to be followed when an agency is vacating the premises, including notifying the Business Office and utility company to ensure that the State is not incurring costs for which it is not responsible.

LEASE COMPLIANCE REVIEW

In addition to their leasing function, DPW Leasing is also responsible for lease compliance. Per statute, lease compliance reviews are conducted at all leased facilities at least once a year. This is to ensure that both the tenant agency and lessor are living up to the terms and conditions of the lease.

As problems occur the DPW Lease Compliance Specialist investigates the complaints, assesses who is responsible for correcting the problems and recommends an appropriate course of action to the Leasing Supervisor and tenant agency.

APPLICABLE STATE STATUTES

4b-1 Duties of commissioner
4b-3 Commissioner of Public Works' powers in state realty transactions
4b-4 Restrictions on employees ...
4b-21 Purchase, sale or exchange of state land ...
4b-22a Easements, Grant and acquisition
4b-24 Commissioner of Public Works' duties re state realty...
4b-26 State realty contracts, compliance and enforcement...
4b-27 Disclosure of state realty needs. Unauthorized disclosure class A misdemeanor.
4b-30 Offices for state agencies. Leases. Compliance.
4b-31 Colocation and integration of human services.
4b-32 Renewal of state leases.
4b-33 Disclosure of persons having financial interest in property leased by state.
4b-34 Advertising for space. List of prospective lessors. Space inventory....
4b-35 Lease of state-owned land to private developers. Lease back with option...
4b-37 Terms of option to buy in lease agreement.
4b-38 Lease of state-owned land or buildings for municipal or private use.
4b-46 Property subject to long-term financing contract exempt from property tax.

STEP 1

REQUEST FOR SPACE (RFS)

State of Connecticut Department of Public Works

REQUEST FOR SPACE

Form DPW/RFS Effective 4/02

Agency Name:	A
Agency Code:	B
Subdivision or Program:	C
Type of Space Requested:	
Date Submitted	D
Special Locational Requirements:	
Municipality or Region Requested:	

SECTION A: SPACE CALCULATIONS

PART 1: PERSONNEL WORKSPACE

A	B	C	D	E	F	G	H	I
Item Number	Space Category Code	Number of Employees Currently Authorized: Filled	Vacant	Total	Projected in 3 Yrs	Verified by OPM	DPW Space Standard	Assignable Square Feet Required
1	EXEC-3			0			350	0
2	EXEC-2			0			275	0
3	EXEC-1			0			200	0
4	MGR-3			0			175	0
5	MGR-2			0			150	0
6	MGR-1			0			120	0
7	PROF-3			0			110	0
8	PROF-2			0			90	0
9	PROF-1			0			60	0
10	CLER-3			0			90	0
11	CLER-2			0			75	0
12	CLER-1			0			60	0
13	Subtotals	0	0	0	0			0
14	ADD FOR SPECIAL EQUIPMENT ASSIGNED TO SPECIFIC POSITIONS (See Part 2 Worksheet for Item Space Standards)							0
15	ADD FOR INTRA-UNIT CIRCULATION 10% of Space for Categories 1-12 Above							0
16	TOTAL FLOOR AREA REQUIREMENT FOR PROJECTED PERSONNEL							0

PART 2:	**UNASSIGNED EQUIPMENT AND FURNITURE** Copy Space Requirement from Part 2 Worksheet	0
PART 3:	**SUPPORT SPACE** Copy Space Requirement from Part 3 Worksheet	0
	TOTAL ASSIGNABLE SPACE REQUIREMENT from PARTS 1-3	0
	NON-ASSIGNABLE SPACE, add 25%	0
	TOTAL FACILITY REQUIREMENT (in Net Usable Square Feet)	0

PARKING:	NUMBER OF OFF-STREET PARKING SPACES REQUESTED:	Staff	
		Agency Cars	
		Public	
		Total Requested	0
		Recommended by DPW	0

SECTION B: CURRENT SPACE OCCUPANCY STATUS

Current Address:			City/Town:		
Area (Sq. Ft.) Now Occupied:		Owned:		Leased:	
If Leased: Current Rent ($/sq. ft. per yr.)	$0.00				
Current Lease Expiration Date:					
Is Option to Renew in Lease?					
Advance Notice Date to Renew:					

SECTION C: FACILITY AND CAPITAL PLAN DATA

Sq. Ft. Included for This Function in Current Approved FacCap	
Is Emergency Certification Required?	No

Note: If the amount of space required is more than 10% in excess of the current FacCap figure, OPM approval of emergency certification is required. In such cases, submit with this request a letter, addressed to the Secretary of OPM, requesting emergency certification . Include a justification of the agency's need for the additional space at this time.

SECTION D: AGENCY HEAD APPROVAL OF SPACE REQUEST

To the Commissioner of Public Works:

I hereby request that you obtain space, of the type and in the amount indicated above, to provide facilities required for this agency function.

Signature of Agency Head: _____ Date

SECTION E: DPW MANAGEMENT SERVICES RECOMMENDATION

Conformance with State's Facilities Plans and Policies?	Yes
Conformance with Current Approved FacCap Recommendations?	
OPM Approval of Emergency Certification Required?	No
Copy of Facilities Planning Space Analysis Attached?	Yes
Recommend Approval by Commissioner of Public Works?	Yes

Amount of Space Recommended:	0	Net Usable SF:	0
Facility is: State Owned	No	Location:	
Leased	Yes	Term:	5 Years

Signature of Division Director: _____
Shane P. Mallory, RPA — Date

SECTION F: PUBLIC WORKS COMMISSIONER'S ACTION

I hereby approve this space request:

Amount of Space Approved: 0 Net Usable SF

In State-Owned Space	No
In Space to be Acquired by the DPW Leasing Div.	Yes

Signature of DPW Commissioner _____
James T. Fleming — Date

SECTION G: OPM APPROVAL (If Emergency Certification is Required)

Approved		Amount of Space Approved:	0 Net Usable SF
Disapproved			

Signature of Secretary of OPM: _____
Marc S. Ryan — Date

PART 1: AGEN[illegible] [illegible]ICE PERSONNEL

AGENCY NAME: A
AGENCY CODE: B
SUBDIV/FUNCTION: C
DATE: D

LOCATION:

SPACE REQUEST

Area Summary for this Subdivision

Employee Offices & Workstations	10,240
Assigned Equipment/Extra Furniture	0
Intra-Unit Circulation	0
Total Assignable Square Feet	10,240
Total Number of Positions	0
Average Assignable Space/Person (Assigned by Public Works)	#DIV/0!

Po. No.	(A) Title/Function	(B) Incumbent's Name if Filled; Otherwise: "V" if Vacant or "P" if Projected Within Three Years	(C) Proposed Space Code	If Special Equipment or Furniture is Assigned to This Position, List Item Numbers from Part II Worksheet, With Quantities of Each Item (e.g., 3x1, 1x2, etc.)						OPM Verif.	Space Cat. Code	DPW Space Standard	Add On Equip.	Add on Circ.	Sq. Ft. Req'd
1			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
2			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
3			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
4			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
5			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
6			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
7			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
8			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
9			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
10			CLER-2	x	x	x	x	x	x		CLER-2	75	0	0	75
11			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
12			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
13			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
14			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
15			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
16			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
17			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
18			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
19			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
20			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
21			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
22			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
23			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
24			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
25			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
26			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
27			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
28			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
29			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
30			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
31			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
32			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
33			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
34			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
35			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
36			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
37			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
38			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
39			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
40			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
41			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
42			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120

43			PROF-3	x		x	x	x	x		PROF-3	110	0	0	110
44			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
45			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
46			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
47			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
48			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
49			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
50			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
51			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
52			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
53			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
54			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
55			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
56			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
57			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
58			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
59			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
60			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
61			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
62			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
63			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
64			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
65			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
66			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
67			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
68			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
69			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
70			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
71			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
72			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
73			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
74			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
75			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
76			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
77			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
78			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
79			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
80			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
81			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
82			CLER-3	x	x	x	x	x	x		CLER-3	90	0	0	90
83			MGR-3	x	x	x	x	x	x		MGR-3	175	0	0	175
84			MGR-1	x	x	x	x	x	x		MGR-1	120	0	0	120
85			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
86			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
87			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
88			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
89			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110
90			PROF-3	x	x	x	x	x	x		PROF-3	110	0	0	110

P

UNASSIGNED FURNITURE/EQUIPMENT

Location:
Space Req. #

Agency Name:	A
Agency Code:	B
Subdiv/Funct:	C
Prepared by:	DPW Facilities
Telephone:	713-5731
Date:	D

Space for Unassig. Equip./Furn.	0
Add-on for intra-unit circulation	0
Total assignable square feet	0

A	B	C	D	E	F	G	H	I
				To be Completed by the Department of Public Works: (all numbers are square feet)				
Item No.	Description	Current Number of Items	Estimated Number of Items in 3 yrs.	Item Space Standard	Current Space Requirement	Future Space Requirement	Add for Intra-Unit Circulation	Assignable Space Required
1	Audio-Video Equipment, Floor mounted			20	0	0		0
2	Book Cases (15 x 48)			8	0	0		0
3	Chair, Public waiting or visitor			12	0	0		0
4	Chairs, Upholstered Funiture			15	0	0		0
5	Chairs, Desk Side or Conference			10	0	0		0
6	Coat Racks (Capacity for 15 Garments)			9	0	0		0
7	Computer Printer			10	0	0		0
8	Computer Printout Rack			8	0	0		0
9	Conference Table (typical : 42 x 96)			50	0	0		0
10	Counters (Reception service ____ Lin feet)			4	0	0		0
11	Credenza			10	0	0		0
12	Data Entry Work Station			35	0	0		0
13	Desk chair, Executive			50	0	0		0
14	desk chair, Double pedestal (30 x 60)			40	0	0		0
15	Drafting Table and stool			60	0	0		0
16	Drafting supply cabinet			20	0	0		0
17	Facsimile Transmit/Receive Machine			20	0	0		0
18	File Cabinets (Lateral opening Drawers)			10	0	0		0
19	File Cabinets (Vertical Stacked Drawers)			9	0	0		0
20	File system (Lectriever Type Systems)			80	0	0		0
21	Food Service Canteen equipment			18	0	0		0
22	Lockers			6	0	0		0
23	Mail Metering Machine (Floor Mounted)			15	0	0		0
24	Mail Rack (Floor Mounted)			12	0	0		0
25	Micro computer Table (Keyboard and Screen)			35	0	0		0
26	Microfilm Camera			35	0	0		0
27	Microfilm Reader			20	0	0		0
28	photo Processing Equipment			60	0	0		0
29	Photocopy Machine			45	0	0		0
30	Photocopy Supply Cabinet			20	0	0		0
31	Plan file (Flat Storage Drawers)			30	0	0		0
32	Plan file (Vertical suspension rack)			22	0	0		0
33	Plan Printing Machine			30	0	0		0
34	Radio Transmitter receiver station.			40	0	0		0
35	Safe (Floor Mounted)			10	0	0		0
36	Shelving (Floor mounted 4 Lin. Ft. Units)			6	0	0		0
37	Shredding Machine			8	0	0		0
38	Sofa			18	0	0		0
39	Storage Cabinet			8	0	0		0
40	Table, Occasional Furniture			8	0	0		0
41	Tub File			7	0	0		0
42	Water Fountain			6	0	0		0
43	Word processing work station			35	0	0		0
44	Work table (24 x 48 Inches)			15	0	0		0
45	Work table (30 x 60 Inches)			18	0	0		0
46	Work table (36 x 72 Inches)			40	0	0		0
47	Insert any additional items							0
	Totals:					0	0	0

PART 3:
SUPPORT/SPECIAL AREAS

LOCATION

Agency Name:	A
Agency Code:	B
Subdiv/Function:	C
Prepared by:	DPW Facilities
Telephone:	713-5731
Date:	D
Space Request Number:	

Space for Unassig. Equip./Furn.	0
Add-on for Intra-unit circulation	0
Total assignable square feet	0

A	B	C	D	E	F	G	H	I	J	K
Item No.	Description of Support Spaces and Specialized Areas	Agency Estimate of Area Requirem't	Number of Units Required	Average Number of Hours of Use/Week	Maximum Seating Capacity		SF of Area Recommend'd	Add on for Special Equipment/ Furniture	Add on for Intra-Unit Circulation	Assignable SF Area Required
1	Building maintenance and mgmt									
2	Mail Room									
3	Classroom									
4	Computer Equip./Operations Room									
5	Conference room (private)									
6	Conference room (private)									0
7	Conference room (private)									
8	Conference room Table and seating									
9	Conference room Table and seating									0
10	Conference EXE. HISTORICAL									
11	Courtroom 16 Jurors									
12	Courtroom 8 Jurors									
13	Customer Service area									
14	Display gallery									
15	Food Preparation and Service area									
16	Graphics Arts									0
17	Hearing Room									
18	Information center									
19	Interview Room (confidential)									
20	Interview Room (confidential)									
21	Interview Room (confidential)									
22	Janitors Closet									
23	Teaching Lab									
24	Group Meeting Hall									
25	Teachers' Office									
26	Library						0			0
27	Locker Showers									
28	Lockup									
29	Lounge for Employees									0
30	Mail Room									
31	DATA COM/TELEPHONE									
32	Printing and Reproduction area									
33	Public Area for forms preparation									
34	Public Information area									
35	Public Waiting area									
36	Reception area									
37	Records management									0
38	Security Area									
39	Shipping and Receiving area									
40	Storage, general supplies, etc.									
41	Storage, Dormant files									
42	Storage, Active files									
43	Telephone Closet									
44	Training Room									
45	Trash Storage (enclosed space)									0
46	Vault, walk-in W/Security door									
						Totals	0	0	0	0

STEP 2

ADVERTISEMENT

INVITATION TO SUBMIT LEASE PROPOSAL

The State of Connecticut, Department of Public Works, will accept lease proposals/site offerings from property owners or their representative(s) through **4 p.m.** **2004**, to lease a total of **net usable square feet** of space with on-site, reserved, paved and lighted parking for no less than vehicles in , for use and occupancy by the **Department of** for a term of five (5) years, with one (1) or two (2) five (5) year options. Offers from option holders cannot be considered. The premises must be accessible to handicapped individuals and public transportation. Preference will be given to proponents offering purchase and/or renewal options.

Proposals should be addressed exclusively to:

Department of Public Works
State Office Building
165 Capitol Avenue – Room G-35
Hartford, CT 06106

ATTN: Bidding & Contracts Section
Solicitation Number: LP 04-
(Only one (1) copy is to be submitted)

Proposals must be submitted using the State of Connecticut "Proposal to Lease" form which can be obtained by calling (860) 713-5600. Lease proposal information is also displayed at www.ct.gov/dpw/. The submission of a proposal shall not bind the State, nor does it constitute a competitive bid. The right is reserved to reject any and all proposals not in the best interest of the State of Connecticut. Faxed proposals are not acceptable.

State of Connecticut
James T. Fleming, Commissioner
Department of Public Works

AGENCY SPACE REQUEST

Solicitation Number: LP 04-

Agency Name: Department of

Function of facility being requested: Office

Geographic area requested:

Date of need: Square Feet Required: n.u.s.f.

SPACE NEEDS:

OFFICE SPACE:	TOTAL NEEDED	TOTAL SQUARE FEET
Employee office space		
Open Office Space		
Conference Room		
Janitor's Closet		
Laboratory		100
Shower Rooms		250
Locker Rooms		
Lounge for Employees		
Printing and Reproduction		
Reception area		
Security Area		
Storage, general		
Storage, Dormant Files		
Storage, Active Files		
Telephone Equipment Closet		
Number of Parking Spaces		

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC WORKS

James T. Fleming
Commissioner

August 2, 2004

The Honorable
Mayor
City Hall

, CT 06

Dear Mayor

As a courtesy, this letter will serve as notification that the State of Connecticut intends to Advertise for proposals to lease approximately) net usable square feet of space with on-site, reserved, paved and lighted parking for vehicles in , for use and occupancy by the unit for a term of five (5) years with one(1) or two (2) five (5) year renewal options

It is our intention to select sites that are not near sensitive areas of your community.

Very truly yours,

Susan P. Amenta
Property Management Supervisor

Encl.:
cc: Lease file

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC WORKS

James T. Fleming
Commissioner

August 2, 2004

Mr. Robert Kennedy /email
CT Assn. of Realtors
111 Founders Plaza, Suite 11
East Hartford, CT 06108-3298

Dear Mr. Kennedy:

The State of Connecticut is interested in leasing space in accordance with the General requirements outlined in the attached advertisement.

We would appreciate it if you could circulate and/or post this advertisement where qualified owners or their authorized representatives will be made aware of it.

Sincerely,

Susan P. Amenta
Property Management Supervisor
Leasing and Property Transfer

Encl.:
SPA:rtw

cc: Lease file/SPA
Greater Hartford Assn. of Realtors
Bridgeport Bd of Realtors

STEP 3

RECEIVE PROPOSALS TO LEASE SPACE

PROPOSAL TO LEASE SPACE

STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS
Attn: Bidding Unit, Room G-35
165 Capitol Avenue, Hartford, CT 06106

Solicitation Number LP | Date Due Back 4 p.m. | Principal Contact | Phone Number

Owner(s) of the Property as recorded in Town Land Records

Address of Owner(s)

Property Offered (Street Address, Town) | Zoning | Lot Size

Frontage (feet) | Accessibility to Public Transportation

Topography of Site | Flood Zone and Other Limiting Conditions

Parking Offered Owned_____ On-Site_____ Parking Garage_____ Levels_____

Total Spaces Provided_____ Not Owned_____ Off-Site____ Off-Site Location_____

Building Offered: Rental_____ Office_____ Industrial_____ Other_____

Year Built _____ Year Renovated _____ Describe What Renovated_____

_____ Complies with ADA?_____ Other Codes?_____

Type of Structure (e.g.Steel)_____ Exterior Walls (e.g.Brick)_____ No. Stories_____

Type of Roof Cover (e.g.shingles)_____ Age of Roof _____ Sprinkler System: Wet___ Dry___ None_____

Number of Elevators: Passenger _____ Freight ____ Load Capacity of Floors _____PPSF

Security System (e.g. electronic, personnel): Describe:_____

Heating System: Type_____ No. Zones_____ Fuel_____ Age (yrs.)_____ When updated?_____

Air Conditioning (if applicable): Type_____ No. Zones_____ Fuel_____ Age_____

Total Bldg. Gross Sq.Ft.(GSF)_____ Total Bldg. Net Usable Sq.Ft.(NUSF)_____ Total NUSF per floor_____
(Note: See below for definition of Net Usable Square Feet.)

Amount of Space Available for Lease: 1)_____NUSF on the ____ floor 2)_____NUSF on the _____ floor
3)_____NUSF on the _____ floor 4)_____NUSF on the _____ floor 5)_____NUSF on the ____ floor

Definition of Net Usable Square Feet: The interior floor area of a building, used for office and other purposes, within the area leased by a tenant which is for its exclusive use: any space shared in common with other tenants, such as, entrance and elevator lobbies; hallways, bathrooms, or used by management for other tenants, such as janitorial or electronic/mechanical closets, is not part of net usable area: if these areas are for the sole use of a tenant, they may be counted in that tenant's net usable area. The measurement includes structural elements of the building found in the tenant's space, such as columns and projections necessary to the building but excludes vertical space penetrations of the building such as elevators, stairwells, air shafts and stacks. Measurement of net usable ace is to the dominant (over 50%) inside face, such as window glass of the exterior wall; to the midpoint of a wall separating a nant from an adjacent tenant; and to the inside face of a common corridor, elevator shaft, stairway or similar space.

PROPOSAL TO LEASE SPACE – PAGE 2

roposal:

1. TENANT IMPROVEMENTS:
   Standard allowance for tenant improvements included in Base Rent $_____ per NUSF

2. BASE RENT before tenant improvements but including standard allowance $_____ per NUSF per year.

3. OPERATING EXPENSES: Who pays for operating expenses?

Expense	Check One: Lessor	Check One: Lessee	If Lessee, Estimated Cost per Sq. Ft.
Real Estate Taxes			
Insurance			
Heat			
Electricity			
Air Conditioning			
Hot Water			
Cold Water			
Janitor Services, Premises			
Janitor Services, Common Area			
Window Washing, in/out			
Landscaping			
Snow and Ice Removal			
ubbish Removal			
Replacement of burnt-out Ballasts, Tubes & Bulbs			
Other Maintenance/Repairs			
Pest Control			
Security System (see above)			
Parking			

4. Total Base Rent and Operating Expenses paid by Lessee _____

Other Conditions (such as date space will be available)_____

_____

Attach the following to this proposal:
1. Recent photograph of property
2. Map of neighborhood showing location of building
3. Typical floor plan
4. Flyer or brochure, if available

CERTIFICATE

I, the undersigned, hereby certify that I am an owner or agent of record for an owner of the property which is being offered in this proposal and that the statements made by me on this proposal are complete and true to the best of my knowledge and are made in good faith. I understand that if I knowingly make any misstatement of fact, I am subject to disqualification and other penalty imposed by law. (Note: Read this proposal and your answers carefully before signing.) *Only signed proposals will be considered.* If you are a real estate agent, please include a "Notice of Listing Agreement" authorizing you to present this property. By statute, the State of Connecticut will deal only with owners or their authorized agents. Responses from option holders cannot be considered.

SIGNED _____ DATE _____

NOTICE OF LISTING AGREEMENT

RETURN TO
STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS
165 CAPITOL AVENUE, HARTFORD, CT 06106
ATTN: BIDDING UNIT, ROOM G-35

_____, 20____

INSTRUCTIONS

This form is to be submitted when an agent has been authorized by the owner(s). The State of Connecticut, by statute, will deal only with owners or their authorized agents. OPTION HOLDERS CANNOT BE CONSIDERED.

PARTIES AND PROPERTY

I/We [Owner(s)] _____, give

[agent(s)] _____ the right to lease my/our

property located at (listed property) _____, CT.

Solicitation No. LP Date/Time due back: 4 p.m.

OWNER(S) AND AGENT(S) AGREEMENT:

The parties agree that:

This agreement will go into effect on _____, 20____

and will remain effective through and including _____, _____

SPECIAL INFORMATION (any restrictions, special conditions specific to proposal).

STATEMENTS REQUIRED BY LAW

I, the undersigned, hereby certify that I am an agent of record for the owner(s) of the property which is being offered in the proposal.

By: [Authorized representative(s)] _____

Number and Street: _____

City, State, Zip: _____

Date: _____

Owner(s): _____

Number and Street: _____

City, State, Zip: _____

Date: _____

Envelope:
STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS
ROOM G-35 - BIDDING SECTION
165 CAPITOL AVENUE
HARTFORD, CT 06106

SOLICITATION NUMBER_____
DELIVER UNOPENED

LP No.: _____

Lease Type: Standard

Gift Affidavit to Accompany Bid or Proposal

I, _____ , _____
Type/Print Name Type/Print Title

hereby swear that during the two-year period preceding the submission of this bid or proposal that neither myself nor any principals or key personnel of the submitting firm or corporation who participated directly, extensively and substantially in the preparation of this bid or proposal nor any agent of the above gave a gift, as defined in Conn. Gen. Stat. §1-79(e), including a life event gift as defined in Conn. Gen. Stat. §1-79(e)(12), except the gifts listed below:

No.	Name of recipient of gift	Value of Gift	Date of Gift	Gift Description
1.				
2.				
3.				

to (1) any public official or state employee of the state agency or quasi-public agency soliciting the bids or proposals who participated directly, extensively, and substantially in the preparation of the bid solicitation or preparation of request for proposal or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency soliciting the bid or proposal.

Further, neither I nor any principals or key personnel of the submitting firm or corporation who participated directly, extensively and substantially in the preparation of this bid or proposal know of any action to circumvent this gift affidavit disclosure.

Sworn as true to the best of knowledge and belief, subject to the penalties of false statement.

_____ _____
Signature Date

Sworn and subscribed before me on this _____ day of _____ 200__.

_____
Commissioner of the Superior Court
Notary Public

STEP 4

SITE SELECTION

INITIAL SITE PROPOSAL EVALUATION FORM

This form is to be completed by the agent(s) and agency personnel in analyzing sites offered for lease to the State of Connecticut.

LP _____ AGENCY: _____

ADDRESS: _____ DATE SITE VISITED _____

EVALUATION OF SITE:

	ACCEPTABLE	UNACCEPTABLE
Location: Accessibility to Employees	_____	_____
Location: Accessibility to Clients	_____	_____
Access to Public Transportation	_____	_____
Handicapped Accessibility	_____	_____
Agency Compatibility with environment	_____	_____
Availability of site by date needed	_____	_____

No. of Parking Spaces____ Under direct owner control? Yes_____ No_____

Space Efficiency (e.g. suitability of layout, etc.)_____

Describe extent of renovations that would be necessary to meet the agency needs: _____

If relocation is necessary, estimate associated costs (e.g. moving, phone, etc.): _____

Overall Evaluation of Site _____

COST EVALUATION - TO BE COMPLETED ONLY FOR SITES EVALUATED AS SUITABLE

Cost should be expressed in square feet.

Rent _____ Misc. _____
Utilities _____ Parking _____
Janitorial _____

TOTAL COST TO STATE _____

Authorized Agency signature _____ Date: _____
Agent sign-off _____ Date: _____

STEP 5

LEASE SIGNING

LP No: _____

Lease Type: Standard

Lease Execution Gift Affidavit

I, _____ , _____

Type/Print Name Type/Print Title

hereby swear that between the date the affidavit was signed accompanying this lease and the bid or proposal for this lease and the date this lease was executed, neither myself nor any principals or key personnel of the submitting firm or corporation who participated directly, extensively and substantially in the preparation of this lease nor any agency of the above gave a gift, as defined in Conn. Gen. Stat. §1-79(e), including a life event gift as defined in Conn. Gen. Stat. §1-79(e)(12), except the gifts listed below:

No.	Name of recipient of gift	Value of Gift	Date of Gift	Gift Description
1.				
2.				
3.				

to (1) any public official or state employee of the state agency or quasi-public agency soliciting the bids or proposals who participated directly, extensively, and substantially in the preparation of the bid solicitation or preparation of request for proposal or (2) to any public official or state employee who has supervisory or appointing authority over the state agency or quasi-public agency soliciting the bid or proposal, or (3) any public official or state employee of the state agency or quasi-public agency who participated directly, extensively, and substantially in the negotiation or award of the Lease.

I further swear that, except for the contributions listed below, I have made no contributions to the campaigns of candidates for state-wide public office or the General Assembly.

Sworn as true to the best of knowledge and belief, subject to the penalties of false statement.

_____ _____

Signature Date

Sworn and subscribed before me on this _____ day of _____ 200__.

_____

Commissioner of the Superior Court
Notary Public

AFFIDAVIT OF NET USABLE SQUARE FEET OF DEMISED PREMISES

State of Connecticut

County of LESSOR'S COUNTY

1. I/We NAME OF INDIVIDUAL, OWNER/OFFICER OF LESSOR, of the Total Premises, known as ADDRESS OF PROPERTY, of which the Demised Premises is a part, being duly sworn, depose, say and acknowledge that the net usable square feet for a proposed lease of the Demised Premises to the State of Connecticut is, to my/our own personal knowledge, #of SQUARE FEET square feet.

2. Further, I/We agree that the above-listed amount was arrived at, pursuant to the following definition of net usable square feet in paragraph 3.

3. For purposes of this affidavit and its corresponding lease, I/we agree that the term "net usable square feet" shall be defined as follows: The interior floor area of the Demised Premises used for office and other purposes. Any space that is either shared in common with other tenants, such as entrance and elevator lobbies, hallways and bathrooms, or that is used by LESSOR for other tenants or used as janitorial or electronic/mechanical closets, is not part of net usable square feet. If any of these areas listed above are for the sole use of a tenant, they shall be counted in that tenant's net usable square feet. The measurement includes structural elements of the building found in the LESSEE'S space, such as columns and projections necessary to the Total Premises or Demised Premises, but excludes vertical space penetrations of the same, such as elevators, stairwells, airshafts and stacks. Measurement of net usable square feet is from the dominant (over 50%) inside face, such as window glass of the exterior wall, to the interior surface of a wall separating a tenant from an adjacent tenant and to the inside face of a common corridor, elevator shaft, stairwell, airshaft and stack.

I/We declare that the information contained herein is true and accurate

_____

Subscribed and sworn to before me this _____ day of _____, 20____,

at _____.

_____

Commissioner of Superior Court
Notary Public
My commission expires _____

STATEMENT OF FINANCIAL INTERST

I/We, the undersigned, being duly sworn, depose and say that the names and addresses of all persons, partnerships, limited partnerships, limited partnerships, corporations or other entities having a financial interest in the property or premises at
including the beneficiary of any undisclosed trust or the equitable owner of such property or premises, are listed below. Corporations shall also list the names and address of their officers, directors and stockholders, except that his requirement shall not apply to publicly held corporations. The president of a publicly held corporation shall submit an affidavit stating that the corporation is a publicly held corporation. A partnership shall also list the names and addresses of all partners in the partnership. A limited partnership shall also list the names and addresses of all general partners and limited partners in the limited partnership.

Names, Addresses and Phone Numbers (attach additional sheet if necessary):

1. _____

2. _____

3. _____

4. _____

5. _____

If, before the approval of the instant lease by the State Properties Review Board, there is a change in the information provided in this Statement of Financial Interest, I/We acknowledge that an Affidavit shall be submitted to the Commissioner of the Department of Public Act 91-166.

By _____ Date _____

Subscribed and sworn to before me this _____ day of _____2004,

at _____.

_____
Commissioner of the Superior Court
Notary Public
My commission expires

CONTACT AFFIDAVIT

I/We, the undersigned, being duly sworn, depose and say that the names of all persons who contacted me/us regarding the terms and conditions of the proposed lease to the State of Connecticut of the premises located at

are listed below. The departments or agencies of the State of Connecticut employees listed should be noted. The addresses of all other persons listed should also be noted.

Names of State of Connecticut employees and their departments or agencies:

Department of Public Works - Leasing and Property Transfer, State Office Bldg., Hartford, CT

Names and addresses of others, including real estate brokers, agents, salespeople and attorneys:

1. _____

2. _____

3. _____

I/We declare that the information contained herein is true and complete.

_____

Subscribed and sworn to before me this _____ day of _____,

2004, at _____.

_____

Commissioner of the Superior Court
Notary Public
My commission expires

AFFIDAVIT
PERSON INVOLVED IN CONTRACT OR LEASE SELECTION OR EVALUATION
INTEGRITY IN STATE CONTRACTING POLICY
OFFICE OF THE ATTORNEY GENERAL

I, **James T. Fleming, Commissioner, Department of Public Works,** hereby swear that, during the two years preceding the date of this affidavit, I have not received any gift, as defined in Conn. Gen. Stat. §1-79(e), except as otherwise set forth below, including a gift for the celebration of a major life event as described in Conn. Gen. Stat. §1-79(e)(12), from the following individual or entity or any employee, official or agent of such individual or entity: . I am listing all such gifts below:

Name of provider of the gift	Description of gift and value	Date of gift
1.		
2.		
3.		
4.		
5.		

Sworn as true to the best of my knowledge and belief, false statement punishable under law:

_____ _____

Print name here: Date

Sworn and subscribed before me on this day of , 2004,

_____

Commissioner of the Superior Court/
Notary Public

"GIFT" IS DEFINED UNDER Conn. Gen. Stat. §1-79(e), excluding subdivision (12) as follows:

(e) "Gift" means anything of value, which is directly and personally received, unless consideration of equal or greater value is given in return. "Gift" shall not include:

(1) A political contribution otherwise reported as required by law or a donation or payment as described in subdivision (9) or (10) of subsection (b) of section 9-333b;

(2) Services provided by persons volunteering their time;

(3) A commercially reasonable loan made on terms not more favorable than loans made in the ordinary course of business;

(4) A gift received from (A) an individual's spouse, fiancé or fiancée, (B) the parent, brother or sister of such spouse or such individual, or (C) the child of such individual or the spouse of such child;

(5) Goods or services (A) which are provided to the state (i) for use on state property, or (ii) to support an event or the participation by a public official or state employee at an event, and (B) which facilitate state action or functions. As used in this subdivision, "state property" means (i) property owned by the state, or (ii) property leased to an agency in the Executive or Judicial Department of the state;

(6) A certificate, plaque or other ceremonial award costing less than one hundred dollars;

(7) A rebate, discount or promotional item available to the general public;

(8) Printed or recorded informational material germane to state action or functions;

(9) Food or beverage or both, costing less than fifty dollars in the aggregate per recipient in a calendar year, and consumed on an occasion or occasions at which the person paying, directly or indirectly, for the food or beverage, or his representative, is in attendance;

(10) Food or beverage or both, costing less than fifty dollars per person and consumed at a publicly noticed legislative reception to which all members of the General Assembly are invited and which is hosted not more than once in any calendar year by a lobbyist or business organization. For the purposes of such limit, (A) a reception hosted by a lobbyist who is an individual shall be deemed to have also been hosted by the business organization which he owns or is employed by and (B) a reception hosted by a business organization shall be deemed to have also been hosted by all owners and employees of the business organization who are lobbyists. In making the calculation for the purposes of such fifty-dollar limit, the donor shall divide the amount spent on food and beverage by the number of persons whom the donor reasonably expects to attend the reception;

(11) Food or beverage or both, costing less than fifty dollars per person and consumed at a publicly noticed reception to which all members of the General Assembly from a region of the state are invited and which is hosted not more than once in any calendar year by a lobbyist or business organization. For the purposes of such limit, (A) a reception hosted by a lobbyist who is an individual shall be deemed to have also been hosted by the business organization which he owns or is employed by, and (B) a reception hosted by a business organization shall be deemed to have also been hosted by all owners and employees of the

business organization who are lobbyists. In making the calculation for the purposes of such fifty-dollar limit, the donor shall divide the amount spent on food and beverage by the number of persons whom the donor reasonably expects to attend the reception. As used in this subdivision, "region of the state" means the established geographic service area of the organization hosting the reception;

(12) A gift, including but not limited to, food or beverage or both, provided by an individual for the celebration of a major life event;

(13) Gifts costing less than one hundred dollars in the aggregate or food or beverage provided at a hospitality suite at a meeting or conference of an interstate legislative association, by a person who is not a registrant or is not doing business with the state of Connecticut;

(14) Admission to a charitable or civic event, including food and beverage provided at such event, but excluding lodging or travel expenses, at which a public official or state employee participates in his official capacity, provided such admission is provided by the primary sponsoring entity;

(15) Anything of value provided by an employer of (A) a public official, (B) a state employee, or (C) a spouse of a public official or state employee, to such official, employee or spouse, provided such benefits are customarily and ordinarily provided to others in similar circumstances;

(16) Anything having a value of not more than ten dollars, provided the aggregate value of all things provided by a donor to a recipient under this subdivision in any calendar year shall not exceed fifty dollars.

REVIEW CHECK LIST

_____
Lease Address

_____
Leasing Agent Date

_____
Susan P. Amenta Date

_____
Shane Mallory Date

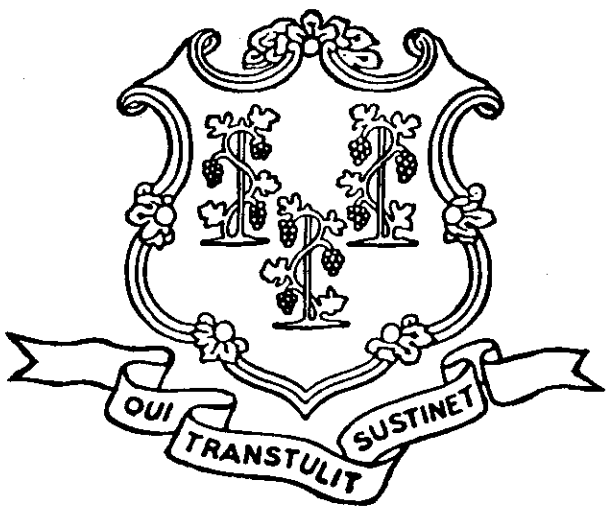
_____
Maya Liss Date

_____
Jonathan Holmes Date

_____
James T. Fleming, Commissioner Date

Comments:

STATE OF CONNECTICUT



STANDARD LEASE

Issue: S.L. 2004.2

Form Origination Date: December 2002

Agency: NAME OF CLIENT AGENCY

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LIST OF EXHIBITS
LIST OF EXHIBITS

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC WORKS (DPW) STANDARD LEASE # S.L.2004.1

This lease is entered into as of the DAY day of MONTH, YEAR, by and between NAME OF LESSOR, ("LESSOR"), owner of the Total Premises, defined in Article 15 (Title to Total Premises) below, whose address is COMPLETE ADDRESS OF LESSOR, acting herein by NAME, its TITLE, duly authorized, and the State of Connecticut ("LESSEE"), acting herein by COMMISSIONER NAME, its Commissioner of the Department of Public Works, or his designee, each duly authorized, pursuant to the provisions of subsection (a) of Section 4b-30 of the General Statutes of Connecticut, as revised, which authority is contingent upon satisfying the conditions of Conn. Gen. Stat. Sections 4b-23, 4b-24 and 4b-32, as revised, concerning entering into leases with the advice and consent of the Secretary of the Office of Policy and Management and the Properties Review Board of the State of Connecticut.

WITNESSETH: In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

ARTICLE 1: DEMISED PREMISES

1.01 DEMISED PREMISES.

The LESSOR hereby warrants to the LESSEE that the LESSOR is the owner in fee simple, and leases unto the LESSEE, the Demised Premises consisting of # OF CONTIGUOUS SQUARE FEET net usable square feet, as defined in Exhibit B (Affidavit of Net Usable Square Feet of Demised Premises), situated at COMPLETE ADDRESS OF PROPERTY, as more particularly described in the property description included in Exhibit A-1 attached hereto, together with all appurtenances thereto and all right to means of ingress into and egress out of the Demised Premises and together with the improvements, fixtures, equipment and facilities of the LESSOR now located or to be located on said premises (the "Demised Premises"). The LESSOR shall execute and deliver to the LESSEE, simultaneously with this lease, the Affidavit of Net Usable Square Feet of Demised Premises, attached hereto as Exhibit B. The LESSOR'S affidavit to the LESSEE attesting to the aforesaid net usable square feet and scaleable floor plan, attached as Exhibit A (Demised Premises Floor Plan) and drawn to a minimum scale of 1/8" = 1'-0" on the FLOOR(S) floor(s) of the Total Premises. The Demised Premises includes # of PARKING SPACES striped, lighted and maintained RESERVED? parking spaces, with security acceptable to LESSEE, located at ADDRESS OF PARKING.

ARTICLE 2: RENT AND ADDITIONAL RENT

2.01 FIXED BASE RENT

During the term of this lease, the LESSEE shall pay the LESSOR the fixed base rental of FIXED BASE RENTAL RATE-TEXT ($FIXED BASE RENTAL RATE--NUMERIC) per year, payable in equal monthly installments of MONTHLY RENTAL RATE--TEXT ($MONTHLY RENTAL RATE--NUMERIC) WHEN LESSEE PAYS RENT. In addition to the "Tenant Improvements" ("TI") payments identified in Section 2.02 below, a LESSOR'S TI allowance of LESSOR'S TI ALLOWANCE--TEXT ($LESSOR'S TI ALLOWANCE--NUMERIC) shall be included as part of the said fixed base rent. The first of such payments shall be made upon acceptance of the Demised Premises as per Article 5 (Demised Premises Preparation – Minimum Requirements). Rental for occupancy of less than a full calendar month at the commencement, termination or any partial interruption of this lease shall be prorated by dividing the monthly rent by thirty (30) and multiplying the resulting quotient by the number of days of occupancy.

2.02 TENANT IMPROVEMENT PAYMENTS

As may be set forth in Section 4 of Exhibit C (Renovations and Improvements), if applicable and attached, during the initial term of this lease, the LESSEE shall pay the LESSOR, in addition to fixed base rent, above, and additional rent, below, ANNUAL TI COST EXCEEDING ALLOWANCE-TEXT ($ANNUAL TI COST EXCEEDING ALLOWANCE--NUMERIC) per year, payable in equal monthly installments of MONTHLY TI COST EXCEEDING ALLOWANCE--TEXT ($MONTHLY TI COST EXCEEDING ALLOWANCE--NUMERIC) by the end of each calendar month for the cost of tenant improvements in excess of the LESSOR'S TI allowance. The first of such "TI" payments shall be made after acceptance of the Demised Premises in accordance with Article 5, (Demised Premises Preparation – Minimum Requirements). These TI payments for occupancy of less than a full calendar month at the commencement, termination or any partial interruption of this lease shall be prorated by dividing the TI payments by thirty (30) and multiplying the resulting quotient by the number of days of occupancy.

2.03 ADDITIONAL RENT

In addition to any other additional rent that may be called for elsewhere in this lease, the LESSEE shall pay as additional rent such items as may be set forth in Exhibits D (Normal Operation Hours; Utilities and Services) and F (Additional Rent), if applicable and attached. The first such payment as additional rent shall be made after acceptance of the Demised Premises in accordance with Article 5, (Demised Premises Preparation – Minimum Requirements).

ARTICLE 3: TERM OF LEASE

3.01 LEASE TERM

The LESSEE is to have and to hold the Demised Premises with their appurtenances for the term of LEASE TERM--TEXT (LEASE TERM--NUMERIC) years commencing on the date of acceptance of the Demised Premises as per Article 5 (Demised Premises Preparation – Minimum Requirements) and upon acceptance of any renovations and improvements, as may be set forth in Exhibit C (Renovations and Improvements), if applicable and attached.

3.02 SPACE/PARKING SPACES OPTION

From time to time during the lease term, the LESSEE shall have the continuing option to obtain additional space and parking spaces in the ratio of ADDITIONAL SPACE RATIO per 1,000 net usable square feet of extension space, as may become available, at the existing fixed base rent rate as indicated in Article 2 (Rent and Additional Rent). LESSOR shall provide prompt written notification to LESSEE when any such space becomes available. The LESSEE shall have thirty (30) days following the receipt of such notice within which to provide written notice to the LESSOR of its desire to exercise such option. After the LESSEE obtains all approvals necessary in order to exercise the option, including that of the State Properties Review Board, and so notifies the LESSOR in writing, the LESSOR shall have thirty (30) days within which to complete the tasks set forth in Section 5.01 with respect to said additional space. The commencement date of the lease of said additional space shall be the date upon which the LESSEE provides written notification to the LESSOR of the LESSEE'S approval pursuant to Article 10, Notices. In all other aspects, the terms and conditions of the lease of such additional space shall be as set forth herein.

3.03 RENEWAL OPTION

This lease may be renewed at the option of the LESSEE for RENEWAL TERM-TEXT (RENEWAL TERM-NUMERIC) years at the fixed base rental of ANNUAL RENEWAL BASE RENT ($ANNUAL RENEWAL BASE RENT-NUMERIC) per year, payable in equal monthly installments of MONTHLY RENEWAL BASE RENT-TEXT ($MONTHLY RENEWAL BASE RENT-NUMERIC) WHEN LESSEE PAYS RENT, provided that written notice is posted to the LESSOR at least ninety (90) days before the end of the original lease term. All other terms and conditions of the lease shall remain in effect.

The LESSEE may further renew this lease by exercising a second renewal option for SECOND RENEWAL TERM years at the fixed base rental of ANNUAL RENEWAL BASE RENT-TEXT ($ANNUAL RENEWAL BASE RENT-NUMERIC) per year, payable in equal monthly installments of MONTHLY RENEWAL BASE RENT-TEXT ($MONTHLY RENEWAL BASE RENT-NUMERIC) WHEN LESSEE PAYS RENT provided that written notice is posted to the

LESSOR at least ninety (90) days before the end of the first renewal option. All other terms and conditions of the lease shall remain in effect.

3.04 HOLDOVER

At the expiration or termination of the lease, the LESSEE may holdover on a month-to-month basis at the fixed base rent last in effect during the expired lease term and subject to the terms, conditions and covenants contained in the lease prior to the expiration or termination. Notwithstanding this provision, the LESSOR shall not charge and the LESSEE shall not pay an increase in the fixed base rent unless the LESSOR shall have provided the LESSEE written notice of the increase at least 45 days prior to its effective date and such increase has been previously approved in writing by the State Properties Review Board. The exercise of LESSEE'S rights under this section shall be without prejudice to such rights as the LESSEE has under Section 3.03. The rental shall be prorated during the said holdover period. In no event shall the fixed base rent increase be greater than the fair rental value of the subject property for said space and shall not exceed 1.1 times the fixed base rent in any 12-month period.

3.05 SUBLEASE OR ASSIGNMENT

The LESSEE may utilize the Demised Premises for any governmental or quasi-governmental purpose and sublet all or any part of the Demised Premises or assign this lease to another governmental or quasi-governmental entity at any time. The LESSOR and the LESSEE shall not be relieved from the terms, conditions and obligations under this lease by reason of any such subletting or assignment.

3.06 REMOVAL OF LESSEE'S PROPERTY

The LESSEE shall have the right, but not the obligation, at any time during (a) the lease term, (b) any holdover period and (c) any renewal period, or, at the expiration or other termination of this lease, to sever, remove or otherwise dispose of all alterations, additions, improvements, fixtures, equipment and any other property owned by the LESSEE and placed in, on, around or about the Demised Premises by the LESSEE or at the LESSEE'S direction. Any unreasonable and material damage to the Demised Premises caused by such removal shall be repaired by the LESSEE. The LESSEE shall remove all such property within a reasonable time and in accordance with applicable laws. The LESSEE shall continue to be bound by the provisions of Article 2 until all property is removed.

3.07 SURRENDER OF DEMISED PREMISES

At the expiration or other termination of this lease, the LESSEE will surrender the Demised Premises in the same condition as existed at the time of commencement of the lease, excepting therefrom reasonable use and wear, damage by the elements, fire or other unavoidable casualties,

and any alterations or additions which may have been made by the LESSOR or by the LESSEE with the written consent of the LESSOR, and which were made with the understanding that they would not be removed by the LESSEE.

ARTICLE 4: LESSOR'S OBLIGATIONS; DEFAULT

4.01 COMPLIANCE WITH APPLICABLE LAWS

The LESSOR, LESSOR Parties (as defined in Article 7 (Indemnification; Duty to Defend)) and LESSOR'S contractors shall comply fully with all applicable Connecticut Statutes, regulations, codes, rules and executive orders. These shall include but are not limited to, the non-discrimination provisions set forth in: (a) Article 18 (Nondiscrimination Provisions) of this lease; (b) Title 4b, Chapter 60a, of the Connecticut General Statutes concerning security for State facilities; (c) State building and life safety codes; and (d) the Americans with Disabilities Act of 1990, as it may be amended from time to time (the "ADA"). Failure to comply with any of the above shall constitute a default by the LESSOR and the LESSEE may take any and all actions as are permitted by law.

4.02 CONDITION OF THE DEMISED PREMISES

The LESSOR covenants that the Demised Premises presently and at all times during the term of this lease, shall comply fully with all applicable Federal, State and local laws, rules, codes, regulations and adopted guidelines, all at no cost to the LESSEE. The LESSOR covenants that the Demised Premises shall continue to be in compliance with same during the term of this lease and during any renewal term or other extension of the lease term. The cost to cure any non-compliance shall be at the sole cost and expense of the LESSOR.

4.03 ENVIRONMENTAL AFFIDAVIT

If the construction of the Total Premises was completed prior to January 1, 1980, then the LESSOR shall, prior to the execution of this lease and as a condition precedent to the commencement date of this lease, procure and deliver to the LESSEE a certification by a professional engineer licensed in Connecticut stating either that the Demised Premises are free of asbestos containing materials ("ACM") or that any existing ACMs are encapsulated in compliance with applicable State and Federal laws and regulations, including, but not limited to, those of the Occupational Safety and Health Act ("OSHA"), the State of Connecticut Department of Environmental Protection and any relevant Environmental Protection Agency ("EPA") regulations, guidelines and procedures. The professional engineer shall be acceptable to the LESSEE. If the LESSOR fails to deliver this certification on or before seven (7) days after this lease is ready for execution by the LESSOR, then this lease and all discussions and negotiations concerning this lease shall be of no force or effect and shall be treated as if they had never

existed or taken place and no liability of any kind or for any purpose shall attach to the LESSEE concerning this lease, the Demised Premises or any negotiations relating thereto.

4.04 INDOOR COMFORT

The LESSOR shall provide and maintain the heat, ventilation and air-conditioning ("HVAC") systems in accordance with all applicable Federal, State and local laws, rules, codes, regulations and adopted guidelines. These systems shall provide air-conditioning of sufficient capacity as required to maintain the Demised Premises and all common areas with an inside temperature of no greater than 78 degrees Fahrenheit. The heating system shall provide heat of sufficient capacity as required to maintain all leased areas with an inside temperature of no less than 68 degrees Fahrenheit. Air handling units ("AHU's") shall run continuously during operating hours with required outside air capacity. LESSEE, in its discretion, may change those hours of operation from time to time.

Subject to the limitations in Section 4.05 below, the LESSOR shall maintain, at its sole cost and expense, all systems, including mechanical, electrical and plumbing, as per applicable codes and guidelines.

4.05 DUTY TO MAINTAIN AND REPAIR

The LESSOR shall maintain the Demised Premises and any and all equipment, fixtures, and appurtenances furnished by the LESSOR under this lease in good repair and working condition at no cost to the LESSEE. In case of damage arising from the willful misconduct or gross negligence of the LESSEE, its officers, agents and employees, the LESSEE shall reimburse the LESSOR for that damage. If the damages cost more than $1,000, the LESSEE shall not reimburse the LESSOR until the LESSOR shall have submitted to the LESSEE itemized competitive bids for the work and the LESSEE shall have approved a reasonable bid cost and a description of the scope of work. Provided, further, that the LESSOR shall submit to the LESSEE the bids and scope of work no more than thirty (30) days following the date that the damage is alleged to have occurred. The LESSEE'S prior written approval of an itemized competitive bid and the description of the scope of work are conditions precedent on the part of the LESSEE to reimburse the LESSOR for any repairs and/or replacements.

For the purpose of so maintaining the Demised Premises, the LESSOR may at reasonable times, and with the approval of the authorized representative of the LESSEE, inspect the same and make any necessary repairs thereto at no cost to the LESSEE.

If the LESSOR fails to make any repairs, replacements and/or work within twenty-four (24) hours after the date of written notice of same from the LESSEE in the case of essential systems or seven (7) days after the date of written notice from the LESSEE in the case of repairs, replacements and/or work to non-essential systems, the LESSEE in its discretion and without further notice to the LESSOR may make the repairs, replacements and/or work and deduct the cost thereof and expenses connected therewith from rents due or to become due under the terms

of this lease, or may recover all or any portion of such cost and expenses by other appropriate means. In the case of essential systems, the LESSEE in its sole discretion may terminate this lease, subject to Article 10 (Notices).

Notwithstanding the aforesaid, if the failure to perform any of the repairs, replacements or work constitutes a hazard to any part of the Total Premises or any person, then the LESSEE may immediately cause such hazardous conditions to be corrected, without written notice to the LESSOR and deduct the costs and expenses thereof from rents due or to become due under this lease.

4.06 CARPETING AND REPAINTING

The LESSOR shall replace carpeting every 5 years within ninety (90) days of the anniversary date of the commencement of the lease term, at its sole cost and expense. The LESSOR shall be responsible to move all furniture, fixtures and equipment at its sole expense. The LESSOR shall not be responsible for the moving of the LESSEE'S computer data equipment or the personal effects of LESSEE'S employees. The work shall be accomplished during the LESSEE'S non-operating hours in a good and workmanlike manner and so as not to unreasonably interfere with the conduct of LESSEE'S business. In case a conflict or a difference in interpretation arises between or among any of the terms and conditions of Exhibit C, if applicable and attached, and this Section 4.06, then such conflict or difference shall be resolved in favor of the terms and conditions set forth in Exhibit C.

The carpet shall be commercial quality, wall-to-wall or carpet squares, as the LESSEE may require, 100% nylon, tufted, level loop with permanent anti-static and soil hiding features. Face yarn weight shall be 28 ounce per square yard minimum; total weight 67 ounces per square yard minimum, heavy traffic designated. Color and pattern are to be selected by the LESSEE. The LESSOR shall submit color samples from a minimum of two nationally recognized carpet manufacturers. The carpeting shall have an average critical radiant flux of at least 0.45 watts per square centimeter (NFPA 253) and specific optical density of 450 or less (NFPA 258).

The LESSOR shall paint interior walls every five (5) years, with a high quality national brand latex paint and complete said painting within ninety (90) days of the anniversary date of the commencement of the lease term, and complete thorough touch up within ninety (90) days of the third lease anniversary date following such initial painting, all at its sole cost and expense. The LESSOR shall move all furniture, fixtures and equipment at its sole cost and expense. The LESSOR shall not be responsible for the moving of the LESSEE'S computer data equipment or the personal effects of LESSEE'S employees. The work shall be accomplished during the LESSEE'S non-operating hours in a good and workmanlike manner using commercial-quality paint and undertaken in such manner as not to unreasonably interfere with the conduct of the LESSEE'S business. One or two coats shall be applied as required by the LESSEE. The LESSEE shall select color.

4.07 SECURITY

The LESSEE may, at its own discretion, install, and subsequently remove, security enhancements to the Demised Premises, including, but not limited to secured access, cameras and an intrusion system at the LESSEE'S sole expense. The LESSEE may at any time, without notice to the LESSOR and at the LESSEE'S expense, perform a security audit of the Demised Premises or Total Premises. The LESSOR shall comply with any renovations required to complete security modifications including, but not limited to, adding security personnel, equipment installation, and wiring as required. Any and all costs and expenses associated with adding security personnel shall be borne by the LESSEE. The LESSEE may require that the LESSOR, and the LESSOR shall, obtain itemized competitive bids to implement the work at the LESSEE'S expense. In so doing, the LESSOR shall follow and observe all of the bidding procedures and safeguards of the Department of Public Works. The LESSOR shall fully cooperate with the LESSEE'S consultants, security personnel, and police forces. If there is a dispute concerning security issues, the LESSEE'S security personnel shall have the final determination. The LESSOR shall keep all of the LESSEE'S security arrangements and systems confidential. The LESSOR and the LESSEE shall comply with the provisions of Conn. Gen. Stat. §4b-135, concerning security requirements for new leases. Further, the LESSOR shall comply with any security procedures or "post orders" as may be issued by the LESSEE.

4.08 DEFAULT

Failure to prepare, maintain, service, repair or replace equipment as required under this lease shall constitute a default by the LESSOR. If all or part of the Demised Premises becomes unfit for use for the purposes leased, such shall also constitute a default by the LESSOR. In either case, the LESSEE, in its discretion, may terminate the lease or pursue any other remedies allowed by law. For any period that the Demised Premises or any part thereof is unfit for the purposes leased, the rent shall be abated in proportion to the area determined by the LESSEE to be unfit for use.

4.09 FAILURE TO FULFILL OTHER OBLIGATIONS

If the LESSOR has any other obligations under this lease that the LESSOR fails to fulfill within ten (10) days after the date of notice from the LESSEE, the LESSOR shall not be entitled to receive any rent or additional rent during such period. The LESSEE, in its sole discretion and without further notice, may withhold any rental payments during such period of failure. The LESSEE upon such failure may terminate this lease or may fulfill such obligations itself and deduct the cost thereof and expenses connected therewith from rents due or to become due the LESSOR under the terms of this lease, or may recover all or any portion of such cost and expenses by other appropriate means. Notwithstanding any other provision in this lease, including Article 8, if any essential service or utility is interrupted for any reason for more than four consecutive business days, Base Rent and Additional Rent shall abate until the service or utility is fully restored. If any essential service or utility is interrupted for any reason for more than thirty (30) cumulative days in any twelve month period, the LESSEE may terminate this

lease upon ten (10) days' prior written notice to the LESSOR without incurring any penalty or any further liability.

ARTICLE 5: DEMISED PREMISES PREPARATION --MINIMUM REQUIREMENTS

5.01 MINIMUM REQUIREMENTS

Prior to occupancy, all of the following shall be completed: the Demised Premises shall be painted and new carpet installed in a good and workmanlike manner at LESSOR'S sole expense; all existing fabric walls, systems furniture, chairs, etc. shall be High Efficiency Particulate Air vacuumed; existing Vinyl Composite Tile floor surfaces shall be stripped and waxed or mopped as required; all toilet rooms shall be high and low cleaned, and sanitized; all receptacles shall be operational; all lighting shall be operational and lamps replaced as appropriate; all lenses shall be cleaned; any ceiling tile that is damaged, stained or dirty shall be replaced; all doors and locks shall be operational; all mechanical and plumbing systems shall be operational; all mechanical system filters shall be replaced; all condensate pans shall be drained, cleaned and sanitized; outside air requirements, air distribution systems, Variable Air Volume boxes, and sub-systems shall be inspected and repaired as required by a licensed mechanical maintenance firm; all life/fire safety systems shall meet existing codes and be operational and tested; the Demised Premises must be free of any roof, envelope, window or fixture leaks. The LESSEE shall obtain the LESSOR'S approval on wiring runs, which approval shall not be unreasonably withheld or delayed by the LESSOR.

The LESSEE reserves the right to inspect all systems. The LESSOR shall give written notice as to when the Demised Premises is prepared for inspection. Telephone and data lines shall be the responsibility of the LESSEE unless otherwise stated. Additional convenience receptacles or system furniture feeds shall be provided by the LESSOR and paid for by the LESSEE as specified in Exhibit C (Renovations and Improvements), if applicable and attached. The LESSOR shall provide space for telephone and data equipment and cabling. The LESSEE shall install branch wiring for telephone and data unless provided by the LESSOR in Exhibit C (Renovations and Improvements), if applicable and attached. Unless otherwise specified in this Section, all work shall be done at the LESSOR'S sole cost and expense and performed in a good and workmanlike manner under the LESSOR'S supervision.

The rent commencement date shall be such date as when the LESSEE makes a written determination that all applicable provisions of Articles 4 (LESSOR'S Obligations; Default) and 5 (Demised Premises Preparation – Minimum Requirements) and Exhibits C (Renovations and Improvements), and D (Normal Operating Hours; Utilities and Services), if applicable and attached, have been complied with. The LESSEE and LESSOR shall confirm the lease and rent commencement dates in writing no later than thirty (30) days from the commencement of the lease term.

5.02 RENOVATIONS OR FIT-OUT

Any "fit out" or renovations required in addition to the above minimum requirements and the conditions that govern said renovations and improvements shall be carried out in accordance with the terms set forth in Section 4.07 and Exhibit C (Renovations and Improvements) if applicable and attached. In case a conflict or a difference in interpretation arises between or among any of the terms and conditions of Exhibit C, if applicable and attached, and this Article 5 (Demised Premises Preparation – Minimum Requirements), then such conflict or difference shall be resolved in favor of the terms and conditions set forth in Exhibit C.

ARTICLE 6: LESSEE'S DEFAULT

6.01 LESSEE'S DEFAULT

The LESSOR agrees that if any rental installment shall be due and unpaid for fifteen (15) or more days after its due date, such nonpayment shall not constitute a default under the terms of this lease until written notice of said nonpayment has been received by the Commissioner of the Department of Public Works and thirty (30) days have passed from the date of such receipt.

ARTICLE 7: INDEMNIFICATION; DUTY TO DEFEND

7.01 INDEMNIFICATION

At all times during this lease and during any extension or renewal thereof or holdover period, the LESSOR shall indemnify, defend and hold harmless the LESSEE and its successors and assigns from and against all (a) actions, suits, claims, demands, investigations and legal, administrative or arbitration proceedings pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum (collectively, "Claims") arising in connection with this lease out of acts of commission or omission (collectively, the "Acts") by the LESSOR or any of its members, directors, officers, shareholders, representatives, agents, servants, consultants, employees or any other person or entity with whom the LESSOR is in privity of oral or written contract (collectively, "LESSOR Parties"); (b) liabilities arising in connection with this lease, out of the LESSOR'S or LESSOR Parties' Acts concerning its or their duties and obligations as set forth in this lease; and (c) damages, losses, costs and expenses, investigative costs and attorneys' and other professionals' fees, that may arise out of such Claims and/or liabilities for bodily injury, death and/or property damage. The LESSOR shall reimburse the LESSEE, for any and all damage to the real or personal property of the LESSEE caused by the Acts of the LESSOR or any LESSOR Parties.

The LESSEE shall give to the LESSOR reasonable notice of any such Claim. The LESSOR shall also use counsel acceptable to the LESSEE in carrying out its obligations hereunder. The provisions of this Article shall survive the expiration or early termination of this lease, and shall not be limited by reason of any insurance coverage.

7.02 DUTY TO DEFEND

In case any Claim is brought against the LESSEE, its officers, agents and employees, by reason of any of the LESSOR's or LESSOR Parties' Acts, the LESSOR shall, at the LESSOR'S expense, resist and defend such Claim, or cause the same to be resisted or defended, by retained competent counsel acceptable to the LESSEE. The LESSOR shall cause such counsel to defend any Claim vigorously and at no cost or expense to the LESSEE, but may not hold itself out as LESSEE'S counsel.

ARTICLE 8: LIMITATION ON LESSEE'S LIABILITY

8.01 FORCE MAJEURE

The LESSEE shall not be liable to the LESSOR or to any person for any loss, injury or damage to any person or property occasioned by Force Majeure. The LESSOR shall not be liable for any interruption in or failure to furnish any services or utilities occasioned by Force Majeure. Force Majeure means events that materially affect performance under this lease and are outside the control of the party asserting that such an event has occurred, including, but not limited to, labor troubles unrelated to the LESSOR, failure of permanent power, inadequate permanent power, unavoidable casualties, fire not caused by the LESSOR, extraordinary weather conditions, disaster, riots, acts of God, insurrection, war or any other matter beyond the control of the LESSEE.

ARTICLE 9: INSURANCE

9.01 LESSOR'S INSURANCE

The LESSOR shall provide and maintain, at no cost to the LESSEE, Commercial General Liability Insurance, with the LESSEE named an additional insured. The insurance shall provide for a minimum limit of $1,000,000.00 for all damages, in any one accident or occurrence, arising out of bodily injuries to or death of all persons and injuries to or destruction of property. Subject to that limit per accident, the total (or aggregate) limit in all accidents during the lease term shall be a minimum of $2,000,000.00. The coverage under such policy shall be limited to claims arising from acts or omissions of the LESSOR. The LESSOR shall additionally provide and

maintain standard fire and casualty insurance, including special form coverage. The LESSOR shall apply the proceeds of insurance to reconstruction, if the LESSEE so directs in writing. The LESSOR shall provide certificates of insurance annually to the LESSEE evidencing the coverage that this Article requires. Such certificates of insurance shall also specifically indicate that the policies insuring the LESSEE include, without limitation, said liability and fire and casualty insurance coverage pertaining to any and all risks described under this Article. Such policies of insurance shall also provide notification to the LESSEE of at least thirty (30) days prior to any cancellation or modification of coverage. The insurer shall be licensed by the State of Connecticut and be rated A- or better by A.M. Best Company.

The LESSOR agrees to be fully and solely responsible for any costs or expenses as a result of a coverage deductible. The LESSOR'S insurer shall have no right of recovery or subrogation against the LESSEE. This insurance is primary and not in excess of any other insurance.

The liability of the LESSOR to indemnify, defend and save and hold harmless the LESSEE shall be effectively protected by insurance to the extent insurable. The limits of coverage of such insurance purchased by the LESSOR shall not in any way limit, reduce or restrict the LESSOR'S obligation under any indemnification and save and hold harmless provisions stated in this lease.

ARTICLE 10: NOTICES

10.01 NOTICES

Notices from the LESSEE to the LESSOR shall be sufficient if delivered to the LESSOR or if sent by facsimile or certified mail, postage prepaid, addressed to the LESSOR at the address shown in this lease placed with the United States Postal Service. Notices from the LESSOR to the LESSEE shall be sufficient if sent by facsimile or if placed with the United States Postal Service, certified mail, postage prepaid, addressed to the Commissioner, Department of Public Works, 165 Capitol Avenue, State Office Building, Hartford, Connecticut 06106-1630. Notices from the LESSOR to the State Properties Review Board shall be sufficient if sent in like manner as if to the LESSEE and to the same address.

ARTICLE 10A: CASUALTY

10A.01 DAMAGE OR DESTRUCTION

(a) The LESSEE shall give prompt notice to the LESSOR of any damage by fire or other casualty to the Demised Premises. If the Demised Premises, or any part thereof, or access thereto, shall be damaged or destroyed by fire or other insurable casualty, but the LESSEE shall continue to have reasonably convenient access to the Demised Premises and no portion of the

Demised Premises is rendered unfit for use and occupancy by the LESSEE for the purposes set forth in this lease, then the LESSOR shall repair such damage or destruction with reasonable diligence. During the period when such repair work is being conducted, the Fixed Base Rent and the Additional Rent shall not be abated or suspended.

(b) If the Demised Premises, or any part thereof, or access thereto, shall be so damaged or destroyed by fire or other insurable casualty that the LESSEE shall not have reasonably convenient access to them, or if any portion of the Demised Premises shall thereby be otherwise rendered unfit for use and occupancy by the LESSEE for the purposes set forth in this lease, and if in the commercially reasonable judgment of the LESSOR the damage or destruction may be repaired to the point where the Demised Premises will be rendered fit for the purposes set forth in this lease within ninety (90) days after the occurrence of the damage or destruction, time being of the essence, then the LESSOR shall so notify the LESSEE within ten (10) days after the occurrence of the damage or destruction and shall repair such damage or destruction (except damage or destruction to personal property) with reasonable diligence. If the LESSOR shall not complete such repair within ninety (90) days after the occurrence of the damage or destruction, time being of the essence, then the LESSEE shall have the right to terminate this lease by giving written notice of such termination to the LESSOR within twenty (20) days after the end of such ninety (90) day period; provided, however, that if the completion of repairs shall be delayed by reason of force majeure events, as set forth in Article 8 of this lease, the time for completion shall be extended by the period of such delay. If in the commercially reasonable judgment of the LESSOR the Demised Premises, or means of access thereto, cannot be repaired within ninety (90) days after the occurrence of the damage or destruction and the LESSOR does not deliver to the LESSEE notice of its decision to repair such damage within ten (10) days after the occurrence of the damage, time being of the essence, then either party shall have the right to terminate this lease by giving written notice of such termination to the other party within the period of thirty (30) to forty-five (45) days after the occurrence of such damage or destruction. If neither party gives such notice of intention to terminate this lease, then the LESSOR shall repair the damage or destruction with reasonable diligence. All such repairs shall be performed in a workmanlike manner by a contractor's properly trained professionals, selected by the LESSOR, and at no cost or expense to the LESSEE.

10A.02 ABATEMENT OF RENT

If, by reason of such damage or destruction, the LESSEE shall not have reasonably convenient access to the Demised Premises or if any portion of the Demised Premises shall be otherwise rendered unfit for use and occupancy for the purposes set forth in this lease, then the Fixed Base Rent and the Additional Rent shall be equitably suspended or abated as of the date of the damage until ten (10) days after the LESSOR has (a) substantially completed the repair of the Demised Premises and the means of access to it, and (b) notified the LESSEE in writing. If such damages or destruction was solely caused by the gross negligence of the LESSEE, then there shall be no abatement of the Fixed Base Rent or the Additional Rent. Neither an election by the LESSOR to carry rental loss insurance nor an election by the LESSEE to carry business interruption insurance shall affect the provisions of this Article.

10A.03 EVENTS OF TERMINATION

(a) If more than 25% of the net usable square feet of the Demised Premises shall be wholly or substantially damaged or destroyed by fire or other casualty at any time during the last six (6) months of the lease term, then either the LESSOR or the LESSEE may terminate this lease by delivering a written notice of termination to the other party within (30) days after the damage or destruction.

(b) Notwithstanding the provisions of this Article, if, prior to or during the lease term: (i) the Demised Premises shall be so damaged by fire or other casualty that, in the LESSOR's commercially reasonable opinion, substantial alteration, demolition or restoration of the Demised Premises shall be required, or (ii) the Total Premises shall be so damaged by fire or other casualty that, in the LESSOR's commercially reasonable estimate, the cost to repair the damage will be more than 25% of the replacement value of the Total Premises, as of the time immediately prior to the occurrence of the casualty (whether or not the Demised Premises shall have been damaged or rendered untenantable), then, the LESSOR, at LESSOR's option, and with the written consent of LESSOR's Mortgagee, if any, may give to the LESSEE, within ninety (90) days after such fire or other casualty, a thirty (30) days' notice of the termination of this lease. If the LESSOR gives such notice, then this lease shall terminate upon the expiration of such thirty (30) days, with the same effect as if such date were the expiration date. The Fixed Base Rent and the Additional Rent shall be apportioned as of such date and any prepaid portion of the Fixed Base Rent or the Additional Rent for any period after such date shall be refunded by the LESSOR to the LESSEE within thirty (30) days following the expiration date. The LESSEE may thereafter holdover in the Demised Premises, rent free, until the LESSEE, acting with due diligence, is able to locate, lease and relocate to another property.

10A.04 INSURANCE PROCEEDS UPON TERMINATION

If the LESSOR terminates this lease pursuant to this Article, all insurance proceeds payable with respect to the damage giving rise to such right of termination shall be paid to the LESSOR and the LESSEE shall have no claim to it.

10A.05 SCOPE OF LESSOR'S REPAIRS

If the LESSOR elects or shall be obligated to repair or restore any damage or destruction, the scope of work shall be limited to the original basic building and interior work, and the LESSOR shall have no obligation to restore or replace the LESSEE's personal property. Nothing in this lease shall be construed as a waiver or limitation on any cause of action that the LESSEE has or may have against the LESSOR for loss of tenant improvements, business interruption and other such cases.

ARTICLE 10B: CONDEMNATION

10B.01 CONDEMNATION OF DEMISED PREMISES

If less than the whole or a substantial part of the Demised Premises shall be condemned, and the Demised Premises can be used for the same purpose as before, the LESSEE's interest in the condemnation assessment and any individual assessment will be limited to the LESSEE's leasehold interest in the condemned premises.

10B.02 TAKING OF TOTAL PREMISES

If (a) more than 25% of the net usable square feet of the Total Premises shall be condemned, or (b) if any adjacent property or street shall be condemned or improved by a public or quasi-public authority in such a manner as to require the use of any part of the Demised Premises, so as to require, in the commercially reasonable opinion of the LESSOR, a substantial alteration or reconstruction of the Total Premises, then the LESSOR may terminate this lease as of the earlier of (i) the date of the vesting of title, or (ii) the sixtieth (60th) day following the LESSEE's receipt of written notice from the LESSOR of the vesting or dispossession date. If so, the Fixed Base Rent and the Additional Rent shall be apportioned as of such termination date, and the LESSEE's interest in the condemnation assessment and any individual reassessment or condemnation award will be limited to the LESSEE's leasehold interest, if any.

10B.03 AWARDS

Except as provided in this Article, the LESSOR shall be entitled to the entire award in any condemnation proceeding or other proceeding for taking for public or quasi-public use, excluding the LESSEE's leasehold interest in the condemned premises, if any, which will belong to the LESSEE. This Article shall not be deemed to give to the LESSOR any interest in or to require the LESSEE to assign to the LESSOR any award made to the LESSEE specifically for its relocation expenses or the taking of personal property and fixtures belonging to the LESSEE.

10B.04 ABATEMENT OF RENT.

If a partial condemnation or other taking does not result in a termination of this lease as to the entire Demised Premises, then the Fixed Base Rent and the Additional Rent shall be adjusted in proportion to that portion of the Demised Premises taken by such condemnation or other taking. The LESSOR shall, at its sole cost and expense, make all necessary repairs or alterations to the Total Premises so as to constitute the remaining Demised Premises a complete architectural unit to the extent that the same may be feasible, provided that the LESSOR shall not be obligated to

undertake any such repairs and alterations if the cost thereof exceeds the award resulting from such taking.

10B.05 IMMUNITY

Nothing in this lease shall be construed as a waiver of or limitation upon the LESSEE's immunity to condemnation by inferior and/or unauthorized condemning authorities.

ARTICLE 11: SUBORDINATION AND ATTORNMENT

11.01 SUBORDINATION

This lease is subordinate to any mortgage, which has been or may from time to time be placed against the Total Premises, or any part thereof, and is also subordinate to any and all renewals, modifications, consolidations and replacements thereof. Although no instrument or act on the part of the LESSEE shall be necessary to effectuate such subordination, upon request of the LESSOR the LESSEE shall, to the extent allowed by law, execute and deliver to the LESSOR such instruments or instruments as the LESSOR may reasonably need relative to such subordination. In the event of any foreclosure of any such mortgage or a sale in lieu thereof, the LESSEE, so long as no material default exists on its part under this lease, shall not be disturbed in its occupancy of the Demised Premises, and this lease shall continue in full force and effect with the LESSEE recognizing and attorning to the then owner of the Total Premises as its lessor hereunder.

11.02 ATTORNMENT

In the event of any sale, assignment or foreclosure of any mortgage, lien, deed or other security instrument with reference to any part of the Total Premises, including repairs, replacements, improvements and work, the LESSEE shall execute and deliver to the LESSOR a consent, attached hereto as Exhibit G (Consent to Assignment). No change in ownership shall be binding upon the LESSEE unless and until the LESSOR has furnished the LESSEE either the original instrument evidencing such transfer or a certified copy thereof.

11.03 QUIET ENJOYMENT

Notwithstanding the above, the obligations contained in this lease to be performed by the LESSOR shall be binding on the LESSOR'S successors and assigns during their respective periods of ownership. Upon the LESSEE'S paying the fixed base rent and any additional rent and performing all of the LESSEE'S material obligations under this lease, the LESSEE may peacefully and quietly enjoy the Demised Premises during the lease term, renewal or any

extended or holdover term as against all persons, entities and/or mortgages lawfully claiming by or through the LESSOR.

ARTICLE 12: ENTIRE AGREEMENT

12.01 ENTIRE AGREEMENT

This lease, including the exhibits and schedules, if any, attached hereto and any plans, drawings, specifications, affidavits, maps, booklets or parts thereof, contains the entire agreement of the parties and all prior negotiations, agreements and understandings are merged herein. Neither the LESSOR'S nor the LESSEE'S representatives have made any representations or warranties with respect to the Demised Premises or this lease, intending to be bound thereby, except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by the LESSEE by implication or otherwise unless expressly set forth herein.

ARTICLE 13: STATE APPROVALS

13.01 STATE APPROVALS

This lease, and any amendments or modifications thereto, whatever the circumstances, shall not be binding on the LESSEE unless and until approved by the State Properties Review Board and the Attorney General of the State of Connecticut, the same being evidenced by their respective signatures on the appropriate documents.

ARTICLE 14: MODIFICATIONS

14.01 MODIFICATIONS

Any modification of this lease, or additional obligation assumed by either of the LESSOR or the LESSEE in connection with this lease, shall be binding only if evidenced in writing and signed by the LESSOR and the LESSEE or an authorized representative of the LESSOR or the LESSEE, and first approved in writing by the State Properties Review Board and the Connecticut Attorney General. The LESSEE shall not have any obligations or duties under this lease except for those expressly set forth herein.

ARTICLE 15: TITLE TO TOTAL PREMISES

15.01 TITLE TO TOTAL PREMISES

The LESSOR covenants that it is the owner in fee simple of the entire property on which the Demised Premises is located, including common and parking areas, where applicable, and of which the Demised Premises is a part (collectively, the "Total Premises"). The LESSOR also covenants and warrants to having good right to lease the Demised Premises and agrees to defend the title thereto and to reimburse and hold the LESSEE harmless from all damage and expenses which the LESSEE may suffer by reason of any restriction, encumbrance or defect in such marketable title. The LESSOR shall permit the LESSEE to occupy, possess and peacefully enjoy the Demised Premises without hindrance or molestation from the LESSOR or any other party or person claiming by, from or under the LESSOR.

ARTICLE 16: FINANCIAL INTEREST

16.01 STATEMENT OF FINANCIAL INTEREST

The LESSOR shall execute and deliver to the LESSEE a statement of financial interest, attached hereto as Exhibit E (Statement of Financial Interest), which execution and delivery shall be a condition precedent to LESSEE'S execution of the lease. Any false statement contained in said affidavit shall constitute a breach of this lease and shall constitute grounds for the LESSEE to terminate the lease at any time by giving written notice of same to the LESSOR without prejudice to any other remedies the LESSEE may have.

