



House of Representatives

File No. 783

General Assembly

January Session, 2015

(Reprint of File No. 516)

Substitute House Bill No. 5980
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 7, 2015

***AN ACT EXTENDING THE BOUNDARIES OF THE CAPITAL CITY
ECONOMIC DEVELOPMENT DISTRICT.***

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

1 Section 1. Subdivision (7) of section 32-600 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2015*):

4 (7) "Capital city economic development district" means the [area]
5 areas bounded and described as follows: [The] (A) Within the city of
6 Hartford, the northerly side of Maseek Street from the intersection of
7 Van Dyke Avenue proceeding westerly to the intersection of Van Block
8 Avenue, proceeding northerly along Van Block to the intersection of
9 Nepaquash Street, proceeding easterly to the intersection of Huyshope
10 Avenue, proceeding northerly along Huyshope Avenue to the
11 intersection of Charter Oak Avenue, proceeding westerly along
12 Charter Oak Avenue to Wyllys Street, proceeding along Wyllys Street
13 to Popieluszko Court, north on Popieluszko Court to Charter Oak
14 Avenue proceeding westerly to Main Street, proceeding south along

15 Main Street to Park Street, thence west along Park Street to the
16 intersection of Laurel Street, proceeding north on Laurel Street to the
17 intersection of Capitol Avenue, proceeding west on Capitol Avenue to
18 the intersection of Forest Street, proceeding north on Forest Street to
19 the intersection of Farmington Avenue, proceeding east on Farmington
20 Avenue to the intersection of Asylum Avenue, proceeding east on
21 Asylum Avenue, thence northwesterly along the Exit 48 on ramp to
22 Interstate 84 northward to the railroad, now proceeding northeasterly
23 along the railroad to its intersection with the southerly railroad spur,
24 thence proceeding southeasterly along the railroad R.O.W. to the
25 Bulkeley Bridge. Thence easterly to the city line. Proceeding south
26 along city boundary to the point perpendicular with Masseek Street.
27 Thence westerly to the point of beginning, and (B) within the town of
28 East Hartford, the northerly side of Burnside Avenue from the
29 intersection of Hillside Street, proceeding west to the intersection of
30 Main Street, proceeding north along Main Street to the intersection of
31 John Street, proceeding west on John Street to the intersection of
32 Howard Street, proceeding south on Howard Street to the intersection
33 of Orchard Street, proceeding west on Orchard Street to the
34 intersection of Prospect Street, proceeding south on Prospect Street to
35 the intersection of Governor Street, proceeding west on Governor
36 Street to the intersection of Thomas Street, proceeding north on
37 Thomas Street to the intersection of the first set of railroad tracks,
38 continuing west on the railroad tracks to the westerly boundary line of
39 the town of East Hartford, thence continuing south on such boundary
40 line to the intersection of the southern property boundary of the
41 property formerly known as the Wilgoos lab site, thence proceeding
42 east to the intersection of High Street, proceeding north on High Street
43 to the intersection of West Brewer Street, proceeding east on West
44 Brewer Street to the intersection of Main Street, proceeding east on
45 Brewer Street to the intersection of Forbes Street, proceeding north on
46 Forbes Street to the intersection of Chester Street and Roberts Street,
47 proceeding west on Roberts Street to the intersection of Hillside Street
48 and Simmons Road, thence proceeding northerly on Hillside Street to
49 the point of beginning.

50 Sec. 2. Subsection (d) of section 32-602 of the general statutes is
51 repealed and the following is substituted in lieu thereof (*Effective*
52 *October 1, 2015*):

