



# Senate

General Assembly

**File No. 672**

February Session, 2016

Substitute Senate Bill No. 19

*Senate, April 19, 2016*

The Committee on Transportation reported through SEN. MAYNARD of the 18th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT ESTABLISHING THE TRANSIT CORRIDOR DEVELOPMENT ASSISTANCE AUTHORITY.***

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

1 Section 1. (NEW) (*Effective October 1, 2016*) (a) For purposes of this  
2 section and sections 2 to 6, inclusive, of this act:

3 (1) "Authority" means the Transit Corridor Development Assistance  
4 Authority created pursuant to this section;

5 (2) "Authority development project" means a project occurring  
6 within the boundaries of a development district in which the authority  
7 is involved;

8 (3) "Development district" means an area around a transit station,  
9 determined by a memorandum of agreement between the authority  
10 and the chief executive officer of the municipality where such transit  
11 station is located and approved by the legislative body of the  
12 municipality where such transit station is located, provided such area

13 shall not exceed a one-half mile radius of such transit station;

14 (4) "Department" means the Department of Transportation;

15 (5) "State-wide transportation investment program" means the  
16 planning document developed and updated at least every four years  
17 by the department in compliance with the requirements of 23 USC 135,  
18 listing all transportation projects in the state expected to receive federal  
19 funding during the four-year period covered by the program; and

20 (6) "Transit station" means any passenger railroad station or  
21 Hartford-New Britain busway project station that is operational, or for  
22 which the department has initiated planning or that is included in the  
23 state-wide transportation investment program. "Transit station" does  
24 not mean any Hartford-New Britain busway project station located  
25 wholly within a municipality that (A) is included in the capital region,  
26 as defined in section 32-600 of the general statutes, and (B) has a  
27 Hartford-New Britain busway project station that is operational on  
28 January 1, 2016.

29 (b) There is hereby established and created a body politic and  
30 corporate, constituting a public instrumentality and political  
31 subdivision of the state established and created for the performance of  
32 an essential public and governmental function, to be known as the  
33 Transit Corridor Development Assistance Authority. The authority  
34 shall not be construed to be a department, institution or agency of the  
35 state.

36 (c) (1) The powers of the authority shall be vested in and exercised  
37 by a board of directors, which shall consist of fifteen members: (A) Five  
38 appointed by the Governor; (B) one appointed by the speaker of the  
39 House of Representatives; (C) one appointed by the president pro  
40 tempore of the Senate; (D) one appointed by the majority leader of the  
41 House of Representatives; (E) one appointed by the majority leader of  
42 the Senate; (F) one appointed by the minority leader of the House of  
43 Representatives; (G) one appointed by the minority leader of the  
44 Senate; and (H) the Secretary of the Office of Policy and Management,

45 the Commissioner of Transportation, the Commissioner of Housing,  
46 and the Commissioner of Economic and Community Development, or  
47 their designees, who shall serve as ex-officio members of the board,  
48 with the right to vote.

49 (2) In addition to the members listed under subdivision (1) of this  
50 subsection, the chief elected official of each municipality in which an  
51 authority development project is planned, or such official's designee,  
52 shall serve as an ad hoc, voting member of the board solely for matters  
53 directly affecting such municipality and not including matters  
54 pertaining to the general operations of the authority.

55 (3) In addition to the members listed under subdivisions (1) and (2)  
56 of this subsection, the executive director of the regional council of  
57 governments for the planning region in which an authority  
58 development project is planned, or such executive director's designee,  
59 shall serve as an ad hoc, nonvoting member of the board solely for  
60 matters directly affecting such region and not including matters  
61 pertaining to the general operations of the authority.

62 (4) In addition to the members listed under subdivisions (1) to (3),  
63 inclusive, of this subsection, the legislative body of the municipality in  
64 which an authority development project is planned shall appoint a  
65 representative of the minority community to serve as an ad hoc,  
66 nonvoting member of the board solely for matters directly affecting  
67 such community and not including matters pertaining to the general  
68 operations of the authority.

69 (5) The Governor shall designate the chairperson of the board from  
70 among the voting members. All initial appointments shall be made not  
71 later than November 1, 2016. The terms of the initial board members  
72 shall be as follows: (A) The five members appointed by the Governor  
73 shall serve terms of four years from the date of appointment; (B) the  
74 members appointed by the speaker of the House of Representatives  
75 and the president pro tempore of the Senate shall serve a term of two  
76 years from the date of appointment; (C) the members appointed by the  
77 majority leaders of the House of Representatives and the Senate shall

78 serve a term of two years from the date of appointment; and (D) the  
79 members appointed by the minority leaders of the House of  
80 Representatives and the Senate shall serve a term of two years from the  
81 date of appointment. Thereafter, all members shall be appointed by the  
82 original appointing authority for four-year terms. Any member of the  
83 board shall be eligible for reappointment. Any vacancy occurring other  
84 than by expiration of term shall be filled in the same manner as the  
85 original appointment for the balance of the unexpired term. The  
86 appointing authority for any member may remove such member for  
87 misfeasance, malfeasance or wilful neglect of duty.