16.02 AUDIT

The State of Connecticut or its authorized agent reserves the right to audit the financial records of the LESSOR with respect to any documents, invoices, books, records or papers, in any existing form, associated with provisions of this lease at this location prior to the payment of any additional rent to amortize the LESSEE'S share of the cost of repairs, replacements and work completed by the LESSOR on behalf of the LESSEE, if any. The LESSEE also may audit any other documents, invoices, books, records or papers, in any existing form, related directly or indirectly to LESSEE'S payment of other additional rents for up to three (3) years after the final payment, at any time during the term of this lease and/or the construction of any other improvements by the LESSOR on behalf of the LESSEE.

ARTICLE 17: MISCELLANEOUS PROVISIONS

17.01 CONNECTICUT LAW

This lease shall be governed by, construed, and enforced in accordance with the laws and court decisions of the State of Connecticut without giving effect to its principles of conflicts of laws.

17.02 JOINT AND SEVERAL OBLIGATIONS

If there shall be more than one LESSOR, they shall be bound jointly and severally by each and every section and provision of this lease.

17.03 UNENFORCEABILITY AND AMBIGUITIES OF LEASE PROVISIONS

If for any reason the terms of this lease or any substantive provision thereof, shall be found to violate public policy or be ambiguous, unenforceable or illegal, this lease shall be amended to conform to the applicable decision, and the LESSOR and the LESSEE shall execute any amendments necessary to effectuate the goals and purposes of this lease as soon as possible. All such amendments shall be subject to the provisions of Article 13 (State Approvals) of this lease.

17.04 APPLICABLE EXHIBITS

Only exhibits LIST OF APPLICABLE EXHIBITS are attached to and made a part of this lease.

17.05 CONFIDENTIAL INFORMATION

The LESSOR understands that the LESSEE may store and/or maintain confidential data and/or information, including, but not limited to information designated as confidential by State law and/or court order. The LESSOR shall do and perform all things and acts that are necessary or appropriate to maintain and not breach such confidentiality. Further, the LESSOR shall, at no cost to the LESSEE, fully cooperate with the LESSEE and take all appropriate steps to prevent the LESSOR Parties from discovering or disseminating any such confidential data and/or information. If LESSOR fails in its obligations under this Section, then LESSOR shall be responsible for any Claims, liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, that may arise therefrom, directly or indirectly, in connection with the breach of this Section.

17.06 SOVEREIGN IMMUNITY

The parties acknowledge and agree that nothing in this lease shall be construed as a waiver by the LESSEE of any rights or defenses of sovereign immunity, which it may have had, now has or will have with respect to all matters arising out of this lease. To the extent that this provision conflicts with any other provision, this provision shall govern.

17.07 EXECUTIVE ORDERS

This lease is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973 and the provisions of Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999. These Executive Orders are incorporated in this lease by reference and shall be binding on the LESSOR as if they had been fully set forth herein. The LESSEE shall provide, in accordance with Article 10 (Notices), copies of such orders to the LESSOR within 5 days of receiving a written request from the LESSOR.

17.08 CHANGE IN OWNERSHIP

No change in ownership shall be binding upon the LESSEE unless and until the LESSEE has been furnished either with the original instrument evidencing such transfer or a certified copy thereof.

17.09 SUCCESSORS AND ASSIGNS

This lease shall be binding upon and shall inure to the benefit of the parties hereto and their successors and assigns.

17.10 PAROL AGREEMENTS

The LESSEE shall not be responsible for any payments or reimbursements under this lease except those expressly provided herein. The LESSEE shall not have any obligations and duties under this lease except those expressly provided herein.

17.11 LESSOR'S FURTHER OBLIGATIONS

As special conditions, the LESSOR further agrees to the following:

a. All of the renovations, improvements and work mentioned in Articles 4 (LESSOR'S Obligations; Default), 5 (Demised Premises Preparation – Minimum Requirements) and Exhibit C (Renovations and Improvements), if applicable and attached, shall, and not by way of limitation, be completed as per the terms and conditions of said Articles and Exhibit and Sections 17.11 (b) and (c) below;

b. The LESSOR represents and warrants to the LESSEE that all materials, equipment and work made part of said renovations, improvements and work (inclusive of all tenant renovations and improvements made on behalf of the LESSEE), shall be new, designed and constructed in a workmanlike manner, free of any defects, including without limitation, design, architectural, engineering, structural, electrical, mechanical, heating, ventilating, air conditioning, or plumbing defects, and in accordance with the terms and conditions of this lease; and

c. If the LESSOR shall fail to perform any of its obligations under this lease, after receipt of notice as required, or in the event of emergency, the LESSEE shall have the right of self-help, and, in such event, the LESSEE may deduct the reasonable costs thereof from the rents next or thereafter due under the lease.

17.12 RECORDATION

The LESSEE may record this lease, provided however, that the LESSOR, at the written request of the LESSEE, shall join in the execution of a notice or memorandum of this lease in such form as the LESSEE shall prepare for the purpose of recordation pursuant to General Statutes Section 47-19.

17.13 DEFINITION OF "DAYS"

The word "day" shall mean a calendar day, unless otherwise specifically noted. Whenever "day" is otherwise defined to be a business day, business days shall be all calendar days other than Saturdays, Sundays and days designated as national or State of Connecticut holidays upon which banks in Connecticut are closed.

17.14 HEADINGS

The headings given to the paragraphs in this lease are inserted only for convenience and are in no way to be construed as part of this lease or as a limitation of the scope of the particular paragraph to which the heading refers.

17.15 CORPORATE AUTHORITY

The LESSOR represents and warrants to the LESSEE that:

(a) it is a duly and validly existing TYPE OF ENTITY under the laws of the State of STATE and authorized to conduct its business in the State of Connecticut in the manner contemplated by this lease. Further, the LESSOR has taken all necessary action to authorize the execution, delivery and performance of this lease and has the power and authority to execute, deliver and perform its obligations under this lease;

(b) it has full right and authority to enter into this lease for the full term herein granted, and that it has good and marketable title to the Total Premises;

(c) it will comply with all applicable State and Federal laws and municipal ordinances in satisfying its obligations to the LESSEE under and pursuant to this lease;

(d) the execution, delivery and performance of this lease by the LESSOR will not violate, be in conflict with, result in a breach of or constitute (with or without due notice and/or lapse of time) a default under any of the following, as applicable: (i) any provision of law; (ii) any order of any court or any governmental department, commission, board, bureau, agency, office, council, institution or instrumentality; or (iii) any indenture, agreement, document or other instrument to which it is a party or by which it may be bound; and

(e) to the extent that the LESSOR has engaged the services of any person or entity in any capacity to solicit or secure this lease, the LESSOR shall be solely responsible for the payment of any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this lease or any assignments made in accordance with the terms of this lease. The LESSEE shall not be responsible under any circumstances for the satisfaction of such consideration.

ARTICLE 18: NONDISCRIMINATION PROVISIONS

NON-DISCRIMINATION PROVISIONS

References in this Article to "contract" shall mean this lease and references to "contractor" shall mean the LESSOR. The following section is inserted in this contract in connection with subsection (a) of Section 4a-60a of the General Statutes of Connecticut, as revised:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission on Human Rights and Opportunities advising the labor union or workers' representative of the contractor's commitments under the this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the contractor agrees to comply with each provision of this section and with each regulation or relevant order issued by said Commission pursuant to Section 46a-56; (4) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts concerning the employment practices and procedures of the contractor which relate to this provisions of this section and Section 46a-56. The contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Section 46a-56; provided, if such contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

(2) The contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the terms of this contract and any amendments thereto.

The following section is inserted in this contract in connection with subsection (a) of Section 4a-60 of the General Statutes of Connecticut, as revised:

(1) The contractor agrees and warrants that in the performance of the contract such contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The contractor further agrees to take affirmative action to ensure that applicants with job-related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such contractor that such disability prevents performance of the work involved; (2) the contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the contractor agrees to provide each labor union or representative of workers with which such contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the contractor agrees to comply with each provision of this section and Sections 46-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to Sections 46a-56, 46a-68e and 46a-68f; (5) the contractor agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the contractor as relate to the provisions of this section and Section 46a-56. If the contract is a public works contract, the contractor agrees and warrants that he will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

For purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise, and (3) who are members of a minority, as such term is defined in subsection (a) of Section 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

Determination of the contractor's good faith efforts shall include, but shall not be limited to, the following factors: The contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

The contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

The contractor shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the state and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions, including sanctions for noncompliance in accordance with Section 46a-56; provided, if such a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the contractor may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the state and the state may so enter.

The contractor agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands.

Signed in the presence of:

LESSOR ENTITY NAME

_____

By_____
SIGNER'S NAME
Its SIGNER'S TITLE
Duly authorized

_____

Date signed:_____

STATE OF CONNECTICUT

_____

By_____
DPW SIGNER'S NAME
Its DPW SIGNER'S TITLE,
Duly authorized

_____

Date signed:_____

STATE OF CONNECTICUT)
) ss.
COUNTY OF)

On this the _____ day of _____, 20 , before me, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the _____of _____a Connecticut _____, whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes and consideration therein expressed in the capacity as therein provided as his free act and deed and that of the _____.

In Witness Whereof I hereunto set my hand.

_____
Notary Public/My Commission Expires:
Commissioner of the Superior Court

STATE OF CONNECTICUT)
) ss: HARTFORD
COUNTY OF HARTFORD)

On this the day of 20___, before me, the undersigned officer, personally appeared _____, _____ of the Department of Public Works, State of Connecticut, known to me to be the person described in the foregoing instrument, and acknowledged that he executed the same in the capacity therein stated and for the purposes therein contained.

In witness whereof I hereunto set my hand.

_____

Notary Public
My commission expires:
Commissioner of the Superior Court

Accepted:
NAME OF CLIENT AGENCY

_____
By: CLIENT AGENCY SIGNER'S NAME
Its: CLIENT AGENCY SIGNER'S TITLE
Date signed:_____

Approved in Conformance With
Conn. Gen. Stat. §4b-23(o)(2), As Revised,
OFFICE OF POLICY AND MANAGEMENT

_____
By:
Its:
Date signed:_____

Approved:
STATE PROPERTIES REVIEW
BOARD

_____
By: SPRB SIGNER'S NAME
Its: SPRB SIGNER'S TITLE
Date signed:_____

Approved:
ATTORNEY GENERAL

_____
By William B. Gundling
Associate Attorney General
Date signed:_____

EXHIBIT A

DEMISED PREMISES FLOOR PLAN (TO SCALE)

PLAN TITLE

PLAN TITLE is incorporated into this lease by reference and shall have the same force and effect as if it had been fully set forth herein. A copy of this plan will be kept on file in the Leasing and Property Transfer office of the Department of Public Works.

EXHIBIT B

AFFIDAVIT OF NET USABLE SQUARE FEET OF DEMISED PREMISES

State of Connecticut

County of LESSOR'S COUNTY

1. I/We NAME OF INDIVIDUAL, OWNER/OFFICER OF LESSOR, of the Total Premises, known as ADDRESS OF PROPERTY, of which the Demised Premises is a part, being duly sworn, depose, say and acknowledge that the net usable square feet for a proposed lease of the Demised Premises to the State of Connecticut is, to my/our own personal knowledge, #of SQUARE FEET square feet.

2. Further, I/We agree that the above-listed amount was arrived at, pursuant to the following definition of net usable square feet in paragraph 3.

3. For purposes of this affidavit and its corresponding lease, I/we agree that the term "net usable square feet" shall be defined as follows: The interior floor area of the Demised Premises used for office and other purposes. Any space that is either shared in common with other tenants, such as entrance and elevator lobbies, hallways and bathrooms, or that is used by LESSOR for other tenants or used as janitorial or electronic/mechanical closets, is not part of net usable square feet. If any of these areas listed above are for the sole use of a tenant, they shall be counted in that tenant's net usable square feet. The measurement includes structural elements of the building found in the LESSEE'S space, such as columns and projections necessary to the Total Premises or Demised Premises, but excludes vertical space penetrations of the same, such as elevators, stairwells, airshafts and stacks. Measurement of net usable square feet is from the dominant (over 50%) inside face, such as window glass of the exterior wall, to the interior surface of a wall separating a tenant from an adjacent tenant and to the inside face of a common corridor, elevator shaft, stairwell, airshaft and stack.

I/We declare that the information contained herein is true and accurate

_____

Subscribed and sworn to before me this _____ day of _____, 20____,

at _____ .

_____

Commissioner of Superior Court
Notary Public
My commission expires _____

EXHIBIT C

RENOVATIONS AND IMPROVEMENTS

In addition to the minimum requirements set forth in Article 5 (Demised Premises Preparation – Minimum Requirements), the following improvements shall be provided by the LESSOR.

I. SCOPE OF WORK

The following shall be the scope of work for the renovations and improvements. Any attachments, sketches and/or drawings (collectively, the "Attachments") that correspond to or have been prepared in connection with the items below are incorporated herein by reference and are made a part of this lease and they shall be treated as if they had been fully set forth herein at the time that this lease was executed. Any such Attachment that has not yet been prepared as of the execution of this lease shall, when completed, be deemed to be incorporated herein by reference and shall then be made a part of this lease and shall be treated as if they had been fully set forth herein at the time that this lease was executed. The LESSOR shall submit a complete implementation schedule that includes all planning, meetings, approvals, design and construction requirements.

(a) SCOPE OF WORK 1

(b) SCOPE OF WORK 2

(c) SCOPE OF WORK 3

(d) SCOPE OF WORK 4

(e) SCOPE OF WORK 5

(f) SCOPE OF WORK 6

(g) SCOPE OF WORK 7

(h) SCOPE OF WORK 8

(i) SCOPE OF WORK 9

(j) SCOPE OF WORK 10

II. PLANS AND SPECIFICATIONS:

The LESSOR may, at its sole cost and expense, substitute a project manager in lieu of a registered architectural or engineering firm, as may be required in some of the following subsections, provided that prior written approval is obtained from the LESSEE (DPW).

(a) The LESSOR shall complete the plans and specifications to the satisfaction of the LESSEE within # OF DAYS--PLANS & SPECS days after the execution of this lease. If the LESSOR fails to do so, then the LESSEE shall have the right to terminate this lease and all duties and obligations which it may have had or would have had, shall no longer attach to the LESSEE as if such duties had never existed.

(b) All work shall meet or exceed all Federal, State and local laws, rules, codes, regulations and corresponding adopted guidelines. All work shall be consistent with the latest issue of the DPW A/E Procedures Manual.

(c) Any and all costs associated with design professionals, planners, consultants, permits, legal fees, insurance, etc. associated with design and construction shall be paid for by the LESSOR. All change orders related to scope, time or cost shall be in writing by the LESSOR (or design firm) and must have the prior signed approval of DPW and, if the change order increases the cost, prior written approval of the State Properties Review Board.

(d) At the LESSEE'S request, the LESSOR shall employ, at its sole cost and expense, a registered architectural or engineering firm to oversee and coordinate the complete architectural and engineering design, construction inspection, testing, commissioning and preparation of all drawings and specifications (Construction Specifications Institute, Divisions 0 through 16), change orders, etc. LESSOR shall provide planning, design and construction scheduling.

(e) The architectural firm shall employ any consultants (mechanical, electrical, structural, environmental, civil, interior design, etc.) as required or appropriate for a complete set of collated, coordinated construction documents. The LESSOR'S agreement with the architectural firm shall provide that all drawings shall bear the architect's and/or engineer's seal, as appropriate.

(f) If space-planning drawings and work are generated by the LESSEE or LESSEE'S interior designer, the LESSOR shall require the architectural firm to integrate such drawings into said plans and specs.

(g) The LESSOR shall require that the architectural firm coordinate all job and design meetings as required to resolve construction issues, questions and concerns with the LESSEE, LESSEE'S agents, and the LESSOR'S general contractor. The LESSOR shall also require that the architectural firm prepare and distribute minutes of such all meetings and resulting change orders to LESSEE as may be required or appropriate.

(h) TelCom and Data runs are to be installed by LESSEE, unless otherwise noted in Section I of this Exhibit, above. The LESSOR shall require that the architect make provisions for and consider the LESSEE'S needs to accommodate telephone and computer cable runs. This may include installing or constructing spare conduit runs or closet space as required to facilitate TelCom and Data needs. The LESSOR shall require that the architect meet with LESSEE'S representatives, as designated by DPW and as LESSEE may request, to plan the requirements for this work.

(i) The LESSEE shall have the right to review and approve all said plans, specifications and drawings. The LESSEE shall provide review and comment within thirty (30) days of receipt of said documents. Approval of the said documents shall not relieve the architectural firm of responsibility for error, inconsistency or omission in the design of said documents.

III. CONSTRUCTION

(a) The renovations and improvements to the Demised Premises shall be accomplished in accordance with the plans and specifications set forth in Section II of this Exhibit, above.

(b) The LESSOR shall complete the renovations and improvements no later than # of DAYS--RENOVATIONS & IMPROVEMENTS days after the execution of this lease.

(c) The Contractor shall obtain all required permits, official inspections, testing and obtain a Certificate of Occupancy, if applicable.

(d) All work shall meet or exceed all Federal, State and Local laws, rules, codes, regulations and corresponding adopted guidelines.

(e) All construction change orders shall be in writing by the LESSOR and must have the prior signed approval of DPW and, if the change order increases the cost, the prior written approval of the State Properties Review Board.

(f) The LESSEE'S inspection at any time before, during and after the construction of the renovations and improvements and the LESSEE'S approval of any plans, specifications and drawings in connection with said construction shall not constitute any warranty by the LESSEE as to the completeness or proper construction of said renovations and improvements and as to the completeness or correctness of said plans, specifications and

drawings.

(g) Time Period for Completion of Renovations and Improvements: Before construction commences, the LESSOR shall submit to the LESSEE a project schedule indicating the following milestones: permits, construction start/end, certificate of occupancy and swing space approvals. This schedule shall be consistent with the terms and conditions of this lease. The LESSOR shall provide an itemized construction cost breakdown as per Section IV ("Cost of Planning, Design and Construction").

(h) The renovations, improvements and work shall be subject to on-site inspection by the LESSEE or its agents at any time as well as to a final inspection before the LESSEE accepts any such renovations, improvements or work. LESSEE'S State Department of Public Works shall make such inspections and issue such acceptance.

(i) Upon proper completion of the renovations, improvements and work and the issuance of a certificate of occupancy by the appropriate municipal authority, the LESSOR shall immediately notify the Department of Public Works Commissioner in writing of such completion and issuance and provide a copy of the Certificate of Occupancy to the DPW.

(j) At the time that the LESSOR provides to the LESSEE a certificate of occupancy, the LESSOR shall also provide to the LESSEE lien waiver certificates, in form and substance satisfactory to the LESSEE, certifying that all work contemplated by this lease is free and clear of all liens and any other encumbrance. If a subcontractor refuses to furnish a release or waiver, or if the LESSOR is otherwise unable or unwilling to provide any lien waiver, the LESSOR must, unless waived by the LESSEE, furnish a bond satisfactory to the LESSEE to indemnify the LESSEE against such lien. If such lien remains unsatisfied after payments are made, the LESSOR shall pay to the LESSEE, no later than 45 days after the LESSEE so notifies the LESSOR, all such amounts as the LESSEE may have paid or otherwise expended in discharging such lien, including all costs and reasonable attorneys' and other professionals' fees.

(k) The LESSOR shall provide meeting minutes for all construction meetings to DPW.

(l) The LESSOR shall obtain at least two competitive bids for construction of the Renovations, Improvements and Work.

(m) The LESSOR represents and warrants to the LESSEE that all materials, equipment and work made part of the renovation and improvement project, will be new, designed and constructed in a workmanlike manner, free of any defects, including without limitation, design, architectural, engineering, structural, electrical, mechanical, heating, ventilating, air conditioning, or plumbing, and shall be in accordance with the terms and conditions of this lease.

(n) Upon LESSEE'S receipt of written notice of completion of all leasehold renovations improvements and work, including a certificate of occupancy from the LESSOR in accordance with Section III (b) and (i) of Exhibit C (Renovations and Improvements), the

LESSEE within seven (7) days shall inspect the renovations and improvements. Within thirty (30) days after the inspection, the Department of Public Works shall notify the LESSOR in writing of acceptance or non-acceptance of the renovations and improvements. In the event the LESSEE has objections to the renovation and improvements, then the LESSEE'S written notification of non-acceptance of the renovations shall include the LESSEE'S specific written objections regarding the renovations and improvements. The LESSOR shall cure and otherwise remedy the LESSEE'S objections to the renovations and improvements within thirty (30) days of the written notice.

The LESSOR'S failure to complete all leasehold renovations and improvements and any other required improvements set forth in any of the LESSEE'S plans, drawings and specifications, within the time period set forth in this Exhibit C, or the failure of the LESSOR to cure the LESSEE'S written objections within thirty (30) days after having received written notice of the objections, shall constitute a material breach of the lease if such failure is not attributable to Force Majeure. In the event that the LESSOR cannot meet the completion date set forth in Section III (b) due to Force Majeure, the LESSOR and LESSEE shall agree in writing to extend that date. Any increase in cost due to such extension shall be at LESSOR'S sole cost and expense. In the event of any breach or default, not directly attributable to Force Majeure, the LESSEE, at its option, may terminate this lease upon written notice in the manner provided in Section 10.01. In the event that the LESSEE exercises its option to terminate this lease, the LESSOR agrees to the following:

(1) to reimburse the LESSEE for any amounts that the LESSEE may have expended or incurred in commencing and/or completing any of the aforesaid renovations and improvements and in performing any aforesaid work.
(2) to reimburse the LESSEE for any amounts that the LESSEE may have expended or incurred in connection with locating and moving to new quarters.

(o) Nothing herein shall constitute a reduction, restriction or waiver of any other remedies available to the LESSEE under this lease, at law or in equity.

(p) Warranty of Construction. All construction work that becomes a permanent attached part of the building belonging to the LESSOR, of which the Demised Premises is a part, shall be maintained and repaired at no cost to the LESSEE during the term of the lease and any extensions or renewals.

IV. COST OF PLANNING, DESIGN AND CONSTRUCTION

The LESSOR shall provide a complete, total, specific, line item cost breakdown before commencing any work.

Total cost breakdown shall include both allocated tenant improvements in the base rent (Section 2.01), and tenant improvements that are to be amortized as LESSEE'S tenant improvement payments (Section 2.02).

The cost breakdown shall also include itemization of all "soft" costs such as planning, design, overhead/profit, developer's fees and "hard costs" such as construction, testing and permits as applicable.

The total cost for the tenant improvements in the base rent (Section 2.01) and tenant improvements that are to be amortized (Section 2.02) shall not exceed MAXIMUM TENANT IMPROVEMENT AMOUNT--TEXT ($MAXIMUM TENANT IMPROVEMENT AMOUNT--NUMERIC).

The LESSOR shall provide additional supporting cost information as required by DPW, the State Properties Review Board or the Attorney General's Office.

The LESSEE shall approve cost breakdowns and allocations within thirty (30) days of receipt. LESSEE'S reviews and inspections shall be factored into total project schedule in Section III (b). The LESSOR shall not commence any work until it receives this approval in writing from the LESSEE.

The LESSEE'S share of the total cost shall be amortized in equal monthly payments over the initial lease term of LEASE TERM years at an annual interest rate of ANNUAL COST OF CONSTRUCTION INTEREST RATE--TEXT per cent (ANNUAL COST OF CONSTRUCTION INTEREST RATE--NUMERIC%). In no event shall the rate of interest payable by the LESSEE to the LESSOR for the amortization of renovations, improvements and work exceed the annual face rate on the promissory note payable at any time by the LESSOR to the LESSOR'S mortgagee. The LESSOR shall notify the LESSEE, in accordance with Article 10, of any change in such face rate within ten (10) days of the effective date of the change. A copy of the promissory note, or similar instrument evidencing the face rate, to the LESSEE, shall accompany the notice to the LESSEE.

The LESSOR'S mortgagee shall be a third party institutional lender licensed to conduct business in the State of Connecticut.

EXHIBIT D

NORMAL OPERATING HOURS; UTILITIES AND SERVICES

Time of Day

DAY OF WEEK	FROM	TO		
Monday	TIME	TIME		
Tuesday	TIME	TIME		
Wednesday	TIME	TIME		
Thursday	TIME	TIME		
Friday	TIME	TIME		
Saturday	TIME	TIME		
Sunday	TIME	TIME	YES	NO
Monday-Sunday	Continuous Hours; 24/7/365			

Provided that the LESSEE'S utilities are not separately metered, in the event the LESSEE requires use of the Demised Premises for times other than normal operating hours, the LESSOR shall apportion any increase in total building utility costs directly attributable to the LESSEE'S off-hours use to the LESSEE. The LESSOR shall substantiate in writing any cost pass-throughs to the LESSEE in a manner satisfactory to the LESSEE and such documentation provided by the LESSOR shall be subject to the audit provisions of Section 16.02 of this lease. The utilities and services listed below are **included** in the lease and shall be paid for according to the following table:

THE REST OF THIS PAGE IS BLANK. THE TABLE IS ON THE NEXT PAGE.

	LESSOR	LESSEE
Heat		
Water		
Hot Water		
Electricity		
Air Conditioning		
Window Washing – Interior/exterior		
Elevator		
Janitorial-Lessee Areas		
Janitorial-Common Areas		
Building Maintenance-Lessee Areas		
Building Maintenance-Common Areas		
Rubbish Removal/recycling – Lessee Areas		
Rubbish Removal/recycling – Common Areas		
Dumpster(s)		
Groundskeeping		
Security Service		
Pest Control		
Lamp Replacement-general		
Task Lighting		
Ballast Replacement		
Snow/Ice Removal and Sanding		
Parking		
OTHER SERVICES		

EXHIBIT E

STATEMENT OF FINANCIAL INTEREST

I/We, the undersigned, being duly sworn, depose and say that the names and addresses of all persons, partnerships, limited partnerships, corporations or other entities having a financial interest in the property or premises at COMPLETE ADDRESS OF PROPERTY including the beneficiary of any undisclosed trust or the equitable owner of such property or premises, are listed below. Corporations shall also list the names and addresses of their officers, directors and stockholders, except that this requirement shall not apply to publicly held corporations. The president of a publicly held corporation shall submit an affidavit stating that the corporation is a publicly held corporation. A partnership shall also list the names and addresses of all partners in the partnership. A limited partnership shall also list the names and addresses of all general partners and limited partners in the limited partnership.

Names, Addresses and Phone Numbers (attach additional sheet if necessary):

1. Name, Address, Phone Number-1

2. Name, Address, Phone Number-2

3. Name, Address, Phone Number-3

4. Name, Address, Phone Number-4

5. Name, Address, Phone Number-5

If, before the approval of the instant lease by the State Properties Review Board, there is a change in the information provided in this Statement of Financial Interest, I/ We acknowledge that an Affidavit shall be submitted to the Commissioner of the Dept. of Public Works within seven (7) days indicating the change as required pursuant to Public Act 91-166.

By _____ Date_____

Subscribed and sworn to before me this _____ day of _____,

20____, at _____.

_____

Commissioner of the Superior Court
Notary Public
My commission expires _____

EXHIBIT F

ADDITIONAL RENT

The LESSEE shall pay as additional rent TAX INCREASE PERCENTAGE--TEXT percent (TAX INCREASE PERCENTAGE--NUMERIC%) of any real property tax increases on the Demised Premises during the term of occupancy that exceed the Base Taxes. The term Base Taxes is defined as those taxes levied on the Demised Premises pursuant to the assessed value in effect on the date following the first 100% assessment of the Demised Premises as improved for the LESSEE, provided that:

(a) none of the escalation provisions in this Exhibit shall apply unless and until the LESSOR is in compliance with each and every renovation and improvement provision of this lease. In no event shall the LESSEE be liable for any tax increase based on a partial tax assessment in any tax year.

(b) such real property tax increase includes an assessment of the property as fully improved in accordance with the approved plans and specifications and further reflects the termination of any municipal action or program to "phase-in" or "abate" taxes by the temporary reduction of the assessment or the direct reduction of real property taxes on the subject property;

(c) in no event shall the LESSEE be obligated, required or liable to pay as additional rent, or otherwise, any such real property tax increases attributed to alterations, additions, improvements or any other changes made to the Demised Premises for the sole benefit of parties other than the LESSEE;

(d) any such additional rental payment shall be established on the Town of NAME OF TOWN's fiscal year (July 1 to June 30) basis, and there will be an apportionment on a per-diem basis in regard to the last possible additional rental payment in the event occupancy by the LESSEE ends on a day other than June 30;

(e) the LESSEE shall be relieved of all liability for increased taxes based on any revaluation of the Demised Premises by the municipality unless the LESSOR gives written notice by certified mail to the Commissioner of the Department of Public Works within ten (10) days of notice to the LESSOR by the municipality of the revaluation so as to permit the LESSEE to contest such revaluation if the Commissioner determines it to be appropriate. At the LESSEE'S request and expense, the LESSOR shall execute such documents, make such appearances and/or comply with any reasonable request of the LESSEE in connection with any such contesting. In the event that the LESSOR contests any such revaluation without written consent of the commissioner, the LESSEE shall not be responsible for any costs incurred by the LESSOR in contesting such revaluation;

(f) following payment by the LESSOR of any tax for which the LESSOR is entitled to a reimbursement as hereinbefore provided, the LESSOR must present a copy of the receipted tax bill to the Department of Public Works Commissioner no later than ninety (90) days after the due date for the payment of the last installment of the tax, in order to be entitled to reimbursement. The LESSOR'S failure to apply for reimbursement within the time herein specified shall terminate any responsibility of the LESSEE to make reimbursement; and

(g) real property tax decreases, if any, based on the above shall be credited to the rent account of the LESSEE.

Subsequent to the satisfaction or occurrence of items (a) and (b) of this Exhibit, the LESSOR shall forward to the Department of Public Works and the State Properties Review Board, as per Article 10 (Notices), a certification by the assessor as to the assessed valuation of the Total Premises for the first assessment year in which 100% of the Demised Premises as improved for the LESSEE has been assessed for real estate tax purposes by the municipality.

EXHIBIT G

CONSENT TO ASSIGNMENT

Name of LESSOR/Assignor: NAME OF LESSOR

Name of Assignee: NAME OF ASSIGNEE

Name of Lessee: State of Connecticut

Leased Premises COMPLETE ADDRESS OF PROPERTY

Commencement Date of Lease: COMMENCEMENT DATE OF LEASE

WHEREAS, the State of Connecticut is the lessee (hereafter "State" or "LESSEE") and NAME OF LESSOR hereafter ("LESSOR"), is the LESSOR of certain premises located at COMPLETE ADDRESS OF PROPERTY under the term of a lease dated COMMENCEMENT DATE OF LEASE; and

WHEREAS, the LESSOR desires to assign its rights and obligations under the lease to NAME OF ASSIGNEE, hereafter ("Assignee").

In consideration for the present warranties, covenants and representations of both the Assignor and the Assignee and in accordance with its authority under Conn. Gen. Stat. § 4b-1, the State of Connecticut, Department of Public Works, acting by and through NAME OF DPW AGENT, its TITLE OF DPW AGENT, hereby acknowledges and consents to the assignment of the lease referenced above from the LESSOR to the Assignee only in reliance upon and subject to the following warranties, covenants, representations and agreements of both the LESSOR and the Assignee:

1. As of commencement of business on ASSIGNMENT DATE ("Assignment Date") the LESSEE shall pay all rental and all other obligations under the lease.
2. Notwithstanding the foregoing, nothing herein may be construed as a release, waiver or limitation on any Claims, as defined in the lease, that the LESSEE has or may have against the LESSOR.
3. The Assignee, by its acceptance of this Consent to Assignment, shall undertake all of the LESSOR'S obligations, duties and responsibilities all other payments, otherwise due from the LESSEE to the LESSOR under the lease, to the Assignee without incurring any liability to the LESSOR.
4. By its acceptance of this Consent to Assignment, effective on the Assignment Date, the LESSOR does unconditionally and forever release, surrender and waive any and all rights, and obligations the LESSOR had, has or may have arising out of or relating to the lease and/or the LESSEE'S use, rent or occupancy of the Demised Premises, as defined in the lease and as of the Assignment Date, without in any way waiving, releasing or limiting the LESSOR'S liability or duties to the LESSEE.

5. The Assignee represents and warrants to the LESSEE that the Assignee is fully capable and qualified to undertake and perform all of the LESSOR'S duties, responsibilities and obligations under the lease and the LESSEE has reasonably relied upon that representation and warranty.
6. The LESSOR and the Assignee hereby agree that, as of the Assignment Date, the LESSEE is in full compliance with the terms of the lease and all rental and other payments are current. The LESSOR and Assignee further warrant and agree that there are no encumbrances against the title to the Demised Premises that are superior in right to the lease.
7. This instrument may not be construed as an estoppel certificate from the LESSEE and nothing herein may be construed as requiring the LESSEE to execute or tender an estoppel certificate, attornment agreement and/or a subordination agreement. Nothing herein may be construed as a waiver or limitation of the LESSEE'S sovereign immunity.
8. This Consent to Assignment is subject to the prior written approval of the State Properties Review Board of the State of Connecticut and by the Attorney General of the State of Connecticut.

IN WITNESS WHEREOF, the parties have hereunto set their hands.

Acknowledgment of Receipt
And acceptance of Consent to Assignment

NAME OF LESSOR

_____
By:
Its:
Date _____

NAME OF ASSIGNEE

_____
By:
Its:
Date _____

LESSEE
STATE OF CONNECTICUT
DEPARTMENT OF PUBLIC WORKS

_____
By:
Its:
Date _____

Approved:
STATE PROPERTIES REVIEW BOARD

_____
By:
Its:
Date _____

Approved:
ATTORNEY GENERAL

_____
William B. Gundling
Associate Attorney General
Date _____

EXHIBIT H

OPTION TO PURCHASE

The LESSEE shall have the option to purchase the Total Premises at any time during the original lease term and during any extended or renewed lease terms or holdover periods, together with all rights and benefits that the LESSOR has in connection with the Total Premises, and together with any and all rights and benefits, including rights of way and easements, which the LESSOR may have in connection with the Total Premises and all structures, renovations, improvements and equipment thereon or to be located thereon, free and clear of all liens and encumbrances of any nature whatsoever, except those liens and encumbrances acceptable to the LESSEE. The purchase price shall be determined as set forth below. If the LESSEE elects to exercise the option to purchase the Total Premises, such election and exercise shall be subject to prior written approval of the State Properties Review Board. The LESSOR agrees that said option to purchase, if exercised by the LESSEE, shall provide a closing date for the purpose of conveying title to the LESSEE by warranty deed from the LESSOR. The warranty deed shall not become effective unless and until it has been (a) signed by the LESSOR; (b) approved by both the State Properties Review Board and the Attorney General, which approvals shall be evidenced by their respective signatures being affixed to the warranty deed; and (c) delivered to the LESSEE after such execution and approvals.

If the LESSEE elects to exercise its purchase option, the purchase price shall be the market value of the Total Premises as of the date that LESSEE provides written notice of its intention to exercise its option to purchase. The purchase price shall be determined as follows:

a. Each party shall have five (5) days to select a qualified and licensed appraiser (the "Appraiser(s)") to perform an appraisal of the Total Premises, each at its own cost and expense. The Appraisers shall have at least five (5) years' experience appraising similar properties. Such five (5) years' experience shall be consecutive and shall immediately precede the appointment as Appraisers. The Appraiser chosen by each party shall be approved by the other party, such approval not to be unreasonably withheld or delayed.

b. The Appraisers shall, within forty-five (45) days after the date of the last appointed Appraiser, each complete an initial appraisal of the Total Premises in accordance with USPAP Standards Rule 2-2 governing a Self-Contained Appraisal Report.

c. The average of the valuations set forth in the initial appraisals shall be the purchase price, provided, however, that if the initial appraisals differ in valuation by more than ten (10%) percent, a third appraisal ("Additional Appraisal") shall be performed by an Appraiser, with the designation "MAI" who shall be selected by the initial two Appraisers within five (5) days after the determination of the valuations of the initial appraisals. The cost of the Additional Appraisal shall be borne equally by the parties. The Additional Appraisal shall be completed within thirty (30) days after the selection of the third Appraiser and such Additional Appraisal shall contain a complete Self-Contained appraisal report pursuant to USPAP Standards Rule 2-2. The LESSEE

shall have the option, but not an obligation, to purchase the Total Premises at the value contained in the Additional Appraisal.

If the LESSEE exercises the purchase option, upon completion of the construction, renovation and improvement work, or upon completion of the same at any time during the lease term or during any extension or renewal lease terms, the LESSOR shall assign to the LESSEE any and all guarantees or warranties that it shall have received from either its contractor or any of the suppliers of mechanical, electrical and plumbing equipment located in or on the said Total Premises.

EXHIBIT I

RIGHT OF FIRST REFUSAL

The LESSEE shall have a Right of First Refusal to purchase all or any part of the Total Premises at any time during the lease term, including during any extension or renewal term of the lease or any holdover period, if the LESSOR receives an offer from a bona fide third party in an arms-length transaction or negotiation, other than to or from an affiliate of the LESSOR. The exercise of such a right shall be subject to prior written approval of the State Properties Review Board. Within thirty (30) calendar days of receiving such an offer for the sale of all or any part of the Total Premises, the LESSOR shall deliver a written notice to the LESSEE setting forth the terms and conditions of the offer. If the LESSEE elects to exercise its Right of First Refusal, the LESSEE shall do so within thirty (30) days of receiving the written notice from the LESSOR. The LESSOR shall deliver the notice of the offer to the LESSEE by hand delivery, guaranteed overnight delivery service, certified or registered mail. If the LESSEE exercises its Right of First Refusal, the LESSEE shall be bound by the price of such bona fide offer and shall close within sixty (60) days after providing notification of its exercise of its Right of First Refusal, provided, however, that the LESSEE shall not be obligated to pay any brokerage commissions or brokerage fees. The LESSOR shall indemnify and hold the LESSEE harmless from any lease or sales commissions. If the LESSEE does not accept the price of such bona fide offer within the required time period, then the LESSEE'S Right of First Refusal shall be extinguished. Provided, however, that if the LESSOR does not complete the transaction with the third party making the bona fide offer to purchase, then and in that event, the Right of First Refusal shall be reinstated and become binding on the LESSOR and the LESSEE as if it had not been extinguished and shall continue in full force and effect during the term of the lease and during any extension or renewal term of the lease or any holdover period. The LESSOR represents and warrants that a bona fide offer must and shall be an "arms length transaction" by unrelated parties, each acting in its own best self-interest and in absence of any undeclared financial or other undisclosed and extraordinary inducement to purchase. The exercise of the Right of First Refusal shall include all rights and benefits included within the acceptable third party offer, free and clear of all liens, mortgages, notes and encumbrances not of record.

If the LESSEE exercises the right of first refusal, upon completion of the construction, renovation and improvement work, or upon completion of the same at any time during the lease term or during any extension or renewal lease terms, the LESSOR shall assign to the LESSEE any and all guarantees or warranties that it shall have received from either its contractor or any of the suppliers of mechanical, electrical and plumbing equipment located in or on the said Total Premises.

EXHIBIT J

TERMINATION OPTION

Notwithstanding any provision or language in the lease, the LESSEE may terminate this lease in whole or in part, without any fee or cost obligation, CONDITIONS FOR CANCELLATION. Any such termination shall be effected by delivery to the LESSOR of a written notice of termination in accordance with Article 10, at least TERMINATION DAYS in advance of the termination date specified in the notice. No rental shall accrue after the termination date. Such termination shall in no event be deemed to be a breach of contract. Upon termination of this lease, all rights, duties and obligations hereunder shall be null and void, so that no party shall have any further rights, duties or obligations to any other, except as otherwise provided in the notice of termination.

Appendix C

Best Practices in Real Property Management

Summary of GSA Best Practices in Real Property Management in State Government

Source: GSA Best Practices in Real Property Management in State Government Office of Real Property – March 2003, from the Office of Government wide Policy US GSA (see attached)

Connecticut is already managing property the same way in many respects as the states identified as leaders (Maryland, Minnesota, and Utah were identified as leaders in the acquisition and construction of real property, which includes planning, design, construction, leasing and capital improvements). Where Connecticut differs, is as follows:

- State capital decisions are based on structured scoring models that take strategic priorities into account.
- All three states centralize most leasing functions in one agency. (Currently several agencies perform the leasing functions in Connecticut (i.e., DPW, DEP, DOT, UCONN).
- Leasing best practices included:
  - Maryland's Green Buildings program:
    - Offers guidelines to the private sector regarding the types of buildings most likely to lure state agency rentals
    - Uses the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) criteria for green buildings
    - Criteria begin with the site, where points are given for buildings in areas that will not require new infrastructure, sewers, roads, etc.
    - Outlines criteria in a range of areas such as HVAC systems, energy efficiency, and the use of recycled materials in wallboard
    - Allows the private sector to bring green buildings to the state for leasing and therefore increases the state inventory of more sustainable buildings.
    - Remains flexible as to the specifics.
    - Through its Green Building program, the state realizes significant cost savings through better energy and resource management. Operating overhead will be lower in these buildings. While some argue that constructing green buildings increases costs, the state has negotiated leases in green buildings at or below market rates.
- Connecticut is more stringent in the following areas:
  - Advertising, all requirements that are 2,500 sq.ft. or higher
  - Evaluations forms by the requesting agencies
  - Approval process including internal reviews, SPRB, OPM, AG, etc…
- Many of the "new ideas" being used by these states are being utilized by Connecticut already:
  - Lease to own arrangements
  - Computer software for leasing (DPW has been working with DOIT for 2 years now on obtaining the software)
  - Placing properties for lease, sublease on the state's web-site

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THE BOOK OF THE STATES

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Table 4.6
STATE CABINET SYSTEMS

State or other jurisdiction	Authorization for cabinet system: State statute	State constitution	Governor created	Tradition in state	Criteria for membership: Appointed in specific office (a)	Elected in specified office (a)	Gubernatorial appointees regardless of office	Number of members in cabinet (including governor)	Frequency of cabinet meetings	Open cabinet meetings
Alabama	...	...	...	★	...	...	★	28	Gov.'s discretion (n)	...
Alaska	...	...	★	...	★	...	...	18	Gov.'s discretion	★ (n)
Arizona	...	...	★	...	★	...	★	38	Monthly	
Arkansas	...	...	...	★	★	...	...	46	Monthly	
California	★	...	★	...	★	...	★	13	Every two weeks	
Colorado	...	★	...	...	★	...	...	21	Gov.'s discretion	★
Connecticut	★	...	...	...	★	...	...	27	Gov.'s discretion	...
Delaware	★	...	...	...	★	...	★	19	Gov.'s discretion	...
Florida	...	★	...	...	...	★	...	7	Every two weeks	★
Georgia	...	...	...	...	...	...	(d)	...	...	...
Hawaii	★	★	...	...	★	...	★	25	Monthly	...
Idaho	...	...	...	...	(d)	...	...	22	Gov.'s discretion	
Illinois	★	...	...	...	...	...	★	18	N.A.	
Indiana	...	...	...	...	...	...	(d)	...	...	...
Iowa	...	...	...	...	...	...	(e)	...	...	...
Kansas	★	...	...	...	...	...	★	14	Biweekly	...
Kentucky	★	★	★	...	★	...	★	9	Monthly	...
Louisiana	...	...	★	★	★	...	★	14	Monthly	...
Maine	...	...	...	(i)	...	...	★	21	Weekly	...
Maryland	...	...	...	...	★ (c)	...	...	23	Weekly	...
Massachusetts	★	...	...	...	★	...	...	10	Bi-weekly	...
Michigan	★	...	...	...	...	...	★	24	Monthly	...
Minnesota	...	...	★	★	...	...	...	25	Regularly	...
Mississippi	...	...	★	...	★	...	(d)	...	...	...
Missouri	...	★	...	★	★	...	...	17	Gov.'s discretion	...
Montana	...	...	...	...	★	...	...	17	Gov.'s discretion	★
Nebraska	★	...	★	★	★	...	★	29	Monthly	...
Nevada	...	...	★	★	...	...	(d)	...	...	...
New Hampshire	...	...	...	...	...	...	(d)	...	...	...
New Jersey	...	...	...	...	★	...	...	19	Gov.'s discretion	...
New Mexico	★	★	...	...	...	...	...	17	Weekly	...
New York	★	...	...	★	★	...	...	75	Gov.'s discretion	
North Carolina (f)	★	...	...	...	...	...	★	10	Monthly	...
North Dakota	...	★	★	...	...	...	★	18	Monthly	★
Ohio	...	...	...	...	(g)	...	...	24	Gov.'s discretion	★
Oklahoma	★	...	...	...	★	...	...	10–15	Monthly	...
Oregon	★	...	...	...	...	...	★ (c)	...	...	...
Pennsylvania	...	...	...	...	...	...	(d)	19	Weekly	★
Rhode Island	★	...	...	...	★ (c)	...	...	15	Gov.'s discretion	Gov.'s discretion
South Carolina	...	...	...	...	(h)	...	...	20	Monthly	★
South Dakota	★	...	...	...	★	...	...	28	Monthly	★
Tennessee	★	★	...	...	★	...	...	19	Monthly	...
Texas	★	...	...	...	...	...	(d)	7	Gov.'s discretion	
Utah	...	...	★	(h)	★	...	...	12	Weekly	...
Vermont	★	...	...	...	★	...	...	28	Bi-weekly, weekly during legislative session	...
Virginia	★	...	...	...	★	...	...	10	Weekly	...
Washington	★	...	...	...	★	...	...	16	Gov.'s discretion	★
West Virginia	...	...	★	★	★	...	...	20	Monthly	...
Wisconsin	★	...	...	...	★	...	★	16	Gov.'s discretion	...
Wyoming	★	...	...	...	...	...	★	53	Bi-monthly	★
American Samoa	★	★	...	...	★	...	...	16	Gov.'s discretion	...
Guam	...	...	★	...	★	...	...	(j)	Monthly	★
No. Mariana Islands	...	★	...	...	★	...	★	21	Monthly	...
Puerto Rico	★	★	...	...	★	...	...			
U.S. Virgin Islands	...	★	...	...	...	...	...			

See footnotes at end of table.

STATE CABINET SYSTEMS — Continued

Sources. The Council of State Governments' survey, December 2003 and state constitutions and statutes.

Key.

+ — Yes

— No

N.A. — Not available

(a) Individual is a member by virtue of election or appointment to a cabinet-level position.

(b) Except when in executive session.

(c) With the consent of the senate.

(d) No formal cabinet system. In Idaho, however, sub-cabinets have been formed, by executive order; the chairmen report to the governor when requested.

(e) Sub-cabinets meet quarterly.

(f) Constitution provides for a Council of State made up of elective state administrative officials, which makes policy decisions for the state while the cabinet acts more in an advisory capacity.

(g) Cabinet consists of agencies, created by legislation; directors of agencies appointed by the governor.

(h) In Rhode Island, department heads require advice and consent of the Senate. In Utah, department heads serve as cabinet; meets at discretion of governor, but when first appointed, department heads also require advice and consent of Senate.

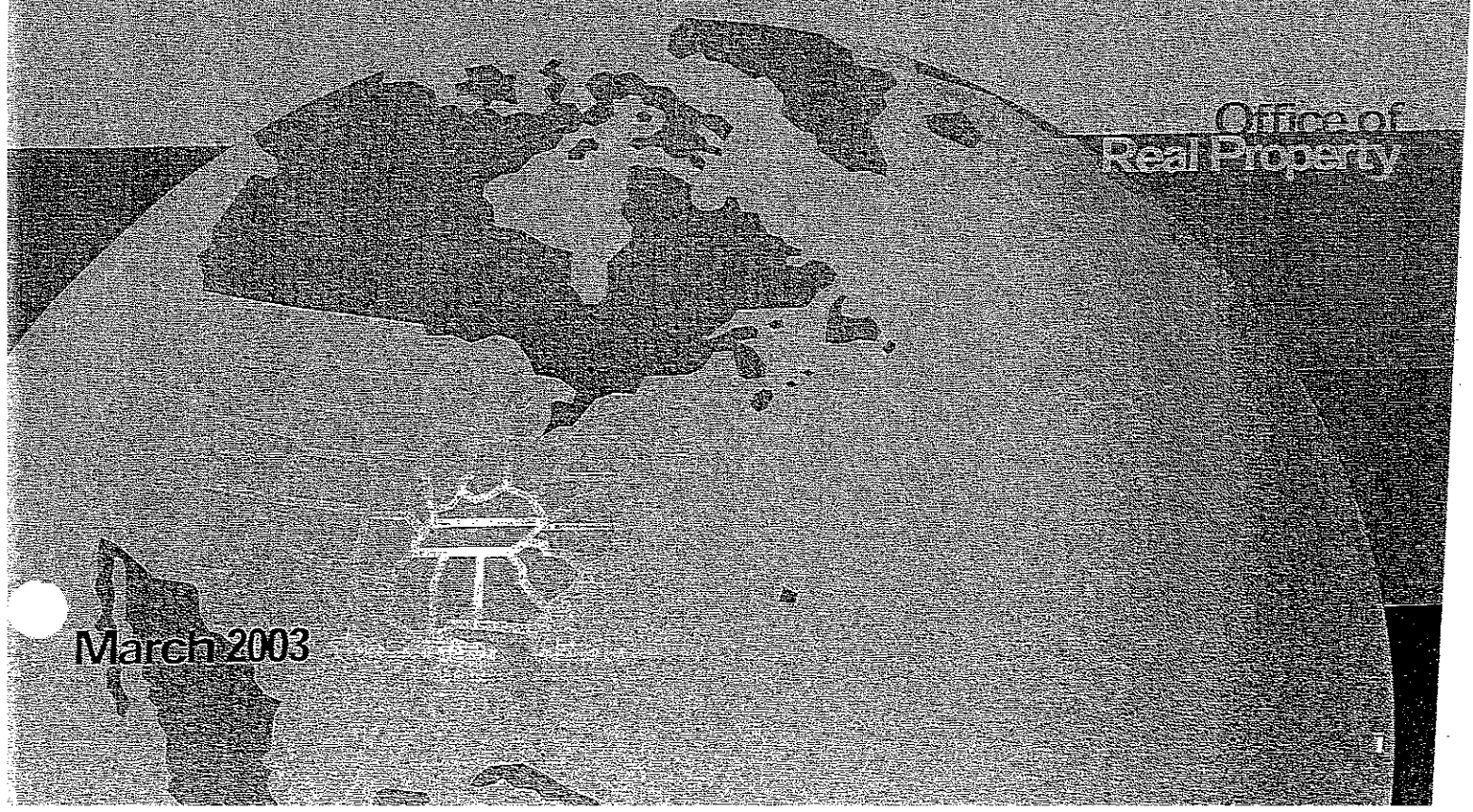
(i) Authority implied statutorily and by course of practice. Some of those department heads along with other officials compose the Governor's Cabinet.

(j) 81 executive agencies, 11 government support agencies of the executive and 48 public corporations.

GSA

GSA Office of Governmentwide Policy

Best Practices in Real Property Management in State Governments



Office of Real Property

March 2003

Foreword

On behalf of the Administrator of the General Services Administration, the Office of Governmentwide Policy and the Office of Real Property, I am pleased to issue Best Practices in Real Property Management in State Governments. This report offers details on innovative, best practices in operation at the state level, with the intent that sharing these practices may lead to creative, new approaches throughout other levels of government.

I would like to recognize David Bibb, Deputy Associate Administrator for the Office of Real Property, whose staff undertook this research effort. Under the guidance of Marjorie Lomax, Director of the Evaluation and Outreach Division, and Andrea Wohlfeld Kuhn, the team leader, the project team consisted of Dennis Goldstein, Sheldon Greenberg, Robert Harding, Jonathan Herz, and Rebekah Pearson. I would like to commend George Washington University's Department of Public Administration for their role in the project, particularly Dr. Kathryn Newcomer, Principal Investigator, and Robin Kane and Howard Smith, Research Associates.

Most importantly, we would like to recognize the contributions from experts at the state level who provided extensive information and first-hand knowledge of best practices in their states. Their participation enabled us to provide examples of best practices at the state level.

G. Martin Wagner

G. Martin Wagner
Associate Administrator
Office of Governmentwide Policy
U.S. General Services Administration

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Executive Summary

Imagine...

...a rooftop ice pond system that freezes water at night and blows air across it by day to provide the primary source of air conditioning.

And then...

...imagine grass growing on other portions of the roof, for use as insulation and as a storm water measure. The building also stores storm water, pumps it to the roof, and then uses it to flush the toilets.

Imagine...

...finding all maintenance materials for a building on a CD-ROM, complete with links to drawings, manuals, etc.

And then...

...imagine trading in your existing property with its outmoded facilities for a new site with facilities built to your specifications, valued at twice the value of your original property.

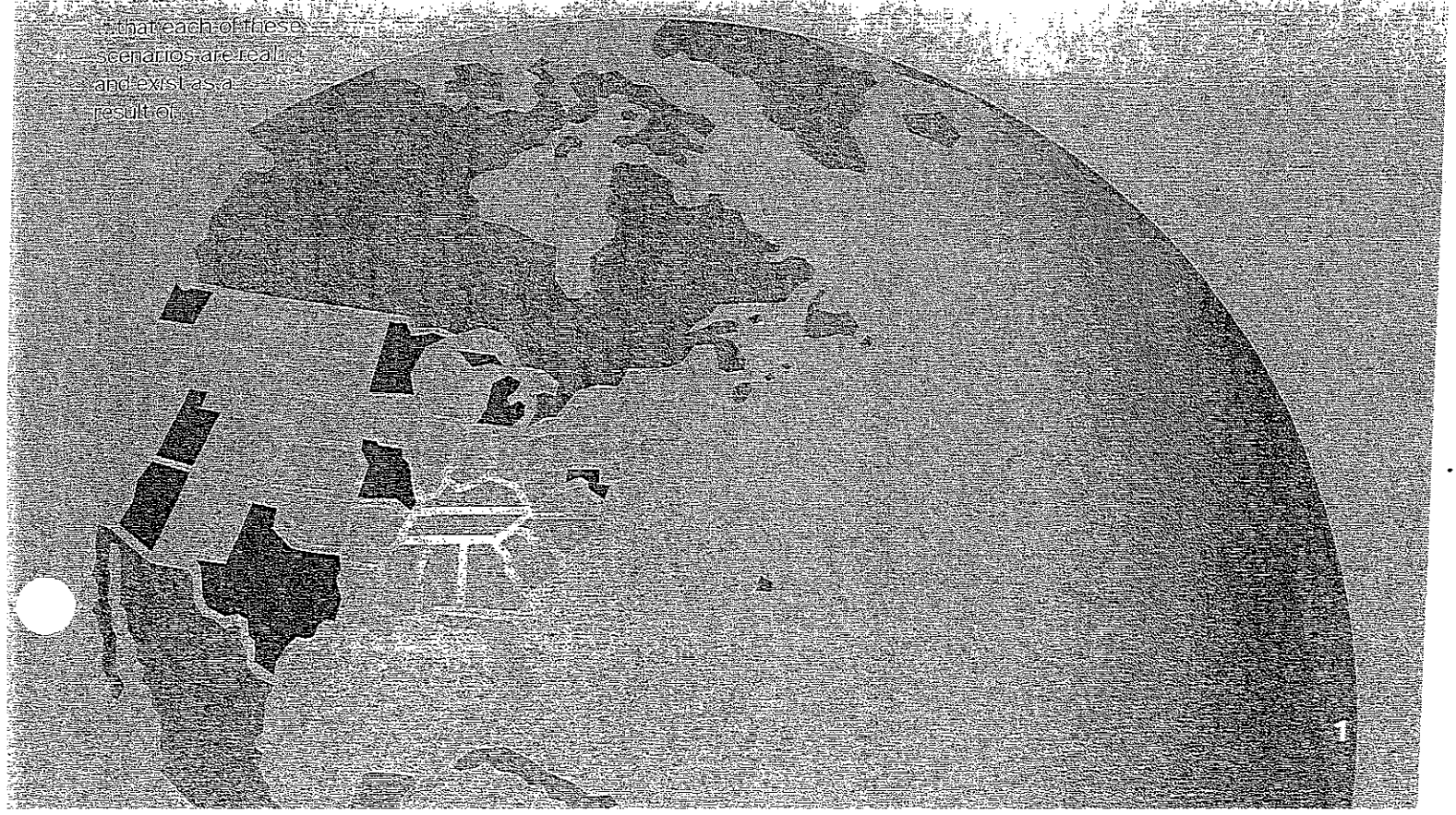
Imagine and now acknowledge...

...that each of these scenarios are real and exist as a result of innovative best practices undertaken by states throughout the country.

These are only a few of the innovative practices you'll find detailed within this study. You'll find more details about Maryland's Smart Growth program and movement to create "green" buildings. Washington's "Buildings on a Disk" system that provides maintenance information electronically is explained. The unheard of real estate transaction in Washington, which turned a $4.8M asset into one worth at least $9.5M is detailed within. Each of these practices is further highlighted within this report, with more detailed specifics in the appendices. Additionally, an explanation of the methodology employed in determining best practices and states is found in Appendix I.

The following states were chosen as exemplars in the following study areas:

- Acquisition and Construction (Maryland, Minnesota, Utah)
- Operations and Maintenance (Michigan, Missouri, Utah)
- Web-Enabled Software (Texas, Washington)
- Public-Private Partnerships (Arizona, Washington)



I. Acquisition & Construction

Maryland, Minnesota, and Utah were identified as leaders in the acquisition and construction of real property, which includes planning, design, construction, leasing and capital improvements.

These states have integrated processes for determining statewide priorities for limited capital development resources. In the area of leasing, the three states all have centralized most leasing functions in one agency. Officials in the three states identified the following key practices as instrumental to their success.

A. Design and Construction

- Maryland's Smart Growth System chooses projects that reflect its commitment to advancing most growth within central business districts while protecting green space and rural areas.
- Minnesota's Integrated Predesign and Budgeting Process uses a hierarchy of tools that integrate the process into the Capital Budget System from predesign through occupancy.
- Utah's Value-Based Selection (VBS) uses a combination of factors in choosing construction contractors, including qualification, past performance, on-time delivery history, and others, in addition to price.

B. Leasing

- Maryland's Procurement Law guides the acquisition of leasehold interests, encouraging competitively solicited proposals and a system of ranks and scores.
- Minnesota's Mixed System functions by having the central state leasing agency work collaboratively with the requesting agencies in a system that often uses competitive bids.
- Utah's Request for Proposal (RFP) System works by having the responsible state leasing agency work with the requesting agency to develop an RFP, and choose the winning bid not on lowest bid but rather on the best property within the allotted budget.

II. Operations & Maintenance

This section features practices in Michigan, Missouri, and Utah, although leaders in the first practice area, acquisition and construction, tend to also excel in this practice area.

The practices identified by state leaders as influential in their success are the following:

- Michigan's Maintenance Excellence Program is based on a sophisticated software program, MAXIMO, which has coordinated nine project teams into a proactive maintenance program.
- Missouri's Maintenance Software and Evaluation System uses a new software program, MS 2000, to coordinate numerous maintenance functions.
- Utah's Capital Facility Assessment features a comprehensive program to assess the maintenance needs of facilities, including a three-year survey of nearly all of the state's property.
- Utah's Preventive Maintenance Audits set minimum maintenance standards for all agencies in the executive branch, and conduct audits to determine whether those standards are being met.

III. Web-Enabled Software

Washington State and the Texas Department of Mental Health and Mental Retardation (DMHMR) are leaders in the use of web-enabled software to manage real property. Michigan's use of its MAXIMO program in upgrading the state's preventive maintenance program is also highlighted.

Compared to the practices of acquisition, construction, operations and maintenance described above, fewer states are pursuing innovative practices in the use of web-enabled software. Experts hypothesized that this may be due to an early focus by states in developing Internet applications for agencies that deliver services directly to citizens rather than for internal purposes.

Washington and Texas use web-enabled software to assist in leasing, planning and construction, and maintenance. The following is a list of practices highlighted by state officials.

A. Leasing

- Washington State's Leasing program uses software for solicitation outreach and to maintain a Lease Inventory System database of all property leased from the private sector.

B. Planning and Construction

- Washington's PublicWorks Bidding Process uses an advanced web-based software system called FastBid™ to streamline the process for soliciting public works construction bids.
- Texas' Capital Assets Planning uses VFA Facility software for strategic purposes to plan capital projects and construction, and to construct project proposals used in formal requests for funding.
- Texas' Construction Project Management System uses Expedition software to manage construction projects, including bids, specifications, expenditures, contracts, and more.

C. Maintenance and Management

- Washington's Building on a Disk gathers all operations and maintenance information for a facility on a single CD-ROM (which could also be available on an Intranet), providing a snapshot of all maintenance materials for the building.
- Texas' Facility Assessment creates a baseline of the agency's needs and facilities to utilize all its other software programs for maintenance and construction.
- Texas' FacilityCenter™ uses a single software system to order materials, handle lease management, manage maintenance and operations, and produce work orders.

IV. Public-Private Partnerships

There are three practices described in Arizona and Washington.

- Arizona's Privatized Lease-to-Own (PLTO) System pays for new state-owned buildings without upfront funding or state-backed bonds. The system saves state money in both the short- and long-terms, and gives the state a multi-million dollar asset at the end of a 25-year lease.
- Washington State's Land Swap involved the state patrol exchange of an old light-industrial facility and property appraised at under $5 million in exchange for new property with newly built facilities worth nearly $10 million through a unique process with a private developer.
- Washington State's Lease Development Proposal implements a new method in which developers can respond to an RFP by submitting a proposal to build on state-owned land.

Many of these innovative and best practices have resulted in streamlined operations, cost savings, and innovative solutions to complex problems. They offer new ideas for real property management. We hope that these best practices will inspire you to take a new look at your asset management practices and enhance or perhaps develop new management approaches. While the findings in this report reflect best practices identified by state real property organizations, their applicability at the Federal level will vary depending on many factors, such as enabling authorities and legislation, current fiscal/budgetary limitations, operating policies and procedures or other considerations.

Acquisition & Construction

Maryland, Minnesota, and Utah were identified as leaders in the acquisition and construction of real property, which includes planning, design, construction, leasing and capital improvements.

Introduction

States that are exemplars in the acquisition of real property typically have integrated processes for determining statewide priorities for limited capital development resources. State planning is coordinated across multiple agencies, sometimes directed by the department or agency with day-to-day responsibility for real property management, sometimes directed by a central planning board. State capital decisions are based on structured scoring models that take strategic priorities into account. All three states centralize most leasing functions in one agency.

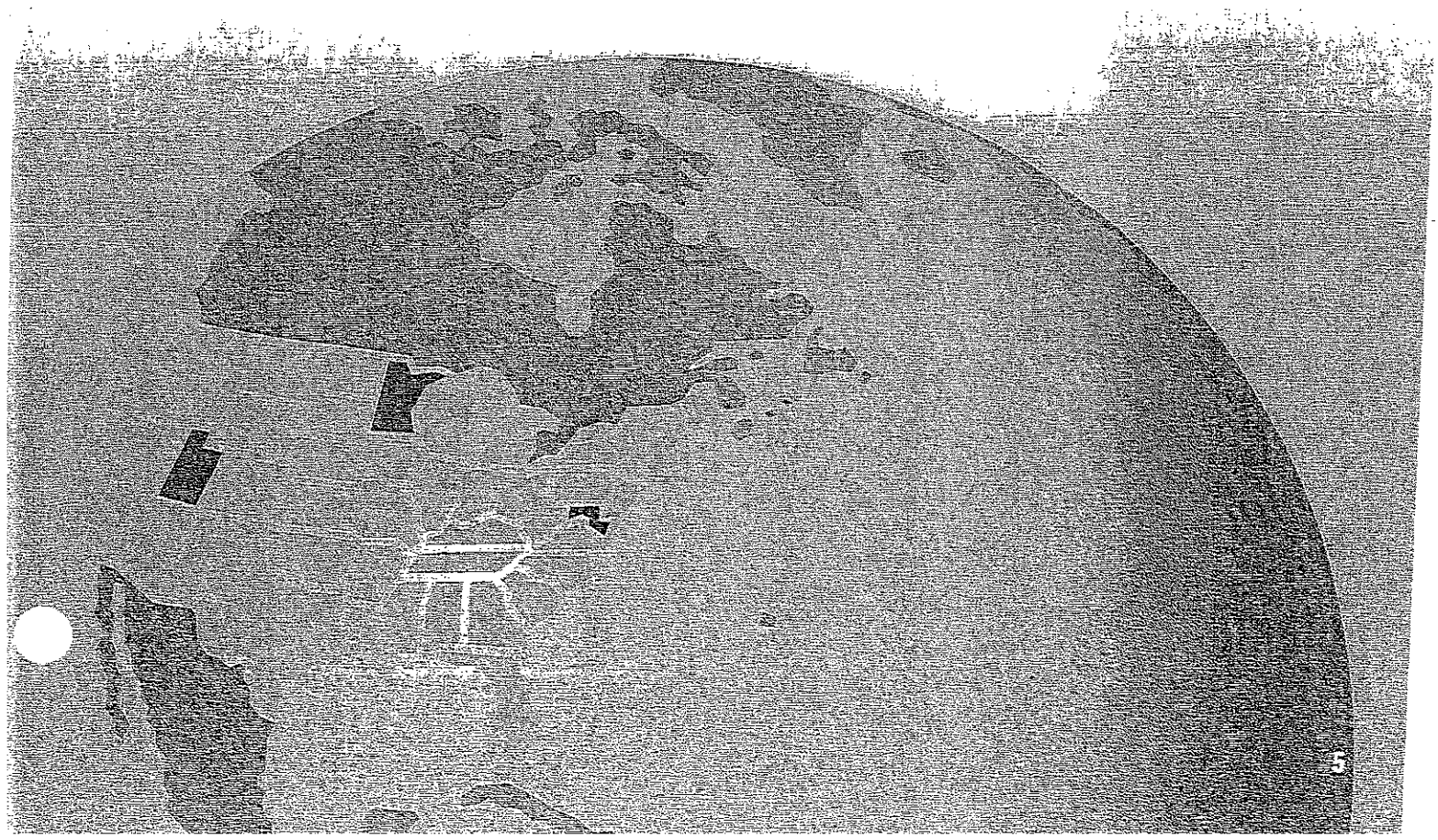
Design and Construction best practices include:

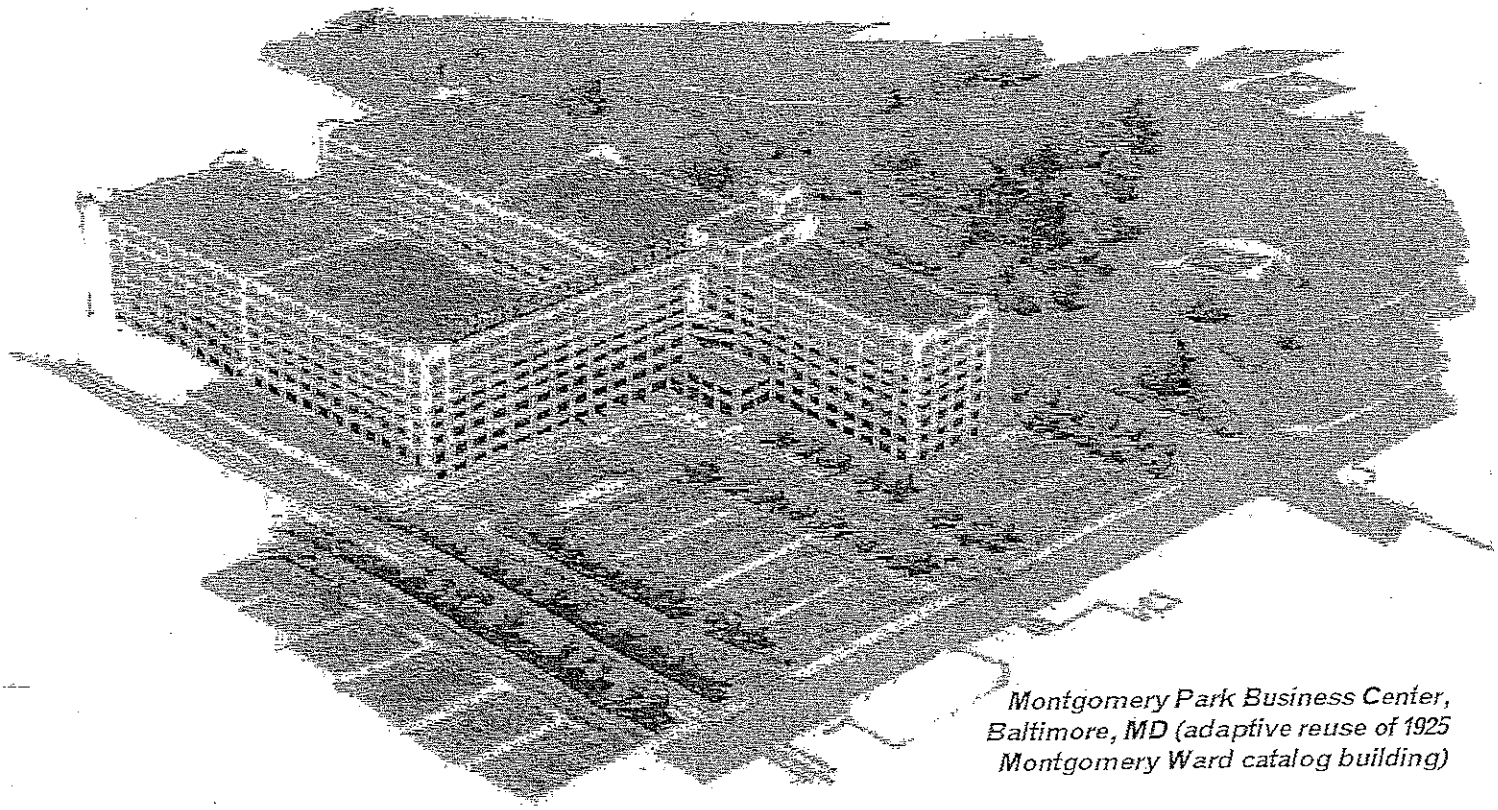
- Maryland's Smart Growth system
- Minnesota's integrated predesign and budgeting process
- Utah's Value-Based Selection (VBS) system

Leasing best practices include:

- Maryland's procurement law
- Minnesota's mixed leasing system
- Utah's RFP system

This section also highlights cost savings due to the practices above.





Montgomery Park Business Center, Baltimore, MD (adaptive reuse of 1925 Montgomery Ward catalog building)

A. Design & Construction Services

This section summarizes practices in the planning, design, and construction of new facilities or in capital improvements that state leaders identified as key to the success of states in this area.

Maryland's Smart Growth

Maryland has instituted a wide-ranging program to foster "smart growth" in the state. From purchasing property to leasing private space, the state chooses projects that reflect its commitment to advancing most growth within central business districts while protecting green space and rural areas. In recent years, the state has purchased and protected more land than it has developed, according to the Office of Real Estate in the Maryland Department of General Services (DGS).

According to one official, the state "achieves smart growth goals through competitive means." In order to achieve these goals, the state has created a smart growth checklist. This list is publicly available and offers private proposers in real property transactions an opportunity to win points by creating proposals that incorporate smart growth ideas. These could include projects such as remodeling underutilized buildings within central business districts of older communities that have declined.

Maryland's Green Buildings program:

- Offers guidelines to the private sector regarding the types of buildings most likely to lure state agency rentals.
- Uses the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) criteria for green buildings. (See *http://www.usgbc.org/LEED/leed_main.asp* for further information).

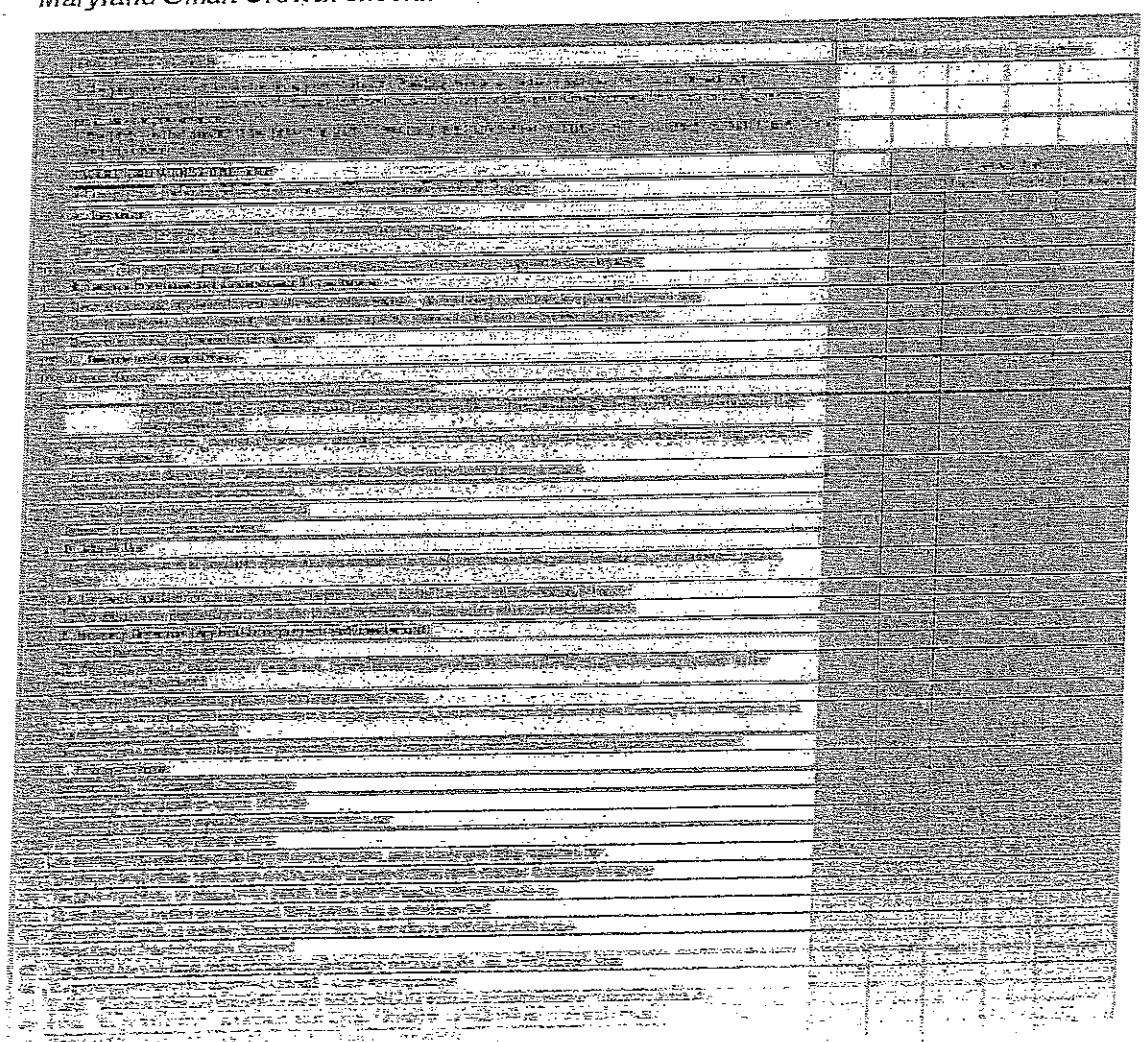
- Criteria begin with the site, where points are given for buildings in areas that will not require new infrastructure, sewers, roads, etc.
- Outlines criteria in a range of areas such as HVAC systems, energy efficiency, and the use of recycled materials in wallboard.
- Allows the private sector to bring green buildings to the state for leasing and therefore increases the state inventory of more sustainable buildings.
- Remains flexible as to the specifics.

Through its Green Building program, the state realizes significant cost savings through better energy and resource management. Operating overhead will be lower in these buildings. While some argue that constructing green buildings increases costs, the state has negotiated leases in green buildings at or below market rates.

The Maryland Energy Administration also offers low- or no-cost loans for energy efficiency projects. The Facilities Planning, Design and Construction division of DGS recently completed a $19 million remodel of an entire physical plant of one building; it will be paid back in full through energy savings during a maximum of 15 years. The contractor guarantees the energy savings, so that if the energy savings do not meet expectations, the contractor pays the difference.

See *Appendix 2: Maryland's Smart Growth* for more information.