53 (d) In addition to the powers enumerated in subsections (b) and (c)
54 of this section, with respect to capital city projects the authority shall
55 have the following powers: (1) To acquire, by gift, purchase,
56 condemnation, lease or transfer, lands or rights-in-land and to sell and
57 lease or sublease, as lessor or lessee or sublessor or sublessee, any
58 portion of its real property rights, including air space above and enter
59 into related common area maintenance, easement, access, support and
60 similar agreements, and own and operate facilities, provided such
61 activity is consistent with all applicable federal tax covenants of the
62 authority, transfer or dispose of any property or interest therein
63 acquired by it, at any time and to receive and accept aid or
64 contributions, from any source, of money, labor, property or other
65 thing of value, to be held, used and applied to carry out the purposes
66 of this section, subject to the conditions upon which such grants and
67 contributions are made, including, but not limited to, gifts or grants
68 from any department, agency or instrumentality of the United States or
69 this state for any purpose consistent with this section; (2) in
70 consultation with the chief elected official of the town and city of
71 Hartford or the chief elected official of the town of East Hartford, as
72 applicable, to condemn properties which may be necessary or
73 desirable to effectuate the purposes of the authority to be exercised in
74 accordance with the provisions of part I of chapter 835; (3) to formulate
75 plans for, acquire, finance and develop, lease, purchase, construct,
76 reconstruct, repair, improve, expand, extend, operate, maintain and
77 market facilities, provided such activities are consistent with all
78 applicable federal tax covenants of the authority; (4) to contract and be
79 contracted with provided, if management, operating or promotional
80 contracts or agreements or other contracts or agreements are entered
81 into with nongovernmental parties with respect to property financed
82 with the proceeds of obligations the interest on which is excluded from
83 gross income for federal income taxation, the board of directors shall

84 ensure that such contracts or agreements are in compliance with the
85 covenants of the authority upon which such tax exclusion is
86 conditioned; (5) to fix and revise, from time to time, and to charge and
87 collect fees, rents and other charges for the use, occupancy or operation
88 of such projects, and to establish and revise from time to time,
89 procedures concerning the use, operation and occupancy of such
90 facilities, including parking rates, rules and procedures, provided such
91 arrangements are consistent with all applicable federal tax covenants
92 of the authority, and to utilize net revenues received by the authority
93 from the operation of such facilities, after allowance for operating
94 expenses and other charges related to the ownership, operation or
95 financing thereof, for other proper purposes of the authority,
96 including, but not limited to, funding of operating deficiencies or
97 operating or capital replacement reserves for either such facilities and
98 related parking facilities as determined to be appropriate by the
99 authority; (6) to engage architects, engineers, attorneys, accountants,
100 consultants and such other independent professionals as may be
101 necessary or desirable to carry out its purposes; (7) to contract for
102 construction, development, concessions and the procurement of goods
103 and services and to establish and modify procurement procedures,
104 from time to time, to implement the foregoing in accordance with the
105 provisions of section 32-603; (8) to borrow money and to issue bonds,
106 notes and other obligations of the authority to the extent permitted
107 under section 32-607, to fund and refund the same and to provide for
108 the rights of the holders thereof and to secure the same by pledge of
109 assets, revenues, notes and state contract assistance, as provided in
110 section 32-608; (9) to do anything necessary and desirable, including
111 executing reimbursement agreements or similar agreements in
112 connection with credit facilities, including, but not limited to, letters of
113 credit or policies of bond insurance, remarketing agreements and
114 agreements for the purpose of moderating interest rate fluctuations, to
115 render any bonds to be issued pursuant to section 32-607 more
116 marketable; and (10) to engage in and contract for marketing and
117 promotional activities to attract national, regional and local
118 conventions, sporting events, trade shows, exhibitions, banquets and

119 other events to maximize the use of exhibition, sporting and
120 entertainment facilities under the operation or jurisdiction of the
121 authority.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2015</i>	32-600(7)
Sec. 2	<i>October 1, 2015</i>	32-602(d)

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:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$
Capital Region Development Authority (quasi-public)	Various - Cost	Potential	Potential
Treasurer, Debt Serv.	GF - Acceleration of Debt Service Costs	Potential	Potential

Note: Various=Various; GF=General Fund

Municipal Impact: None

Explanation

The bill expands the area in which the Capital Region Development Authority (CRDA), a quasi-public state agency, can undertake “capital city projects” to parts of East Hartford. This will result in a potential cost to funds available to CRDA, including authorized General Obligation (GO) bond funds available to the agency.

