

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On January 3, 2013 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regularly scheduled meeting on January 3, 2013 in the State Office Building.

Members Present: Edwin S. Greenberg, Chairman
Bennett Millstein, Vice Chairman
Bruce Josephy, Secretary
Mark A. Norman
Pasquale A. Pepe
John P. Valengavich

Staff Present: Brian A. Dillon, Director
Mary Goodhouse, Real Estate Examiner

Chairman Greenberg called the meeting to order.

Mr. Josephy moved and Mr. Millstein seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

ACCEPTANCE OF MINUTES OF DECEMBER 27, 2012. Mr. Norman moved and Mr. Josephy seconded a motion to approve the minutes of December 27, 2012. The motion passed unanimously except for Mr. Valengavich who abstained from voting.

REAL ESTATE- UNFINISHED BUSINESS

REAL ESTATE- NEW BUSINESS

PRB #	12-325	Transaction/Contract Type:	RE / Voucher
Origin/Client:	DOT / DOT		
Project Number:	301-072-006		
Grantor:	1225 Connecticut Avenue, LLC		
Property:	1225 Connecticut Avenue, Bridgeport		
Project Purpose:	Wayside Substations Replacement Project		
Item Purpose:	Administrative settlement for the acquisition of 4,152± SF of easement area to be utilized for ingress and egress and a 2,800 ± SF work area easement for the maintenance of rail appurtenances in addition to just compensation for any and all damages associated with historic encroachments.		

Ms. Goodhouse reported that the Bureau of Public Transportation, DOT, has undertaken a Project for the Replacement of five Wayside Substations. The Site 3 for Substation 814 is located in East Bridgeport. At the site, the private parking area owned by two owners is used by CONNDOT contractor and Metro-North to gain access to the railroad. A temporary easement is required for construction and a permanent easement is required for future maintenance.

STATE PROPERTIES REIVEW BOARD

Minutes of Meeting, January 3, 2013

Page 2

The subject site is 1.6 acres of light industrial zoned land with frontage on Connecticut Avenue and Bishop Avenue. It is improved with a 55,913 GSF industrial building. As of June 2012 DOT Appraiser Thomas Fox valued the site value at \$6.00/SF or \$418,200. He determined that the building improvements would not be affected by the DOT project. The raw data used in his analysis ranged from \$4.11/SF to \$9.43/SF, based on three sales of industrial land located in North Haven, West Have and New Haven. The sales occurred between 5/2010 and 11/2011. Sale 1 sold for \$9.43/SF indicated a value of \$8.50/SF for the subject.

DOT initially made an offer of \$9,650 to purchase the access easement and temporary work area.

The offer was rejected because the grantor believed the \$6.00/SF site value was too low, no compensation was offered for the past encroachment; and use of a loading dock would be impacted during the project construction (severance damages). The parties agreed to \$15,000 in compensation as follows:

Access/Egress easement:	4,152 SF x \$8.00/SF x 25% =	\$ 8,304
Temporary Work Area easement:	2,800 SF x \$8.00/SF x 15% x 2 years =	<u>\$ 6,720</u>
	Total:	\$15,024

In support of the unit value of \$8.00/SF, the DOT provided a May 2012 appraisal of the adjacent property at 1313 Connecticut Avenue, which is a 2.42 acre parcel owned by the Salvation Army, Incorporated. The Salvation Army and 1225 Connecticut Avenue, LLC share rights what was once Florence Street, now a private driveway. DOT is negotiating to purchase the access easement from the Salvation Army for \$8.00/SF. The Salvation Army property appraisal relied on three sales from \$4.31/SF to \$16.66/SF. The sales were located in North Haven, Stratford and Wallingford. Staff also notes that Sale 1 used in both appraisal at \$9.43/SF required minimal adjustments, indicating \$8.96/SF for the value of the Salvation Army Parcel.

Staff recommended Board approval of the item.

PRB #	12-327	Transaction/Contract Type:	RE / Voucher
Origin/Client:	DOT / DOT		
Project Number:	301-072-002B		
Grantor:	25 Van Zant Street Condominium		
Property:	25 Van Zant Street, Norwalk, CT		
Project Purpose:	Metro-North Wayside Electric Traction Substation No.537 Project		
Item Purpose:	Administrative settlement for the acquisition of 17,775 ± SF of temporary access easement area and three work area easements totaling 10,623 ± SF all for highway purposes in connection with the Metro-North Wayside Electric Traction Substation No.537 Project.		

Ms. Goodhouse reported that Substation 537 is located in Norwalk adjacent to the subject property. Temporary easements are required for construction. A permanent access easement and an easement for transportation purposes were previously acquired (PRB #11-120, \$30.00/SF).

