

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On December 28, 2020 – remotely via telephone conference –

Pursuant to Governor Lamont's Executive Order No. 7B regarding suspension of In-Person Open Meeting requirements, the State Properties Review Board conducted its Regular Meeting at 9:30AM on December 28, 2020 remotely via telephone conference at (866)-692-4541, passcode 85607781.

Members Present:

Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert
Jeffrey Berger
William Cianci

Members Absent:

Staff Present:

Dimple Desai

Guests Present

At Chairman Greenberg's request, Vice Chairman Josephy led the meeting.

Vice Chairman Josephy called the meeting to order.

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

OPEN SESSION

1. ACCEPTANCE OF MINUTES

Mr. Valengavich moved and Mr. Berger seconded a motion to approve the minutes of the December 24, 2020 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB #	#20-226
Transaction/Contract Type:	RE – Sale by Sole Abutter Bid
Origin/Client:	DOT/DOT
Project #:	75-000-43J
Grantee:	The Crossings, LLC
Property:	Madison, Boston Post Rd (7,857 sf land)
Project Purpose:	Sale by Sole Abutter Bid
Item Purpose:	Quit Claim Deed

Sale Price: \$65,000

Project Background

In 2007, the subject property was transferred to the Town of Madison for a proposed relocation of a town road. The project never occurred and the property was transferred back to DOT in 2011.

At the August 10, 2009 SPRB Meeting, under PRB #09-169, the SPRB approved a new Lease for the The Crossings, LLC to continue use and occupy 7,857 square feet of land adjacent to 170 Boston Post Road in Madison, CT.

The term of this Lease Agreement was for 5 years commencing on January 1, 2009 through December 31, 2013 at a monthly rent of \$525.00. A \$10.00 per sq. ft. value was established by an appraisal conducted by Anthony John DeLucco on May 7, 2008 (7,857 sq. ft. x \$10.00 per sq. ft. = \$78,570 fee value x 0.08 rate of return = \$6,285.60 annual rental value divided by 12 months = \$523.80 rate per month, rounded to \$525.00. The Agreement included two, 5-yr. renewal periods subject to review and update of the rental fee. The Agreement included a termination clause by either party with 30-days' notice.

Under this Proposal (PRB #20-226) DOT is now seeking SPRB approval to this Sale by Sole Abutter Bid to release this irregularly-shaped, 7,857± square foot parcel of land, located on the southwesterly side of Boston Post Rd (Rt 1), bordered by both Garnet Park Road and Nathans Lane, in the Town of Madison. This release was initiated at the request of the Grantee after negotiations to renew the Lease were unsuccessful.



The sole abutter located at 170 Boston Post Road (Route 1) is comprised of a 0.74 acre (32,023 sf) commercially-zoned site fronting Boston Post Rd (non-access), Garnet Park Road and Nathans Lane. The site is improved with a one-story office building containing 9,285 square feet of gross building area, constructed in 1950. The property is non-conforming regarding site requirements (parking and impervious coverage ratio).



Valuation – With the release of this parcel via a Sale by Sole Abutter Bid, DOT Appraiser John P. Kerr appraised the property, as of February 5, 2019, in both the Before and After assemblage, valuing the two contiguous properties in the Before Valuation as they meet the standard of the Larger Parcel per Yellow Book Standards. Based on the sales comparison approach, the Appraiser utilized three sales of commercially-zoned land in Madison and Old Saybrook (2) and concluded the fair market value of the Larger Parcel was $\$9.50/\text{sf} \times 32,023 \text{ sf} = \$304,219$, rounded to \$304,000.

Note: The Madison Assessor valued the land (100%) at \$356,800, or \$11.14/sq.ft. for the October 1, 2018 Grand List (revaluation).

In the After Valuation, the Appraiser utilized the same three sales and concluded the fair market value of the subject property was $\$9.50/\text{sf} \times 39,880 \text{ sf} = \$378,860$, rounded to \$379,000.

