

STATE PROPERTIES REVIEW BOARD
Minutes of Meeting Held On January 17, 2023
– 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 January 17, 2023 remotely via telephone conference at (860)-840-2075 and use passcode 284890492#.

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
Thomas Jerram

Guests Present

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 January 12, 2023 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

<i>PRB File #:</i>	22-206
<i>Transaction/Contract Type:</i>	RE – Administrative Settlement
<i>Origin/Client:</i>	DOT/DOT
<i>DOT Project #:</i>	007-262-001
<i>Grantor:</i>	K Brothers, LLC
<i>Property:</i>	Berlin, Berlin Turnpike (301)
<i>Project Purpose:</i>	U.S. Route 5 / Route 15 (Berlin Tnpk) at Route 160 (Deming Rd)
<i>Item Purpose:</i>	Administrative Settlement

DAMAGES/SETTLEMENT: \$52,000/\$57,500

Project Background

The Connecticut Department of Transportation's (Department) Office of Engineering is developing plans to upgrade the existing traffic signal system along Route 5/15. The purpose of the project is to replace the existing traffic signal system with a closed loop traffic signal system (CTSS) with connected vehicle (CV) technology from North Broad Street to the Brickyard Plaza driveway in Meriden and Berlin. The project will also include adaptive traffic signal control and automated traffic signal performance measures.

The present schedule indicates that the design will be completed in August 2022, with construction anticipated to start in the spring of 2023, assuming acceptance of the project, availability of funding and receipt of any required right-of-way and environmental permits.

SITE DESCRIPTION:

The subject site consists of a 17,205± square foot corner parcel at the northeasterly intersection of Berlin Turnpike and Deming Road. The site is improved with a 5,000 sf asphalt-paved parking lot, concrete walks, curbing and landscaping. The site is located in the Berlin Turnpike Zone (BT- 1 zone) and the DOT Appraiser concluded: "The subject recently gained variance and special permit approval subsequent to the complete reconstruction of the historic gasoline fueling station use. The subject is a legal, non-conforming lot of record."

The parcel is improved with a gasoline fueling station with convenience store use, canopy and six fueling stations, constructed in 2020.



Courtesy: Google

Highest and Best Use – As Vacant: Commercial development.

Highest and Best Use – As Improved: Continued gasoline fueling station with convenience store use.



VALUATION: The DOT appraisal was completed on August 24, 2022 by DOT Appraiser Steven C. Miller.

The valuation of the subject property is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

EXTRAORDINARY ASSUMPTIONS:

- The appraiser is not a qualified expert in the field of site contamination, soil remediation, environmental hazards and/or other such potentially negative soil conditions. While no such contamination or potential hazardous conditions were immediately apparent during the property inspection and due diligence process, for the purposes of this report, the appraiser is valuing the subject property with the **Extraordinary Assumption** that the subject in whole is 'Free and Clear' of any and all environmental contamination, hazardous waste material, and any and all other potentially negative soil conditions not specifically indicated, including but not limited to PCBs, VOCs, SVOCs, ACMs, lead paint, underground storage tanks, toxic chemicals and gases, and radioactive material. The appraiser reserves the right to reconsider value after a qualified soil scientist and/or hazardous material remediation expert has delivered a signed inspection and remediation report.
- It is notable that the property is subject to an agreement to "Release and Hold Harmless" recorded via Volume 777, Page 345. The agreement dated October 20, 2020 transfers all responsibility to repair, maintain, and replace the guiderail along Deming Road to the property owner. The appraiser values the subject property via the **Extraordinary Assumption** that this agreement continues as intended in perpetuity, and specifically is unimpacted and tangents the proposed Defined Highway Easement to be valued within the scope of work. If it were found not to be the case, the appraiser reserves the right to consider any impact on value.

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he appraiser notes that the title report does not recognize an easement identified on the acquisition map as an Easement to Install and Maintain a Guy Pole, Wire, and End Anchor in favor of the State of Connecticut. The title searcher questioned whether this easement was linked to the subject property or to an adjacent lot given a specified map, or was a typographical error which further conflicts with CL&P Pole 55932 along the Deming Road frontage. The appraiser is not a title search professional, and therefore relies on the title report for the disclosure of any and all easements and encumbrances impacting the subject site. Given the easement's intended use, the appraiser values the subject via an **Extraordinary Assumption** that any potential Easement to Install and Maintain a Guy Pole, Wire, and End Anchor influencing the subject site has effectively no impact on overall site utility and/or value. The appraiser reserves the right to reconsider the value opinion should more information regarding this easement become evident.

