

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On August 26, 2013 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regularly scheduled meeting on August 26, 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. Norman seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

ACCEPTANCE OF MINUTES OF AUGUST 19, 2013. Mr. Norman moved and Mr. Valengavich seconded a motion to approve the minutes of August 19, 2013. The motion passed unanimously.

REAL ESTATE- UNFINISHED BUSINESS

REAL ESTATE - NEW BUSINESS

PRB #	13-181	Transaction/Contract Type:	RE / Lease-Out
Origin/Client:	DOT / DOT		
Project Number:	(102)7001-MISC-1234		
Grantee:	214 th Street Realty Group, LLC		
Property:	Located along the Danbury Line ROW adjacent to 345 Main Ave., Norwalk		
Project Purpose:	Lease Agreement, DOT Agreement No. 4.17-06(13)		
Item Purpose:	Five year lease with two-five year renewal options for approximately 3,163± SF of land to be used for vehicle access and parking. The agreement will require the grantee to remove an existing retaining wall installed on State property without permission and restore the property embankment to its original condition.		

Staff reported that the DOT proposal indicates that the area leased is approximately the same as land leased by DOT to Parkway Plaza, Inc. in 2001. According to the tax assessment, Parkway Plaza transferred the property to 214th Street Realty Group in April 2010. DOT granted the Lessee a “temporary right of entry” on 2/28/2012.

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The site is 1.21 acres improved with 14 unit shopping plaza. The site has 371 feet of frontage on the westerly side of Main Avenue. The DOT Office of Rails completed an in-house appraisal that determined a site value of \$28.69/SF. This was based on a review of industrial/commercial land sales listed with the Conn-Comp reporting service. (The City of Norwalk assessor assigned a value of \$29.00/SF.) An 8.0% annual rate of return on the leased premises indicated a rental rate as follows:

$\$3,136 \text{ SF} \times \$28.69/\text{SF} = \$89,971.84 @ 8.0\% \text{ rental rate/year} = \$7,200 \text{ annual rent.}$

The lessee acknowledges that it removed a portion of the State's railroad embankment along most of the Lease boundary abutting the Lessee's property and then constructed a retaining wall to secure it without the knowledge or permission of the State. The Lessee shall within 180 days remove the retaining wall and restore the State's embankment to its original condition. Work is done at the Lessee's expense (no rental credit).

The DOT Standard Railroad Lease Specifications & Covenants with respect to the rails of the Metro-North Commuter Railroad Company, December 6, 2012 are included in the lease agreement.

Staff recommended Board approval to lease 0.072 acre of land within the railroad right of way. CGS 13b-36(b) gives the commissioner of transportation authority to enter into the lease agreement. The rental rate is supported by data included in the DOT rental justification dated July 17, 2012. The terms of the lease require the Lessee to restore the State's embankment to its original condition.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

At 9:47 a.m. the Deputy Commissioner of the Department of Construction Services Pasquale Salemi, Emilio Pizzoferrato of DCS, Lee Rowley of DCS, and Keith Epstein, Director of Capitol Projects for the Connecticut State University System joined the meeting to discuss the following item:

PRB#	13-142	Transaction/Contract Type:	AE / Commission Letter
Project Number:	BI-RC-339	Origin/Client:	DCS/CCSU
Contract:	BI-RC-339-ENG	Commission Letter #3	
Consultant:	Lawrence Mechanical, P.C.		
Property:	Central Connecticut State University, New Britain		
Project Purpose:	Campus Wide HVAC Improvements Project		
Item Purpose:	Commission Letter #3 to compensate the consultant for expanded construction administration services required for the Phase II & III Improvements.		

This item was suspended on July 5, 2013 pending receipt of additional information related to the project. In subsequent meetings, the Board discussed correspondence received by Mr. Dillon from DCS regarding the proposed Commission Letter #3. The proposed payment of \$55,000 to Lawrence Mechanical is to compensate them construction administration services. The Board requested that DCS identify any costs or construction related issues requiring the consultant to provide services not previously identified in the recently approved Contract Amendment #2 (PRB #12-246) which compensated the consultant \$100,000 for expanded construction administration fees.

Project Manager Lee Rowley explained the three-phased construction project to increase the cooling capacity of the new campus energy center and to provide chilled water to 12 buildings.

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Mr. Epstein explained that funding was available under the CSUS 2020 program which annually provides \$90,000,000 for CSUS projects. He noted that this particular project is currently under budget. Commissioner Salemi explained the DCS contracting process as it applied to this Commission Letter. Commissioner Salemi and Messrs. Epstein, Rowley & Pizzoferrato left the meeting at 10:25 a.m.

ARCHITECT-ENGINEER – NEW BUSINESS

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #13-181- Mr. Valengavich moved and Mr. Norman seconded a motion to approve PRB File #13-181. The motion passed unanimously.

PRB FILE #13-142- Mr. Norman moved and Mr. Valengavich seconded a motion to suspend PRB File #13-142 , and that the Board request the Deputy Commissioner of Construction Services return to a future Board Meeting to discuss this submittal further. The motion passed unanimously.

The meeting adjourned.

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