Value of the Release

After Valuation	\$379,000
Before Valuation	\$304,000
Value of Release	\$75,000

Sale by Sole Abutter Bid & Negotiations – The sales price of \$86,000.00, which included an administrative fee, was presented to Mr. Dowler on February 27, 2019. Mr. Dowler, who resides in Florida, requested a meeting but would not be back in Connecticut until April, 2019. On April 9, 2019, Mr. Dowler and his son, Christopher Dowler, met with members of Appraisals/Property Management staff and offered to pay \$22,000.00 for the subject property. This offer was not accepted, as it was not within a reasonable range of the appraised value. Mr. Dowler stated that he would be obtaining his own appraisal. On August 28, 2019, Mr. Dowler submitted a list of what he felt were comparable sales and not a full appraisal report, as previously discussed, nor was a counteroffer presented. Mr. Dowler was contacted by Property Management staff, whom explained that a counteroffer was required to proceed. Subsequently, Mr. Dowler sent written correspondence to the Commissioner of Transportation in September, 2019, asking to speak with someone with authority in real estate transactions. After Mr. Dowler was contacted to discuss his concerns, he agreed to obtain a full appraisal report, which he would submit to the Department and asked that a meeting be scheduled for January, 2020, at which time he would be returning to Connecticut and which would allow ample time for him to obtain his own appraisal.

A meeting was scheduled for January 30, 2020. On January 28, 2020, Mr. Howard Russ, Certified General Appraiser, commissioned by Mr. Dowler, submitted his appraisal report electronically, which valued the subject property at \$45,000.00. The appraisal report was reviewed by staff appraisers and Property Management staff prior to the scheduled meeting. After extensive negotiations with Mr. Dowler, he agreed to pay \$65,000.00 for the subject State property, which is eighty seven percent (87%) of the appraised value.

Staff inquired with DOT for clarification of the following issues:

- Please provide an electronic copy of the Russ Appraisal obtained by the Petitioner.
DOT Response: Attached please find the appraisal completed by Howard Russ for the Madison release.
Staff Response: OK
- The DOT appraisal was based on the Release Parcel being 7,857 square feet, indicating a value of the Release Parcel being \$75,000. The QC Deed and Release Map state the Release Parcel is 7,469. Please clarify what led to the change in size (-388 sf) to the Release Parcel.
DOT Response: With respect to the release parcel size; the appraisals contain the original maps drawn when The Crossings, LLC leased both the frontage along Route 1 and what has now become this release parcel. Since the completion of the appraisals, we have had the maps updated. The footprint of the lease area along Route 1 changed slightly (area remains at 2,011 SF.). As a result of the footprint of the lease area for 75-000-43K changing, the area of the release parcel for 75-000-43J was reduced by 388 SF. , from 7,857± SF to 7,469± SF The old and revised maps are attached for your review.
Staff Response: OK
- Please clarify why the Release Parcel does not include portions of those 12 parking spaces and site improvements that appear to encroach into the State Right of Way. And, is there a separate

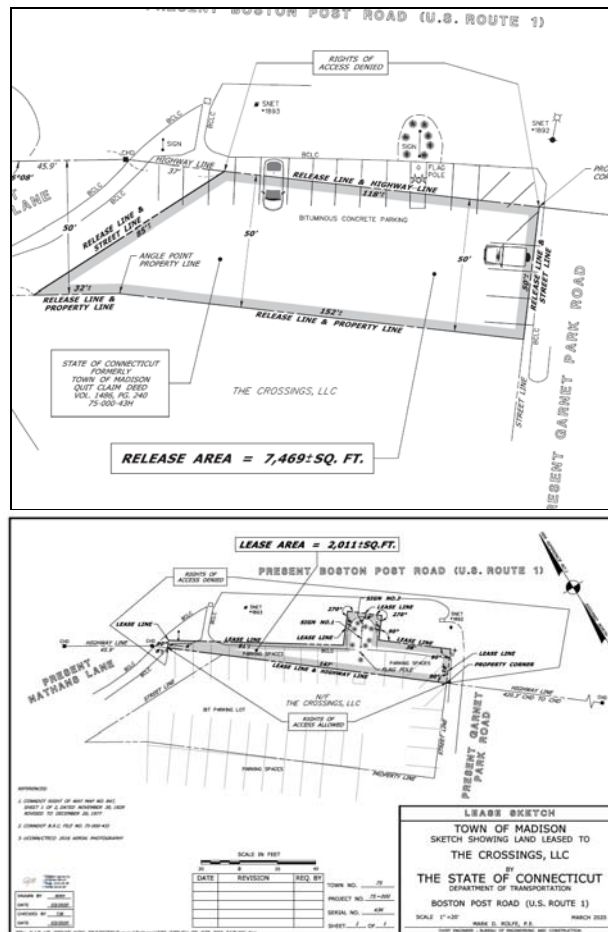
Agreement between the Petitioner and DOT for continued use of land within the State Right of Way?