- A variance was approved April 3, 2018 with regard to several nonconformities to setback requirement and stipulates a required installation of screening along Deming Road. However, after speaking about the subject property with the Town Planner for the Town of Berlin, Ms. Maureen Giusti, a variance to address the State's acquisition is indicated to have been pursued by DOT staff and granted by the municipality prior to the effective date of this appraisal report. Further, a site plan approval and prior variance identify a screening requirement along the Deming Road corridor; however there is no "landscape buffer requirement" applicable to the subject, with the zoning commission ultimately desiring the subject to have a casual degree of vehicle screening along Deming Road for vehicle headlights. Existing shrubbery is noted by the municipality to be struggling as a result of the corridor (winter salt mix, exhaust fumes, lack of nutrient-rich soil to stimulate proper long-term growth, etc.) and may be replaced with fencing. For the purposes of this report and via an **Extraordinary Assumption**, the subject is assumed to meet the existing minimal screening criteria set forth by the town with all variances necessary to the project completed and approved. If it were found not to be the case, the appraiser reserves the right to consider any impact on value. Any future changes required to the effectiveness of

vehicle screening along Deming Road is beyond and unrelated to the State's project.

HYPOTHETICAL CONDITIONS:

The methodology used in this report is a standard State appraisal format in the form of a before and after valuation appraisal used for eminent domain purposes. The appraisal considers that there is a willing seller in an acquisition by eminent domain and has disregarded any effect on the market value brought on by the State's project. The appraisal report was based on the hypothetical condition that the proposed road project will be completed as currently proposed in the Department of Transportation construction plans, on the day after the “as of” date. No other conditions were necessary to arrive at a value.

Before Land Valuation: Based on the sales comparison approach, the appraiser considered three sales (2020-2021) of similarly zoned land in the greater market area, with a similar highest and best use, as follows:

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1		COMPARABLE NO. 2		COMPARABLE NO. 3	
Address	301 Berlin Turnpike (Before) Berlin, CT 06037	4 Hartford Avenue Newington, CT 06111		1761 & 1775 Silas Deane Highway Rocky Hill, CT 06067		815 Hamilton Avenue Waterbury, CT 06706	
Proximity to Subject		4.95 miles N		4.87 miles NE		16.45 miles SW	
Sales Price	\$ N/A	\$ 21.27 per Sq.Ft.		\$ 22.84 per Sq.Ft.		\$ 22.05 per Sq.Ft.	
Price	\$ N/A	\$ 500,000		\$ 995,000		\$ 1,900,000	
Data Source(s)	Town Records, Insp	TR, Ext. Insp. Vol2309Pg698		TR, Ext. Insp. Vol707Pg872		TR, Ext. Insp. Vol8221Pg1	
ITEM	DESCRIPTION	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.	DESCRIPTION	+(-) \$ Adjust.
Date of Sale/Time Adj.	August 24, 2022	Dec. 31, 2020		May 19, 2020		Feb. 24, 2021	
Location	Comm / 32,400ADT	Comm / 17,000ADT	+2.13	Comm / 25,500ADT	+1.14	Comm / 16,700ADT	+2.21
Site/View	0.3950± Ac / BT1	0.5396± Ac / B		1.00± Ac / C	-1.14	1.9784± Ac / CA	-1.10
Site Utility	Triangle / Signalized	Triangle / Signalized		Rectangle / Signalized	-1.14	Elongated / No Signal	+1.10
Terrain & Topography	Generally Level	Generally Level		Generally Level		Gen. Level to Sloping	+1.10
Frontage and Access	184'±, 235'± FF / 2 CC	451'± FF Usable / 2 CC	-1.06	218'± FF Usable / 2 CC		441'± FF Usable / 2 CC	-1.10
Wetlands & Floodzone	Minimal, If Any / X.A	Minimal, If Any / X		Minimal, If Any / X		Minimal, If Any / X	
Sales or Financing Concessions	Apprvd 6 Pump GasStn	Apprvd 8 Pump GasStn		Apprvd 10 Pump GasStn		Apprvd 16 Pump GasStn Billboard, Cell Tower	-0.66
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	1.07	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$	-1.14	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	1.55
Indicated Value of Subject		\$	22.34	\$	21.70	\$	23.60

