

# STATE PROPERTIES REVIEW BOARD

## Minutes of Meeting Held On February 3, 2014 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regularly scheduled meeting on February 3, 2014 in the State Office Building.

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

**Members Absent:** Pasquale A. Pepe

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

Chairman Greenberg called the meeting to order.

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

### OPEN SESSION

**ACCEPTANCE OF MINUTES OF JANUARY 27, 2014.** Mr. Norman moved and Mr. Valengavich seconded a motion to approve the minutes of January 27, 2014. The motion passed unanimously.

### COMMUNICATIONS

### REAL ESTATE- UNFINISHED BUSINESS

### REAL ESTATE- NEW BUSINESS

**PRB #** 14-022 **Transaction/Contract Type:** RE / Lease-Out  
**Origin/Client:** DOT / DOT  
**Project Number:** 042-169-001C  
**Grantee:** 18-22 Thomas Street, LLC  
**Property:** Eastern boundary of 18-22 Thomas Street, East Hartford  
**Project Purpose:** Lease of State Property, DOT Agreement No. 5.13-02(13)  
**Item Purpose:** Five-year lease with two-five year renewal options for 13,433 ± SF of vacant land for egress, ingress and storage of materials for the abutting property owner at 18-22 Thomas Street which currently operates as a retail tire business.

Staff reported that a business located at 18-22 Thomas Street, East Hartford requested that it be permitted to lease 13,443 SF of adjacent property. The parcel is generally rectangular in shape, and is subject to a drainage easement to the Town of East Hartford; and a power line easement to Connecticut Light & Power Company. The request is to use the property for ingress, egress and storage. According to a file memo, the Lessee operates a tire business on the adjacent 0.99 acre (43,124 SF). Both properties are zoned B-3 and are located with a flood zone, but are dike protected.

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, February 3, 2014

Page 2

Ground lease rates are typically based on a rental rate being applied to the market value of the land.

DOT Appraiser Anthony John DeLuco based the rental rate on the State receiving an annual return of 8% of a market value of the release parcel, as determined by his report dated 4/10/2012. The 8% yield is reasonable based on current investor surveys regarding anticipated yields for investment in commercial property. Relying on the Sales Comparison Approach, and judging that the highest and best use is for assemblage with the Lessee's adjacent property, he determined a site value of \$4.00/SF. The rental rate calculation is as follows:

$$13,433 \text{ SF} \times \$4.00/\text{SF} = \$53,732 \times 8.0\% = \$4,298.56/\text{year} \div 12 \text{ months} = \$360/\text{month (rounded)}$$

Staff recommended Board approval of the item. The commissioner of transportation has the authority under CGS §13a-80 to enter into lease agreements, subject to the approval of OPM (received 12/12/13) and the SPRB. The rental rate/site value is based on comparable sales of business zoned land in East Hartford. Should DOT require this property for any reason, the lease can be terminated without cause with 30 days notice.

<b>PRB #</b>	<b>14-023</b>	<b>Transaction/Contract Type:</b>	RE / Lease-Out
<b>Origin/Client:</b>	DOT / DOT		
<b>Project Number:</b>	161-000-092		
<b>Grantee:</b>	Hoffman Landscapes, Inc.		
<b>Property:</b>	647 Danbury Road, Wilton		
<b>Project Purpose:</b>	Lease of State Property, DOT Agreement No. 2.07-03(13)		
<b>Item Purpose:</b>	Five-year lease with two-five year renewal options for use of 2.24-acres of land improved with a 4,000 ± SF masonry building for a commercial landscaping business.		

Staff reported that the initial lease of this former DOT Wilton highway maintenance garage was in 1997 as the result of a public bid process. The Lessee was Right Source, Inc. acting by John R. Hoffman (PRB #97-576) and the premises were used for a tech industry and a landscaping business. Subsequently, Hoffman Landscapes, Inc. leased the entire property, and also leases an adjacent 0.9 acres from the DOT (\$2,100/month - PRB #12-244).

The 2.243 acre site has 217.40 feet of frontage on the west side of Route 7, Danbury Road. The lot is rectangular, with a depth of approximately 500 feet. The usable area is about 1.28 acres. The balance is steep slope/ledge. The garage is a one-story brick building of approximately 4,000 SF of which 2,800 SF is an unheated 5 bay garage; the remaining 1200 SF is utility room, bathroom, office and break room. The DOT appraisal report describes the roof as leading and being covered with tarps held down by sand bags. The windows are cracked; the masonry is crumbling in some areas. The heating system is original (1953) and constantly in need of repairs; and the Lessee indicated that the septic system will need to be replaced in the near future.

