



STATE OF CONNECTICUT OFFICE OF POLICY AND MANAGEMENT

Testimony of
Office of Policy and Management
concerning
Raised Bill No. 203 AAC The Sale Of State Real Property
February 20, 2008

Good morning, Senator Slossberg, Representative Caruso and members of the GAE committee, I am Jeffrey Beckham and I am here today representing Secretary Genuario of the Office of Policy and Management. I appreciate the opportunity to offer comment on Senate Bill 203, AAC The Sale Of State Real Property.

It appears that Senate Bill 203 was inspired by the state's recent experience with the former DMR property on Shore Road in the town of Waterford, the former Seaside Regional Center. We believe that the record would be enhanced by a summary of the State's activities in the ten years following the closing of that facility and the disapproval of the sale of the property and I am attaching that summary to my remarks today.

The state undertook an extraordinary process that went well above and beyond that called for in the statutes. Specifically, a joint state and local committee was formed to establish the criteria for the sale and the marketing of the property. With much public input, a development plan was established and a developer selected. The state, the town and the developer worked for many years to put the property back into a viable and productive reuse that would have benefited the community and the state.

Contrary to some of the media accounts, I want to emphasize that there was no procedural error or other legal flaw in the state's handling of the matter. At all times, the state acted according to law and as I indicated, went above and beyond the letter of the law in involving the public and relevant officials at all levels of government.

The sale of this property was always a close and difficult call and reasonable minds could differ as to the desirability of making this sale. The statutory process required approval of the sale by both the executive and the legislative branches. That democratic process proceeded, with the timeliness and efficiency that democratic processes are often known for, and resulted in the sale not going forward.

Addressing the bill itself, we have a number of questions about this bill and would like to better understand what issues the bill's provisions are seeking to address. We think it incumbent upon the proponents of this bill to make the case for why it is needed.

Let me assure the committee that OPM is ready to work with you on any reform of the surplus property statute that will provide for more efficiency in the process or more appropriate outcomes. With that, I would be happy to respond to any questions you may have.

Attachment
Recitation of State Activities
Seaside Regional Center

The disposition of most surplus state property starts with a determination by the state agency with custody and control of the property that the property is no longer needed by that agency. The agency then notifies the Office of Policy and Management, which then solicits the other state agencies to determine if there is any viable state use to which the property may be put. If no such use is identified, OPM transfers the property to the Department of Public Works (DPW), which is then charged with selling the property. By law, the town in which the property is located has a right of first refusal.

In December 1996 Seaside Regional Center was closed and declared surplus by the Department of Mental Retardation (DMR). OPM then solicited reuse proposals for the property from State agencies according to the surplus property law. No viable state reuse for the property as a whole was identified and the decision was made to sell the property.

The state determined that the property was to be sold under the following conditions: (1) The public must have access to the beach front, (2) the purchaser must reutilize the historically significant structures, (3) the purchaser must agree to develop the property in accordance with local zoning, and (4) the purchaser must be responsible for all environmental remediation.

With those specifications, the State formed the "Seaside Selection Committee" with members from relevant state agencies, the town, the legislature and private citizens. This group guided and carried out a competitive selection process and made the determination as to who would be named the preferred developer.

In addition, the State hired a private consultant to serve the Committee and to provide insight as to which proposed projects were logistically feasible and economically viable.

In September, 2000, the state named a preferred developer.

The property was eventually rezoned by the town as the "*Seaside Preservation Zone*" which allows for a master planned community for persons age 55+, assisted and independent living facilities, along with related services.

Since, by law, the state must give the town the right of first refusal to acquire the property, the state inquired of the town to determine their interests in the property. The town held a referendum to determine whether it should purchase the property from the state. That referendum failed and the town notified the state that it would not purchase the property.

DPW undertook environmental studies, appraisals, surveys, etc., required to divest the State of the property. This past summer, the state concluded a purchase and sale agreement with the developer. The agreement was approved by the Office of Policy and Management (OPM), the State Properties Review Board and the Finance Committee. The sale was subsequently rejected by the GAE committee.

Governor Rell has announced that the property will be retained by the state and reuse options for the property are now again being solicited from state agencies.