

**THE DEPARTMENT OF ADMINISTRATIVE SERVICES'**  
**ANNUAL REPORT TO THE STATE PROPERTIES REVIEW BOARD**

**For Fiscal Year 2013**  
**(July 1, 2012 - June 30, 2013)**

**Prepared Pursuant to Conn. Gen. Stat. § 4b-2**

Connecticut General Statutes § 4b-2 requires the Commissioner of Administrative Services to annually submit to the State Properties Review Board ("SPRB" or the "Board") a report that includes "all pertinent data on his operations concerning realty acquisitions and the projected needs of the state."

**Section I** of this report and its associated appendices provide information relating to real estate activities that fall under the authority of the Department of Administrative Services ("DAS"). Specifically, Section I provides data on the current status of DAS-leased real property and the costs of such leases, and trends relating to leases over time. This section also provides information on lease-outs executed by the DAS in FY 2013, as well as realty acquisitions, sales and transfers that occurred during the fiscal year. Finally, Section I provides a listing of all consultant agreements executed by the former Department of Construction Services ("DCS") (which became the DAS Division of Construction Services on July 1, 2013) for work related to the construction, renovation and repair of state buildings and facilities that were approved by SPRB in FY 2013.

**Section II** of this report discusses real-estate related projections and plans beyond FY 2013. Specifically, this section discusses recent and ongoing efforts by DAS and its partner agencies - including SPRB - to save money for the state by collapsing leases and moving state agencies when possible into state-owned buildings. In FY 2013, these efforts saved the state approximately \$890,000 - primarily achieved by collapsing leases, renegotiating renewal rates, and obtaining credits for unneeded carpet and paint. In addition, in an effort to provide the Board with information that may help it identify construction consultant agreements that may come before the Board for its approval in the future, Section II also provides a list of construction projects that the Division of Construction Services anticipates *may* move forward in the foreseeable future.

## SECTION I: THE STATE'S REALTY ACTIVITY

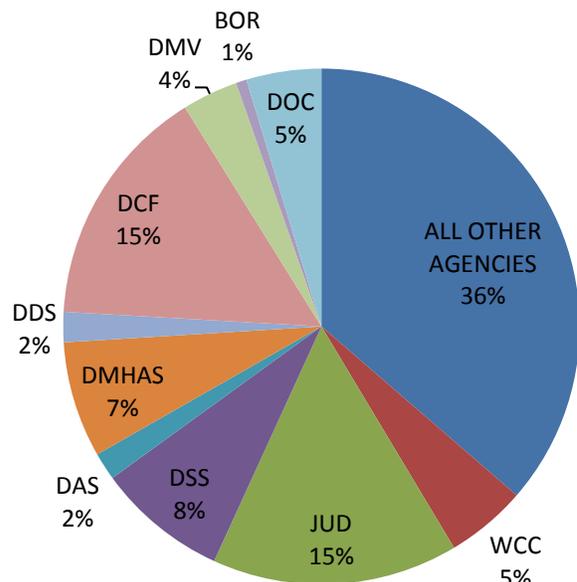
### A. Property Leased to the State

Status of State-Leased Property. As of June 30, 2013, DAS leased a total of 2,529,379 net usable square feet (NUSF) of space on its own behalf and on behalf of other using state agencies and offices. This space is distributed among 139 leases for office space, warehouse space, academic space, courtrooms, medical facilities and other client facilities (i.e. group homes), and other space required by state agencies and offices. In FY 2013, the amount of leased floor space decreased by 66,765 NUSF. This represents a 2.6% decrease in leased space since FY 2012 (from 2,596,144 NUSF).

As DAS is generally responsible for centralized leasing, the figures above not only include space utilized by DAS, but also space utilized by other state agencies, the Judicial Branch, and the Board of Regents ("BOR"). The figures, however, do not include space leased by agencies and offices with independent statutory authority to enter into leases (i.e. UConn, Department of Labor, Department of Transportation).