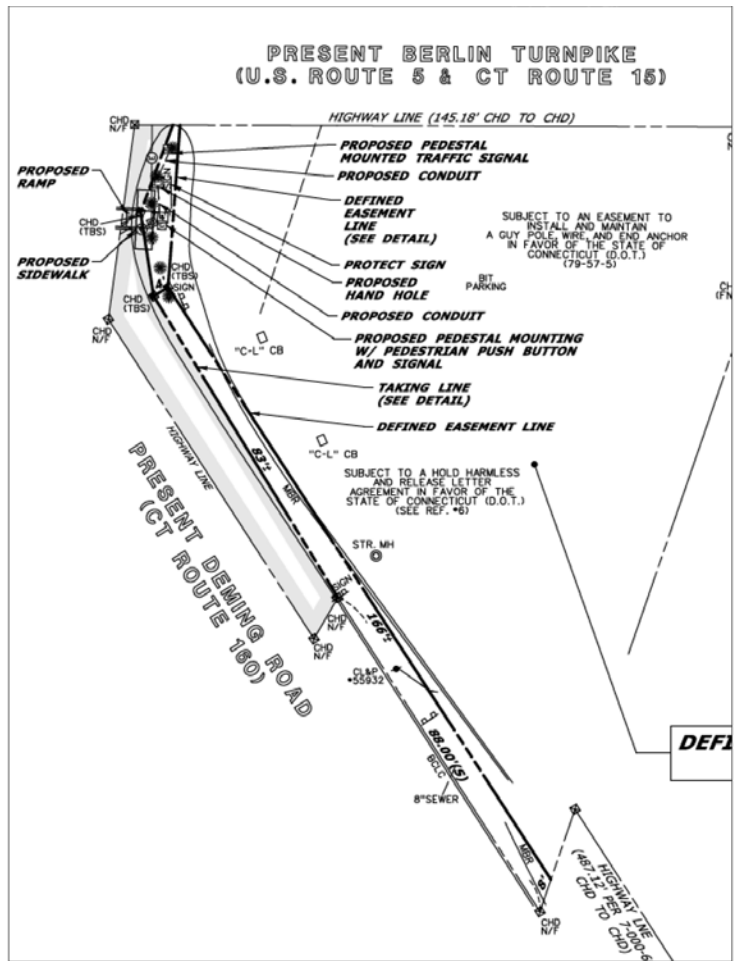
After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject land was \$22.50/sf, calculated as follows:

Item	Calculation	Value
Land Valuation (Fee Simple)	17,205 sf x \$22.50/sf	\$387,113
Contributory Value Affected Site Imp.	Lump Sum	\$2,500
	Total	\$389,613
	Rounded	\$389,500

TAKING DESCRIPTION:

DOT requires acquiring the following:

- A partial take in fee-simple of 1,247± square feet;
- A Defined Easement for Highway Purposes acquired over an area of 947± square feet; and
- A Defined Traffic Easement for the purpose of installing and maintaining traffic signalization devices acquired over an area of 203± square feet.



IMPACT OF TAKING

The total land area is now reduced to 15,958± square feet (0.3663± acre), representing a loss of 7.2±%. Land rights along the Deming Road corridor are diminished as a result of the two Defined Easements proposed, which diminish the utility of an additional 1,150± square feet (7.2±%) of the site's remainder. The structure is unimpacted, however landscaping and other site improvements along the Deming Road frontage appear impacted as a result of the State's project.

Overall, the State's project forces the non-conforming subject site to become further nonconforming to the minimum lot area and required setback requirements. A new variance addressing the State's proposed acquisition has been approved. There is no detrimental landscaping requirement impacting the subject property as a result of the State's project.

