

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On June 6, 2016 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regular meeting on June 6, 2016 in the State Office Building.

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

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

Chairman Greenberg called the meeting to order.

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

OPEN SESSION

ACCEPTANCE OF MINUTES OF May 31, 2016 and June 1, 2016. Mr. Valengavich moved and Mr. Pepe seconded a motion to accept the minutes of May 31, 2016. The motion passed unanimously. Mr. Valengavich moved and Mr. Josephy seconded a motion to approve the minutes of June 1, 2016. The motion passed unanimously, except for Mr. Pepe, who abstained from voting.

REAL ESTATE- UNFINISHED BUSINESS

Mr. Valengavich moved and Mr. Josephy seconded a motion to go out of Open Session and into Executive Session. The motion passed unanimously.

EXECUTIVE SESSION

PRB # 16-103-A **Transaction/Contract Type:** AG / Purchase of Develop. Rights
Origin/Client: DOA / DOA

Statutory Disclosure Exemptions: 1-200(6) & 1-210(b)(7)

PRB # 16-104-A **Transaction/Contract Type:** AG / Purchase of Develop. Rights
Origin/Client: DOA / DOA

Statutory Disclosure Exemptions: 1-200(6) & 1-210(b)(7)

The Board commenced its discussion on the proposed purchases at 9:50 a.m. and concluded at 10:02 a.m. Mr. Valengavich moved and Mr. Josephy seconded a motion to go out of Executive Session and into Open Session.

OPEN SESSION

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, June 6, 2016

Page 2

REAL ESTATE – NEW BUSINESS

PRB # 16-143 **Transaction/Contract Type:** RE / Amendment
Origin/Client: DOT / DOT
Project Number: AERO-5700-922
Second Party: New England Shipping Company, Inc.
Property: Connecticut State Pier, New London
Project Purpose: Lease Agreement for management of the intermodal commerce facility
Item Purpose: First Amendment to lease agreement for continued use of 79.72 SF of office space in the State Pier Facility Administrative Building, with 2 vehicle parking spaces, for the operation of a steamship handling business.

Staff recommended Board approval of the Amendment to the lease-out agreement to New England Shipping Company, Inc. The current term expired 1/31/2016. The purpose of the amendment is to extend the lease term to 1/31/2019. This coincides with the expiration date of the Logistec USA, Inc. lease agreement (#16-144). There is no renewal option. DOT has authority to enter into lease agreements under CGS §13b-23 and 13b-53, with the consent of OPM, SPRB & the AG. OPM approved the agreement on 5/6/2016. This is a small office within the State Pier Administration Building, identified as the “guard station” on the lease exhibit. The lease also provides two parking spaces. The Lessee shall continue to pay \$200 per month, which is \$30.11/SF. Late payments are subject to 18% annual interest. The Lessee has provided 3 months’ rent as surety. The State will pay the cost of all public utilities in the leased area. The State reserves the right to charge the Lessee for fees associated with its use of utilities. Janitorial services will be provided by the Lessee. The State reserves the right to relocate the Lessee. Either party may terminate with 30 days’ notice. The State leases the property “as is” with no obligation for any improvement or repairs. A certificate of liability insurance has been provided showing that the Lessee carries the required liability and workers compensation insurances. Audit, records retention and inspection, indemnification and non-discrimination provisions required by statutes are included in the lease.

PRB # 16-144 **Transaction/Contract Type:** RE / Amendment
Origin/Client: DOT / DOT
Project Number: 5.03-01(16)
Second Party: Logistec USA Inc.
Property: Connecticut State Pier, New London
Project Purpose: Lease Agreement for management of the intermodal commerce facility
Item Purpose: Amended and Restated Operation and Management Agreement for the Connecticut State Pier.

In PRB #16-110, SPRB approved the 4th Amendment to the Operation and Management Agreement, at the Connecticut State Pier in New London. The Second Party is Logistec USA, Inc.; and the purpose of the Agreement is for Logistec to maximize commerce at the State Pier facilities as an intermodal commerce facility for export and import of general cargo, involving rail, marine and highway operations. Logistec has exclusive right to use, manage and operate the pier primarily as a marine cargo facility and warehouse in conjunction with rail and highway operations.

Logistec has operated and managed the State Pier since 1997 has been making two types of payments to the State: facilities rent for use of approximately 41.26 acres with administrative and warehouse buildings; and 6.5% of its “total Assessable Revenues” as defined in the Agreement. These include all

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, June 6, 2016

Page 3

revenues derived from business conducted at the facility, with some exclusions. For FY 2013-14, Logistec remitted \$144,978.84 based on ground rent, and \$268,772.85 based on assessable revenues (6.5% of \$4,134,967), for a total to the State of \$413,751.69.

Connecticut Port Authority (CPA): This authority was created by PA 14-222 to maximize the economic potential of Connecticut's ports and other maritime resources on matters related to maritime operations and infrastructure improvements. The CPA was given authority to manage the State Pier, effective October 2014. Legislation passed during the June Special Session PA 15-5, Section 1, now codified as CGS §15-31A, allowed for DOT and the Port Authority to enter into a Memorandum of Understanding regarding the transfer from the DOT of ownership, jurisdiction, authority, operation, control and management to the Port Authority. In the interim, Logistec and DOT have amended the existing agreement.

Staff recommended approval of PRB #16-144, the Amended and Restated Operation and Management Agreement at the State Pier. Because the Connecticut Port Authority is not yet fully functional, PRB #16-144 extends and clarifies the terms of the Agreement until the administration of the Pier is assigned to the CPA. DOT has the authority to enter into the Agreement under CGS §13b-53 which says that the Commissioner may lease or grant any interest at the State Pier in New London, including concessions for supplying goods, commodities, services, and facilities. The fixed rent for the facilities increases from \$144,978.84 to \$195,106.88 (+34.6%). OPM approved the restated agreement on 5/18/2016.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #16-103-A– Mr. Valengavich moved and Mr. Josephy seconded a motion to approve PRB Files #16-103-A. The motion passed unanimously.

PRB FILE #16-104-A– Mr. Valengavich moved and Mr. Pepe seconded a motion to approve PRB Files #16-104-A. The motion passed unanimously.

PRB FILE #16-143 – Mr. Valengavich moved and Mr. Pepe seconded a motion to approve PRB File #16-143. The motion passed unanimously.

PRB FILE #16-144 – Mr. Pepe moved and Mr. Valengavich seconded a motion to approve PRB File #16-144. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____

John P. Valengavich, Secretary