Maryland Smart Growth checklist



Minnesota's Integrated Predesign/Budgeting Process

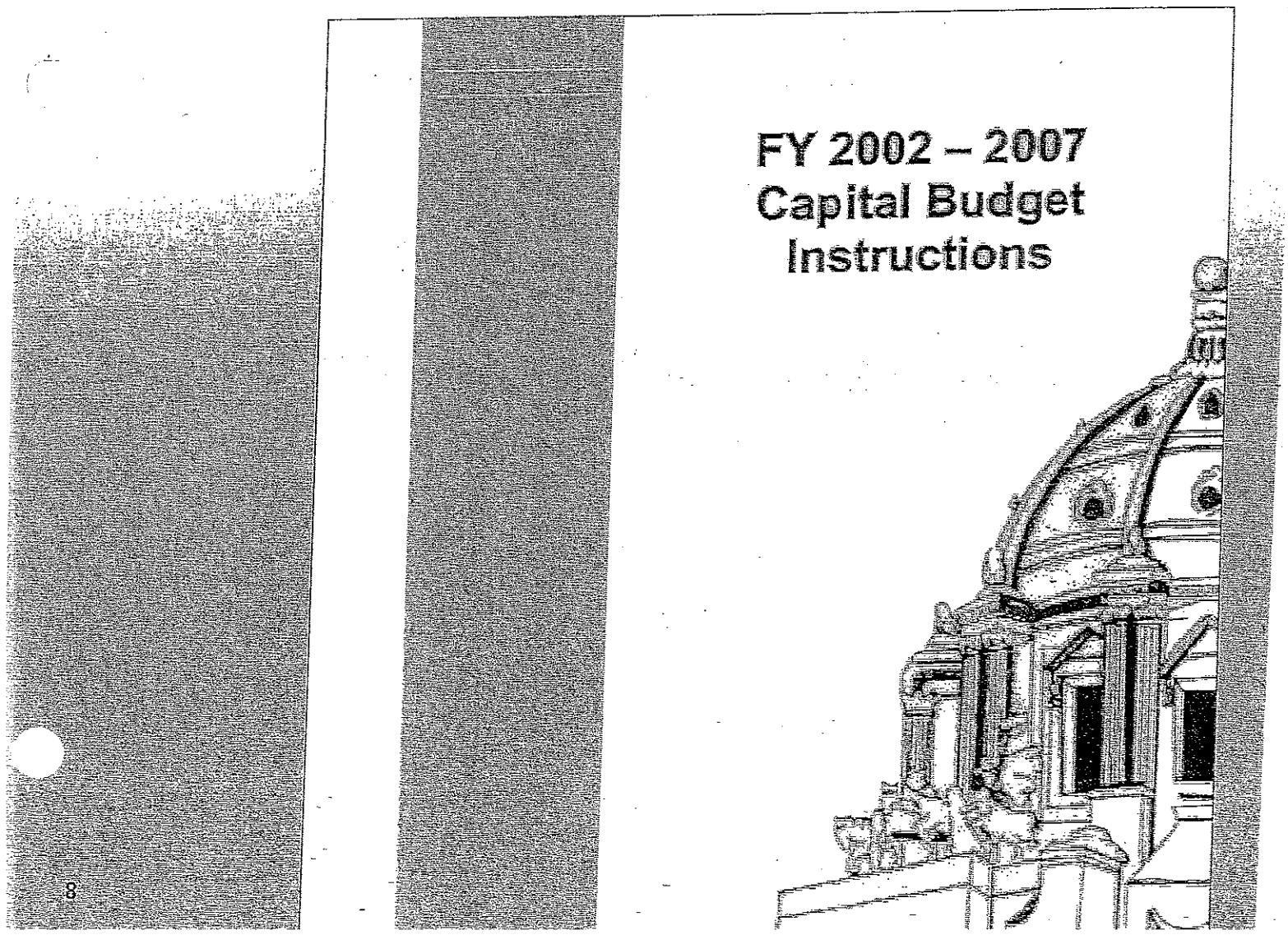
Minnesota has instituted an integrated system for budgeting, designing and building capital projects. Beginning at the top, the hierarchy of tools in this process includes:

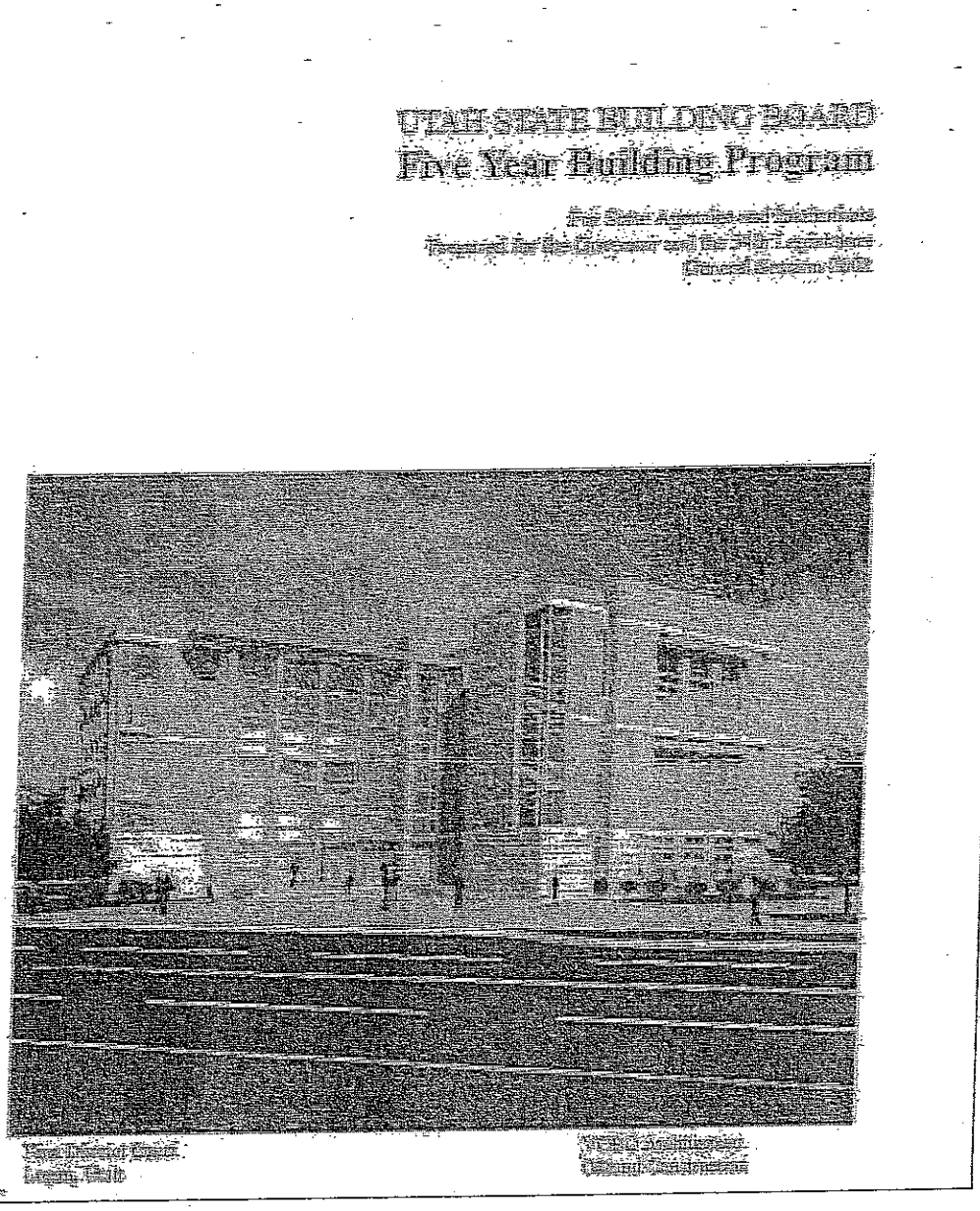
- Capital Budget System (CBS)
- Predesign Manual,
- Design Guidelines
- Design-Bid-Build delivery method for construction projects.

The Department of Administration's Division of State Building Construction (DSBC) leads this effort from predesign through occupancy.

By statute, the state requires that agencies submit a predesign document to the Department of Administration for all new construction or major remodeling project requests. The state assesses the need, cost, scope and schedule of the project, all of which are then subsequently used in the Capital Budget System. The state initiated this integrated system in the mid 1990's, with capital projects requests on even-numbered years.

Along with the Department of Finance, which manages the CBS, the Department of Administration reviews and comments on all capital requests. Agencies may then clarify or correct their proposals, based on those comments. The DSBC focuses on predesign





issues, commenting on cost and program regarding architecture and construction. Ideal predesign documents include all items required under the CBS system, such as linking capital projects to an agency's strategic plan.

Under current law, the state uses a traditional project delivery method: Design-Bid-Build. With legislative pre-approval, the state may under limited circumstance utilize a Design-Build method. For example, the state might seek such a method if there is a time deadline tied to a lease, or other critical need.

Minnesota's stringent predesign requirements likely save the state money by averting errors during design and construction. However, the agency has not yet quantified such savings.

See *Appendix 2: Minnesota's Integrated Predesign/Budgeting Process* for more information.

Utah's Value-Based Selection Process (VBS)

Utah has switched to using a value-based selection (VBS) system to choose architects, engineers and contractors for design and construction services. Under the previous process, the state used a low-bid model of selection for construction contractors (but not for architects and engineers). Under VBS, the state weighs a combination of factors for construction contractors, including qualification, past performance, on-time and on-budget delivery, prior litigation against the state, and price. The state also rates the proposal based on which subcontractors and superintendents the general contractor proposes.

When Utah previously chose contractors by the lowest bid, the state often suffered financial costs due to wasted time, poor

quality of workmanship, and additional administrative work involved in solving problems created by substandard contractors. Project superintendents were sometimes inexperienced in handling large, complex projects.

Utah's Value-Based Selection (VBS) system for procuring construction saves the state money. For example, although the state may pay $10,000 to $15,000 more for a project that uses a higher-quality subcontractor, the state saves more through the improved quality, lower number of legal claims, and improved on-time delivery rate.

During the previous two years, Utah set aside $2 million in its capital improvement money for energy efficiency upgrades and water conservation projects. Each agency can promote efficiency projects. The state also hired a design consultant to develop standards for water-saving landscaping standards during new construction. (The state had previously implemented a policy for energy efficiency standards that all new buildings must exceed.)

See *Appendix 2: Utah's Value-Based Selection Process (VBS)* for further information.

B. Leasing

This section summarizes practices used to lease facilities for state agencies. State leaders interviewed for this study identified these practices as key to the success of their states in this field. Utah and Maryland use extensive request for proposals (RFP) processes to secure leasing arrangements for state agencies, while Minnesota uses a mixed system dependent upon the individual request and other circumstances at the time. All three states have centralized systems for leasing properties, where one leasing division handles most or virtually all requests for state agencies.

AGENCY CAPIT
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Dollars in Thous

Project Title	2002 Agency Priority Ranking	Agency Project Re ($ by	
		2002	2004

Maryland's Procurement Law

In 1980, the state legislature placed the acquisition of leasehold interests under the procurement law system. This tightly controlled system encourages competitively solicited proposals, which the state then ranks and scores. Bidders must abide by their offer for a period of 90 days while it is reviewed and ranked, and the property is evaluated. The proposer with the highest point score wins, and then the state enters "best and final" negotiations with that scorer, to achieve the lowest rent possible. This unique system involves very little delegation. The Board of Public Works (i.e., the Governor, Treasurer, and Comptroller) must approve all state leases.

In Maryland, the state saves money by paying no commission on leases and negotiates reasonable rents at below market rates. Additionally, the state negotiates better-than-market deals on option renewals.

See *Appendix 2: Maryland's Procurement Law* for more information.

Minnesota's Mixed System

Minnesota generally relies on the extensive market knowledge of its staff to identify appropriate space for state agencies, although it uses RFPs for leases in some situations.

When seeking leases, agencies send requests to the Real Estate Management Division of the Department of Administration, based on the legislative appropriation and the programmatic operations of the agency. While this division leads the entire leasing process from beginning to the end, it is a very collaborative effort with the requesting agency.

Steps of Process:

- Officials with the real estate division meet with representatives from the agency to gather details, such as location,

. BUDGET REQUEST
rs 2002-2007
ds ($137,500 = $138)

Projects Summary

ests for State Funds ssion)		Statewide Strategic Score	Governor's Recommendations 2002	Governor's Planning Estimates	
2006	Total			2004	2006

amenities, number of people in the space, need for public access, and a wide range of other issues.

- The division conducts a comparative market analysis to see what is available that would meet the needs, and identifies possible properties.

The public notification process for state space needs varies by type of request, the rental market, and other issues. In most cases, the Real Estate Management Division will first look at the availability files. Landlords regularly contact the division to update the files on space availability. Because the system is centralized, everyone in the division is extremely knowledgeable of space available in the rental market. Therefore, the division rarely puts out solicitations for information in the form of an advertisement.

However, depending on the economy, and for requests larger than approximately 50,000 square feet, the division might prepare a formal request for proposals (RFP). In some situations, this might create a more competitive situation and lead to a better product.

Officials in Minnesota believe that the state's centralized leasing system generates better rents. The Real Estate Management Division staff members have expertise in everything from real estate negotiations to space planning and programs. This expertise helps the division negotiate better rents and space.

See *Appendix 2: Minnesota's Mixed System* for more information.

Utah's RFP System

In Utah, the Office of Real Estate and Debt Collection in the Division of Facilities Construction and Management (DFCM) manages leasing for virtually all state agencies. It works with the requesting agency to identify space needs, complies with a space standards book, and then develops the RFP around the program that will be delivered in the requested leased space.

After disseminating the RFP, the state chooses a proposal not based on the lowest bid, but the best property within the allotted budget. One official said this system "makes for happy, productive employees" in the new space. Also, by focusing all leasing through one agency, the level of space and service quality has improved.

Utah owns approximately 60 percent of the property it occupies and believes that it is generally better to own property than to lease it.

Utah leaders believe their consolidated system of leasing may lower the state's costs, but they said it is difficult to quantify because the system has been in effect for many years. Anecdotally, officials estimated that based on current market and advertised rates, the state is saving approximately 50 to 75 cents per square foot on its 1.6 million square feet of leased office space.

Appendix 2 offers more details on:

- Design & Construction Services
  - Including: Maryland's Smart Growth, Minnesota's Integrated Predesign/Budgeting Process, Utah's Value-Based Selection Process (VBS), and Maryland's Special Roofing Team.
- Leasing
  - Maryland's Procurement Law and Minnesota's Mixed System.
- Creative Building & Leasing in Action
- Construction Budgeting & Funding Processes
- Customer Feedback
- Other Factors
- New Ideas in Leading States
- Relevant Web Sites
- Contacts

II. Operations & Maintenance

This section discusses practices in the operations and maintenance of facilities, including the management of deferred maintenance. Leaders in three states, Michigan, Missouri, and Utah, identified specific practices as key to the success of their programs.

Introduction

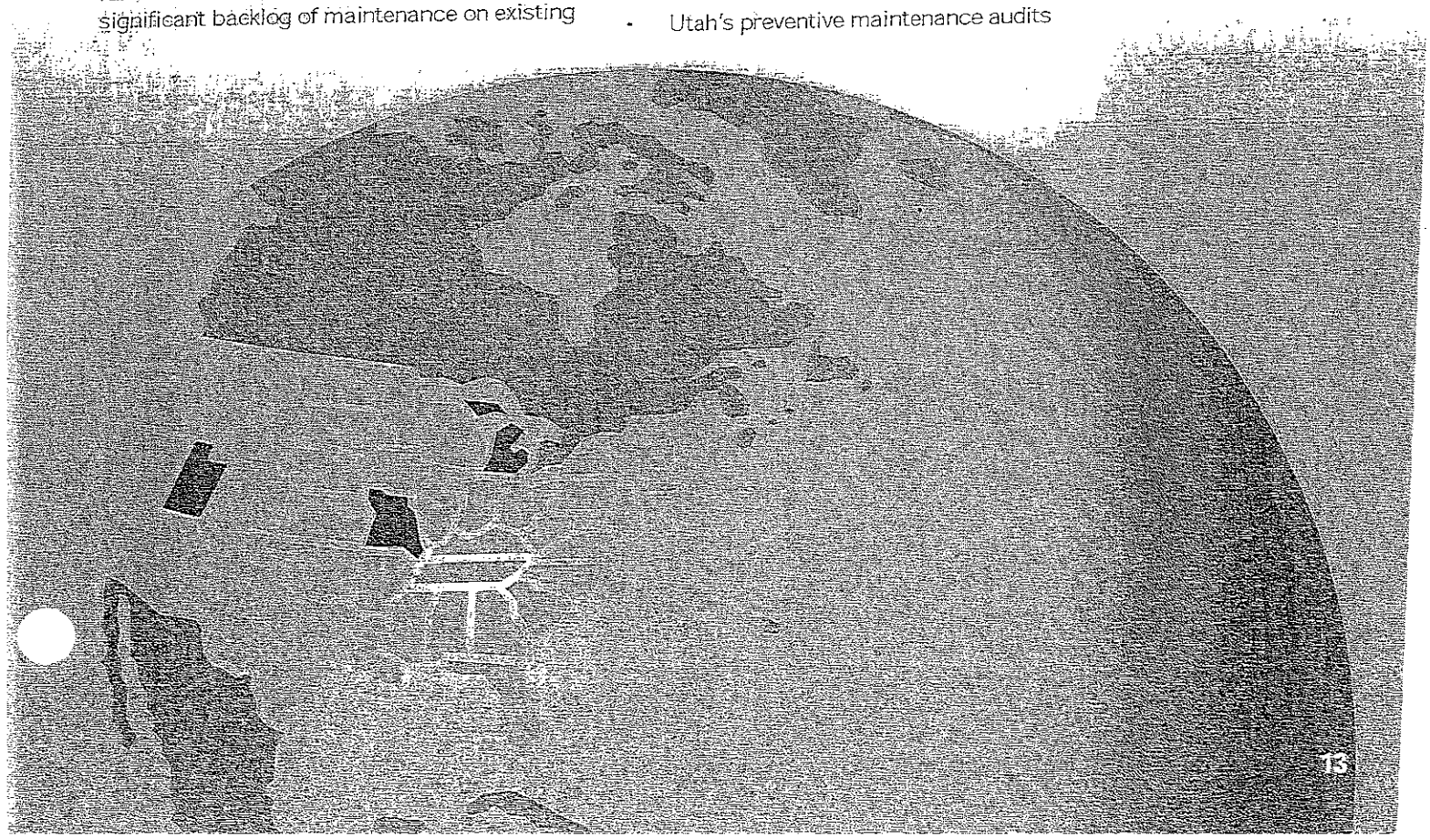
While the states highlighted in the Acquisition and Construction section also have strong capabilities in this practice area, Michigan, Missouri, and Utah are particular standouts.

Michigan is noted for having a comprehensive approach to the sustainability practices through its "Maintenance Excellence" program. The program appears to be analogous to the "National Performance Review" approach, with teams being constituted in each area to design and implement reforms.

Several states are notable because they go farther than others to accurately identify the significant backlog of maintenance on existing buildings. These states are creating special facilities maintenance reserve accounts, setting aside earmarked funds to address the problem. By law, Utah's State Building Board controls a set aside 1.1% of the total current value of real estate for maintenance. Similar efforts are underway in Missouri, Iowa, and Minnesota, although those states do not have legislative requirements.

A summary discussion is provided on the following practices:

- Michigan's Maintenance Excellence program
- Missouri's maintenance software and evaluation system
- Utah's capital facility assessment
- Utah's preventive maintenance audits



The section also describes some cost savings due to the practices listed above. As would be expected, the new systems in Utah, Michigan and Missouri require initial and ongoing investments. At the same time, the states have all experienced savings due to the advanced operations and maintenance systems described here. Some savings are quantifiable while many are not.

Leaders compared the preventive maintenance now occuring in these states to properly changing a car's oil—it is helping the facilities to function at their peaks, and is preventing untold problems and associated expenses.

Officials in each state used a metaphor of an oil change on a car when describing the unknown savings their state is reaping. Without regular oil changes and proper care, an automobile can develop numerous, sometimes catastrophic problems. If cared for properly with regular oil changes, an automobile will perform up to its peak.

A. Facility Assessment & Preventative Maintenance

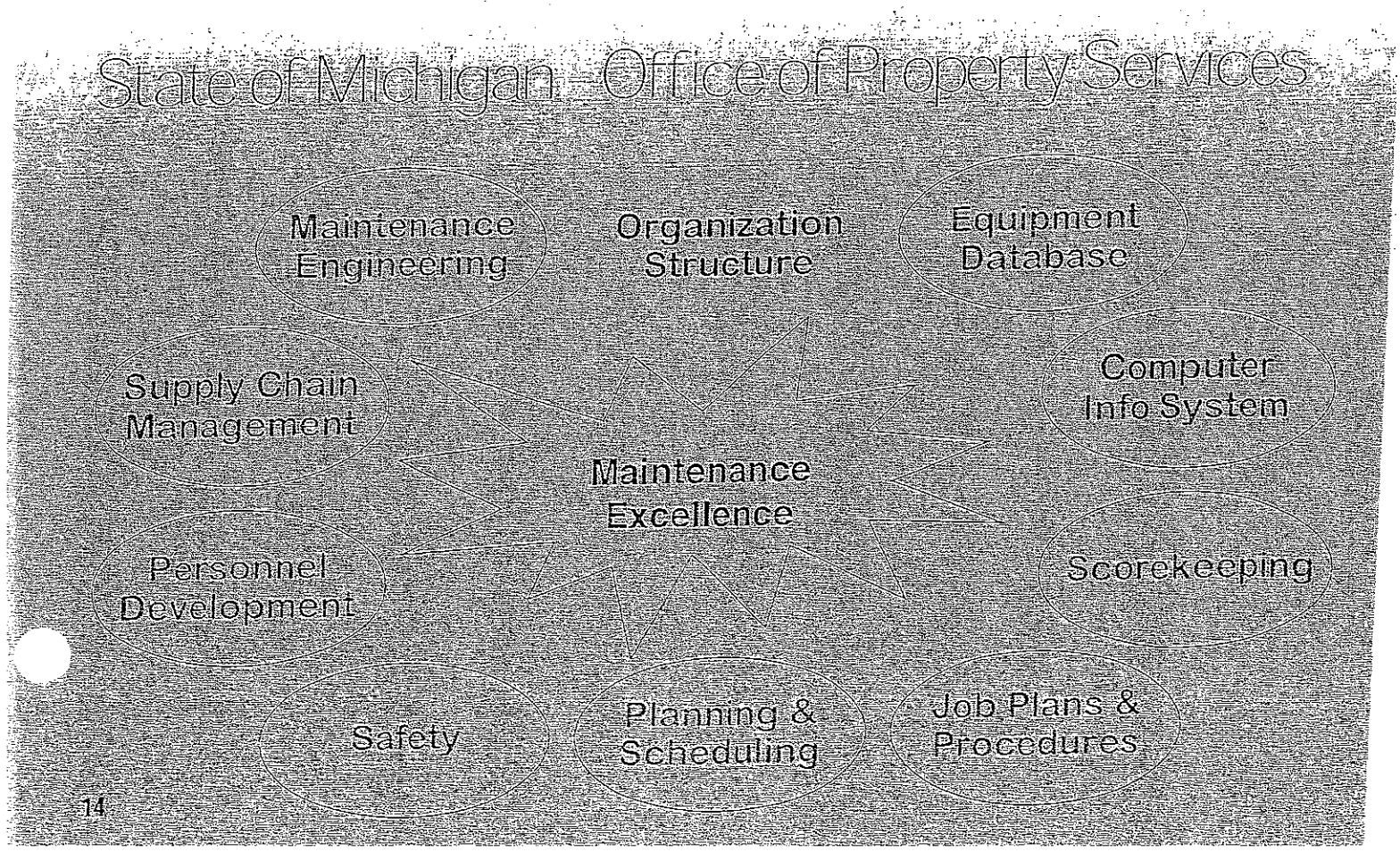
Michigan's Maintenance Excellence Program

This section summarizes those systems or processes that state leaders identified as integral to the success of their states' operations and maintenance programs.

Michigan is instituting a comprehensive Maintenance Excellence program to enhance preventive maintenance and improve its customer service.

Description of Program:

Using a sophisticated software system called MAXIMO, the program coordinates nine project teams in order to transform the state's maintenance program from one that is reactive to one that is pro-active. These teams are responsible for initiating the following systems, according to documents from the



Michigan Department of Management and Budget (DMB):

- Equipment Database – to provide consistent identification of all major equipment and essential data, in MAXIMO and in facility records
- Computer Information System (MAXIMO) – to implement MAXIMO software modules, processes, technology and training
- Supply Chain Management – to develop a process to reliably meet material supply needs at the right time, with the right quality, at the right place and with the lowest total cost
- Job Plans and Procedures – to establish a system for documenting essential maintenance tasks and procedures
- Planning and Scheduling – to redirect the Office of Infrastructure Services from a reactive to a proactive maintenance culture
- Scorekeeping – to establish a system to measure key internal processes and performance outcomes
- Safety – to establish essential health and safety programs, processes, and training
- Personnel Development – to establish competency-based employee performance development
- Maintenance Engineering – to establish a system for continuous quality improvement in maintenance

The software system, personal digital assistants, system-wide training, and other components entailed significant expenses up front. However, officials are confident that "it pays for itself in short order" by creating efficiencies, reducing work and costs over time. They identified a few key areas of savings and cost improvements based on the new system.

- More efficient labor utilization, less reactive work
- Reduced material and tool costs, because the state will have the correct tools in stock and will not buy unnecessary materials
- Extended asset life due to reduction in premature failures through proper maintenance

See *Appendix 3: Michigan's Maintenance Excellence Program* for more information.

Missouri's Maintenance Software and Evaluation

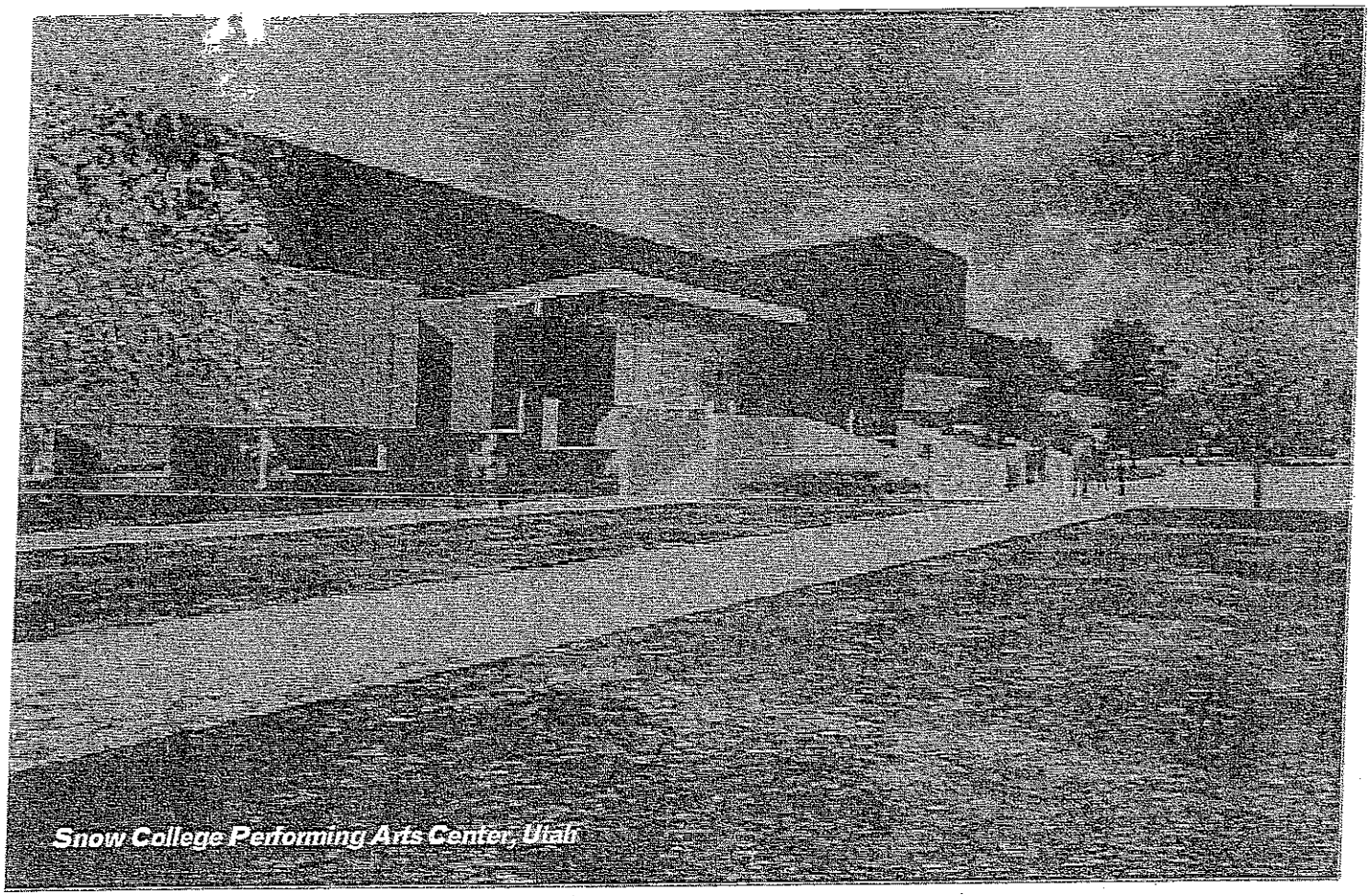
Missouri's relatively new computer program was identified as one of the best management tools in the maintenance of state buildings. The software program, MS 2000, coordinates numerous maintenance functions. It includes modules for equipment and parts, equipment maintenance schedules, preventive maintenance systems, and manuals, and identifies future inspection and maintenance dates.

Importantly, the software will remind maintenance staff to perform work assignments. This will improve customer service because maintenance staff members are often pulled in many directions with numerous work orders. In the past, some work orders have fallen through the cracks. The new software program sends reminders to staff until all necessary information is updated manually into the program.

The building operations team holds comprehensive weekly evaluation meetings. The team reviews the maintenance status of each state building, upcoming operations activities based on the computer program, all electrical systems, housekeeping issues, and more.

The software system has improved the agency's efficiency, cutting down on administrative overhead. However, one official said it does not decrease the amount of work the agency does, because now it must conduct more preventive, pro-active work than before. While the hours spent by maintenance staff may have simply shifted from reactive to preventive, the new system certainly improves the impact on tenants. In the past, mechanical and building failures disrupted tenants, as did the repairs. Preventive maintenance sharply reduces major system failures, improving the productivity of the tenants in state-owned buildings. The state has not formally calculated these savings, officials said.

See *Appendix 3: Missouri's Maintenance Software and Evaluation* for more information.



Snow College Performing Arts Center, Utah

Utah's Capital Facilities Assessment

Utah has implemented an aggressive, comprehensive program to assess the maintenance needs of its facilities. The Division of Facilities Construction and Management (DFCM) is responsible for this system.

The state's Capital Facility Assessment included a three-year audit of nearly all of the state's property. The state paid a third-party team of engineering and architectural consultants to assess state-owned property and buildings, document the status of all equipment, and estimate life expectancies for all properties. The team identified which items need maintenance or improvement immediately, those that require it within five years, and those within 10 years.

This conditions assessment now serves as a baseline for future maintenance and capital improvement decisions for state agencies, and is used in agency budgeting.

Under the new system, the state is able to prioritize and plan for upcoming maintenance needs. The entire system will be linked through a live database.

Leaders in Utah believe the state has already recouped its investment in its Capital Facility Assessment, especially through the efficiency opportunities in energy. Mechanical equipment is the largest contributor to ongoing operations and maintenance costs of a building. When new buildings are constructed in a more efficient manner or old systems are replaced with newer, more efficient models, the savings over time are significant.

The DFCM has average costs of $3.98 per square foot for operations and maintenance. Of that amount, $1.10 is for electricity. Officials said this is lower than the national average. Over the past three years, DFCM has

captured 5.5 percent savings per year in reduced electricity costs. This process began three years ago. "We think there is another 10 to 15 percent savings out there," through re-engineering and retrofitting, an official said.

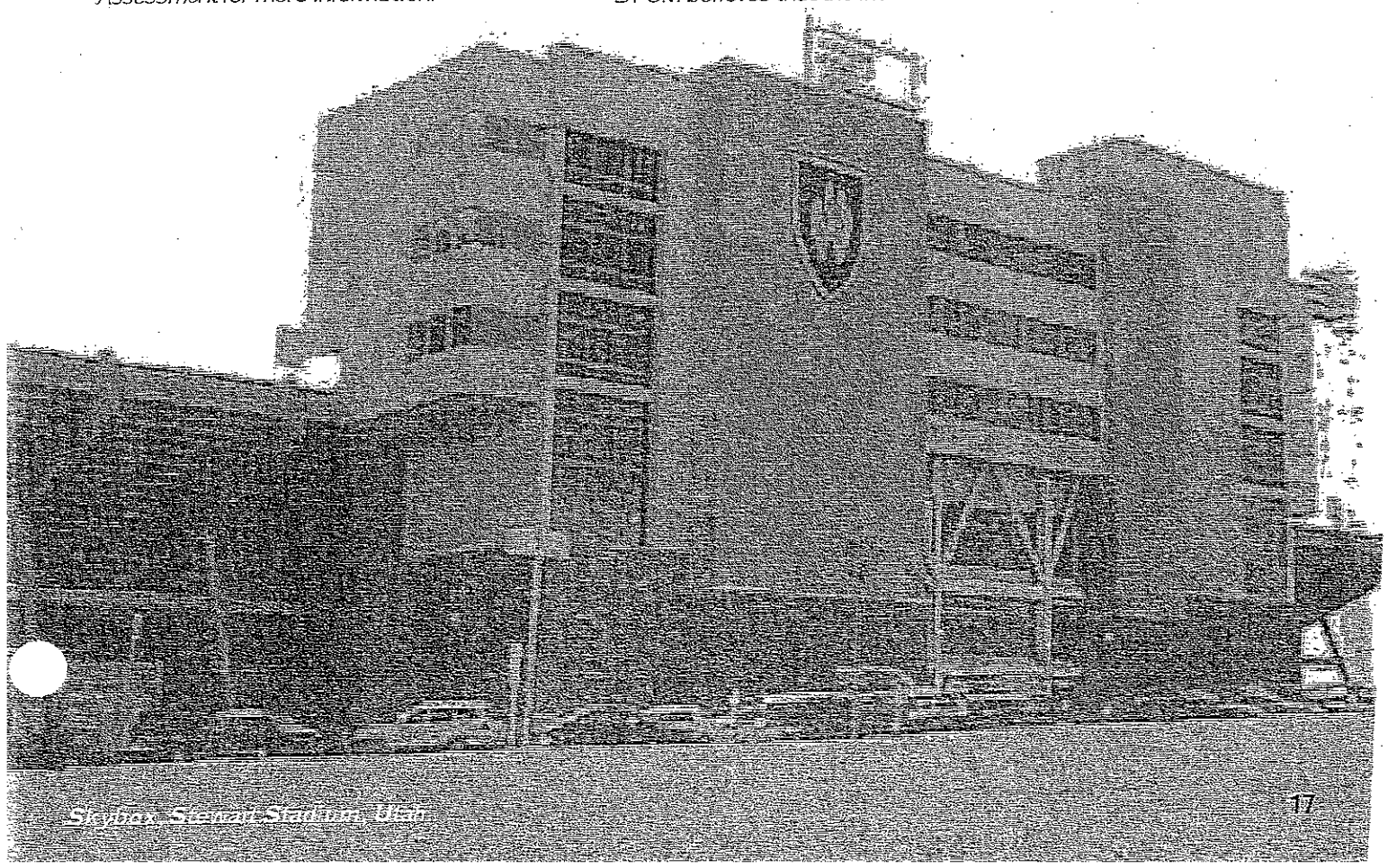
The state also experiences fewer emergencies. Prior to the launch of the conditions assessment, maintenance requests were based on observations. But many facilities managers are not trained engineers, and therefore could not identify larger system problems before an emergency occurred. One leader noted that "the new system has improved the quality of requests; it brings forward the truly needed items." For example, an agency might request a remodel for its office from the DFCM to solve some observable problem, but at the same time the mechanical systems are failing, out of view. The new system allows the DFCM to focus on needs rather than wants and to prioritize more efficiently.

See *Appendix 3: Utah's Capital Facilities Assessment* for more information.

Utah's Preventive Maintenance Audits

In addition to its Capital Facilities Assessment, Utah has a process whereby it sets minimum maintenance standards for all agencies in the executive branch and conducts an audit to determine whether the agencies have created adequate plans to meet these minimum standards. The state scores each agency on its ability to meet these standards. The DFCM audits the maintenance practices of executive agencies to ensure they are scoring properly – they must score a 90% or better.

Institutions for higher education, which comprise two-thirds of state-owned property, audit their own abilities to meet the standards. However, DFCM encourages higher education institutions to invite the agency to participate in these audits. DFCM then conducts an independent audit and compares its score to that of the educational institution. The two then discuss any substantial differences. If the DFCM believes that the institution's own



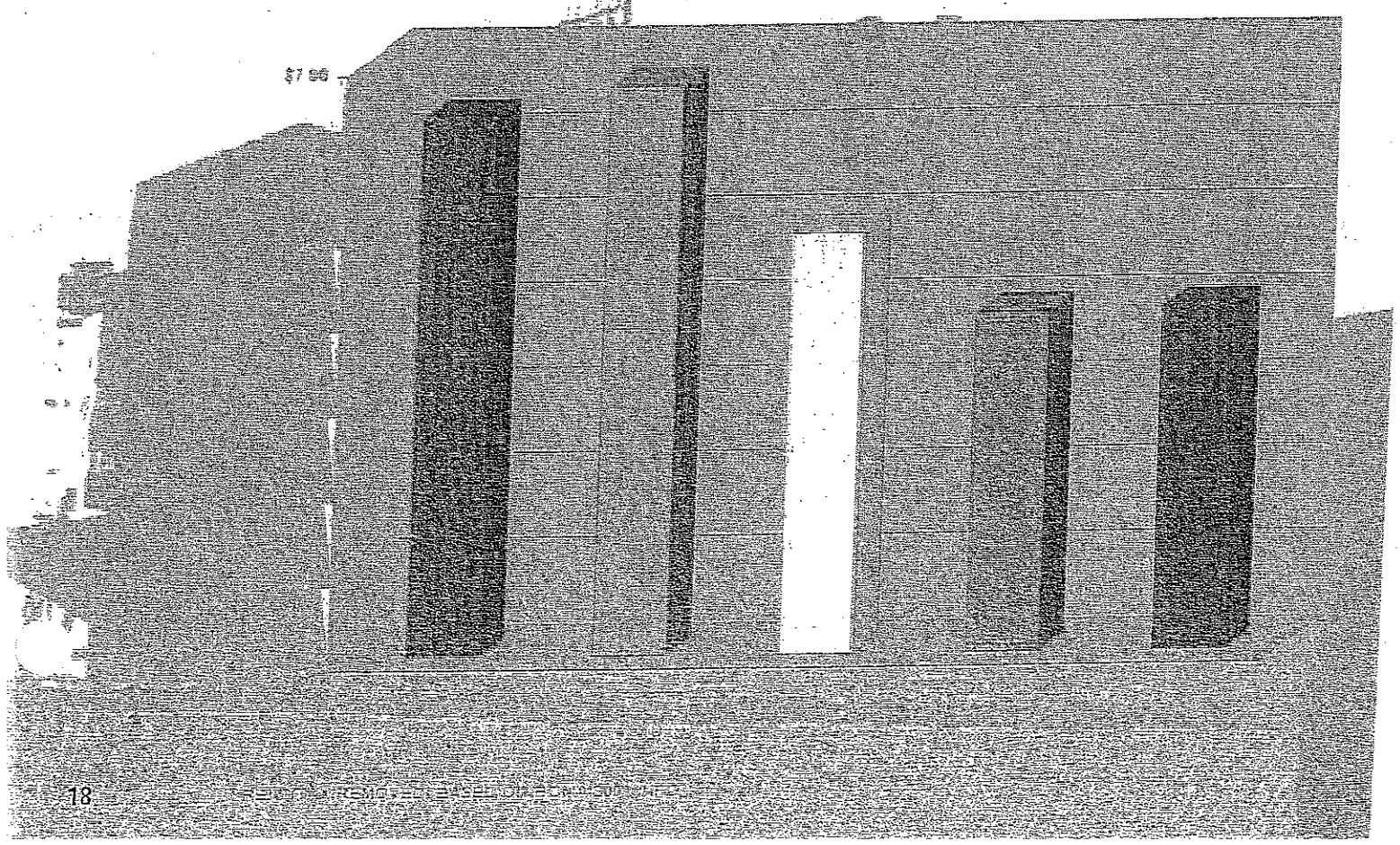
Skybox, Stewart Stadium, Utah

score is inappropriate to be reported, the DFCM offers the institution an opportunity to re-evaluate. If the two continue to disagree, they send both scores to the Building Board.

Appendix 3 offers more details on:

- Facilities Assessment & Preventive Maintenance including:
  - -- Michigan's Maintenance Excellence Program
  - -- Missouri's Maintenance Software and Evaluation
  - -- Utah's Capital Facilities Assessment
  - -- Utah's "campus versus shops" system
  - -- Other systems
- Budgeting & Funding Processes
- Feedback
- Relevant Web Sites
- Contacts

FACILITIES MANAGEMENT ISF RATE COMPARISON



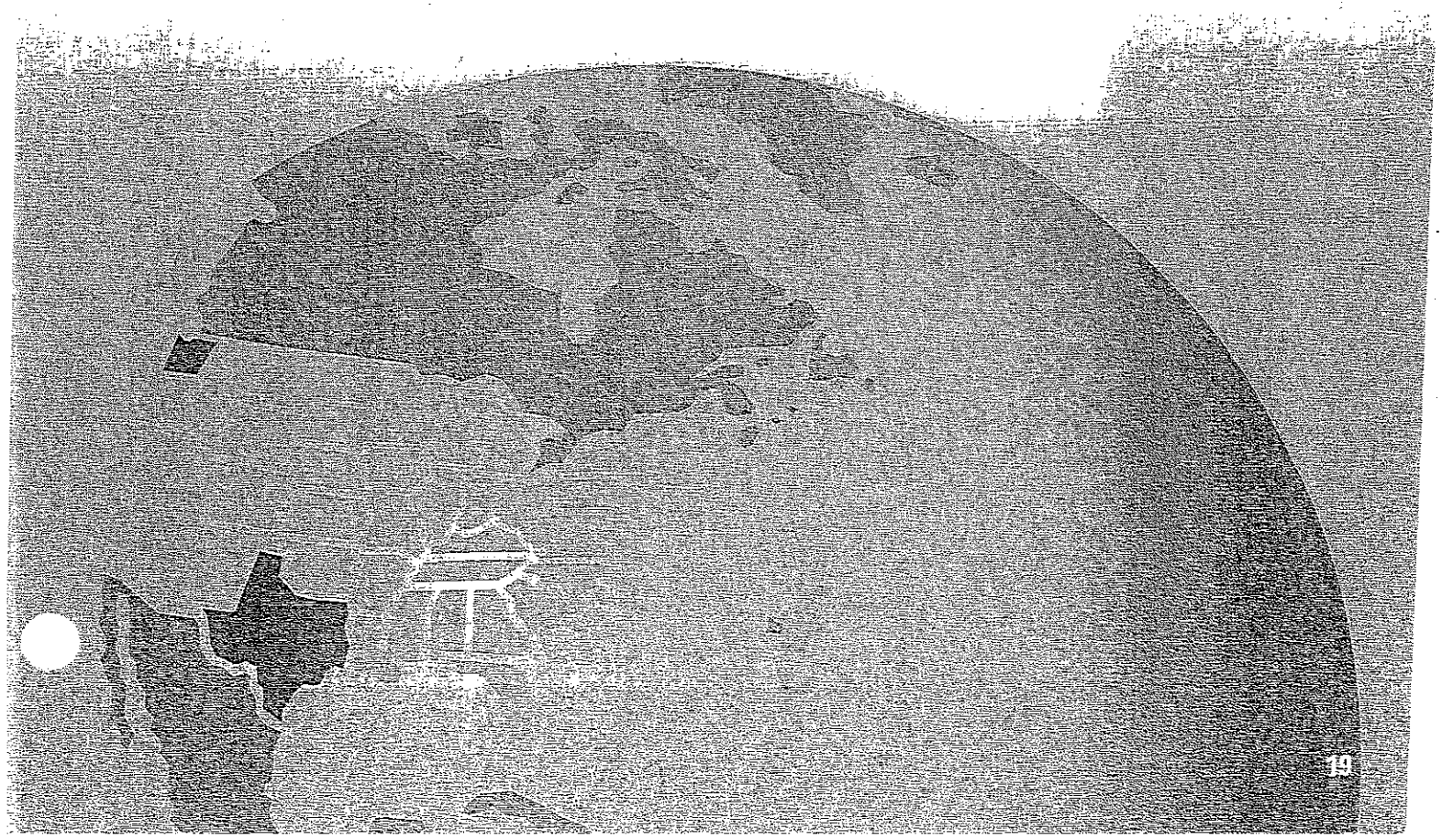
II. Web-Enabled Software

Washington State and the Texas Department of Mental Health and Mental Retardation (DMHMR) are leaders in the use of web-enabled software to manage real property. Michigan's use of its MAXIMO program in upgrading the state's preventive maintenance program is also highlighted.

Introduction

Washington has developed web-enabled and Intranet services for a wide range of state agency purposes. The state has created a "Buildings on a Disk" service for state owned buildings. This system provides building managers with a complete inventory of all the physical systems in the building, as well as maintenance and repair planning and tracking capabilities connected to the centrally provided state services. The state also has a sophisticated online bid package for construction projects.

The Texas Department of Mental Health and Mental Retardation (TDMHMR) has established a Computer Aided Facility Management (CAFM) System covering its 1500 buildings at 22 agency schools and hospitals. The CAFM operates an enterprise system over the departmental Intranet that incorporates a web-based application, client-server, and hand-held computers to track and manage maintenance services, building conditions, property, assets, capital construction, and legislative reporting and requesting. The system has been used as a model for other departments in the state and other states in the region.



As discussed in more depth in *Practice Area 2: Operations & Maintenance*, the "Maintenance Excellence" program in Michigan includes the computer maintenance management system, called MAXIMO, which is currently online in all of the Office of Property Services managed buildings. The capability to support maintenance needs online has reduced cycle times and improved cost performance for the state.

Following is a summary discussion on these practices:

A. Leasing

B. Planning & Construction

- Washington's public works bidding process
- Texas DMHMR's Capital Assets Planning System
- Texas DMHMR's construction project management program

C. Maintenance & Management

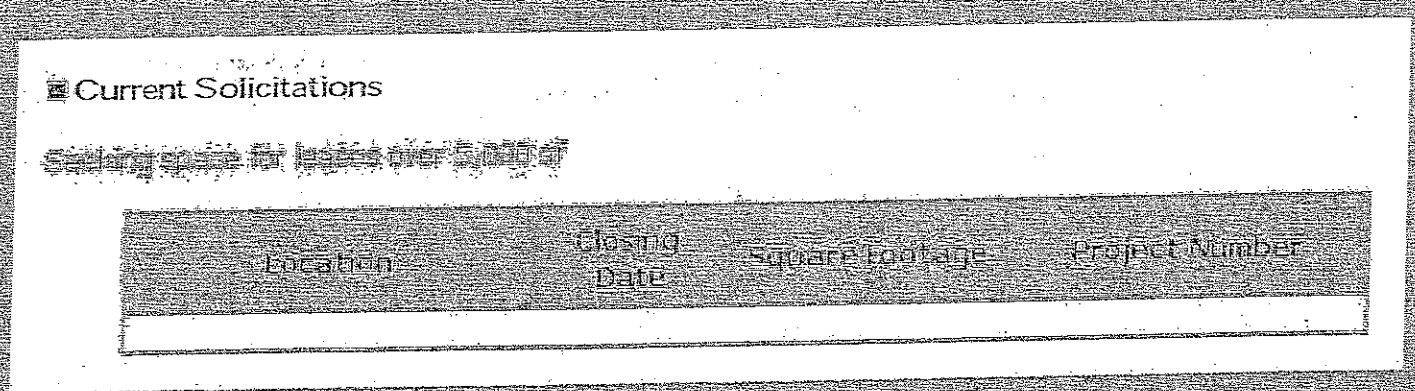
- Washington's "Buildings on a Disk"
- Texas FacilityCenter™ maintenance program

D. Feedback & Internal Communications

A. Leasing

This section summarizes web-enabled systems in Washington and Texas that assist in real property planning, design, and construction, including major maintenance projects.

The Washington State Department of General Administration uses web-enabled software in simple and sophisticated ways. On the leasing side, the section uses it to lower costs and to enhance its solicitation outreach. The Real Estate Services (RES) section advertises all its space needs and co-location opportunities to reach private sector landlords and tenant agencies. It previously placed advertisements only in newspapers. These ads were wordy, hard to read, and very expensive. Now the agency places simpler, less expensive ads in newspapers and refers interested individuals to the agency's web site for the complete request for proposal, resulting in agency savings of $40,000 per year. It also has expanded its outreach since many businesses with available property did not necessarily see the ads in the paper. Now those companies can bookmark the agency's web site and review it regularly for new space needs. (See *http://www.ga.wa.gov/DRES/LeasedSpace.htm*)



Internally, the Washington Real Estate Services section maintains a Lease Inventory System (LIS), which is a database of all property leased from the private sector.

B. Planning & Construction

Washington's Public Works Bidding Process

The Engineering and Architectural Services (EAS) section of the Washington State Department of General Administration uses an advanced web-based software system to streamline the process for soliciting public works construction bids.

Created and managed by a private company – the Builders Exchange of Washington – the FastBid™ software allows web access to an entire bid package, with drawings and all details. The Washington State Engineering and Architectural Services section web site links to the Builders Exchange site, where all its public bids are listed and available for contractors. Contractors can use this site to review building documents and to measure, estimate and prepare construction bids, and to print any number of plans or specifications, order prints, or register to be notified of new documents on a given project. (See: *http://www.ga.wa.gov/eas/easvend.htm*, click on "Current Projects Advertised for Bidding." First-time users will need to download the free software.) The Builders Exchange promotes the system as "the world's first Internet blueprint reader that loads in 10 seconds."

The goal of this system is to move away from paper and keep as much as possible online. If fully implemented, the EAS official estimates that the state agencies alone would save $1 million each year just in printing costs. An online system would also save time. When all participants are fully using the online system, an EAS official said the time to put a project out to bid would be cut in half at a minimum.

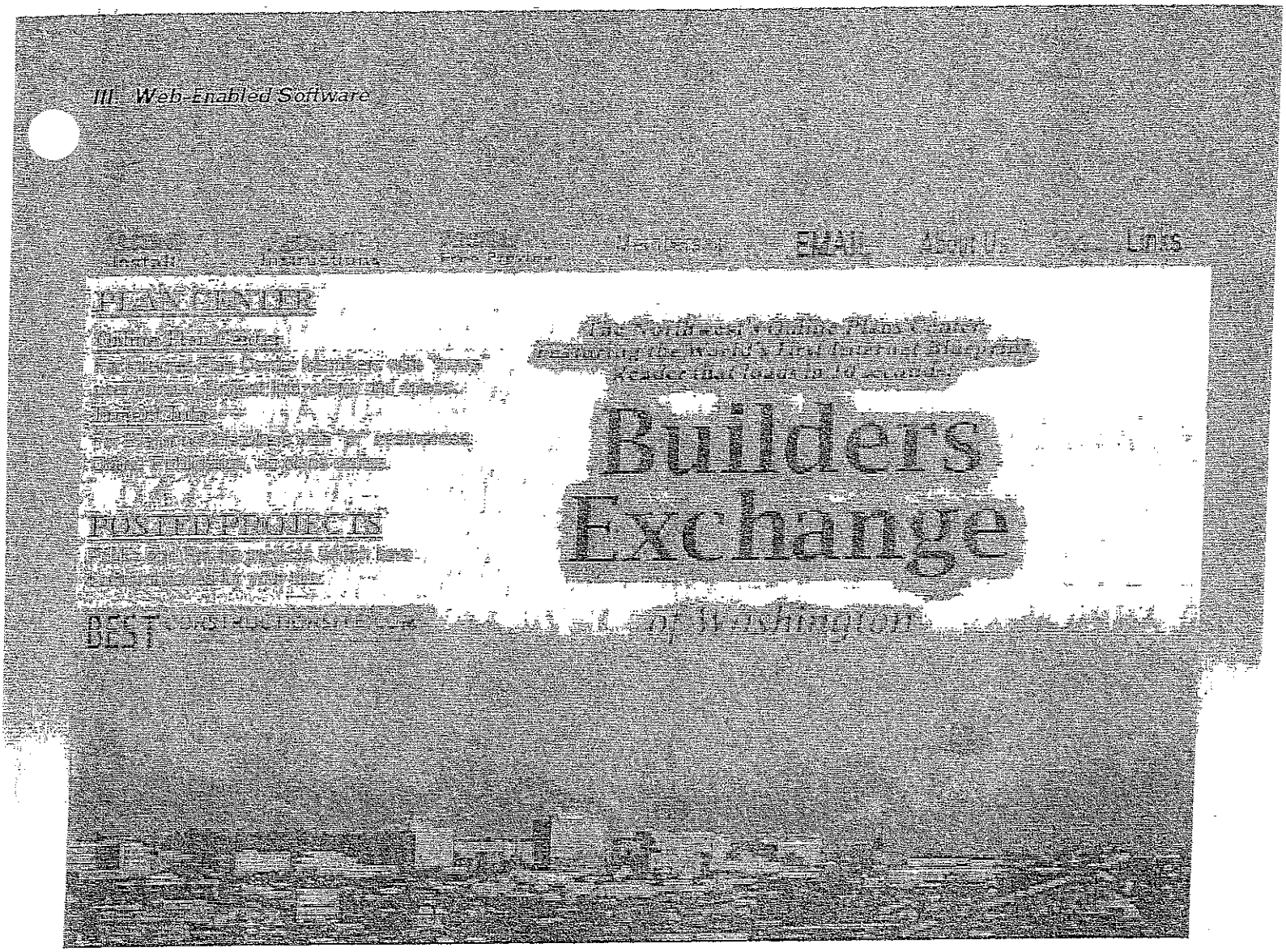
Capital Assets Planning System in Texas

The Computer Aided Facility Management (CAFM) Office of the Texas Department of Mental Health and Mental Retardation is an enterprise program of various systems designed to capture, retain and manipulate capital assets and facility management information for the agency. CAPS (Capital Assets Planning System) uses VFA Facility software for strategic planning purposes while the Construction Project Management System

Washington Current Market Searches

Seeking space for leases under 5,000 sf

Location	Square Footage	Date Posted	Project Number
Gig Harbor	[illegible]	[illegible]	[illegible]
King & Snohomish Counties	1-6 acres	10/27/2002	274-10-02
Olympia, Lacey, Tumwater	7,747	6/5/02	249-10-01
Puyallup	4,685	6/5/02	188-06-00
Wapato/Toppenish	2,500 - 3,000	6/5/02	221-07-00



uses Expedition software to manage building projects.

CAPS is a tool for planning capital projects and construction. The system can construct an actual project proposal that an agency could then use in a formal request for funding from the state legislature. Using standards and estimates entered into the system, it produces the proposal and can distribute it electronically to relevant legislators and committees. This system also contains the Department's deferred maintenance list.

An official with the CAFM office said this system saves numerous hours of work.

Construction Project Management System in Texas

While the CAPS system is a planning tool that can create construction project requests for the legislature, the Expedition Contract Management System manages the construction itself. Information from CAPS moves easily into Expedition, which then handles all documents through the construction process including bids, specifications, expenditures, contracts and more. This system is also used for major renovations.

Expedition is one aspect of the larger Construction Project Management System, which also includes the state's accounting and procurement systems, and more. The state uses separate software for those systems, which are not included in Expedition.

After the completion of a project, the information from Expedition is moved into the system for facility maintenance, called FacilityCenter™.

C. Maintenance & Management

This section highlights web-enabled programs that manages the operations and routine maintenance of real property.

Buildings on a Disk

The Engineering and Architectural Services section of the Washington State Department of General Administration has created a system known as "Buildings on a Disk." The system gathers all operations and maintenance information for a facility on a single CD-ROM, providing a snapshot of all maintenance materials.

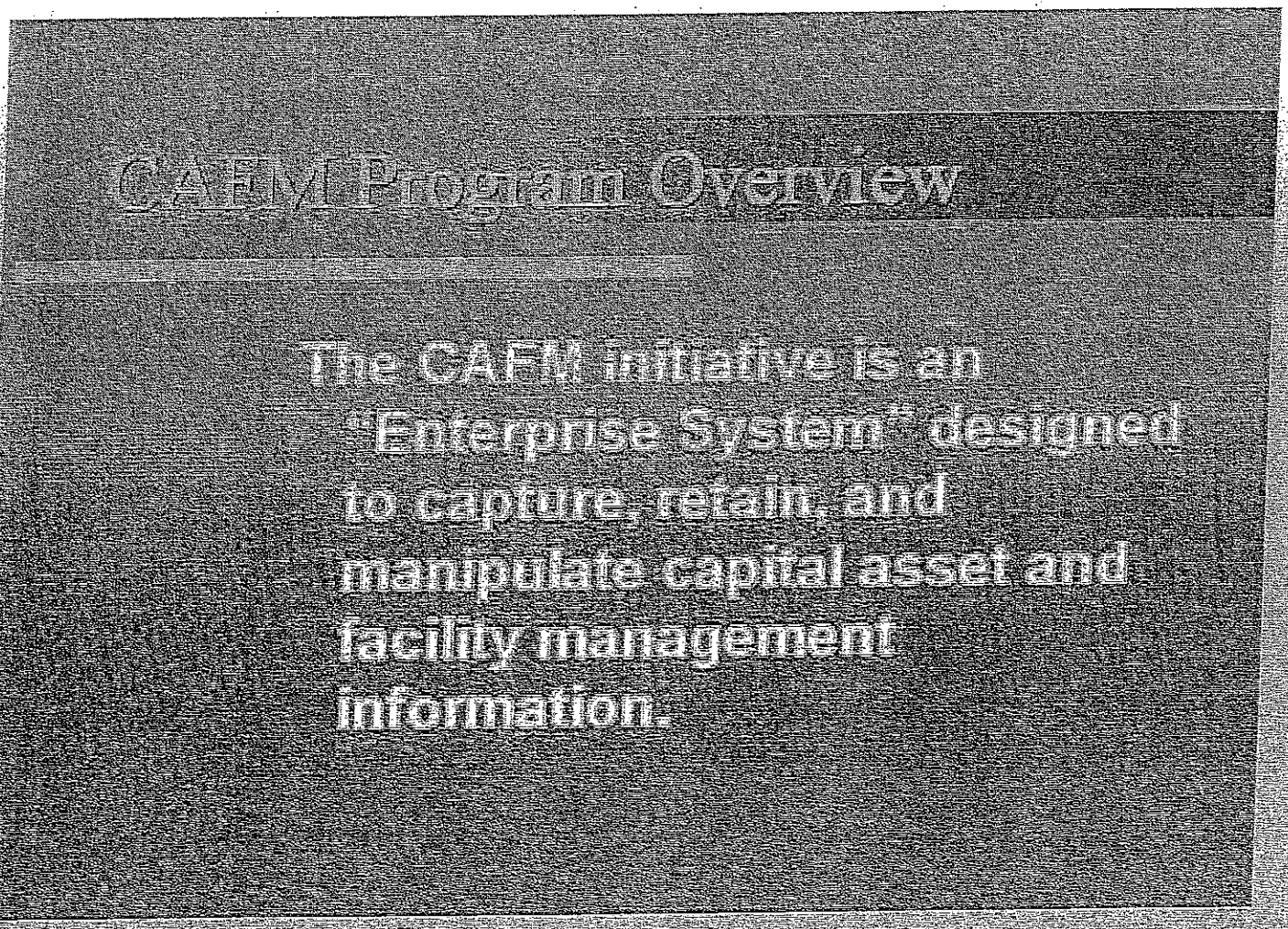
EAS staff members go out to facilities and work with facility managers and their staff members to identify all relevant maintenance documents. These include architectural drawings, maintenance manuals, and all other documents that maintenance staff members use regularly.

EAS places all this material onto a CD-ROM and burns five to ten copies for each facility.

Facility Assessment in Texas

The Computer Aided Facility Management Office in the Texas Department of Mental Health and Mental Retardation uses CAPS for capital planning, Expedition for managing construction projects, and FacilityCenter™ (see below) for its daily maintenance needs. Before implementing any of these systems, however, CAFM first needed to conduct a complete assessment of the Department's needs and facilities, to create a baseline for all its new software systems.

The Department hired Graphic Systems Incorporated, a Cambridge, Massachusetts



facility management technology company, to assess the Department's needs and create a process for the entire effort. This step involved a steering committee, focus groups and some facility site visits.

GSI recommended VFA, Inc. as a sole source vendor to conduct a comprehensive assessment of all MHMR facilities, including schools and hospitals. (VFA is also the company that produces the software used in the CAPS system). The company began the assessment in late 1996 and completed it 13 months later in late 1997. The process employed two teams of four to five people – an architect, a mechanical engineer, an electrical engineer, a life safety code expert, and one or two others depending on the type of facility. A team generally spent one week assessing a facility, and the following week entering data. CAFM officials said that the teams assessed everyone from the agency's CEO down to managers and housekeepers in buildings. The long distances between locations in Texas added time and travel to the process.

"We assessed everything we had, from fence to fence," an official said. The $2 million process identified 1,500 buildings at 22 sites with 10 million square feet.

FacilityCenter™ in Texas

While conducting the facility assessment, the Department also launched its search for a Computerized Maintenance Management System. However, the Department soon realized that it needed more than a system to simply handle maintenance. Instead, it needed to handle broader issues, covering the whole management of a facility.

The Department wanted a single software package that could order materials, handle lease management, manage maintenance and operations, and produce work orders. The Department purchased software now called FacilityCenter™, owned by Peregrine Systems. Importantly, the system can manage the work order system through Palm Pilots, eliminating printed work orders.

Michigan's Maintenance Excellence Program

As discussed in *Section II. Operations & Maintenance*, Michigan is instituting a comprehensive Maintenance Excellence program to enhance preventive maintenance and improve its customer service. The state is using a sophisticated web-enabled software system called MAXIMO to coordinate nine project teams in order to transform the state's maintenance program from one that is reactive to one that is pro-active. Michigan received an award in 2001 from the National Association of State Facilities Administrators for this excellent program.

D. Feedback & Internal Communications

The Real Estate Services division in Washington State distributes an electronic transaction survey at the end of each project to all who worked on it, whether it is for new space, alterations, or lease renewal. The division said that it has a high response rate to the survey, likely because it is electronic and simple to complete. "It's a good communications tool, and we use the information to help us rate how we're doing with our clients and how our services are functioning," one official said. "It helps us set meaningful goals for the future."

The division also posts all internal forms are on its web site, with manuals and guides on how to use the division's services. The division does not provide property management unless agencies request it – instead, agencies tend to manage their own building. The RES division's web site includes information on how agencies can manage their own properties. (See *http://www.ga.wa.gov/DRES/HandBook.pdf*).

Appendix 4 offers more details on:

- Planning & Construction:
  - Washington's Public Works Bidding Process
  - Capital Asset Planning System in Texas
- Maintenance & Management:
  - Buildings on a Disk
  - FacilityCenter™ in Texas
- New Ideas
- Relevant Web Sites
- Contacts

IV Public-Private Partnerships

This section summarizes the unique examples of state-level partnerships in Arizona and Washington State and briefly covers Maryland and Minnesota.

Introduction

The Department of Administration in Arizona has received two awards for its program, one from the National Association of State Facilities Administrators and another from the National Association of State Chief Administrators. This program is a response to limited office space for agency tenants in the state Capitol Mall area, and the high rental costs in the private sector. In this program, the private sector developer will own, develop, operate and maintain buildings on state-owned land. The state will lease the buildings from the private developer, and at the end of the 25-year lease, will own the buildings.

The State of Washington has also completed a program where it gives underutilized state property to a private sector firm, who then develops the property, and in exchange gives the state a different property equivalent in value to the fully developed value of the state land.

As previously discussed in Practice Area 1: Acquisition and Construction, Minnesota is also pursuing a lease-to-own project that may serve as a model in the future while Maryland is pursuing creative ways to encourage development on state-owned property near mass transit.

This section includes a summary of the following:

- Arizona's PLTO System
- Washington State's Land Swap
- Washington State's Lease Development Proposal
- Maryland and Minnesota

A. Arizona's PLTO System

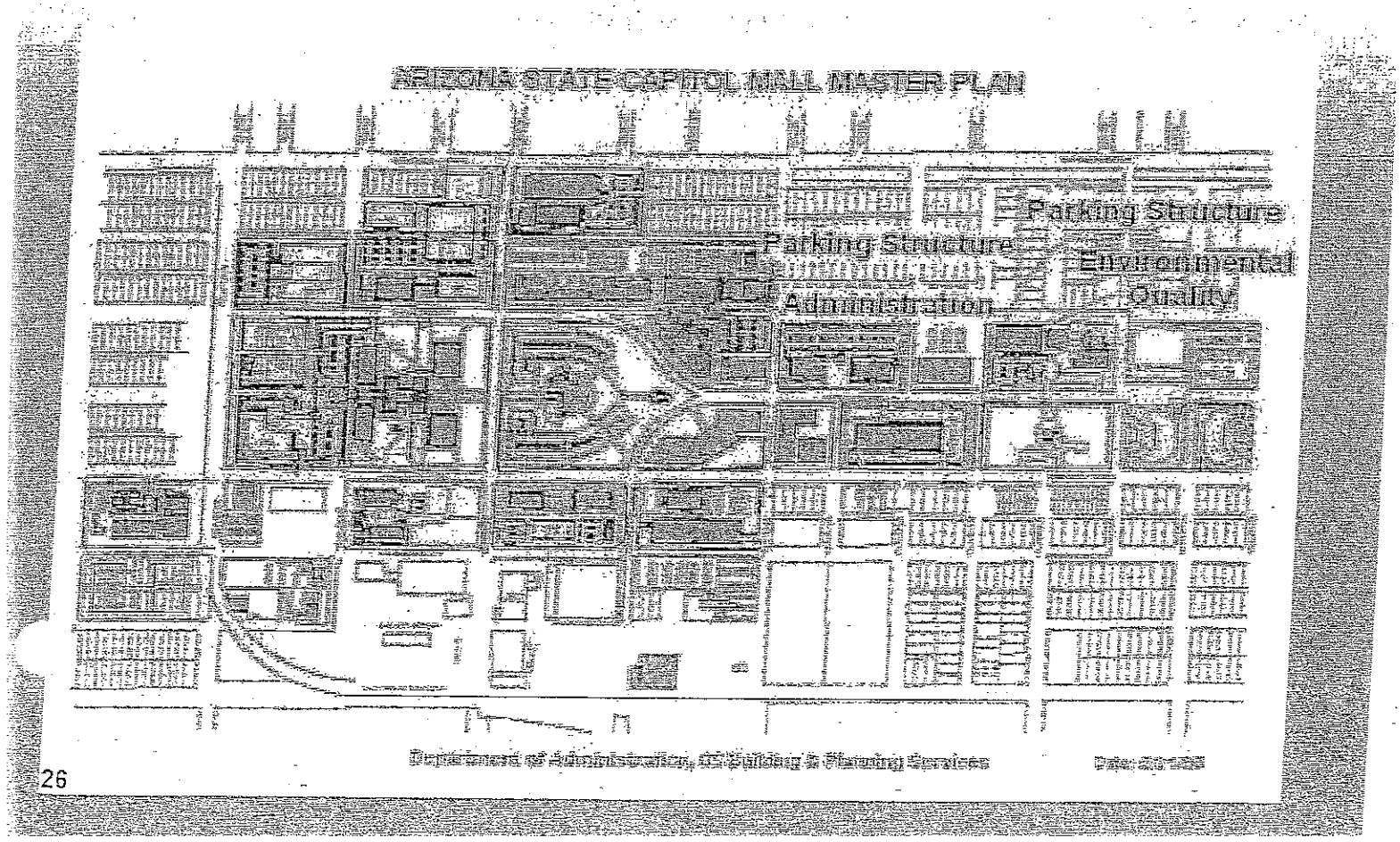
The General Services Division of the Arizona Department of Administration (ADOA) has implemented a Privatized-Lease-to-Own system (PLTO, pronounced "Plato") to meet a number of challenges.

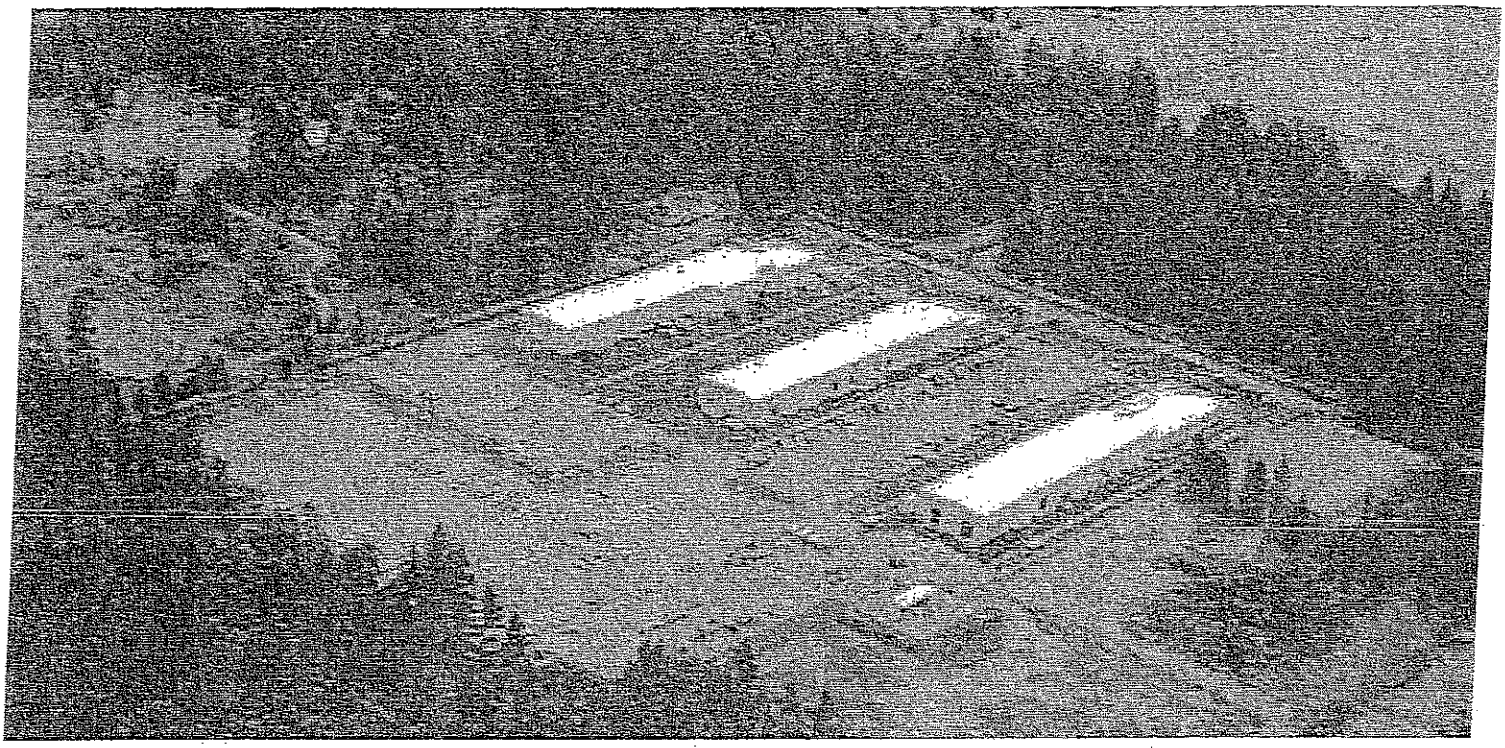
The state had not constructed a building on the capital mall for seven years and instead had expanded leases for state agencies in private office space at high and increasing rates. At the same time, the legislature believed in "pay-as-you-go" methods of funding by disapproving the use of bonds for construction of state buildings. While the state owned land on the Capitol Mall, it had been unable to build on that land. The ADOA challenged its General Services Division to create a plan to meet the needs of housing state agencies, given these restrictions.

General Services pursued a method in which a private developer would finance the construction of new buildings, then design, build and operate it on state-owned property, leasing it back to the state at or below the current state lease appropriation. The master plan called for 11 new buildings over a 10-year period, beginning in the first year with the construction of two buildings totaling 485,000 square feet for the Department of Environmental Quality and the ADOA.

The state needed its payments to be less than or equal to its current lease costs. The ADOA estimated that the first phase of PLTO would save $300,000 a year from the amount the state had been spending in the private sector on agency leases. The state would then own the two buildings after year 25. Because the ADOA expects the buildings to have 50-year useful lives, the state would occupy the buildings rent-free for the second 25-year period. In total, this phase of the plan would save the state $70 million during that time.

The developer broke ground on the project on February 21, 2001 and two state agencies began moving in on July 1, 2002.





An agency document described the PLTO program's significant features in this way:

- No up-front capital appropriation is required.
- The developer provides all financing. The state does not back the bonds.
- The developer designs and builds to the state's specifications, and operates and maintains them for the term of the lease.
- The state owns a $100 million asset at the end of the lease.
- The state moves from class "B" or "C" space to class "A" buildings and saves $300,000 per year on lease costs.
- Building renewal costs are built into the lease payments and are carried in an interest bearing account. Any balance remaining at the end of the lease reverts to the state.
- Value based selection and design-build fast track procurement provides more value and saves time.
- Customer service is improved by providing one-stop-shopping for the public.
- Consolidating agency functions improves operational efficiency and eliminates duplicate support operations.

A public/private partnership is developed such that the state wins, the private sector wins, and best of all the taxpayers of the state of Arizona win.

B. Washington's Land Swap

Background

The Washington State Patrol traded property with old buildings for a new property with new built-to-suit facilities, while turning a $4.8 million asset into one worth at least $9.5 million. An official with the Real Estate Services division of the Washington State Department of General Administration described the project as a "win, win, win, win, win" for many sectors.

Fifty years ago, the State Patrol obtained land in an area that was an unincorporated section of rural Olympia. The property is now located in the midst of the high-volume retail center of the city and county, surrounded by other newly incorporated towns.

Project Goals

- Replace existing outmoded light industrial facilities
- Relocate facilities to a site with appropriate zoning and growth potential
- Accomplish relocation and construction without requesting capital funding from Legislature

The old property contained 20 acres of level, rectangular ground surrounded by retail development. The State Patrol used it for light industrial and storage purposes. The facility included four buildings containing 54,000 square feet. Buildings ranged in age from 20 to 45 years.

About 6 years ago, the State Patrol determined that its site was in the wrong location for its purposes. The buildings were old and the area around the site was crowded. The property was appraised at the time at about $4.8 million. Officials with the State Patrol thought the land was worth much more than that amount to a retail developer given its location.

Process

Leaders with the State Patrol considered the innovative idea of exchanging that valuable piece of property for other property in a light industrial park with new facilities that matched the State Patrol needs.

After a lengthy process (see Appendix 5 for further details), a developer proposed to build new facilities on new property (valued at approximately $10 million) in an exact exchange for the currently-appraised $4.8 million piece of land. The developer would secure national retailers to lease space on the old property. By securing those lease obligations, the property is worth significantly more.