AFTER VALUATION:

After Land Valuation: Based on the sales comparison approach, the appraiser considered the same sales as in the Before Valuation and concluded that the fair market value of the subject land was unchanged at \$22.50/sf, calculated as follows:

Item	Calculation	Value
Land Valuation (Fee Simple)	14,808 x \$22.50/sf	\$333,180
Defined Easement for Highway	947 x \$22.50/sf x 10%	\$2,131
Defined Easement for Traffic	203 x \$22.50/sf x 50%	\$2,284
	Total	\$337,595
	Rounded	\$337,500

Calculation of Permanent Damages

Item	Value
Before Valuation	\$389,500
After Valuation	\$337,500
Permanent Damages	\$52,000

From the DOT Administrative Narrative:

This Administrative Settlement concerns the proposed acquisition of a taking in fee totaling 1,247± sq. ft., a defined easement for highway purposes totaling 947±sq. ft., and a defined traffic easement totaling 203±sq. ft. The acquisition is for the project known as U.S. Route 5/Route 15 (Berlin Turnpike) at Route 160 (Deming Road) and Deming Road.

The subject property is located at 301 Berlin Turnpike in Berlin and consists of 0.395± acres of land in the B-1 Commercial zone. The parcel is situated on the corner of the Berlin Turnpike and Deming Road and is improved with a gas station including a 2,018± sq. ft convenience store.

The Department had an appraisal report prepared by staff appraiser Steven Miller, who established damages in the amount of \$52,000.00 as of May 11, 2022. Mr. Miller utilized the sales comparison approach using land sales of sites with approvals in place for their development as gasoline stations. In doing so, Mr. Miller established a unit value of \$22.50 based on an adjusted sales range of \$21.70 to \$23.60 per square foot.

Valuation breakout as follows:

BEFORE:	Land 17,205 sf. x \$22.50 PSF = \$387,000
	Improvements = <u>2,500</u>
	TOTAL \$389,500
AFTER:	Unencumbered Land: 14,808 sf x \$22.50 = \$333,180
	Defined Ease. For HW Purposes: 947 sf x 22.50 x 10% = 2,131
	Defined Traffic Easement: 203 sf x \$22.50 x 50% = <u>2,284</u>
	TOTAL \$337,595
	\$337,500 (Rounded)

TOTAL DAMAGES: \$52,000

The owner's representative, Ms. Chelsey Carducci, Director of Account Management, submitted a Going Concern and Real Estate appraisal report dated June 2, 2021, that was prepared by Kenneth Currier, MAI, in connection with an extension of credit. Mr. Currier developed the cost and income approaches to arrive at his value estimate. As part of the cost approach, he used five commercial land sales located in Berlin, Newington, Rocky Hill, Waterbury and Middlebury. The sales occurred in 2019 (2), 2020 (2) and 2021 with an adjusted per sq. ft. range of \$23.45 to \$28.48. Accordingly, Mr. Currier selected a unit value of \$28.00 per sq. ft. as being representative of the Subject's value.

As supported by the submitted valuation, Ms. Carducci made a counterproposal to accept an additional \$5,500.00 based on a unit value of \$25.00 per sq. ft. She opined that this represented a compromise from the unit value of \$28.00 per sq. ft. their appraiser established, resulting in a total damage amount of \$57,500.00. It should be noted that the comparable sale located in Berlin is another gas station on the Berlin Turnpike which had the highest unit value (\$28.38 per sq. ft.).

Breakout below:

BEFORE:	Land 17,205 sf. x \$25.00 PSF = \$430,125
	Improvements = <u>2,500</u>
	Total \$432,500 (Rounded)
AFTER:	Unencumbered Land: 14,808 sf x 25.00 = \$370,200
	Defined Ease. For HW Purposes: 947 sf x 25.00 x 10% = 2,368
	Defined Traffic Easement: 203 sf x \$25.00 x 50% = <u>2,538</u>
	Total \$375,000 (Rounded)

Total Damages: \$57,500

Negotiations concluded with an agreement in the amount of \$57,500.00 (an additional \$5,500.00) as full and final payment for the proposed acquisition. Given the above, it submitted that this settlement is within the range of just compensation and is in the best interest of the State.

Staff inquired with DOT regarding the following:

1. Please provide a copy of the Grantor's appraisal (Carrier) utilized in the Department's justification of this Administrative Settlement.

DOT Response: The requested appraisal has been uploaded to SharePoint under the name "007- 262-001 owner appraisal".

Staff Response: The appraisal was reviewed. OK

RECOMMENDATION: Board approval of damages in the amount of \$57,500 is recommended for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER – NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #22-206 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #22-206. The motion passed unanimously.

9. NEXT MEETING – Thursday, January 19, 2023.

The meeting adjourned.

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