The following chart illustrates the percentage of DAS-leased space utilized by individual agencies and branches. As indicated on the chart, the Judicial Branch utilizes the largest proportion of all DAS-leased space among the state agencies and offices. DAS is responsible for the management of leased space throughout the state.

**PERCENTAGE OF LEASED SPACE BY USING AGENCY - FY 13**



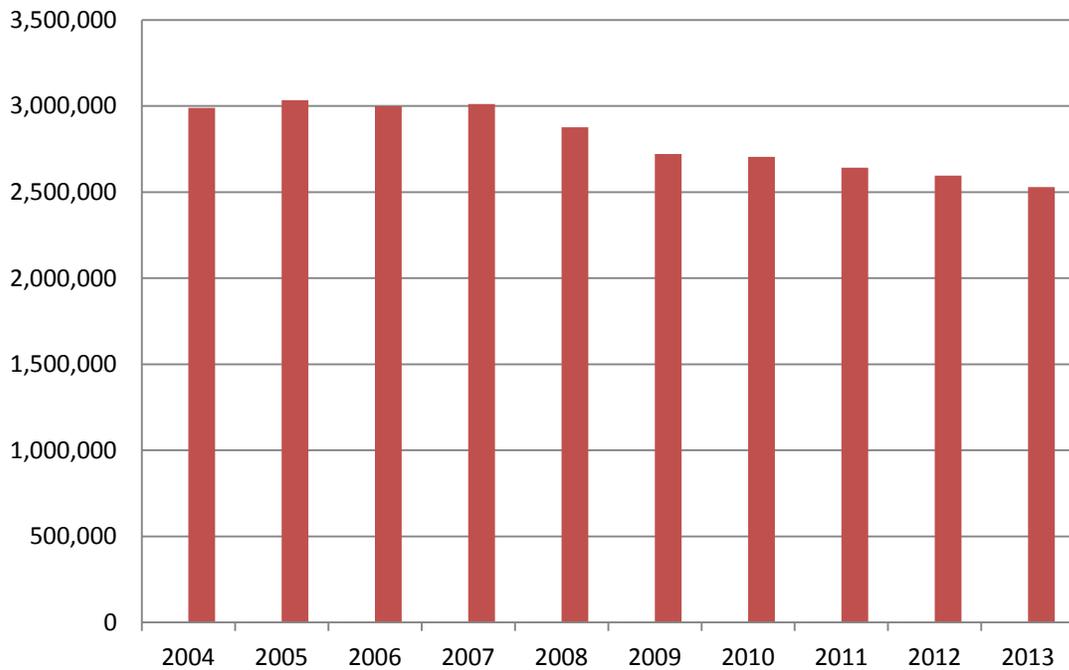
Source: DAS Leasing Database

Costs of State-Leased Property. In FY 2013, the state’s total annualized cost of leased space was \$44,873,517, a .06% decrease from the \$45,187,594 incurred by the state in overall lease costs in FY 2012. Appendix 1 provides a list of the 139 DAS leases for state agencies and offices as of June 30, 2013, including the address of each property, the agency occupying the property, the NUSF of each property, and the annual rent. Please note that Appendix 1 does not include parking-only leases.