Benefits

State officials described the numerous benefits for the state and others:

- The original $10 million capital request for new State Patrol land and property is

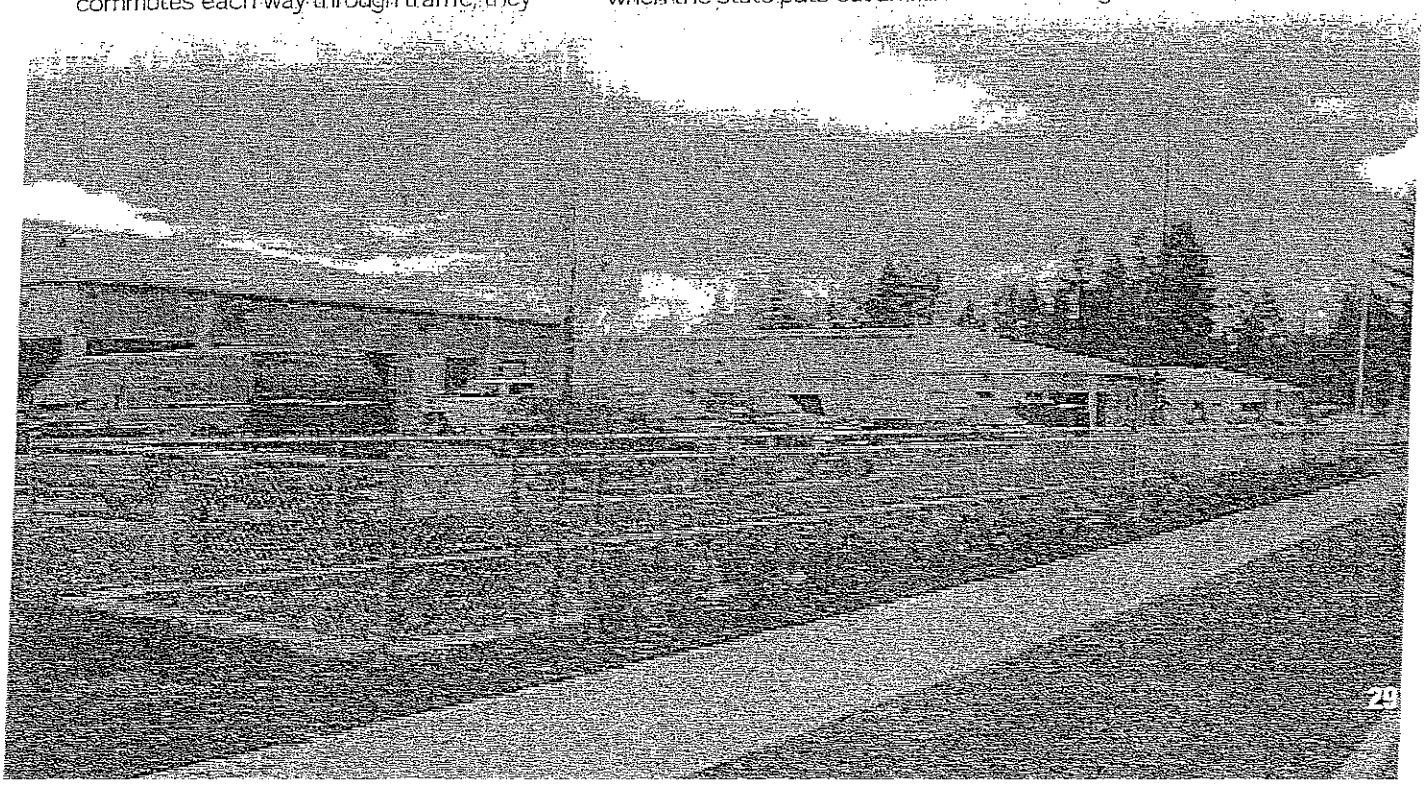
moot, freeing that state money for other purposes, such as schools.

- This swap returns the old, valuable property to the tax rolls. The city of Olympia will receive approximately $600,000 in sales tax a year and the local school district will receive about $250,000 a year in property tax.
- The new site is sized for normal growth at the agency for the next 20 to 25 years, and the agency expects to have 50 years of life.
- The new site consolidated the agency, incorporating some other functions into the fleet facility, which has improved the agency's ability to equip cars at less cost.
- The old space, most of which was built in 1949, was in poor repair and some functions were in cramped quarters. One building in the old space was 8,000 square feet while it has 30,000 square feet in the new space. This change has improved morale and productivity.
- Employees do not struggle through the high volume traffic of the previous location. The new site is closer to employees' residences compared to the old site. Whereas some employees previously had one-and-a-half hour commutes each way through traffic, they now have commutes of about 20 minutes, with no traffic.
- Operating expenses will likely be reduced (on a per square foot basis). The old site and its old buildings required a lot of resources for capital improvements. The new buildings are energy efficient and economically designed. The temperatures are very stable, leading officials to estimate that heating and air conditioning bills will be more predictable and reasonable. Although the new location has three to four times more space, the operating expenses will not be proportionately higher.
- Consumers benefit from having access to popular stores in this retail location.

See *Appendix 5: Washington State's Land Swap* for more information.

C. Washington's Lease Development Proposal

The Real Estate Services division of the Washington State Department of General Administration has launched a new Lease Development Proposal. Using this method, when the state puts out an RFP for a building,



one available opportunity is for the developers to propose to build on state land. The state would lease the land to the developer, and would eventually own the entire property. Rent would need to be similar to current market rates.

A common problem facing states when considering building construction is the initial up-front appropriations, which are higher than leasing. It often takes 10 to 15 years before it is less expensive to own than to lease. With states experiencing budget shortfalls, legislatures may not be concerned with saving money in 10 to 15 years rather than today.

With the Lease Development Proposal, the private sector will take on the financing, the state will pay lease rates, and it won't require any initial capital appropriations from the state. An official said the system will be slightly more expensive than current rentals only because the state will want to build better quality buildings than some of their private sites.

Developers have expressed strong initial interest in this program. Right now, the state needs approximately 200,000 square feet of space. Traditional state developers have expressed interest, as have out-of-state developers. Under the current system, the Real Estate Services division deals mostly with investment developers. However, the Lease Development Proposal system should be attractive to merchant developers, mostly from out of state, setting up a competition between a bigger pool of developers.

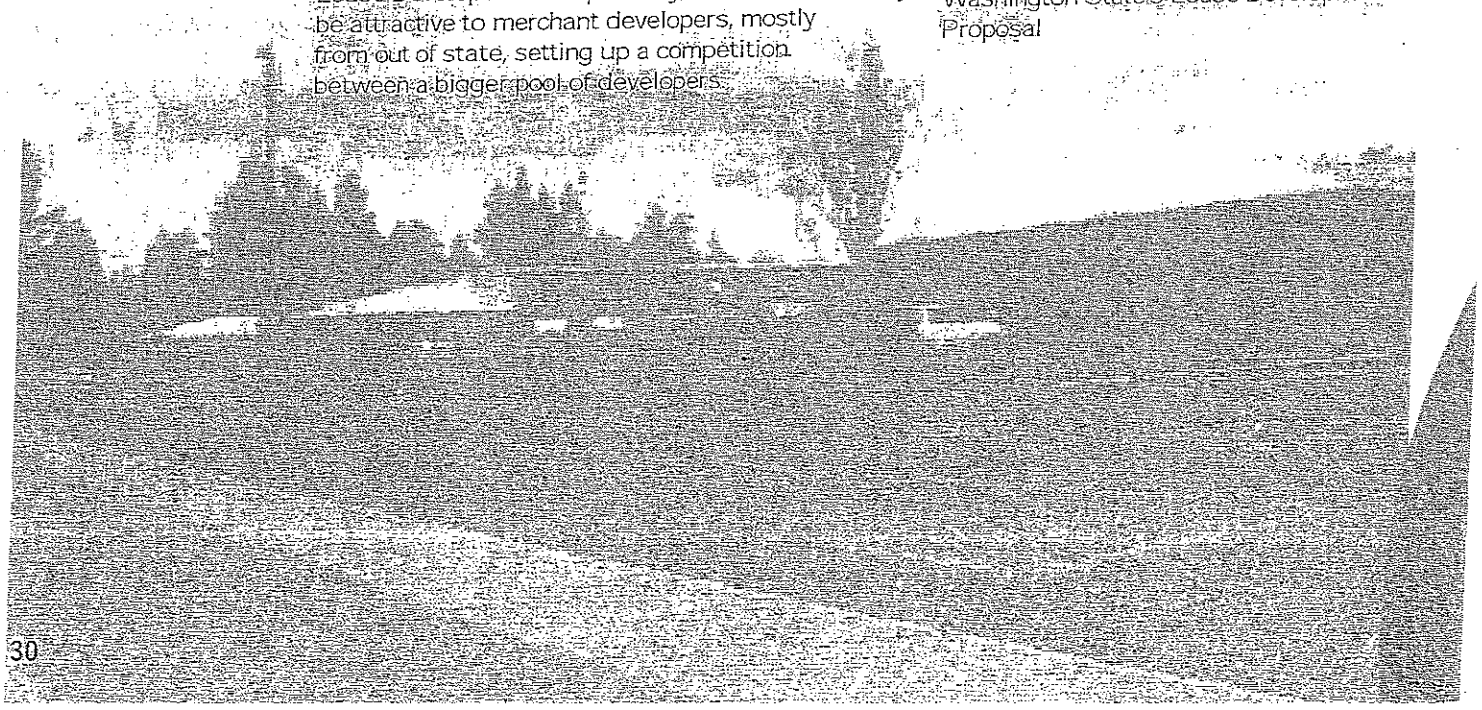
D. Maryland & Minnesota

As described further in the "New Ideas" section of *Appendix 2: Acquisition and Construction*, Maryland is pursuing new methods of developing property through public-private partnerships. The state has offered property to the development community, which must propose projects for mixed-use, transit-oriented space, with use by government and retail.

Minnesota is mid-way through a lease-to-own project to create new space for three state agencies. As discussed in the "Creative Building and Leasing in Action" section in *Appendix 2: Acquisition and Construction*, both the Division of State Building Construction and the Real Estate Management Division of Minnesota's Department of Administration are working with three agencies to both build and lease new property. Like Arizona's PLTO system, the lease-to-own model in Minnesota does not require significant initial state appropriations or state-backed bonds. However, in Minnesota the construction bonds will be backed by another public agency.

Appendix 5 offers more details on:

- Arizona's PLTO System
- Washington State's land swap
- Washington State's Lease Development Proposal



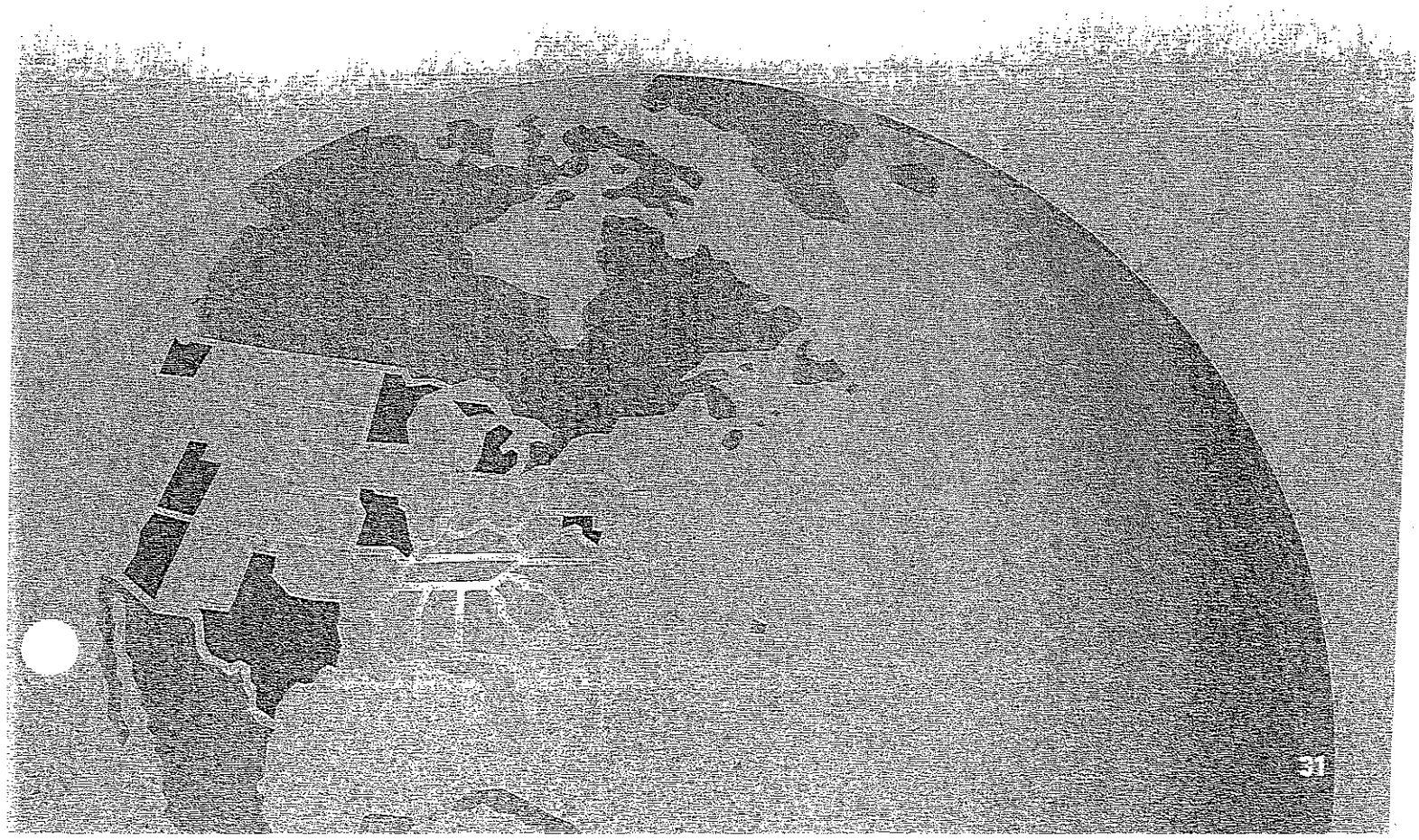
Appendix I: Methodology

A variety of sources were used to identify leading states. Two reports were used: a U.S. General Accounting Office report from December 1998 entitled, "Executive Guide: Leading Practices in Capital Decision Making," and "Grading the States," a February 2001 special report published by Governing magazine. Experts were contacted in the field of property management, including officials, reporters and experts from the National Governors Association (NGA), Governing magazine, Syracuse University's Maxwell School of Citizenship and Public Affairs, The National Association of State Budget Officers (NASBO), the National Association of State Procurement Officials (NASPO), the National Association of State Facilities Administrators (NASFA), the National Council for Public Private Partnerships (NCPPP), Stainback Public/Private Real Estate LLC, the University of Nebraska at Omaha, and the U.S. General Accounting Office.

Based on this research and interviews to ascertain exemplary states, the following states were selected:

- Acquisition and Construction:
  Maryland, Minnesota, and Utah
- Operations and Maintenance:
  Michigan, Missouri, and Utah
- Web-Enabled Software:
  Texas (DMHMR) and Washington State
- Public-Private Partnerships:
  Arizona and Washington State

GSA sent an introductory letter to the top official at the relevant agency in each of the above jurisdictions. GSA also sent copies to the leaders of the specific divisions most involved in managing the key functions under study. A George Washington University (GW) team under contract to GSA then contacted the office of the top official to determine or



approve the list of officials who would be interviewed for the purposes of this study.

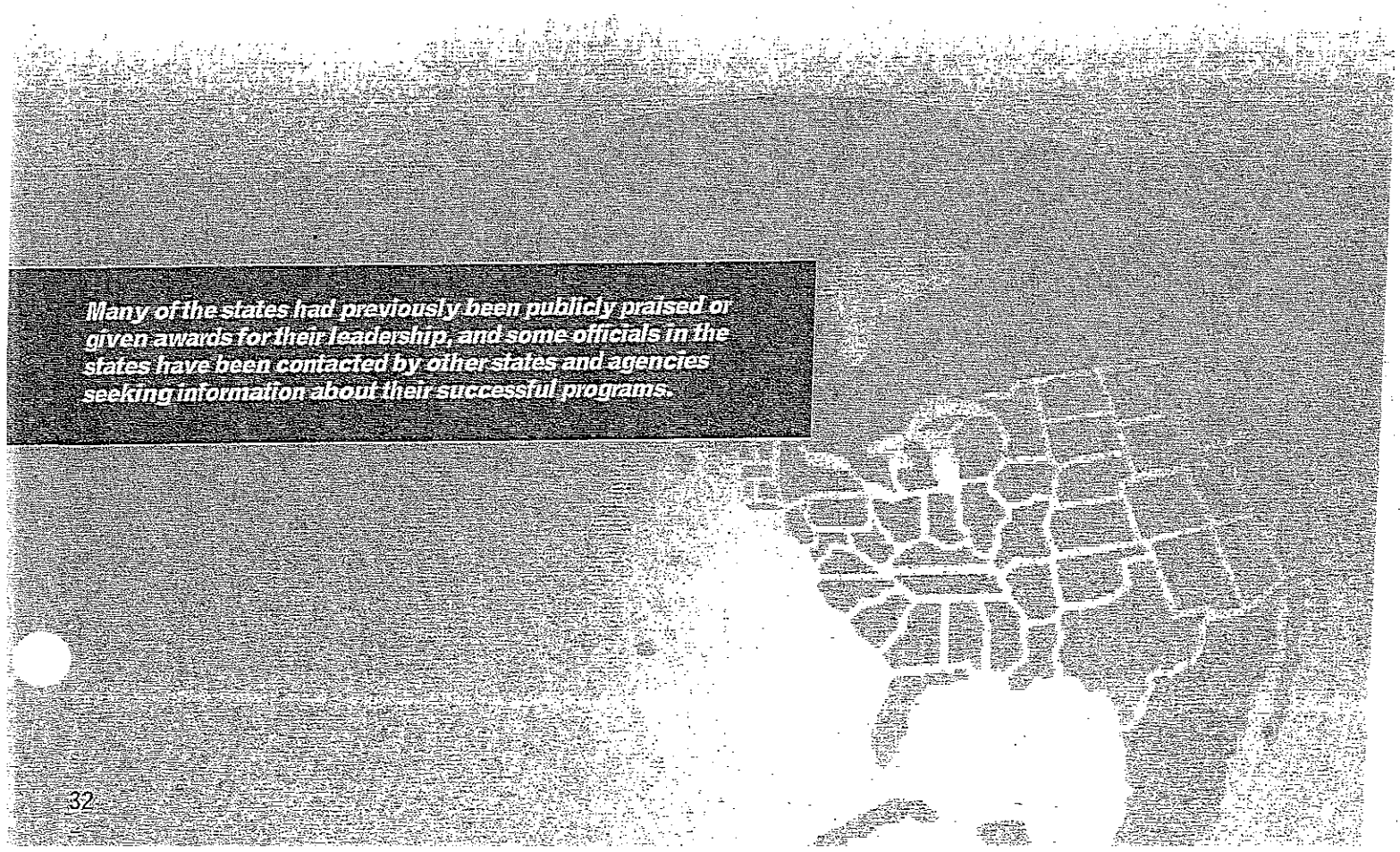
The GW team then contacted these officials, sent them brief additional background on the purpose of the GSA study, and an outline of the topics to be explored during a phone interview.

During phone interviews, the GW interviewer asked officials:

- To identify practices that make their agencies function successfully and contribute to their leadership in the field.
- For any unique funding and budgeting systems for those practices
- Cost savings that could be attributed to those practices.
- To identify other officials in their states who should also be invited to participate in the GSA study.
- To identify representatives at customer or tenant agencies who are familiar with the practices identified and who could offer more details for the study.

The GW team interviewed 22 officials in eight states. Interviews generally lasted 45 minutes to one hour. Some states provided additional documents to supplement the information provided during the interviews, or directed the GW team to web sites for further information. The interviewees all had an opportunity to review relevant sections of the report before its publication.

Further details about the practices are provided in the Appendices that follow.



Many of the states had previously been publicly praised or given awards for their leadership, and some officials in the states have been contacted by other states and agencies seeking information about their successful programs.

Appendix 2 - Acquisition & Construction

This section offers further details on the practices identified by state leaders.

A. Design & Construction Services

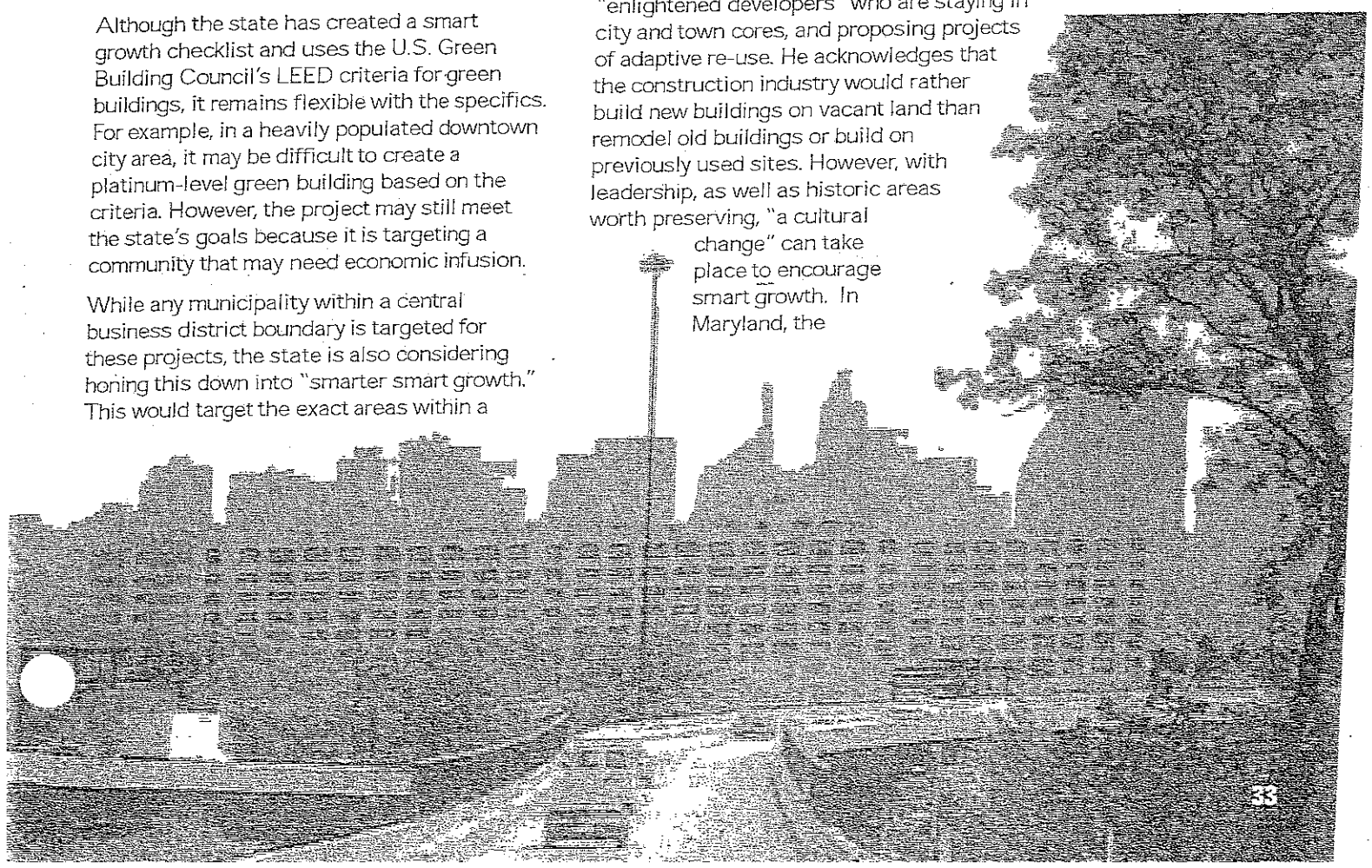
Maryland's Smart Growth

Maryland's wide-ranging program to foster "smart growth" in the state affects its actions from purchasing property to leasing private space. The state chooses projects that reflect its commitment to advancing most growth within central business districts while protecting green space and rural areas. The Office of Real Estate in the Department of General Services (DGS) leads this work.

Although the state has created a smart growth checklist and uses the U.S. Green Building Council's LEED criteria for green buildings, it remains flexible with the specifics. For example, in a heavily populated downtown city area, it may be difficult to create a platinum-level green building based on the criteria. However, the project may still meet the state's goals because it is targeting a community that may need economic infusion.

While any municipality within a central business district boundary is targeted for these projects, the state is also considering honing this down into "smarter smart growth." This would target the exact areas within a central business district that most need the investment and have the best opportunities to flourish economically with such investment. Through state investment in these areas, Maryland hopes to promote activity and bring people back to older communities. As one agency official said, people bring security to blighted areas, and help promote further economic activity. Some of these areas also bring additional benefits to developers, such as historic tax credits, making the project more appealing.

"Smart growth has taken off and has been embraced by more developers to combat sprawl," according to one official. He points to "enlightened developers" who are staying in city and town cores, and proposing projects of adaptive re-use. He acknowledges that the construction industry would rather build new buildings on vacant land than remodel old buildings or build on previously used sites. However, with leadership, as well as historic areas worth preserving, "a cultural change" can take place to encourage smart growth. In Maryland, the



government even canceled prior building projects as the state focused its resources on core cities and towns.

In recent years, the state has focused mainly on construction of public schools and higher education, along with district court facilities. The state generally eschews building government agency offices, instead believing that "you get a good value for your dollar in leases" given how agency needs change.

Smart Growth in Action

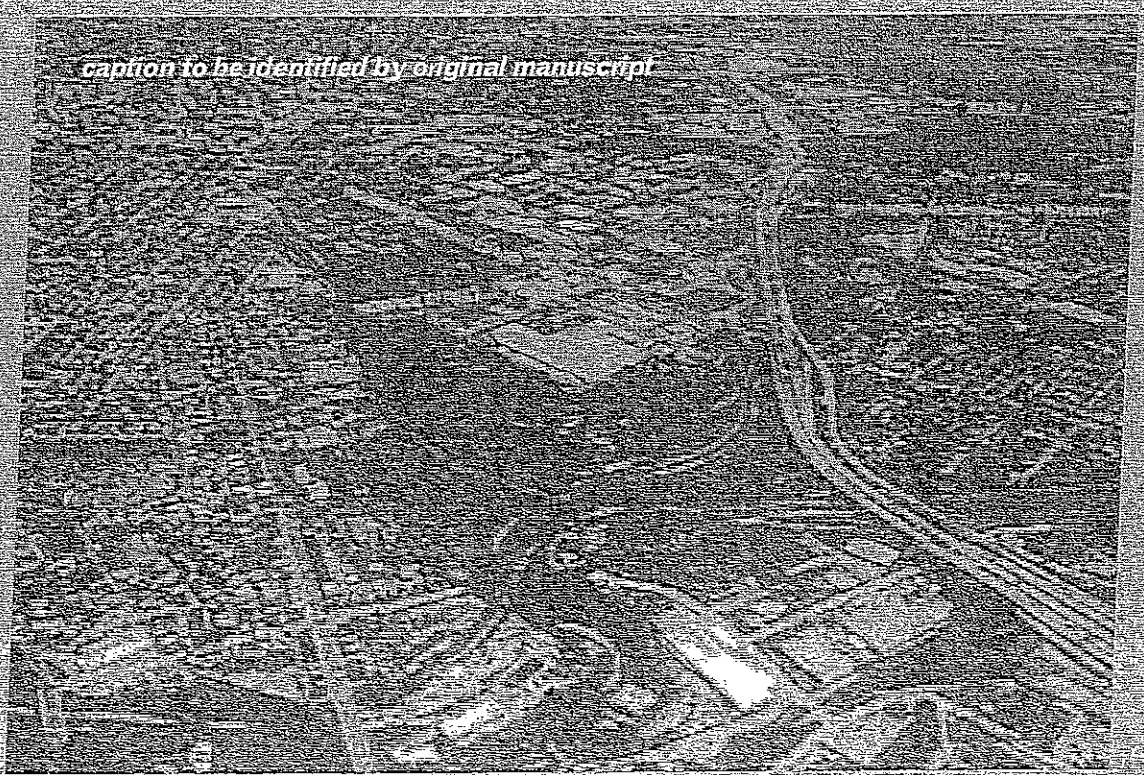
The Office of Real Estate in the Department of General Services (DGS) negotiated space for two state agencies to move into a completely refurbished site that incorporates the state's green office/green building criteria. In Fall 2002, the site of the old Montgomery Ward distribution center in Baltimore will be the new home to both the Maryland Department of the Environment (MDE) and the Maryland State Lottery Agency.

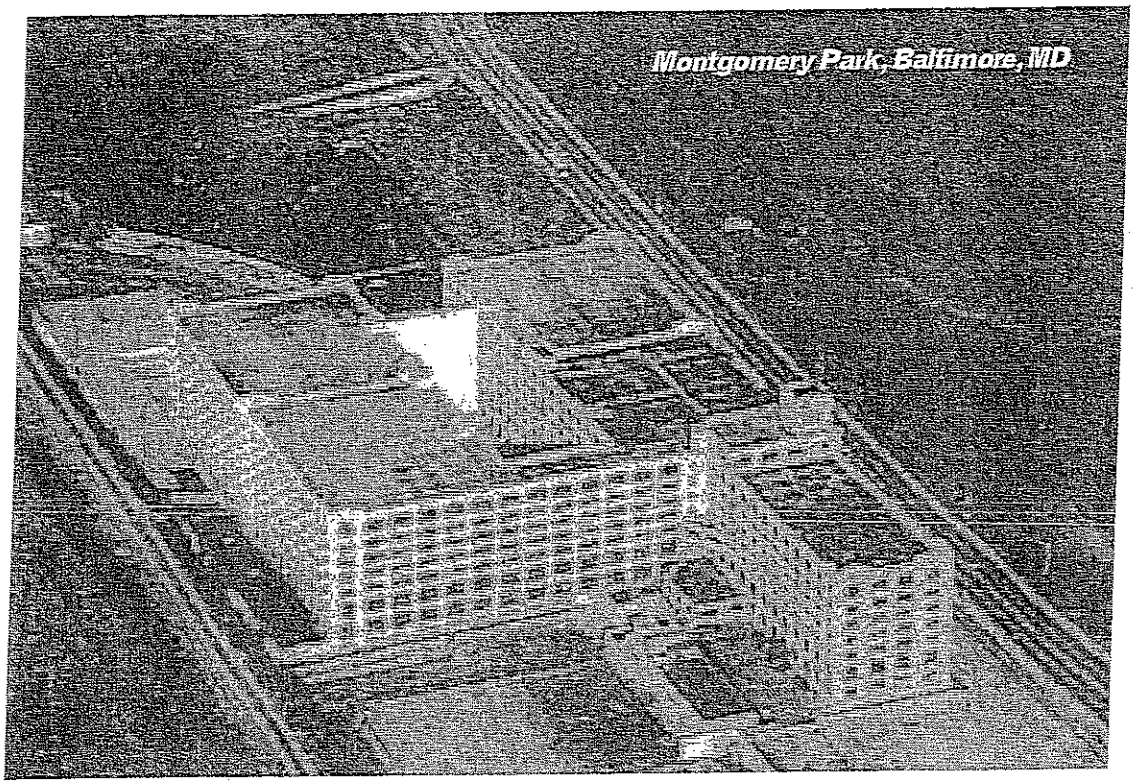
The building, now known as Montgomery Park, with more than 1.3 million square feet, is the largest building in Baltimore, located in a section of the city that is designated a Maryland Enterprise Zone, a federal Empowerment Zone and a Revitalization Area of Baltimore. The MDE will occupy 262,300 square feet and the Lottery will occupy 72,271 square feet of the site. The site meets smart growth criteria by reusing an old, unused building with all infrastructure already in place – including three bus lines and access to area highways. The building will feature extensive use of green building techniques including recycled materials, a state-of-the-art energy manage-ment monitoring system, reduced wattage efficient lighting, recycled carpet, water conservation systems, and a green roof with plants.

Process

DGS put out a request for proposals in March 2000 for the MDE space needs, and this site won the bid. The 10-year lease includes a five-year renewal option and a guarantee that the state will pay no more than 98 cents per net usable square foot for energy consumption – anything higher will be paid by the owner.

MDE first received budget approval to seek new space as its current lease was set to expire. MDE officials then worked closely with





the staff members in the Office of Real Estate to identify preferences and specifications to include in the procurement document. They explored ideas involving water conservation, energy conservation, green building methods, use of sustainable materials, recycling materials and more. The agencies needed to develop new criteria for the selection process, to ensure that it was fair and defendable, while also ensuring that the state would not need to accept the lowest bid proposal that did not include the preferred specifications. These agencies created a matrix for assigning points based on the criteria for selection. As one official said, "We didn't want low bid only. We wanted to be able to make the decision on the good stuff," meaning key green building criteria.

Proposals

Maryland received four responses to its RFP. "The responses ranged from the winning proposal that exceeded nearly every aspect of our RFP, to a losing proposal that basically just Xeroxed some old floor plans." The official said that three of the four companies submitting proposals clearly spent some time and money to respond.

"The winning Montgomery Park proposal was light years ahead of the other three," this official said.

MDE is scheduled to move to the new location over three consecutive weekends in late August 2002. An official described the new facility as "amazing." The developer replaced over 60,000 individual windowpanes. Private offices, lunchrooms, and restrooms are limited to the center space to make sure that natural light shines through the exterior windows throughout the rest of the office. The developer creatively used the standard state allowance for the build-out for 5-foot high partitions to define 1200 work stations, ranging from 80 to 125 square feet. The MDE official said the developer accomplished this "at a fraction of the price you pay for systems furniture, including the cost of the work surfaces and other office systems."

The Facility

Many of the unique features of the facility are due to the leadership and flexibility of the Office of Real Estate in DGS, said the official with MDE. Leaders there were "open to alternative proposals from the developer and new ideas."

For example, in a typical procurement, the state requires standard drop ceilings. But in this space, which has 10-foot ceilings with large interior columns that have a mushroom shape at the top, the developer proposed an alternative system so that the height of the ceilings and the interesting columns would not be completely concealed. Instead, the developer created a system with hanging lights and ceiling tiles that offers the required lighting intensity and sound protection of a drop ceiling.

"We basically said to the developers, 'Have fun with this. Tell us what you can do. This is for the Department of the Environment.' And the landlord rose to the occasion," said the official with MDE.

Other unique features include an ice pond system on the roof, which freezes water at night and blows air across it during the day as the primary source of air conditioning. The building also stores storm water, pumps it to the roof, and uses it to flush the toilets. Grass is growing on portions of the roof, used as insulation and also as a storm water measure. Officials said it is the first green roof in Baltimore and one of the largest in the country.

"It was an ideal partnership of DGS and its innovative procurement (process), a developer that was more than willing to step up to the plate, and the MDE," said the official.

The MDE also praised the Maryland Department of General Services for its monitoring of the actual construction and build-out.

"Yes, it was an innovative procurement and selection, but DGS had to make sure it wasn't all just smoke and mirrors," the MDE official said. "As short-staffed as they are, they nevertheless committed the resources to make sure it was built as promised."

(See *http://www.montgomerypark.com* for more details on the project).

Minnesota's Integrated Predesign/Budgeting Process

Minnesota uses an integrated system for budgeting, designing and building capital projects. Key tools in this process include the Capital Budget System (CBS), the Predesign Manual, the Design Guidelines, and the Design-Bid-Build delivery method for construction projects. The Department of Administration's Division of State Building Construction (DSBC) leads this effort.

Requesting agencies must submit a predesign document to the Department of Administration for all new construction or major remodeling project requests. The state assesses the need, cost, scope and schedule of the project, all of which is then subsequently used in the Capital Budget System.

Depending on the level of the agency's construction sophistication, the predesign document may include all necessary items or require significant revision to meet the requirements. Some agencies build more frequently and are therefore more familiar with the process depending on their capital needs. Some agencies, such as the state college and university systems, have their own power to purchase predesign. Others, such as health services, corrections, and economic security, do not conduct their own predesign and instead work with the Division of State Building Construction to secure consultants and meet the requirements. Those become projects in the DSBC office.

The Predesign Manual (*http://www.dsbc.admin.state.mn.us/pdfs/predesign-manual.pdf*) incorporates the same system and forms used in the CBS for determining costs. It asks the agency to align its request with its strategic plan, to establish the need for the project and substantiate costs.

The updated Predesign Manual now includes the Minnesota Sustainability Guidelines in its requirements. Agencies are beginning to incorporate these guidelines into their timelines and goals. Because the DSBC reviews all predesign for school districts that receive block grants from the state, the agency expects that the new sustainability guidelines will have a significant impact on all future school projects.

After approval, agencies use the new Design Guidelines to assist in the actual design of the building or facility. (See *http://www.dsbc.admin.state.mn.us/pdfs/desguide.pdf*.) Prior to the use of these new guidelines, which are being released for the first time this summer, the state relied on the expertise of the professional community. The state outsources all design projects, but the Design Guidelines offer specifications for those projects.

Utah's Value-Based Selection Process (VBS)

Utah has switched to using a value-based selection (VBS) system to choose architects, engineers and contractors for design and construction services.

The state launched this system first as a quality-based selection system, but modified it into its current form.

Original System

The original system involved a complicated mathematical formula that quantified thousands of items. Many people did not understand how the system arrived at its final ratings for a proposal. Under the VBS system, officials said, participants understand the process and are accepting of the ranking system.

The state's Division of Facilities Construction and Management (DFCM) has completed dozens of contracts under this system. This new system did not require legislative action – it is permissible under the state's procurement statute. However, the Legislature's Capital Facilities Committee (which oversees the DFCM) gave its unanimous endorsement to this process. Some legislators originally opposed the new system, believing that it would throw money away. Officials with DFCM met with legislators to explain the system.

"Let's say you're building a house, and you receive a low bid but you know the builder has a bad reputation for the quality of his product, and is often late or over budget," an official explained to legislators. "You receive another bid that is higher, but within your budget, and he has a great reputation. Which would you choose?"

An official said that other states that have a two-step process for procurement involving

pre-qualification and then bidding might be able to utilize a VBS system without legislative changes. However, those states that require low-bid selection by statute would not be able to use a VBS system.

When Utah previously chose contractors by the lowest bid, officials said they believe the state often suffered financial costs through wasted time and poor quality of workmanship.

"With low-bid, you get the leftover superintendents," one official said. "To win the bid, the firms hire lesser quality workers...with less experience. Now we're getting people with 20 years experience and others who wouldn't have worked on state projects in the past."

Some higher quality contractors never bid for state projects in the past. They said that they could not compete in low-bid situations because they do not cut corners or hire poor quality subcontractors. One official said the number of those high quality contractors bidding on projects has increased in the past few years.

A previous experience with an unscrupulous contractor inspired the new system. According to one official, a large contractor submitted the lowest bid on a significant state project and then siphoned off the cash, did not pay subcontractors, and did not complete the work. In an industry where many projects may take six months to two years to complete, months may pass before the state would discover that a contractor is not completing the work.

"We're looking for contractors who are performers," said a Utah official. The state "still needs to make sure that there is a fair and open process – but that doesn't mean you have to select a poor performer."

Another official said that VBS "seems to have made quite a bit of impact on how we do things...We are seeing better results now. (Firms know that) how they perform today affects their ability to get a state project in the future. Now it takes little coaxing to encourage a contractor to finish a job appropriately."

An official said that it has had a noticeable impact on general contractors, instilling a "real attitude change," although that change has not yet reached the subcontractor level.

However, the state notes when a subcontractor performs poorly, informing the general contractor and lowering its ranking. Eventually, these general contractors will likely use poor performing subcontractors less frequently if their ranking from the state suffers due to these subcontractors.

Officials said that state agency representatives have praised the new system, saying that they are working with better contractors, receiving better products, and ending more projects on time. Additionally, because contractors are more careful now in providing the end users with all necessary operations and maintenance documents, the occupants of the new buildings are better able to maintain the new facilities from day one.

The system allows the eventual occupants to rate the contractors, which encourages contractors to be more responsive. The state now also evaluates architects and engineers in this way, giving contractors the opportunity to rate the designers. This encourages architects to be more responsive to the contractor. Now, architects are less likely to let contractors' requests for information sit for three weeks and more likely to attend meetings asking how they can help solve problems, according to one official.

"Now there's more cooperation and coordination" between architects and contractors, this official said. "We're making progress. There is a lot of team effort, from the selection process through to the end of the project. If someone is not part of the team, it will affect their ability to get a job with the state again in the future."

Utah also uses a Design-Build process of delivery on many projects, while maintaining a Design-Bid-Build process for others. The DFCM uses whichever delivery system works best given the type of project.

VBS in Action

One current Design-Build project involves 600,000 square feet of classroom space at four different universities. Rather than hire four separate architects to design the project, the state combined all four projects into a modular system. The state hired one architect to come up with a design that could be expanded based on space needs of each of the colleges

"There is a lot of team effort from the selection process through to the end of the project"

or universities. The state also hired one contractor to build all four buildings. By hiring one architect and one builder, the state saved staff contracting time. By standardizing all space sizes, the state received savings by ordering all components in bulk. This process reduced the price tag to the state government 25 percent from the initial estimate, according to an official.

An official said that Design-Build is a faster process, but it can lead to more generic buildings. The Design-Build projects have tended to involve simple, square designs rather than circular or more difficult construction. The state would not be likely to use such a system for constructing a performing arts building, or other signature buildings. "There is a place for each" of these delivery methods, an official said.

At a courthouse in Utah, a large parking terrace had been leaking snow onto cars and causing damage. The DFCM's Capital Improvements department sought a contractor to seal the parking deck. Five contractors bid on the project. Of those, one company had experience only in smaller driveways and had never managed a job on a large parking garage. While it did not have the qualifications that the state was seeking from contractors, it offered the lowest bid. Under the previous process, the state would have been required to hire that company. "It would be just a roll of the dice as to how (that company) would perform," one official said. Instead, the state looked at three other companies with equal experience and qualifications. All had good track records and past performance ratings. The final selection was therefore based on their end products. The three contractors each met with state agency officials, along with the manufacturers of the products to be used on the job, to discuss the products' guarantees. The state could then look at product, price and guarantees. The state chose a contractor with a good price, product guarantees for 15 years, and past performance history with several successful jobs. A Utah official said he believes this process saves the state money and time by satisfactorily completing jobs.

Maryland's Special Roofing Team

The Facilities Planning, Design and Construction division of Maryland DGS formed a special roofing team to manage all aspects of roofs, from construction through maintenance. With their propensity to leak and create large-scale damage, shoddy roofs can present unique challenges and significant costs to maintenance agencies. To limit damage and costs, the three-person team in Maryland reviews every roofing design in the state, ensuring proper construction at the outset, and monitors all roofing maintenance plans, to protect current roofs. The team spot-checks roofs under construction, and also holds workshops for maintenance staff members to ensure that they properly care for the roofs. By reviewing original plans and construction, and doing spot-checks on builders and maintenance staff, the division is "solving problems before they arise" according to one official.

B. Leasing

This section includes further information on leasing practices.

Maryland's Procurement Law

In Maryland, the Office of Real Estate in the Department of General Services is responsible for approximately 90 percent of all leasing for state agencies. This totals approximately 377 office leases of 4.3 million square feet with an annual rent payment of $59 million. Maryland owns approximately 90 percent of the property it occupies, and rents the remaining 10 percent.

The tightly controlled procurement system in Maryland encourages competitively solicited proposals and involves little delegation.

One official said that although the process takes a little longer than in other states, it is highly competitive and very fair to those competing for state business. No protest from a proposer has ever advanced beyond the first level.

Another unique aspect of Maryland's system is that the state leases space based on a Net Usable Square Foot (NUSF) method, rather than the more common Rentable Square Foot (RSF) method. RSF is larger, so Maryland actually pays for less space in comparison. In multi-tenant areas, the state does not pay for common areas – only the space it occupies.

For larger leases, Maryland enters 10-year lease deals. In the 1980s, it entered five-year deals, but realized it could secure better rents while avoiding frequent moving costs if it entered longer deals. The state does not enter capital leases, which would count as debt under the state's debt affordability cap. Leases must therefore remain below the capital lease triggers, in which the sum total value of a lease is under 90% of value of the building.

Leaders in Maryland noted that they use software programs to better manage their leasing systems. Maryland uses a new, modified system called ElmPro Property Management System for its leasing program. When fully implemented, the system will integrate many leasing functions, including trigger dates for renewals and generating leasing agreements. A separate database system is used on the land acquisition side. According to one official, such systems "should help you work, not just keep track of what you're doing."

Minnesota's Mixed System

By Minnesota statute, the commissioner of the Department of Administration is responsible for finding space for state agencies, unless an agency is exempt or has authorization to find its own space. Therefore, Minnesota has a centralized system for the acquisition and disposition of state property for state agencies.

Disposition is guided through a specific chapter in the state code (*http://www.revisor.leg.state.mn.us/stats/94/*). Minnesota Statute 16B.24 guides the leasing process for the state (*http://www.revisor.leg.state.mn.us/stats/16B/24.html*). This sets a maximum lease term of 10 years, but includes very little other regulation, according to one official. The state does have contract law that guides leases, but it does so similarly for all contracts.

For acquisition, an agency requesting space must secure appropriations from the state legislature along with authorization to proceed. On the leasing side, agencies send requests to the Real Estate Management Division of the Department of Administration, based on the legislative appropriation and the programmatic operations of the agency.

Steps of Process

- Officials with the real estate division meet with representatives from the agency to gather details, such as location, amenities, number of people in the space, need for public access, and a wide range of other issues.
- The division then conducts a comparative market analysis, sees what is available that would meet the needs and identifies possible properties.
- Officials conduct tours of those properties with representatives of the requesting state agency. Along with those representatives, the real estate division evaluates and selects a preferred site.
- The division then begins negotiations with the landlord, and sets the terms and conditions.

The Minnesota Real Estate Management Division's goal is to settle as many details up front, so that by the time a contract is ready to sign, it is comprehensive in its coverage.

"We have expertise in real estate, but they have expertise in the delivery of their programs," explained one official. "The more we know about their program, the better we can identify appropriate space."

Minnesota's state form lease has been in use for the past 20 years, so companies are very familiar with it. This familiarity helps make the process simpler for both the state and the landlords, according to one official.

The division also provides planning services on a limited basis. State space planners participate with agency representatives in planning meetings with the landlords.

When using an RFP system, the division will spend a significant amount of time up front before sending out the RFP. The experience and preparation of the requesting agency will impact the amount of time this step takes. An agency might not know all the details of its space needs, and might require more time to gather that information.

If an agency requests 150,000 square feet, for example, it may take several months to create a space program for the agency based on the agency's response to the real estate division's analytical forms.

"We start from the questions, 'What is your real need? How can your people get their job done well? What are the actual functions of the job?' It's a time consuming process," explained one official. However, "the better we define the needs, the better product we'll get in the RFP."

The division leaves the RFP on the market for five to six weeks, or perhaps longer. The division expects a lot of work and planning from proposers, including a preliminary floor plan layout and other details. Therefore, the division wants to allow companies enough time to create thorough proposals.

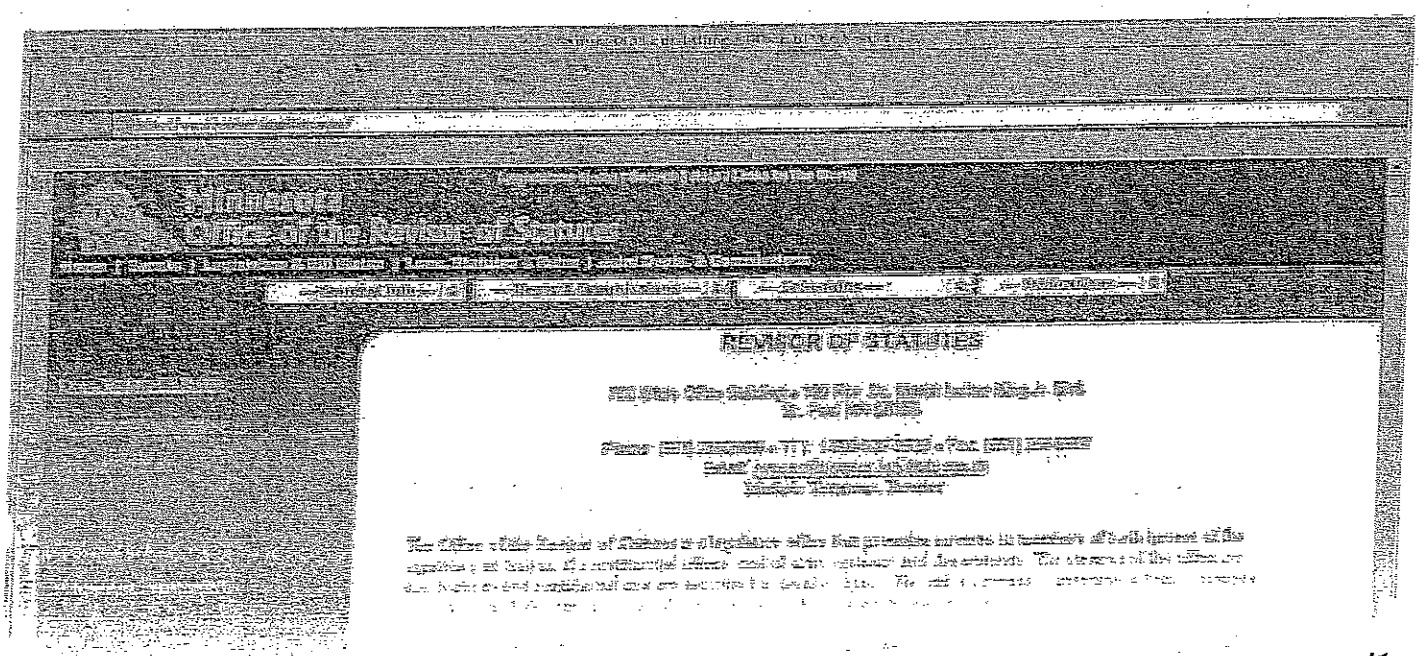
After the division receives proposals, it evaluates and identifies the first preferred site through a ranking system.

One official said that this extensive preplanning process, which includes much fact gathering from the requesting agency, is a system that evolved over time. Prior to five to ten years ago, the division might have looked at an agency's request and determined the space needs based on the number of workers at certain levels of employment classification, regardless of the type of work these workers actually conducted. So in an agency with 80 staff members at X job classification, the agency would need Y amount of space. One official referred to this cursory process for space planning as "archaic." Now the division focuses more on the program of the agency, and reviews work surface space, accessibility issues, the need for public access and much more.

In the new system, this official explained, an administrative support person might receive more space than his or her manager if that is what it takes for each of them to get their jobs done.

This shift in the division's way of doing business did not occur overnight. Instead, it was a gradual evolution as the division responded to the changing work force, new technology, ideas of comfortable work spaces, and needs for increased productivity. Those changes affected many space choices, including carpet, lighting, and common space. Now the main question the division asks, according to one official, is "What do you need to get the job done?"

Not long ago the state created a strategic plan for the location of state agencies. Like other studies, this plan noted that it is generally better to own than to lease and estimated break-even points for leasing versus owning. However, the state also determined that it should keep some portion of its portfolio in leased space to stay diversified. Therefore, the state evaluates each space request on a case-



by-case basis for purchasing versus leasing.

Of the space that the Department of Administration controls, i.e. those buildings that it leases for state agencies or owns, the state leases 70 percent while owning 30 percent. However, several state agencies, such as the Department of Transportation, the Department of Corrections and others, have custodial control over their space. That space is not included in the above estimate.

One official noted that the level of centralization of leasing functions varies dramatically between states, and that some states are moving toward more centralization while other are moving in the opposite direction. This official hypothesized that the manner in which a state is organized and the specific way that a state constitution is written may dictate what system works best in each state.

"I know that in Minnesota, clearly, centralization is working best," this official said.

C. Creative Building & Leasing in Action

The Minnesota Department of Human Services (DHS) is currently working with both the Division of State Building Construction and the Real Estate Management Division on a major capital project.

DHS leases a significant amount of office and administrative space in the Twin Cities, with some leaseholdings elsewhere. The agency manages the mental health and chemical dependency facilities throughout the state, most of which are state-owned. The agency also manages some group homes, which are a mixture of owned and leased property.

For more than 15 years, the agency's administrative offices have been entirely in leased office quarters. Four years ago, the agency hired a consulting team to create a facilities master plan. In doing so, a financial analyst developed a model to assess the cost effectiveness of leasing versus owning. After considering all the variables that the agency was able to identify, the model indicated that the cost to own is lower over a 20 to 25 year period, although the costs are higher in the beginning. While this finding was expected, the savings over time were not as significant as anticipated.

The somewhat volatile real estate market challenged the ability of the agency to budget and plan for future space needs. According to one official, it was difficult to find affordable, suitable office space, especially given the agency's space needs – it rents just less than 600,000 square feet for administration facilities.

The master facilities plan also assessed the organizational needs of the agency. The agency is currently in eight separate rented facilities, which makes communication and coordination difficult and interferes with policy making and meeting the mission of the agency.

DHS began conversations with two other agencies with which it often works – the Minnesota Department of Health (MDH) and the Minnesota Department of Agriculture (MDA) – to consider co-locating facilities. The Department of Health leased facilities, and had an outdated laboratory, and the Department of Agriculture had substandard facilities and needed a new lab.

The three agencies then requested funding for predesign work from the state legislature. The legislature granted $1 million for the work; the agencies then had two years to complete the predesign stage. One official said that although a three-agency predesign was a little unwieldy, it was a successful effort.

The Division of State Building Construction assigned a project manager for the entire predesign, making sure the project stayed on schedule and on course. That division received the predesign money, so it also served as the financial clearinghouse for the project. The project as envisioned was extremely large: nearly 600,000 square feet for DHS, just a little less for the Department of Health, and a smaller site for Agriculture but one that included a complex lab.

After the completion of the predesign work, the agencies submitted this proposal to the governor's office to create a budget for the state legislature to consider. Given the economy and its effects on capital bonding, the governor's office required the agencies to scale back the request significantly.

The final proposal put forward to the state

legislature included space for half of the administrative offices of DHS, new labs for Health and Agriculture, and office space for all of Agriculture. Because the labs were highly specific facilities, the state sought bonding to build the labs and they would therefore be state-owned. For the DHS and Agriculture office space, however, the state decided to pursue a lease-to-own approach, using a bonding authority other than the state but with a rating similar to the state's.

During this past legislative session, the agencies received the bonded money for the labs and the authority to move forward in a long-term lease-to-own arrangement for the office space.

The property on which the project will be built is itself state-owned. The agencies are currently working with the Real Estate Management Division to finalize the lease-to-own agreement with a non-state bonding authority. The agencies anticipate a three-year construction process after the lease agreement is finalized. The lease-to-own contract will be for a 20- or 25-year period. The legislature insisted that the state must have the right to buy out the contact at an earlier date. According to one official, this adds to the challenge of finalizing the very complex arrangement.

The Division of State Building Construction, meanwhile, has assigned a project manager to the lab building project, and a number of consulting teams have been hired for different aspects of the project, including lab design and interior space planning for the entire project.

The project is currently at its mid-way point.

The agencies decided to pursue a lease-to-own method because they felt it offered the best opportunity for legislative approval. It is challenging for legislators to spend scarce resources to house state agencies, officials said, even in a strong economy. In the current context of budget shortfalls and weak state economies, there are many competing capital needs. So although the agencies considered all financing alternatives, including straight leasing and bonding for state ownership, one official said that the project might never have moved forward without this creative financing approach.

This unique method has created several challenges so far. The capital budgeting system (CBS) is designed for straightforward bonding requests. The agencies encountered some obstacles in using the CBS system for a lease-to-own project, because it was the first time that such a large project used such a method. However, one official believes those systems will be smoother in the future.

Another challenge has been to generate legislative understanding and support for the project. Lawmakers understand and can judge bond requests relatively easily, but the somewhat confusing nature of this project made such judgments more difficult.

"This is a model that should be looked at elsewhere, with eyes open," one official said. "Other methods are fairly simple – it's easy to estimate construction costs, and you know the bond rating. So when using this method, there may be a certain amount of frustration because matters are more complicated."

Because the project is just at its mid-point, another official said it is too soon to judge whether this will be a model for future development. However, the state is open to considering concepts such as this to convert leased space into owned space where warranted.

D. Construction Budgeting & Funding Processes

As illustrated by the example in Minnesota, leading states consider creative funding mechanisms to ensure that they have adequate resources to secure necessary property while protecting their long-term financial interests. Below are a few examples of the budgeting and funding systems that state leaders highlighted in their acquisition and construction processes.

Maryland

Maryland has a five-year capital improvement program, and funding must be approved before any bidding on projects begins. Most projects follow the five-year schedule, but there are times when projects must be approved out of sequence. For example, there were a number of

security projects that took precedence following the attacks of September 11.

According to one official with the Office of Facilities Planning, Design, and Construction, the capital budget process gives the department a clear game plan for maintenance, design and construction. As soon as the legislative session comes to an end in April, the department knows what will be funded for the coming year.

Minnesota

In Minnesota, the state legislature considers capital funding requests from agencies, via the governor, biannually on even numbered years. (Agency operating budgets are addressed on the odd numbered years).

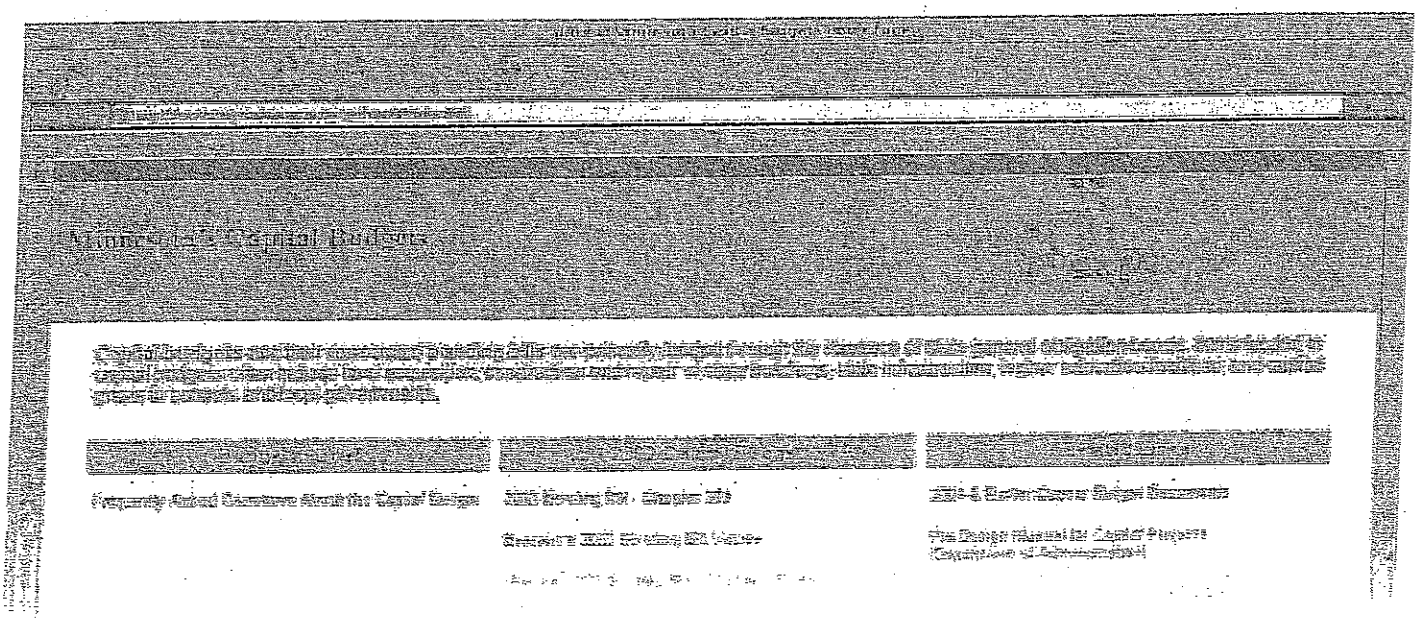
All divisions of state government make capital requests for funding through the Capital Budget System (CBS), which is managed by the Department of Finance. The CBS is a computerized, online system, with controlled access. The CBS is composed of the following components: strategic planning, project narrative, project costs, project detail, and project analysis.

Strategic planning includes a review of an agency's mission statement, trends and policies affecting the demand for its services, facilities or capital programs, long-range strategic goals, and assessment of its current facilities and assets, and a review of the agency's capital requests in the previous six years. The project narrative includes a project description and rationale, including the project's history, program, and purpose, as well as an assessment of the impact on the agency's operating budget. Project costs must include a spreadsheet with cost estimates for property acquisition, predesign, design, project management, construction, relocation expenses, and occupancy. Project detail includes costs to changes in operating expenses, previous appropriations to the project, and any statutory requirements. Finally, the project analysis is where the project requesters and the project reviewers interact, and includes the strategic scoring and prioritizing steps. (For more on this system, see *http://www.budget.state.mn.us/budget/capital/index.html.*)

Utah

Utah uses two bonding mechanisms for property acquisition. The state is one of only a handful whose general obligation bonds are triple-A rated, according to one official. This allows the state to keep its debt structure for facilities down to three to four years.

The state also uses lease revenue bonds. These are used in circumstances where, for



example, an agency is in a leased building with a rent line in its budget. If the agency receives authorization to build, the Real Estate and Debt Collection office will take the rent, which is static for 20 years, after which point the state owns the building. According to one official, these bonds are well received and considered by the market to be as close as possible to general obligation bonds.

Special Impacts of Budget Shortfalls

Utah's Division of Facilities Construction and Management (DFCM) is not facing any staff reductions, but some work will be deferred. Other agencies, facing budget cuts, may want to consolidate and shrink the amount of space they lease. DFCM's Real Estate office will pursue strategies to deal with those space needs, moving agencies around in leased space. However, exiting a lease is a last resort and renegotiating leases is not simple. The stability of state finances allows the agency to negotiate good, tenant-oriented contracts; therefore, during a budget shortfall, it is not feasible to claim hardship and improve the terms.

In Minnesota, officials noted that agencies seeking new construction approval might increase their demands for the services of the Division of State Building Construction. With the budget shortfall this year, legislators used the quality of the predesign documents of requesting agencies as criteria for approval. To succeed in this process when resources are scarce, more agencies may seek assistance from the DSBC to create better predesign documents.

E. Customer Feedback

States leading in this field frequently assess their systems to assure quality for their client agencies. An example is provided on some of the actions of a Maryland agency to secure feedback on its construction projects.

To assess customer service in Maryland, the Office of Facilities Planning, Design and Construction of the Department of General Services distributes surveys four times during each project – after program, design, construction and warranty phases. The surveys are designed to capture feedback from different players – for example, capital planners after design, customers or maintenance crews after construction – to determine their view of how the previous phase worked. This gives the agency information to make better decisions. Through this process, for example, the agency may learn from a maintenance crew that the air filters as constructed are difficult to access and therefore not easy to maintain. The agency could make sure to make appropriate changes in the future.

Additionally, the Office holds an end-of-project review at the completion of every project over $500,000. At this meeting, key stakeholders discuss design, changes in construction, lessons learned for future projects, any potential legal actions that might be needed against architects or contractors, etc. This allows the agency to make conscious decisions for the future, and helps prevent problems.

F. Other Factors

Maryland

Officials in Maryland and Utah highlighted the following state-specific variables that affect the successes of their agencies.

Relevant agencies in Maryland are operating with tight staffing due to budget cuts in the mid-1990s. Officials in several divisions noted that the cuts forced the agencies to streamline their agencies and do more with fewer people. The restructuring that occurred also encouraged the departments to create clearer standard operating procedures, which sharpened employees' understanding of their roles and tasks and improves the efficiency of the division.

Utah

Leaders in Utah said they share a philosophy of interagency cooperation, which includes input from as many decision-makers as possible. This is apparent from the top down, according to one official. Like the U.S. General Services Administration, Utah's DCFM is an internal service agency. Its primary clients are state agencies and its mission is to serve them in a cost-effective manner. One official

described his work in this way: "We're here to provide a service...Let's do it right, let's do it one time, let's not have to do it again."

G. New Ideas in Leading States

This section includes a brief description of new acquisition and construction ideas in the leading states. States are either considering these ideas for possible future implementation, or have just launched these programs, limiting the ability to evaluate their impact to date.

Maryland

Maryland is pursuing new methods of developing property through public-private partnerships. The state has offered property to the development community, which must propose projects for mixed-use, transit-oriented space, with use by government and retail. Increasingly, public-private partnerships are being considered for projects on property other than that which is controlled by the Maryland Department of Transportation.

The Facilities Planning, Design and Construction division is planning methods to involve end users more fully in the construction planning process. Believing that "a good plan helps make a good project," the agency hopes to have more actual users involved in that planning. In planning for hospitals, schools and universities, the actual end user is often not involved at all, and instead administrative officials of the agency lead the planning. The division is conducting surveys to consider the best method to expand early input from end users. Because of the expense of making changes after the fact, leaders believe this will save the state money while also making the tenants happier when a building meets their needs.

Minnesota

Minnesota is considering a Post-Occupancy Evaluation (POE) system to close the feedback loop. After construction is completed and occupancy has begun, the stakeholders would evaluate how the building functions to better meet the mission and operate the programming of the agency. (This would not assess how specific systems function, which would be part of the new facility management function). Such feedback would help future design projects. Client agencies would need to fund this step, so the Division of State Building Construction needs to first demonstrate its value.

Utah

Utah is just beginning to implement a Construction Management General Contractor (CMGC) process for some projects. Under this system, the state asks a contractor what fee it would charge to manage a specific construction project for the term of the project.

This general contractor then participates from the beginning, attending design meetings with architects. In this way, the contractor can offer hands-on feedback about materials and building choices. The contractor can also give the state frequent cost estimates in choosing materials, saving money on some while upgrading others. They involve the end users in these choices, explaining the trade-offs within the constraints of the project budget.

Previously, an official explained, the state might have started with a design that an architect would insist was under budget, but when the state put out an RFP the bids were 20% over budget. In that scenario, the state would need to scale the project back, which slows down the process and disappoints the end users of the facility. "Everybody got irritated," one official said.

The state also has an open book policy in which it may audit the financial books of contractors it hires. It has begun auditing some projects under this system. This brings savings to the state. If, for example, the state believes that an electrical system will cost $4 million but a contractor hires an electrical subcontractor to complete the system for $3.2 million, an audit will help ensure that those savings go back to the state, not to the contractor. At the same time, the state offers incentives in the contract regarding delivery date, quality and price range, offering to share some of the savings with contractors if they meet certain criteria.

"(Contractors) see if they save money for the state, when they come back for the next project, they can highlight those savings," the official said.

H. Relevant Web Sites

Maryland

Maryland Department of General Services (DGS):
http://www.dgs.state.md.us/

DGS Office of Real Estate:
http://www.dgs.state.md.us/overview/real2.htm

DGS Office of Facilities Planning, Design and Construction:
http://www.dgs.state.md.us/overview/const2.htm

Minnesota

Minnesota Department of Administration:
http://www.admin.state.mn.us/

Minnesota Facilities Management Bureau:
http://www.admin.state.mn.us/descriptions1.html#facilities

Division of State Building Construction (DSBC):
http://www.dsbc.admin.state.mn.us/

Predesign Information:
http://www.dsbc.admin.state.mn.us/dpm/predesign-info.asp

Predesign Manual for Capital Budget Projects:
http://www.dsbc.admin.state.mn.us/pdfs/predesign-manual.pdf

Designer Procedures Manual:
http://www.dsbc.admin.state.mn.us/dpm-top/prcmnlix.asp

Design Guidelines:
http://www.dsbc.admin.state.mn.us/pdfs/desguide.pdf

Real Estate Management Division:
http://www.mainserver.state.mn.us/rem/ (under construction)

Minnesota Department of Finance:
http://www.finance.state.mn.us/

Capital Budgets: *http://www.budget.state.mn.us/budget/capital/index.html*

Capital Budget Instructions for state agencies, FY 2002-2007:
http://www.budget.state.mn.us/budget/capital/2002/instructionsagencies.pdf

Capital Budget System User Manual for state agencies, FY 2002-2007:
http://www.budget.state.mn.us/budget/capital/2002/cbsusermanual.pdf

Utah

Utah Department of Administrative Services (DAS):
http://das.utah.gov/

Utah Division of Facilities Construction and Management (DFCM) (a division of the DAS):
http://www.dfcm.state.ut.us/

DFCM Design & Construction:
http://dfcm.utah.gov/about/history.htm#design

Utah Building Board: *http://buildingboard.utah.gov*

Utah State Building Board's 5-Year Year Building Program:
http://buildingboard.utah.gov/five_year_book.pdf

I. Contacts

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Appendix 3: Operations & Maintenance

A. Facility Assessment & Preventive Maintenance

This section includes further details about those systems that state leaders identified as integral to the success of their states' operations and maintenance programs.

Michigan's Maintenance Excellence Program

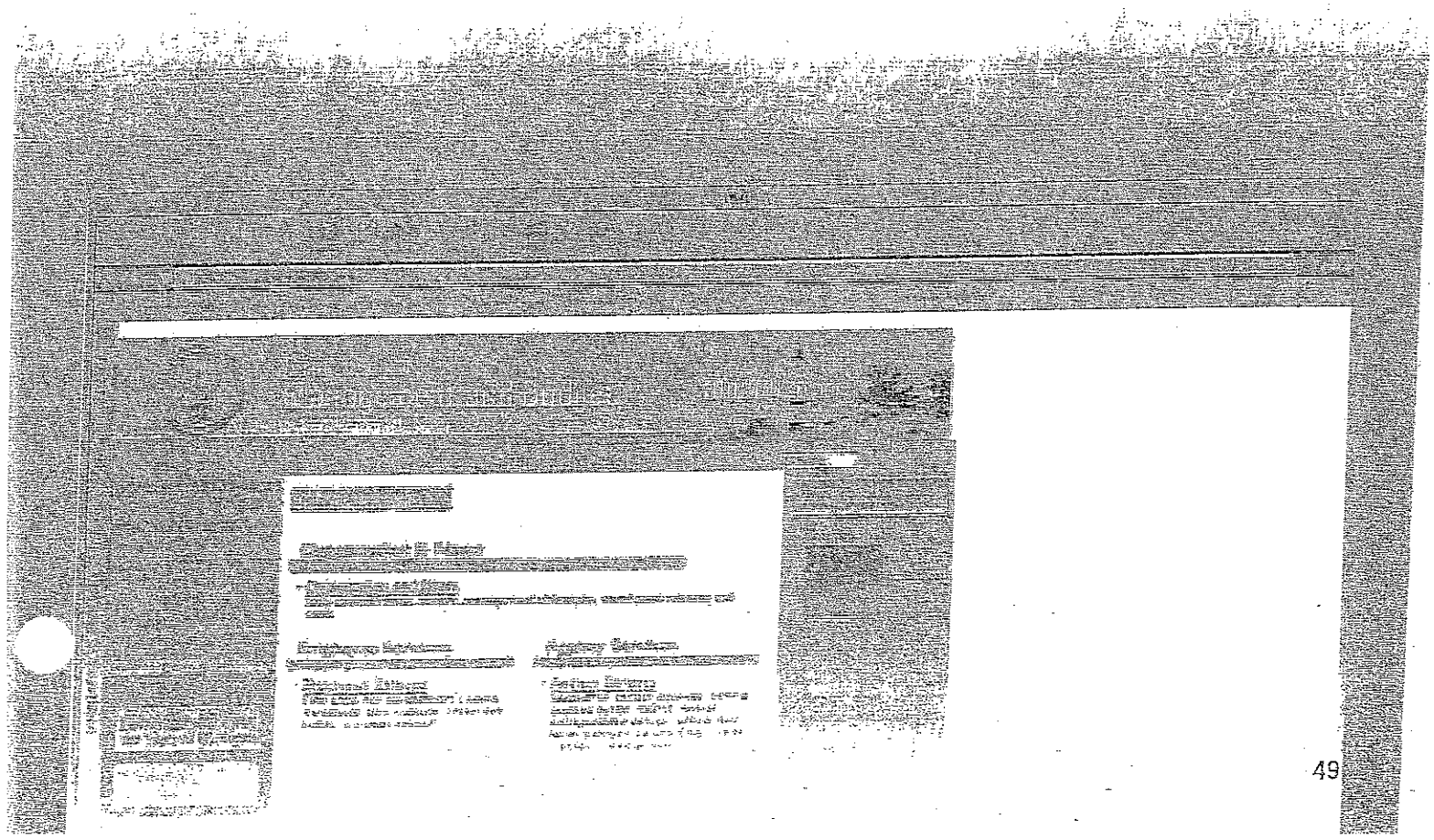
Implementation Process

With the implementation of the state's Maintenance Excellence program, the department plans to move from reactive to proactive, thus gaining better control over budgeting and planning. Additionally, by anticipating problems, the department hopes to prevent some problems and thereby reduce costs for the state.

One official said the department previously had a good record of responding quickly to reactive work, but had no program of preventive maintenance. At the same time, the department had a $125 million backlog in deferred maintenance.

The state is about halfway into the five-year process for full implementation of the new system. The MAXIMO software system is in place, as is the database. The Job Plans and Procedures team has also met its goals. However, the DMB has yet to implement significant segments, including the Supply Chain Management concept and the Safety module.

One official said that it is relatively easy to implement the preventive maintenance portion of the program. However, the Supply Chain Management system presents a more difficult challenge and will also lead to more significant improvements. According to this official, the industry average for maintenance staff productivity is only about 30 percent. In a common scenario, staff members must receive a work order, go to the location experiencing a problem, investigate, travel to buy the specific parts necessary for the job, then travel back to



the location, and conduct the repair or maintenance work. Through a planned approach, as exemplified in Supply Chain Management, those staff members would go to the location experiencing a maintenance problem and conduct the maintenance work, period. This efficiency saves staff time and it saves transportation costs for each maintenance call.

Michigan is using a pyramid approach to implementation of the Maintenance Excellence program. The DMB first launched the Equipment Database and MAXIMO Computer Information System, which form the foundation of the pyramid. The implementation will end with the Supply Chain Management system, which is at the top of the pyramid. The department considered implementing the entire program, from database to Supply Chain Management, one building at a time. However, it opted for the current implementation plan after it assessed that it would be confusing to maintenance crews who move between different buildings.

The DMB directed a system-wide maintenance inventory of all six million square feet of state-owned space. An outside consulting team conducted the inventory, which took six months to complete. The department opted for outside consultants who worked together during the course of the six-month inventory, an official said, because it wanted consistency from one set of eyes rather than from different teams of people. As this was conducted, the department updated the maintenance status information for the database building by building. The database now contains complete information on all buildings. Officials in Michigan said they do not plan to conduct another system-wide inventory in the future. Instead, internal maintenance engineers, planners, and tradespeople assigned to specific buildings will be responsible for inspecting the property and updating the inventory. Without such in-house tracking, one official said that the original inventory would quickly lose its value.

Results/Benefits of Implementation

One of the most powerful aspects of this system, said one official, is its ability to generate meaningful data about the needs for staff, money, problem areas, deteriorating buildings, and more, all in real-time. Because service staff members often dislike paperwork, according to one official, the state has moved to a system using handheld devices. The personal digital assistants (PDAs) guide the staff member through a series of direct questions regarding the maintenance, requiring the user to simply check boxes in response. Because they are portable and easy to use, maintenance staff generally complete this step immediately after finishing the maintenance job, assuring that the information is more accurate and complete than ever before. At the same time, this means that all data is constantly updated, serving as a tremendous help in planning for the future. The department launched the PDA system in the spring of 2002; PDAs are now in use by approximately 75 percent of the workforce. The Maintenance Excellence program will provide numerous additional benefits to the department, its workers, and the agencies it serves, according to leaders in Michigan. One example is in the area of safety. When an employee now receives a work order to conduct preventive maintenance, the order includes a reminder about specific safety concerns for the assigned task. This safety module can be updated as new information is learned, and can therefore reduce safety risks for department employees.

One leader offered an example of the wider impact that preventive maintenance can have. If the department conducts appropriate preventive maintenance on an air handler, this will likely lessen the system's downtime overall. This improves the work atmosphere and productivity of state employees in the building where the air handler is located. It is also easier for the department to schedule the time of its employees when focusing on preventive maintenance rather than reacting to emergencies.

Tradespeople have not had extensive computer training, according to one official, so a system such as the one in Michigan requires basic computer training for a large staff. The training must be ongoing and repeated, not conducted on only one occasion. The program must be implemented gradually, to ensure that it is done correctly. All of this requires staff members to buy-in and support the new vision, and a belief that it will improve the ability to do

"The Maintenance Excellence program will provide numerous additional benefits to the department, its workers, and the agencies it serves, according to leaders in Michigan."

their jobs well. "Don't expect overnight success," cautioned one official. Additionally, because the effort is so extensive, top leaders in the agency and state government must support the effort.

After its complete implementation in two to three years, the Maintenance Excellence program "will become simply the way we do business – it won't be seen as a new model" anymore, one official explained.

