

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On October 5, 2016 State Office Building, Hartford, Connecticut

The State Properties Review Board held a special meeting on October 5, 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. Pepe seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

ACCEPTANCE OF MINUTES OF September 26, 2016 and September 30, 2016. Mr. Valengavich moved and Mr. Pepe seconded a motion to accept the minutes of September 26, 2016. The motion passed unanimously. Mr. Pepe moved and Mr. Josephy second a motion to accept the minutes of September 30, 2016, except for Mr. Valengavich who abstained from voting.

REAL ESTATE- UNFINISHED BUSINESS

REAL ESTATE – NEW BUSINESS

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

EXECUTIVE SESSION

PRB # 16-207-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 of the above purchase at 9:45 a.m. and concluded at 10:05 a.m.

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

OPEN SESSION

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PRB # 16-231 **Transaction/Contract Type:** RE / Assignment & Option
Origin/Client: DAS/DOC
Grantor: Sheldon Street, LLC
Property: 288H Sheldon Street, Hartford
Project Purpose: Consent to Assignment and Approval of Purchase Option
Item Purpose: Consent to the assignment of a Parking Lease for the real property located at 288H Sheldon Street as well as approval for the execution of a purchase option in the amount of \$65,000 consistent with Section 27 of the underlying lease between the Grantor and the City of Hartford dated April 1, 2014.

Staff reported that in 2002, the Department of Corrections and Board of Parole entered into a 10-year lease at 286 Sheldon Street. In 2014, SPRB approved a new 10 year lease (PRB #14-170). The lease contained a right of First Refusal. The subject site is 0.411 acres and is improved with a steel frame building dates from 1912 and has approximately 23,000± GSF (according to the listing), with 19,805 NUSF. The building was renovated in 2002 for the DOC. On-site parking is limited to 6 spaces. Adequate parking of 34 additional spaces is provided at 288H Sheldon Street, an adjacent lot under a lease between the Grantor and the City of Hartford, effective through automatic renewals, until March 31, 2039.

On December 28, 2015 the Board approved the DAS Exercise of Right of First Refusal in order to purchase the subject property. The Lessor had received a bona-fide third party offer to purchase 286 Sheldon Street from Lafayette Arms Apartments, LLC. The contract price, which the State agreed to match, is \$2,037,500 (\$88.59/SF).

The DAS analysis estimated total savings of \$1.54 million over a 20-year period when compared to the cost of leasing the same property. SPRB Staff analysis projected that the 20-year lease cost would be \$9.5 million; and the cost to own assuming the purchase price is bonded at 3.5% would be \$8.2 million, resulting in approximately \$1.30 million of savings as a result of the purchase over a 20 year period.

On February 11, 2016, DAS approved the execution of the Warranty Deed completing the acquisition of 286 Sheldon Street, Hartford. The Grantor signed the Warranty Deed on January 28, 2016, and the OPM Deputy Secretary signed indicating OPM approval on February 5, 2016.

DAS is now requesting Board approval for the assignment and execution of the purchase to acquire the parking lot at 288H Sheldon Street. This parking lot supports on going activity at 286 Sheldon Street. As part of the original submittal by DAS to the Board it was contemplated that the State would assume the parking lease and then execute the purchase option for the property to support the long term parking needs of the DOC Facility at 286 Sheldon Street.

Staff recommended approval of the assumption of the parking lease and execution of the purchase option with the City of Hartford in the amount of \$65,000. This approval would complete the overall project as originally presented by DAS to the Board.

PRB # 16-232 **Transaction/Contract Type:** RE / Easement Agreement
Origin/Client: DOT / DOT
Project Number: 017-137-107B
Grantee: City of Bristol

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Property: Various locations located along the northerly side East Main Street, Bristol
Project Purpose: Assignment of land to the City of Bristol
Item Purpose: Assignment of 7,897± SF of drainage right of way located along the northerly side of East Main Street to the City of Bristol for highway purposes only which was originally acquired for the *Relocation of CT Route 72 Project*.

Staff recommended Board approval for the grant of this easement to the City of Bristol. The conveyance complies with Section 13a-80 of the CGS governing the release of excess property by the commissioner of transportation. The description of the real property as described in the grant of easement is consistent with the compilation plan prepared by the DOT, which plan will be recorded with the easement.

In 2002, DOT acquired 14,760 SF of land and installed a drainage system (piping, concrete endwall) located on the northerly side of East Main Street. This was done as part of the relocation of Route 72 in Bristol. The portion of Route 72 adjacent to the d.r.o.w. was transferred to the City of Bristol in 2012 and is no longer part of the State's highway system. DOT is now conveying the d.r.o.w. to the City at this time because the land encumbered by the easement has been requested by the adjacent property owner. The easement is for the benefit of the portion of Route 72 conveyed to the City of Bristol. The d.r.o.w. is 7,897 SF and runs from the north side of East Main Street through State property to the Pequabuck River. Together with the d.r.o.w. easement, the City of Bristol is granted the right to enter the premises for building, maintaining, repairing and reconstructing the drain or pipe to provide for the flow of water through the pipe into the existing watercourse.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #16-207-A – Mr. Pepe moved and Mr. Valengavich seconded a motion to suspend PRB File #16-2207-A, pending but not limited to the results of a site inspection. The motion passed unanimously.

PRB FILE #16-231 – Mr. Valengavich moved and Mr. Pepe seconded a motion to approve PRB File #16-231. The motion passed unanimously.

PRB FILE #16-232 – Mr. Pepe moved and Mr. Valengavich seconded a motion to approve PRB File #16-232. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____
John P. Valengavich, Secretary