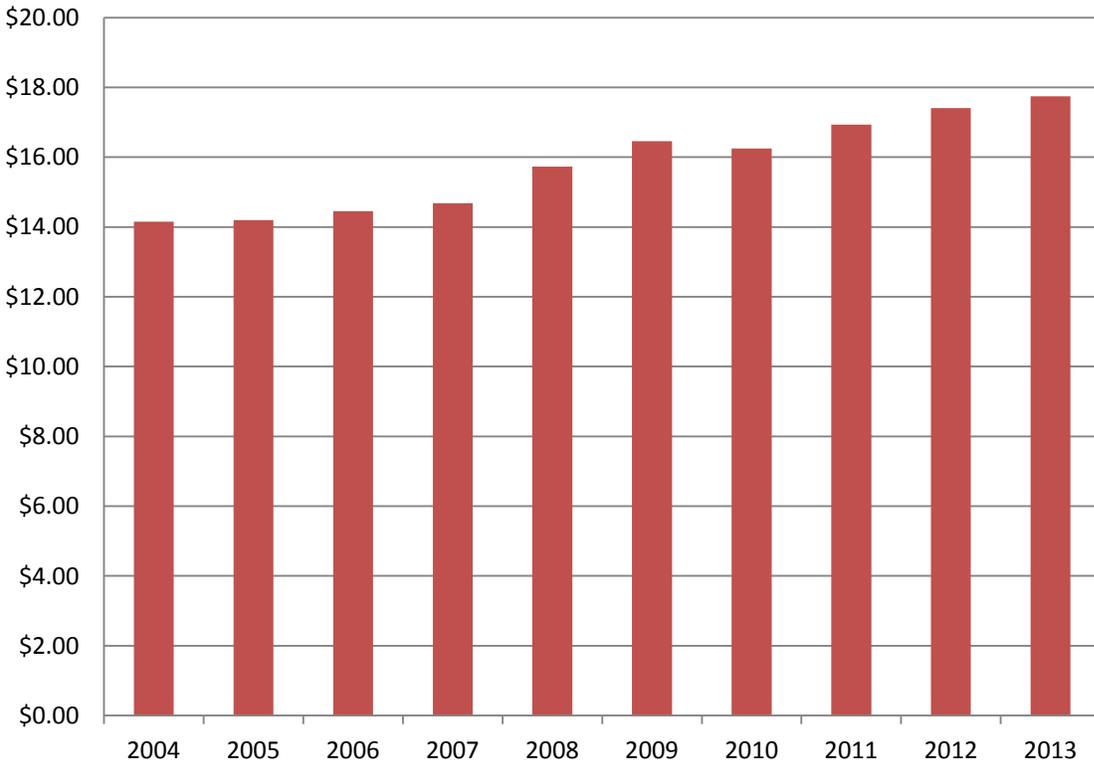
The average cost per square foot of leased space was \$17.74 in FY 2013.

Trends. In the last 10 years, overall leasing costs have increased by an average of 2.53% per year (inflation averaged 2.75% for the same period) with the average rate per square foot rising from \$14.15 (FY 2004) to \$17.74 (FY 2013). Below are charts illustrating trends in the state’s leased space and average lease costs over the last 10 years.

### **Trend in the Amount of Leased Space by FY**



## Average Lease Cost per Square Foot by FY



Leasing Transactions during FY 2013. With regard to lease transactions that occurred specifically during FY 2013, between July 1, 2012 and June 30, 2013, the SPRB approved thirty (30) lease transactions submitted by DAS. These submissions included 14 office/parking leases, 5 relocations, 2 parking only leases and 9 lease-out agreements. These leases comprised a total of 173,839 NUSF of space, with an average per square foot cost of \$19.64, parking included in lease. The total annualized value of all approved lease transactions was \$3,529,668.76. Appendix 2 contains a list of proposals for leased facilities submitted by DAS and the action taken by the State Properties Review Board in FY 2013.

### **B. Lease-Out Activity**

During FY 2013, the SPRB approved nine (9) lease-out transactions involving state-owned property, totaling 64,175 NUSF. These lease-outs were executed with various municipal and private entities. Appendix 2 contains data on DAS's FY 2013 lease-out transactions.

### **C. Acquisitions, Sales and Transfers**

In FY 2013, DAS received approval from SPRB to acquire two (2) properties with combined purchase prices of \$52,500,000. Further, SPRB approved three (3) property sales or transfer actions in FY 2013. Appendix 2 includes a complete listing of all purchase, sale, transfer and easement transactions submitted by DAS and approved by the Board in FY 2013.

### **D. DCS Consultant Agreements Approved by SPRB**

The SPRB has statutory responsibility to review and approve certain construction-related consultant agreements. Specifically, the SPRB approves contracts requiring consultant services, as defined in Connecticut General Statutes § 4b-55, for (1) projects in which the cost of such services exceeds one hundred thousand dollars, (2) on-call contracts under Connecticut General Statutes § 4b-51, and (3) task letters issued to a consultant on the on-call list when the cost of the consultant's service will exceed one hundred thousand dollars. In FY 2013, the Board reviewed and approved sixty-eight (68) consultant contracts and/or task letters submitted by DCS, for a total value of \$24,023,055. The Board also reviewed and approved nine (9) on-call consultant contracts, including amendments, for a total value of \$4,300,000.