Based on reports from building managers, Department of Management and Budget officials said that the system is reducing the number of lighting service calls. Generally, the agency spends a lot of time responding to lighting service calls after bulbs burn out. Using the new system, the agency knows when bulbs are at the end of their useful life, and maintenance employees replace the bulbs just before they are scheduled to fail. This leads to few service calls, lowering the reactive time, which allows the agency to better coordinate staff time and save money. While the state does not yet have formal cost saving figures, building managers report that it has led to a real and noticeable improvement to how they do their work.

Some savings will never be fully identified. Prior to the new system, without its powerful database, the agency did not have a comprehensive knowledge of how it spent its time. Without that baseline from before, officials said, it is not possible to measure the improvements of the new system.

Missouri's Maintenance Software and Evaluation

Description of Product

The state purchased the MS 2000 software five years ago. The Division of Facilities Management (DFM) then spent two years gathering and loading information into the program. The division trained all staff in the use of the software and brought it online in smaller facilities to conduct pilot tests.

During the building operations team's weekly evaluation meetings, the team notes any workplace safety concerns such as slips, trips, and falls in buildings. The meetings also include a review of customer service issues, discussing feedback from building tenants as well as the impact planned maintenance will have on tenants. The frontline building supervisors are responsible for raising priority maintenance issues in their jurisdiction. One official said that the meetings of the 25 to 30 supervisors create competition to maintain buildings and property.

According to an official with an agency that is a major tenant of the Division of Facilities Management, the communication and meeting system between the Division and its office buildings functions well. One person is designated from the agency to serve as a liaison with the Division, attending weekly meetings and communicating between meetings by phone and e-mail. The official said the Division is responsive to trouble calls and the lines of communication are clear.

The team also measures incoming trouble calls during its weekly meetings. The DFM tracks these against previous calls, to assess any pattern of maintenance needs or complaints. For example, one building may frequently receive calls from tenants complaining that the building's temperature is too cold. The DFM may discover that these calls continue to be received even after maintenance staff members have responded several times to previous calls by adjusting the thermostat. The DFM will determine that a larger investigation into the problem needs to be conducted, to ensure that the complaint is solved more permanently. "We help unravel those problems," said one official.

Officials in Missouri said the state is trying now to focus on preventive maintenance, and these systems assist with that goal. Division officials said they believe they offer valuable services and preventive maintenance to their tenants because many state agencies prefer to be located in state-owned property, which is managed by the Division of Facilities Management, rather than leased space managed by private companies because the tenant services and response time to maintenance, cleaning, and security issues. One tenant noted that preferences vary based more on the quality of space rather than whether it is state- or privately-owned.

One area undergoing changes for cost efficiency is staffing decisions. About 10 to 15 years ago, the agency expanded the number of in-house craftspeople responsible for

repairing and maintaining facilities. At the time, this was a trend in the industry and the most cost-effective method for service delivery. Officials said they need to re-examine this idea as the industry and economy change.

The state formerly housed both maintenance and design/construction functions within one agency. Officials at the current Division of Facilities Management said they believe that a1993 decision by the late Governor Mel Carnahan to split the functions in two has contributed to the success of both agencies. By breaking down the bureaucracy and encouraging participatory management, they believe the agencies are more productive and save more money.

The state has instituted a new system of incentives in energy management. If the DFM saves money through energy efficiency, the agency can redirect those savings to additional energy saving measures. In the past, the agency would have been required to send the money saved back to the state general fund. The new method offers the agency's staff an incentive to be inventive. "We can't reward staff financially like the private sector," one official explained, but if the maintenance staff members are respected and praised by tenants in state-owned facilities "it's a great morale booster."

Utah's Capital Facilities Assessment

To date, Division of Facilities Construction and Management has assessed approximately 30 million square feet of its 38.7 million square feet inventory. Some of the property not yet assessed is auxiliary space that will be assessed in the future and some is storage property that will not be assessed.

Based on this process, Utah has estimated the following maintenance needs:

Immediate maintenance needs	$192 million
5-year maintenance needs	$470 million
10-year maintenance needs	$234 million

The information from the conditions assessment is stored in a database. DFCM will lead efforts to keep this information current and to meet the identified maintenance requirements. Using these internal mechanisms, the DFCM currently plans to regularly assess the status of maintenance needs in-house rather than conduct full assessments by outside consultants in the future. The agency may utilize third-party consultants in the event that there is a difference of opinion between an agency and DFCM.

The state's Building Board, which is the policy agent for facility construction, uses this assessment when reviewing annual capital funding requests from agencies. Requests for all state-owned property must go through the Building Board. According to one official, the board has adopted a policy that if a request falls outside the parameters of the baseline, there is a vigorous argument before it receives approval. An agency submits its request to the Building Board; the DFCM evaluates those requests and reviews it with the requesting agency before making a judgment. There is an opportunity for the agency to dispute the conclusions of the DFCM. The entire process occurs in an open, public forum, and is "quite extensive" according to one leader.

During the fiscal year that ended June 30, 2002, the DFCM based 100 percent of its decision-making on the conditions assessment.

This process has significantly altered the way that Utah decides its maintenance priorities and funding. Before this process was launched four years ago, one official said that the state "couldn't assess needs."

> "An agency would come in, and tell us horror stories about some problem. The Building Board would consider it.

Someone would go out and look at it and assess whether it needed repair. It might have been able to limp along further, but there was no sense of priorities. So we'd fund it. Meanwhile, by virtue of some failure or some emergency, we'd discover some other more pressing problem, which would also get funded."

Under the new system, the state is able to prioritize and plan for upcoming maintenance needs. "Now, we're making brighter and better decisions," said one official.

The entire system will be linked through a live database. If, for example, a state agency conducts some maintenance itself, it will update that information in the computerized facilities management program, which then takes that project off the maintenance list. The DFCM and all the buildings it manages are using the database, meaning that approximately 20 percent of state property is on it. The agency will add other buildings to the system slowly, ensuring that all systems are functioning properly and additional support is available. The DFCM plans to include all agencies on the system within three years. The state already bought the license to the software, so any potential budget changes for the agency would not affect implementation of this project.

When the state determined several years ago to overhaul and improve its maintenance delivery system, the state reviewed several programs. Among these were the system at Livermore Laboratories in California and the one in place within the Church of Jesus Christ of Latter Day Saints (LDS). The LDS system, which coordinates churches around the world as well as university campuses, served as the model for the state's new program. According to one official, the LDS Church system identifies all facility needs in an ongoing way and based funding and program decisions on those identified needs. From its maintenance budget, it set aside in a sinking fund a certain amount per square foot; this may need to be used for repairs, but may be put toward savings if maintenance is administered properly.

The state saved money while conducting its conditions assessment by using an external team. According to one official, it would have been too costly for a state the size of Utah to have on staff a team of engineers and architects dedicated to conducting the facilities assessment. Instead, they hired the ISIS Corporation of Atlanta at a cost of about 10 cents a square foot, assessing tens of millions of feet at once.

One official described the new system as one that reflects "a corporate philosophy in a public setting" and could be implemented in other states.

Utah's "Campus versus Shops" System

Utah has altered the way it delivers maintenance services throughout the state. It now divides facilities by campuses rather than shops, with a facility coordinator assigned to each campus. According to one official, the department is "philosophically moving away from shops," which formerly included a shop of plumbers, electricians, HVAC experts, etc. This leader explained that shops tend to operate individually, with work orders issued by each shop. This creates a system whereby the employees "become loyal to a discipline, not to a facility or a corporate philosophy." While the DFCM continues to have a few electricians and a few plumbers, the agency is now more likely to employ generalists rather than specialists. These staff members have expertise up to a point, an official explained, but if a problem requires assistance beyond that expertise, the state contracts outside assistance.

The department does maintain high-level HVAC staff, according to one official, because the state has so much to save through energy conservation within these systems. Since HVAC systems are such large energy users, the state "can save big dollars" through efficiency. (See below for a further discussion of cost savings through these systems.)

Other Systems

Utah's DFCM follows a corporate philosophy for service delivery identified as TTOMM, described as follows:

- Train people to operate equipment/buildings as they are intended
- Tune equipment to design specifications
- Operate to design specifications

- Maintain to design specifications
- Monitor to determine if any of the above need alteration, engage in constant re-evaluation

The department offers incentives including "aggressive salary increases" to employees to receive training, an official said. The agency has a lower turnover rate than other agencies in Utah and than agencies in other states, according to one official. At most companies or agencies, said this official, operations and maintenance staff are not high in status. Those organizations instill a culture where staff believe, "that's just the maintenance guy." Such a culture undermines the pride and productivity of maintenance staff. In Utah, the DFCM emphasizes that its staff members are important to the overall health of the state, and their actions affect, for better or worse, the working conditions of state employees.

Because of its internal philosophy, the agency has a reputation as a workplace that cares about its employees and its service. "I believe an agency is only as healthy as the people who work at it," one official said.

B. Budgeting & Funding Process

This section includes key budgeting and funding issues emphasized by leaders in Michigan, Missouri, and Utah.

Michigan

Like most states, Michigan is experiencing tightened state finances. Officials in the Department of Management and Budget's Infrastructure Services Division did not yet know how the budget shortfall might impact the division's work. They believe the department may need to conduct its mission with fewer staff people and less money, but it has not yet been finalized.

Missouri

In 1996, the Missouri Division of Design and Construction proposed a state constitutional amendment to voters to create a set-aside fund for times of budget shortfalls. Voters passed the measure, which is now law. The state must set aside .05 percent of Missouri's general revenue each year for the Facilities Maintenance Reserve Fund (FMRF), which is used to fund maintenance and repair projects of a predictable nature for all facilities statewide. Examples of such projects include HVAC systems that have reached the end of their useful life, roof replacements, exterior and interior repairs, and general physical plant infrastructure repairs and replacements.

However, Missouri, too, is suffering from the effects of the economic downturn. Dramatic budget cuts had just been announced and departments are still determining the impact of such cuts on their missions. In addition, the governor is authorized to transfer the maintenance and repair fund money cited above to the responsible agencies.

Utah

By state statute, the Utah legislature must fund a specific set-aside for capital improvements of state facilities. Two years ago, the state funded these activities at .9 percent, last year at 1 percent, and the current amount is 1.1 percent of the value of existing state-owned buildings. The State's Division of Risk Management estimates the replacement costs each year for all state buildings, and the DFCM is now funded at 1.1 percent of that value.

Based on this formula, the state legislature this year funded the DFCM at approximately $50 million. As highlighted above, DFCM determined through its Capital Facility Assessment that the state has $192 million in immediate needs. The $140 million difference between funded maintenance and immediate needs is therefore placed on the deferred maintenance list.

While this would seem to lead to an ever-increasing deferred maintenance list, some projects fall off the list as well, an official said. For example, an old building in Salt Lake City may require significant funds for capital improvements and may be on the deferred maintenance list. However, the state may decide at some point to conduct a complete remodel or demolition and rebuild of that building. Its previous operations and maintenance needs would then be removed from the deferred maintenance list. According to one official, the items on the deferred maintenance list reflect a "constant balancing act" for the resources of DFCM.

A DFCM official said that if the set-aside had been in effect since "Day One" – when operations and maintenance of state-owned buildings first began – the current level of 1.1 percent of replacement value might be sufficient to meet the needs. However, the set-aside is new and therefore maintenance has not kept pace with past needs. The DFCM estimates that to catch up to the deferred maintenance needs of the state, the department would need twice the current amount.

However, like many states, Utah is facing tough times in its state budget. Instead of receiving an increase in its budget from the legislature, the DFCM believes it may suffer cuts dropping it back to the previous amount of .9%. This could be especially challenging for Utah because it is a high growth state. The state estimates that it will double its current population (2.2 million) by 2020. Therefore, one DFCM official noted that it is imperative that the state maintain its current properties and build more efficiently in the future. Therefore, state officials said they hope that any budget cut will be temporary rather than permanent.

C. Feedback

Leading states have mechanisms to gather feedback from client agencies to improve their service delivery. This section highlights a few of those mechanisms.

Missouri

In Missouri, the Division of Facilities Management coordinates meetings with tenants at least quarterly and sometimes monthly, and conducts surveys of all the buildings twice a year. Agency Facility Coordinators meet with key representatives of each department. The agency communicates with its clients and employees through its monthly newsletter and other systems.

A major tenant of the DFM said that Division officials are active leaders in problem solving, in urgent and more commonplace situations. A critical example was the response to the terrorist attacks of September 11. The major state office building did not have a building-wide badge system prior to September 11. The attacks moved the building from one that had virtually no security to one that was very secure. DFM coordinated that system relatively quickly, according to a tenant. On a more common facilities topic, the tenant explained that after some employees complained that smokers on break left a mess of cigarette butts and a blue haze of smoke right outside the office door, DFM convened a committee to create new guidelines. Importantly, the Division leader invited smokers to participate in the process, leading to new policies that were well received.

Utah

In Utah, DFCM conducts quarterly surveys of its employees and customers in state-owned buildings. Additionally, the agency maintains an operations representative group, which is a venue for rank and file employees to communicate their needs and make recommendations regarding equipment, working conditions, and more. One official said this process generates many ideas for improving agency systems, while at the same time it sends a signal to employees that the agency "respects them as a legitimate information source."

D. Relevant Web Sites

Michigan

Michigan Department of Management and Budget (DMB):
http://www.michigan.gov/dmb

DMB Infrastructure Services:
http://www.michigan.gov/dmb/1,1607,7-150-9152---,00.html
[web site under construction following agency reorganization]

Vendor: Life Cycle Engineering, Inc.:
http://www.lce.com/index.htm

Missouri

Missouri Office of Administration (OA):
http://www.oa.state.mo.us/

OA Division of Facilities Management:
http://www.oa.state.mo.us/fm/index.shtml

OA DFM State Owned Building Operations:
http://www.oa.state.mo.us/fm/bldgops.htm

Utah

Utah Department of Administrative Services (DAS): http://das.utah.gov/

Utah Division of Facilities Construction and Management (DFCM) (a division of DAS):
http://www.dfcm.state.ut.us/

DFCM Facilities Management:
http://dfcm.utah.gov/about/history.htm#facilities

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Appendix 4: Web-Enabled Software

A. Planning & Construction

This section will offer further details on web-enabled systems in Washington and Texas that assist in real property planning, design, and construction, including major maintenance projects.

Washington's Public Works Bidding Process

The Engineering and Architectural Services (EAS) section of the Washington State Department of General Administration uses an advanced web-based software system to streamline the process for soliciting public works construction bids.

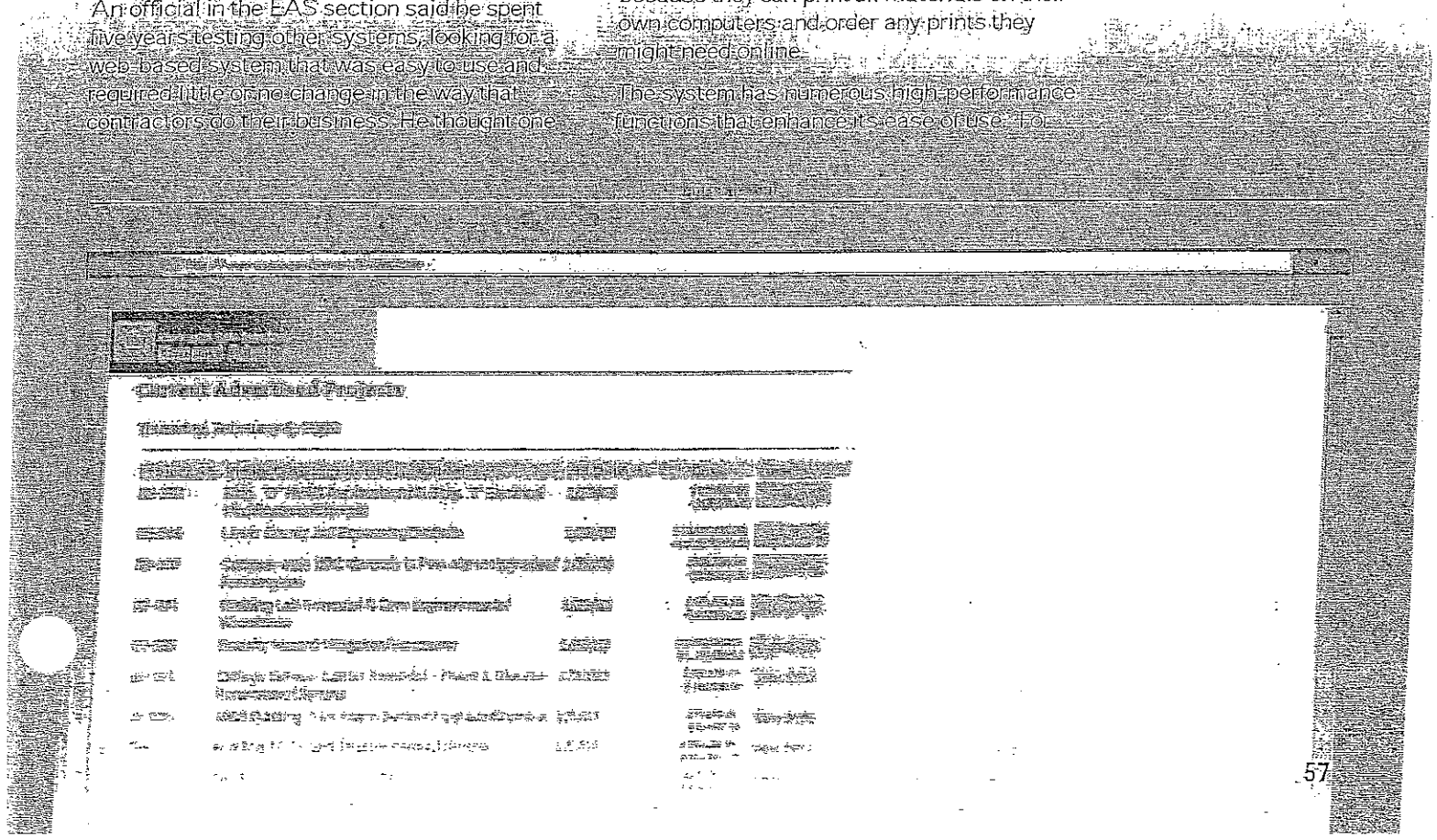
Created and managed by a private company – the Builders Exchange of Washington – the FastBid™ software allows web access to an entire bid package, with drawings and all details. (See: *http://www.ga.wa.gov/eas/easvend.htm*, click on "Current Projects Advertised for Bidding." First-time users will need to download the free software.)

An official in the EAS section said he spent five years testing other systems, looking for a web-based system that was easy to use and required little or no change in the way that contractors do their business. He thought one system used by the Army Corps of Engineers was a good start, but because it was on a CD-ROM, it required that users have all software on their system. This made it impossible to use on the Internet with a slow speed modem, which he thinks is critical to a system's ease of use.

"I was seeking a system...in which no one in the industry had to change anything about the way they do things," the official said. The EAS section eventually worked with the Builders Exchange of Washington to ensure that the new FastBid™ software met the needs of both the state agency and private contractors.

For those entities soliciting bids, such as EAS, there are no additional steps and only a nominal cost. The agency simply adds the Builders Exchange to its regular list of plan centers for bid package distribution and the company does the rest, scanning and transferring all materials onto the Internet. For contractors wanting to respond to bids, they need no special computer systems and pay no fee. With this system, contractors also don't need to physically go to the plan center, because they can print all materials on their own computers and order any prints they might need online.

The system has numerous high-performance functions that enhance its ease of use. For



example, if a user wanted to see a large blueprint drawing, the system immediately downloads a thumbnail appropriate to the user's request while downloading the full drawing in the background. "There are some really elegant things going on with this system," explained the EAS official.

The EAS created a mock script of what an average contractor might want from a bid pack to test various systems before the creation of FastBid™. In those tests, it took 33 minutes to complete the entire script on the best system. With FastBid™, the same test script took only 11 minutes. In his view, this performance meant that FastBid™ "crossed a threshold from a toy to a real tool."

This official hypothesized that the obstacles to solving problems are approximately "10% technological and 90% political or cultural." While the software is simple to use, its greatest value is in the fact that it requires no changes in the way the industry does business.

FastBid™ is currently primarily a regional system, although anyone in the country could use it. General contractors pay a fee to place their projects online, in a password-protected manner, so that subcontractors may bid on projects.

The cumulative goal of this system is to move away from paper and keep as much as possible online. Contractors can still order specific prints, but the contractor would pay for those rather than the state needing to provide numerous copies. An online system would also save time. When using a paper system, it often takes approximately one month to bid a project after all the materials are available. About one week is allotted for delivery time, after the drawings and advertisements are sent to the plan centers. At least two to three weeks is allotted for a view period, when contractors make time to go to the plan centers to review the bid packs.

When all participants are fully using the online system, the EAS official said the time to put a project out to bid would be cut in half at a minimum. The first week is eliminated, because the bid pack is sent by e-mail to the Builders Exchange, which will post it immediately on the Internet. And because everything is available instantly and contractors don't need to go to the plan centers, this eliminates another one to one-and-a-half weeks. This will save time and money for the agency, and will likely improve the quality of the bids if contractors have a bit more time to complete their proposals before the deadline.

Capital Assets Planning System in Texas

The Computer Aided Facility Management (CAFM) Office of the Texas Department of Mental Health and Mental Retardation Capital Assets Planning System (CAPS) uses VFA Facility software for strategic planning purposes.

An official with the CAFM office said this system saves numerous hours of work. Under the previous system, producing a capital needs request took approximately 120 weeks of full-time staff work. With the new system, the process uses approximately 9 to 10 weeks of full-time staff work. The savings there alone paid for the entire system in one year, this official said. That reduction was realized not as budget money saved, but instead as money offset to higher-priority work.

This system also contains the Department's deferred maintenance list. Through a combination of physical inspections and computer modeling of a building's life cycle and the life expectancy of its components, CAPS updates the percentage of life remaining in all major building systems, such as heating, cooling, plumbing, and electrical. CAFM officials can then use this system to produce graphs and estimate the costs to maintain facilities "for today, tomorrow, ten years from now." This is a planning tool for large projects, and is not the system used for daily maintenance and work orders. (See below for more on that system, called FacilityCenter™).

Ideally, one official said, it would be best to conduct an independent, outside reassessment of a building and its systems every three years. However, that is a time-consuming and expensive process, so the department streamlined the system. Building and plant managers conduct an internal inspection each year, and the CAFM office has requested that they update any changes apparent in the current conditions compared

to those listed in CAPS. The department prioritizes those buildings in which patient beds and other client needs are located over those buildings that contain support services.

The web-based software is a product of VFA, Inc. CAFM officials described the company as extremely responsive to the Department's needs and it has solicited CAFM Office input when upgrading the software.

Forecasting that the systems needed by the Department would also be useful to other agencies, CAFM officials spent a significant amount of time planning at the beginning of the process. The office wanted to ensure that the standards, conventions, and guidelines used for the system would be appropriate for any agency, not just the Department of Mental Health and Mental Retardation. "That took more time, but it was worth it," said one official. The Department also included a clause in contracts with this and other companies that allows any state agency to piggyback on a CAFM contract. This allows other agencies to implement the CAFM systems in the course of possibly 60 days rather than the six to nine months it originally took CAFM.

The Office of the State Comptroller reviewed the Department's asset management systems, and published a report a year ago recommending the CAFM system to all state agencies. A CAFM official said that at least two other state agencies are interested in implementing the system, but budget shortfalls are currently an obstacle.

B. Maintenance & Management

This section offers further details about web-enabled programs that manage the operations and routine maintenance of real property.

Buildings on a Disk

The Engineering and Architectural Services section of the Washington State Department of General Administration has created a system known as "Buildings on a Disk," which provides a snapshot of all maintenance materials for a building.

EAS staff members go out to facilities, work with facility managers and their staff members to identify all relevant maintenance documents. These include architectural drawings, maintenance manuals and all other documents that maintenance staff members use regularly. One facility had three file cabinets filled with operations and maintenance manuals.

Materials are sorted, duplicates and old manuals are removed. EAS officials then talk with maintenance staff about how the information is used on the job. They ask how the maintenance crew would like to view the manuals and drawings.

"Each facility has its own culture," an EAS official observed. "We want this to work for the way they do business." EAS then scans the materials into a PDF environment, indexing all materials with cross-links.

An official described a possible scenario:

> "You might have a project you call up, with an index of drawings. A hotlink from there would bring you to the drawing itself. A link from the drawing would bring you to an electric panel... a link from there, to the panel's schedule...a link from there to the operations and maintenance manual for that specific panel."

EAS places all this material onto a CD-ROM. This material could also be placed on an Intranet with a few modifications. Along with producing the CD-ROMs, EAS also shows agencies how to update and maintain the information. However, an official with EAS said that most agencies tend to ask EAS to update the information about a year after the first disk's creation.

EAS has completed the process for 50 to 60 facilities in the past one and a half years, with the pace recently quickening. The division now has four full- or part-time people working on this project, completing two facilities a week. There is no current plan to create a Building on a Disk for all state facilities. The facility requesting the Building on a Disk must reimburse EAS for its services, so the level of work for EAS is dependent upon other agencies' funds and priorities.

FacilityCenter™ in Texas

In seeking a single software package that could order materials, handle lease management, manage maintenance and operations, and produce work orders, the Computer Aided Facility Management (CAFM) Office of the Texas Department of Mental Health and Mental Retardation had the following three key criteria:

1) Out of the box solution. The Department did not want to spend any time customizing it.

2) Oracle database solution. The Department wanted an Oracle system that could run on the low-end computer workstations that most staff used. This eliminated a CAD-based solution, which would have required new workstations and monitors and training for 300 to 500 people.

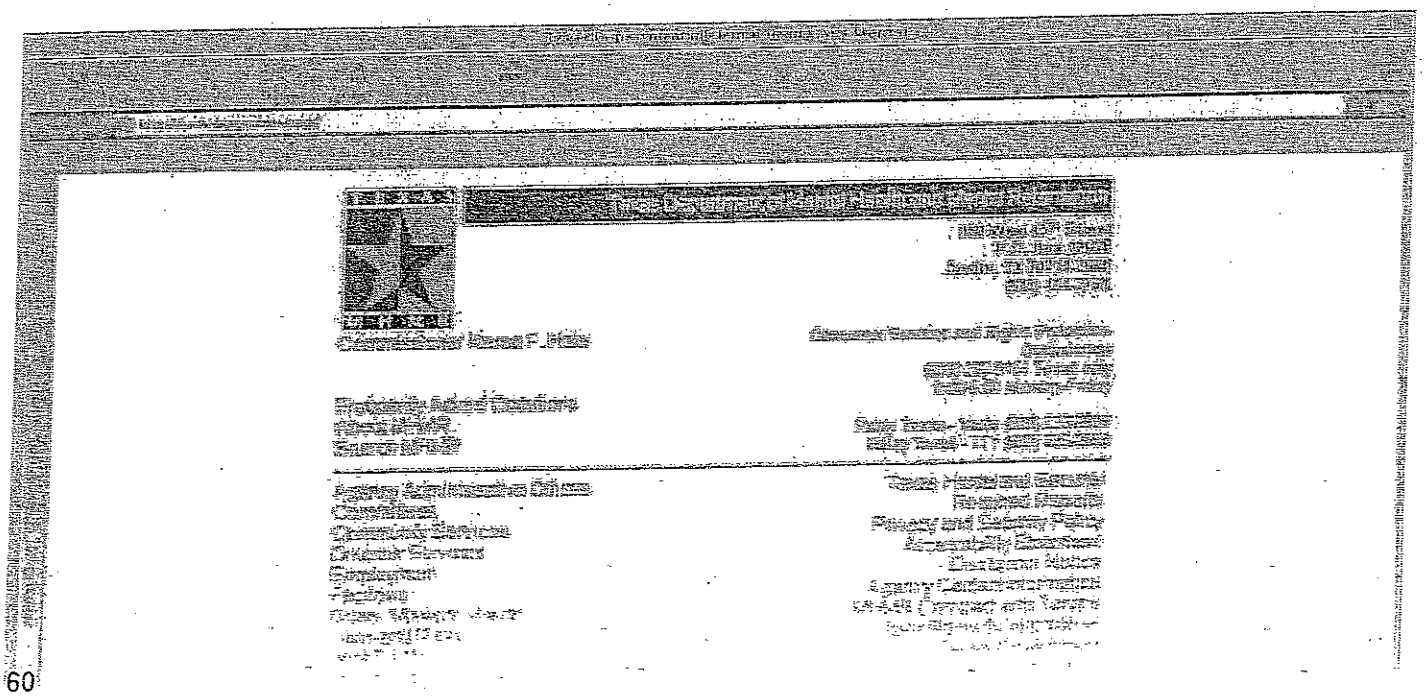
3) Integrated enterprise solution. The Department wanted a single system in which data would need to be entered only once, not in multiple locations. It demanded a single menu, without multiple systems cobbled together.

The Department contracted with the only company that had a software package that met its criteria. The software is called FacilityCenter™.

Recently FacilityCenter™ was purchased by Tririga, Inc. to incorporate it into its Intelligent Business System™, a centralized, web-based system to manage key aspects of an asset's lifecycle. CAFM officials reported that the company has offered excellent support and also solicits CAFM Office input when upgrading the software.)

"It's a good system that is easily supported," one official said. "It includes all the components you could want." The software includes other components that the Department has not yet implemented due to budget shortfalls. The software needs to handle a high volume of work. The Department has identified 70,000 pieces of equipment that it calls "PM-able" (i.e., those on which preventive maintenance should be conducted). Each piece of equipment needs routine maintenance, which must be scheduled in the FacilityCenter™ system. The Department generates 350,000 to 400,000 work orders each year. On average the Department has 100 concurrent online users on the system.

A project manager from Peregrine Systems worked on site for about one year to assist the Department in implementing the system, the



bulk of which was handled by in-house CAFM staff.

The system manages the work order system through Palm Pilots, eliminating printed work orders. Works orders and assigned tasks are downloaded onto the personal digital assistants (PDAs) at the start of the day. The Department is currently using about 300 PDAs, but an official said another 400 more are needed. CAFM staff estimate that through the use of the PDAs, the Department has eliminated 50 to 60 percent of its data entry time.

The CAFM Office trained one to two people in each facility in how to use and synch the PDAs. Officials said the system did not require much training of the end users, because FacilityCenter™ uses direct drop-down menus and lists. An official said that virtually all maintenance staff members embraced the new tool, and very few fought against its introduction. In fact, staff members were "like kids with new Christmas bicycles" after they received their PDAs, according to one official.

Officials said that records are now more accurate and more complete and contain few data transcription errors that previously plagued some reports. There is now more data integrity.

According to agency documents, the most important benefit of the entire CAFM system in the Texas Department of Mental Health and Mental Retardation is the provision of well-maintained, code-compliant facilities for the agency consumers, clinical health providers, patients, clients and families served in the 22 hospitals and schools.

The Texas Department of Mental Health and Mental Retardation CAFM Office has received numerous awards for its program, including the "National Innovations Award" from the National Association of State Facilities Administrators (NASFA) in March 2002.

C. New Ideas

Washington, the Real Estate Services (RES) section is trying to get formal approval for a new system that will proactively distribute e-mail announcements to those companies with which the agency does business. Rather than waiting for companies to review the RES web site's announcement of space needs, the system would distribute the announcement to all who sign up for the list. The system could also be used to announce internally when an agency needs to reduce its space and is seeking another agency to take over its lease.

The Washington RES section also plans to enter all client agencies in GA-owned space into the Lease Inventory System (LIS), creating a formalized internal lease agreement for state-owned space. While the LIS system will be up and running this fiscal year, it will likely take another two years to have all clients entered into a formal lease with the state. The RES section is currently operating on a facility and service charge method, but it wants to shift to a rental system, similar to that on the open market (although the state space is a bit less expensive than the private sector). In that way, the RES can set up reserve accounts as in the private sector. According to one official, Tennessee is the leader on this system, although it charges full market rates. Right now, the Department of General Administration must seek approval and funding from the state legislature for every capital project, which is a lengthy process. This shift would move the Department toward a private sector model, with reserves for capital projects. Additionally, putting all state-owned space on the LIS system will facilitate improved coordination between those who manage state-owned space and those who manage leased space. The various divisions that would be linked include RES (leased space), the Division of Capital Facilities (daily management), and Capital Programs (long-range asset management).

An official with the Washington Engineering and Architectural Services (LEAS) section said he is speaking with fire marshals around the state regarding the possibility of using Buildings on a Disk to assist in emergencies. If EAS completed the process for every school in the state and then put all that information on one master computer file, this could assist fire marshals and other emergency workers in case of an emergency in the schools. It would give clear guidance to the structure and systems of the schools. However, following the terrorist attacks on September 11, some

participants expressed concerns about making those details available in a way that might not be fully secure. They are considering ways to make the information secure yet accessible to key emergency personnel. Also, there may be other uses for the Building on a Disk system that have not yet been identified.

The EAS is developing an Internet Contracting System, a package of online registration for contractors, consultants and vendors. It plans to create a system within one year in which any contractor in the state can go online, register for the small works roster, and receive online notification of all government construction projects.

This would send materials proactively to contractors, rather than assuming that they will all go to the EAS web site. For example, for a specific project the state might want to make sure that all contractors in a given county who have more than three years experience in roofing receive notification. With the new system, EAS could search the database to identify those contractors meeting the criteria, put the notification into the system, and distribute to the list. The notification would include a hotlink to the Builders Exchange of Washington site for all the drawings and specs.

D. Relevant Web Sites

Texas

Texas Department of Mental Health and Mental Retardation:
http://www.mhmr.state.tx.us/

Vendors:

Graphic Systems (facility management technology company in Cambridge, MA):
http://www.graphsys.com/

Tririga Inc. (FacilityCenter™ infrastructure management software):
http://www.tririga.com

VFA, Inc. (provides web-based software systems and business consulting solutions for professionals involved with facilities management):
http://www.vfa.com/

Case Study on Texas DMHMR:
http://www.vfa.com/clients_texas.htm

Washington State

Department of General Services:
http://www.ga.wa.gov

Real Estate Services section:
http://www.ga.wa.gov/DRES/index.html

Real Estate Services Current Solicitations:
http://www.ga.wa.gov/DRES/LeasedSpace.htm

Engineering & Architectural Services section:
http://www.ga.wa.gov/eas/eas.htm

Current Projects Advertised for Bidding:
http://www.ga.wa.gov/eas/easvend.htm
(click on "Current Projects Advertised for Bidding") or
http://www.ga.wa.gov/servlet/EASBidCalSv

Vendor:

Builders Exchange of Washington:
http://www.bxwa.com

E. Contacts

Texas

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Washington State

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Appendix 5: Public-Private Partnerships

Arizona and Washington State are highlighted in this section.

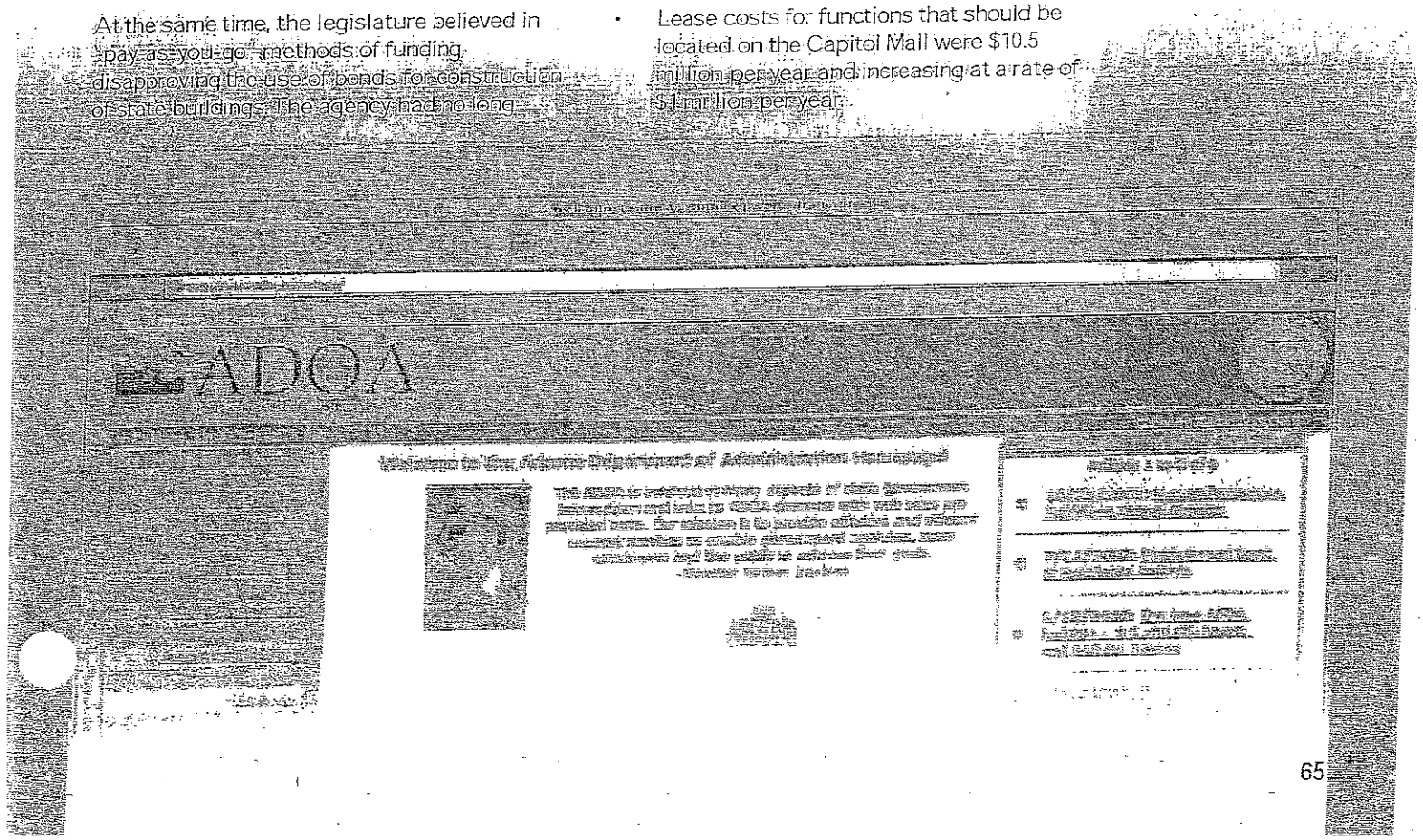
A. Arizona's PLTO System

The state's Privatized-Lease-to-Own (PLTO, pronounced "Plato") system was designed in response to a number challenges faced by the General Services Division of the Arizona Department of Administration (ADOA) in its responsibility for housing state agencies in the Arizona capital of Phoenix. General Services had no preventive maintenance program, and the state legislature was unlikely to fund one. Additionally, the state had not constructed a building on the capital mall for seven years and instead had expanded leases for state agencies in private office space at high and increasing rates.

At the same time, the legislature believed in "pay as you go" methods of funding, disapproving the use of bonds for construction of state buildings. The agency had no long-range plan for facilities at the time, so the General Services Division first conducted an analysis of market rates, reviewed rates for the previous 10 years and then created a 10-year plan that projected building needs and growth into the future.

This plan included the following key findings, according to one report by the agency:

- 12 of the largest state agencies representing 57 percent of its administrative functions occupied 750,000 square feet of private lease space spread over 34 locations in the Phoenix area. This fragmented operations and service to the public, and increased redundant operations and operating costs.
- Lease costs for functions that should be located on the Capitol Mall were $10.5 million per year and increasing at a rate of $1 million per year.



- The state had recognized no residual value for the more than $70 million spent on private lease space over the previous seven years.
- Numerous leases at rates of $12 to $13 per square foot would be expiring in the next several years and would have to be renewed at rates ranging from $16 to $20.
- Population growth projections indicated that there could be a need for as much as 950,000 square feet of additional office space over the next 10 years.

According to a state official, the legislature agreed that these findings supported the construction of state-owned property, but the state did not want to pay the full cost of the buildings up front or issue bonds for financing.

General Services then considered methods in which a private developer could finance the construction of the building, then design, build and operate it on state-owned property, leasing it back to the state at or below the current state lease appropriation. The building would be constructed to state specifications, and the state would own it at the end of the lease term.

"If the developer's bond payment and operations and maintenance costs are structured to match our current lease payments, it's just a matter of how many years before we own the building," this official explained.

Financing Options

The state called its effort "Privatized Lease-To-Own" or PLTO (pronounced, "Plato"). The master plan called for 11 new buildings over a 10-year period, beginning in the first year with the construction of two buildings totaling 485,000 square feet for the Department of Environmental Quality and the ADOA.

The state needed its payments to be less than or equal to its current lease costs. Projections on bond payments indicated that the state could own the properties within 20 to 25 years, keeping payments below current lease costs.

General Services worked with a nonprofit community group, the Phoenix Community Alliance, which is active in efforts to redevelop Phoenix. The Alliance convened a luncheon with developers to discuss the idea. Some developers said it was an unattractive plan, and it would not receive financing. Others, however, expressed interest in bidding on the project.

The ADOA needed approval from the legislature to move forward with this new method. Procurement rules at the time required choosing the lowest bid, which would not have been appropriate to meet the needs of the PLTO system. The ADOA needed to develop performance specifications for a Value-Based Selection (VBS) process, and then persuade the legislature to permit it.

Officials with General Services created a presentation for the legislature outlining the current and future costs under its leasing system and the savings and increased assets under the PLTO system. The proposal emphasized the benefits of the "right service, in the right place, at the right cost," noting that "we will spend the money one way or the other. The choice is that at the end of 20 years we can have nothing to show for it, or we can have a $100 million asset."

The ADOA estimated that the first phase of PLTO would save $300,000 a year from the amount the state had been spending in the private sector on agency leases. The state would then own the two buildings after year 25. Because the ADOA expects the buildings to have 50-year useful lives, the state would occupy the buildings rent-free for the second 25-year period. In total, this phase of the plan would save the state $70 million during that time.

In estimating these savings, the agency did not include efficiencies and similar benefits, although they are also numerous, according to officials. State agencies were spread out all over the city, increasing the needs for phone systems, travel, time spent moving between spaces and other inefficiencies.

The agency needed two actions by the state legislature: 1) authorization for the agency to enter into this contract and 2) exemption from the state's low-cost procurement law.

Both houses of the legislature unanimously authorized the plan, and the Governor approved it.

The state issued its RFP in November 1999, defining its selection criteria and method of

scoring, along with the performance specifications and 30-year cash flow projections. Seven major developers responded; three were placed on the short list. One of those bids came from a company that had initially expressed skepticism about the feasibility of the project.

Some experts suspected that the state's required opt-out clause in the state leases would lower the bond ratings and therefore interfere with the RFP process. The clause states that if an agency does not receive the necessary leasing appropriations from the state legislature, it can exit a lease. While the clause did present a challenge, officials argued that the state is not going out of business – even if the state shut down an entire agency, it still holds many private leases and would move agencies from those private properties into the PLTO buildings. Additionally, private demand for the PLTO space would be high given its convenient location.. In the end, the clause was not an obstacle to the developer financing the project.

The developer floated the bonds for the building, which are not backed by the state but instead by the buildings themselves and the state leases. The developer is providing a turnkey operation, with all amenities and maintenance included.

In preparing this project, General Services also factored the cost of major maintenance (or building renewal) into the cost of the lease. Generally, the agency must seek approval for building renewal funds each year from the legislature. Although the state has a set formula for this funding, the legislature regularly funds it at only 25 to 50 percent of the formula target. By including these costs into the costs of the lease, the money will be set aside for those purposes and the agency will not need to seek approval each year from the state.

"So when the state becomes the owner in 25 years, it will take formal possession of a property that is in good shape because it has been well-maintained," one official said. It will also avoid adding these costs to the current list of deferred maintenance.

The developer broke ground on the project on February 21, 2001 and two state agencies began moving in on July 1, 2002.

The state is now starting a third building in a new phase of the project, PLTO II. This building will house the Department of Health Services.

"People said, 'That's a great idea, try it again,'" an official said.

Officials in several states acknowledge that it is difficult to receive funding from their legislatures for new agency office buildings when states are suffering financially and there are many other competing needs. Under the PLTO system, Arizona does not need to choose office buildings over other services.

"This way, look, we're already spending X amount each year on rent, but we'll save $300,000 a year, plus there are all these other benefits. And after 25 years, we own the buildings. The Treasurer's office asked what was wrong with this deal; it seemed too good to be true, why haven't we done it before? Maybe nobody ever proposed it before," said one Arizona official. In a time of budget shortfalls, this system becomes even more appealing, the official said. "We're really hurting, like everybody else, but it won't cost us anymore to do it this way, so why not continue to do it? In fact, the state saves money and gets good space in the process."

Arizona previously bought construction based on lowest cost. An official said such a system might not provide the lowest costs over the life cycle. Because of the PLTO system, the state now can engage in value-based selection and quicker design/build procurement.

"We built the buildings in 15 months," the official said. "Design/build is so much faster than design/bid/build. This was a real plus."

The official said that the project is really not that difficult, except that it requires a complex contract. While the first phase required six months for ten attorneys to structure the contract, the second phase used that model and now it is a simple step.

"The structure is unique maybe for state governments, but not unusual in the private sector," according to this official.

According to one official, most tenant agencies did not initially want to move to the new space. In the past, there was a perception

that state office space would be substandard. Now, however, employees acknowledge the space is very nice. In PLTO II, the Department of Health Services is extremely enthusiastic to move to a new building.

Many organizations in the field have recognized and given awards to the Arizona PLTO project. ADOA officials have been invited speakers at conferences of the National Association of State Facilities Administrators (NAFSA) and the National Association of State Chief Administrators (NASCA), among others.

The ADOA General Services Division manages construction for the state, including corrections, schools and hospitals – everything except projects for the Department of Transportation. The agency provides maintenance for all buildings on the Capitol Mall and major facilities elsewhere. It also handles all leasing for state agencies.

B. Washington's Land Swap

The Washington State Patrol conducted a land exchange in which it traded property with old buildings for a new property with new built-to-suit facilities, while turning a $4.8 million asset into one worth at least $9.5 million.

The old property contained 20 acres of level, rectangular ground surrounded by retail development. The State Patrol used it for light industrial and storage purposes. The agency equipped and serviced vehicles for the entire patrol fleet there, and stored the local fleet of cars. It also housed the property management and engineering divisions, and the supply division in a third building, for uniforms, guns, and more. The facility included four buildings containing 54,000 square feet. Buildings ranged in age from 20 to 45 years.

Officials believe the property was worth more than its appraised value of about $4.8 million. They wanted to consider methods to recoup its full value. They considered an innovative idea of exchanging that valuable piece of property for other property in a light industrial park with new facilities that matched the State Patrol needs.

The stated goals of the project were the following:

- Replace existing outmoded light industrial facilities
- Relocate facilities to a site with appropriate zoning and growth potential
- Accomplish relocation and construction without requesting capital funding from legislature

The State Patrol approached the private development community to assess interest in its property. Private developers agreed that the land was worth millions more than the valuation. The agency then decided to market the land "not on its appraised value but on its potential value," one official said.

Initially the state blocked the plan because an exchange of old land for new land and buildings had never before occurred. However, after some persuasion by the State Patrol, key legislators supported the proposal as long at the State Patrol guaranteed that it was "foolproof."

The State Patrol issued a basic request for qualifications targeting large national developers as well as small local firms. The RFQ stated the desire of the Patrol to exchange its current property for new land and new buildings. The RFQ included some very simple drawings of the new facilities the State Patrol wanted. An official said that private developers estimated it would cost between $4 and $5 million to build the new facilities, not including the cost of the land. In total, a new generic site of 20 acres plus those new facilities would likely cost about $10 million.

In its next step, the state blanketed the development industry with information about the project including the basic building specifications. The state received 20 responses of interest. The state then issued a formal RFP, which generated four final proposals from large developers.

Proposal

One proposal maintained that the state would owe the developer $1 to $2 million at the end of the project, and two others estimated other amounts that the state would owe.

However, one proposal maintained that the developer would build as specified in an exact exchange of the new $10 million project for the currently appraised $4.8 million piece of land. The developer would secure national retailers to lease space on the old property. By securing those lease obligations, the property is worth significantly more.

official with the State Patrol said that because the agency had done its homework, it knew the proposal would be appealing to developers interested in land near large shopping areas who wanted a long-term growth project, not a short-term gain project.

"Be a strategist, do the economic analysis," the official said. "We were studying the Wall Street Journal, looking at the big box retailers' plans. We knew (one) had planned expansion for a two-year period, so that was our window to interest them."

The State Patrol traded their old property for a new, turnkey property worth more than $9 million. The State Patrol created the design specifications, but the developer did all the other leg work for the new property.

At the outset, the plan was for the developer to buy the land, build the buildings, and then move the State Patrol to the new location. However, before the new facility was completed, the developer needed possession of the old site because the retailers who wanted to be located on the land needed to begin construction immediately.

While the State Patrol needed to use the space, an official said it was important that the agency also understood that the retailers needed access to the site immediately in order for the entire project to succeed.

"We relinquished a little bit of our position – we agreed to let the developer move us to a temporary site, while we left our fleet on a portion of the old space, giving them 90% of the old site. The developer paid for the move and the temporary space. It was inconvenient for us, but worth it," the official explained. "Anyone considering a project like this must be clear – you are going to compromise. You must partner with the developer. You're not in the developer's pocket, and you must protect the interests of the state, but you must make the developer successful, too. It's a big challenge."

In the Department of General Administration, the Real Estate Services division handled the land issues and the Engineering and Architecture division led design issues.

Attorneys with the state Attorney General's office were instrumental in helping to negotiate the complicated contract, including a commitment from the developer that no matter what happened going forward to the developer, the project would be completed as specified.

The state legislature was also involved, in addition to its initial approval for the State Patrol to pursue this unusual land swap. The legislature needed to change some laws in order to allow this to occur, and re-occur in the future. That took time and planning, as well as allies in the legislature, according to one official.

The State Patrol requested several changes during construction, but any time a request added an expense, the Patrol worked with the developer to find cost savings elsewhere. The building process took nine months.

An official said he "didn't see any losses in this project," but he did acknowledge that the state faced some risk. For example, the state and the developer each did numerous property surveys and environmental tests during process. They each approved to trade the sites "as is," so that if an environmental issue or some other problem arose during construction, it would be the responsibility of the new owner. The state minimized its risk by involving an engineer in multiple tests. But, "there is some risk you must accept along the way."

While the state must minimize risk, it's important to make sure the developer has equal risk. "Then both will work toward a solution," the official said. "That's the key."

Recommendations

According to an official with the State Patrol, some of the success of the project is due to the long tenure of many key players in the deal. Having the same team in the real estate and engineering divisions and support from the top of General Administration as well as the State Patrol was very helpful.

"Our previous chief was behind this project 100%. She said if it fails, we'll be okay, we'll just dust you off," the official said. "She was willing to take a chance. You must have support from above...and you must be willing to step outside the comfort zone."

Management support is critical, as is political support. The official recommended that others considering such projects must do extensive research and assess whether any laws may be obstacles and therefore need to be changed. The agency will need to have a good team of lawyers who understand the risks and want to solve problems.

While the project did require a lot of work, a State Patrol official said it was never any staff person's full-time job to shepherd this through.

One lesson learned, according to the State Patrol, is that it was problematic to ask a developer to obtain new property in the first phase of this project. Instead, the agency recommends securing property first, then soliciting and selecting a developer.

Other agencies or states may have similarly valuable property that might be appropriate for a land swap, according to several officials in Washington. University systems are often given land that they cannot use properly, but may be ripe for private sector development.

"Sometimes the government sector can't do anything with (a property) that will be financially sound," one official said. "Developers can do revenue-generating projects, and give a property more value.

An official in Washington said state budget shortfalls make this type of project even more appealing. As states are struggling, they are looking for creative ways to fund projects and save money.

The State Patrol official said somewhat jokingly about the project, "I don't find it very innovative, only in as much as the $5 million in value we generated for the state." The Power Point presentation about the project is titled, "Value Added Property Exchange, or How to Turn $5 Million into $10 Million."

"I think you'd find throughout the U.S. that various state governments own property that have the same thing happening around it as the (State Patrol) property," said another Washington official. "I would hazard a guess that there's a lot of similar property out there."

Appendix D

Attorney General's Recommendations

RICHARD BLUMENTHAL
ATTORNEY GENERAL

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Office of The Attorney General
State of Connecticut

TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE LEASING AND PROPERTY TRANSFER SUBCOMMITTEE
OF THE GOVERNOR'S TASK FORCE ON STATE CONTRACTING REFORMS
AUGUST 4, 2004

I appreciate the opportunity to comment on the process for leasing and transferring state property.

Investigations by my office have shown various leases of state property to be severely problematic. Such examples of wrongdoing and favoritism demonstrate the necessity for reforming the system of leasing and transferring property interests in state land. I recommend the following, as part of the blueprint for reform:

1. Require by statute that all leases of state-owned residential property to state employees comply with standards developed by the Department of Administrative Services with the approval of the Attorney General. I have drafted a model lease, which I have distributed to the Governor and the Department of Administrative Services. A statute requiring adherence to such lease provisions would ensure compliance in the future.

2. Clarify that the disposition of any state property interest, including licensing agreements, must be approved by the State Properties Review Board. Some state agencies have not submitted licensing agreements for the use of state property to the Board despite the fact that these agreements transfer significant rights regarding use of state property to a private entity. While Conn. Gen. Stat. § 4b-3, for example, provides for Board review of any 'sale or lease' of state property by the Department of Transportation, this term should include other dispositions of state interests as well.

3. Ensure that the State Properties Review Board has the authority to obtain information from state agencies as part of its review process. The Board must ensure that the proposed transfer or acquisition is feasible and prudent. The Board should have clear statutory authority to request information relevant to its review from state agencies and the state agencies should have a statutory duty to comply.

4. Protect the State Properties Review Board budget from retaliatory action by the Administration. The Board, like the Freedom of Information Commission, the State Ethics Commission and the State Elections Enforcement Commission, is an independent oversight board. The Governor should be required to incorporate the Board's proposed budget in the Governor's budget proposal to the General Assembly without reduction. This protection was provided to the other independent commissions during the 2004 General Assembly session.

5. Extend the affidavit requirement to contracts involving state receipt of payments, not just purchases of goods or services -- as when the state receives lease payments or money from the sale of state property. The current gift ban applies only to contracts involving state spending on goods and services. Corrupt practices may also involve the selection of individuals or entities who pay the state to lease or buy state properties. The gift affidavit and gift ban laws should be extended to include these contracts when the state receives money.

I urge the Subcommittee's approval of these recommendations. My office is available to provide additional information and input to the Subcommittee.

Appendix E

Lessor & Judicial Information

My name is Ruth Schaefer and I am a member of Schaefer-Belmont Group, LLC. Schaefer Belmont Group LLC owns an office building in Hartford and is currently leasing over 60,000 sf of office space to a State Agency and is bidding for present and future State needs for office space compatible with our available space.

The leasing process has presented us with many challenges over the years which have made it at times very difficult to conduct our business. I would like to mention the following issues of concern:

- The maximum **Five year term** makes it difficult to finance significant tenant improvements, therefore, lowering the standard finishes and the level of services requested by the tenant and offered by the landlord. Although statistically, State agencies tend to stay in one place over fifteen years (average), the lenders want to see longer terms on paper, especially when the building is single tenanted or anchor tenanted by a State Agency. It seems that exceptions are made by the State but nobody knows what the rules are. This obviously could offer somebody an unfair advantage. If it starts as a five year term and due to maybe a genuine need ends up as a ten year term, then the deal has dramatically changed and all parties should have the opportunity to adjust their numbers.

- **The Request for Lease Proposals**, in my view, lacks **detailed specifications** for space layout, finishes, services (i.e. janitorial, snow plowing, day porter, etc), hours of operation, parking, utilities and others to be provided by the landlord. It is impossible for a landlord to accurately bid on a lease when the **lease proposal outline** offered by the State only provides for the amount of space, number of offices and amount of parking spaces required. The end result can be very painful. For example, our lease required that we provide and pay for operating costs. It was implied that the State would operate under normal business hours. A few years later, when the agency decided to go to a two shift operation, there was no way to recover the increased operating costs, other than electrical consumption. On the other hand, some other existing State leases require the State to cover all or almost all operating expenses. How do you decide who gets that advantage or not? Furthermore, we were required to provide parking for 250 cars. During the leasing process, we were not alerted to the fact that 100 of these cars were State cars which would be parked overnight, therefore, impeding the cost and efficiency of snow and ice removal. It is impossible to provide adequate snow/ice-removal when the cars remain in the lot overnight unless they are removed in a timely manner. This has never happened. As you can imagine, this list could go on and on.

- **Comparing the Proposals** is difficult and potentially unfair as the **Bids** are allowed to be **NNN, Gross** or anywhere in between, allowing for interpretation

and/or estimation of the adequacy and/or the cost of some of these offerings. The only way to make it fair is to compare apples to apples!

- **Negotiating a lease** with the State of Connecticut can be an extremely lengthy and frustrating process, often exceeding a year. Once the basic business terms were agreed upon, a so called **standard lease** was prepared. If the lease is a standard document maybe then it should accompany the bidding process. Based on our analysis of the booklet "**DPW Leased Facilities**", document supplied by DPW, it seems that the final leasing terms across the whole State inventory are anything but standard. As a matter of fact, our own lease terms are totally misstated in this document. The terms vary so wildly that it is impossible to figure out what the market rates are and what a competitive bid should be. How can an independent source properly examine the fairness of the existing leases if the information provided to the public is inaccurate? Going back to our standard lease, any minor changes had to go through the bureaucracy of the Attorney General's office. It was kind of take-it or leave-it. An in-house legal council or a full time representative from the Attorney General's office with the authority to make quick and timely decisions would save a lot of time and energy in addition to accomplishing a fair process.

- **Expansion:** During the first term of the lease, our tenant requested minor additional space. Knowing the excessive amount of time inherent in the lease expansion process and wanting to accommodate our tenant, we agreed to their request to build out the space and allow them to take occupancy before the lease was signed. Due to the incredible bureaucracy, we did not get a signed lease nor receive payment for over two years after occupancy. By the way, there was no negotiation involved, as the original lease gave the tenant the right to expand at pre-determined terms. Seven years ago, about a year into the first term of the lease, we were asked to price adding a few work stations which we did. It was believed to be faster going through us. Price was agreed and space was built. The approximately $3,500 invoice was never paid.

I thank you for your time and consideration.

Yours sincerely,

Ruth Schaefer
Member, Schaefer-Belmont Group, LLC

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Judicial Branch
Input to Task Force on Leasing Process
August 4, 2004

The leasing process as it now exists presents no ethical issues for the Judicial Branch. The DPW Leasing Agents and Administrators assigned to Judicial have, to the best of our knowledge, acted professionally and ethically.

The Judicial Branch has had a zero tolerance no gift policy in effect for more than a decade.

The Judicial Branch supports Governor Rell's goals for her Task Force on Contracting Reform as they apply to Leasing.

The following issues are ones that the Leasing Working Group (chaired by Shane Mallory) may want to consider.

- From a user's standpoint, time is the most important issue regarding the leasing process. Efforts to ensure and maintain competitive and ethical leasing, while critical and essential, we hope will not lengthen an already cumbersome process. Safeguards to ensure the integrity of the process should be offset with streamlining efforts to eliminate steps in the process that add no value to the lease procurement process. Nonetheless, we do not ask nor expect to trade off ethical standards for time improvements.

- Streamlining the process:
  - The process is rigid, inflexible and time consuming. It does not and cannot respond to immediate needs. As it takes 18 to 36 months or more, stated needs often become obsolete and inadequate before the space can finally be acquired.
  - Past efforts to streamline have not been completely successful, as the efforts were not inclusive of the entire process.
  - Typically, implementation of a lease has been recently taking three or more years (this includes the entire process, not just those processes directly under the control of either the Agency or DPW). This appears to be an aberration, in that the process was shut down, in sequence, for:
    - 1. introduction of new standard lease;
    - 2. budget impasse; and
    - 3. affidavit requirements prior to legislation being passed.
  - Changes instituted by DPW, particularly in the Facilities Operations area, have streamlined the process to the point where it would be more like the 18 month process in effect prior to the aberrations (and assuming no new aberrations arise).

- Weaknesses in the process still exist:
  - It appears that the new standard lease has not delivered reductions in the time necessary to negotiate the end product, although we do not have statistics to support this (and given the aberrations mentioned above, it could well be difficult to definitely prove it one way or the other).
  - Delays exist in responding to quick moving work environment. Needs which are identified cannot be met using leased facilities in under 18 months and the process now regularly takes much longer. When the process takes three years, even accurately assessed needs have developed and changed in unanticipated ways.
  - The process is not flexible enough to adjust stated needs without going back to the beginning of the process, after having been in the approval stages for a year or more.
  - Lease options for renewals and expansions, already negotiated and approved as part of the base lease, require that the entire, time-consuming RFS process be followed. There should be a truncated process, whereby the budget consequences would be approved by OPM, without acquiring the re-approval of all other conditions which have already been approved. Similarly, there should be a process to take advantage of expansion space of up to 10%, to take advantage of availability of space to respond to immediate needs.
  - We suggest that there is a need for a published and well defined process with time standards assigned for each stage. Periodic reporting should be instituted, which will allow evaluation of problems when deviation from time standards are identified.

Appendix F

Agencies' Information

INTERDEPARTMENTAL MESSAGE **STATE OF CONNECTICUT**

To	NAME, TITLE Mr. Stanley Babiarz, Executive Director	DATE August 11, 2004
	AGENCY, ADDRESS State Properties Review Board, 165 Capitol Avenue, Hartford	
From	NAME, TITLE Richard C. Allen, Rights of Way Administrator	TELEPHONE 594-2379
	AGENCY, ADDRESS Department of Transportation, 2800 Berlin Turnpike, Newington	

Subject: State Properties Review Board Review of Leases and Sales

The Department of Transportation currently operates under four different State Statutes relative to the sale and lease of State property.

1. 13a-80 authorizes the Commissioner to sell, lease and convey property no longer necessary for highway purposes. These properties are generally referred to as excess.

2. 13a-80a authorizes the Commissioner to sell, lease and convey property above or below any State highway right of way. Generally referred to as air rights.

3. 13b-42(b) authorizes the Commissioner to sell, lease or grant airport property.

   13b-34(c) authorizes the Commissioner to hire, lease, acquire and dispose of property for Public Transportation needs. This relates to rail and bus service.

While 13a-80 and 13b-42(b) specifically require the advise and consent of the State Property Review Board prior to the consummation of the sale or lease of property, 13a-80a and 13b-34(c) are silent in this respect.

The State Properties Review Board is established under 4b-3 and State Statute 4b-3(f) stipulates that the State Property Review Board shall review the sale or lease of any property by the Commissioner of Transportation.

Historically the Department has submitted all sales and lease transactions as defined under 13a-80 and 13b-42(b) to the State Properties Review Board for review as well as the Office of Policy and Management and the Attorney General's Office, while those transactions under 13a-80a were only subject to review by the Office of Policy and Management and the Attorney General's Office.

In an effort to provide a uniform and consistent review process for the sale and lease of property by the Department of Transportation, I suggest that the operating language in 13a-80(a) and 13b-34(c) be revised to include mandatory review by the State Properties Review Board as well as the Office of Policy and Management and the Attorney General's Office.

The addition of this review requirement will result in an additional 75 reviews per year requested by this Department. Additional staffing of the State Properties Review Board may be required to meet this increase workload. An exemption for sales under $5,000.00 and leases under $6,000.00 per year may significantly reduce the increased workload.

Should you have any questions concerning this issue please let me know.

Board for State Academic Awards

Charter Oak State College
Connecticut Distance Learning Consortium

To: State Senator Donald DeFronzo
Commissioner, James Fleming
Co-Chairmen, Task Force on Contracting Reform

From: Merle W. Harris
Executive Director, Board for State Academic Awards
President, Charter Oak State College

Date: July 30, 2004

RECEIVED
AUG 3 - 2004
Dept. of Public Works
Commissioner's Off

I am writing for Charter Oak State College and the Connecticut Distance Learning Consortium regarding the important work you are doing on contract reform. My comments state the obvious, but I believe it is important to raise to your attention the issue of adequate staffing in the conduct of the contract process.

The number of College and Consortium contracts has increased during the past few years as both organizations have grown. We are careful to comply with current state statutes and regulations and work closely with the Attorney General's Office. However, we have found that there are some roadblocks that often make it difficult for us to carry out our responsibilities in a timely manner.

The major problem we confront is that there is insufficient staffing in the Attorney General's Office for the number of contracts that need review and approval. I want to emphasize that this comment is not a reflection on the people we work with in that office. They are excellent and try to respond in a timely manner. However, this is not always possible.

Therefore, as you review contracting procedures and recommend changes, I urge that you not compound this problem. If changes require additional oversight, please recommend the funding needed for positions necessary to ensure that contracts can be finalized in a timely manner. When it is not possible to complete a task, implement a program or carry out a key responsibility due to the time it takes to get a contract approved, some people attempt to circumvent important procedures. Adequate staffing should eliminate such frustration and ensure that all state employees comply with current and future contracting procedures.

55 Paul J. Manafort Drive, New Britain, CT 06053-2142 Telephone: 860.832.3876 Fax: 860.832.3999
E-mail: mharris@charteroak.edu Websites: www.charteroak.edu www.ctdlc.org
An Equal Opportunity Employer

RECORDED IN _____ LAND RECORDS AT VOLUME _____PAGE_____

Agreement No.

LEASE AGREEMENT
BETWEEN
STATE OF CONNECTICUT, DEPARTMENT OF TRANSPORTATION
AND

_____
_____ ROUTE NO.
TOWN OF _____
FILE NO. _____
FEDERAL-AID PROJECT NO. _____

THIS LEASE AGREEMENT ("Agreement"), concluded at Newington, Connecticut, this ____ day of _____, 200_, by and between the State of Connecticut, Department of Transportation ("State"), James F. Byrnes, Commissioner, acting herein by Arthur W. Gruhn, Jr., Chief Engineer, Bureau of Engineering and Highway Operations, duly authorized, and _____ _____, ("Second Party"), a _____, with a mailing address of _____, _____, _____, acting herein by _____, its _____, hereunto duly authorized.

WITNESSETH: THAT,

WHEREAS, the Second Party has requested the use of certain land, hereinafter described, for _____, and

WHEREAS, the State and the Second Party acknowledge and agree that the Premises is designated for transportation use under relevant provisions of the Federal Aid Highway Act, as amended, and that all other uses are temporary and subordinate thereto.

WHEREAS, the State has the authority pursuant to Section 13a-80a of the Connecticut General Statutes, as revised, to enter into this Agreement with the advice and consent of the Secretary, Office of Policy and Management of the State of Connecticut.

NOW, THEREFORE, KNOW YE:

The State does hereby lease to the Second Party, subject to all stipulations, restrictions, specifications and covenants herein contained, that land ("Premises") situated in the ____ of _____, County of _____, and State of Connecticut, on the _____ side of _____ Route No. __, with appurtenances thereon, if any, containing _____ ____, more or less, as shown on a map attached hereto, entitled: "____ of _____, _____ Showing Land Leased to _____ by the State of Connecticut, Dept. of Transportation, _____ Route No. ___ (_____), Scale 1" = __', _____ 199_," Town No. ___, Project No. ___ - ___, Serial No. __, Sheet _ of _.

All rights of ingress and egress are specifically denied, directly to and from _____, (_____Route No. ____), from and to the Premises.

1. The sole purpose of this Agreement is to allow the Second Party to use and maintain the Premises _____.

2. The term of this Agreement is for a five (5) year period of time commencing _____, to and including _____.

3. The Second Party shall pay to the State monthly, in advance, _____Dollars ($_____), payable by or before the first day of each month of the term hereof as rent for the use of the Premises.

4. The Second Party shall have the right to renew this Agreement for two (2) additional five (5) year periods of time, subject to a review and update of the rental fee, by giving the State official notice, as the same is hereinafter defined.

5. This Agreement may be terminated at any time by either party hereto by giving the other party thirty (30) days official notice, as the same is hereinafter defined, and upon expiration of said notice period, this Agreement shall be null and void and all rights of the Second Party herein shall end and terminate.

6. If the Second Party shall fail to perform or comply with any of the terms and conditions contained in this Agreement, this Agreement shall be deemed to have been breached, and may be terminated at any time by the State by giving the Second Party sixty (60) days official notice, in writing, as the same is hereinafter defined. However, no breach shall result in termination of this Agreement by the State so long as the Second Party shall proceed from the time it received actual notice of breach to cure the same diligently and in good faith, and providing such cure is accomplished within a reasonable period of time, time being of the essence, not to exceed one hundred twenty (120) days from the time it received actual notice of breach. The State's lack of enforcement of its right to terminate this Agreement shall not be construed as a waiver of its right to do so.

7. It is mutually understood and agreed by the parties hereto that when pages -1- through and including -5- hereof are duly recorded in the land records of the town(s) in which the Premises exist, the said pages are and shall continue to function as a Notice of Lease pursuant to Section 47-19 of the Connecticut General Statutes, as revised.

8. It is mutually understood and agreed by the parties hereto that this Agreement is made subject to each and every specification and covenant, unless specifically deleted therefrom, contained in the "Standard Highway Lease Specifications & Covenants, Connecticut Department of Transportation", dated May 30, 2003 ("Specifications"), which is hereby made an integral part of this Agreement by reference thereto and which shall have full force and effect as if the same was incorporated herein, it being understood and agreed by the parties hereto that the Specifications is and shall remain on file in the offices of the State and of the Second Party identified on page -1- hereof.

9. If any improvements are planned t be made to the Premises the Second Party must obtain an Encroachment Permit in accordance with Item 20 of the Specifications. The Second Party must contact the Special Service Section Chief of the State's District __ Maintenance Office, at ___-____ to apply for this permit.

Agreement No. _____

IN WITNESS WHEREOF, the parties hereto do hereby set their hands and seals on the day and year indicated.

WITNESSES:

_____
Name:

_____
Name:

STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION
James F. Byrnes, Commissioner

By _____(Seal)
Arthur W. Gruhn, P.E.
Chief Engineer
Bureau of Engineering and
Highway Operations

Date: _____

WITNESSES:

_____
Name:

_____
Name:

SECOND PARTY

By _____(Seal)
Name
Title

Date: _____

STATE OF CONNECTICUT)
SS: Newington
COUNTY OF HARTFORD)

_____ A.D., 200_
Date

Personally appeared for the State, Arthur W. Gruhn, P.E., Signer and Sealer of the foregoing Instrument and acknowledged the same to be the free act and deed of the Department of Transportation and his free act and deed as Chief Engineer, Bureau of Engineering and Highway Operations, before me.

My Commission Expires:

_____
Notary Public

STATE OF _____)
) SS: _____
COUNTY OF _____) City/Town

_____A.D., 200_
Date

Personally appeared for the Second Party, _____, Signer and Sealer of the foregoing Instrument and acknowledged the same to be the free act and deed of _____, and his free act and deed as _____, before me.

My Commission Expires:

_____
Notary Public

Agreement No. _____

This Agreement is made with the advice and consent of the undersigned in conformance with Section 13a-80a of the Connecticut General Statutes, as revised.

_____ Date: _____

Secretary
Office of Policy & Management
State of Connecticut

APPROVED AS TO FORM:

_____ Date: _____

Attorney General
State of Connecticut

RECORDED IN _____ LAND RECORDS AT VOLUME _____ PAGE_____

Agreement No.

LEASE AGREEMENT
BETWEEN
STATE OF CONNECTICUT, DEPARTMENT OF TRANSPORTATION
AND

_____
_____ ROUTE NO.
TOWN OF _____
FILE NO. _____
FEDERAL-AID PROJECT NO. _____

THIS LEASE AGREEMENT ("Agreement"), concluded at Newington, Connecticut, this ___ day of _____, 199_, by and between the State of Connecticut, Department of Transportation ("State"), James F. Byrnes, Jr., Commissioner, acting herein by Arthur W. Gruhn, P.E., Chief Engineer, Bureau of Engineering and Highway Operations, duly authorized, and _____ _____, ("Second Party"), a _____, with a mailing address of _____, _____, _____, acting herein by _____, its _____, hereunto duly authorized.

WITNESSETH: THAT,

WHEREAS, the Second Party has requested the use of certain land, hereinafter described, for _____, and

WHEREAS, the State has the authority pursuant to Section 13a-80 of the Connecticut General Statutes, as revised, to enter into this Agreement with the advice and consent of the Secretary, Office of Policy and Management and the State Properties Review Board of the State of Connecticut.

NOW, THEREFORE, KNOW YE:

The State does hereby lease to the Second Party, subject to all stipulations, restrictions, specifications and covenants herein contained, that land ("Premises") situated in the ____ of _____, County of _____, and State of Connecticut, on the _____ side of _____ Route No. __, with appurtenances thereon, if any, containing _____ ____, more or less, as shown on a map attached hereto, entitled: "____ of _____, _____ Showing Land Leased to _____ by the State of Connecticut, Dept. of Transportation, _____ Route No. ___ (_____), Scale 1" = __', _____ 199_," Town No. ___, Project No. ___ - ___, Serial No. __, Sheet _ of _.

All rights of ingress and egress are specifically denied, directly to and from _____, (_____Route No. ____), from and to the Premises.

1. The sole purpose of this Agreement is to allow the Second Party to use and maintain the Premises _____.

2. The term of this Agreement is for a five (5) year period of time commencing _____, to and including _____.

3. The Second Party shall pay to the State monthly, in advance, _____Dollars ($_____), payable by or before the first day of each month of the term hereof as rent for the use of the Premises.

4. The Second Party shall have the right to renew this Agreement for two (2) additional five (5) year periods of time, subject to a review and update of the rental fee, by giving the State official notice, as the same is hereinafter defined.

5. This Agreement may be terminated at any time by either party hereto by giving the other party thirty (30) days official notice, as the same is hereinafter defined, and upon expiration of said notice period, this Agreement shall be null and void and all rights of the Second Party herein shall end and terminate.

6. If the Second Party shall fail to perform or comply with any of the terms and conditions contained in this Agreement, this Agreement shall be deemed to have been breached, and may be terminated at any time by the State by giving the Second Party sixty (60) days official notice, in writing, as the same is hereinafter defined. However, no breach shall result in termination of this Agreement by the State so long as the Second Party shall proceed from the time it received actual notice of breach to cure the same diligently and in good faith, and providing such cure is accomplished within a reasonable period of time, time being of the essence, not to exceed one hundred twenty (120) days from the time it received actual notice of breach. The State's lack of enforcement of its right to terminate this Agreement shall not be construed as a waiver of its right to do so.

7. It is mutually understood and agreed by the parties hereto that when pages -1- thru and including -4- hereof are duly recorded in the land records of the town(s) in which the Premises exist, the said pages are and shall continue to function as a Notice of Lease pursuant to Section 47-19 of the Connecticut General Statutes, as revised.

8. It is mutually understood and agreed by the parties hereto that this Agreement is made subject to each and every specification and covenant, unless specifically deleted therefrom, contained in the "Standard Highway Lease Specifications & Covenants, Connecticut Department of Transportation", dated October 15, 2001 ("Specifications"), which is hereby made an integral part of this Agreement by reference thereto and which shall have full force and effect as if the same was incorporated herein, it being understood and agreed by the parties hereto that the Specifications is and shall remain on file in the offices of the State and of the Second Party identified on page -1- hereof.

9. If any improvements are planned to be made to the Premises, the Second Party must obtain an Encroachment Permit in accordance with Item 20 of the Specifications. The Second Party must contact the Special Service Section Chief of the State's District _ Maintenance Office, at ___-_____ to apply for this permit.

Agreement No. _____

IN WITNESS WHEREOF, the parties hereto do hereby set their hands and seals on the day and year indicated.

WITNESSES:

_____
Name:

_____
Name:

STATE OF CONNECTICUT
DEPARTMENT OF TRANSPORTATION
James F. Byrnes, Jr., Commissioner

By _____(Seal)
Arthur W. Gruhn, P.E.
Chief Engineer
Bureau of Engineering and
Highway Operations

Date: _____

WITNESSES:

_____
Name:

_____
Name:

SECOND PARTY

By _____(Seal)
Name
Title

Date: _____

STATE OF CONNECTICUT)
SS: Newington _____ A.D., 200_
COUNTY OF HARTFORD) Date

Personally appeared for the State, Arthur W. Gruhn, P.E., Signer and Sealer of the foregoing Instrument and acknowledged the same to be the free act and deed of the Department of Transportation and his free act and deed as Chief Engineer, Bureau of Engineering and Highway Operations, before me.

