



# Senate

General Assembly

**File No. 740**

January Session, 2021

Senate Bill No. 1110

*Senate, May 27, 2021*

The Committee on Government Administration and Elections reported through SEN. FLEXER of the 29th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT AMENDING THE CONVEYANCE OF PARCELS OF STATE LAND TO THE NEW HAVEN PORT AUTHORITY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 6 of public act 18-154 is repealed and the following  
2 is substituted in lieu thereof (*Effective from passage*):

3 (a) Notwithstanding any provision of the general statutes, the  
4 Commissioner of Transportation shall convey to the New Haven Port  
5 Authority two parcels of land located in the city of New Haven, at a cost  
6 equal to the fair market value of the properties, as determined by the  
7 average of the appraisals of two independent appraisers selected by the  
8 commissioner, plus the administrative costs of making such  
9 conveyance, and minus the costs for investigating and remediating  
10 environmental contamination identified on said parcels. The first parcel  
11 of land has an area of approximately .55 acre and is identified as 135  
12 Fulton Terrace, at Lot 1200 in Block 955 on city of New Haven Assessor's  
13 Map 69. The second parcel of land has an area of approximately .14 acre  
14 and is identified as 54 Edgemere Road, at Lot 1100 in Block 955 on city  
15 of New Haven Assessor's Map 69. Both parcels are further identified as

16 the parcels of land described in Department of Transportation File  
17 Number 92-932-37A. The conveyance shall be subject to the approval of  
18 the State Properties Review Board.

19 (b) The New Haven Port Authority shall use said parcels of land for  
20 economic development purposes. If the New Haven Port Authority:

21 (1) Does not use either of said parcels for said purposes;

22 (2) Does not retain ownership of all of said parcels; or

23 (3) Leases all or any portion of said parcels, except for a lease for  
24 economic development purposes,

25 the parcels shall revert to the state of Connecticut.

26 [(b)] (c) The State Properties Review Board shall complete its review  
27 of the conveyance of said parcels of land not later than thirty days after  
28 it receives a proposed agreement from the Department of  
29 Transportation. The land shall remain under the care and control of said  
30 department until a conveyance is made in accordance with the  
31 provisions of this section. The State Treasurer shall execute and deliver  
32 any deed or instrument necessary for a conveyance under this section,  
33 which deed or instrument shall include provisions to carry out the  
34 purposes of subsection (b) of this section. The Commissioner of  
35 Transportation shall have the sole responsibility for all other incidents  
36 of such conveyance.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	PA 18-154, Sec. 6

**GAE**      *Joint Favorable*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 22 \$</b>
Resources of the Special Transportation Fund	TF - Revenue Loss	Up to \$245,000
Department of Transportation	TF - Cost	Potential Significant

Note: TF=Transportation Fund

**Municipal Impact:**

<b>Municipalities</b>	<b>Effect</b>	<b>FY 22 \$</b>
New Haven	See Below	See Below

**Explanation**

The bill modifies a conveyance of land from the Department of Transportation (DOT) to the New Haven Port Authority (PA 18-154 section 6) and results in significant costs to the DOT, along with potential cost reduction to the New Haven Port Authority.

The bill would reduce the cost of the conveyance from fair market value (approximately \$245,000 based on the appraisals conducted for the original 2018 conveyance) by the "costs for investigating and remediating environmental contamination" on the related land, which has several fiscal impacts.

Preliminary testing is anticipated to cost approximately \$20,000. Prior to the testing, the level of remediation necessary to fulfill the requirements of the bill is unknown. Costs to DOT, and/or the reduction of revenue from the sale of such property, for the required

remediation are likewise unknown, but are potentially significant. For example, the State regularly provides grants up to \$2 million per project for brownfield remediation.

If investigation and remediation costs are less than the fair market value of the property, any cost incurred under the terms of the conveyance would result in a loss of one-time revenue to the Special Transportation Fund and a decrease in cost to the New Haven Port Authority. Under the modified terms of the conveyance, it is unclear whether DOT would be required to incur costs of remediation beyond the fair market value of the property. If allowed, investigation and remediation costs beyond fair market value would potentially increase costs to DOT.

Additionally, the land in question was originally obtained using federal funds; DOT agreements with the Federal Highway Administration (FHWA) require that such sites be sold at fair market value, with proceeds of the sale deposited in the Special Transportation Fund. To the extent the FHWA does not approve of a modified agreement to allow conveyance of the land at less than fair market value, DOT would be required to reimburse the FHWA for a portion of the current value, resulting in an unknown cost to DOT.

The bill also modifies the conveyance to require the land to be used for economic development purposes and allows lease of the land for the same purpose. The asset would revert to state control if the recipient does not use the land for specified purposes. Reversion to state control would mitigate the loss of asset allowed by the original conveyance.

**OLR Bill Analysis****SB 1110*****AN ACT AMENDING THE CONVEYANCE OF PARCELS OF STATE LAND TO THE NEW HAVEN PORT AUTHORITY.*****SUMMARY**

This bill amends section 6 of PA 18-154, which required the Department of Transportation to convey two parcels of land in New Haven, totaling 0.69 acres, to the New Haven Port Authority for their fair market value plus administrative costs. The bill reduces the conveyance's cost by subtracting the costs for investigating and remediating identified environmental contamination on the parcels.

It also requires the authority to use the two parcels for economic development purposes. (PA 18-154 did not specify a purpose.) Under the bill, the parcels revert to the state if the authority (1) does not use either of them for this purpose; (2) sells the parcels; or (3) leases all or any portion of them, except for a lease for economic development purposes.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 16 Nay 0 (05/19/2021)