88 (6) Each member of the board, before commencing such member's  
89 duties, shall take and subscribe the oath or affirmation required by  
90 article XI, section 1, of the state Constitution. A record of each such  
91 oath shall be filed in the office of the Secretary of the State.

92 (7) The board of directors shall maintain a record of its proceedings  
93 in such form as it determines, provided such record indicates  
94 attendance and all votes cast by each member. Any member who fails  
95 to attend three consecutive meetings or who fails to attend fifty per  
96 cent of all meetings held during any calendar year shall be deemed to  
97 have resigned from the board. A majority of the members of the board  
98 shall constitute a quorum, and an affirmative vote by a majority of the  
99 members present at a meeting of the board shall be sufficient for any  
100 action taken by the board. No vacancy in the membership of the board  
101 shall impair the right of a quorum to exercise all the rights and  
102 perform all the duties of the board. Any action taken by the board may  
103 be authorized by resolution at any regular or special meeting and shall  
104 take effect immediately unless otherwise provided in the resolution.  
105 The board may delegate to three or more of its members, or its officers,  
106 agents or employees, such board powers and duties as it may deem  
107 proper.

108 (d) (1) The board of directors shall annually elect one of its members  
109 as a vice-chairperson, and shall elect other of its members as officers,  
110 adopt a budget and bylaws, designate an executive committee, report

111 semiannually to the appointing authorities with respect to operations,  
112 finances and achievement of its economic development objective, be  
113 accountable to and cooperate with the state whenever the state may  
114 audit the Transit Corridor Development Assistance Authority or an  
115 authority development project or at any other time as the state may  
116 inquire as to either, including allowing the state reasonable access to  
117 any such project and to the records of the authority.

118 (2) The chairperson of the board, with the approval of the members  
119 of the board of directors, shall appoint an executive director of the  
120 authority who shall be an employee of the authority and paid a salary  
121 prescribed by the members. The executive director shall be the chief  
122 administrative officer of the authority and shall supervise the  
123 administrative affairs and technical activities of the authority in  
124 accordance with the directives of the board. The executive director  
125 shall not be a member of the board.

126 (3) Each member of the board of directors shall be entitled to  
127 reimbursement for such member's actual and necessary expenses  
128 incurred during the performance of such member's official duties, but  
129 shall receive no compensation for the performance of such duties.

130 (e) No board member shall have or acquire any financial interest in  
131 (1) any authority development project, or (2) any property included or  
132 planned to be included in any such project or in any contract or  
133 proposed contract for materials or services to be used in such project.

134 (f) The authority shall have perpetual succession and shall adopt  
135 procedures for the conduct of its affairs in accordance with section 3 of  
136 this act. Such succession shall continue as long as the authority has  
137 bonds, notes or other obligations outstanding and until its existence is  
138 terminated by law, provided no such termination shall affect any  
139 outstanding contractual obligation of the authority and the state shall  
140 succeed to the obligations of the authority under any contract. Upon  
141 the termination of the existence of the authority, all its rights and  
142 properties shall pass to and be vested in the state.

143       Sec. 2. (NEW) (*Effective October 1, 2016*) (a) The purposes of the  
144 Transit Corridor Development Assistance Authority shall be to: (1)  
145 Stimulate new investment and economic and transit-oriented  
146 development, as defined in section 13b-79kk of the general statutes,  
147 within development districts through cooperation and coordination  
148 with the municipalities wherein each such development district is  
149 located; (2) stimulate tourism, art, culture, history, education and  
150 entertainment in such development districts through cooperation and  
151 coordination with the municipalities wherein each such development  
152 district is located, regional organizations and the Department of  
153 Economic and Community Development; (3) manage facilities through  
154 contractual agreement or other legal instrument; (4) upon request from  
155 the legislative body of a municipality wherein a development district is  
156 located, work with such municipality to assist in the development and  
157 redevelopment efforts to stimulate the economy of the region; and (5)  
158 upon request of the Secretary of the Office of Policy and Management,  
159 enter into an agreement to facilitate development or redevelopment  
160 within a development district.