Appendix 3 to this report provides a listing of all consultant agreements executed by DCS for work related to the construction, renovation and repair of state buildings and facilities that were approved by SPRB in FY 2013.

## **SECTION II: PROJECTING THE REALTY NEEDS OF THE STATE**

Realty Needs Relating to Leasing and Property Transfers. Section 4b-23 of the Connecticut General Statutes requires each state agency to submit to the Office of Policy and Management ("OPM") a long-range (five-year) plan for its facility needs by September first of each even-numbered year. A proposed state facility plan is prepared by OPM and presented to the State Properties Review Board for its recommendations on or before February fifteenth. DAS's Leasing and Property Transfer unit receives a copy of each agencies' submittal with sufficient time to comment and edit as necessary. The Secretary of OPM submits the recommended state facility plan to the General Assembly for approval on or before March fifteenth in each odd-numbered year. Upon the approval by the General Assembly of the operating and capital budget appropriations, the Secretary of OPM updates and modifies the recommended state facility plan, which then becomes the official "State Facility Plan." DAS is responsible for implementation of the approved Plan.

One of DAS's real estate-related priorities is to continue to reduce the amount of square footage leased by the state by collapsing leases when possible and placing agencies in

state-owned space. Members of DAS's Leasing and Property Transfer unit are working cooperatively with the staffs of the State Properties Review Board and the OPM Asset Management unit to identify available state-owned space that may be utilized in place of leased space. During the 2012 fiscal year, DAS issued a request for proposals to purchase office buildings with the intention of collapsing leases and other state office requirements into newly acquired buildings with the goal of reducing the state's costs of occupancy. To help implement this goal, the General Assembly enacted Public Act 12-189, authorizing \$180 million for DAS to acquire, repair and improve state buildings and grounds.

In FY 2013 the DAS Leasing and Property Transfer unit, in conjunction with SPRB, OPM and the Office of the Attorney General, successfully completed the purchase and sale agreements on approximately 875,000 gross square feet of office space in Hartford at 55 Farmington Avenue (295,000 gross square feet) and 450 Columbus Blvd. (580,443 gross square feet). The 55 Farmington Avenue property transferred to the state on April 4, 2013 with a project team now working on the necessary improvements and preparations for relocation of employees from 25 Sigourney Street and 99-101 East River Drive (a leased site set to close before the lease expiration date of October, 2015). The moves are anticipated to take place in mid 2014. This one lease in East Hartford will reduce the square footage leased by the state by approximately 160,000 square feet, at an annual cost of \$6,080,000.

The closing for the 450 Columbus Blvd. building occurred on August 23, 2013 with move-in of employees from 25 Sigourney and other state leased/owned facilities to begin in 2016. Currently, work is underway to develop the detailed space plans required to determine which agencies in existing leases and state owned buildings will fill the 450 Columbus building. It is expected that the consolidation of leases will further reduce the space leased by the state by approximately 200,000 square feet at a cost of \$5,000,000 per year. In addition to these large purchases, DAS has also continued to work with OPM, SPRB and other stakeholders to right-size the space needs of state agencies and offices, obtain and maintain necessary space for the best value possible, and dispose of surplus state properties in a manner that is most fiscally advantageous to the state.

For fiscal year 2013, DAS Leasing and Property Transfer saved approximately \$890,000 for the state by collapsing leases, renegotiating renewal rates, and obtaining credits for unneeded carpet and paint. DAS is proud of these accomplishments, and plans to continue working with the Board, OPM and other stakeholders to build upon these savings and achievements in the future.

