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## **OLR Bill Analysis**

### **sSB 22**

#### ***AN ACT CONCERNING THE CAPITAL REGION DEVELOPMENT AUTHORITY***

##### **SUMMARY:**

This bill redesignates the quasi-public Capital City Economic Development Authority (CCEDA) as the Capital Region Development Authority (CRDA), preserving many of CCEDA's powers, duties, and functions, including the authority to issue bonds. CCEDA currently oversees several completed and ongoing development projects in a statutorily designated area in Hartford (i.e., the Capital City Economic Development District). Its duties include advising state agencies on development projects proposed in the district.

The bill expands the scope of the projects CRDA can develop in the district. It allows CRDA to build new structures, redevelop occupied ones, and construct or rehabilitate more housing units in downtown Hartford. The bill also expands the area where CRDA can develop specific types of projects current law allows. CRDA can develop riverfront improvements anywhere in Hartford and East Hartford and demolish and redevelop vacant buildings in East Hartford.

In redesignating CCEDA as CRDA, the bill:

1. replaces CCEDA's seven member board with a 13-member board that includes municipal representatives;
2. designates Hartford and its seven contiguous towns as the capital region;
3. requires CRDA to review and comment on any state funded project in the capital region, not just the smaller Capital City Economic Development District;

4. assigns additional duties to CRDA that differ from those assigned to CCEDA, including managing facilities and promoting tourism;
5. shifts specified administrative duties from the Office of Policy and Management (OPM) secretary to the Department of Economic and Community Development (DECD) commissioner;
6. eliminates an obsolete reporting requirement; and
7. makes many technical and conforming changes.

Lastly, the bill extends by four years, from June 30, 2013 to June 30, 2017, the deadline for the State Bond Commission to issue up to \$115 million in state general obligation bonds for DECD to fund specified projects in the Capital City Economic Development District (§ 22). The projects are the civic center and coliseum complex reconstruction, riverfront infrastructure development, housing rehabilitation and new construction, demolition and redevelopment, and parking.

EFFECTIVE DATE: July 1, 2012

## **§ 9 — BOARD**

### ***Appointment***

The bill creates a new larger board to oversee CRDA. CCEDA board consists of seven members appointed jointly by the governor and legislative leaders, one of whom is recommended by Hartford's mayor. The board's chairperson is appointed by the governor.

Under the bill, CRDA's 13-member board consists of eight voting members and five nonvoting ex-officio members. The former serve four-year terms except the initial members, who serve staggered terms. Table 1 lists the voting members, their appointing authority, and their initial terms. As the table shows, the House speaker and House minority leader jointly appoint one member, as do the Senate president pro tempore and the Senate minority leader.

**Table 1: CRDA Voting Members**

<b><i>Appointing Authority</i></b>	<b><i>Number of Appointments</i></b>	<b><i>Initial Terms</i></b>
Governor	Four	Four years
Hartford Mayor	Two: 1. One Hartford resident 2. One City of Hartford employee	Three years
House Speaker and House Minority Leader (jointly)	One	Two years
Senate President Pro Tempore and Senate Minority Leader (jointly)	One	Two years

The appointing authorities must make their initial appointments by July 31, 2012.

The nonvoting ex-officio members are the Hartford and East Hartford mayors, OPM secretary, and DECD and Department of Transportation commissioners or their designees.

The governor designates the board's chairperson.

### ***Conflict of Interest***

The bill applies and expands the conflict of interest prohibition that currently applies to CCEDA's board. Like current law, it prohibits CRDA board members from having or acquiring a financial interest in any CRDA project in the Capital City Economic Development District or in any contract for materials and services to be used in these projects.

The bill also prohibits the members from having or acquiring a financial interest in any CRDA project in the eight-town capital region, not just the Capital City Economic Development District, or in any contract for materials and services to be used in these projects.

**§ 10 — PURPOSE**

The bill specifies CRDA's duties, which are broader than CCEDA's. Under current law, CCEDA must:

1. stimulate new investment in Connecticut and diversify its economy;
2. attract both large and local conventions, tradeshow, and exhibitions;
3. strengthen Hartford's role as a regional employment and government center;
4. encourage residential development in downtown Hartford; and
5. construct, operate, maintain, and market the convention center to further the region's economic development.

The bill requires CRDA to also stimulate new investment in Connecticut, but redefines many of the duties current law assigns to CCEDA.

1. CRDA must attract large conventions, tradeshow, exhibitions, conferences, consumer shows, and events, but must do so through a sales and marketing effort coordinated with the capital region's major sports, convention, and exhibition venues.
2. CRDA must encourage residential development, presumably through its expanded geographic jurisdiction (see below), not just in downtown Hartford, as current law requires of CCEDA.
3. CRDA must maintain and market the convention center, but not operate it, as current law requires of CCEDA.
4. CRDA must stimulate family-oriented tourism, art, culture, history, education, and entertainment by cooperating and coordinating with Hartford and regional organizations. Current law requires CCEDA to achieve these goals by the way it operates, maintains, and markets the convention center.

