

OFFICE OF LEGISLATIVE RESEARCH  
PUBLIC ACT SUMMARY



**PA 12-147—sSB 22**

*Commerce Committee*

*Government Administration and Elections Committee*

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

**SUMMARY:** This act 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 oversaw several completed and ongoing development projects in the statutorily designated Capital City Economic Development District, which is located entirely in Hartford. Its duties included advising state agencies on development projects proposed in the district.

The act expands the district and the range of eligible projects and allows CRDA to plan and implement some of these projects outside the district. Specifically, it authorizes CRDA to (1) develop and redevelop property anywhere in Hartford, (2) develop riverfront improvements anywhere in Hartford and East Hartford, (3) demolish and redevelop vacant buildings in East Hartford, and (4) develop more housing units than were previously permitted. To plan and implement these projects, the act gives CRDA the same powers prior law gave CCEDA to plan and implement specified capital district projects.

In redesignating CCEDA as CRDA, the act:

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. expands the project planning, monitoring, and evaluation duties transferred from CCEDA to CRDA;
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 act 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 (§22). The projects are the civic center and coliseum complex reconstruction, riverfront infrastructure development, housing rehabilitation and new construction, demolition and redevelopment, and parking. (PA 12-189 authorized additional bonding for CRDA (see BACKGROUND)).

EFFECTIVE DATE: Upon passage

§ 9 — BOARD

*Appointment*

The act creates a new, larger board to oversee CRDA. The CCEDA board consisted of seven members appointed jointly by the governor and legislative leaders, one of whom was recommended by Hartford’s mayor. Under the act, the terms of all the CCEDA board members expire on the act’s effective date, which is also the date when CCEDA becomes CRDA.

Under the act, CRDA’s 13-member board consists of the Hartford and East Hartford mayors, eight appointed members, and three ex-officio members. The appointed members serve four-year terms except the initial members, who serve staggered terms. After the initial terms, all members serve four-year terms and may be reappointed.

Table 1 lists the appointed members, their appointing authority, and their initial terms. As the table shows, the House speaker and Senate president pro tempore jointly appoint one member, as do the House and Senate minority leaders.

**Table 1: CRDA Appointed Members**

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

The appointing authorities must make their initial appointments within 15 days after the act’s effective date.

In addition to the appointed members, the board includes the Hartford and East Hartford mayors, the OPM secretary and the DECD and Department of Transportation commissioners. The secretary and the commissioners serve as ex-officio members.

The CRDA board must generally adhere to the same procedural rules that governed CCEDA’s board.

The act applies and expands the conflict of interest prohibition that previously applied to CCEDA’s board. As under prior law, the act 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 act expands this prohibition to include any CRDA project in the eight-

## OLR PUBLIC ACT SUMMARY

town capital region (see below), not just the Capital City Economic Development District, or in any contract for materials and services to be used in these projects.

### § 8 — GEOGRAPHIC JURISDICTION

The act designates two overlapping areas where CRDA can undertake development activities. It designates Hartford and its adjacent municipalities (i.e., Bloomfield, East Hartford, Newington, South Windsor, West Hartford, Wethersfield, and Windsor) as the “Capital Region” and, as discussed below, specifies the activities CRDA must undertake in this region.

The act also enlarges the Capital City Economic Development District, where prior law required CCEDA to plan and implement specific projects described below. The district previously covered 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 act expands the district westward to cover an area bounded by Park Street to the south, Laurel and Forrest streets to the west, Farmington and Asylum avenues to the north, and the State Capitol area to the east.

### § 10 — PURPOSES

CRDA’s mission is narrower than CCEDA’s, but its duties are broader. Under prior law, CCEDA had to:

1. stimulate new investment in Connecticut and encourage the diversification of its economy;
2. attract and service large conventions, tradeshow, exhibitions, conferences, and local consumer shows, exhibitions, and events;
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.

Under the act, CRDA must:

1. stimulate economic development and new investment in the capital region, not statewide, as prior law required of CCEDA;
2. develop and redevelop property in Hartford;
3. help the region’s municipalities, upon request of their legislative bodies, stimulate the region’s economy and increase tourism by developing and redeveloping property;
4. market the Capital City Economic Development District as a multicultural destination, create a vibrant multidimensional downtown, and support others in achieving these goals;
5. work with DECD to attract large conventions, tradeshow, exhibitions, conferences, consumer shows, and events through a sales and marketing effort coordinated with the capital region’s major sports, convention, and exhibition venues;
6. encourage residential development throughout the expanded district, not

## OLR PUBLIC ACT SUMMARY

- just in downtown Hartford, as prior law required CCEDA to do;
7. operate, maintain and market the convention center;
  8. stimulate family-oriented tourism, art, culture, history, education, and entertainment by cooperating and coordinating with Hartford and regional organizations;
  9. manage facilities through a contractual agreement or other legal instrument; and
  10. enter into an agreement with the OPM secretary if he requests its assistance to relocate state offices in the capital city district.

### § 8 — CAPITAL CITY PROJECTS

The act broadens the definition of a capital city project, which under existing 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 prior law, all of these projects had to be located in the Capital City Economic Development District, except those demolishing or redeveloping vacant buildings, which could be anywhere in Hartford.

