

# STATE PROPERTIES REVIEW BOARD

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

The State Properties Review Board held its regularly scheduled meeting on September 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

**Members Absent:** 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 SEPTEMBER 19, 2013.** Mr. Norman moved and Mr. Pepe seconded a motion to approve the minutes of September 19, 2013. The motion passed unanimously.

### COMMUNICATIONS

### REAL ESTATE- UNFINISHED BUSINESS

<b>PRB #</b>	<b>13-103</b>	<b>Transaction/Contract Type:</b>	RE / License Agreement
<b>Origin/Client:</b>	DAS/DCF		
<b>Project Number:</b>	N/A		
<b>Licensor:</b>	R.J. Enterprises Associates, LLC		
<b>Property:</b>	481-489 Meadow Street, Waterbury		
<b>Project Purpose:</b>	License Agreement for Parking		
<b>Item Purpose:</b>	Five-Year License Agreement for continued use of 96 surface lot parking spots for the Department of Children and Families Waterbury Office location.		

The parking lot at 481 Meadow Street is needed by the Department of Children & Families (DCF) for employees and clients attending the adjacent state-owned office space at 395 West Main Street, Waterbury. Under the proposed license agreement, DCF will have the use of 96 parking spaces at the rate of \$51.78/space/month. This is a five year agreement; the total annual rent of \$59,562 is 5.93% over the previous rate in effect from 2009 to the present.

Consideration of this item was suspended at the Board's May 20, 2013 meeting, at which time the Board asked DAS to prepare a cost-benefit analysis with respect to acquisition versus continued use through license agreements. Based on the information provided, SPRB Staff recommended that the proposed five

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year license agreement for the use of 96 spaces be approved; and that DAS expand the cost benefit analysis to include a lease to purchase option, and that DAS report back to the Board on quarterly basis as to the status of discussions between the owners and DAS on a possible state acquisition of the parking lot.

### REAL ESTATE- NEW BUSINESS

**PRB #** 13-199 **Transaction/Contract Type:** RE / Lease-Out  
**Origin/Client:** DOT / DOT  
**Project Number:** 7001-MISC-1363  
**Grantee:** O & G Industries, Inc.  
**Property:** Rail line adjacent to 120 North Main Street, Middletown  
**Project Purpose:** Lease of vacant land, DOT Agreement No. 3.26-03(13)  
**Item Purpose:** Five-year lease with two-five year renewal options for 10,500 ± SF of vacant land for the storage of home construction materials as well as access to a team track loading dock located on abutting property for the loading and unloading of materials.

Staff reported that the rental parcel is 10,500± SF and abuts the Lessee's 1.65 acre site with retail lumber and home improvement business at 120 North Main Street, Middletown, called the Stone Depot. The Lessee has been using the property under a "temporary right of entry" granted by DOT in 2009; payment to DOT has been \$135/month. The area measures approximately 25 feet by 420 feet, and is located on the southeasterly side of the rail line, within the right of way. This proposal will formalize the temporary agreement as a five year lease, with renewals. The Lessee also has the right to use a team track, which is a railroad siding used to transfer freight to or from railway cars.

The DOT Office of Rails completed an in-house appraisal that determined a site value of \$3.00/SF. This was based on a review of comparable industrial/commercial land sales in Middletown and Cromwell, available through "Conn-Comp" online reporting service. SPRB Staff research confirms the rate of \$3.00/SF as reasonable for comparable properties. An 8.0% annual rate of return on the leased premises indicated a rental rate as follows: 10,500 SF X \$3.00/SF = \$31,500 @ 8.0% rental rate/year = \$2,520 annual rent.

It is noted in the rental justification that there is no value associated with allowing the Lessee limited use of the team track because "all residents of the State can use it free of charge."

SPRB Staff recommended that this item be suspended, due to an error in the lease language on Page 2. DOT will submit a corrected lease to the Board for approval.

### ARCHITECT-ENGINEER - UNFINISHED BUSINESS

#### ARCHITECT-ENGINEER – NEW BUSINESS

**PRB#** 13-198 **Transaction/Contract Type:** AE / Contract Amendment  
**Project Number:** BI-RT-841 **Origin/Client:** DCS/DOE  
**Contract:** BI-RT-841-ARC  
**Consultant:** S/L/A/M Collaborative, Inc.  
**Property:** H.H. Ellis Technical High School, Danielson

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**Project Purpose:** Additions and Major Renovations to H.H. Ellis Technical High School  
**Item Purpose:** Contract Amendment #4 to compensate the consultant for additional design phase services, expansion of the project scope and move management services.