DOT Appraisers DeLuco and Sass based the property's rental rate on rents and offerings for commercial buildings in the Wilton and Danbury. The data indicated a range between \$9.00/SF and \$11.50/SF of Gross Building Area. Based on \$10.00/SF of GBA, the rental rate for the subject is:

$$4,000 \text{ SF of GBA} \times \$10.00/\text{SF} = \$40,000/\text{year} = \$3,300/\text{month (rounded)}$$

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, February 3, 2014

Page 3

Staff recommended Board of the item. The commissioner of transportation has the authority under CGS §13a-80 to enter into lease agreements, subject to the approval of OPM (received 7/30/13) and the SPRB. The rental rate/site value is based on comparable rentals of two commercial buildings in Wilton (also on Danbury Road) and one in Danbury. Should DOT require this property for any reason, the lease can be terminated without cause with 30 days notice. The Parties agree that the premises are designated for transportation use under the provisions of the Federal Highway Act and that all other uses are temporary and subordinate thereto.

**ARCHITECT-ENGINEER - UNFINISHED BUSINESS**

**ARCHITECT-ENGINEER – NEW BUSINESS**

<b>PRB#</b>	<b>13-269</b>	<b>Transaction/Contract Type:</b> AE / New Contract
<b>Project Number:</b>	BI-RC-390	<b>Origin/Client:</b> DCS/CCSU
<b>Contract:</b>	BI-RC-390-ARC	
<b>Consultant:</b>	Tai Soo Kim Partners, LLC	
<b>Property:</b>	Central Connecticut State University, New Britain	
<b>Project Purpose:</b>	Renovation & Expansion of Willard and DiLoreto Halls Project	
<b>Item Purpose:</b>	New Contract to compensate the consultant for the completion of a pre-design study and subsequent design services. Design services will generally include the completion of schematic design documents through the construction document phase as well as construction administration services for the completion renovation and planned 35,000 GSF addition to these buildings.	

Staff reported that Board action on this item was suspended on January 6, 2013, pending receipt of additional information from the Department of Construction Services. In general, the project involves the complete renovation of the existing Willard (60,100 GSF) and DiLoreto (45,500 GSF) Halls at Central Connecticut State University (“CCSU”) as well as a 35,500 GSF addition envisioned as an “in-fill” structure. The proposed renovation project is intended to include all required life safety system code improvements, evaluation and upgrades to existing mechanical systems, new HVAC systems, new windows/roof, building envelope improvements, renovated common space as well as exterior drainage, site lighting and parking lot improvements to the immediate surroundings of these buildings. The overall project is intended to be designed to meet LEED Silver Requirements and also requires the completion of a pre-design study by the consultant design team to evaluate and prioritize the scope within the established \$42.4-Million dollar construction budget. The pre-design study will also assist in the evaluation and plan for the relocation of various operations such as Admissions, Financial Aid, Registrar, English Department, Modern Language Department, Health Services, Counseling Center, Veterans Center and Co-operative Education within the buildings.

PRB #13-269 is for Architect/Engineer Consultant Design Team Services (Tai Soo Kim Partners, LLC) for the completion of the Renovation & Expansion of Willard and DiLoreto Hall Project from the initiation of a pre-design study and then schematic design until the completion of construction. The overall compensation rate for this basic service is \$3,920,062 with an additional \$340,765 for special services, for a total of \$4,260,827. The Basic Service fee includes support by Tecton Architects, P.C., Kohler Ronan, Inc., BVH Integrated Services, Inc., Richter Cegan, LLC and Leach Consulting, LLC.

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, February 3, 2014

Page 4

Staff recommended approval of the item. DCS has revised the transmittal memo (attached) to treat the in-fill addition as more of a renovation component due to the additional coordination and design requirements for its construction. DCS has provided SPRB with additional project information, including confirmation that funding is available for the design phase of the project.

**OTHER BUSINESS**

The Board took the following votes in Open Session:

**PRB FILE #13-269** – Mr. Norman moved and Mr. Valengavich seconded a motion to approve PRB File #13-269. The motion passed unanimously.

**PRB FILE #14-022** – Mr. Norman moved and Mr. Valengavich seconded a motion to approve PRB File #14-022. The motion passed unanimously.

**PRB FILE #14-023** – Mr. Valengavich moved and Mr. Millstein seconded a motion to approve PRB File #14-023. The motion passed unanimously.

The meeting adjourned.

**APPROVED:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
Bruce Josephy, Secretary