



# House of Representatives

General Assembly

**File No. 105**

February Session, 2016

Substitute House Bill No. 5184

*House of Representatives, March 22, 2016*

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

***AN ACT CONCERNING THE CAPITAL REGION DEVELOPMENT  
AUTHORITY AND 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2 repealed and the following is substituted in lieu thereof (*Effective*  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, 2016*):

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 Masseek 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 Maseek 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, 2016*):

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, 2016</i>	32-600(7)
Sec. 2	<i>October 1, 2016</i>	32-602(d)

**Statement of Legislative Commissioners:**

The title was changed for accuracy.

**PD**            *Joint Favorable Subst. -LCO*

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 17 \$</b>	<b>FY 18 \$</b>
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 March 17<sup>th</sup> is \$10.7 million for residential housing development and \$64 million

for statutory purposes.<sup>1</sup>

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.

### ***The Out Years***

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

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<sup>1</sup> PA 15-1 of the June Special Session authorizes \$50 million in FY 16 and FY 17 each for statutory purposes of which up to \$20 million must be used in Hartford but outside the boundaries of the Capital City Economic Development District as defined by law.

**OLR Bill Analysis**

**sHB 5184**

***AN ACT CONCERNING THE CAPITAL REGION DEVELOPMENT AUTHORITY AND THE BOUNDARIES OF THE CAPITAL CITY ECONOMIC DEVELOPMENT DISTRICT.***

**SUMMARY:**

This bill expands the geographical area in which the Capital Region Development Authority (CRDA) can undertake capital city projects to parts of East Hartford, including the following locations: (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 capital city projects than it does for other project types.

Under current law, the “capital city economic development district” (CCEDD) encompasses parts of Hartford only. CRDA can undertake capital city projects only within the CCEDD, with limited exceptions (these exceptions authorize certain capital city projects in 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 capital city projects in East Hartford, including development and redevelopment activities.

By expanding the CCEDD’s area, the bill applies existing CRDA requirements to the specified East Hartford locations. 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 Finance, Revenue and Bonding Committee on activities undertaken in the area.

Under current law, before condemning property for a capital city project, CRDA must consult with Hartford's mayor. Under the bill,

CRDA must consult with East Hartford's mayor before condemning property in East Hartford.

EFFECTIVE DATE: October 1, 2016

### **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 CAPITAL CITY PROJECTS**

Existing exceptions allow CRDA to engage in the following capital city projects in East Hartford:

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 capital city projects 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, CRDA has already completed these projects in Hartford, so it is not clear how this authorization applies to East Hartford.

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/04/2016)