The site is 4.78 acres of Industrial zoned land in Norwalk, improved with approximately 68 industrial condominium units in a 265,000 sq. ft. office warehouse building. The northerly boundary is along the New Haven Rail Line; the property has street frontage on Osborne Avenue and Van Zant Street.

STATE PROPERTIES REIVEW BOARD

Minutes of Meeting, January 3, 2013

Page 3

The DOT commissioned an appraisal from independent fee appraiser Steven E. MacCormack (9/14/2012) to determine damages associated with the temporary easements. He developed a Sales Comparison Approach and an Income Approach and estimated the market value of the site to be \$4,782,000 (\$22.96/SF); the improvements - \$11,513,000 for a total value of \$16,500,000.

Based on his appraisal, Mr. MacCormack estimated the value of the temporary easement as a two year rental at 10% of the site value of the affected property. He also noted that the area affects about 7 parking spaces which are leased to tenants.

		Calculation	Damages
Temporary Access Easement	17,775 SF		
Temporary Work Area #1	7,182 SF		
Temporary Work Area #2	1,923 SF		
Temporary Work Area #3	1,518 SF		
Total Area	28,398 SF	@ \$22.96/SF x 10% x 2 years	\$130,386

Based on this valuation, and as noted in the DOT Administrative Settlement Statement, the parties negotiated a settlement in the amount of \$139,386.

Ms. Goodhouse recommended approval for the Administrative Settlement which provides to the state a temporary access easement of 17,775 SF; and three temporary work area easements totaling 10,623 SF. The settlement compensates the Grantor for prior use of the property without the Grantor's permission. The MacCormack Appraisal supports the damages award of \$130,386 and the negotiated \$9,000 increase is reasonable in order for DOT to avoid the condemnation process.

PRB # 12-328 **Transaction/Contract Type:** RE / Voucher
Origin/Client: DOT / DOT
Project Number: 148-202-002
Grantor: Parker Mill Shoppes, LLC
Property: 300 Church Street, Wallingford, CT
Project Purpose: Intersection Improvements to Route 68 at Route 150 Project
Item Purpose: Acquisition of 2,369± SF of land, just compensation for the loss of one parking spot and the contributory value of site improvements all for highway purposes

Ms. Goodhouse said that the subject property is a 3.72± acre commercial shopping center, improved with a 31,210 SF building that includes a restaurant, two retail stores and fourteen offices. There are 351 feet of frontage on Church Street, and 235 feet of frontage on Main Street.

Compensation will be paid for the taking area of 2,369 SF, a 20" cherry tree that will be removed, and the loss of one parking space. To estimate damages, DOT Appraiser Thomas L. Fox (7/31/2012), using the Sales Comparison Approach, concluded a site value (land only) of \$4.50/SF. He analyzed three improved sales located in North Haven, West Haven and Orange, and concluded a building square foot value (BSF) of \$42.00 and a value of \$1,311,000 for the property (land and improvements), before the taking. The appraiser counted 139 parking spaces on site. After the taking, the site is reduced to 3.6656± acres and 138 parking spaces, a loss of one space. An analysis of the improved sales centers indicated an adjustment for inadequate

STATE PROPERTIES REIVEW BOARD

Minutes of Meeting, January 3, 2013

Page 4

parking, and Mr. Fox concluded a property value after the taking of \$41.34/BSF, or \$1,290,500 which is decrease of \$20,500 or -1.57% in overall property value.

The appraiser also provided a summary allocating the damages as follows:

Item	Cost
2,369 SF of land @ \$4.50/SF	\$10,660
Mature cherry tree	\$ 2,300
Severance – loss of a parking space	\$ 7,500
Total	\$20,560, say \$20,500

Ms. Goodhouse recommended approval of the item. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes. The payment of \$20,500 is supported by the appraisal report prepared by Thomas L. Fox as of 7/31/2012.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

OTHER BUSINESS

Reimbursement of meeting and mileage fees. Mr. Norman moved and Mr. Valengavich seconded a motion to reimburse Mr. Josephy and Mr. Millstein for meeting and mileage fees for site inspection during the morning of January 2, 2013 in connection with PRB File #12-320-A. The motion passed unanimously. Mr. Valengavich moved and Mr. Norman seconded a motion to reimburse Mr. Greenberg and Mr. Pepe for meeting and mileage fees for site inspection during the afternoon of January 2, 2013 in connection with PRB File #12-320-A. The motion passed unanimously.

PRB FILE #12-325 - Mr. Valengavich moved and Mr. Millstein seconded a motion to approve PRB File #12-325. The motion passed unanimously.

PRB FILE #12-327 - Mr. Pepe moved and Mr. Norman seconded a motion to approve PRB File #12-327. The motion passed unanimously.

PRB FILE #12-328 - Mr. Norman moved and Mr. Valengavich seconded a motion to approve PRB File #12-328. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____
Bruce Josephy, Secretary