Staff reported that H. H. Ellis Technical High School is a one story facility constructed in 1958 and expanded in 1974, 1985 and 1995. The school has approximately 640± students. Following project completion, potential enrollment is 700± students. In September 2005, the S/L/A/M Collaborative Inc. (“SLAM”) was selected as the primary architect for the renovation and expansion of H.H. Ellis Technical High School.

In October 2006 the schematic design was completed and additional funding was then allocated to support a larger project with an increased design scope. Subsequently, in 2007 the Department of Public Works, since renamed the Department of Construction Services (“DCS”) chose to implement the H. H. Ellis Roofing Project on an accelerated and separate basis to the overall project. This project was completed at an approximate total cost of \$3-Million Dollars. In the fall of 2010 DCS authorized SLAM to again modify the documents and project scope in anticipation of an early 2011 bid period. This was completed and the project has since been bid and accepted by DCS with a base bid amount of \$47.64-Million dollars. In 2011, the Board approved Contract Amendment #2 (PRB #11-255) and in 2012 subsequently approved Commission Letters #6 (PRB #12-178) and Commission Letter #7 (PRB #12-262). In 2013, the Board approved Contract Amedment#3 (PRB #13-059) for additional design services related to program changes and special inspection requirements. After the approval of these amendments and commission letters the architect’s total fee and the project construction budget were established at \$4,961,416 and \$57,530,523 respectively.

More recently, SLAM has submitted a proposal for Contract Amendment #4 to DCS which covers the following additional scope items:

- Additional design services for Agency Request #17 which is related to the modification of equipment and layout in the IDF closet.
- Additional design services for Agency Request #30 which is related to the modification of equipment and layout as part of the spray painting booths as tie-ins.
- Additional Moving Services based on the revised phasing plan for the completed Reloc #1 and Reloc #2 Plans.
- Additional compensation for full-time A/E related CA services due to the compressed project schedule proposed by the general contractor and approved by DCS.

Staff explained that the Contract Amendment #4 has been reduced by \$52,585 based on various meetings between the DCS Project Manager and SPRB Staff. SPRB Staff identified potential scoping issues related to the fact that if the project schedule was being compressed; further evaluation of the FF&E consulting fee should be completed. SPRB staff questioned why the FF&E consulting fee would not be reduced if the overall project schedule and phasing plan was to be compressed. This interaction and discussion has been documented within the draft proposal dated May 15, 2013 as well as the email correspondence dated May 31, 2013 requesting that the FF&E Line item be reduced. The contract reduction of \$52,585 is a savings to the State as part of the Board’s review and final decision on this contract amendment. Contract Amendment #4 will modify SLAM’s contract to provide additional compensation in the amount of \$186,635.

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Staff recommended that the SPRB approve Contract Amendment #4 whereas the overall basic service fee of \$4,539,520 is 7.89% of the construction budget which is within the established guideline rate of 9.5% for this Group B Renovation Project. It should also be noted that this contract amendment has been reduced because of the SPRB staff review process by \$52,585 due to a modified FF&E program scope. This reduction should be considered a savings to the State should additional move management services not be required to complete the project.

**OTHER BUSINESS**

**FY2013 SPRB Annual Report.** Board members reviewed a final draft of the Annual Report to the Governor, prepared in accordance with Connecticut General Statutes §4b-2(1). Mr. Norman moved and Mr. Millstein seconded a motion to approve the Annual Report for FY 2013 and transmit it to the Governor. The motion passed unanimously.

The Board took the following votes in Open Session:

**PRB FILE #13-103** - Mr. Pepe moved and Mr. Norman seconded a motion to approve PRB File #13-103, and requests that DAS revise its September 25, 2013 memo to the Board to include a lease to purchase analysis. The Board also requests that DAS report back to the Board on a quarterly basis as to the status of discussions between the Licensor and DAS on a possible acquisition of the property. The motion passed unanimously.

**PRB FILE #13-198** – Mr. Norman moved and Mr. Millstein seconded a motion to approve PRB File #13-198. The motion passed unanimously.

**PRB FILE #13-199** – Mr. Norman moved and Mr. Millstein seconded a motion to suspend PRB File #13-199, pending receipt of a correction to the lease document being prepared by the DOT. The motion passed unanimously.

The meeting adjourned.

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