### Construction Related Projections

In an effort to provide the State Properties Review Board with information that may help the Board identify construction consultant agreements that may come before the

Board for its approval in the future, the Division of Construction Services anticipates that the following state construction-related projects may be initiated in the foreseeable future. Please note that this is a list of anticipated future projects, not those that are currently underway. Further, this is not a firm list of guaranteed projects; these projects currently may or may not be authorized and/or approved for funding by the legislature and/or the State Bond Commission. Additionally, DAS is not able to identify at this time which of these projects - should they move forward -- may require SPRB approval for consultant services. Finally, please understand that there may be additional projects that move forward in the next several years that are not on this list, because the agencies have not yet made DCS aware of the projects or plans. This list is being provided for informational and planning purposes only.

<b>Project Description</b>	<b>Agency</b>	<b>Projected Budget Est.</b>
Capitol Community College Expansion	BOR	\$ 5,500,000
Abbott THS Roof Repair	SDE	\$ 500,000
Norwich THS Misc. Improvements	SDE	\$ 1,500,000
Repaving and Relighting Parking Lots (6+ THS Locations)	SDE	\$ 10,000,000
CVH Phone/Data Underground Infrastructure	DMHAS	\$ 1,500,000
Three Rivers CTC HVAC Study	BOR	\$ 35,000
Three Rivers CTC Middle College H.S. Study	BOR	\$ 25,000
Quinebaug CTC Manufacturing Center	BOR	\$ 10,000,000
Asnuntuck CTC Code Improvements	BOR	\$ 5,000,000
Gateway CTC Automotive Relocation	BOR	\$ 25,000,000
Housatonic CTC Manufacturing Center Phase 2 (Design)	BOR	\$ 1,500,000
Norwalk CTC Air Handling System Improvements	BOR	\$ 400,000
Norwalk CTC Library Study	BOR	\$ 35,000
Norwalk CTC Condenser Replacement/Energy Project	BOR	\$ 400,000
Middlesex CTC Media Center	BOR	\$ 20,000,000
Tunxis CTC Phase 3 (Design)	BOR	\$ 4,900,000
House Bill #5353 Convert all CTC's to ADA Compliance	BOR	\$ 22,000,000
Health and Human Services - SCSU	BOR	\$ 34,500,000
Residence Halls Exterior Repairs - WCSU	BOR	\$ 300,779
Courthouse renovation - 235 Church St., New Haven	JUD	\$ 9,000,000
New Juvenile Matters Courthouse, Meriden	JUD	\$ 18,500,000
Underground utility system, York Prison, East Lyme	DOC	\$ 6,000,000
Renovate New Haven Corr. Cntr Parking Garage	DOC	\$ 2,200,000
York Prison Building #7 Kitchen & Dining Hall Renov.	DOC	\$ 2,000,000
York Prison Building #9 Freezer Renovation	DOC	\$ 1,000,000
Cheshire Prison Sewage Storm Water Separation	DOC	\$ 3,000,000
Central Consolidated Dispatch Center in Middletown	DESPP	\$ 2,000,000
Civil Support Team, Camp Hartell, Windsor Locks	MIL	\$ 14,000,000
Renovate Enfield Armory	MIL	\$ 3,000,000

Renovate Camp Hartell Armory, Windsor Locks	MIL	\$ 3,000,000
Renovate Engine Shop, TASM-G Groton	MIL	\$ 3,000,000
Renovate Norwich Armory	MIL	\$ 3,000,000
Renovate New Britain Armory	MIL	\$ 3,000,000
New Boiler Plant, TASM-G Groton	MIL	\$ 2,000,000
New underground utility loop, Camp Niantic, E. Lyme	MIL	\$ 5,000,000
Replace roofs, Troops D-Danielson, I-Bethany, L-Litchfield	MIL	\$ 1,800,000
New Radio Tower Facility, Haddam	MIL	\$ 1,500,000
Roof replacement and masonry, Police Academy, Meriden	MIL	\$ 3,500,000
Commissary renovation, Rocky Hill campus	DVA	\$ 3,000,000
Water tank and underground utility work, Rocky Hill	DVA	\$ 1,000,000