5. CRDA must manage facilities as the law or a memorandum of agreement requires.

The bill requires CRDA to stimulate the capital region's economic development, which under the bill encompasses Bloomfield, East Hartford, Newington, South Windsor, West Hartford, Wethersfield, and Windsor (i.e., capital region). It also requires CRDA to help these municipalities, upon request of their legislative bodies, to stimulate the region's economy and increase tourism by developing and redeveloping property.

The bill makes technical changes conforming current law to these changes.

### **§ 8 — CAPITAL CITY PROJECT**

The bill broadens the scope of the capital city project, which under current law consists of:

1. a convention center project (completed),
2. a downtown higher education center (completed),
3. the renovation and rejuvenation of the civic center and coliseum complex (completed),
4. the development of riverfront infrastructure and improvements (ongoing),
5. the construction or rehabilitation of up to 1,000 downtown housing units and the demolition or redevelopment of vacant buildings (ongoing), and
6. the addition of downtown parking (ongoing).

Under current law, all of these projects except those demolishing or redeveloping vacant buildings must be located in the Capital City Economic Development District, which roughly encompasses the area between the Connecticut River from the Bulkeley Bridge south to, but not including, Dillon Stadium and Colt Park, and west to the State

Capitol and the railroad right-of-way intersection.

The bill expands the range of projects. It increases the number of downtown housing units from 1,000 to 2,000 and allows CRDA to construct new buildings and redevelop occupied ones.

The bill also expands the areas where CRDA can develop certain projects. It allows CRDA to develop or improve riverfront infrastructure anywhere in Hartford or East Hartford, not just in the Capital City Economic Development District, as current law allows. And it allows CRDA to demolish or redevelop vacant buildings in East Hartford, not just anywhere in Hartford, as current law allows.

## **§ 15 — PROJECT REVIEWS**

### ***Scope***

The bill broadens CCEDA's current authority to advise state agencies about projects requesting their funds and transfers it to CRDA. Current law limits this authority to capital city projects located in the Capital City Economic Development District or the rest of Hartford. The bill extends the authority to any project in the other seven towns in the region.

### ***Comment Procedure***

The bill keeps the current procedure for requesting CCEDA's recommendations. In following that procedure, a person, business, nonprofit organization, or state or local agency applying to a state agency or the authority for funds must submit a copy of its application, along with supporting documents, to OPM and CRDA, which has up to 90 days to provide written recommendations to the funding agency. The recommendations may include contractual performance standards and project timelines.

The agency cannot spend funds until it receives these recommendations or after 90 days from the application date, whichever is sooner. It does not have to implement the recommendations, but must explain to CRDA in writing why a spending decision is inconsistent with them. CCEDA's authority to

perform this function expires on July 1, 2013. The bill requires CRDA to perform it until July 1, 2017.

**Coordination**

The bill also transfers to CRDA CCEDA's current authority to coordinate all state and municipal planning and financial resources for capital city projects and broadens it to include all projects in the capital region.

**§ 13 — PROJECT MONITORING AND EVALUATION**

The bill transfers CCEDA's monitoring and reporting duties to CRDA, but also expands them to include all projects in the capital region, regardless of whether CRDA funded them.

The bill also transfers and expands CCEDA's contract compliance duties to CRDA. Current law requires CCEDA to designate a contract officer to monitor the operations of the convention center and the convention center hotel and their related parking facilities. The bill extends these duties to any facility CRDA controls or manages.

CRDA must also review and evaluate both types of projects, which under current law and the bill requires devising ways to determine how many jobs each project created or expects to create, the cost per job, the value of private investment, the number of new businesses stimulated and the jobs they create, and the effects on tourism. Under the bill, CRDA must also devise ways to measure increases in downtown Hartford's housing supply.

**§ 14 — REPORTING**

The bill similarly transfers CCEDA's reporting duties to CDRA, but expands them to include projects in the capital region. Consequently, CRDA must report annually within 90 days after the fiscal year begins (September 28), to the governor; Finance, Revenue and Bonding Committee; and state auditors on its finances, procurements, and employment. Among other things, the report must describe each project, its location, and the amount it spent on construction.

CRDA must also report annually on the status of the Adriaen's

Landing project, as CCEDA must under current law.

**§ 10 — ADMINISTRATIVE SUPPORT AND SERVICES**

Current law requires the OPM secretary to provide a range of administrative and support services to CCEDA through a memorandum of understanding (MOU) between the secretary and the authority. The bill transfers this authorization to CRDA and reassigns the duty to provide these services to the DECD commissioner.

Under current law, an MOU may specify the administrative and support services that OPM will provide to CCEDA and how CCEDA will reimburse OPM for the cost. The MOU may also address contracts and accounts and specify how the management of the convention center and stadium facility (i.e., Rentschler Field) will be coordinated. The bill expands the range of facilities to include other sports, exhibition, and coliseum facilities.

**COMMITTEE ACTION**

Commerce Committee

Joint Favorable Change of Reference  
Yea 16 Nay 0 (03/01/2012)

Government Administration and Elections Committee

Joint Favorable  
Yea 15 Nay 0 (03/29/2012)