The state provides General Obligation (GO) bond funds for various projects such as residential housing developments as well as entertainment venues including Rentschler Field, the XL Center, and the Convention Center. Future General Fund debt service costs may be incurred sooner under the bill to the degree that the bill causes authorized GO bond funds to be expended more rapidly than they otherwise would have been. The current unallocated balance available to CRDA as of May 6th is \$32,832,500.

Additionally, CRDA has funding through other various sources including:

- (1) bond issuances (e.g. revenue bonds),

- (2) revenue from its operations,
- (3) state grants (for example, CRDA entered into an agreement with the state to facilitate the relocation of state offices),
- (4) private sources (e.g. grants, loans).

The bill will potentially increase expenditures through these sources by allowing CRDA to enter into projects in the proposed expansion area of East Hartford.

House "A" alters the original bill by allowing the chief elected official of East Hartford to consult with the Capital Region Development Authority (CRDA) regarding the condemnation of properties for capital city projects. There is no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation

OLR Bill Analysis**sHB 5980 (as amended by House "A")******AN ACT EXTENDING THE BOUNDARIES OF THE CAPITAL CITY ECONOMIC DEVELOPMENT DISTRICT.*****SUMMARY:**

This bill expands the area in which the Capital Region Development Authority (CRDA) can undertake "capital city projects" (CCP) to parts of East Hartford, including the following areas: (1) downtown, (2) Pratt and Whitney, (3) Rentschler Field, (4) Goodwin College, and (5) Founders Plaza. Existing law grants CRDA a wider variety of powers to complete CCPs than it does for other project types.

Under current law, the "capital city economic development district" (CCEDD) encompasses only parts of Hartford. CRDA can undertake CCPs only within the CCEDD, with limited exceptions (these exceptions authorize certain CCPs in parts of East Hartford, among other areas). The bill expands the definition of the CCEDD to include much of East Hartford, thereby authorizing CRDA to engage in a wider range of CCPs in East Hartford, including development and redevelopment activities.

By expanding the area constituting the CCEDD, the bill applies existing requirements for CRDA to the specified East Hartford area. These include (1) marketing and developing the area as a multicultural destination and creating a vibrant, multidimensional downtown and (2) reporting annually to the governor, Auditors of Public Accounts, and legislature on activities undertaken in the area.

* House Amendment "A" specifies that before condemning property for a CCP in East Hartford, CRDA must consult with East

Hartford's mayor.

EFFECTIVE DATE: October 1, 2015

EXPANDED CCEDD

The bill expands the CCEDD to include much of East Hartford. The area is bounded by the Connecticut River on the west, Governor Street and Burnside Avenue on the north, Forbes Street on the east, and West Brewer and Brewer streets on the south.

AUTHORIZED CCPS

Existing exceptions allow CRDA, with respect to East Hartford, to engage in the following CCPs:

1. developing infrastructure and improvements along the riverfront,
2. demolishing or redeveloping vacant buildings, and
3. promoting and attracting in-state professional and amateur sports and sporting events.

Under the bill, CRDA is authorized to engage in a wider range of activities in East Hartford, including:

1. creating up to 3,000 downtown housing units through rehabilitation and new construction,
2. adding downtown parking capacity, and
3. developing and redeveloping the specified area.

The bill authorizes CRDA to engage in three other CCPs in the specified parts of East Hartford: building a (1) convention center, (2) downtown higher education center, and (3) civic center and coliseum complex. However, it appears that CRDA completed these projects in Hartford, so it is not clear how this authorization applies to East Hartford.

LOCAL NOTIFICATION BEFORE CONDEMNING PROPERTY

Under current law, before condemning property for a CCP, CRDA must consult with Hartford's mayor (CGS § 32-602(d)(2)). Under the bill, CRDA must consult with East Hartford's mayor before condemning property in East Hartford.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 19 Nay 0 (03/20/2015)