161       (b) For the purposes enumerated in subsection (a) of this section, the  
162 authority is authorized and empowered to:

163       (1) Have perpetual succession as a body politic and corporate and to  
164 adopt procedures for the regulation of its affairs and the conduct of its  
165 business, as provided in section 3 of this act;

166       (2) Adopt a corporate seal and alter the same at pleasure;

167       (3) Maintain an office at such place or places as it may designate;

168       (4) Sue and be sued in its own name, plead and be impleaded;

169       (5) Contract and be contracted with;

170       (6) (A) Employ such assistants, agents and other employees as may  
171 be necessary or desirable to carry out its purposes, which employees  
172 shall be exempt from the classified service and, except as provided in  
173 subparagraph (D) of this subdivision, shall not be employees, as

174 defined in subsection (b) of section 5-270 of the general statutes; (B)  
175 establish all necessary or appropriate personnel practices and policies,  
176 including those relating to hiring, promotion, compensation,  
177 retirement and collective bargaining, which need not be in accordance  
178 with chapter 68 of the general statutes, and the authority shall not be  
179 an employer as defined in subsection (a) of section 5-270 of the general  
180 statutes; (C) engage consultants, attorneys and appraisers as may be  
181 necessary or desirable to carry out its purposes in accordance with  
182 sections 1 to 6, inclusive, of this act; and (D) for purposes of group  
183 welfare benefits and retirement, including, but not limited to, those  
184 provided under chapter 66 of the general statutes and sections 5-257  
185 and 5-259 of the general statutes, the officers and all other employees  
186 of the authority shall be state employees;

187 (7) Acquire, lease, purchase, own, manage, hold and dispose of  
188 personal property, and lease, convey or deal in or enter into  
189 agreements with respect to such property on any terms necessary or  
190 incidental to carrying out the purposes set forth in this section;

191 (8) Procure insurance against any liability or loss in connection with  
192 its property and other assets, in such amounts and from such insurers  
193 as it deems desirable and to procure insurance for employees;

194 (9) Invest any funds not needed for immediate use or disbursement  
195 in obligations issued or guaranteed by the United States of America or  
196 the state of Connecticut, including the Short Term Investment Fund  
197 and the Tax-Exempt Proceeds Fund, and in other obligations that are  
198 legal investments for savings banks in this state, and in time deposits  
199 or certificates of deposit or other similar banking arrangements  
200 secured in such manner as the authority determines;

201 (10) Enter into memoranda of understanding as the authority deems  
202 appropriate to carry out its responsibilities under this section; and

203 (11) Do all acts and things necessary or convenient to carry out the  
204 purposes of, and the powers expressly granted by, this section.

205 (c) In addition to the powers enumerated in subsection (b) of this  
206 section, the Transit Corridor Development Assistance Authority shall  
207 have the following powers with respect to authority development  
208 projects:

209 (1) (A) To acquire by gift, purchase, lease or transfer, lands or rights-  
210 in-land and to sell and lease or sublease, as lessor or lessee or sublessor  
211 or sublessee, any portion of its real property rights, including air space  
212 above, and enter into related common area maintenance, easement,  
213 access, support and similar agreements, and own and operate facilities  
214 associated with authority development projects, provided such activity  
215 is consistent with all applicable federal tax covenants of the authority;  
216 (B) to transfer or dispose of any property or interest therein acquired  
217 by the authority at any time; and (C) to receive and accept aid or  
218 contributions from any source of money, labor, property or other thing  
219 of value, to be held, used and applied to carry out the purposes of this  
220 section, subject to the conditions upon which such grants and  
221 contributions are made, including, but not limited to, gifts or grants  
222 from any department, agency or instrumentality of the United States or  
223 this state for any purpose consistent with this section;

224 (2) To formulate plans for, acquire, finance and develop, lease,  
225 purchase, construct, reconstruct, repair, improve, expand, extend,  
226 operate, maintain and market facilities associated with authority  
227 development projects, provided such activities are consistent with all  
228 applicable federal tax covenants of the authority;

229 (3) To contract and be contracted with, provided if management,  
230 operating or promotional contracts or agreements or other contracts or  
231 agreements are entered into with nongovernmental parties with  
232 respect to property financed with the proceeds of obligations, the  
233 interest on which is excluded from gross income for federal income  
234 taxation, the board of directors shall ensure that such contracts or  
235 agreements are in compliance with the covenants of the authority  
236 upon which such tax exclusion is conditioned;

237 (4) To fix and revise, from time to time, and to charge and collect

238 fees, rents and other charges for the use, occupancy or operation of  
239 authority development projects, and to establish and revise from time  
240 to time procedures concerning the use, operation and occupancy of  
241 facilities associated with such projects, including parking rates, rules  
242 and procedures, provided such arrangements are consistent with all  
243 applicable federal tax covenants of the authority, and to utilize net  
244 revenues received by the authority from the operation of such  
245 facilities, after allowance for operating expenses and other charges  
246 related to the ownership, operation or financing thereof, for other  
247 proper purposes of the authority, including, but not limited to,  
248 funding of operating deficiencies or operating or capital replacement  
249 reserves for such facilities and related parking facilities, as determined  
250 to be appropriate by the authority;