DOT Response: The front parking spaces and business are currently leased to The Crossings, LLC in DOT file 75-000-43K. The lease map is attached for your reference.

Staff Response: PRB #09-169 included a second, 2,011 sf parcel, that is still leased by DOT to the Lessee (The Crossings, LLC). OK

Recommendation – Staff recommend approval of the proposed Sale by Sole Abutter Bid in the amount of \$65,000 for the following reasons:

- The proposed sale complies with Sections §3-14b, and §13a-80 of the CGS in that the Town of Madison declined to purchase pursuant to §3-14b and the legislative delegation received the required notification on February 27, 2020.
- The release value of \$65,000 is reasonable in that it represents 87% of the appraised value and it will return the property to the Madison tax rolls and relieve the State of all future expenses.
- The description in the Quit Claim Deed is consistent with the compilation plan to be filed in the Madison Land Records.



DATE: August 5, 2009

SUBJECT: PRB# 09-169 DOT Lease Agreement for 7,857 SF of vacant land, to be used for parking. Location: Southerly side of Route 1, at Garnet Park Road, Madison. Second Party: The Crossings LLC, by Robert E. Dowler, Sole Member

Recommendation: On the basis of a rental justification prepared by the DOT Appraisal Division, it is recommended that the subject lease proposal be approved. DOT's statutory authority is CGS Section 13a-80.

Under the terms of the lease, the Second Party will pay a \$525 monthly (\$6,300 annually) for a five-year term to use and maintain 7,857 SF for motor vehicle parking. The lease commences (retro-actively) January 1, 2009, and can be renewed for two additional five-year terms.

The Second Party has been using these premises and an additional 2,011 SF within the State's right of way for parking. DOT has executed two lease agreements, one for each parcel. The leased area that is outside of the right of way requires Board approval.

VALUATION

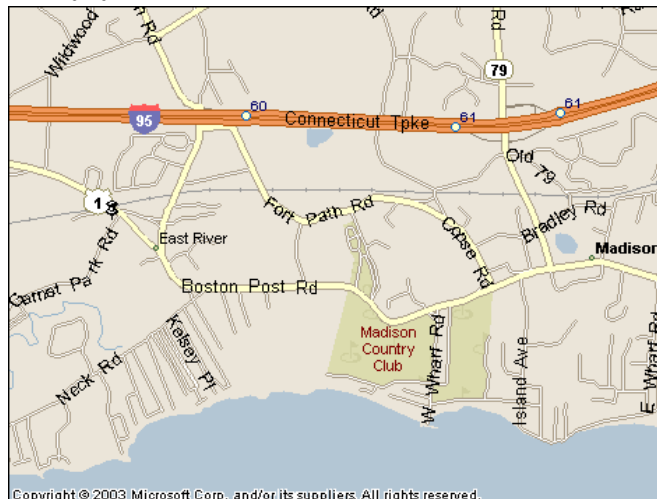
The rental rate is based upon an 8% annual rate of return on the land value, estimated to be \$10.00/SF.

$7,857 \text{ SF} \times \$10/\text{SF} \times .08 = \$6,285.50$ annual rental value / 12 months = \$525/month (rounded)

$2,011 \text{ SF} \times \$10/\text{SF} \times .08 = \$1,608.08$ annual rental value / 12 months = \$135/month (rounded)

ADDITIONAL COMMENTS

- Access to Route 1 is denied.
- The agreement can be terminated at any time by either party with 30 days notice.
- No improvements can be made without a DOT permit.
- The lease is subject to DOT's Standard Highway Lease Specifications & Covenants.
- The sole member has provided certification of non-discrimination policies as required for all state contracts.
- An insurance certificate is providing, naming the State as additional insured, verifying the Second Party holds \$1,000,000/occurrence in commercial general liability insurance coverage current through 2/1/2010.



5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #20-226 – Mr. Berger moved and Mr. Greenberg seconded a motion to SUSPEND PRB FILE #20-226. The motion passed unanimously. Clarification needed from DOT whether the owner paid rental fees after the lease expired?

9. NEXT MEETING – Thursday, December 31, 2020.

The meeting adjourned.

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