

Wednesday, November 1, 2023

Conversion of State Owned Property Working Group Meeting #2

We heard from Paul Hinsch, Policy Director of Asset Management at the Office of Policy and Management.

- Approximately 7,000 parcels are owned across the state. Approximately 3,000 have buildings/structures, which may include a salt shed, bus shelter, and/or cabin). Approximately 1,000 have a functional office building or structure.
- Over 50% of State owned land is DEEP or conservation land. The goal for the State is to have 21% of land identified as conservation/preservation. Today the percentage is 16%. This is a statutory obligation.
- Surplus Process
 - Once a year, OPM surveys all the departments to identify land/buildings that may no longer be needed and/or Department tells OPM they have a building/parcel that they no longer have a use for
 - What is the catalyst for sale?
 - Usually an operational cost issue
 - Could be a capital issue where an improvement is required
 - Space issue --- too little space, or too much and is expensive to carry
 - OPM circulates the property to other departments to see if there is a potential use
 - If no department shows interest, the building/parcel is identified as 'surplus'
 - Property transfers to DAS responsibility, where they offer it first to the municipality. Parcel is offered at market rate.
 - If the municipality is not interested, DAS will offer the building/parcel to the general market.
 - What happens to the revenue from the sale?
 - General fund
 - UConn sees the revenue from the sale
- Challenges
 - Most sites have challenges, size, irregular parcel configuration, brownfield, demolition required, etc.
 - The state did go through an exercise to identify \$1B of property to sell as a one-time revenue source for the pension. Study showed that a great deal of the property is utilized and the goal was unachievable.
- There is a space consolidation project going on, where OPM is looking at state owned buildings where residential might be possible. This has been complicated by the return to work schedules after COVID. It is believed this will be a long term effort, given patterns are still in flux.

- Discussions with colleges has shown that they believe they will need the dorm room for students and are unwilling to give up space at this time.
- Building Maintenance and Control
 - Judicial and legislative buildings are not managed by DAS, all other state buildings are
 - Departments have custodial control over their buildings. They are responsible for bond requests for improvements and operational costs
- Opportunities
 - State does not have to abide by local zoning.
 - Air rights, especially at existing train stations.
 - Surplus list: Litchfield, deed for courthouse, 20 acres; College site, 12 acres, potential good housing site; Cedarcrest Hospital in Newington, may be good for housing; Southbury, potential for housing; Mystic School site, 35 acres (Groton), a lot of buildings are on the site and potential for \$10M in remediation required. Potential for 900 units for housing; Middletown, 10 acres was going to be used for housing but reverter clause was exercised; East Hartford, 12 acre; DMV/DAS, 16 acre along the waterfront, large funding expected for site preparation.
- What should our working group and committee focus on?
 - Conveyance bill
 - Key is to focus on legislation and municipal local control
 - Property isn't the problem, zoning and funding (infrastructure and site preparation/clean up) is the challenge

Next steps, schedule a meeting with potential Massachusetts state leaders in this work. Schedule a meeting to discuss possible first draft recommendations.