My Commission Expires:

_____
Notary Public

STATE OF _____)
) SS: _____ _____A.D., 200_
COUNTY OF _____) City/Town Date

Personally appeared for the Second Party, _____, Signer and Sealer of the foregoing Instrument and acknowledged the same to be the free act and deed of _____, and his free act and deed as _____, before me.

My Commission Expires:

_____
Notary Public

Agreement No. _____

This Agreement is made with the advice and consent of the undersigned in conformance with Section 13a-80 of the Connecticut General Statutes, as revised.

_____ Date: _____
Secretary
Office of Policy & Management
State of Connecticut

_____ Date: _____
Name:
Title:
For State Properties Review Board

APPROVED AS TO FORM:

_____ Date: _____
Attorney General
State of Connecticut

STANDARD HIGHWAY LEASE

SPECIFICATIONS & COVENANTS

Connecticut Department of Transportation
Bureau of Finance and Administration
Division of Contract Administration
Agreements/Negotiations Section

May 30, 2003

(1) The Second Party shall pay the costs of all water, electricity and other public utilities, if any, supplied to the Second Party under this Agreement, unless otherwise specified in the Agreement.

(2) The Second Party hereby assumes all taxes, if any, levied or to be levied on the Premises for the tax period coincident with the duration of this Agreement. A grant-in-lieu of taxes (under Section 12-19a of the General Statutes of Connecticut as the same may be amended) shall be assumed by the Second Party for the period coincident with the duration of this Agreement, if such a grant-in-lieu of taxes concerning the Premises is required of the State.

(3) The Second Party agrees to maintain the Premises in a clean condition, to the satisfaction of the State and to arrange for the orderly use of the Premises. The Second Party further agrees that it shall not permit hazardous or highly inflammable, volatile, or explosive substances to be placed on, under, or over the Premises or permit unreasonably objectionable smoke, fumes, vapors, or odors to arise above the surface of the Premises and that no accumulation of boxes, barrels, packages, waste paper or other articles shall be permitted in or upon the Premises. Ice and snow control of the sidewalks, if any, abutting the Premises shall be the obligation of the Second Party.

(4) The Second Party agrees that no junk shall be permitted to be stored on the Premises. The term "junk" shall mean old or scrap paper, copper, brass, rope, rags, batteries, paper trash, rubber debris, waste or junked, dismantled, or wrecked automobiles, parts thereof, iron, steel and other old or scrap ferrous or non-ferrous materials.

The Second Party shall not allow any unregistered or abandoned motor vehicles to remain on the Premises and shall cause the same to be removed. The Second Party shall not allow any boats to be stored on any of the premises.

(5) The Second Party shall not sublet or assign the Premises or any part thereof without receipt of prior written approval of the State and the Federal Highway Administration, if required.

(6) The Second Party shall protect, defend, and hold the State and its servants, agents, or employees completely harmless from and against any and all liabilities, losses, suits, claims, judgments, fines or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorney fees, court costs, and expert fees), of any nature whatsoever arising out of or incident to this Agreement and/or the use or occupancy of the Premises or the acts or omissions of the Second Party, its officers, agents, employees, contractors, subcontractors, licensees, or invitees, regardless of where the injury, death, or damage may occur, unless such injury, death or damage is caused by the sole negligence of the State. The State shall give to the Second Party reasonable notice of any such claims or actions. The Second Party shall also use counsel reasonably acceptable to the State in carrying out its obligations hereunder. The provisions of this Section shall survive the expiration or early termination of this Agreement, and shall not be limited by reason of any insurance coverage.

It is further understood and agreed by the parties hereto, that when the Second Party is <u>not</u> a municipality or any other Connecticut governmental entity, the Second Party shall not use the defense of Sovereign Immunity in the adjustment of claims or in the defense of any suit, unless requested to do so by the State.

When the Second Party is a municipality or any other Connecticut governmental entity, the Second Party agrees that in the event of an adjustment of claims or in the defense of any suit between the State and the Second Party, the Second Party shall not use the defense of Governmental Immunity.

(7) The Second Party agrees to secure and maintain for the duration of this Agreement, including any supplements thereto and all renewals thereof, if any, with the State being named as an additional insured party, the following minimum liability insurance coverage or coverages regarding the Premises at no cost to the State. In the event the Second Party secures excess/umbrella liability insurance to meet the minimum requirements specified below, the State shall be named as an additional insured.

> Commercial General Liability Insurance, including Contractual Liability Insurance, providing for a total limit of not less than One Million Dollars ($1,000,000) for all damages arising out of bodily injuries to or death of all persons in any one accident or occurrence, and for all damages arising out of injury to or destruction of property in any one accident or occurrence, and, subject to that limit per accident, a total (or aggregate) limit of Two Million Dollars ($2,000,000) for all damages arising out of bodily injuries to or death of all persons in all accidents or occurrences and out of injury to or destruction of property during the policy period.

In conjunction with the above coverage, the Second Party agrees to furnish to the State on the form or forms supplied by the State, a Certificate of Insurance (CON-32), fully executed by an insurance company or companies satisfactory to the State, for the insurance policy or policies required hereinabove, which policy or policies shall be in accordance with the terms of said Certificate of Insurance. Each insurance policy shall state that the insurance company(ies) shall agree to investigate and defend the insured against all claims for damages, even if groundless.

(8) The State and the Federal Highway Administration, if appropriate, shall have the right to inspect the Premises at any time, and to repair, maintain, improve or reconstruct any State facility and/or its appurtenances. The State shall notify the Second Party by letter of its intention, if possible, stating the time when such work is to be performed. However, if any emergency arises, a telephone call from the State shall suffice. The Second Party agrees that upon being notified by the State, the Second Party shall take steps as necessary to have the Premises closed to all persons and cleared of all vehicles.

(9) The Second Party agrees to enhance the aesthetic appearance of the Premises at its own expense, if required by the State, either by the creation of grassed areas and suitable plantings or by some artificial means to beautify said Premises, subject in either case to written approval of the State. If the Second Party elects to utilize the former course of action, the work shall be completed within the next following "planting season."

(10) The Second Party shall not erect signs, displays, or devices on the Premises, unless otherwise specifically allowed in this Agreement, except those signs necessary for the proper control and maintenance of the Premises. However, no signs may be erected until written permission is first received from the State.

(11) If deemed necessary by the State, the Second Party agrees to surface and grade the Premises, as may be required by the State for the maintenance of the hereinabove specified use, at no expense to the State for the duration of this Agreement, as approved by the State in writing.

(12) If deemed necessary by the State, the Second Party agrees to install and maintain, at its own expense, fencing or another device suitable to the State around the Premises, so as to control the ingress and egress of vehicles and persons to and from the Premises.

(13) If deemed necessary by the State, the Second Party agrees to install and maintain, at its own expense, a suitable electrical system for the lighting of

the Premises. Such electrical system and the Second Party's installation and maintenance, thereof, shall not interfere with or damage any of the State facility and/or its appurtenances or impede the operation and maintenance thereof.

(14) If deemed necessary by the State, the Second Party agrees to install and maintain for the duration of this Agreement, suitable devices approved by the State for the protection of all piers or pier columns and appurtenances, if any, located on the Premises, at no expense to the State.

(15) If deemed necessary by the State, the Second Party agrees to install and maintain, at its own expense, a suitable drainage system for the purpose of draining surface water from the Premises. Such drainage system or the Second Party's installation and maintenance thereof shall not interfere with or damage any portion of the State facility and/or its appurtenances or impede the operation and maintenance thereof.

(16) The Second Party agrees to comply with and conform to all the laws of the State of Connecticut, and the ordinances and zoning regulations of the Town(s) in which the Premises is located, regarding health, nuisance, fire, highway, and sidewalks, so far as the Premises is or may be concerned.

(17) "Environmental Laws" shall mean and include any federal, state or local statue, law, ordinance, code, rule, regulation, order, or decree regulating or relating to the protection of human health or the environment, or imposing liability or standards of conduct concerning any hazardous, toxic, or waste substance, element, compound, mixture or material, as now or at any time hereafter in effect, including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. section 9601 et seq., the Federal Oil Pollution Act of 1990, 33 U.S.C. section 2701, et seq., the Federal Toxic Substances Control Act, 15 U.S.C. section 2601 et seq., the Federal Resource Conservation and Recovery Act, as amended, 42 U.S.C. section 6901 et seq., the Federal Hazardous Material Transportation Act, 49 U.S.C. section 1801 et seq., the Federal Clean Air Act, 42 U.S.C. section 7401 et seq., the Federal Water Pollution Control Act, 33 U.S.C. section 1251 et seq., the River and Harbors Act of 1899, 33 U.S.C. section 401 et seq., and all rules and regulations of the United States Environmental Protection Agency, or any other state, local or federal agency or entity having jurisdiction over environmental or health and safety matters, as such may have been amended.

"Hazardous Substances" shall mean any and all materials, chemicals, or other substances that are hazardous or toxic or otherwise regulated or controlled pursuant to any of the Environmental Laws.

The Second Party shall comply strictly and in all respects with the requirements of the Environmental Laws. Furthermore, the Second Party shall not store, generate or use any Hazardous Substances at, on, or under the leased property.

(18) All the Second Party's obligations hereunder shall survive this Lease or any other agreement or action, including, without limitation, any consent decree, or order, between the Second Party and the government of the United States or any department or agency thereof, the State and/or the Municipality.

(19) In addition to Item (6) herein above, the Second Party hereby agrees as follows:

> The Second Party shall or if the Second Party is one of several lessees, the Second Party and the lessees shall jointly and severally, protect, indemnify, defend, and hold harmless the State and any of its officers, employees and agents and their respective heirs, legal representatives, successors and assigns, from and against any and all loss, damage, costs, charge, lien, debt, fine, penalty, injunctive relief, claim, demand, expense, suit, order, judgement, adjudication, liability, or injury to

person, property or natural resources, including attorneys' fees and consultants' fees (any of the foregoing being referred to in this Agreement as a "Claim") arising out of, attributable to, which may accrue out of, or which may result from (i) any violation or alleged violation of the Environmental Laws by any person or entity or other source whether related or unrelated to the Second Party, or (ii) the disposal or alleged disposal of Hazardous Substances (whether intentional or unintentional, direct or indirect, foreseeable or unforeseeable) by any person or entity or other source, whether related or unrelated to the Second Party.

(20) The Second Party agrees that no improvements as hereinbefore mentioned or other improvements shall be undertaken until written approval is received from the State and the Federal Highway Administration, if appropriate. The Second Party agrees that as an integral part of the process of obtaining the above-mentioned written approval, the Second Party shall apply for, receive and comply with, a Permit or Permits issued by the State in conformance with all pertinent provisions of the current Encroachment Permit Regulations, including amendments thereto. The Second Party shall comply with the applicable provisions of 23 C.F.R., Sections 713.201 to .205 (1988), as amended, which is hereby made a part hereof by reference thereto.

The State and the Federal Highway Administration, if appropriate, reserves the right to review and approve all plans prior to any and all construction and site improvements at the aforementioned Premises. This includes, but is not necessarily limited to, any and all permanent or temporary structures, roadways, site grading, drainage and landscaping. No such construction or site improvement shall commence unless and until the State provides its written approval for same. The State shall neither unreasonably delay its decision nor shall it unreasonably withhold its approval.

(21) Upon termination of this Agreement for any reason, the Second Party will vacate the Premises, remove all of its personal property from the Premises at its own expense, leaving the Premises in as good or better condition as when it took occupancy, reasonable use expected, and hereby agrees that no relocation benefits of any kind will be paid to the Second Party by the State, time shall be of the essence.

(22) It is further agreed that at the termination of this Agreement for any reason, improvements (including, but not limited to signs, lighting, fences, pier protection devices, paved areas or sidewalks) shall not be removed from the Premises, and shall be the property of the State, or at the State's option, the Second Party shall restore the Premises to the same physical condition existing immediately before the execution of this Agreement, at no expense to the State. In the event the Second Party shall not fulfill this obligation within a reasonable time when requested by the State, the State shall at its option arrange to have the work done and shall bill the Second Party for all expenses incurred. The Second Party shall promptly pay when billed without recourse.

(23) The Second Party shall record this Agreement, including any supplements hereto and all renewals thereof, if any, in the land records of the town(s) in which the Premises exists, at no expense to the State, and the recording shall be done immediately upon notification that the fully executed and approved Agreement is ready to be recorded. Failure of the Second Party to record the document(s) as specified herein, shall be sufficient grounds for the State to terminate this Agreement without notice.

(24) It is further mutually understood and agreed by the parties hereto that this Agreement shall not be effective until said Agreement has been approved by the Secretary, Office of Policy and Management, by the Attorney General and by the State Properties Review Board of the State of Connecticut, where appropriate.

(25) The Connecticut Secretary of the State (including any successor thereto)

is hereby appointed by the Second Party as its agent for service of process for any action arising out of or as a result of this Agreement, such appointment to be in effect throughout the life of this Agreement including any supplements hereto and all renewals thereof, if any, and six (6) years thereafter, except as otherwise provided by Statute.

(26) The Second Party shall make all payments to the State by check, made payable to "The Treasurer, State of Connecticut" and addressed to the "Accounts Receivable Unit, Department of Transportation, P.O. Box 317546, Newington, Connecticut 06131-7546."

(27) The Second Party, for itself, its representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the Premises that: (1) no person, on the grounds of race, color, or national origin shall be excluded from participation in, be denied the benefits of, or be otherwise subject to discrimination in the use of the Premises; (2) in regard to any construction and/or improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; (3) the Second Party shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination of Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964 and as said Regulations may be amended. In the event of breach of any of the above nondiscrimination covenants, the State shall have the right to terminate the Agreement and to re-enter and repossess the Premises, and hold the same as if said Agreement had never been made or issued.

(28) (a) For the purposes of this section, "minority business enterprise" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in subsection (a) of Conn. Gen. Stat. Sec. 32-9n; and "good faith" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "Good faith efforts" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements.

For purposes of this section, "Commission" means the Commission on Human Rights and Opportunities.

(b) (1) The Second Party agrees and warrants that in the performance of the contract such Second Party will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including but not limited to, blindness, unless it is shown by such Second Party that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Second Party further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation or physical disability, including, but not limited to, blindness, unless it is shown by such Second Party that such disability prevents performance of the work involved; (2) the Second Party agrees, in all solicitations or advertisements for employees placed by or on behalf of the Second Party, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission; (3) the

Second Party agrees to provide each labor union or representative of workers with which such Second Party has a collective bargaining agreement or other contract or understanding and each vendor with which such Second Party has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Second Party's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (4) the Second Party agrees to comply with each provision of this section and Conn. Gen. Stat. Sections 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commissioner pursuant to Conn. Gen. Stat. Sections 46a-56, 46a-68e and 46a-68f; (5) the Second Party agrees to provide the Commission on Human Rights and Opportunities with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Second Party as relate to the provisions of this section and Section 46a-56. If the contract is a public works contract, the Second Party agrees and warrants that it will make good faith efforts to employ minority business enterprises as subcontractors and suppliers of materials on such public works project.

(c) Determination of the Second Party's good faith efforts shall include but shall not be limited to the following factors: The Second Party's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of minority business enterprises in public works projects.

(d) The Second Party shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

(e) The Second Party shall include the provisions of subsection (b) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Second Party shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with Conn. Gen. Stat. Section 46a-56, provided if such Second Party becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Second Party may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(f) The Second Party agrees to comply with the regulations referred to in this section as they exist on the date of this contract and as they may be adopted or amended from time to time during the term of this contract and any amendments thereto.

(29) (a) Pursuant to Section 4a-60a of the Connecticut General Statutes; (1) The Second Party agrees and warrants that in the performance of the contract such Second Party will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation; (2) the Second Party agrees to provide each labor union or representative of workers with which such Second Party has a collective bargaining agreement or other contract or understanding and each vendor with which such Second Party has a contract or understanding, a notice to be provided by the commission on human rights and opportunities advising the labor union or worker's representative of the Second Party's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment; (3) the Second Party agrees to comply with each provision of this section and with each regulation or relevant order

issued by said commission pursuant to section 46a-56 of the general statutes; (4) the Second Party agrees to provide the commission on human rights and opportunities with such information requested by the commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Second Party which relate to the provisions of this section and section 46a-56 of the general statutes.

(b) The Second Party shall include the provisions of subsection (a) of this section in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the State and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the commission. The Second Party shall take such action with respect to any such subcontract or purchase order as the commission may direct as a means of enforcing such provisions including sanctions for noncompliance in accordance with section 46a-56 of the general statutes; provided, if such Second Party becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the commission, the Second Party may request the State of Connecticut to enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

(30) This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill promulgated June 16, 1971 and, as such, this Agreement may be cancelled, terminated or suspended by the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Three, or any state or federal law concerning nondiscrimination, notwithstanding that the Labor Commissioner is not a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that said Executive Order No. Three is incorporated herein and made a part hereof. The parties agree to abide by said Executive Order and agree that the State Labor Commissioner shall have continuing jurisdiction in respect to Agreement performance in regard to nondiscrimination, until the Agreement is completed or terminated prior to completion.

The Second Party agrees, as part consideration hereof, that this Agreement is subject to the Guidelines and Rules issued by the State Labor Commissioner to implement Executive Order No. Three, and that the Second Party will not discriminate in its employment practices or policies, will file all reports as required, and will fully cooperate with the State of Connecticut and the State Labor Commissioner. A copy of said Guidelines is attached and hereby made a part of this Agreement.

(31) This Agreement is subject to the provisions of Executive Order No. Seventeen of Governor Thomas J. Meskill promulgated February 15, 1973, and, as such, this Agreement may be cancelled, terminated or suspended by the contracting agency or the State Labor Commissioner for violation of or noncompliance with said Executive Order No. Seventeen, notwithstanding that the Labor Commissioner may not be a party to this Agreement. The parties to this Agreement, as part of the consideration hereof, agree that Executive Order No. Seventeen is incorporated herein by reference and made a part hereof. The parties agree to abide by said Executive Order and agree that the contracting agency and the State Labor Commissioner shall have joint and several continuing jurisdiction in respect to Agreement performance in regard to listing all employment openings with the Connecticut State Employment Service.

(32) The Second Party hereby acknowledges and agrees to comply with the CONNECTICUT REQUIRED CONTRACT/AGREEMENT PROVISIONS entitled "Specific Equal Employment Opportunity Responsibilities," dated March 6, 1998, a copy of which is attached hereto and made a part hereof.

(33) The Second Party agrees that the attached "Policy Statement, Policy No. Admin. 19, May 12, 2003, Subject: Policy on Disadvantaged Business Enterprise Program" is hereby made a part of this Agreement. The State advises the Second Party that failure to carry out the requirements set forth in this policy

statement shall constitute a breach of contract and may result in termination of this Agreement by the State or ~~such remedy~~ as the State deems appropriate.

(34) The Second Party hereby acknowledges and agrees to comply with the policies enumerated in "Connecticut Department of Transportation Policy Statement Policy No. ADMIN.-10 Subject: Code of Ethics Policy," March 25, 1999, a copy of which is attached hereto and made a part hereof.

(35) It is mutually understood and agreed by the parties hereto that any official notice from one such party to the other such party, in order for such notice to be binding thereon, shall:

(a) - be in writing addressed to:

(i) when the State is to receive such notice -

Commissioner of Transportation
Connecticut Department of Transportation
2800 Berlin Turnpike
P.O. Box 317546
Newington, Connecticut 06131-7546;

(ii) when the Second Party is to receive such notice -

the person(s) acting herein as signatory for the Second Party receiving such notice;

(b) - be delivered in person or be mailed United States Postal Service - "Certified Mail" to the address recited herein as being the address of the party to receive such notice; and

(c) - contain complete and accurate information in sufficient detail to properly and adequately identify and describe the subject matter thereof.

The term "official notice" as used herein, shall be construed to include but not be limited to any request, demand, authorization, direction, waiver, and/or consent of the party as well as any document(s) provided, permitted, or required for the making or ratification of any change, revision, addition to or deletion from the document, contract, or agreement in which this "official notice" specification is contained.

Further, it is understood and agreed that nothing hereinabove contained shall preclude the parties hereto from subsequently agreeing, in writing, to designate alternate persons (by name, title, and affiliation) to which such notice(s) is(are) to be addressed; alternate means of conveying such notice(s) to the particular party; and/or alternate locations to which the delivery of such notice(s) is(are) to be made, provided such subsequent agreement(s) is(are) concluded pursuant to the adherence to this specification.

(36) It is mutually understood and agreed by the parties hereto that any right of extension of the terms of this Agreement specifically granted herein by the State to the Second Party, if any, shall only be exercised by the Second Party by causing notice in the form and manner herein specified, to be received by the State not less than sixty (60) days nor more than one hundred fifty (150) days prior to the effective date of such extension.

(37) Suspended or debarred second parties, suppliers, materialmen, lessors or other vendors may not submit proposals for a State contract or subcontract during the period of suspension or debarment regardless of their anticipated status at the time of contract award or commencement of work.

(a) The signature on the Agreement by the Second Party shall constitute certification that to the best of its knowledge and belief the Second Party or any person associated therewith in the capacity of owner, partner, director, officer, principal investigator, project director, manager, auditor or any position involving the administration of Federal or State funds:

(i) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

(ii) Has not within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against him/her for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(iii) Is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a) (ii) of this certification; and

(iv) Has not within a three-year period preceding this Agreement had one or more public transactions (Federal, State or local) terminated for cause or default.

(b) Where the Second Party is unable to certify to any of the statements in this certification, such Second Party shall attach an explanation to this Agreement. The Second Party agrees to insure that the following certification be included in each subcontract Agreement to which it is a party, and further, to require said certification to be included in any lower tier subcontracts and purchase orders:

(i) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(ii) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

(38) The Second Party hereby acknowledges and agrees to comply with Chapter 219 of the Connecticut General Statutes pertaining to tangible personal property or services rendered that is/are subject to sales tax. The attached copy of the "Governmental Agency Exemption Certificate" is hereby made a part hereof.

(39) The Second Party shall comply with the provisions contained in Section 1-86e of the Connecticut General Statutes, which provides as follows:

(a) No person hired by the State as a Second Party or independent contractor shall:

(1) Use the authority provided to the person under the contract, or any confidential information acquired in the performance of the contract, to obtain financial gain for the person, an employee of the person or a member of the immediate family of any such person or employee;

(2) Accept another State contract which would impair the independent judgment of the person in the performance of the existing contract; or

(3) Accept anything of value based on an understanding that the actions of the person on behalf of the State would be influenced.

(b) No person shall give anything of value to a person hired by the State as a Second Party or independent contractor based on an understanding that the actions of the Second Party or independent contractor on behalf of the State would be influenced.

(40) This clause applies to those Second Parties who are or will be responsible for compliance with the terms of the Americans with Disabilities Act of 1990 ("Act"), Public Law 101-336, during the term of the Agreement. The Second Party represents that it is familiar with the terms of this Act and that it is in compliance with the Act. Failure of the Second Party to satisfy this standard as the same applies to performance under this Agreement, either now or during the term of the Agreement as it may be amended, will render the Agreement voidable at the option of the State upon notice to the Second Party. The Second Party warrants that it will hold the State harmless and indemnify the State from any liability which may be imposed upon the State as a result of any failure of the Second party to be in compliance with this Act, as the same applies to performance under this Agreement.

(41) The State reserves mining and excavating rights. The Second Party shall not remove sand, gravel or other fill material from the Premises.

(42) This contract is subject to the provisions of Executive Order No. 16 of Governor John G. Rowland promulgated August 4, 1999 and, as such, the contract may be canceled, terminated or suspended by the state for violation of or noncompliance with said Executive Order No. 16. The parties to this contract, as part of the consideration hereof, agree that said Executive Order No. 16 is incorporated herein by reference and made a part hereof. The parties agree to abide by such Executive Order.

(43) The Agreement, when fully executed by both parties and this "Standard Highway Lease Specifications & Covenants, Connecticut Department of Transportation" together constitute the entire agreement between the parties hereto and shall supersede all previous communications, representations, or agreements, either oral or written, between the parties hereto with respect to the subject matter hereof; and no agreement or understanding varying or extending the same shall be binding upon either party hereto unless in writing signed by both parties hereto; and nothing contained in the terms or provisions of this Agreement shall be construed as waiving any of the rights of the State under the laws of the State of Connecticut.

STATE OF CONNECTICUT

BY HIS EXCELLENCY

THOMAS J. MESKILL

GOVERNOR

EXECUTIVE ORDER NO. THREE

WHEREAS, sections 4-61d (b) and 4-114a of the 1969 supplement to the general statutes require nondiscrimination clauses in state contracts and subcontracts for construction on public buildings, other public works and goods and services and

WHEREAS, section 4-61e (c) of the 1969 supplement to the general statutes requires the labor department to encourage and enforce compliance with this policy by both employers and labor unions, and to promote equal employment opportunities, and

WHEREAS, the government of this state recognizes the duty and desirability of its leadership in providing equal employment opportunity, by implementing these laws,

NOW, THEREFORE, I, THOMAS J. MESKILL, Governor of the State of Connecticut, acting by virtue of the authority vested in me under section twelve of article fourth of the constitution of the state, as supplemented by section 3-1 of the general statutes, do hereby ORDER and DIRECT, as follows, by this Executive Order:

I

The labor commissioner shall be responsible for the administration of this Order and shall adopt such regulations as he deems necessary and appropriate to achieve the purposes of this Order. Upon the promulgation of this Order, the commissioner of finance and control shall issue a directive forthwith to all state agencies, that henceforth all state contracts and subcontracts for construction on public buildings, other public works and goods and services shall contain a provision rendering such contract or subcontract subject to this Order, and that such contract or subcontract may be cancelled, terminated or suspended by the labor commissioner for violation of or noncompliance with this Order or state or federal laws concerning nondiscrimination, notwithstanding that the labor commissioner is not a party to such contract or subcontract.

II

Each contractor having a contract containing the provisions prescribed in section 4-114a of the 1969 supplement to the general statutes, shall file, and shall cause each of his subcontractors to file, compliance reports with the contracting agency or the labor commissioner, as may be directed. Such reports shall be filed within such times and shall contain such information as to employment policies and statistics of the contractor and each subcontractor, and shall be in such form as the labor commissioner may prescribe. Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this Order or any preceding similar Order, and in that event to submit on behalf of themselves and their proposed subcontractors compliance reports prior to or as an initial part of their bid or negotiation of a contract.

III

Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor organization or employment agency as defined in section 31-122 of the general statutes, the compliance report shall identify the said organization or agency and the contracting agency or the labor commissioner may require a compliance report to be filed with the contracting agency or the labor commissioner, as may be directed, by such organization or agency, signed by an authorized officer or agent of such organization or agency, with supporting information, to the effect that the signer's practices and policies, including but not limited to matters concerning personnel, training, apprenticeship, membership, grievance and representation, and upgrading, do not discriminate on grounds of race, color, religious creed, age, sex, or national origin, or ancestry of any individual, and that the signer will either affirmatively cooperate in the implementation of the policy and provisions of this Order, or that it consents and agrees that recruitment, employment and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the Order.

IV

The labor commissioner may by regulation exempt certain classes of contracts, subcontracts or purchase order from the implementation of this Order, for standard commercial supplies or raw materials, for less than specified amounts of money or numbers of workers or for subcontractors below a specified tier. The labor commissioner may also provide by regulation for the exemption of facilities of a contractor which are in all respects separate and distinct from activities of the contractor related to the performance of the state contract, provided only that such exemption will not interfere with or impede the implementation of this Order, and provided further, that in the absence of such an exemption, all facilities shall be covered by the provisions of this Order.

V

Each contracting agency shall be primarily responsible for obtaining compliance with the regulations of the labor commissioner with respect to contracts entered into by such agency or its contractors. All contracting agencies shall comply with the regulations of the labor commissioner in discharging their primary responsibility for securing compliance with the provisions of contracts and otherwise with the terms of this Order and of the regulations of the labor commissioner issued pursuant to this Order. They are directed to cooperate with the labor commissioner and to furnish the labor commissioner such information and assistance as he may require in the performance of his functions under this Order. They are further directed to appoint or designate from among the personnel of each agency, compliance officers, whose duty shall be to seek compliance with the objectives of this Order by conference, conciliation, mediation, or persuasion.

VI

The labor commissioner may investigate the employment practices and procedures of any state contractor or subcontractor and the practices and policies of any labor organization or employment agency hereinabove described, relating to employment under the state contract, as concerns nondiscrimination by such organization or agency as hereinabove described, or the labor commissioner may initiate such investigation by the appropriate contract agency, to determine whether or not the contractual provisions hereinabove specified or statutes of the state respecting them have been violated. Such investigation shall be conducted in accordance with the procedures established by the labor commissioner and the investigating agency shall report to the labor commissioner any action taken or recommended.

VII

The labor commissioner shall receive and investigate or cause to be investigated complaints by employees or prospective employees of a state contractor or subcontractor or members or applicants for membership or apprenticeship or training in a labor organization or employment agency hereinabove described, which allege discrimination contrary to the contractual provisions specified hereinabove or state statutes requiring nondiscrimination in employment opportunity. If this investigation is conducted for the labor commissioner by a contracting agency, that agency shall report to the labor commissioner what action has been taken or is recommended with regard to such complaints.

GUIDELINES AND RULES
OF STATE LABOR COMMISSIONER
IMPLEMENTING GOVERNOR'S EXECUTIVE
ORDER NO. THREE

SEC. 1. PERSONS AND FIRMS SUBJECT TO EXECUTIVE ORDER NO. THREE AND GUIDELINES AND RULES.

a. Every contractor, or subcontractor as defined in Sec. 2 hereof, supplier of goods or services, vendor, bidder and prospective contractor or subcontractor, having ten or more employees as defined in Sec. 3 of these Guidelines, having or entering into or bidding to enter into any type of contractual relationship with the State of Connecticut or any of its agencies, boards, commissions, departments or officers, and if the consideration, cost, subject matter or value of the goods or services exceeds $5,000.00, shall be subject to the Governor's Executive Order No. Three and these Guidelines and Rules.

b. A copy of the Governor's Executive Order No. Three and of these Guidelines and Rules shall be available to each said contractor, subcontractor, supplier, vendor, bidder and prospective contractor and subcontractor, and the said Executive Order No. Three and these Guidelines and Rules shall be incorporated by reference and made a part of the contract, purchase order, agreement or document concerned. A copy of the Executive Order and of these Guidelines and Rules shall be furnished to a contracting party or bidder on request.

c. All persons, partnerships, associations, firms, corporations and other entities having less than ten employees as defined in Sec. 3 at the time of the bid and execution of the contract and continuing through the performance of the contract are exempt from the provisions of the said Executive Order and these Guidelines and Rules. All contracts, subcontracts, purchase orders and agreements wherein the consideration is $5,000.00 or less shall be exempt from Executive Order No. Three and from these Guidelines and Rules.

SEC. 2. SUBCONTRACTORS.

As used herein, subcontractors are persons, partnerships, associations, firms or corporations or other entities having contractual relationship with a contractor who in turn has a contract with the State of Connecticut or any of its agencies, boards, commissions or departments. Subcontractors below this tier are exempt from the Executive Order and from these Guidelines and Rules.

SEC. 3 EMPLOYEES.

As used herein, employees are persons working full or part-time irrespective of personnel classification whose wages, salaries, or earnings are subject to the Federal Insurance Contribution Act and/or to Federal Withholding Tax as a matter of law (whether in fact or not any actual withholding occurs in a given case), in an employee-employer relationship at the time of bid, contract execution, or offer or acceptance, and/or during any time thereafter during the existence of the performance period of the contract to the conclusion thereof.

SEC. 4. REPORTS.

a. Prior to the execution of the contract or prior to acceptance of a bid, as the case may be, the contractor, subcontractor, bidder or vendor shall file a report with the State Labor Commissioner, which report shall be complete and contain all of the information therein prescribed. The report shall be on Form E.O. 3-1, a facsimile of which is attached hereto and made a part hereof, or in lieu thereof the contractor, subcontractor, bidder or vendor shall submit a detailed report containing all of the information required in Form E.O. 3-1.

b. The Labor Commissioner may require the filing of additional reports prior to final payment or prior to any renewal or extension of the contract and during the duration of the contract at such times as the Commissioner may, in his discretion, from time to time deem necessary. The Labor Commissioner may require the filing of additional information or reports, and the contractor, subcontractor, bidder or vendor shall furnish said information or reports within the times prescribed by the Labor Commissioner.

c. The Labor Commissioner may, at his discretion, also require timely statistical reports on the number of minority employees employed or to be employed in the performance of the contract, and the Labor Commissioner may define such minority groups or persons.

d. Reports filed pursuant to these Guidelines and Rules in implementation of Executive Order No. Three are not public records subject to public inspection, but may be inspected only by federal and state officials having jurisdiction and authority to investigate matters of this type. All federal and state agencies empowered by law to investigate matters relating to Executive order No. Three shall have access to these reports for inspection or copying during regular business hours.

e. Any person who wilfully, wantonly or through negligence destroys or permits to be destroyed, alters or allows to be altered after filing, any reports submitted in compliance herewith shall be subject to penalties as prescribed by law.

STATE OF CONNECTICUT

BY HIS EXCELLENCY

THOMAS J. MESKILL

GOVERNOR

EXECUTIVE ORDER NO. SEVENTEEN

WHEREAS, Section 31-237 of the General Statutes of Connecticut as amended requires the maintaining of the established free services of the Connecticut State Employment Service to both employers and prospective employees and

WHEREAS, Section 31-5 of the General Statutes of Connecticut requires that no compensation or fee shall be charged or received directly or indirectly for the services of the Connecticut State Employment Service and

WHEREAS, large numbers of our citizens who have served in the Armed Forces of our nation are returning to civilian life in our state and seeking employment in civilian occupations and

WHEREAS, we owe a duty as well as gratitude to these returning veterans including the duty to find suitable employment for them and

WHEREAS, many of our handicapped citizens are fully capable of employment and are entitled to be placed in suitable employment and

WHEREAS, many of the citizens of our state who are unemployed are unaware of the job openings and employment opportunities which do in fact exist in our state and

WHEREAS, notwithstanding the free services of the Connecticut State Employment Service, many of our Connecticut employers do not use its free services or do not avail themselves fully of all of the services offered.

NOW, THEREFORE, I, THOMAS J. MESKILL, Governor of the State of Connecticut, acting by virtue of the authority vested in me under the fourth article of the Constitution of the State and in accordance with Section 3-1 of the General Statutes, do hereby ORDER and DIRECT, as follows, by this Executive Order:

I

The Labor Commissioner shall be responsible for the administration of this Order and shall do all acts necessary and appropriate to achieve its purpose. Upon promulgation of this Order, the Commissioner of Finance and Control shall issue a directive forthwith to all state agencies that henceforth all state contracts and subcontracts for construction on public buildings, other public works and goods and services shall contain a provision rendering such contract or subcontract subject to this Order, and that such contract or subcontract may be cancelled, terminated or suspended by the Labor Commissioner for violation of or noncompliance with this Order, notwithstanding that the Labor Commissioner is not a party to such contract or subcontract.

II

Every contractor and subcontractor having a contract with the state or any of its agencies, boards, commissions, or departments, every individual partnership, corporation, or business entity having business with the state or who or which seeks to do business with the state, and every bidder or prospective bidder who submits a bid or replies to an invitation to bid on any state contract shall list all employment openings with the office of the Connecticut State Employment Service in the area where the work is to be performed or where the services are to be rendered.

III

All state contracts shall contain a clause which shall be a condition of the contract that the contractor and any subcontractor holding a contract directly under the contractor shall list all employment openings with the Connecticut State Employment Service. The Labor Commissioner may allow exceptions to listings of employment openings which the contractor proposes to fill from within its organization from employees on the rolls of the contractor on the date of publication of the invitation to bid or the date on which the public announcement was published or promulagated advising of the program concerned.

IV

Each contracting agency of the state shall be primarily responsible for obtaining compliance with this Executive Order. Each contracting agency shall appoint or designate from among its personnel one or more persons who shall be responsible for compliance with the objectives of this Order.

V

The Labor Commissioner shall be and is hereby empowered to inspect the books, records, payroll and personnel data of each individual or business entity subject to this Executive Order and may hold hearings or conferences, formal or informal, in pursuance of the duties and responsibilities hereunto delegated to the Labor Commissioner.

VI

The Labor Commissioner or any agency officer or employee in the executive branch designated by regulation of the Labor Commissioner may hold such hearings, public or private, as the Labor Commissioner may deem advisable for compliance, enforcement or educational purposes under this Order.

VII

(a) The Labor Commissioner may hold or cause to be held hearings, prior to imposing, ordering, or recommending the imposition of penalties and sanctions under this Order. In accordance herewith, the Commissioner or the appropriate contracting agency may suspend, cancel, terminate, or cause to be suspended, cancelled, or terminated in accordance with law any contract or any portion or portions thereof for failure of the contractor or subcontractor to comply with the listing provisions of the contract. Contracts may be cancelled, terminated, suspended absolutely or their continuance conditioned upon a program for future compliance approved by the contracting agency.

(b) Any contracting agency taking any action authorized by this Order, whether on its own motion or as directed by the Labor Commissioner, shall promptly notify him of such action. Whenever the Labor Commissioner makes a determination under this Order, he shall promptly notify the appropriate contracting agency of the action recommended. The agency shall report the results to the Labor Commissioner promptly.

VIII

If the Labor Commissioner shall so direct, contracting agencies shall not enter into contracts with any bidder or prospective contractor unless he has satisfactorily complied with the provisions of this Order.

This Order shall become effective sixty days after the date of this Order.

Dated at Hartford, Connecticut, this 15th day of February, 1973.

Thomas J. Meskill

CONNECTICUT REQUIRED CONTRACT/AGREEMENT PROVISIONS
March 6, 1998

Specific Equal Employment Opportunity Responsibilities

1. General

A. Equal Employment Opportunity Requirements not to discriminate and to take affirmative action to assure equal employment opportunity as required by Executive Order 11246, Executive Order 11375, the Railroad Revitalization and Regulatory Reform Act of 1976 and other U.S. Department of Transportation nondiscrimination legislation are set forth in this Required Contract/Agreement Provision. The requirements set forth in these special provisions shall constitute the specific affirmative action requirements for project activities under this contract (or agreement) and supplement the equal employment opportunity requirements set forth in other related contract provisions.

B. "Company" refers to any entity doing business with the Connecticut Department of Transportation and includes but is not limited to the following:

Contractors	Vendors (where applicable)
Subcontractors	Suppliers of Materials (where applicable)
Consultants	Municipalities (where applicable)
Subconsultants	Utilities (where applicable)

C. The Company will work with the Connecticut Department of Transportation and the federal government in carrying out equal employment opportunity obligations and in their review of his/her activities under the contract or agreement.

D. The Company and all their subcontractors or subconsultants holding subcontracts or subagreements of $10,000 or more on federally-assisted projects and $5,000 or more on state funded projects, will comply with the following minimum specific requirement activities of equal employment opportunity. The Company will physically include these requirements in every subcontract or subagreement meeting the monetary criteria above with such modification of language as is necessary to make them binding on the subcontractor or subconsultant.

E. These Required Contract Provisions apply to all state funded and/or federally-assisted projects, activities and programs in all facets of the Connecticut Department of Transportation operations resulting in contracts or agreements.

2. Equal Employment Opportunity Policy

The Company will develop, accept and adopt as its operating policy an Affirmative Action Plan utilizing as a guide the Connecticut Department of Transportation Affirmative Action Plan Guideline.

3. Equal Employment Opportunity Officer

The Company will designate and make known to the State Department of Transportation contracting officers an equal employment opportunity officer (hereinafter referred to as the EEO Officer) who will have the responsibility for and must be capable of effectively administering and promoting an active program of equal employment opportunity and who must be assigned adequate authority and responsibility to do so.

4. Dissemination of Policy

A. All members of the Company's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the Company's equal employment opportunity policy and contractual responsibilities to provide equal employment opportunity in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

(1) Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less than once every six (6) months thereafter, at which time the Company's equal employment opportunity policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable Company official.

(2) All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer or other knowledgeable Company

official covering all major aspects of the Company's equal employment opportunity obligations within thirty (30) days following their reporting for duty with the Company.

(3) All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer or appropriate Company official in the Company's procedures for locating and hiring protected class group employee.

B. In order to make the Company's equal employment opportunity policy known to all employees, prospective employees and potential sources of employees, i.e., schools, employment agencies, labor unions (where appropriate), college placement officers, etc., the Company will take the following actions:

(1) Notices and posters setting forth the Company's equal employment opportunity policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

(2) The Company's equal employment opportunity policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

5. Recruitment

A. When advertising for employees, the Company will include in all advertisements for employees the notation: "An Equal Opportunity Employer". All such advertisements will be published in newspapers or other publications having a large circulation among minority groups in the area from which the project work force would normally be derived.

B. The Company will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minority group applicants, including, but not limited to, State employment agencies, schools, colleges and minority group organizations. To meet this requirement, the Company will, through its EEO Officer, identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority group applicants may be referred to the Company for employment consideration.

In the event the Company has a valid bargaining agreement providing for exclusive hiring hall referrals, the Company is expected to observe the provisions of that agreement to the extent that the system permits the Company's compliance with equal employment opportunity contract provisions. (The U.S. Department of Labor has held that where implementation of such agreements have the effect of discriminating against minorities or women, or obligates the Company to do the same, such implementation violates Executive Order 11246, as amended.)

C. The Company will encourage its present employees to refer minority group applicants for employment by posting appropriate notices or bulletins in the areas accessible to all such employees. In addition, information and procedures with regard to referring minority group applicants will be discussed with employees.

6. Personnel Actions

Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoffs, and termination, shall be taken without regard to race, color, religion, sex, or national origin, etc. The following procedures shall be followed:

A. The Company will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

B. The Company will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

C. The Company will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the Company will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

D. The Company will promptly investigate all complaints of alleged discrimination made to the Company in connection with his obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the Company will inform every complainant of all of his avenues of appeal.

E. The general contract provision entitled A(76) Affirmative Action Requirements is made part of this document by reference. In conjunction with this contract provision, only the job categories will change in order to be comparable with the job categories utilized by the Company proposing to do business with the Connecticut Department of Transportation. The goals and time tables will remain the same throughout the contract provision.

7. Training and Promotion

A. The Company will assist in locating, qualifying, and increasing the skills of minority group and women employees, and applicants for employment.

B. Consistent with the Company's work force requirements and as permissible under Federal and State regulations, the Company shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. Where feasible, 25 percent of apprentices or trainees in each occupation shall be in their first year of apprenticeship or training. In the event the Training Special Provision is provided under this contract, this subparagraph will be superseded.

C. The Company will advise employees and applicants for employment of available training programs and entrance requirements for each.

D. The Company will periodically review the training and promotion potential of minority group and women employees and will encourage eligible employees to apply for such training and promotion.

8. Unions

If the Company relies in whole or in part upon unions as a source of employees, it will use its best efforts to obtain the cooperation of such unions to increase opportunities for minority groups and women within the unions, and to effect referrals by such unions of minority and female employees. Actions by the Company either directly or through an association acting as agent will include the procedures set forth below:

A. The Company will use its best efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minority group members and women for membership in the unions and increasing the skills of minority group employees and women so that they may qualify for higher paying employment.

B. The Company will use its best efforts to incorporate an equal employment opportunity clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, or national origin, etc.

C. The Company is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the Company, the Company shall so certify to the Connecticut Department of Transportation and shall set forth what efforts have been made to obtain such information.

D. In the event the union is unable to provide the Company with a reasonable flow of minority and women referrals within the time limit set forth in the collective bargaining agreement, the Company will, through independent recruitment efforts, fill the employment vacancies without regard to race,

color, religion, sex or national origin, etc. making full efforts to obtain qualified and/or qualifiable minority group persons and women. (The U.S. Department of Labor has held that it shall be no excuse that the union with which the Company has a collective bargaining agreement providing for exclusive referral failed to refer minority employees). In the event the union referral practice prevents the Company from meeting the obligations pursuant to Executive Order 11246, as amended, and these provisions, such Company shall immediately notify the Connecticut Department of Transportation.

9. Subcontracting

A. The Company will use its best efforts to solicit bids from and to utilize minority group subcontractors, or subcontractors with meaningful minority group and female representation among their employees. Companies shall obtain a list of applicable Disadvantaged Business Enterprises firms from the Division of Contract Compliance.

B. The Company will use its best efforts to ensure subcontractor compliance with their equal employment opportunity obligations.

C. The General Contract Provisions entitled "Minority Business Enterprises as Subcontractors" is made part of this document by reference and its requirements are applicable to all entities proposing to do business with the Connecticut Department of Transportation.

10. Records and Reports

For the duration of the project, the company will maintain records as are necessary to determine compliance with the Company's equal employment opportunity obligations and Affirmative Action requirements. Additionally, the company will submit all requested reports in the manner required by the contracting agency.

A. The number of minority and nonminority group members and women employed in each work classification on the project.

B. The progress and efforts being made in cooperation with unions to increase employment opportunities for minorities and women (applicable only to Companies which rely on whole or in part on unions as a source of their work force).

C. The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minority and female employees, and

D. The progress and efforts being made in securing the services of minority and female owned businesses.

(1) All such records must be retained for a period of three (3) years following completion of the contract work and shall be available at reasonable times and places for inspection by authorized representatives of the State Department of Transportation and the U.S. Department of Transportation including consultant firms.

(2) If on-the-job training is being required by the "Training Special Provision", the Company will be required to furnish a Monthly Training Report and Supplement Report (1409) for each trainee.

11. Affirmative Action Plan

A. Contractors, subcontractors, vendors, suppliers, and all other Companies with contracts, agreements or purchase orders completely state funded will submit an Affirmative Action Plan if the contract value is $5,000 or over.

B. Contractors, subcontractors, vendors, suppliers, and all other Companies with federally-assisted contracts, agreements, or purchase orders valued at $10,000 or more will submit an Affirmative Action Plan.

C. Companies with contracts, agreements, or purchase orders with total dollar value <u>under</u> that which is stipulated in A and B above shall be exempt from the required submission of an Affirmative Action Plan unless otherwise directed by the Division of Contract Compliance.

CONNECTICUT DEPARTMENT OF TRANSPORTATION

POLICY STATEMENT

Policy No. ADMIN.-19
May 12, 2003

SUBJECT: Policy on Disadvantaged Business Enterprise Program

The Department of Transportation (DOT) is committed to an effective implementation of a Disadvantaged Business Enterprise (D.B.E.) Program as defined in Title 49, Code of Federal Regulations, Part 26, and includes the following objectives:

(a) To ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs;

(b) To create a level playing field in which D.B.E.s can compete fairly for DOT-assisted contracts;

(c) To ensure that the Department's D.B.E. Program is narrowly tailored in accordance with applicable law;

(d) To ensure only firms that fully meet this part's eligibility standards are permitted to participate as D.B.E.s;

(e) To help remove barriers to the participation of D.B.E.s in DOT-assisted contracts; and

(f) To assist the development of firms that can compete successfully in the marketplace outside the D.B.E. Program.

The Director of Equal Opportunity Assurance has been designated as the D.B.E. Liaison Officer. In that capacity, the Director of Equal Opportunity Assurance is responsible for implementing all aspects of the D.B.E. Program. Implementation of the D.B.E. Program is accorded the same priority as compliance with all other legal obligations incurred by the Connecticut Department of Transportation in its financial assistance agreements with the U.S. Department of Transportation.

As part of the requirements for Title 49, Code of Federal Regulations, Part 26, effective immediately, I am directing the following be included in all federal-aid contracts, all financial assistance agreements, and in all subcontracts.

For all agreements with contractors, subcontractors, consultants, cities, towns, and all recipients of State or federal-assistance funds:

1) The contractor, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

In addition to the above, all financial agreements shall also contain the following statement:

2) The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its D.B.E. Program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's D.B.E. Program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq).

(This statement supersedes the Commissioner's Policy Statement No. ADMIN.-19, dated March 14, 2003.)

James F. Byrnes, Jr.
Commissioner

CONNECTICUT DEPARTMENT OF TRANSPORTATION

POLICY STATEMENT

Policy No. ADMIN.-10
March 25, 1999

SUBJECT: Code of Ethics Policy

It is the policy of the Department that all employees are to comply with Sections 1-79 through 1-89 of the Connecticut General Statutes, as amended, entitled Code of Ethics for Public Officials.

Any questions concerning the application of the Code of Ethics for specific situations should be directed to the State Ethics Commission.

The Personnel Administrator shall be responsible for issuing periodic updates and/or clarifications of previously released Personnel Memorandums concerning this Code of Ethics Policy as is deemed appropriate.

(This statement supersedes the Commissioner's Policy Statement No. ADMIN.-10, dated November 28, 1994.)

James F. Sullivan
Commissioner

STATE OF CONNECTICUT

DEPARTMENT OF REVENUE SERVICES

92 FARMINGTON AVENUE HARTFORD, CONNECTICUT, 06106

GOVERNMENTAL AGENCY
EXEMPTION CERTIFICATE

"***I HEREBY CERTIFY:*** that this agency is exempt pursuant to § 12-412 (1) of the Connecticut General Statutes, that the tangible personal property described herein which I shall purchase or lease or the service(s) which I shall purchase from:

_____

_____

_____ will be used exclusively by this governmental agency for the purposes for which it is organized and will not be resold. If a sale of meals to this agency is involved, I certify that this agency neither has been nor will be reimbursed in any manner, by donations, sales of tickets or otherwise, by the consumers of the meals for the price of such meals.

Description of property or service(s):

_____

_____

_____

Purchaser State of Connecticut, Department of Transportation
Name of Agency

By _____ Title _____

Address 2800 Berlin Turnpike, P.O. Box 317546

Newington, Connecticut 06131-7546

Dated _____, _____

at Newington, Connecticut"

An Equal Opportunity Employer

State of Connecticut by His Excellency

John G. Rowland

Executive Order No. 16

WHEREAS, the State of Connecticut recognizes that workplace violence is a growing problem that must be addressed; and

WHEREAS, the State is committed to providing its employees a reasonably safe and healthy working environment, free from intimidation, harassment, threats, and /or violent acts; and

WHEREAS, violence or the threat of violence by or against any employee of the State of Connecticut or member of the public in the workplace is unacceptable and will subject the perpetrator to serious disciplinary action up to and including discharge and criminal penalties.

NOW, THEREFORE, I, John G. Rowland, Governor of the State of Connecticut, acting by virtue of the authority vested in me by the Constitution and by the statutes of this state, do hereby ORDER and DIRECT:

1. That all state agency personnel, contractors, subcontractors, and vendors comply with the following **Violence in the Workplace Prevention Policy:**

   The State of Connecticut adopts a statewide zero tolerance policy for workplace violence.

   Therefore, except as may be required as a condition of employment —

   - No employee shall bring into any state worksite any weapon or dangerous instrument as defined herein.
   - No employee shall use, attempt to use, or threaten to use any such weapon or dangerous instrument in a state worksite.
   - No employee shall cause or threaten to cause death or physical injury to any individual in a state worksite.

   Weapon means any firearm, including a BB gun, whether loaded or unloaded, any knife (excluding a small pen or pocket knife), including a switchblade or other knife having an automatic spring release device, a stiletto, any police baton or nightstick or any martial arts weapon or electronic defense weapon.

   Dangerous instrument means any instrument, article, or substance that, under the circumstances, is capable of causing death or serious physical injury.

   Violation of the above reasonable work rules shall subject the employee to disciplinary action up to and including discharge.

2. That each agency must prominently post this policy and that all managers and supervisors must clearly communicate this policy to all state

3. That all managers and supervisors are expected to enforce this policy fairly and uniformly.

4. That any employee who feels subjected to or witnesses violent, threatening, harassing, or intimidating behavior in the workplace immediately report the incident or statement to their supervisor, manager, or human resources office.

5. That any employee who believes that there is a serious threat to their safety or the safety of others that requires immediate attention notify proper law enforcement authorities and his or her manager or supervisor.

6. That any manager or supervisor receiving such a report shall immediately contact their human resources office to evaluate, investigate and take appropriate action.

7. That all parties must cooperate fully when questioned regarding violations of this policy.

8. That all parties be advised that any weapon or dangerous instrument at the worksite will be confiscated and that there is no reasonable expectation of privacy with respect to such items in the workplace.

9. That this order applies to all state employees in the executive branch.

10. That each agency will monitor the effective implementation of this policy.

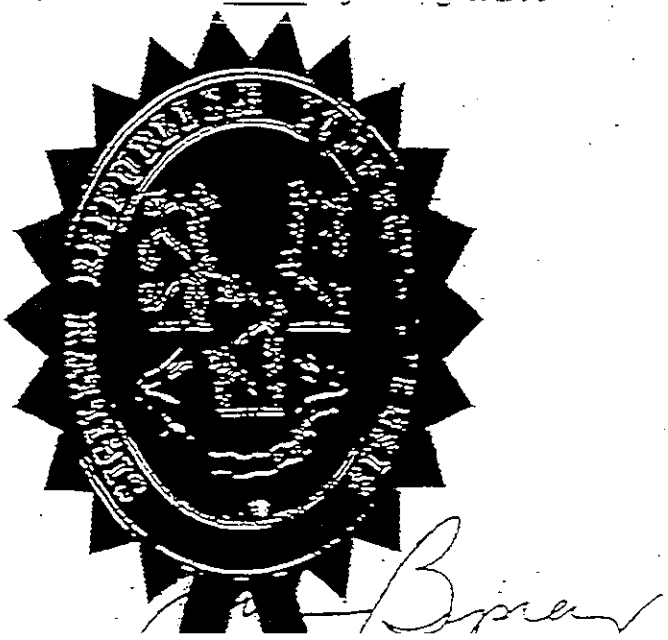
11. That this order shall take effect immediately.

Dated in Hartford, Connecticut this 4th day of August 1999.

John G. Rowland

John G. Rowland, Governor

Filed this 4th day of August 1999



PROCEDURES FOR LEASING STATE LAND

Thank you for your interest in leasing State land. The following is an outline of the steps involved in processing a request to lease State land:

1. Please provide a copy of a survey or the Town Assessor's map with the area of interest outlined in red. It is important that it shows intersecting streets and the north arrow to help in locating the property. Also, if your property is adjacent to the State land requested, please send a copy of your deed verifying your ownership of the abutting property.

2. Upon receipt of the map and written request which should include the proposed use for the land, the matter is reviewed by the appropriate Departmental units to determine if the land is in excess of our needs for transportation purposes.

3. If the parcel is approved for lease, a sketch of the area to be leased is drawn. If the land is located in an urban area, the Department of Public Works is contacted to determine if the area is required for State use.

4. If not required by the State, then the lease area is appraised and a fair market rental fee is established. This rental fee is approved by the Governor's Screening Committee. The proposed lessee is then informed of the rental fee and other terms and conditions of the lease.

5. If the terms and conditions are accepted by the proposed lessee, a lease agreement is prepared and two copies are forwarded to the lessee for signature. This signature must be witnessed and notarized. If the lessee is a Corporation, Municipality, or Partnership, a resolution specifically authorizing the agent for signature must accompany the executed documents.

   A certificate of insurance is also required showing a minimum liability coverage of $750,000 per occurrence and an aggregate limit of $1,500,000 per policy year with the State named as "Additional Insured".

6. The executed lease agreements are forwarded for signature by the Transportation Chief Engineer and approval by the Office of Policy and Management and the Attorney General's Office. The approval of the State Properties Review Board is required when the lease area is located outside the limits of the highway right of way.

7. Upon receipt of the fully executed and approved lease agreements, the lessee is contacted to record the agreement in the Town land records. After the agreement has been recorded and returned to the State a copy is forwarded to the lessee.

8. The Lessee agrees to comply with and conform to all laws of the State of Connecticut, and the ordinances and zoning regulations of the Town in which the State land is located. Also, if any improvements are planned to be made to the State land, the Lessee must obtain an Encroachment permit from the State.

Please be sure you understand the scope of the procedures, and if you wish to proceed with a lease request, please return the enclosed form along with a map to:

David L. Labossiere
State of Connecticut
Department of Transportation
Office of Rights of Way
Property Management Division
2800 Berlin Turnpike
P.O. Box 317546
Newington, Connecticut 06131-7546

If you have any questions on these procedures, please call (860) 594-2474 and speak to one of our Property Agents.

I have read the procedures involved in processing the lease of State property.

I am still interested in the property located in _____.

Attached is a copy of a survey or the Assessor's map with the requested section outlined in red and a copy of my deed showing abutting ownership.

Proposed use for State property:_____

_____ _____
Signature of Requestor Date

_____
Print Name

_____ _____
Address E-Mail Address

_____
Town or City Zip Code

( ) _____ _____
Telephone Number Fax Number

PLEASE RETURN TO:

DAVID L. LABOSSIERE
DEPARTMENT OF TRANSPORTATION
OFFICE OF RIGHTS OF WAY
PROPERTY MANAGEMENT DIVISION – UNIT 0405
2800 BERLIN TURNPIKE
P.O. BOX 317546
NEWINGTON, CONNECTICUT 06131-7546

MEMORANDUM

DEPARTMENT OF ENVIRONMENTAL PROTECTION
Environmental Conservation

To: Shane Mallory, RPA
Administrator, Leasing & Property Transfer
Department of Public Works

From: David K. Leff, Deputy Commissioner
Department of Environmental Protection

Date: August 12, 2004

Subject: Leasing & Property Transfer Workgroup Report

In compliance with requests made at the Leasing and Property Transfer Workgroup of the Governor's Taskforce held on August 10, 2004, attached is an original and six (6) copies of the materials requested from the Department of Environmental Protection.

If I can be of any further assistance, please do not hesitate to contact me at 424-3005.

DKL/jmc
C: File
Attach.

Response to Questions Posed by Governor's Taskforce on Contracting, Leasing and Property Transfer Subcommittee Meeting 8/10/04
Submitted by DEP Deputy Commissioner David K. Leff

1) How does DEP currently do leasing and property transfer?

Property Transfers, Exchanges, Leases and Acquisition Processes

The Connecticut Department of Environmental Protection (CTDEP) typically transfers property only through the enactment of a Special Act by the Connecticut General Assembly. This Act is sometimes referred to as "the Conveyance Bill." Such transfers may take place only if it is not contrary to terms or conditions under which the acquisition, gift or bequest of such land has been accepted.

Under §22a-26, Connecticut DEP, with approval of the Office of Policy and Management (OPM), may convey or transfer land to any governmental agency. Also, with the approval of OPM, DEP may convey land acquired under CERCLA (Superfund) to any responsible party or municipality, or any governmental authority.

Under §22a-324, DEP with the advice and consent of the State Properties Review Board, the Department of Public Works, and Office of Policy and Management, may lease, sell or convey or otherwise dispose of or enter into agreements concerning any land, buildings and real property owned by the state for flood control purposes provided the land, buildings or real property is not needed for flood control purposes.

Under §23-12, municipalities may transfer care and control of open spaces owned and controlled by the municipality to the DEP and conversely, DEP may transfer care and control of its open space lands to municipalities.

Under §23-22, CT DEP may sell or exchange forest lands with the approval of the governor.

Under §23-25, DEP, with the governor's approval, may grant leases to any public authority for any portion of state forest or park lands if the leased activity is not in conflict with park and forest purposes.

A number of additional statutes are applicable to the sale, lease or exchange of DEP land. Attachment A lists the applicable statutes.

Rental or Sale of Properties

Under §26-3b(a), DEP may rent buildings, houses or other properties owned by DEP to any person(s) including its employees. If property is proposed to be rented to non-DEP employees, the Properties Review Board must first approve the agreement and DEP must charge fair-market value.

DEP has adopted a housing rental policy to govern its housing rental program (copy attached). Among other things, the policy limits housing rentals solely to DEP employees, establishes that all rents will be based on fair-market valuations, establishes a series of discounts to be earned by tenants and acknowledges restrictions to performing work-in-lieu of making rental payments pursuant to an agreement with the U.S. Department of Labor.

Under §26-3b(b), DEP with the approval of the Properties Review Board and the Governor, may sell, exchange or transfer interests in buildings, houses and associated lands at fair market value provided the land is subject to deed restrictions prohibiting further subdivisions if in DEP's judgement such sale, exchange or transfer is in the interest of the state.

Special Use Licenses

Under §23-11, DEP may grant revocable licenses for public purposes to any person to use any portion of a state park or forest provided the purpose is not in conflict with overall park or forest purposes.

DEP has developed an application process for persons to apply for special use licenses and DEP screens all applications to determine the appropriateness of the activity proposed. Fees for special use license applications are established by regulation and where DEP incurs expenses above and beyond normal operational costs, reimbursement of those costs is assessed to the applicant. DEP has developed internal guidance on the reimbursement of such out-of-pocket costs.

Land Acquisition Program

Under §23-8, DEP is authorized to acquire land and open space to meet the statewide goal of holding a total of 21% of the states land preserved as open space by the year 2023. DEP's acquisitions are guided by the *Connecticut Green Plan: Open Space Acquisition* (copy attached) and follows the processes outlined below.

Recreation & Natural Heritage Trust Program

Properties for proposed acquisitions are evaluated and scored by DEP's Land Acquisition Review Team (copy of scoring procedure attached). Properties are scored and prioritized. Based upon available funding, properties targeted for acquisition are assigned to staff. Assigned staff contact the property owner and conduct a physical inspection. Professional appraisal bids are requested, and contracts are issued. Upon receipt, appraisals are reviewed and a negotiation strategy is devised. If negotiations are successful, a formal offer letter is prepared. Upon receipt of a signed offer letter, professional survey bids are requested, and contracts are issued. At the same time, a request to hire a professional title attorney is made to the Attorney General's Office. Survey and title reports are reviewed and issues resolved. Deeds are drafted by DEP and reviewed by Attorney General's Office. Closing and recording of deeds and surveys is scheduled.

Open Space & Watershed Land Acquisition Grant Program

As funding is authorized by Bond Commission, grant rounds are formally announced. Grant packages are distributed to eligible recipients, including municipalities, water companies and nonprofit land conservation organizations. Application submittal deadlines are established including maps, title searches, appraisals, and local approvals. Proposals are distributed to Open Space & Watershed Land Acquisition Reviewers for evaluation, scoring and comment (copy of scoring outline attached). Scores are then compiled and options for awarding of grants are detailed for the Natural Heritage, Open Space and Watershed Land Acquisition Review Board. The board then makes recommendations to the Commissioner of CTDEP. Awards are announced. Grant agreements and conservations easements are drafted by DEP and reviewed by Attorney General's Office.

2) *In our present policies are there areas which would allow DEP room for any improvements?*

Yes, three ways:

- Establish a more evaluative process for conveyance of land by legislative act;
- provide accounting and business consultants who are capable of valuing the revenues generated by either non-profit or for-profit organizations that operate on state property under contract or lease agreements to assist DEP in more accurately assessing rental or lease valuations; and,
- consolidate statutes for dealing with conveyances and leasing into a comprehensive and consistent format.

3) *Please list policies and statutory authorities for leasing of forests and various rental properties.*

See discussion above.

4) *List legislative authority that allows DEP to give away land every year?*

DEP is not authorized to give away lands under its control and management on its own volition. However, annually, the legislature through the Conveyance Act conveys away state lands sometimes without the concurrence or knowledge of DEP.

5) *List policy that allows DEP the ability to lease, sell, trade, and swap land.*

- Statutes listed in Attachment A
- There are no policies beyond the statutes that allow the Commissioner of DEP to lease, sell, trade or swap state-owned land.

Attachment A

Sec. 22a-6. **Commissioner to establish environmental standards, regulations and fees, to make contracts and studies and to issue permits. Complaints. Hearings. Bonds. Notice of contested cases.** (a) The commissioner may: ...
(2) enter into contracts with any person, firm, corporation or association to do all things necessary or convenient to carry out the functions, powers and duties of the department; ...

Sec. 22a-25. **(Formerly Sec. 22-7e). Acquisition of land and waters.** The Commissioner of Environmental Protection may acquire in the name of the state and for the benefit of the public, by purchase, lease, gift, devise or exchange, land, waters and rights in land or waters or interests therein, or may take the same by right of eminent domain in the manner provided in section 48-12 for any purpose or activity relating to or compatible with the functions of the Department of Environmental Protection.

Sec. 22a-26. **(Formerly Sec. 22-7f). Conveyance or lease of land to or from governmental agencies. Conveyance of land to municipalities or responsible parties under Comprehensive Environmental Response, Compensation and Liability Act.**
The Commissioner of Environmental Protection, with the approval of the Secretary of the Office of Policy and Management, may convey, lease or transfer the care and control of any land owned by the state and controlled by the Department of Environmental Protection to the federal government or any agency thereof, to any state agency or to any municipality or regional authority, upon such terms and for such periods as may be mutually agreed upon, or may enter into any agreements with such agency, municipality or authority for the joint care, operation or preservation thereof. The Commissioner of Environmental Protection, with the approval of the Secretary of the Office of Policy and Management, may convey any land that the state acquires pursuant to 42 USC 9601 et seq., the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (CERCLA), to any municipality or to any potentially responsible party or any group of potentially responsible parties under 42 USC 9607, upon such terms as are agreed to by the commissioner and the transferee. Any state agency, with the approval of the Secretary of the Office of Policy and Management, any municipality or regional authority may convey, lease or transfer the care and control of any land owned or controlled by it to the Commissioner of Environmental Protection upon such terms and for such periods as may be mutually agreed upon.

Sec. 22a-27k. **Long Island Sound account.** (a) There is established an account to be known as the "Long Island Sound account". The Long Island Sound account shall be an account of the Environmental Quality Fund. Notwithstanding any provision of the

general statutes to the contrary, any moneys required by law to be deposited in the account shall be deposited in the Environmental Quality Fund and credited to the Long Island Sound account. Any balance remaining in the account at the end of any fiscal year shall be carried forward in the account for the fiscal year next succeeding. The account shall be available to the Commissioner of Environmental Protection for (1)... (C) acquisition of public access to Long Island Sound, ...

Sec. 22a-43a. **Findings on appeal. Setting aside or modifying action. Authority to purchase land.** (a) If upon appeal pursuant to section 22a-43, the court finds that the action appealed from constitutes the equivalent of a taking without compensation, it shall set aside the action or it may modify the action so that it does not constitute a taking. In both instances the court shall remand the order to the inland wetland agency for action not inconsistent with its decision.

(b)To carry out the purposes of sections 22a-38, 22a-40, 22a-42 to 22a-43a, inclusive, 22a-401 and 22a-403, the commissioner, district or municipality may at any time purchase land or an interest in land in fee simple or other acceptable title, or subject to acceptable restrictions or exceptions, and enter into covenants and agreements with landowners.

Sec. 22a-45b. **(Formerly Sec. 19a-93). Elimination of mosquito-breeding places by Commissioner of Environmental Protection.** ...The commissioner may take and hold, by purchase, condemnation or otherwise, any real property or interest in real property as he determines is necessary to abate a threat of disease to humans or animals from insect vectors. Whenever the commissioner is unable to agree with the owner of any such property as to the compensation to be paid for the taking thereof, the commissioner may bring condemnation proceedings in accordance with the procedure provided by chapter 835 for condemnation by municipal corporations generally. In such case, the court may permit immediate possession of such property by the commissioner in accordance with the procedure provided by said chapter 835.

Sec. 22a-320. **(Formerly Sec. 25-108). Acquisition of land. State and federal assistance. Municipal participation.** The Commissioner of Environmental Protection may (a) acquire, by purchase, lease or gift, or by eminent domain in the manner provided by chapter 835, such land, easements or rights-of-way as will be needed in connection with works of improvement under sections 22a-318 to 22a-322, inclusive, provided the power of eminent domain shall not extend to property owned or used by public service companies, as defined in section 16-1, (b) allocate funds as the state's share of the cost of such works or improvement, (c) make such agreements with the Secretary of Agriculture as are necessary to obtain federal assistance under said Public Law 566, as amended, and (d) borrow funds from the Secretary of Agriculture as provided for in said Public Law 566, as amended, to finance the local share of costs of carrying out works of improvement. The commissioner shall have charge of the construction, operation and maintenance of such works of improvement, and the state

shall retain title to any structures erected as provided by sections 22a-318 to 22a-322, inclusive, with the exception of those lands or works of improvement for recreational or fish and wildlife development. The commissioner may enter into agreements with towns, cities or boroughs within the watershed area for the construction, operation and maint4enance of works of improvement for recreational or fish and wildlife developments, and may convey title to any structure erected therefore.

Sec. 22a-324. **(Formerly Sec. 25-109b). Conveyance and transfer of real property for watershed program purposes.** (a) The Commissioner of Environmental Protection, with the advice and consent of the Commissioner of Public Works and the Properties Review Board and the Secretary of the Office of Policy and Management, may sell, lease and convey in the name of the state, or otherwise dispose of, or enter into agreements concerning, any land, buildings and real property owned by the state and obtained for or in connection with works of improvement under sections 22a-318 to 22a-322, inclusive, which land, buildings or real property are not necessary for such purposes, reserving for the state the rights and privileges necessary for constructing, operating and maintaining the works of improvement, except those relating to recreational or fish and wildlife developments, provided for under said sections.

(b) When the Commissioner of Environmental Protection finds it necessary that land, the title of which is in the state of Connecticut and which is under the custody and control of any state agency or institution, be taken for the purposes of constructing, operating and maintaining works of improvement provided for in sections 22a-318 to 22a-322, inclusive, he shall petition the Secretary of the Office of Policy and Management that custody of such land be transferred to him as Commissioner of Environmental Protection. Such petition shall set forth the necessity for such transfer and control. The Secretary of the Office of Policy and Management shall present such petition to the agency or institution having custody and control of such land, and upon the recommendation of, and subject to such consideration as may be required by, such agency or institution and with the approval of the Secretary of the Office of Policy and Management and with notice to the Commissioner of Public Works, such agency or institution shall transfer the custody and control of such land to the Commissioner of Environmental Protection, for the purposes required.

Sec. 22a-354w. **Guidelines for acquisition of lands surrounding public water supply well fields.** The Commissioner of Environmental Protection, in consultation with the Commissioner of Public Health and the chairperson of the Public Utilities Control Authority, shall prepare guidelines for acquisition of lands surrounding existing or proposed public water supply well fields. In preparing such guidelines the commissioner shall consider economic implications for mandating land acquisition including, but not limited to, the effect on land values and the ability of small water companies to absorb the cost of acquisition.

Sec. 22a-355. **(Formerly Sec. 25-5e). Land sale by water companies. Commissioner's duties.** (a) The Commissioner of Environmental Protection shall study the distribution of dedicated open space within the state in relation to proposed land sales by water companies and shall assist in and, at the request of affected towns, coordinate the public acquisition of water company owned lands.

(b)Upon filing of a water supply plan pursuant to section 25-32d, said commissioner shall designate water utility lands which will contribute to recognized programs of the department and shall recommend their acquisition to the General Assembly. Said commissioner shall also recommend the acquisition of water company land when such acquisition is less costly than the continued monitoring and enforcement of approved sales or changes in use of such lands.

Sec. 23-8. **Open spaces for recreation. State goal for acquisition of open space.** (a) The Commissioner of Environmental Protection shall have power, acting by himself or with local authorities, to acquire, maintain and make available to the public open spaces for recreation. Said commissioner may take, in the name of the state and for the benefit of the public, by purchase, gift or devise, lands and rights in land and personal estate for public open spaces, or take bonds for the conveyance thereof, or may lease the same for a period not exceeding five years, with an option to buy, and may preserve and care for such public reservations, and, in his discretion and upon such terms as he devised to the state by the United States or by cities, towns, corporations or individuals for the purposes of public recreation, or for the preservation of natural beauty or historical association, provided said commissioner shall not take or contract to take by purchase or lease any land or other property for an amount or amounts beyond such sum or sums as have been appropriated or contributed therefore. No provision of this section shall be construed to set aside any terms or conditions under which gifts or bequests of land have been accepted by the commissioner…

Sec. 23-8a. **Conveyance of certain state land previously held as protected open space.** On and after June 29, 1999, any person, organization or political subdivision of the state to whom the state proposes to convey state park land, forest land or other state land held as protected open space shall execute a conservation easement or similar encumbrance in favor of the state which provides for the same restriction on development of such land as that which was in effect for such land immediately prior to such conveyance. No such state land may be conveyed without such an encumbrance.

Sec. 23-11. **Licenses for use of portions of parks or forests.** The Commissioner of Environmental Protection may grant revocable licenses for public purposes to any person for the use of any portion of any state forest or state park if said commissioner finds that such purposes are not in conflict with park or forest purposes.

Sec. 23-12. **Transfer of control of open spaces.** Any town or other municipality may transfer the care and control of any open spaces owned or controlled by it to the Commissioner of Environmental Protection upon such terms and for such periods as may be mutually agreed upon, or may enter into any agreement with said commissioner for the joint care or preservation of open spaces within or adjacent to such town or municipality, and said commissioner may, in like manner, transfer the care and control of any open spaces controlled by him to any local public authorities upon such terms and for such periods as may be agreed upon.

Sec. 23-14. **Rights-of-way in state parks and forests.** The Commissioner of Environmental Protection may grant rights-of-way or other easements on or with respect to any state park or state forest, if said commissioner finds that such purposes are not in conflict with park or forest purposes with respect to such lands.

Sec. 23-21. **Purchase and sale of land by commissioner.** The Commissioner of Environmental Protection may buy land in the state suitable for the growth of timber, at a price not exceeding ten dollars per acre, unless a higher price is authorized by the Governor. Such land shall be deeded to the state and shall be called a state forest. The commissioner may accept deeds and devises of such lands which may be offered to the state without cost. He may, with the approval of the Governor, sell or exchange any land acquired for state forests or any easement or interest therein, and may, in the name of the state, execute deeds for such purposes, provided no land shall be sold or exchanged by said commissioner pursuant to this section unless land of at least equal fair market value and reasonably equivalent usefulness has been substituted for such land. No provision of this section shall be construed to set aside any terms or conditions under which gifts or bequests of land have been accepted for state forests.

Sec. 23-22. **Acquisition of land by exchange.** The Commissioner of Environmental Protection may acquire land adjoining or in close proximity to an established state forest, by exchanging for title in fee simple to such land the right to cut and remove wood, lumber or other forest products from state forest land to an amount equal in value to that of the land to be acquired. The commissioner may contract on behalf of the state with the owner of land, title to which is thus acquired. The commissioner may contract on behalf of the state with the owner of land, title to which is thus acquired, to allow the cutting of a specified amount of forest products over a period not exceeding ten years, provided all such cuttings shall be carried out in accordance with regulations prescribed by the commissioner and under his supervision.

Sec. 23-24. **Establishment of boundaries.** The Commissioner of Environmental Protection may establish the boundaries of any state park, state forest or other property under his jurisdiction by agreement with owners of adjoining property and may, with

the approval of the Governor, exchange land with such property owners and execute deeds in the name of the state for the purpose of establishing such boundaries.

Sec. 23-25. **Granting of leases for public purposes.** The Commissioner of Environmental Protection may, with the approval of the Governor, grant leases for public purposes to any public authority for any portion of any state forest or state park if said commissioner finds that such purposes are not in conflict with park or forest purposes.

Sec. 23-26. **Revenue from state parks and facilities. Motor vehicle parking passes. Lifetime passes for residents sixty-five years of age or older.** (a) The commissioner may (1) provide for the collection of fees for parking, admission, boat launching and other uses of state parks, forests, boat launches and other state recreational facilities, (2) establish from time to time the daily and seasonal amount thereof, (3) enter into contractual relations with other persons for the operation of concessions, (4) establish other sources of revenue to be derived from services to the general public using such parks, forests and facilities, (5) employ such assistants as may be necessary for the collection of such revenue. The commissioner shall deposit such revenue derived therefrom with the State Treasurer in the General Fund. On and after July 1, 1992, any increase in any fee or any establishment of a new fee under this section shall be by regulations adopted in accordance with the provisions of chapter 54. Notwithstanding the provisions of this section, the commissioner may enter into an agreement with any municipality under which the municipality may retain fees collected by municipal officers at state boat launches when state employees are not on duty.

(b)Notwithstanding the provisions of subsection (a) of this section, the commissioner may establish fees for the public use of the mansion at Harkness Memorial State Park in Waterford, the Ellie Mitchell Pavilion at Rocky Neck State Park in East Lyme and Gillette Castle in East Haddam provided no fee shall be charged to any group organized as a nonprofit corporation under 26 USC 501 (c)(3) for purposes of providing support to such parks or facilities and further provided the commissioner shall specify procedures and criteria for the selection of any private business which is engaged by the state to provide services during any such public use, including, but not limited to, catering services.