The act expands the range of projects and the areas where CRDA can develop certain projects. Specifically, it allows CRDA to (1) construct new buildings and redevelop occupied ones anywhere in Hartford; (2) develop or improve riverfront infrastructure anywhere in Hartford or East Hartford, not just in the Capital City Economic Development District, as prior law allowed; and (3) demolish or redevelop vacant buildings in East Hartford, not just in Hartford, as prior law allowed.

The act increases the number of downtown housing units to be constructed or rehabilitated in the Capital City Economic Development District from 1,000 to 3,000 units.

### § 10 — EXTENDED POWERS

The act gives CRDA mostly the same general and development-specific powers prior law gave CCEDA, including powers to plan and implement different types of capital city projects. The general powers allow CRDA to function as a quasi-public agency and include:

1. entering into contracts;
2. issuing bonds and other obligations;
3. borrowing money;
4. acquiring, leasing, and disposing of personal property;
5. employing staff; and

## OLR PUBLIC ACT SUMMARY

6. investing funds that are not immediately needed.

The act expands these powers to include, upon the OPM secretary's request, entering into a funding agreement to facilitate the relocation of state offices within the Capital City Economic Development District.

Under prior law, CCEDA possessed certain development-specific powers related to planning and implementing the convention center project and facilities. The act transfers these powers to CRDA and generally extends them to all capital city projects within the Capital City Economic Development District. With respect to such capital city projects, these powers include:

1. acquiring and disposing of property;
2. acquiring property by eminent domain, in consultation with Hartford's mayor and according to the procedures redevelopment agencies use when taking property;
3. owning and operating facilities;
4. entering into contracts;
5. marketing and promoting the region to attract national, regional, and local conventions, trade shows, and other events to increase the use of CRDA's exhibition, sporting, and entertainment facilities;
6. planning for, acquiring, financing, constructing, developing, operating, marketing, promoting, and maintaining facilities;
7. borrowing money, issuing bonds, and entering into credit and other agreements to make the bonds more marketable;
8. collecting fees and rents from the facilities it develops and adopting procedures for operating and occupying them;
9. engaging independent professionals, such as lawyers, accountants, and architects;
10. adopting and amending procurement procedures; and
11. receiving money, property, and labor from any source, including government sources.

### § 15 — PROJECT REVIEWS

#### *Scope*

The act transfers to CRDA CCEDA's authority to advise state agencies about projects requesting state funds and extends that authority to more types of projects. Prior law limited this authority to capital city projects located in the Capital City Economic Development District or the rest of Hartford. The act extends the authority to any economic development project in the region in which CRDA has been involved.

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

Prior law terminated CCEDA's authority to perform this function on July 1, 2013, but the act eliminates this sunset date, thus requiring CRDA to perform the function indefinitely.

By law, a person, business, nonprofit organization, or state or local agency

## OLR PUBLIC ACT SUMMARY

applying to a state agency or authority for funds must submit a copy of its application, along with supporting documents, to OPM. The act requires that a copy of the application also go to CRDA, which like OPM, has up to 90 days to provide written recommendations to the funding entity.

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.

### §§ 13 & 14— PROJECT ANALYSIS

#### *Feasibility Study*

The act requires CDRA to determine the financial feasibility of proposed development and redevelopment projects, which under the act can be implemented anywhere in Hartford. In determining a project's feasibility, CRDA must consider proper planning, engineering, siting, construction and operational costs, and revenue and expense projections.

#### *Monitoring and Evaluation*

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

The act also transfers CCEDA's contract compliance duties to CRDA and extends them to more facilities. Prior law required CCEDA to designate a contract compliance officer to monitor the operations of the convention center, the convention center hotel, and their related parking facilities. The act extends these duties to any facility CRDA controls or manages.

CRDA must also review and evaluate capital city projects and any other project in the capital region that it financed. Like CCEDA under prior law, CRDA must determine (1) how many jobs each project created or expects to create, (2) the cost per job, (3) the value of private investment, (4) the number of new businesses stimulated and the jobs they created, and (5) the effects on tourism. The act also requires CRDA to measure increases in downtown Hartford's housing supply.

### § 14 — REPORTING

The act similarly transfers CCEDA's reporting duties to CDRA, but expands them to include any project in the capital region in which CRDA has been involved. Consequently, CRDA must report annually by September 28 (90 days after the fiscal year begins), 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 CRDA spent on construction.

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

## OLR PUBLIC ACT SUMMARY

### §§ 10 & 11 — ADMINISTRATIVE SUPPORT AND SERVICES

The act reassigns the responsibility for providing various administrative and support services. Prior law allowed 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 act transfers this authority to the DECD commissioner.

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

Prior law allowed the OPM secretary and CCEDA to provide financial management and construction services to the Connecticut Center for Science and Exploration. The act transfers this duty to CRDA only.

### BACKGROUND

#### *Related Act*

PA 12-189, An Act Authorizing Bonds of the State for Capital Improvements, Transportation, and Other Purposes, authorizes up to \$60 million in bonds for CRDA to encourage new housing in downtown Hartford.

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