...

Sec. 23-67. **Acquisition of land. Provision of facilities.** The Department of Environmental Protection is hereby authorized by purchase, gift, eminent domain or otherwise to acquire such land, including but not limited to rights-of-way and easements for the purpose of protecting or enhancing scenic beauty, as may be deemed necessary to establish, protect and maintain the portion of the Appalachian National Scenic Trail between the Massachusetts and New York State lines as designated in the Federal Register or as otherwise altered according to the provisions of Public Law 90-

543, and may also provide shelters and other facilities thereon; provided the power of eminent domain shall not be utilized to acquire a strip of land bordering said trail no greater than two hundred feet in overall width.

Sec. 23-68. **Transfer of land from other agencies.** Any department or agency of the state or of any political subdivision may transfer to the Department of Environmental Protection lands or rights in land for such purposes on such terms and conditions as may be agreed upon, or may enter into an agreement with the commissioner providing for the establishment and protection of said trail.

Sec. 23-74. **Recreation and natural heritage trust program. Purpose.** There is hereby created the recreation and natural heritage trust program to: (1) Acquire land that represents the ecological diversity of Connecticut, including natural features such as riverine, montane, coastal and geologic systems or other natural areas, on behalf of the state, in order to ensure the preservation and conservation of such land for recreational, scientific, educational, cultural and aesthetic purposes, (2) acquire land of unusual natural interest as additions to the system of parks, forests, wildlife and fishery management areas, natural areas and dedicated natural area preserves in the state for the beneficial use and enjoyment of the public, (3) acquire land identified as essential habitat for endangered and threatened species pursuant to the program established under section 26-305, (4) offset carbon dioxide produced through combustion of fossil fuels by preserving lands that naturally absorb it, and (5) establish a stewardship account to provide for the maintenance, protection and management of lands acquired pursuant to the provisions of sections 23-73 to 23-79, inclusive, and of the species that inhabit them.

Sec. 23-75. **Land acquisition. Criteria.** (a) The Commissioner of Environmental Protection shall acquire land by purchase, gift or devise for the purposes set forth in section 23-74. The title to any land acquired pursuant to sections 23-73 to 23-79, inclusive, shall be vested in the state. In determining whether sites shall be acquired, the department shall consider whether the site is: (1) Identified as having high priority recreation, forestry, fishery, wildlife or conservation value and as being consistent with the state comprehensive plan for outdoor recreation and the state plan of conservation and development; (2) a prime natural feature of the Connecticut landscape, such as a major river, its tributaries and watershed, mountainous territory, an inland or coastal wetland, a significant littoral or estuarine or aquatic site or any other important geologic feature; (3) habitat for native plant or animal species listed as threatened or endangered or of special concern in the data base or pursuant to the program established under section 26-305, particularly areas identified as essential habitat for such species; (4) a relatively undisturbed outstanding example of a native ecological community which is now uncommon; or (5) threatened with conversion to incompatible uses or contains sacred sites or archaeological sites of state or national importance. In acquiring a site

that has been identified as having a high priority recreation value, the department shall give priority to sites near population centers.

(b) No site shall be acquired which has not been evaluated by the department, through the data base, to determine if threatened or endangered species or species of special concern inhabit or use the site or to determine if the site is of special ecologic quality or has other outstanding natural values as a community of living things.

(c) No site which is to be acquired with the assistance of a municipal cooperator shall be acquired unless the department and such cooperator enter into a written agreement which specifies the recreational activities which will not be allowed on such site. Such agreement may be modified at any time by mutual consent of the municipal cooperator and the department.

Sec. 26-3. **Powers and duties of commissioner.** The Commissioner of Environmental Protection shall enforce all of the laws relating to wildlife, fish, crustacea, game and non-game birds, waterfowl and game and fur-bearing animals of the state and shall possess all powers necessary to fulfill the duties prescribed by law with respect thereto and to bring actions in the proper courts of this state for the enforcement of such laws and the orders and regulations adopted and promulgated by him....
...He may acquire, by gift or lease and, with the approval of the Governor alone, by purchase, lands for the establishment of fish hatcheries or game preserves. He may, with the approval of the Attorney General, grant rights-of-way or other easements or leases for public purposes to the United States government, any subdivision of the state or any public utility within the state on or with respect to any lands under his jurisdiction if he finds that such purposes are not in conflict with the public interest, provided any such public utility shall pay for any right-of-way, easement or lease so granted such compensation as said commissioner considers reasonable. He shall have authority to establish the boundaries of any properties under his jurisdiction by agreement with owners of adjoining property and may, with the approval of the Attorney General alone, exchange land with such property owners and execute deeds in the name of the state for the purpose of establishing such boundaries....

Sec. 26-3a. **Acquisition of easements for maintenance of dams.** The Commissioner of Environmental Protection may acquire by purchase, lease or gift, or by condemnation in the manner provided by chapter 835, such lands, easements or rights-of-way as are needed in connection with maintenance, repairs, reconstruction or remodeling of state-owned dams.

Sec. 26-3b. **Rental, sale, exchange or transfer of real property and buildings in the custody or control of the commissioner. Right of first refusal.** (a) When the Commissioner of Environmental Protection deems that it would be in the interest of the

state, he may rent to any person, or assign departmental employees to occupy, houses, other buildings or property in the custody or control of said commissioner. If he rents property to persons who are not employees of the department he shall first obtain the approval of the State Properties Review Board and any such rent shall at least be equal to the fair market rental value of such property as determined by the commissioner, notwithstanding any other provision of the general statutes or of any regulations of any state agency. Rentals to persons other than departmental employees may be for commercial, residential or any other purpose that the commissioner deems to be in the interest of the state. If he assigns departmental employees to occupy such property, he may impose whatever conditions he deems necessary upon such assignment. He may also rent any such property to a departmental employee, and if, in his judgment, a rental fee should be charged to such employee, he shall determine such rental fee, notwithstanding any other provision of the general statutes or of any regulations of any state agency. The commissioner may, in the name of the state, execute leases, contracts or other documents to carry out the purposes of this section. All moneys from the rental of any such property shall be deposited into the maintenance, repair and improvement account established under section 22a-27h.

(b)Notwithstanding any other provisions of the general statutes or of any regulations of any stage agency, if the Commissioner of Environmental Protection determines that it would be in the interest of the state, he may, subject to the approval of the State Properties Review Board and the Governor, sell, exchange or otherwise transfer the state's interests in houses or buildings in the custody and control of said commissioner and land accompanying any such house or building provided no house, building or accompanying land shall be sold, exchanged or any interest therein transferred for less than its fair market value as determined by the commissioner. Said commissioner may, in the name of the state, execute deeds, contracts, or other documents for such purposes. The commissioner shall ensure that any land solder under this section shall be subject to a deed restriction preventing further subdivision. The commissioner may require further conservation restrictions as part of such sale to prevent or limit other activities including, but not limited to, tree cutting or construction of additional structures. All moneys from any such sale, exchange or transfer of any interest pursuant to this section shall be used by the commissioner to carry out the purposes of the recreation and natural heritage trust program under chapter 453.

(c)The commissioner shall grant a right of first refusal regarding the purchase of any land offered for sale under subsection (b) of this section to any person who has provided notice of interest in such right to the commissioner under this subsection and who provides evidence satisfactory to the commissioner that (1) such person is the husband or wife, parent, grandparent, sibling, child or grandchild of (A) a person who held title to the land in fee immediately prior to the state's taking title provided the state acquired such title on or after January 1, 1969, and prior to January 1, 1975, and (B) a person who owns land contiguous to the land being offered for sale, or (2) such person (A) is the husband or wife, parent, grandparent, sibling, child or grandchild of a person who held title to the land immediately prior to the state's taking title provided the state acquired such title on or after January 1, 1969, and prior to January 1, 1975, and (B)

owns land contiguous to the land being offered for sale. Notice of interest in such right shall be in writing and shall provide an address to which notice of an offer for sale may be sent and shall further provide any information the commissioner deems relevant to any determination required of him under this subsection. If he finds that such notice is complete, the commissioner shall send notice to such person, by certified mail, prior to offering such land for sale to any other person under subsection (b) of this section. Such right shall be exercised not later than thirty days after the date that notice of an offer for sale is received. In the event that more than one notice of interest is filed with the commissioner, the person who provided the first notice deemed complete by the commissioner shall be given the right of first refusal.

Sec. 26-16. **Public hunting and fishing lands and waters.** The commissioner is authorized to acquire for the use of the state, by gift, lease, purchase or agreement, fishing, hunting, trapping or shooting rights or privileges on any land or water in this state, with necessary rights of ingress thereto and egress therefrom, or, with the approval of the Governor, to purchase land or water for the purposes of such rights or privileges....

Sec. 26-17a. **Acquisition and preservation of tidal wetlands.** (a) For the purposes of this section, "tidal wetlands" means any land contiguous with, adjacent to or adjoining waters which are subject to tidal action at any time. The Department of Environmental Protection shall establish a program for the protection, preservation, acquisition and improvement of the tidal wetlands of the state.

(b) The Commissioner of Environmental Protection may, by purchase, exchange, condemnation, gift, devise, lease or otherwise, acquire tidal wetlands or any easements, interests or rights therein, or enter into covenants and agreements with owners of such tidal wetlands to maintain, improve, protect, limit the future use of or otherwise conserve such tidal wetlands. The commissioner may also enter into leases with an option to buy tidal wetlands, provided the term of any such lease shall not exceed ten years.

(c) The commissioner is authorized to take land or any interests therein by right of eminent domain in the manner provided in section 48-12 for the purposes for which he is authorized to acquire land under the provisions of subsection (b). All of the owners of different tracts of land which are included in the same tidal wetlands area may be joined in the same action.

(d) When the municipal property tax on any tidal wetlands is unpaid for a period of six years, the tax collector of the municipality in which such tidal wetlands are located shall notify the Commissioner of Environmental Protection. Said commissioner may direct the municipality to take title to such tidal wetlands by foreclosure of its tax liens

and, upon payment to the municipality of a sum equal to the amount of the tax liens foreclosed and the expenses incurred by it in the foreclosure action, the municipality shall convey title of said wetlands to the state.

Sec. 26-99. **Establishment of fish and game refuges.** The commissioner may establish state fish and game refuges and may, in the name and for the use of the state, lease any tract of land, stream, lake, pond or part thereof in the state suitable for the propagation and preservation of fish and game and may accept any gift of any interest in any land, stream, lake, pond or part thereof or any personal property to be used for the purpose of propagating or protecting wildlife upon such conditions as may be agreed upon between the donor and the commissioner, subject to the approval of the Attorney General, concerning any condition in relation to the use of the principal of any such gift or any income therefrom, and the commissioner may exercise all of the authority of any owner of any such property for such purposes. No provision of this section shall be construed as limiting the right of the donor to exercise all of the rights incident to ownership of such property, except as such rights may be limited by trhe conditions of his gift.

Sec. 10-303. **Food service facilities and vending stands in public buildings controlled by Board of Education and Services for the Blind. Use of income for fringe benefits, training and support for vending facilities operators and other blind or vision-impaired children and adults.** (a) The authority in charge of any building or property owned, operated or leased by the state or any municipality therein shall grant to the Board of Education and Services for the Blind a permit to operate in such building upon such property a food service facility, a vending machine or a stand for the vending of newspapers, periodicals, confections, tobacco products, food and such other articles as such authority approves when, in the opinion of such authority, such facility, machine or stand is desirable in such location. Any person operating such a stand in any such location on October 1, 1945, shall be permitted to continue such operation, but upon such person's ceasing such operation such authority shall grant a permit for continued operation to the Board of Education and Services for the Blind. Said board may establish a training facility at any such location.

Sec. 15-155. **Fees for numbering and registration of vessels. Certain amounts to be allocated to boating account and additional amounts to towns, in lieu of property tax on vessels.** (a) ...
(b) The boating account shall be used for the following purposes:... (2) Expenditures for boating safety, boating education, marine patrols and enforcement training programs, and for the acquisition, construction, maintenance and improvement of recreational and navigational facilities related to boating....

MEMORANDUM

DEP Owned Housing Stock and Recommendations for DEP's House Leasing Program

DEP HOUSING

Introduction

The Connecticut Department of Environmental Protection (DEP) has management responsibility for buildings located on Connecticut's forests, fish hatcheries, wildlife management areas, flood control projects and state park property. Over the last ten years, DEP has strategically evaluated its housing and building stock to identify buildings and properties that are essential to DEP's core business needs and mission. Houses and buildings judged not to be essential to DEP's business needs or mission were further evaluated to determine whether the buildings and associated property could be sold (in accordance with DEP Directive #2215) versus those that should be razed and the property retained. DEP's last internal property retention evaluation was completed in January, 2002. This memorandum summarizes specific recommendations and actions necessary to manage the Department's holdings.

In summary, DEP owns approximately:

- seventy-three (73) houses or buildings that are recommended for demolition;
- three (3) houses recommended for sale;
- two (2) houses/buildings under evaluation for possible sale, transfer or demolition;
- one (1) historic house has been given to a municipality for relocation and rehabilitation and (1) other historic house DEP will seek to have renovated by a local historic society or similar group;
- fourteen (14) houses that are currently leased, held or will be held by entities outside of DEP where status quo is recommended; and,
- forty-four (44) properties recommended as rental units to be leased to DEP employees.

This listing is not exhaustive of all buildings owned by DEP and it is likely more structures will be incorporated, particularly to the inventory of buildings recommended for demolition. In addition, DEP's initiation of the rental program for DEP employees will likely cause new vacancies of DEP properties. All of the vacated homes will be reevaluated again for sale or demolition, as well.

Historical Background

With the acquisition of the Israel Putnam Memorial Campground in Redding, Connecticut in 1887, Connecticut's State Park system was established. The State

Park Commission was formed in 1913 and made Sherwood Island State Park in Westport, Connecticut its first purchase in 1914. In 1926, Connecticut held thirty-one state parks encompassing more than six thousand acres and eight state forests aggregating more than nine thousand acres. As the state park and forest network grew, site maintenance work in individual park and forest units were performed by park and forest staff living on the unit premises. Unit supervisors hired into these positions were required to live on-site in housing provided by the state for the supervisors and their families. Because the unit supervisors and, in many cases, maintenance staff were required to live in these locations, the state provided the housing free of charge. The state Fish Commission initiated the culture of fishes in 1867. The Fish & Game Commission constructed the state's first hatchery in Windsor Locks in 1899 and an on-site residence was completed in 1901. Ever since, fish hatchery supervisors have been required to live on site at all State of Connecticut fish culture facilities in recognition of the necessity for constant care and propagation of live fish and eggs.

With the formation of the Department of Environmental Protection (DEP) in 1972 and the incorporation of the Connecticut Park and Forest and Fish & Game Commissions within DEP, the policies and practices developed by the Commissions throughout the 1900s were brought to the DEP. Park supervisors, fish hatchery managers and forest rangers were required pursuant to their job specifications to live within the units they managed. In 1994, the job specifications for field supervisors were formally modified to no longer require DEP's park, forest or hatchery supervisors to live within their assigned units. The job specifications were revised to be more permissive with regard to on-site living requirements. For instance, the special requirements in the job description for a DEP Park and Recreation Supervisor include the following language; "Incumbents in this class must be willing and able to accept assignment or transfer to any unit of the state, may be required to reside in designated department housing..." Similar language exists in the job specifications for fish hatchery managers and maintainers.

In 1994, DEP's State Parks Division adopted policy/procedure #803 regarding the rental and selection of occupants for DEP's "ancillary housing." Ancillary housing stock are houses located within park or forest units that were not the dwellings held for required occupancy by a park or forest supervisor, but rather additional houses on DEP properties. The policy established procedures and priority considerations for leasing the vacant ancillary housing stock to DEP field employees. Under this policy, when a DEP-owned ancillary house was vacated, the Bureau of Outdoor Recreation advertised its availability to field staff. Priority consideration for occupancy was given to employees working in the same unit where the house was located.

Presently, the Bureau of Outdoor Recreation alerts all field employees via email of housing vacancies and interested employees respond directly to the District Supervisor with their interest in occupying that residence. It is recommended that all DEP staff receive alerts of housing vacancies.

Statutory Authorities

The Commissioner of the Department of Environmental Protection (DEP) is authorized by Section 22a-6(a)-2 of the Connecticut General Statutes to "enter into contracts with any person, firm, or corporation or association to do all things necessary or convenient to carry out the functions, powers and duties of the department."

Section 22a-26 of the CGS authorizes DEP's Commissioner, with the approval of the Secretary of the Office of Policy and Management, to "convey, lease or transfer the care and control of any land owned by the state and controlled" by DEP to federal agencies, state agencies, municipalities or regional authorities, "upon such terms and for such periods as may be mutually agreed upon..." Typically, DEP has leased certain buildings and associated properties to municipalities under this authority.

Section 26-3b(a) of the CGS authorizes the Commissioner of Environmental Protection "to rent to any person, or assign departmental employees to occupy houses, other buildings or property in the custody or control" of DEP. If the Commissioner rents to persons not employed by DEP, pursuant to §26-3b-(b) of the CGS, approval must first be obtained from the State Properties Review Board and the rent assessed shall be at least equal to the fair market rental value of such property as determined by the Commissioner. If the Commissioner assigns DEP employees to occupy such property, the Commissioner may impose conditions deemed necessary, including the assessment of rental fees if the Commissioner determines a rental fee should be charged, notwithstanding any other provision of the general statutes or of any regulations of any state agency.

NON-DEP EMPLOYEE HOUSING

Status and Recommendations

Currently, DEP owns nineteen (19) properties that are occupied or leased by persons not currently employed by DEP.

In Ridgefield, DEP purchased three (3) residential properties where flood control structures were to be built on the Norwalk River. All three properties were subsequently leased. Two of the three leases executed between DEP and its tenants have expired. Only one of the three tenants is currently paying rent that is reflective of the property's fair-market appraised rental value, another tenant is approximately $30,000 in arrears on rental payments prescribed by a lease twenty years expired and the third is current on monthly rental payments that are significantly below fair-market values as determined by a lease executed by the tenant's father. (The father was the original owner of the property who executed a lease with DEP once the property was purchased.) While these properties are interior parcels for the planned flood control project, the houses are not essential to DEP's core business needs. Since the Norwalk River flood control project remains active, it is recommended the houses be vacated and razed in anticipation of the future project. In addition, the tenant who is $30,000 in arrears with rental

payments is being referred to the Attorney General for the collection of past due rent.

In Norwich, DEP acquired an easement to raze a flood prone building on the Yantic River. After years of difficult negotiations, the tenant in the building has finally purchased a new building and has relocated his business. The recommendation is for DEP to raze the structure.

In East Haven, DEP acquired the Lippincott estate which is now Farm River State Park. The Lippincott estate included four (4) residential homes. Two (2) houses front onto Short Beach Road and have been historically rented or leased. One of the two houses is currently occupied by a person not employed by DEP. Currently, DEP is negotiating a five year concession agreement with Quinnipiac University to manage Farm River State Park subject to the review and approval of the Attorney General. The University's concession proposal may incorporate a provision to lease the two Short Beach Road properties and in doing so, Quinnipiac will agree to assume all responsibilities to maintain, collect rental fees and manage tenants leasing these properties. The rental fees will be used by the University to operate and maintain the park grounds and to assure public access to Farm River State Park. If a concession for these two houses with Quinnipiac University is not feasible, one house will be sold and the other razed. The two interior homes (a caretakers apartment and the Lippincott home) will be used by Quinnipiac University to house an on-site caretaker(s) and as a classroom training center, respectively.

At Beckley Furnace State Park, DEP acquired two (2) single family homes adjacent to the park. One is leased by the Friends of Beckley Furnace to a caretaker who resides in the on-site house and the other house is dedicated as a park office/museum managed by the Friends of Beckley Furnace. The agreement allows the Friends to collect rental fees from the lease of the houses and invest those fees back into the maintenance and improvement program of the park. It is recommended that this agreement continue as is, subject to a public review process when it expires in 2006.

DEP leases (3) houses to municipalities. In the town of Barkhamsted, at Peoples State Forest, the Barkhamsted Historical Society leased and renovated one (1) building, the Squires Tavern, to serve as the historical society's headquarters. This lease expires in 2031. The Town of Barkhamsted has also leased a building in the American Legion State Forest for use as a senior center and that lease expires in 2012. Finally, a DEP-owned house in the Comstock Brook Flood Control Area in Wilton was leased to the Town of Ridgefield for use as a nature center. The lease with Wilton was executed in 1971 and expired in 1996. DEP is pursuing with the town of Ridgefield its current interest in this property.

Various single family homes have been acquired by DEP related to the acquisition of state lands. Two (2) properties are subject to deeded, life-use privileges for the existing tenants. One is in the Franklin Swamp Management Area (the life tenant of

which recently died) and the other is at Topsmead State Forest. With the death of the life tenant at Franklin Swamp, the house will be razed. Two (2) additional houses, one in the Roraback Wildlife Management Area and one in the Natchaug State Forest, are leased to tenants who claim to have been promised life-use privileges by prior DEP Commissioners. DEP will seek documentation to substantiate these agreements. These tenants are current with their monthly lease payments which are significantly below fair-market valuations. It is recommended that these properties and the covenants governing the life-use privileges of the current tenants remain in effect until the tenants and spouses vacate the properties. It is recommended that DEP review the existing agreements with these tenants and evaluate the potential to convert the rental payments under each agreement to current fair market values. It is noted that under a law that became effective after these properties were initially rented, the State Properties Review Board must also review any proposed changes to these lease agreements. All four (4) properties are interior to DEP's land holdings and are recommended to be retained by DEP.

DEP acquired a single family home adjacent to the Scantic River State Park. The lease between DEP and the current tenants has expired. The tenants are approximately $35,000 in arrears on rental payments based upon rental valuation from the long expired lease. The house is not positioned on an interior parcel in the Scantic River Park and is not essential to DEP's core needs. The matter is being referred to the Attorney General's office for the collection of past due rent and eviction. Once vacant, it is recommended that the house be razed and the land retained as State Park property.

In Hammonasset Beach State Park, a person previously employed by DEP resides in a home interior to the park historically leased to park employees. It is recommended that the tenant vacate the house and that it be made available for lease to DEP employees.

Summary of Recommendations for Non-DEP Employee Housing

1) Status quo is recommended for the four (4) properties where life-use privileges have been granted or promised. However, as the persons to whom life-use privileges were granted leave or expire, DEP should evaluate those units for razing or rental to DEP employees. Such is the case with the Franklin house which will be razed.
2) Status quo is recommended for two of the three (3) properties leased to municipalities. It is recommended that DEP verify the town of Ridgefield's interest in the property it leased in the town of Wilton and either renew or finally terminate the lease that expired in 1996.
3) DEP should continue to pursue and maintain the lease arrangements for the six (6) properties subject to concession agreements with Quinnipiac University and the Friends of Beckley Furnace if feasible, allowing the property managers to use the rental income from the houses to generate revenues for the maintenance of the respective state parks subject to all applicable statutory leasing requirements.

4) Vacate and raze the four (4) buildings determined to be unessential to DEP's operations and subject to flood control work;
5) Rent to a DEP employee the interior house (1) at Hammonasset currently leased to a non-DEP employed person; and
6) Vacate and raze the (1) building determined to be essential to DEP's operation of Scantic River State Park.

Where it is recommended that the properties be vacated and houses either be razed (5) or leased to DEP employees (1), DEP should seek to vacate these homes within a reasonable time frame but specifically not before the end of the school year where school-aged children are resident to allow those children to finish out the year in the schools they are presently attending.

DEP EMPLOYEE LEASED HOUSING

Current Status

In total, fifty-one (51) houses owned and leased by DEP were formally appraised for fair-market, residential rental valuations. Two (2) properties are currently occupied by non-DEP employees, one with deeded life-use privileges, another with promised life-use privileges and two (2) of the appraised properties have houses that are recommended for demolition. Three (3) properties judged not to be essential to DEP's core business interests are recommended for sale. Forty-four (44) remaining houses are available for lease to DEP employees.

Appraised Rental Values

Fair market rental appraisals were completed in June, 2003. Statistical data from the evaluations are summarized in Table 1. The average statewide, fair-market, monthly rental valuation is $1250. As expected, monthly, fair-market rental appraisals for Fairfield County were significantly higher than all other counties in the state, exceeding all other appraisal averages by more than one standard deviation.*

It is recommended that the fair market appraisal process as performed in 2003 for DEP-owned housing be updated at a frequency not to exceed once every five years. When market conditions are changing rapidly, DEP may elect to update appraisals more frequently than a five year cycle.

Table 1.

$ Rental Statistics		Rental Averages by County			Rental Averages by # of Rooms		
Monthly Rental Valuations		County	Total # of Units	Rental Values	# of Rooms in the Unit	Total # of Units	Monthly Rental Values
		Fairfield	6	$2,058	2	1	$775
Minimum	$200	Hartford	5	$1,180	3	2	$688
Maximum	$2,625	Litchfield	9	$1,025	4	7	$1,029
Average	$1,249	Middlesex	8	$1,172	5	14	$1,080
Mode	$1,300	New Haven	8	$1,163	6	11	$1,364
		New London	6	$1,446	7	7	$1,314
Stdev*	$471	Tolland	2	$938	8	6	$1,633
CV	0.4	Windham	7	$1,000	9	3	$1,742

DEP Housing Rental Policy

It is recommended that DEP's rental policy for its employees be as follows: where it is consistent with DEP's mission and in the Department's best interests to allow continued residential occupancy of its properties, properties owned by DEP should be leased solely to DEP employees. Where specific properties are managed by specific units within DEP, it is recommended that employees within those units be encouraged and targeted on a priority basis for occupancy using a graduated suite of rental incentives. By targeting certain employees for house occupancy, the Department will seek to fill housing vacancies with persons familiar with the operation of the specific unit (e.g., state park, forest, fish hatchery) and who have the skills necessary to manage the unit, surrounding properties and facility operations. For instance, it is in the Department's best interest to have fishery biologists or hatchery maintainers trained in fish hatchery management living in the houses at fish hatcheries. The recommendation to target and encourage specific employees for occupancy in certain houses can help ensure there are tenants intimately familiar with the unit where the house is located, who can respond to situations and emergencies that may occur. A suite of discount incentives are considered to be the best form of encouragement the Department can offer to place specific employees in locations where their occupancy provides DEP with the greatest benefit.

Further, it is recommended that DEP's decision to lease the forty-four (44) properties determined to be essential to its core mission and its business needs be reevaluated at the same frequency as fair-market, rental valuation appraisals are performed. Modern electronic security systems may provide a constant and reliable presence that is more cost effective than a resident staff person at or near the unit. It is recommended that the potential effectiveness of alternative security systems as well as the removal of structures or improvements that are particularly susceptible to vandalism be evaluated by DEP as reevaluations occur. As DEP's housing stock falls into disrepair and requires major renovation work, the department should give full consideration to removing houses where properties have alternate protection strategies and therefore may not require on-site residency.

DEP Employee Agreements Related to Property Rentals

Housing rental rates for a selected class of DEP employees are subject to a memorandum of understanding (MOU) between DEP, the Office of Labor Relations, the State of Connecticut and the Protective Services Employee Coalition (PSEC) signed in August, 1999.

The MOU makes a distinction between two classifications of DEP employees, exempt and non-exempt.

Pursuant to the MOU, employees who have supervisory or administrative responsibilities fall within the employment classification of exempt employees. As exempt employees, these individuals and their families may be provided housing in exchange for services provided in lieu of rent without violating provisions of the Fair Labor Standards Act.

All other employees are considered non-exempt.
(The Memorandum of Understanding is incorporated with this policy as Attachment A.)

There are eleven park and recreation supervisors who are grandfathered under the terms of the 1999 MOU and therefore may continue to live "rent-free" in accordance with stipulation #6 of the MOU. These employees were required to live in DEP-owned housing when they were appointed to the position of Park and Recreation Supervisor. Grandfathering under the MOU is specific to these eleven individuals who by virtue of their job specification and collective bargaining unit were the subject of the grievance process that preceded the execution of the MOU.

Exempt Employees - Qualifications
Additional employees may be considered exempt if they meet the following "tests" for duties performed and salary received:

"Duties Test"

a) Exempt employees must perform the following duties (if applicable):
   - Supervise two (2) or more employees
   - Have the ability to hire and fire employees
   - Determine subordinate employee work schedules
   - Formulate personnel policies
   - Assess employee performance
   - Determine staffing levels

"Salary Test"

b) Exempt employees must meet the following salary provisions. (salary defined as consistent, fixed and invariable income):
   - First week of employment may be prorated
   - Last week of employment may be prorated
   - Any week in which the employee does not work is paid in full
   - Any week in which the employee absents him/herself due to sickness and is not paid does so in accordance with the Family Medical Leave Act.

Implications of the MOU

If exempt employees are allowed to perform services in lieu of paying rent as lessees, several conditions need to be met. The DEP unit responsible for management of the relevant DEP house, must establish and formally document the duties to be performed in lieu of rent. These duties must be work outside of the assigned job duties of the lessee and the assigned work cannot be performed in lieu of other employees' assigned job duties (performing work otherwise assigned to unit employees). The unit must establish a value for the work performed based on the cost of providing that work by an outside or private contractor and again formally

document the established value for auditing purposes. Finally, the unit must establish a monitoring system to ensure that the tenant performs the required duties and formally documents such performance. It is recommended that all arrangements of this type be approved by the Commissioner prior to the execution of any lease on a case by case basis. In summary, a system must be established to justify the need for the duties performed; provide a justifiable and consistent assessment of the value of duties; and monitor actual work performance to document that payment, by way of duties performed in lieu of rent was received.

Non-exempt employees cannot, under any circumstances, provide services in lieu of rental payments. In 1997, the Department of Labor determined that non-exempt employees were considered "employed" when performing duties in lieu of rent and that the exchange of services for rent was not an appropriate or allowable compensation. However, to reiterate, DEP can benefit from a specific employee's proximity to the unit in which they work given their unique knowledge of the specific operations and equipment within the unit and their knowledge of local resources, particularly in emergency situations. Trained and knowledgeable staff people who live close to or within targeted units where they work will likely save DEP in wages spent on travel by field staff to the unit during off-hours responding to emergencies. Therefore, it is recommended that discounts for "non-exempt" employees be offered on a priority, targeted basis.

It is recommended that all residents of DEP dwellings be required to pay rent based upon fair market appraisals regardless of classification with the exception of the eleven grandfathered employees covered by the MOU.

All DEP employees who are required to pay rent shall pay rent based upon the approved fair market rental value as determined by a licensed real estate appraiser.

Recommendations for DEP Employee Rentals

#1) Only DEP employees shall be eligible to lease DEP-owned houses. A DEP standard lease agreement shall specify the terms of a) occupying a DEP-owned house; b) rental payment and late payment penalties; and, c) vacating a DEP-owned house should a DEP employee leave the agency while occupying a DEP-owned property.

#2) All DEP employees shall be notified of vacancies via a general email announcement and priority for occupancy shall be given to DEP employees on the following basis (listed in descending order);

- employees working in or for the unit where the house is located;
- employees working in or for adjacent units to where the house is located;
- division employees of the unit managing the property where the house is located;
- all other DEP employees.

#3) DEP employees residing in DEP-owned housing shall pay rent based upon fair-market, appraised rental valuations. Fair-market, appraised rental valuations shall be updated by the every five years or as determined necessary by the Commissioner.

#4) DEP owned properties located in Fairfield County shall have the fair-market assessed rental valuations reduced by one standard deviation as calculated from the most recent cumulative statewide pool of fair-market valuations of all DEP-owned and leased property (or $471 for the appraisals completed in June, 2003). This discount acknowledges the exceedingly high fair-market rental valuations of DEP properties in Fairfield County and the burden those rental values pose to DEP employees who elect to work at and reside in the DEP's Fairfield County facilities without salary stipend to address cost-of-living differentials.

#5) The fair market monthly rental payments for DEP-owned facilities may, as approved by the Commissioner, be adjusted as follows:

- Any DEP employee residing in DEP rental housing will receive a 20% discount. This discount acknowledges DEP's business need to retain certain properties critical to its mission and the agency's desire to have a DEP employee residing in that specific location.
- Any DEP employee residing in DEP housing who agrees to watch for and report signs of vandalism and perform light maintenance duties within the curtilage of the rental unit as specified in their lease agreement will receive an additional discount of up to 20% based upon the valuation of the work performed;
- Any DEP employee who works within the specific DEP unit that directly manages the house and surrounding property will receive an additional discount of 20%. (This discount may be offered to Conservation Officers provided the housing unit is within their assigned patrol area.) This discount acknowledges DEP's need to have employees with local knowledge and specific skill sets in close proximity to units where that knowledge and skill is required.

#6) All DEP-employees who qualify for "exempt" status and are not grandfathered under the terms of the MOU and agree to perform services in lieu of rent as determined by DEP management shall receive an additional rental discount of up to 20% from the fair-market appraised rental valuation from those outlined below. This discount would be in addition to those suggested in #5, above. Receipt of this discount will be subject to the execution of a lease specifying the work to be done, the value of the work and a system for verifying work performed.

#7) Any DEP employee assigned by the Commissioner to occupy or otherwise reside in a DEP-owned house as a requirement of their job may receive further housing discounts up to and including a complete waiver of monthly rental fees as determined by the Commissioner.

#8) Any decision to offer discounts itemized above shall be done solely at the discretion of the Commissioner.

Implementation of this policy should be executed so as to minimize disruption to DEP programs and to minimize impacts on affected tenants and their families.

Examples will be provided to facilitate the calculation of monthly rental amounts for DEP employees.

ATTACHMENT A
MOU REGARDING PARK & RECREATION SUPERVISORS

1. The State, DEP and PSEC recognize that it had been a long standing practice for DEP to provide certain employees housing free from rent in exchange for services performed by the occupant employee(s).

2. During 1997, the U.S. Department of Labor determined that certain non-exempt employees were in work status when performing agreed upon duties (noted above) and the exchange of services for rent was not appropriate compensation. As a result of this U.S. Department of Labor determination, the DEP has arrived at rental rates for its properties and no offsetting work duties.

3. PSEC acknowledges that rental rates that have been published are in compliance with Article 48, Section Two of the collective bargaining agreement.

4. DEP will establish a lease document for those DEP employees who have been residing in State-owned housing specifying for each such employee the rent to be charged for continued residence. Said lease shall also include conditions and term of the lease.

5. The U.S. Department of Labor agent involved in the DEP Housing Audit has advised DEP management and PSEC representatives that employees within the classification Park and Recreation Supervisor are exempt employees. Being exempt this class of employees may be provided housing in exchange for services without a FLSA (Fair Labor Standards Act) impact.

6. DEP will provide employees currently living in State-owned housing who are classified Park and Recreation Supervisor the opportunity to continue to reside in said housing. This arrangement will continue to be rent free and in exchange for services to be provided as long as the parties renew the dwelling Agreement under the conditions therein.

7. The opportunity for any newly appointed Park and Recreation Supervisor(s) to be provided free housing (State-owned) in exchange for services shall be a decision exclusively reserved to DEP top management.

8. Those Park and Recreation Supervisors who elected to accept the opportunity to reside in State-owned housing shall be provided a guarantee notice period of six months for eviction from the residence if made during the term of the dwelling agreement. The notice period required from the resident, if deciding to terminate the dwelling

agreement, is also six months. Renewal of the dwelling agreement is an option both employee and DEP may or may not exercise.

9. The "Dwelling Agreement" referenced in Item number 8 shall include a description, in general terms, of the services to be provided for the rent free privileges of State-owned housing.

State of Connecticut

BASIC LEASE AGREEMENT

This Rental Agreement and/or Lease shall evidence the complete terms and conditions under which the parties whose signatures appear below have agreed. Lessor, (State of Connecticut), shall be referred to as "OWNER" and Lessee, _____, shall be referred to as "RESIDENT." As consideration for this agreement, OWNER agrees to lease to RESIDENT and RESIDENT agrees to lease from OWNER for use solely as a private residence, the premises located at _____ in the city of _____.

1. **TERMS:** RESIDENT agrees to pay by payroll deduction $_____ biweekly in accordance with the State of Connecticut payroll schedule. This agreement shall commence on _____, _____ and continue on a month-to-month tenancy until either party shall terminate this agreement by giving a written notice of intention to terminate at least 30 days prior to the date of termination.

2. **PAYMENTS:** Rent and/or other charges are to be paid at such place or method designated by the owner as follows: State of Connecticut Comptroller – payroll deduction.

3. **UTILITIES:** (Select one of the two below and both parties initial which clause applies)

A. If this is a house or apartment or dormitory or any type of facility that does not contain separate utility meters then Owner agrees to pay all utilities and/or services based upon occupancy of the premises except for_____ _____.

Owner Initials _____ Resident Initials_____

B. If this is a house or apartment or dormitory or any type of facility that does contain separate utility meters then RESIDENT agrees to pay all utilities and/or services based upon occupancy of the premises except for_____ _____.

Owner Initials _____ Resident Initials_____

4. **USE:** To occupy and use the premises exclusively as a private single family residence, and neither the premises nor any part thereof shall be used at any time during the term of this Lease by the RESIDENT for the purpose of carrying on any non-_____(Agency) related commercial business, profession, or trade of any kind, or for any purpose other than a private single family residence.

5. **OCCUPANTS:** Guest(s) staying without the written consent of OWNER shall be considered a breach of this agreement. ONLY the following individuals, AND NO OTHERS shall occupy the subject residence unless the expressed written consent of OWNER is obtained in advance: Approved Occupants are:

_____
_____
_____.

6. **THE RESIDENT COVENANTS AS FOLLOWS:**

A. To do no waste.

B. To examine the premises, including the grounds and all buildings and improvements and to confirm that they are, at the time of this Lease, in good order, good repair, and in a safe, clean and tenantable condition.

C. To not allow any liens or encumbrances to be attached to the premises during the term of this Lease, or assign this lease for the benefit or creditors.

7. **LIQUID FILLED FURNISHINGS:** No liquid filled furniture or receptacle containing more than ten gallons of liquid is permitted without prior written consent and meeting the requirements of the OWNER. RESIDENT also agrees to carry insurance

deemed appropriate by OWNER to cover possible losses that may be caused by such items.

8. PARKING: When and if RESIDENT is assigned a parking area/space on OWNER'S property, the parking area/space shall be used exclusively for parking of passenger automobiles and/or those approved vehicles listed on RESIDENT'S Application attached hereto. RESIDENT is hereby assigned or permitted to park only in the following area or space _____. Said space shall not be used for the washing, painting, or repair of vehicles. RESIDENT or RESIDENT'S guest(s) shall use no other parking space. RESIDENT is responsible for oil leaks and other vehicle discharges for which RESIDENT shall be charged for cleaning if deemed necessary by OWNER.

9. NOISE: RESIDENT agrees not to cause or allow any noise or activity on the premises, which might disturb the peace and quiet of another RESIDENT and/or neighbor. Said noise and/or activity shall be a breach of this agreement.

10. CONDITION OF PREMISES: RESIDENT acknowledges that he has examined the premises and that said premises, all furnishings, fixtures, furniture, plumbing, heating, electrical facilities, all items listed on the attached property condition checklist, if any, and/or all other items provided by OWNER are all clean, and in good satisfactory condition except as may be indicated elsewhere in this Agreement. RESIDENT agrees to keep the premises and all items in good order and good condition and to immediately pay for costs to repair and/or replace any portion of the above damaged by RESIDENT, his guests and/or invitees, except as provided by law. At the termination of this Agreement, all of above items in this provision shall be returned to OWNER in clean and good condition except for reasonable wear and tear and the premises shall be free of all personal property and trash not belonging to OWNER. It is agreed that all dirt, holes, tears, burns, and stains of any size or amount in the carpets, drapes, walls, fixtures, and/or any other part of the premises, do not constitute reasonable wear and tear. RESIDENT shall immediately pay to the State of Connecticut – Treasurer any and all costs for damages to OWNER.

11. ALTERATIONS: RESIDENT shall not paint, wallpaper, alter or redecorate, change or install locks, install antenna or other equipment, screws, fastening devices, large nails, or adhesive materials, place signs, displays, or other exhibits, on or in any portion of the premises without the written consent of the OWNER except as may be provided by law. Furthermore, RESIDENT shall make no alterations to the buildings on the premises or construct any building or make any other improvement on the premises without the prior written consent of the State. Any alterations, changes and improvements built, constructed, or placed on the premises by the RESIDENT, with the exception of fixtures removable without damage to the premises and movable personal property, shall become the property of the State, without any liability, expense or obligation to the State.

12. PROPERTY MAINTENANCE: RESIDENT shall deposit all garbage and waste in a clean and sanitary manner into the proper receptacles and shall cooperate in keeping the garbage area neat and clean. RESIDENT shall be responsible for disposing of items of such size and nature as are not normally acceptable by the garbage hauler. RESIDENT shall be responsible for keeping the kitchen and bathroom drains free of things that may tend to cause clogging of the drains. RESIDENT shall pay for the cleaning out of any plumbing fixture that may need to be cleared of stoppage and for the expense or damage caused by stopping of waste pipes or overflow from bathtubs, wash basins, or sinks.

13. HOUSE RULES: RESIDENT shall comply with all house rules as may be stated on separate addendum, but which are deemed part of this rental agreement, and a violation of any of the house rules is considered a breach of this agreement.

14. CHANGE OF TERMS: The terms and conditions of this agreement, except rental payment amount, are subject to future change by OWNER at any time within this lease with 30-day written notice setting forth such change and delivered to RESIDENT. Rental payment amounts may be changed, at the sole discretion of the State, when the State of Connecticut, Department of Administrative Services receives a new appraisal of the fair

market value of the property and such changes shall be effective immediately. Any changes are subject to laws in existence at the time of the Notice of Change Of Terms.

15. **TERMINATION:** This agreement is automatically renewed from month to month, but may be terminated for any reason by either party giving to the other a 30-day written notice of intention to terminate. The premises shall be considered vacated only after all areas including storage areas are clear of all RESIDENT'S belongings, and keys and other property furnished for RESIDENT'S use are returned to OWNER. Should the RESIDENT hold over beyond the termination date or fail to vacate all possessions on or before the termination date, RESIDENT shall be liable for additional rent and damages that may include damages due to OWNER'S loss of prospective new renters. If the RESIDENT, or his representatives, shall neglect or fail to perform or observe any of the covenants on the part of the RESIDENT herein contained and such default shall continue for a period of five (5) days after notice of such default to the RESIDENT, or if the RESIDENT shall leave _____(Agency) employment, this lease shall immediately terminate. Upon termination of said Lease, the RESIDENT shall not be entitled to any relocation cost whatsoever from the State.

16. **POSSESSION:** If OWNER is unable to deliver possession of the residence to RESIDENTS on the agreed date, because of the loss or destruction of the residence or because of the failure of the prior residents to vacate or for any other reason, the RESIDENT and/or OWNER may immediately cancel and terminate this agreement upon written notice to the other party at their last known address, whereupon neither party shall have liability to the other, and any sums paid under this Agreement shall be refunded in full. If neither party cancels, this Agreement shall be prorated and begin on the date of actual possession.

17. **INSURANCE:** RESIDENT acknowledges that OWNERS insurance does not cover personal property damage caused by fire, theft, rain, war, acts of God, acts of others, and/or any other causes, nor shall OWNER be held liable for such losses. RESIDENT is hereby advised to obtain his own insurance policy to cover any personal losses.

18. **RIGHT OF ENTRY AND INSPECTION:** OWNER may enter, inspect, and/or repair the premises at any time in case of emergency or suspected abandonment. OWNER shall give 24 hours advance notice and may enter for the purpose of showing the premises during normal business hours to prospective renters, buyers, lenders, real estate appraisals, for smoke alarm inspections, and/or for normal inspections and repairs. OWNER is permitted to make all alterations, repairs and maintenance that in OWNER'S judgment is necessary to perform.

19. **ASSIGNMENT:** RESIDENT agrees not to transfer, assign or sublet the premises or any part thereof.

20. **PARTIAL INVALIDITY:** Nothing contained in this Agreement shall be construed as waiving any of the OWNER'S or RESIDENT'S rights under the law. If any part of this Agreement shall be in conflict with the law, that part shall be void to the extent that it is in conflict, but shall not invalidate this Agreement nor shall it affect the validity or enforceability of any other provision of this Agreement.

21. **NO WAIVER:** OWNER'S acceptance of rent with knowledge of any default by RESIDENT or waiver by OWNER of any breach of any term of this Agreement shall not constitute a waiver of subsequent breaches. Failure to require compliance or to exercise any right shall not be constituted as a waiver by OWNER of said term, condition, and/or right, and shall not affect the validity or enforceability of any provision of this Agreement.

22. **JOINTLY AND SEVERALLY:** The undersigned RESIDENTS are jointly and severally responsible and liable for all obligations under this agreement.

23. **LEAD PAINT:** The parties agree that the State has disclosed to the RESIDENT the possible presence of lead-based paint and/or lead-based paint hazards in the dwelling and that the RESIDENT has received the Protect Your Home Pamphlet and that both parties

have completed the Disclosure Statement, attached hereto as Schedule B, and which is incorporated as part of this Lease.

24. ADDITIONS AND/OR EXCEPTIONS __

_____

_____.

25. **NOTICES:** All notices to RESIDENT shall be served at RESIDENT'S premises and all notices to OWNER shall be served at:

_____.

26. **INVENTORY:** The premise contains the following items that the RESIDENT may use: _____.

27. **KEYS AND ADDDENDUMS:** RESIDENT acknowledges receipt of the following that shall be deemed part of this Agreement: (Please check)

___ Keys (#of keys and purposes) _____

___ House Rules ___ Pet Agreement ___ Other _____

28. **ENTIRE AGREEMENT:** This Agreement constitutes the entire Agreement between OWNER and RESIDENT. No oral agreements have been entered into, and all modifications or notices shall be in writing to be valid.

29. **RECEIPT OF AGREEMENT:** The undersigned RESIDENTS have read and understand this Agreement and hereby acknowledge receipt of a copy of this Rental Agreement. If RESIDENT does not understand any of the terms and condition contain herein, RESIDENT shall seek competent advice.

RESIDENT'S Signature _____

Date_____

RESIDENT'S Signature _____

Date_____

OWNER'S or Authorized Agency Representative

_____

Date_____

DRAFT DRAFT DRAFT

SPECIAL USE LICENSES

Authority

The Commissioner of the Department of Environmental Protection (DEP) is authorized by Section 22a-6(a)-2 to "enter into contracts with any person, firm, or corporation or association to do all things necessary or convenient to carry out the functions, powers and duties of the department. More specifically, under Section 23-11 of the Connecticut General Statutes (CGS) the Commissioner may "grant revocable licenses for public purposes to any person for the use of any portion of any state forest or state park if said Commissioner finds that such purposes are not in conflict with park or forest purposes."

Pursuant to §23-11 CGS DEP has established a formal process for issuing Special Use Licenses. Persons interested in utilizing State forest or park lands for a dedicated, public purpose must apply to the Commissioner for a Special Use License. DEP's Bureau of Outdoor Recreation (BOR) has prepared an application and a standard permit for use by persons seeking Special Use authorizations. BOR has on the average issued between 100 to 150 licenses per year. Of those, approximately 50 per year seek permission for significant activities such as naval ship moorings, athletic events or fundraisers.

Regulations adopted 1/28/2003 established application fees for Special Use Licenses. Section 23-26-8 of the Regulations of Connecticut State Agencies sets the application fee for non-profit organizations (defined as eligible for, or complying with, section 501 (c) (3) of the Internal Revenue Code) at $25 per application per event.

Policy

As a matter of policy, DEP will examine each request Special Use License to ensure that the activity proposed is for a public purpose consistent with the mission of state park or forest programs. Paramount to DEP's examination shall be resource protection and the maintenance of "public use" and "public access" at the facility while the event is held.

All Special Use License applicants seeking licenses for dates on or after January 1, 2004 shall pay an application fee as prescribed in DEP's fee regulations adopted 1/28/2003, with the following exceptions: federal, state and municipal government agencies, or DEP recognized 501(c)(3) incorporated organizations dedicated to providing continuing support to state parks or forests, and students or not-for-profit organizations engaged in scientific research approved by the DEP. DEP may seek reimbursement for unavoidable expenses incurred in assisting the special use licensee to convene the licensed activity. DEP may assess additional use fees for for-profit activities as deemed appropriate by the Commissioner.

Reimbursements for Special Use Permits

For DEP related expenses incurred while supporting special use licensee activities, to the extent feasible, Department units will make every effort to maximize the commitment of working level staff and seasonal staff at normal hourly wage rates (straight time) to support these events. This may be accomplished by temporarily shifting staff schedules outside of a normal workday to cover and support these activities provided DEP can maintain sufficient staffing during normal business hours to support the public's use of the park or forest. Where schedule shifts cannot provide adequate coverage necessary to support the special use event, DEP unit managers (e.g., Park and Law Enforcement

Divisions) will schedule staff to cover the event outside of normal work shifts. Scheduling staff outside of normal workday hours is governed by collective bargaining agreements, and usually involves overtime or premium pay rates. The final decision as to how a specific special use event will be staffed and supported shall be made by the unit manager. If the unit manager decides to staff and support the event within the unit's existing budget, no bill will be prepared and it will be the unit manager's responsibility to meet budget needs.

Prior to the formal authorization of any event by the issuance of a special use license, unit Supervisors incurring additional costs will prepare a cost estimate of staffing and any extra facility operational expenses. Those cost estimates shall be incorporated in all special use licenses issued for the licensee's endorsement. That estimate will be conditioned to advise the permittee that the estimate may be revised upon completion of the event to reflect actual personnel and other expense costs incurred by DEP.

Additional Use Fees for Special Use Licenses issued to For-Profit Organizations

In most instances, long-term for-profit operations held on state park or forest lands shall be governed by a lease agreements issued pursuant to Section 23-25 of the Connecticut General Statutes or as authorized by Acts of the General Assembly. §23-25 CGS authorizes the Commissioner, with the approval of the Governor, to "grant leases for public purposes to any public authority for any portion of any state forest or state park if said Commissioner finds that such purposes are not in conflict with park or forest purposes." The General Assembly has also adopted a number of Special Acts authorizing the lease of properties held by DEP. For instance, Special Act 84-17 authorized the lease of a portion of Mohawk State Park to Mohawk Ski Area.

From time to time, the Commissioner may find it is in the public's interest to issue special use licenses or to execute contracts under §23-11 CGS with non-profit or for-profit organizations for shorter-term activities on state park or forest land. Summer Music, Inc. (a non-profit organization) has executed a contract with DEP under §22a-6(a)-2 and §23-11 of the CGS to hold public concerts at Harkness Memorial State Park during the summer months. Other examples of such activities or events may include temporary access through DEP-owned land to extract timber or other natural resources from adjacent lands; film-making; outdoor activities such as concerts, recreational events, outdoor expositions, historical reenactments; regattas; or, firework displays.

In addition to assessing a Special Use Application fee and collecting reimbursement payments for DEP's out-of-pocket expenses, DEP shall reserve the right to assess additional fees related to the activities of for-profit organizations who seek special use licenses to generate funds from enterprise activities. DEP shall base its assessment of additional use fees on the amount of money projected to be raised by the activity. As a general rule, DEP's assessment shall not exceed ten percent of the gross take by the event's sponsor. The minimum threshold for DEP's assessment of additional fees shall be $500 dollars in total gross collections. For-profit activities that generate less than $500 dollars or in-kind services or materials worth $500 dollars will not be assessed additional fees by DEP. For such activities, DEP reserves the right to audit such activities to verify financial statements submitted by the special use licensee. Special Use licenses issued to for-profit entities who may realize a profit from enterprise events in state parks or forests shall specify the terms of any assessment for the event where an assessment is levied by DEP.

Billing for Services and Assessments

Once the special use event is completed, DEP line units will work with DEP's Bureau of Financial and Support Services to invoice the special use licensee for actual staffing costs extracted from DEP's timesheet coding system, other expenses incurred, and any additional assessments. In all instances, DEP will assess the licensee hourly wage costs incurred by DEP staff in support of the event as well as fringe benefit costs associated with hourly wages assessed by DEP personnel in support of the event. Other expense invoices (e.g., electricity, equipment, supplies, portable toilets, trash removal, etcetera) shall be prepared by the unit manager.

The final bill will be based on actual staff time, extra facilities expenses incurred and any additional assessments as referenced in the special use license. That bill will be prepared and processed by DEP's Financial Services Unit for final billing. Reimbursement checks will be received and deposited by Financial Services. All bills will be payable to: Commissioner, DEP, Financial and Support Services, c/o Dennis Thibodeau.

Non-governmental and for-profit organizations may be required to pay a deposit prior to the event. Governmental organizations will not be required to secure their event with a deposit payment.

STATEWIDE LAND ACQUISITION PRIORITY RATING SYSTEM

for use under the

RECREATION AND NATURAL HERITAGE TRUST PROGRAM

Updated Version to August 15, 1990

Connecticut Department of Environmental Protection
State Office Building, Room 113
165 Capitol Avenue
Hartford, CT 06106

SECTION 1: INTRODUCTION

As public policy, the State of Connecticut wishes to ensure the long-term protection, preservation, and enhancement of the State's unique natural resources. At the same time, the State has a responsibility to adequately provide for the recreational needs of its residents. In order to achieve these goals, the State must act quickly to acquire those undeveloped and open lands which have special statewide natural resource and recreational significance. Such acquisition was envisioned by the Legislature when it created the Recreation and Natural Heritage Trust Program in 1986. Multiple-year funding for this program authorized by the Legislature will make continued land purchases possible for the first time in many years.

In order to ensure that these funds are used wisely, the Department developed a mechanism for sorting through prospective purchases and for analyzing relative acquisition priorities on a statewide basis. The mechanism being used by the Department, known as the "Priority Rating System of the Recreation and Natural Heritage Trust Program", is explained in this document.

Lands to be acquired can be divided into certain natural resource classes, and some of them are explicitly mentioned in Chapter 453 of the General Statutes (the Act creating the Recreation and Natural Heritage Trust Program). We have developed the following list of property "categories", which include both the statutorily-mandated natural resource classes and DEP's active program objectives for recreation, conservation, and forestry and wildlife management. These categories are as follows:

A. Forest Lands
B. Park and Recreation Lands
C. Urban Greenspaces
D. Ecologic Habitats
E. Wetlands
F. Wildlife Management Areas
G. Lands Affording Fishing and Water Access
H. Trail and River Corridors
I. Ridgetop, Geologic and other Landform Sites
J. Inholdings and Lands Adjacent to State-owned resources

To assist in the acquisition of these important lands, an evaluation system is necessary to ensure that the State acquires properties which are of exceptional value in each of the above categories, and to ensure reasonably equal distribution in functional program areas. This land acquisition priority rating system is used to evaluate land offerings to the State and to prioritize the worth of prospective purchases. It is also used, in conjunction with an assessment of statewide needs within each category, to develop acquisition plans for specific areas around the State which inventory parcels that meet the criteria and which should be acquired in the long-term by the State.

The score sheets for all of these categories were developed, with the assistance of each of the units, as guidelines for the scorers to follow in assessing the resource and/or recreation potential of a given property. Each score sheet presents the major considerations involved in assessing the resource being rated, and assigns relative point values based on the quality of the resource or other related asset. The scorers may also add further comments regarding each property to assist the Committee in its decision-making.

Aside from assessing the resource, these score sheets may assign value to one of the following factors affecting the worth of a parcel to the Department and its programs:

1. Size Value: the measure of the property as a significant holding, judged with respect to similar properties in the area as well as the nature of the natural resources contained upon it. For example, management of wildlife areas may require larger contiguous acreage than that required for an "Urban Greenspace" or fishing access to a stream. While the size of the property or resource on the property is considered for most of the categories, it receives different treatment and point values on each.

2. Public Access Value: the worth of the new access to public land where presently no access, or inadequate access exists, either because of physical barriers, or interruption of state ownership in the area. This value may be based on what the property gives access to, rather than what the property itself offers.

3. Relative Quality of a Resource: the need for or quality of a resource on any property as it relates to the category being scored. A pond on a property may be unsuitable for swimming, but may provide excellent wildlife or plant habitat, and would receive different values depending on the category being used.

4. Property value as it relates to DEP programs or management requirements: the value of a property to the Department may be assessed, for certain categories, in terms of its critical location, or relevance to a particular DEP program. For example, a property may rate no outstanding resource value, but be totally surrounded by State or other protected lands, making its addition to that system of open space necessary to its proper management.

In addition to the criteria evaluated by reviewers, the LARC Committee evaluates each property based on a number of other relevant and important factors, including, but not limited to, the following:

* distribution of land acquisitions previously completed by the DEP;
* availability of gift or partial gift of the property;
* availability of a cooperator to cost-share or assist in the property acquisition or management;

* stewardship needs and special management constraints posed, or potentially alleviated, by acquisition of the property (district field personnel comment on the potential acquisitions from a management perspective using a "Field Summary" form - See Appendix C);

* compatibility of the project with other environmental plans, policies, goals, and objectives (specifically, the Statewide Comprehensive Outdoor Recreation Plan [SCORP] and the State Plan of Conservation and Development);

* the fiscal and economic benefits and burdens resulting from the proposed acquisition;

* the estimated cost of acquisition in relation to the rating of the property;

* the extent to which the property encompasses other land use needs, such as preservation of agricultural land, aquifers, floodplains...;

* proximity of a property to urban areas with growth and development pressures, or to areas with open space deficiencies. A property is considered in proximity to an urban area is it falls within a 10 mile radius of the center points of towns with a population density of 1.5 persons per acre or roughly 1,000 persons per square mile (see attached map);

* vulnerability of a property & its resources to substantial adverse impact or conversion to incompatible uses. This is a measure of the urgency of State acquisition in order to preserve the resource. Whenever possible, a vulnerability rating is given if substantial adverse impact is expected to occur: "A" - within two years; "B" - between two & five years; "C" - between 5 and 10 years. "Substantial adverse impact" is a cumulative assessment, based on factors such as: 1) present condition of the site; 2) any announced plans for development; 3) transfer or proposed transfer or ownership (including public offering of sale); 4) growth rate of the affected municipality; and 5) the relationship of the property with respect to the overall land use plan or pattern of the community.

SECTION 3: SELECTION PROCESS AND CRITERIA FOR ACQUISITION

A number of DEP resource management Units participate in the scoring of proposed land acquisitions. Listed below are the Resource Categories of the rating system and the units assigned to rate each one. Most properties are scored in a number of these categories. It is important to point out that the resource categories themselves are not weighted. No attempt has been made in this system to decide the relative merits of one category in relation to another. Consequently, each category is assumed to be of equal value in the rating scheme. The Commissioner, in deciding which properties to acquire in what sequence, determines the mix of acquisition across the resource categories, giving full weight and consideration to the statutory criteria outlined in the Recreation and Natural Heritage Trust Program Act.

Resource Category or Subcategory	DEP Scoring Unit
A. Forest Lands	Forestry Unit
B. Park and Recreation Lands I. Shore Parks w/ Swimming Potential II. Inland Parks w/ Swimming Potential III. Inland Parks w/o Swimming Potential IV. Scenic/Historic Parks	Parks & Recreation Unit
C. Urban Greenspaces	Land Acquisition & Management Parks & Recreation Unit
D. Ecologic Habitats	Coastal: Coastal Management Inland: Natural Resource Center
E. Wetlands	Tidal: Coastal Management Inland: Natural Resources Center & Water Resources Unit
F. Wildlife Management Areas	Wildlife Bureau
G. Lands Affording: I. Fishing Access II. Water Access	 Fisheries Bureau Fisheries Bureau Parks & Recreation Unit
H. Trails & River Corridors I. Trail Corridors II. River Corridors	Parks & Recreation Unit
I. Ridgetops, Geologic, and Other Landform Sites	Natural Resources Center Parks & Recreation Unit
J. Inholdings and Lands Adjacent to State-Owned Resources	Forestry Unit Land Acquisition and Management Parks & Recreation Unit Wildlife Bureau

5. **Individual property results are compiled.**
When all scores and comments have been received by Land Acquisition and Management, the results are entered into the tracking system and summary reports of the results are generated for each property. Based on these reports, Land Acquisition & Management will prepare its recommendations for the DEP Land Acquisition Review Committee (LARC), which consists of the Commissioner, Deputy Commissioners, and Director of Land Acquisition & Management. Those recommendations are supplied, with the summary information, to LARC at their property review meeting.

6. **LARC meets roughly every two months to review current properties under consideration.**
Results of the reviews and recommendations based on those reviews are presented to the Committee for each property. The Committee will have the benefit of a computer-generated 1:200,000 scale map showing properties under consideration, as well as major roads and rivers, existing DEP lands, and properties previously approved for acquisition. The Committee will make final decisions putting each property into one of four groupings:

1) Properties which it definitely wishes to pursue for acquisition (Status "A" for "Acquire");
2) Properties about which the Committee needs more information to make a decision and will reconsider when that information is provided (Status "C" for "Consider");
3) Properties which should be rejected (Status "T" for "Terminate" file);
4) Properties which the Committee would like pursue, but which circumstances do not allow at the time - these files are kept open and the properties and circumstances monitored periodically (Status "W" for "Wait & Watch").

The formal decision to try to acquire a property will be based on the scores and comments received from reviewers, as well as "other considerations" specified in the Act. In particular, the decisions will take into account: cost; fulfillment of recreation & resource needs; geographic distribution; availability of "cooperators" to assist the State in a project; proximity to urban areas or areas of the State with a deficiency of public open space; priority in terms of State programs or resource of "statewide" interest presented by the property.

NOTE: Properties will not be assigned to a property agent or appraised until they have first been reviewed under the Priority Rating System and approved for further action by the Land Acquisition Review Committee.

7. Decisions of the Committee are entered into the tracking system.
Committee decisions, reasons, and conditions or comments associated with a decision are entered into the tracking system data base.

8. Properties selected for acquisition or for further action are assigned to a property agent; acquisition process begins for approved projects.
Stages in the acquisition process of each property are computer-tracked; status in the acquisition process is recorded as it progresses through the acquisition procedure and updated to both the tracking data base and the GIS digital mapping data base. Status lists are generated and sent to the appropriate scoring units on a regular basis.

9. The Recreation and Natural Heritage Trust Advisory Board meets quarterly to review DEP's property acquisition decisions.
Quarterly reports are provided to the Advisory Board listing past and current acquisitions under the program. The Board provides input on pattern of acquisition, fulfillment of Legislative mandates, geographical distribution of acquisitions, etc. Specific comments or recommendations are included in meeting minutes and the Board's yearly report to the Legislature.

10. Management and Stewardship fund issues as they relate to each successful acquisition are discussed.
Protocols for development of management plans for Recreation & Natural Heritage Trust lands, and for the use of the program's Stewardship Fund proceeds are being developed.

SECTION 2: REVIEW PROCEDURE AND DECISION-MAKING PROCESS FOR THE PRIORITY RATING SYSTEM

1. **Property is identified as available for sale, or a submission requesting a review of the property is received by the Department.**
   Submissions for consideration may come from interdepartmental or outside sources, and must include certain preliminary information, as well as a map of the property. A submission form will be made available to ensure that the minimum information necessary for review is supplied.

2. **Property review information is entered into the computerized data base.**
   After the submission information is entered, acknowledging correspondence is sent to the property owner or submitter. Property sketches of each submission digitally mapped to the Department's Geographical Information System (GIS).

3. **Property information is sent to DEP scoring units.**
   A new review cycle is initiated roughly every two months. A packet of materials containing information on each of the properties to be reviewed in that cycle is collected and distributed to the DEP units involved in the rating procedure. These packets will include:

   * A computer-generated report on each property being reviewed, based on information received in the submission or from subsequent comments and entered into the data base.

   * A computer-generated map of the properties being reviewed in that cycle;

   * A sketch of each property to a topographic map of the area;

   * Additional supporting information available to Land Acquisition & Management and considered helpful to the review.

4. **DEP units evaluate the properties.**
   All resource management units evaluate the properties in the category or categories assigned to them. Each property of potential interest to a unit is given a score from 0 to 100. The scoring units return the scoring sheets for each property to Land Acquisition within roughly a month of receipt of their packet. They may keep the packet information and maps for their own files. The district field offices will also be sent packet information so that their comments may be forwarded to the scoring units for their consideration and included in the review summary.

APPENDIX A

RECREATION & NATURAL HERITAGE TRUST PROGRAM

Sections 23-73 through 23-80 of the
Connecticut General Statutes

CHAPTER 453

RECREATION AND NATURAL HERITAGE TRUST PROGRAM

Sec. 23-73. **Definitions.** As used in sections 23-74 to 23-80, inclusive:

(1) "Appraised value" means the fair market value of property without the consideration of the effect, if any, of dedication or other preservation related restrictions;

(2) "Acquisition" means the acquiring of real property or any interest therein by the department or its cooperators by purchase, gift or devise;

(3) "Commissioner" means the commissioner of the department of environmental protection;

(4) "Connecticut natural diversity data base" or "data base" means the department's computer-assisted inventory of threatened or endangered species, natural systems and geologic features;

(5) "Cooperating entity" or "cooperator" means a private nonprofit land-holding organization, a municipal conservation commission or any other body deemed by the commissioner as satisfactorily able to assist in the acquisition of land or able to serve as primary manager;

(6) "Department" means the department of environmental protection; and

(7) "Program" means the Connecticut recreation and natural heritage trust program created by this section and sections 23-74 to 23-80, inclusive.

(P.A. 86-406, S. 1, 15; June Sp. Sess. P.A. 93-1, S. 14, 45; May 25 Sp. Sess. P.A. 94-1, S. 25, 130.)

History: June Sp. Sess. 93-1 amended section by deleting former Subdiv. (8) which had defined "trust fund" or "fund", effective July 1, 1993; May 25 Sp. Sess. P.A. 94-1 made technical change, effective July 1, 1994.

Sec. 23-74. **Recreation and natural heritage trust program. Purpose.** There is hereby created the recreation and natural heritage trust program to: (1) Acquire land that represents the ecological diversity of Connecticut, including natural features such as river-

ine, montane, coastal and geologic systems or other natural areas, on behalf of the state, in order to ensure the preservation and conservation of such land for recreational, scientific, educational, cultural and aesthetic purposes, (2) acquire land of unusual natural interest as additions to the system of parks, forests, wildlife and fishery management areas, natural areas and dedicated natural area preserves in the state for the beneficial use and enjoyment of the public, (3) acquire land identified as essential habitat for endangered and threatened species pursuant to the program established under section 26-305 and (4) establish a stewardship account to provide for the maintenance, protection and management of lands acquired pursuant to the provisions of sections 23-73 to 23-80, inclusive, and of the species that inhabit them.

(P.A. 86-406, S. 2, 15; P.A. 89-224, S. 13, 22.)

History: P.A. 89-224 inserted new Subdiv. (3) re acquisition of land identified as essential habitat for endangered and threatened species, renumbering former Subdiv. (3) as (4).

Sec. 23-75. Land acquisition. Criteria. (a) The commissioner of environmental protection shall acquire land by purchase, gift or devise for the purposes set forth in section 23-74. The title to any land acquired pursuant to sections 23-73 to 23-80, inclusive, shall be vested in the state. In determining whether sites shall be acquired, the department shall consider whether the site is: (1) Identified as having high priority recreation, forestry, fishery, wildlife or conservation value and as being consistent with the state comprehensive plan for outdoor recreation and the state plan of conservation and development; (2) a prime natural feature of the Connecticut landscape, such as a major river, its tributaries and watershed, mountainous territory, an inland or coastal wetland, a significant littoral or estuarine or aquatic site or any other important geologic feature; (3) habitat for native plant or animal species listed as threatened or endangered or of special concern in the data base or pursuant to the program established under section 26-305, particularly areas identified as essential habitat for such species; (4) a relatively undisturbed outstanding example of a native ecological community which is now uncommon; or (5) threatened with conversion to incompatible uses or contains sacred sites or archaeological sites of state or national importance. In acquiring a site that has been identified as having a high priority recreation value, the department shall give priority to sites near population centers.

(b) No site shall be acquired which has not been evaluated by the department, through the data base, to determine if threatened or endangered species or species of special concern inhabit or use the site or to determine if the site is of special ecologic quality or has other outstanding natural values as a community of living things.

(c) No site which is to be acquired with the assistance of a municipal cooperator shall be acquired unless the department and such cooperator enter into a written agreement which specifies the recreational activities which will not be allowed on such site. Such agreement may be modified at any time by mutual consent of the municipal cooperator and the department.

(P.A. 86-406, S. 3, 15; P.A. 87-448, S. 1, 6; P.A. 89-224, S. 14, 22; 89-368, S. 14; P.A. 91-378, S. 7.)

History: P.A. 87-448 amended Subsecs. (a) and (b) to authorize the commissioner to consider species of special concern in decisions on acquisition and amended Subsec. (a) to require that priority be given to acquisition of sites near population centers; P.A. 89-224 added reference to the program established under Sec. 26-305 in Subdiv. (3) of Subsec. (a); P.A. 89-368 amended Subdiv. (5) of Subsec. (a) to make the presence of a sacred or archaeological site a factor that may be considered by the commissioner in acquisition of a site; P.A. 91-378 added a new Subsec. (c) concerning certain agreements between the department and municipal cooperators.

Sec. 23-76. Acquisitions list. Stewardship account income. The department shall maintain and quarterly revise a list of acquisitions made pursuant to sections 23-73 to 23-80.

inclusive. Such list shall include the acreage of each acquisition and shall identify the cooperating entity or the section or division of the department which has primary management responsibility or the right to receive income from the stewardship account established pursuant to section 23-79 for such acquisition. The department shall have primary management responsibility and the right to receive stewardship account income for that responsibility except where there are contrary indications in other preservation-related restrictions or agreements controlling the management of a site or where there was a contrary agreement filed with the department when the acquisition was made. The commissioner may name a cooperator to receive income from the stewardship account.

(P.A. 86-406, S. 4, 15.)

Sec. 23-77. **Funding sources for program purposes.** (a) Resources from the following sources shall be used by the commissioner of environmental protection to effect the purposes of the program: Proceeds from the sale of any bonds authorized for the purposes of sections 23-73 to 23-80, inclusive, and any funds received as contributions from governmental or private sources.

(b) The resources of the program may be applied and expended to: (1) Acquire property or an interest in property; or (2) maintain lands pursuant to a stewardship account authorized under section 23-79. The provisions of subdivision (1) of this subsection shall apply to all costs incurred by the commissioner or a cooperating entity that the commissioner determines are directly related to the acquisition of the property.

(c) Payments from program resources may be made to cooperating entities for program acquisitions provided the commissioner has issued to such entity a letter of intent requesting assistance in an acquisition. A cooperating entity may request a letter of intent for a proposed acquisition. Upon submission of a cooperating entity's expenses for acquisition and related costs to the department pursuant to a contract for such acquisition, the commissioner or his designee shall authorize payment of expenses at reasonable intervals during the acquisition process, as determined by the commissioner.

(P.A. 86-406, S. 5, 6, 15; P.A. 87-448, S. 2, 6; June Sp. Sess. P.A. 93-1, S. 15, 45; P.A. 94-175, S. 20, 32; May Sp. Sess. P.A. 94-4, S. 80, 85.)

History: P.A. 87-448 amended Subsec. (a) to authorize municipal contributions to the fund and amended Subsec. (c) to clarify the eligibility for payment from the fund of any cost related to property acquisition; June Sp. Sess. P.A. 93-1 amended section by deleting references to a recreation and natural heritage trust "fund", substituting references to "program" and deleted former Subsec. (b) which had required that the fund be used for purposes of the program, relettering remaining Subsecs. accordingly, effective July 1, 1993; P.A. 94-175 amended Subsec. (a) to delete provisions requiring that fund be held separate from other moneys, that investment earnings be credited to assets, that year-end balances be carried forward and that payments require commissioner's authorization, effective June 2, 1994; May Sp. Sess. P.A. 94-4 revised effective date of P.A. 94-175 but without affecting this section.

Sec. 23-78. **Matching funds.** Any moneys authorized for the program may be expended with matching funds from: (1) Private contributions of cash or securities, in an amount not less than twenty per cent; (2) moneys from a federal matching program, subject to the limitations of applicable federal and state laws, in an amount authorized by said federal program; (3) contributions of real property, or interest therein, that serves recreational and natural heritage land acquisition needs of the department as determined by the commissioner; (4) municipal contributions of cash or securities, in an amount not less than twenty per cent, or (5) any combination thereof. Contributions of land or interest in land shall be valued, for purposes of this section, in the amount of their appraised value.

(P.A. 86-406, S. 7, 15; P.A. 87-448, S. 3, 6; June Sp. Sess. P.A. 93-1, S. 16, 45.)

History: P.A. 87-448 deleted the fifty per cent matching contribution requirement and made expenditures from the fund discretionary rather than mandatory, amended Subdiv. (1) to require matching contributions from private entities of twenty per cent, added Subdiv. (4) concerning municipal contributions and renumbered the remaining Subdiv. accordingly; June Sp. Sess. P.A. 93-1 amended section by substituting references to "program" for references to "fund", effective July 1, 1993.

Sec. 23-79. Stewardship account. To ensure the proper management of land acquired pursuant to sections 23-73 to 23-80, inclusive, concurrent with each land acquisition, an amount not to exceed twenty per cent of the appraised value of the land may be allocated from the proceeds of bonds authorized for the purposes of this program to be used for the management of acquisitions or to be deposited in a stewardship account which shall be established by the comptroller as a separate nonlapsing account within the general fund. Income derived from the investment of such account shall be credited to such account and such account shall be used for the management of acquisitions. The commissioner may name a cooperator as primary manager of the land and on such nomination may authorize, at reasonable times and in reasonable amounts, payments to the primary manager for expenses incurred in the management of program acquisitions. A cooperator shall not be required to provide matching funds for any expenditure from a stewardship account.

(P.A. 86-406, S. 8, 15; P.A. 87-448, S. 4, 6; June Sp. Sess. P.A. 93-1, S. 17, 45; May 25 Sp. Sess. P.A. 94-1, S. 26, 130.)

History: P.A. 87-448 added provision that cooperators shall not be required to match stewardship account expenditures; June Sp. Sess. P.A. 93-1 amended section by deleting references to "fund" and authorized use of bond proceeds for management of acquisitions, effective July 1, 1993; May 25 Sp. Sess. P.A. 94-1 made technical change, effective July 1, 1994.

Sec. 23-80. Advisory board. Annual report. (a) There is established an advisory board to advise the commissioner in carrying out the provisions of sections 23-73 to 23-79, inclusive, to recommend priorities for types of properties to be acquired and to evaluate and make recommendations on the program. The board shall consist of nine members as follows: One member of the joint committee of the general assembly having cognizance of matters relating to the environment, one member of the legislative committee on state planning and development, the commissioner of environmental protection and the secretary of the office of planning and management or their designees and five representatives of environmental organizations with experience in land acquisition. The members, other than said commissioner and said secretary, shall serve terms of three years and shall be appointed as follows: Two by the governor, one by the president pro tempore of the senate, one by the minority leader of the senate, one by the speaker of the house of representatives, one by the minority leader of the house of representatives and one jointly by the chairmen of the joint standing committee of the general assembly having cognizance of matters relating to the environment. The board shall elect a chairman from among its membership and shall first make such election on or before July 1, 1986.

(b) Annually, on or before February fifteenth, the board shall submit a report of its findings and recommendations to the general assembly.

(P.A. 86-406, S. 9, 15; P.A. 87-448, S. 5, 6; P.A. 91-405, S. 3.)

History: P.A. 87-448 authorized the board to recommend priorities for types of property to be acquired; P.A. 91-405 amended Subsec. (a) to change method of appointment of legislative members.

APPENDIX B

RECREATION & NATURAL HERITAGE TRUST PROGRAM

Prospective Property Acquisition
Submission Form

PROSPECTIVE LAND ACQUISITION SUBMISSION FORM REV 07/11/01
CONNECTICUT'S RECREATION AND NATURAL HERITAGE TRUST PROGRAM

* * * * * * * * * DO NOT WRITE IN THIS SPACE * * * * * * * * *

This section will be filled out by DEP Land Acquisition

RN 2001 - Submission Date:

Property Name: _____

Please Note: A map of the property MUST accompany this submission. We will accept a survey showing AT LEAST two area roads and/or a copy of the Town Assessor's map showing boundary distances, if available, and AT LEAST two area roads. If neither of these is available, please call (860) 424-3016 before submitting.

Has the property been submitted to this office for review previously? _____ If yes, when? (Month/Year) _____

Does the property being submitted border any DEP land? _____

If yes, name which Park, Forest, Wildlife Mgt. area. _____

SUBMITTED PROPERTY'S STREET ADDRESS: _____

TOWN(S): _____

Total Acreage: _____ Number of parcels: _____

Property's current use: _____

If the property has been appraised, may we have the date of appraisal and the value? _____

Is property offered for DONATION or SALE to the State? (circle one)

If for sale, what is the asking price? $_____

Please list all structures and/or foundations on the property: _____

Is the property subject to Rights-of Way or easements to others? _____

Please write a brief description of the property *on the back side of this page.* (Include topography, significant or historic features, possible rare or endangered species, whether there are special terms or conditions of sale, and town zoning designation.)

* * * * * * * * * * * *

Name of PERSON SUBMITTING this property:

Mr. Ms. Mrs. _____

Your relation to the property: _____

Name of OWNER(S) of property:

Mr. Ms. Mrs. _____

Address: _____

Town: _____ State: _____ Zip: _____

Who shall we CONTACT for all future correspondence?

Name: Mr. Ms. Mrs. _____

Address: _____

Town: _____ State: _____ Zip: _____

Telephone @ Home: _____ Work: _____

Your relation to the property: _____

SEND FORM AND MAP TO:

APPENDIX C

RECREATION & NATURAL HERITAGE TRUST PROGRAM

Revised Review System Score Sheets

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY A: FOREST USES

Rating Score		Property Characteristic
1. _____	0-20	Has potential for use as a forest demonstration area for aesthetic, management practices, educational or scientific purposes.
2. _____	0-20	Has potential for high value growth, or contains uncommon forest species.
3. _____	0-15	Presents multiple use opportunities in addition to forest management.
4. _____	0-15	Easily operable for forest management, multiple use management, or water protection.
5. _____	0-10	Possesses aesthetic or scenic appeal of an unusual nature.
6. _____	10	Property size is: over 200 acres.
_____	7	151 to 200 acres.
_____	5	101 to 150 acres.
_____	3	0 to 100 acres.
_____	7	Size is less than 100 acres but represents unique forestry related opportunity or important access/linkage. Note the feature or use: _____
7. _____	5	Presents opportunity for future expansion.
8. _____	5	Presents public access value.
_____	TOTAL	(out of a possible 100 points.)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY B: PARK AND RECREATION LANDS

Choose from the following four subcategories:

I. SHORE PARK LANDS WITH SWIMMING POTENTIAL
II. INLAND PARK LANDS WITH SWIMMING POTENTIAL
III. INLAND PARK LANDS WITHOUT SWIMMING POTENTIAL
IV. SCENIC/HISTORIC PARK LANDS

I. SHORE PARK LANDS WITH SWIMMING POTENTIAL

Rating Score	Property Characteristic
1.	NEW AREA: Property provides:
_____ 50	more than 500 linear feet of beach.
_____ 40	251-500 linear feet of beach.
_____ 30	101-250 linear feet of beach.
_____ 20	less than 100 linear feet of beach.
	ADDITION TO EXISTING AREA: Property provides:
_____ 30-50	more than 100 linear feet of beach.
_____ 0-25	less than 100 linear feet of beach.
2.	Swimming area (including this acquisition) would provide:
_____ 30	adequate acreage for public parking and facilities and has suitable depth for additional recreational development.
_____ 20	minimum necessary acreage and depth to provide for parking and some recreational development.
_____ 15	adequate acreage for swimming area alone.
3.	Location of swimming area (including this acquistion):
_____ 15	is easily accessible from an existing State Highway.
_____ 10	accessible from existing, well-maintained Town Road.
_____ 5	currently provides insufficient access but improved access development possible.
4. _____ 5	Area offers potential for future beachfront expansion or acquisition completes park or public swimming area.
_____ Total	(out of a possible 100 points)

Comments: _____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY B: PARK AND RECREATION LANDS, CONTINUED

II. INLAND PARK LANDS WITH SWIMMING POTENTIAL:

Rating Score	Property Characteristic
	NEW AREA: Property would provide swimming for:
1. _____ 50	more than 1,000 people;
_____ 40	between 500 & 1000 people;
_____ 20	between 250 & 500 people;
_____ 10	less than 250 people.
	ADDITION TO EXISTING AREA: Property would provide swimming for:
_____ 50	more than 250 people;
_____ 30	less than 250 people.
2.	Property size (in conjuction with adjacent DEP land, if appropriate) is:
_____ 20	over 100 acres;
_____ 15	between 50 & 100 acres;
_____ 10	is 50 acres or less.
3. _____ 10	Property presents no peculiar management problems, access or recreational development constraints.
4.	Location of swimming area (with this acquisition):
_____ 10	is easily accessible from an existing State Highway.
_____ 5	has access from an existing, well-maintained Town Road.
_____ 2	currently has insufficient or no developed access.
5. _____ 10	Potential exists for future expansion of swimming access or acquisition completes park or swimming area.
_____ Total	(out of a possible 100 points)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY B: PARK AND RECREATION LANDS, CONTINUED
III. INLAND PARK LANDS WITHOUT SWIMMING POTENTIAL

Rating Score	Property Characteristic
	NEW AREA:
1. _____ 25	Property includes major waterbody or stream, suitable for water-related activities. (boating, canoing, etc.)
_____ 20	Property includes small waterbody or brook, not suitable for water-related activities.
_____ 10	Property contains little or no water access.
_____ 0-25	ADDITION: Property will allow new type of recreation in park, or provide unusual recreational, scenic, or landscape feature. Note feature:_____
2.	PHYSICAL CHARACTER: Primary topography is:
_____ 25	higly varied or extremely unusual, with points of natural interest.
_____ 15	somewhat varied or unusual; partially wooded topography.
_____ 5	open pastureland, fields or other non-wooded lands.
3.	Property size is:
_____ 10	over 200 acres
_____ 7	between 100 & 200 acres.
_____ 5	less than 100 acres.
4. _____ 10	Presents no peculiar management problems or recreation development constraints.
5.	Location of area (with this acquisition):
_____ 10	is easily accessible from an existing State Highway.
_____ 5	has access from an existing, well-maintained Town Road.
_____ 2	currently has insufficient or no developed access.
6. _____ 0-20	Extent to which acquisition would contribute to any of the following: passive & active recreation activities; preservation of a trail segment; rerouting of a problem trail segment; state, regional, or municipal open space plans for the area; an open space, conservation, or recreation "corridor"; important watershed or aquifer protection.
Total	(out of a possible 100 points)

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY B: PARK AND RECREATION LANDS, CONTINUED

IV: SCENIC/HISTORIC PARK:

Rating Score	Property Characteristic
1.	Property contains landmarks, scenic, historic, or archaeological atributes which are of:
_____ 50	national or statewide significance;
_____ 40	regional significance or unusual in nature;
_____ 30	local historic value.
2.	Property size is:
_____ 15	over 50 acres;
_____ 10	between 10 & 50 acres;
_____ 5	less than 10 acres.
3.	Location of area (with this acquisition):
_____ 15	is easily accessible from an existing State Highway.
_____ 10	has access from a well-maintained Town road.
_____ 5	currently has limited or no developed access.
4. _____ 0-15	Property provides opportunity for passive or active recreation in addition to scenic/historic attributes.
5. _____ 5	This property provides an appropriate expansion of or potential exists for future acreage expansion and/or already abuts DEP or Town open space.
_____ Total	(out of a possible 100 points)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY C: URBAN GREENSPACE (Urban being defined as located in towns of populations greater than 30,000 or density > than 1,000/square mile)

Rating Score		Property Characteristic
1. _____	40-50	Extent to which property: Provides recreational access to an urban waterway or shoreline.
_____	30-40	Provides significant scenic access to an urban river or shoreline.
_____	20-30	Provides significant scenic or recreational lands without water access.
2. _____	0-20	Provides protection of some unique recreational, scenic, cultural, historic or natural resource. Note feature: _____
3. _____	0-15	Part of an existing state or municipal open space, recreational, or conservation plan, or adjacent to existing public or private dedicated open space land.
4. _____	10	Location is easily accessible from a town road.
_____	5	Location is accessible from a town road with some minor development.
5. _____	5	Likely to be accessible from or within walking distance of public transportation.
_____	TOTAL	(out of a possible 100 points.)

use only one line

use only one line

Comments: _____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY D: ECOLOGICAL HABITATS

Rating Score	Property Characteristic
1. _____ 25-30 _____ 20-25 _____ 15-20 (use only one line)	Site contains an important habitat type in CT such as a traprock ridge, sand plain, or calcareous wetland: Critical in the State or region. An excellent example of habitat in the State. With management could be an excellent example of habitat in the State.
2. _____ 25 _____ 20 _____ 10 (use only one line)	Ecological diversity of the site is: High Medium Low
3. _____ 0-20	Biological potential of the site is high. (There is the potential of one or more state or federally listed Endangered, Threatened or Species of Special Concern; an intact example of a Natural Community, a high concentration of particular species, important roosting area for birds or other wildlife, or some other biological reason for acquisition. List predominant reason: _____
4. _____ 10-15 _____ 0-10 (use only one line)	Proposed tract(s) and contiguous land would: -be greater than 100 acres or would be a self-sufficient example of an important habitat type. -provide substantial protection of an important habitat type.
5. _____ 5	Parcel is removed from public access problems.
6. _____ 5	Parcel has, or reasonable potential exists for, education or research use.
_____ Total	(out of a possible 100 points)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY E: WETLANDS

Rating Score	Property Characteristic
1. _____ 0-40	Wetland exhibits at least one of the following features: one or more state or federally listed endangered, threatened, or species of special concern; outstanding productivity; rare, infrequent, or critical habitat type; significant concentrations of plants and/or animals; rare or infrequent biological communities; or is a scientific or research area. List predominant feature(s): _____
	OR
	Wetland is valuable in performing (esp. in a basin with significant wetland loss, flood hazard, public water supply potential, or excessive sedimentation/erosion) at least one of the following functions: flood control, nutrient retention and sediment trapping, or shoreline anchoring and dissipation of erosive forces. List predominant function(s): _____
2. _____ 15 } use only one line _____ 10 }	Condition of wetland: Healthy Somewhat degraded but shows significant potential for complete restoration.
3. _____ 0-15	INLAND WETLAND: Contains three or more of the following wetland structural groups: emergent herbaceous covertypes or emergent or wet meadow vegetation constituting at least one-quarter of the area of the wetland; woody covertypes, of deciduous swamp, coniferous swamp, or shrub swamp constituting at least one-quarter of the area of the wetland; and water covertypes, of submergent vegetation, floating vegetation, or wetland open water constituting at least 15 percent of the area of the wetland. TIDAL WETLAND: Contains three or more of the following habitat types within the property: intertidal marsh; fresh coastal marsh; high marsh; shoal, bars, and flats; formerly-connected marsh.

CATEGORY E: WETLANDS
Page 2

4. _____	10	WATER ACCESS: Is contiguous to permanent open water equal to or greater than six feet in depth or is contiguous to one or more year-round streams classified SB or higher by DEP.
_____	5	Is contiguous to permanent open water less than six feet in depth.
5. _____	10	Includes spawning and/or nursery grounds for fish and other important aquatic organisms; adjoins recreational or commercial marine or estuarine finfish and shellfish harvesting areas; provides waterfowl and furbearer habitat.
6. _____	10	Property plus adjoining federal, state, local government or non-profit conservation organization preserves provide sufficient protection of wetland, and/or this property alone is of a sufficient size to protect wetland resource.
_____	5	Expansion of state ownership in addition to this property would be necessary to protect resource.
7. (INFORMATIONAL-NO POINT VALUE)		This property plus existing federal, state, municipal, or non-profit conservation organization preserves comprises: (check one) ___ 75-100% of the wetland, ___ 50-75% of the wetland, ___ 25-50% of the wetland, ___ 0-50% of the wetland.
_____	TOTAL	(out of a possible 100 points.)

Comments: _____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY F: WILDLIFE MANAGEMENT AREAS

Rating Score		Property Characteristic
1. _____	0-25	Provides suitable habitat type for management and conservation of selected harvested or non-harvested wildlife species.
2. _____	0-20	Contains populations of year-round resident and/or migratory harvested or non-harvested wildlife species.
3. _____	0-10	Provides opportunities for both active and passive multiple-use.
4. _____	0-10	Exhibits a diversity of habitat throughout the site.
5. _____	5	Contains or adds to the minimum geographic area necessary, together with associated buffer, to allow safe and productive management of the wildlife species' populations.
6. _____	5	Is a suitable habitat area for recovery or reintroduction of selected species.
7.		Property size is:
_____	10	over 300 acres.
_____	7	between 200 & 300 acres.
_____	5	between 100 & 200 acres.
_____	7	less than 100 acres, but represents unique wildlife related opportunity or important access/linkage. Note the feature or use: _____
8. _____	0-10	Has potential for educational or research activities associated with wildlife.
9. _____	5	Public access value.
_____	TOTAL	(out of a possible 100 points.)

Comments: _____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY G: LANDS AFFORDING FISHING AND WATER ACCESS

I. FISHING ACCESS:

Rating Score		Property Characteristics
1. _____	0-40	QUALITY: Consider such things as type and uniqueness of fish habitat; contribution to protection of important watershed, streambank, or coastline; etc.
2. _____	0-30	PROPERTY SIZE OR LENGTH OF ACCESS: Extent to which property provides adequate access to fishing and/or provides substantial protection of important fishing area.
3. _____	0-20	ACCESSIBILITY TO FISHING: Extent to which the fishing area on this property is accessible to the public, or extent to which this property provides access to an otherwise inaccessible fishing area.
4. _____	0-10	Acquisition would contribute to anadramous fish restoration, fisheries program or waterway protection. Note the program: _____
_____	TOTAL	(out of a possible 100 points.)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY G: LANDS AFFORDING FISHING AND WATER ACCESS

II. WATER ACCESS

Rating Score		Property Characteristic
1. _____	25-35	Property has potential for boat launch access: in high priority recreational area (e.g. CT River, L.I. Sound)
_____	0-25	in lower priority recreational area.
2. _____	10-25	Property (and existing adjacent recreation land if available) provides adequate acreage for parking and launching of vessels with a minimum amount of site development.
_____	0-10	Property needs extensive site preparation work or additional land acquisition to enable access to water.
		GENERAL ACCESSIBILITY:
3. _____	15-25	Adequate access to water presently available with little or no development required.
_____	5-15	Will require significant development to provide for public access to water.
_____	0- 5	Will require major development to provide for public access to water.
4. _____	0-15	Anticipated maintenance requirements to upkeep launch area on property. (15 points for little or no anticipated maintenance.)
_____	Total	(out of a possible 100 points)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY H: TRAILS AND RIVER CORRIDORS

I. TRAILS

Rating Score		Property Characteristic
1. _____	30	Property provides a key segment of a trail network, such as the Blue Trail, or segment of historic right-of-way; provides linkage to the network, or an alternative to a problem or threatened segment.
2. _____	25	Provides linkage between existing parks, recreation areas, other trails, or conservation/publicly-owned open space.
3. _____	25	Provides at least one of the following: a necessary road crossing; a trailhead; or campsite locations with water access. <u>or</u> Provides exceptional scenic value, such as ridgeline or riverside routing, and/or access to important natural features (i.e. waterfalls).
4. _____	10	Provides potential for multiple use (hiking, biking, cross-country skiing, etc.)
5. _____	10	Provides or is in the vicinity of adequate parking for hikers, etc.
_____	Total	(out of a possible 100 points)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY H: TRAILS AND RIVER CORRIDORS

II. RIVERS

Rating Score		Property Characteristic
1. _____	30	Contributes to the preservation of a natural, undeveloped river corridor of high water quality (SB or higher).
2. _____	25	Provides access to a substantial segment length of the river, or adds to a publicly-owned length.
3. _____	15	Contains sufficient water volume to permit water-based recreational activities (subject to normal seasonal fluctuations); not subject to periodic upstream flow regulation which would seriously inhibit recreational value or experience of the resource.
4. _____	5	Is not impounded by dams or artificial barriers which increase water levels above the banks of the natural channel.
5. _____	10	Provides adequate potential access or is in the vicinity of existing access, including portage points and public parking areas.
6.		Length of the river corridor containing this property which is currently undeveloped:
_____	15	over 10 miles in length.
_____	10	5-10 miles in length.
_____	5	3-5 miles in length.
_____	Total	(out of a possible 100 points)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY I: GEOLOGIC AND LANDFORM FEATURES OF CONNECTICUT

Purpose: To rank those features that are of geologic significance for science or public education, and natural landform features that are especially significant, distinctive, or representative of the Connecticut landscape.

Rating Score		Property Characteristics
		QUALITY OF FEATURE:
1. _____	35-40	Highest quality: Regional or State significance; best or selected standard type and/or high scenic significance (landform)
_____	25-35	Very significant: State significance, one of the best in that region of the State, selected type for area of state.
_____	0-25	Good: Good example, significant beyond town.
		Note feature: _____
		QUANTITY OF PROTECTION:
2. _____	25-30	Highest: Will protect or complete protection of all of feature
_____	15-25	Significant: Will protect most or complete protection of most of the feature
_____	0-15	Moderate: Will protect some portion of the feature
		MANAGEMENT NEEDS:
3. _____	10-20	Lowest: Requires minimum additional DEP management
_____	0-10	Moderate: Requires some management
_____	0	Highest: Requires significant DEP managment
4. _____	0-10	ADDITIONAL VALUE: Contributes to other land protection objectives; adds to existing state land, etc.
		Note value: _____
_____	TOTAL	(out of a possible 100 points.)

Comments: _____

_____

_____

RN #: _____ Date: _____

Property Name: _____ Parcel #: ____

Unit: _____ Reviewer: _____

CATEGORY J: INHOLDINGS & LANDS ADJACENT TO STATE-OWNED RESOURCES

Rating Score		Property Characteristic
1. _____	45-50	Affects in a critical way long-term management potential; acquisition would correct an existing resource management conflict or ease extremely difficult management situation.
_____	40-45	Affects in a significant way long-term management potential; acquisition would correct a potential resource management conflict or ease a difficult management situtation.
_____	35-40	Is located in the interior or DEP lands, but does not impair long-term management.
_____	0-30	Borders DEP lands and would be an expansion of state holdings.
2. _____	25	Property is totally surrounded by DEP land.
_____	20	Property is surrounded on two or more sides by DEP lands or falls within the boundaries of a recognized acquisition plan area. (attach copy of plan, if applicable)
_____	10	Property abuts existing DEP lands.
3. _____	10	Enables completion of a State recreational or natural resource program which could not exist without this property. Note program: _____
4. _____	10	Provides water access or unique physical characteristic.
_____	5	Acquisition would provide some other asset to DEP or public. Note asset: _____
5. _____	5	Public Access Value.
_____	TOTAL	(out of a possible 100 points.)

Comments: _____

_____

_____

RN#_____ Date_____

Property Name_____ Parcel #_____

Unit: DEP Greenways
Assistant Commissioner's Office

Reviewer_____

CATEGORY K: GREENWAYS (OPEN SPACE CORRIDORS)

Rating Score	Property Characteristics
1) _____(30)	Property provides a key segment to existing or developing greenways project (as identified by greenways project registry).
2)_____(30)	Property connects preserved open space (state, town, private non-profit).
3)_____(25)	Property protects key linear natural features addressed within State Plan of Conservation and Development.
4)_____(15)	Property provides buffer on existing or developing greenway (as identified by greenways project registry.

_____Total

Comments:_____

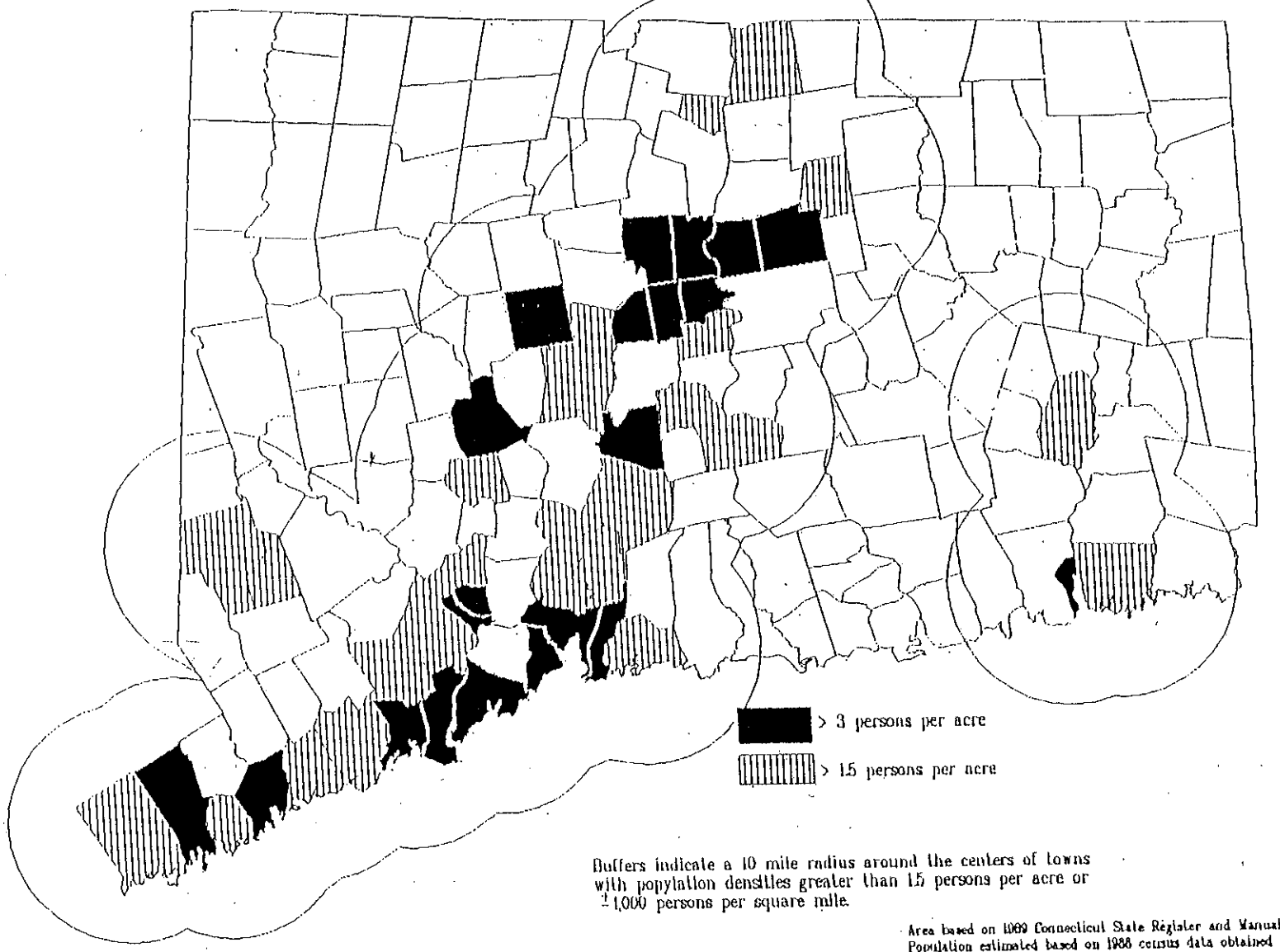
APPENDIX D

RECREATION & NATURAL HERITAGE TRUST PROGRAM

Map showing 10 mile buffers around towns with population densities of greater than 1.5 persons/acre or approx. 1,000 persons/sq. mile. Used in judging "proximity to population centers" (see Section 23-75 of the Connecticut General Statutes - "....In acquiring a site that has been identified as having a high priority recreation value, the department shall give priority to sites near population centers.")

Recreation and Natural Heritage Trust Program

Proximity to Population Centers



Buffers indicate a 10 mile radius around the centers of towns with popylation densities greater than 1.5 persons per acre or ±1,000 persons per square mile.

Area based on 1989 Connecticut State Register and Manual
Population estimated based on 1988 census data obtained from OPM.

OPEN SPACE & WATERSHED LAND ACQUISITION GRANT PROGRAM
OPEN SPACE LAND ACQUISITION

The following is a point score ranking system. This objective method of scoring has been developed in order to assign a relative numeric score to specific elements. These elements have been identified as being of primary concern as they relate to the acquisition of open space as defined in C.G.S. 7-131c-k.

ADMINISTRATIVE

APPLICANT: (Circle one)	MUNICIPALITY	NONPROFIT (Land Trust - IRS)	WATER COMPANY CGS 25-32a

DISQUALIFYING CHARACTERISTICS - OTHER ADMINISTRATIVE CHARACTERISTICS

1. *Commercial purposes (except for forest management or agricultural use) (PROJECT IS REJECTED)*
2. *Site is land to be used for recreational purposes requiring intensive development. (PROJECT IS REJECTED)*
3. *Site is land associated with environmental contamination (PROJECT IS REJECTED)*
4. *Land is to be acquired by eminent domain (PROJECT IS REJECTED)*
5. *Land was acquired by applicant prior to the grant application deadline (PROJECT IS REJECTED)*

Municipality

5 pts Distressed and or Targeted (5 pts each) Office of Policy & Mgmt. C.G.S. 32-9p
5 pts Development Designation\Waiver Dept. Of Econ & Comm. Dev. C.G.S. 8-336f(d)(6) Sub-total ____.

Cooperation (multi-town or regional in scope.)

5 pts proposed acquisition submitted by multiple sponsors
5 pts proposed acquisition to occur in multiple towns Sub-total ____.

Funding Availability

5 pts required municipal, corporate, or organization approvals obtained
5 pts funding held in escrow for project
10 pts municipal, corporate or organizational acquisition fund established with funds Sub-total ____.

Title work, surveys and appraisals available.
(Supporting documentation but not required - credit awarded for providing)

2 pts. survey available (in accordance with applicable regulations) (A2)
2 pts. cost estimate
5 pts. appraisal document complete (in accordance with DEP standards) Sub-total ____.

Property acquisition status (acquisition within a six to twelve months)
(Supporting documentation but not required - credit awarded for providing)

2 pts. property is currently on the market (willing seller, clearly identified)
5 pts land available for donation
5 pts land available as a bargain sale
5 pts. evidence of landowner and applicant agreement on sale
(Purchase & Sales Agreement, DPUC Approval) Sub-total ____.

Property is free from any lien, claim, encumbrance or easement that would prevent the property from being used for open space purposes.

5 pts title certificate and deed reveal no lien, claim, encumbrance or easement that would prevent the property from being used for open space purposes Sub-total ____.

Maintenance and operations of the project area.

5 pts demonstrated past management history of similar areas
5 pts stewardship funding available Sub-total ____.

TOTAL SCORE OF ADMINISTRATIVE ____.

RESOURCE EVALUATION

RECREATIONAL VALUE

5 pts provides beach or shoreline frontage suitable for swimming, boating, fishing
3 pts provides adequate access and parking
5 pts provides passive recreation opportunities
5 pts contributes to existing passive or active recreation on adjacent land
5 pts contains landmark, scenic, historic, cultural or archaeological significance Sub-total ____.

OPEN SPACE VALUE

4 pts property adjoins existing open space land on one side.
6 pts property is abutting existing open space land on two sides
8 pts property is abutting existing open space land on three sides
10 pts property is surrounded entirely by existing open space land Sub-total ____.

NATURAL RESOURCE VALUE

Site is valuable for forestry because (Division of Forestry) Score (0-25 pts.)

1. has potential for high value timber growth
2. contains uncommon forest species
3. easily manageable for forest products
4. provides opportunities for educational or research activities Sub-total ____.

Site is valuable for fisheries management because (Division of Fisheries) Score (0-25 pts).

1. contributes to protection of important watershed, stream bank or coastline
2. provides quality fish habitat
3. provides unique fish habitat
4. provides access to fishing opportunities
5. contributes to anadramous fish restoration
6. provides opportunity for educational or research activities Sub-total ____.

Site is valuable for conservation of wildlife because (Division of Wildlife) Score (0-25 pts)
(Harvested Species = Hunted Species : Non-Harvested Species = Non-Hunted Species)

1. provides habitat for management of harvested or non-harvested species
2. contains population of resident harvested or non-harvested species
3. contains population of migratory harvested or non-harvested species
4. exhibits a diversity of habitat throughout the site
5. provides suitable habitat for recovery or reintroduction of species
6. provides opportunity for educational or research activities Sub-total ____.

Site is valuable for conservation of natural resources because (Natural Resources Center) Score (0-25 pts)

1. provides protection for an important habitat type (i.e. Traprock ridge, sand plain, or calcareous wetland)
2. exhibits ecological diversity (common or unique)
3. provides protection for state or federal listed (circle classification)
   endangered threatened species of special concern
4. represents an intact example of a natural community or uncommon community
5. represents an important roosting area for birds of concern or breeding area for species of concern
6. exhibits a high concentration of species of concern
7. with contiguous land would provide substantial protection of a significant habitat type
8. provides opportunity for educational or research activities
9. provides protection for a habitat type that is rare, infrequent, or otherwise critical Sub-total ____.

Site is a prime natural feature of the state's landscape (Natural Resources Center) Score (5 pts each)

Riverine Mountain Coastal Inland wetland Tidal wetland Sub-total ____.

Site is valuable for preserving local agricultural heritage (Department of Agriculture) Score (0-25 pts)

1. site is currently an food-producing farm
2. because there are other active farms or protected land exist in region
3. site is threatened by conversion to non-compatible uses
4. site meets criteria established for the DOA farmland preservation program
5. site has high percentage of farmland soils
6. site is one of last viable farms in town Sub-total ____.

Site will provide linkages between open spaces. (Division of Land Acq. and Greenways Asst. Center) Score (0-25 pts)

1. provides a corridor connecting existing open space
2. connects community to park or other open space resource
3. provides a migration route for wildlife
4. provides or connects to a self sufficient recreational facility (i.e. bikeway or hiking trail)
5. provides protection for linear natural feature (i.e. ridge line or stream belt) Sub-total .

Site is valuable for preserving and/or enhancing watershed\water quality. (Dept. of Health) Score (0-25 pts.)

1. proposal protects land within the watershed which is already >25% but < 50% protected
2. proposal protects land within the watershed which is already >50% but < 75% protected
3. protects wellheads, aquifers, or drawdown areas.
4. proposal has the potential for Class I or Class II watershed land as defined by G.S. because of the proportion\relationship between the land characteristic which would classify the land as Class I or Class II, Size of the parcel (acres), surrounding land currently protected (%), existence of active wellheads, aquifers or drawdown areas. Sub-total .

TOTAL SCORE OF RESOURCE EVALUATION .

LOCAL ISSUES\DEVELOPMENT\PLANS

Local and regional open space or plans of conservation and development.

5 pts proposal has the approval of the local Board of Selectman or Common Council (Resolution)
5 pts proposal is consistent with local plan of conservation and development
5 pts proposal is consistent with local or regional open space plan Sub-total .

Site is vulnerable to development.

5 pts surrounding land acquired for development or is already developed
5 pts site proposed for development
5 pts local zoning and/or existing land features would encourage development Sub-total .

Proposal approved by local \regional agencies or commission.

5 pts local planning agency endorsement provided
5 pts local conservation agency endorsement provided
5 pts regional planning agency endorsement\consistency with regional plan Sub-total .

Acquisition is compatible with the State Plan of Conservation and Development. (5 pts) Sub-total .

Acquisition is in proximity to other protected open space.

8 pts abutting or within .5 mile of existing open space land
5 pts within or less than 1 mile of existing open space land
3 pts within 3 miles to 1 mile of existing open space land Sub-total .

Percent of open space within the sponsors territorial limits.

12 pts % of open space between 0% and 5%
9 pts % of open space between 5% and 7%
6 pts % of open space between 7% and 9%
3 pts 5 of open space above 9% Sub-total .

The intensity factor applied to the open space within the Sponsor territorial limits (O.S. / capata)

15	pts	.00	-	.403
12	pts	.404	-	.803
9	pts	.804	-	1.20
6	pts	1.21	-	1.60
3	pts	1.61	-	2.00

Sub-total .

' ocal & State Goals, relative.

a. size

5 pts Is this acquisition an important value to the state' s goal of Open Space.
5 pts Does the parcel represents a relatively large open space addition.
5 pts Is the parcel strategically important to the Sponsor. Sub-total .

TOTAL SCORE OF LOCAL ISSUES\DEVELOPMENT\PLANS .

THE CONNECTICUT GREEN PLAN: OPEN SPACE ACQUISITION

Fiscal Years 2001-2006

July, 2001

State of Connecticut
John G. Rowland
Governor

Connecticut Department of Environmental Protection
Arthur J. Rocque, Jr.
Commissioner

I. Current Status And Future Needs

Connecticut is 3,205,760 acres in size. The goal of preserving 21% of this land (673,210 acres) as open space requires:

- 10% (320,576 acres) to be owned by the State of Connecticut, and
- 11% (352,634 acres) to be owned by municipalities, private non-profit organizations, and water utilities (Class I and II watershed lands)

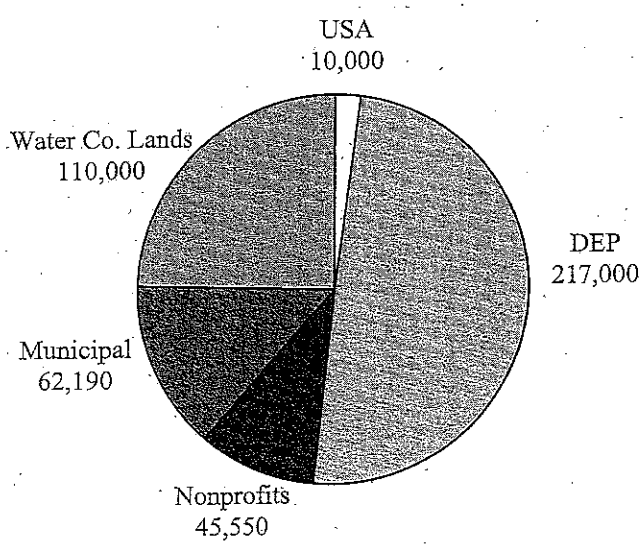
The State

Since 1901, the State has acquired a total of 217,000 acres for its system of parks, forests and wildlife, fishery and natural resource management areas. This means the DEP currently has 68% of the open space land targeted for state acquisition.

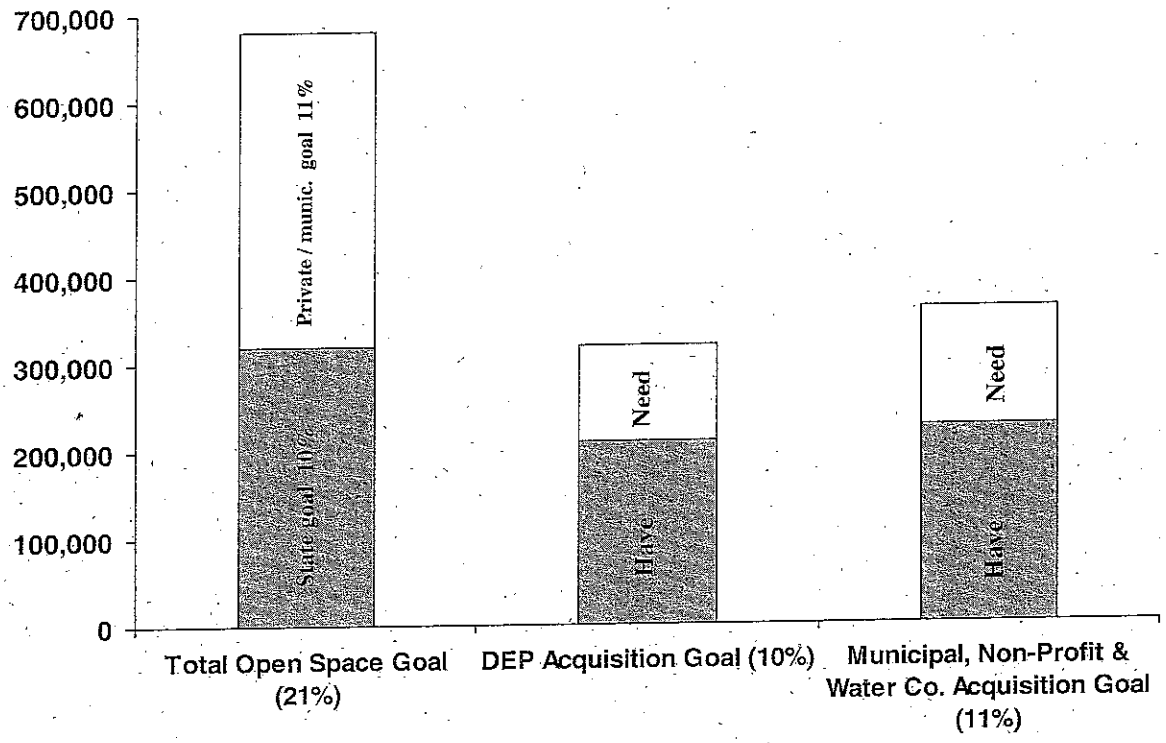
State Open Space Partners

The United States of America owns 10,000 acres of land as trail corridor, wildlife preserve, flood control, or national historic park. It is estimated that nonprofit land conservation organizations own 45,550 acres. Municipalities are estimated to own 62,190 acres of land as open space. Class I and Class II water company lands total approximately 110,000 acres. Together, open space acreage held by these entities is 227,740 acres. Based on the target of 352,630 acres in total open space holdings for these entities, they currently hold 65 % of their targeted open space goal.

CT Open Space By Ownership
Total Acres = 444,740



Acquisition Goal, Ownership and Acres Needed



To meet the goals set forth in statute and this report, the State of Connecticut must acquire at least 108,000 acres of open space over the next 25 years and encourage the acquisition of 124,890 acres by municipalities, private nonprofit land conservation organizations and water companies (see graph above).

The short-term target is to preserve 21,600 acres of state-owned land over the next five years and to assist in acquisition of 24,980 acres of open space land by municipalities, private nonprofit land conservation organizations and water companies over the next five years.

II. Acquisition Tools

The DEP has three programs available to assist in realizing the vision and achieving the goals: the Recreation and Natural Heritage Trust Program, the Open Space and Watershed Land Acquisition Grant Program, and the Charter Oak Open Space Trust.

1. Recreation and Natural Heritage Trust Program

The Recreation and Natural Heritage Trust Program acquires lands for the beneficial use and enjoyment of the public as additions to the State's system of parks, forests, and wildlife, fishery and natural resource management areas. The program is intended to acquire land that represents the ecological diversity of Connecticut, including natural features such as rivers, mountainous areas, coastal systems, and other natural areas, in order to ensure the preservation and conservation of such land for recreational, scientific, educational, cultural and aesthetic purposes.

An innovative provision of the program allows cooperators, usually municipalities or private, nonprofit organizations, to assist the State in the purchase of properties. Where the DEP and an outside group identify mutual interest in the protection of a piece of land, but neither group can commit to the whole purchase price, cost sharing allows each party to leverage available funding to meet a common goal. Matching funds of at least 15% must be provided by the cooperator, who may enter into agreements with the DEP to manage a property bought under this program.

2. Open Space and Watershed Land Acquisition Grant Program

The Open Space and Watershed Land Acquisition Grant Program provides financial assistance to:

- municipalities and nonprofit land conservation organizations to acquire land for open space
- to water companies to acquire land to be classified as Class I or Class II water supply property

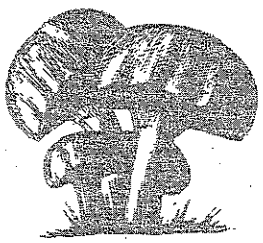
Grants are for the purchase of land to be left primarily in its natural state, for preserving local agricultural heritage, or for property eligible to be classified as Class I or Class II watershed land. Grant rounds are held twice per year.

Grants are made to a ...	...For...	...In an amount not to exceed...
icipality	open space	50% of fair market value
icipality	Class I & Class II Water Supply property	65% of fair market value
essed municipality or targeted stment community	open space	65% of fair market value
essed municipality or targeted stment community	resource enhancement or protection	50% of cost of such work
rofit land conservation organization	open space or watershed protection	50% of fair market value
pany	Class I & Class II water supply	40% of fair market value
land conservation nization	open space or watershed protection in a distressed municipality or targeted investment community	65% of fair market value

Conditions

- Open land acquired with grant assistance includes a permanent conservation easement requiring the property remain forever predominately in its natural and open condition.
- Any improvements or changes to the property must support the purpose for which the land was acquired.
- The easement includes a provision that the property be made available to the general public for recreational purposes.
  (An exception to the provision for public access may be made at the discretion of the Commissioner of Environmental Protection when public access would be unreasonably detrimental to the wildlife or plant habitat or other natural features. Exceptions may also be made where development rights have been purchased for agricultural purposes and for land acquired for watershed protection which will be classified as Class I or Class II land if access is inconsistent with the provision of pure drinking water.)

3. Charter Oak Open Space Trust



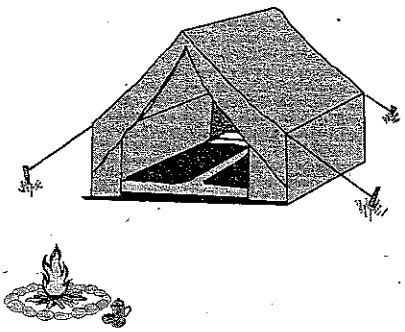
The Charter Oak Open Space Trust program targets assistance to municipalities with a population density of at least 1,500 persons per square mile and gives priority to the acquisition of lands being disposed of by water and electric utility companies. The program uses two accounts:

A. Charter Oak Open Space Program

Provides assistance to **municipalities and non-profit land conservation organizations** to acquire land or permanent interests in land for open space and watershed protection. The property or interest in property acquired must be preserved in perpetuity predominately in a natural and open condition. To be eligible for assistance, municipalities must have an open space plan in their municipal plan of development.

Grants are made to a ...	...With...	...For acquisition of land or interest in land for...	...In an amount not to exceed...
municipality	population density of at least 1,500 persons per square mile and an open space plan	open space and watershed protection	60% of fair market value
municipality	open space plan	open space in a public drinking supply watershed, or acquifer area	50% of fair market value
nonprofit land conservation organization	....	open space in a public drinking supply watershed, or acquifer area	50% of fair market value
municipality	open space plan	open space from an electric utility	50% of fair market value
nonprofit land conservation organization	....	open space from an electric utility	50% of fair market value

B. Charter Oak State Parks and Forest Program



Enables the **Department of Environmental Protection** to acquire land for open space and watershed protection that will be preserved predominately in a natural, scenic and open condition to protect natural resources while allowing recreational use. The program gives priority to:

- open space land located in municipalities with a population density of at least 1,500 persons per square mile
- the acquisition of land owned by an electric company
- the acquisition of land designated as Class I, II or III watershed land

Available Funding

In 1999, Governor Rowland proposed an initial five-year funding plan using bond money as follows. In 2001, the General Assembly added funds from the state surplus for the Charter Oak Trust. Bond funds must be approved by the General Assembly as part of the state budget. Future funding commitments will be necessary to meet Connecticut's open space goal.

Fiscal Year (Ends June 30 of year listed)	Recreation & Natural Heritage Trust (Bond Funds)	Municipal, Nonprofit Open Space & Watershed Grants (Bond Funds)	Charter Oak Trust (Surplus Funds)
1999*	$19,500,000	$10,000,000	-0-
2000*	$20,000,000	$12,000,000	-0-
2001*	$20,000,000	$12,000,000	$10,000,000
2002	$20,000,000	$12,000,000	**
2003	$25,000,000	$15,000,000	**
Total	**$104,500,000**	**$61,000,000**	**$10,000,000**

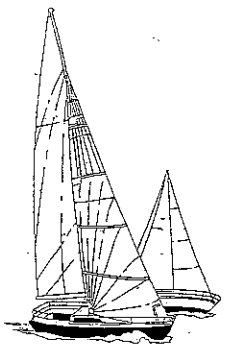
* Amount approved
** Information not available at time of publication

III. State Program Focus

The State of Connecticut will focus on open space acquisitions in several categories to meet the State's need for natural resource protection and management, outdoor recreation opportunities, and related cultural resources. By conserving open space lands, the State will enhance the natural diversity of plant and animal species, ecological systems, unique habitats, working forests, and places for public outdoor recreation.

Water Access

The single most critical recreational need, as water is the basis for most outdoor recreation, including fishing and swimming, and a critical factor in plant and animal habitats. Popular demand chronically exceeds opportunities for public access. Water access is important to residents and tourists alike. Opportunities in and near urban areas will receive special priority.



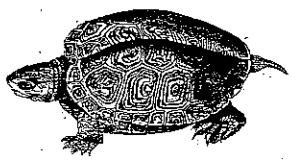
Needed Approximately 10,000 acres.

Specifics Approximately 90 sites averaging 100 acres in size and 50 smaller parcels averaging 20 acres.

Examples Boat launches; fishing access to lakes and rivers; swimming areas.

Natural Areas

Rare and unusual ecological sites of scientific and educational interest. They often serve as essential habitat for many rare species of flora and fauna.



Needed Approximately 15,000 acres.

Specifics Approximately 75 sites averaging 200 acres in size. This is a conservative number of sites; biologists estimate that there may be up to 100 sites where the sole occurrence of a plant or animal species can be found in Connecticut. Thus, additional acres may be appropriate for this category.

Examples White cedar swamps, black spruce bogs, freshwater and tidal wetlands, sand plain ecosystems, grasslands, limestone wetlands such as Robbins Swamp in Canaan, and nesting areas for bald eagles. Many of these sites may be suitable for designation and management as state natural area preserves.

Scenic and Historically Significant Properties

The features that define Connecticut's landscape and make it special: key ridge lines, major scenic river and stream corridors, scenic drives and historic sites. They are important in providing the resource base for the State's multi-billion dollar tourism industry. Opportunities in urban areas, especially, will be sought out.

Needed Approximately 15,000 acres.

Specifics Approximately 100 acquisitions of varying size.

Examples Trap rock ridges; Housatonic, Connecticut and Salmon Rivers; canals, iron furnaces, and archaeological sites.

Greenways

Corridors connecting existing open space properties, linking smaller communities and urban areas to nearby parks, and serving as wildlife migration routes. Greenways include trails, abandoned railroad rights-of-ways and natural features such as ridge lines and stream belts.

Needed Approximately 20,000 acres.

Specifics Approximately 200 projects varying greatly in size would average 100 acres.

Examples Riverfront Recapture in Greater Hartford; Farmington Canal Greenway in Greater New Haven and the Farmington Valley; Charter Oak Greenway from Hartford to Sterling; Mianus River Greenway in Stamford and Greenwich.

Forests

Additions to the thirty existing state forests and other forested properties such as wildlife management areas. Foresters and wildlife ecologists agree that it is essential to conserve forests in large tracts to provide sufficient area for diverse habitat and to maintain a forest products industry in the state. These lands provide critical access for fishing, hunting, bird watching, hiking and other outdoor pursuits. The average age of forest landowners in Connecticut exceeds 60 years. Therefore, the potential breakup of many large family holdings provides an urgent need and opportunity for acquisition in the near term.

Needed Approximately 50,000 acres.

Specifics Approximately 500 medium to large-sized parcels.

Examples The 354-acre Weber Property in Westbrook and Deep River connecting two existing DEP holdings; the 362-acre Ashton Property in Cornwall connecting Wyantenock and Mohawk State Forest.

Special Opportunities

Large properties such as utility company lands, institutional land holdings, or an aggregation of parcels.

Needed Approximately 10,000 acres encompassing the other five land classifications.

Specifics Approximately 40 sites averaging 250 acres each. These properties would include estates, surplus utility company lands and assemblages of property.

Examples Trout Brook Valley (685 acres surplus water utility property); Middlesex Corporation (1200 acres former hunting club); Blue Cross Blue Shield Property (850 acres corporate holding); Kelda Group properties.

IV. Grant Programs Focus

The purpose of the parallel Open Space and Watershed Land Acquisition Grant and Charter Oak Open Space Trust Programs is to partner with municipalities, nonprofit land conservation organizations and water companies to acquire land to be kept in its natural condition. Acquisition efforts will focus on projects of regional significance, although many projects will reflect local community interest. These acquisitions will be compatible with the state program, and the DEP will seek connections between these properties and state lands. The grant programs will fund acquisition of open space land through cooperators to protect lands valuable:

- for recreation, forestry, conservation of fish and wildlife or natural resources
- as prime natural features of the State's landscape
- as habitat for native plant or animal species listed as threatened, endangered or of special concern
- to enhance and conserve water quality
- to preserve local agricultural heritage
- as Class I or Class II watershed land

V. The Acquisition Process

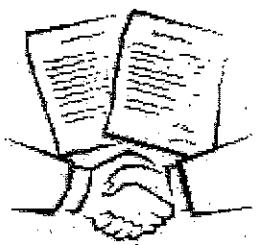
The Players

The ambitious acquisition target established to preserve open space land will require the cooperation of municipalities, private nonprofit land conservation organizations, and the State of Connecticut.

- The **Commissioner of Environmental Protection** is charged with the responsibility of developing the strategy for achieving the open space acquisition goal. The strategy embodied in this report has been developed in consultation with the Council on Environmental Quality, private nonprofit land holding organizations and municipalities. The Commissioner submits a report annually to the General Assembly's Environment Committee regarding the strategy and progress being made toward achieving the State's open space goal.

The Commissioner is responsible for acquiring State lands. Grant assistance to municipalities, private nonprofit land conservation organizations and water companies must be approved by the Commissioner. Applications submitted to the Commissioner for consideration must also be approved by local planning agencies and conservation commissions, where they exist.

- **The Natural Heritage, Open Space and Watershed Land Acquisition Review Board** has been established by statute to assist and advise the Commissioner in acquiring open space land (see Appendix 1). The Board provides comments on selection criteria, policies and procedures, and guidance and review of land protection strategies. It also plays a major role promoting public participation in the acquisition program, provides comments on applications for funding to the Commissioner of Environmental Protection, and submits a report on the acquisition program annually. The Board makes recommendations to the Commissioner on funding specific grant projects.



- **Municipalities, private nonprofit land conservation organizations, and water companies** are urged to cooperatively pursue the acquisition of land to meet the State's open space goal. The State will seek out and work with cooperators to help in acquisition of state-owned open space land. The State will also seek proposals from municipalities, private nonprofit land conservation organizations, and water companies for the acquisition of open space lands and provide technical assistance and grants to facilitate the acquisition of such lands.

ate and Grant Property Selection Process

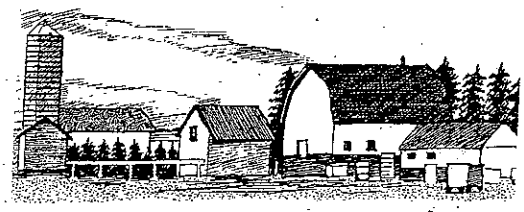
The DEP purchases lands from willing landowners. In many cases, these owners contact the Agency. In other instances, the Department or conservation organizations initiate contact. Various tools, in addition to statutory criteria, are used for identifying lands and their attributes. One such tool is the map in the back of this plan which identifies "Areas for Focusing Land Conservation," which was developed by the Connecticut Resource Protection Project in 1997 (see Appendix 2). The Project, created by the Connecticut DEP and the U.S. Environmental Protection Agency with other public and private entities, identified the highest priority natural resources in Connecticut. These are not the only areas in which the state will acquire lands, but are areas which have been shown to have multiple resource attributes that merit open space preservation. In the grant programs, properties often reflect areas of local open space concern.

All state acquisition and grant program requests are reviewed using an evaluation system that considers the focus areas and the criteria outlined in this plan. A numerical priority rating system is used to evaluate all land acquisition opportunities. (See Appendix 3 for details on the Review Procedure.)

VI. Agricultural Land and Open Space

Agricultural lands are integral to the quality of Connecticut's landscape and essential to the character of many towns. Working farms, pasture, tilled acreage, and forest are a critical complement to the open space acquisition efforts outlined in this plan.

Administered by the Department of Agriculture (DOA), the Purchase of Development Rights Program preserves farmland by acquiring development rights to agricultural properties. Lands where the DOA has acquired development rights remain in private ownership. They are not available to the general public for use without further agreement from the individual farm owner. The objective of the farmland preservation program is to secure land to maintain food production capability for the future of agriculture in Connecticut.



Development rights purchased by the DOA are **not** included in the 21% open space goal because they are not maintained for ecological or public outdoor recreational purpose. However, one focus of the grant programs discussed in this document is the preservation of local agricultural heritage for scenic and open space amenities. In many ways, the state's open space and farmland programs complement each other.

VII. An Ongoing Commitment

The establishment of a goal requires measurement to gauge progress. Meeting Connecticut's 21% open space goal will require the cooperation of many parties - the state, municipalities, water utilities and nonprofit organizations. While this cooperative effort is a strength that will help ensure program success, it makes the job of measuring progress more complex. To meet this challenge DEP will develop a geographic information system to assist in counting, mapping, and learning about open space throughout Connecticut.

Just as the portfolio of Connecticut's Open Space lands will grow over the next two decades as part of an ongoing process, so too will this plan need to grow and change over time. The DEP commits to reassess its acquisition priorities and process and revise this plan as necessary through its annual report to the General Assembly. The Department especially welcomes the comments of the many citizens and organizations whose commitment to Connecticut's quality of life has made preservation of open space possible.

For More Information...

...about the Department of Environmental Protection's open space acquisition programs, contact your municipality, local land conservation organization or the DEP at:

State of Connecticut
Department of Environmental Protection
Division of Land Acquisition and Management
79 Elm Street
Hartford, Connecticut 06106-5127
Telephone (860) 424-3016

For more information about the Department of Agriculture's Farmland Preservation program, contact:

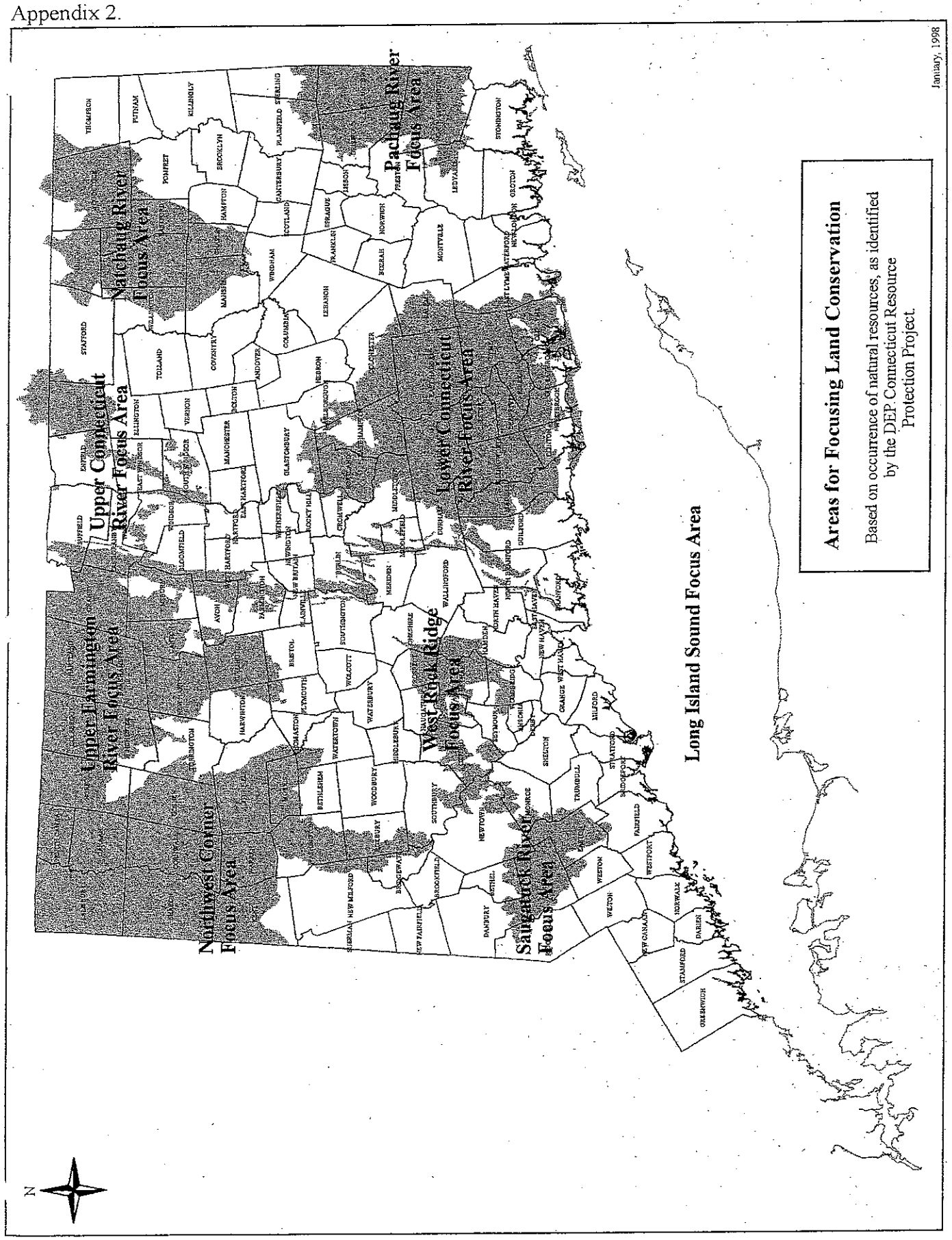
State of Connecticut
Department of Agriculture
Farmland Preservation
765 Asylum Avenue – Room 224a
Hartford, Connecticut 06105-2822
Telephone: (860) 713-2530

Appendix 1.

Natural Heritage, Open Space And Watershed Land Acquisition Review Board

APPOINTEE	APPOINTED BY	LENGTH OF TERM
(2) Chair Bonding Subcommittee	By Statute	standing appointment
(2) Ranking Member Bonding Subcommittee	By Statute	standing appointment
Member Environment Committee	Speaker House of Representatives	standing appointment
Member Planning & Development Committee	President Pro Tempore of Senate	standing appointment
Secretary, Office of Policy & Management	By Statute	standing appointment
Business Community Representative	Governor	3 yr.
Persons with Disabilities	Governor	3 yr.
Representative of Investor-owned Water Utility	Minority Leader of Senate	3 yr.
Representative of Municipal Water Utility	Minority Leader of State	3 yr.
Representative of Regional Water Authority	Minority Leader of Senate	3 yr.
Realtor or Attorney	Speaker of the House	3 yr.
Construction Industry or Land Development	President Pro Tempore of Senate	3 yr.
(2) Conservation of River Watershed Region	(1) Majority Leader of House	3 yr.
Interest Group	(1) Majority Leader of Senate	3 yr.
(3) Nonprofit Environmental Protection or	(1) Governor	3 yr.
Natural Resource Conservation	(1) Speaker of House	3 yr.
Organizations	(1) President Pro Tempore of Senate	3 yr.
Chief Elected Official of Town (less than 20,000 population)	Governor	3 yr.
Chief Elected Official of Town (greater than 20,000 population)	Governor	3 yr.

Appendix 2.


Upper Connecticut River Focus Area
Natchaug River Focus Area
Pachaug River Focus Area
Lower Connecticut River Focus Area
Upper Farmington River Focus Area
West Rock Ridge Focus Area
Northwest Corner Focus Area
Saugatuck River Focus Area
Long Island Sound Focus Area
Areas for Focusing Land Conservation
Based on occurrence of natural resources, as identified by the DEP Connecticut Resource Protection Project.
January, 1998
N

Appendix 3.

State and Grant Property Selection Process

The review procedure and decision process for the rating system consists of the following steps:

1. **Identification.** Submissions must include preliminary information and a map of the parcel.

2. **Data distributed to DEP evaluation team.** Information on each potential open space acquisition is collected and distributed to the relevant DEP resource experts (forestry, wildlife, fisheries, botany, endangered species, geology, parks, boating, water resources, Air Bureau and Water Bureau). The open space grant applications may receive additional review from the Department of Agriculture and Department of Public Health depending on whether agricultural or watershed land is involved.

3. **Evaluation team ratings and comments.** Resource experts evaluate the properties within about one month using criteria in guidelines established by DEP. Each may assign a numerical point rating based on critical factors or characteristics of a property.

4. **Evaluation results compiled.** A summary report is generated for each property. Based on the summary report, the Director, Division of Land Acquisition and Management, makes recommendations to the DEP Commissioner for State acquisition of property. Proposals received for consideration through the grant program are presented to the Natural Heritage, Open Space and Watershed Land Acquisition Review Board. The Board makes funding recommendations to the Commissioner.

Decisions to pursue acquisition are based on the scores and comments received, as well as other considerations such as: cost; fulfillment of resource need; geographic distribution; availability of cooperators to assist in the acquisition; proximity to urban areas or areas with a deficiency of public open space; statewide interest relative to DEP programs; availability of a gift or bargain sale; stewardship needs and management constraints; proximity to other preserved open space; compatibility with the State Plan of Conservation and Development and other state environmental plans, policies, goals and objectives; compatibility with local and regional plans; identification by DEP as having multiple resource values under the Connecticut Resource Protection project; and fiscal benefits and burdens.

5. **Properties selected for acquisition.** Each property selected for acquisition is assigned to a property agent. The DEP encourages and works cooperatively to acquire property with private nonprofit land conservation organizations, municipalities, and water companies. In complex real estate negotiations, the Department may seek assistance from private nonprofit organizations such as The Nature Conservancy and The Trust for Public Land to help expedite the transaction.

Grant recipients are responsible for the acquisition of approved grant projects. This includes negotiating price, survey, title search, preparation of documents and recording of transfer documents.

6. **The Natural Heritage, Open Space and Watershed Land Acquisition Review Board.** The Review Board reviews selection criteria, policies and procedures and provides guidance and review of land protection strategies. Specific comments and recommendations are presented in an annual report. The Board also reviews and makes recommendations to the Commissioner on funding grant proposals.

The information contained in this transmission is privileged and confidential and is intended only for the use of the recipient named below. Unauthorized use, disclosure, or copying is prohibited. If you have received this communication in error, please notify us immediately at (860) 263-6755.

FACSIMILE COVER SHEET

Pages including this cover page:

To: Mr. Shane Mallory
Company:
Phone:
Fax: 713-7260

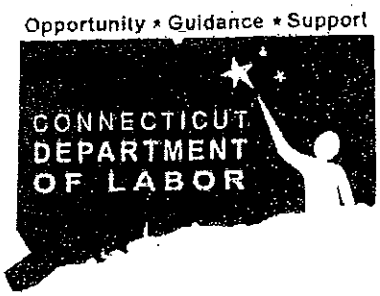
From: John A. McCarthy
Legislative Liaison
Connecticut Department of Labor
200 Folly Brook Boulevard
Wethersfield, CT 06109
Phone: (860) 263-6524

Date: 8/12/04

Comments: Hope this is helpful.

Opportunity * Guidance * Support

CONNECTICUT DEPARTMENT OF LABOR



August 12, 2004

Mr. Shane Mallory
Administrator of Leasing and Property Transfer
Department of Public Works
165 Capitol Avenue
Hartford, CT 06106

VIA FACSIMILE 713-7260

Dear Mr. Mallory:

This is an explanation of the Department of Labor's federally funded leasing process. We administer federal funded employment security operations and other federally funded programs including the Workforce Investment Act (WIA). We carry out our responsibilities under the federal programs with a number of public and private partners including state and local agencies, community based organizations and the Regional Workforce Investment Boards (pursuant to WIA). We are required to meet federal guidelines.

In 1976, Section 31-250(c) of the Connecticut General Statutes was amended to provide that:

> Notwithstanding the provisions of section 4b-23 to the contrary, **the administrator *shall have the authority to carry out all activities necessary to lease premises required for employment security operations***, provided (1) said administrator has complied with all applicable federal requirements, (2) only federal funds are used for such leasing activities and (3) the proposed terms of the lease have been submitted to the Commissioner of Public Works and approved by the State Properties Review Board, which board shall, not more than sixty days after receipt of such lease from said commissioner, issue its approval or disapproval based solely upon whether the proposed location and rent are reasonable when compared to available space and prevailing rents in the same geographic area.

[Emphasis added.]

Section 4b-3(d) of the Connecticut General Statutes provides in relevant part:

> Notwithstanding any other statute or special act to the contrary, the Commissioner of Public Works shall be the sole person authorized to represent the state in its dealings with third parties for the acquisition, construction, development or leasing of real estate for housing the offices or equipment of all agencies of the state or for the state-owned public buildings or realty hereinafter provided ... ***except that... the Labor Commissioner may represent the state in the leasing of premises required for employment security operations as provided in subsection (c) of section 31-250...***

[Emphasis added.]

The Agency has developed a stringent leasing procedure. We fully comply with the State Facilities Plan. We submit and receive approval of our plan from the Office of Policy and Management. Pursuant to the OPM approval, when the Department leases premises, it performs a site review with DOL staff and all partners who will be colocated with us. Once the site analysis is complete, the Agency initiates an open, fair and competitive lease process to which all ethical guidelines apply. The Agency then reviews proposals and makes its decision. This process includes compliance with all applicable federal requirements, applies only to federally funded leases and the proposed terms of the lease have been submitted to the Commissioner of Public Works and approved by the State Properties Review Board. DOL consistently follows the appropriate process. The Office of the Attorney General approves all such leases.

It is essential for the Commissioner, especially with the numerous public and private partners, to able to obtain leasing properties swiftly. The Agency administers the leases directly with the landlords and is able to resolve difficulties expeditiously. This is especially important because the Agency is able to quickly adapt to the concerns and requirements of our partners.

Thank you for this opportunity to explain this Agency's processes.

Sincerely,

John A. McCarthy

John A. McCarthy
Legislative Liaison

Testimony of Dale M. Dreyfuss
Vice President for Operations
August 4, 2004

The University of Connecticut's activities in property transfer and leasing benefit, like its contracting and construction, from oversight by its Board of Trustees. No real property may be bought or sold without prior approval of the Board at a public meeting. Sales of property are effected through multiple local real estate agents to encourage a competitive environment. Where an active market cannot be attained, properties are evaluated by outside appraisers. Purchases are traditionally governed by the "three appraisal rule:" buyer and seller each pick an appraiser, and the two of them in turn select a third; the target price is an average of the three appraisals. Board approval would be sought for deviation from the target price. The University's property transfer transactions involve almost exclusively acquisition of adjacent properties for program extension, or to protect its borders, and the disposal of non-contiguous parcels which serve no institutional purpose.

Leasing is a comparably minor activity. The University owns some two dozen single-family residences in the vicinity of the campus, which are available for rental by members of the UConn community. Typically, they provide transitional housing for faculty members who are new to the area, while they settle in and locate permanent homes. Tenancy is limited to three years. Rates for each property are set annually by the Board, at levels comparable to those in the area private market. Rental income supports the costs of an in-house property manager and upkeep of the houses.

A copy of the standard rental contract is attached. No additional control of these transactions is needed.

OCCUPANCY AGREEMENT

UNIVERSITY OF CONNECTICUT
PROPERTIES MANAGEMENT DIVISION
31 LEDOYT ROAD, UNIT 3047
STORRS, CONNECTICUT 06269-3047

The following named person _____ accepts the offer of occupancy of University Housing identified as follows:

House # _____ Storrs, Connecticut. The term of this Occupancy Agreement shall commence on _____ and terminate on June 30, 2005 . This agreement may be terminated by either party after a thirty [30] day written notice. The length of occupancy shall be governed by the Rental Handbook and Policy Statement. The occupant agrees to pay the University the amount of $_____ for the fiscal year 2004/2005 in equal monthly installments of $_____ due and payable on the first day of each month. In the event of late payment [more than ten [10] days overdue], a $35.00 fee will be charged and all terms of the Rental Handbook shall apply.

CONDITIONS OF OCCUPANCY:

The undersigned, in accepting this offer of occupancy, agrees to the following stipulation as conditions of occupancy:

1. RENTAL HANDBOOK AND POLICY STATEMENT: All terms and stipulations set forth in the Rental Handbook and University Policy are hereby made a part of this agreement. The tenant hereby acknowledges that he/she has received and read all parts of this agreement and by signature of this Occupancy Agreement does hereby agree to those terms.

2. SUBLETTING: The Occupant shall not assign nor sublet any part of the whole of the assigned premises nor permit any other person or persons to occupy the same without the prior approval of the University. A request to sublet a facilities must be made in writing and submitted to the Properties Management Office at least sixty [60] days in advance of the proposed assignment of occupancy.

3. AIR CONDITIONERS: The Occupant may install air conditioners of usual and customary types in the windows of the occupied premises provided that no structural changes are made to any part of the premises and provided that the existing electrical system on the premises is adequate premises and conforms to the electrical codes. Prior notice of such installation must be given to the Properties Management Office. Each air conditioner on the University power grid will bear an additional annual assessment of $50.00, which is not refundable in whole or in part and must be paid at the beginning of the occupancy agreement or at the time of installation.

4. CARE OF THE PREMISES: [a] The Occupant will not do or have done any remodeling, renovating or decoration without the express prior permission of the University; [b] The Occupant is responsible for the care and custody of furniture and appliances assigned to the premises and shall not remove the same. The occupant[s] is responsible for willful or negligent damage and shall not destroy, deface, damage, impair or remove any part of the premises or permit any other person to do so; [c] The Occupant shall not make radio and/or television aerial, washing machine, dryer or air conditioner installations without the express prior permission of the University; [d] The Occupant of an apartment shall, at all times give reasonable consideration for the comfort, quiet and convenience of other occupants of the building; [e] The Occupant shall take reasonable care of the premises herein occupied and shall report promptly to the Properties Management Office, [486-3270] any condition requiring attention. In instances of emergency after normal business hours and on weekends, call 486-3113; [f] the Occupant shall observe and comply with such reasonable rules as the University may prescribe by written notice for the safety, care, and cleanliness of the building.

5. PETS: The Occupant shall not have any pets in rental housing except as specified in the Rental Handbook.

6. RIGHT OF ENTRY: The University shall maintain a right to enter the assigned premises at reasonable times to examine the condition of the facility. It retains the right to show the premises to prospective occupants one month prior to the termination of the agreement. It also retains the right to make repairs, paint, clean or redecorate the premises, remove signs or post signs, or replace or install pipes, tubes, coverings and plumbing and heating equipment and other like devices.

Before entering the premises, and except in the case of emergency, the University shall notify the Occupant of the University's intent to enter the premises either by telephone or in writing.

7. RENTAL INSURANCE: Occupants are responsible to purchase their own rental insurance.

8. RENTAL PAYMENTS: Rent is due on the first day of each month and can be paid by mail or in person to the University of Connecticut, Accounts Receivable Office, Unit 2073, 343 Mansfield Road, Storrs, CT 06269-2073.

9. SECURITY DEPOSITS: The University hereby acknowledges receipt of a security and damage deposit in the amount of $_____*. This deposit shall remain with the University and be released after vacancy and inspection of the premises provided that the occupant surrenders the premises in as good state of condition as reasonable use and wear will permit and has been financially responsible for all costs for necessary renovations or repairs caused by willful and intentional negligent actions.

10. UTILITIES: The Occupant understands that the University will provide the following utilities and services:

N/A

However, the University of Connecticut will not be responsible for damages or inconveniences that may occur due to interruptions in these services caused by conditions beyond its control. The Occupant further understands that the University of Connecticut shall specifically not be responsible for the following utilities and services:

Heat, electricity, phone service, cable communication, trash and snowremoval and lawn maintenance.

It is the responsibility of the Occupant to supply and maintain those aforementioned utilities and services.

11. APPLIANCES, EQUIPMENT AND FURNISHINGS: The Occupant hereby acknowledges receipt of the following list of appliances, equipment and/or furnishings:

Stove and Refrigerator.

Having hereby acknowledged acceptance of the terms and conditions of this Occupancy Agreement and the Rental Handbook and Policy Statement, the undersigned agrees to abide by said terms and conditions for the period noted within the body of this Agreement.

* Security Deposit Paid On _____.

OCCUPANT:

_____ Date signed: _____

FOR THE UNIVERSITY

_____ Date signed: _____

Donald L. Anderson
Property Manager

Appendix G

State Properties Review Board Recommendations

STATE OF CONNECTICUT
PROPERTIES REVIEW BOARD

PASQUALE A. PEPE, *CHAIRMAN*
LISA A. MUSUMECI, *VICE CHAIRMAN*
EDWIN S. GREENBERG, *SECRETARY*
PAUL F. CRAMER, JR.
BENNETT MILLSTEIN
BRUCE JOSEPHY

165 CAPITOL AVENUE, RM# 123
HARTFORD, CONNECTICUT 06106
TELEPHONE: (860) 713-6400
FAX: (860) 713-7291

STAN T. BABIARZ
EXECUTIVE DIRECTOR

TO: Task Force On Contracting Reform

FROM: Pasquale A. Pepe, Chairman
State Properties Review Board

DATE: July 30, 2004

SUBJECT: Oversight Of State Leases & Miscellaneous Contracts

The following legislative changes will strengthen Properties Review Board oversight of the leasing and contract processes.

- Section 4b-3(c) of the CGS currently limits the Board staff to a secretary, a clerk and within its budget, such employees it deems necessary.

  The statute should be revised to authorize a staff of not less than an executive director, real estate examiner, fiscal administrative assistant, executive secretary, secretary and a clerk and within its budget, such additional employees it deems necessary.

  Reductions and/or under funding of the Board's Personal Services budget and consequent 33% staff reduction over the past three (3) fiscal years has materially undermined the Board's ability to process and underwrite an average of 533 proposals per year during this period.

- Section 4b-3(f) of the CGS currently provides that the Board shall review real estate acquisitions proposed by the Commissioner of Public Works and the acquisition, other than by condemnation, of the sale or lease of any property by the Commissioner of the Department of Transportation...

To decrease ambiguity and therefore, agency questions concerning the Board's statutory right to review and approve certain contracts, 4b-3(f) should be modified, as italicized below, to provide that Board review *and approval* shall be required for real estate acquisitions, *real property sales* and *leases, real property subleases and license agreements and any such similar agreements* proposed by the Commissioners of Public Works and Transportation under *Sections 13a-80, 13a-80a,* Subdivision 12 of 13b-4, subject to Section 4b-23 and Subsection (h) of Section 13a-73.

- Sections 4b-23(i) and 4b-55(g) establish consultant fee and project cost thresholds above which Board review and approval are required.

  The aforesaid should be revised to include provisions that prohibit the division of a consultant fee and project cost into units that are less than threshold amounts for purposes of avoiding Board oversight.

- Sections 4b-24(4) and 4b-57 of the CGS require the Commissioner of Public Works to invite competitive bids for consultant services and projects in one or more newspapers.

  These statutes should be expanded to stipulate electronic requests for competitive consultant and project bid proposals on a Public Works website shall not be used as a substitute for the requirement to publish the request for proposals in local and/or county newspapers.

- Section 4b-56(h) of the CGS should be modified to prohibit oversight of the Construction Services Selection Panel or service on such panels by any person who has a beneficial interest in any of the proposing or bidding entities or whose family members, by blood or marriage, have a beneficial interest or are an employee of any of the proposing or bidding entities.

- Section 4b-58 of the CGS should be revised to provide any person involved in the selection process for consultant services, that are exempt from the requirement to advertise for such services, shall not have a beneficial interest in any of the consultant firms long or short listed for consideration by the Commissioner of Public Works, or be related by blood or marriage to any principal, officer, manager or any other key employee of such consultant firms.

- Section 13a-80 of the CGS should be revised, as shown below in italics, to provide that the Commissioner of Transportation, with the advice and consent of the Secretary of the Office of Policy Management and State Properties Review Board, may sell, lease, and convey, in the name of the State, or otherwise dispose of, or enter into agreements concerning any land or buildings owned by the State obtained for or in connection with highway purposes *or other purposes of mass transit*, or for the efficient accomplishment of the foregoing purposes.....

- Section 13a-80(a) of the CGS should be modified, as italicized below, to provide that the Commissioner of Transportation, with the advise and consent of the Secretary of the Office of Policy and Management *and State Properties Review Board*, may in the name of the State, sell, lease and convey, or otherwise dispose of, or enter into agreements concerning, any interest the State may have on, above or below any State highway right-of-way.

- Subdivision 12-806(b)(16) of the CGS and PA 96-212(16) should be revised to provide that real property leases, sales and acquisitions by the Connecticut Lottery Corporation are not only subject to Board review but also, its approval.