251 (5) To engage architects, engineers, attorneys, accountants,  
252 consultants and such other independent professionals as may be  
253 necessary or desirable to carry out authority development projects;

254 (6) To contract for construction, development, concessions and the  
255 procurement of goods and services, and to establish and modify  
256 procurement procedures from time to time in accordance with the  
257 provisions of section 3 of this act to implement the foregoing;

258 (7) To borrow money; and

259 (8) To engage in and contract for marketing and promotional  
260 activities for authority development projects under the operation or  
261 jurisdiction of the authority.

262 (d) The Transit Corridor Development Assistance Authority and the  
263 Capital Region Development Authority, established pursuant to  
264 chapter 588x of the general statutes, may enter into a memorandum of  
265 agreement pursuant to which: (1) Administrative support and services,  
266 including all staff support necessary for the operations of the Transit  
267 Corridor Development Assistance Authority may be provided by the  
268 Capital Region Development Authority, and (2) provision is made for  
269 the coordination of management and operational activities that may

270 include: (A) Joint procurement and contracting; (B) the sharing of  
271 services and resources; (C) the coordination of promotional activities;  
272 and (D) other arrangements designed to enhance revenues, reduce  
273 operating costs or achieve operating efficiencies. The terms and  
274 conditions of such memorandum of agreement, including provisions  
275 with respect to the reimbursement by the Transit Corridor  
276 Development Assistance Authority to the Capital Region Development  
277 Authority of the costs of such administrative support and services,  
278 shall be as the Transit Corridor Development Assistance Authority and  
279 the Capital Region Development Authority determine to be  
280 appropriate.

281 (e) Prior to taking any action in a development district, the Transit  
282 Corridor Development Assistance Authority and municipality where  
283 such development district is located shall enter into a memorandum of  
284 agreement. Such memorandum shall include, but not be limited to, (1)  
285 defined responsibilities of the authority and the municipality with  
286 regard to such development district; (2) identification of the properties  
287 within such development district that are controlled or owned by the  
288 authority, the state, the municipality or a private entity; (3) long and  
289 short range plans for the development district, including any  
290 foreseeable changes of use or control of properties located therein; (4)  
291 identification and allocation of revenue sources for projects within  
292 such development district, including, but not limited to, taxes, fees,  
293 rental income or parking; (5) agreement as to the types of activities that  
294 will require a public hearing and the types of requests that will require  
295 a public hearing, which may include a request submitted by the  
296 neighborhood revitalization committee for the area that includes or is  
297 proximate to the development district; (6) agreement as to additional  
298 methods for soliciting community involvement; and (7) specifications  
299 regarding how the memorandum of agreement may be terminated.

300 (f) Nothing in sections 1 to 6, inclusive, of this act shall be construed  
301 as exempting development projects of the Transit Corridor  
302 Development Assistance Authority on privately or municipally owned  
303 property from municipal zoning, subdivision or wetland regulations,

304 municipal plans of conservation and development or any municipal  
305 ordinance.

306 (g) Nothing in sections 1 to 6, inclusive, of this act shall be construed  
307 as limiting the authority of the Transit Corridor Development  
308 Assistance Authority to enter into agreements to facilitate  
309 development or redevelopment of state property or facilities.

310 Sec. 3. (NEW) (*Effective October 1, 2016*) The board of directors of the  
311 Transit Corridor Development Assistance Authority shall adopt  
312 written procedures, in accordance with the provisions of section 1-121  
313 of the general statutes, for: (1) Adopting an annual budget and plan of  
314 operations, which shall include a requirement of board approval  
315 before the budget or plan may take effect; (2) hiring, dismissing,  
316 promoting and compensating employees of the authority, which shall  
317 include an affirmative action policy and a requirement of board  
318 approval before a position may be created or a vacancy filled; (3)  
319 acquiring real and personal property and personal services, which  
320 shall include a requirement of board approval for any nonbudgeted  
321 expenditure in excess of five thousand dollars; (4) contracting for  
322 financial, legal and other professional services, including a  
323 requirement that the authority solicit proposals at least once every  
324 three years for each such service that it uses; (5) providing loans,  
325 grants and other financial assistance, which shall include eligibility  
326 criteria, the application process and the role played by the authority's  
327 staff and board of directors; and (6) the use of surplus funds.

328 Sec. 4. (NEW) (*Effective October 1, 2016*) (a) In lieu of the report  
329 required under section 1-123 of the general statutes, within the first  
330 ninety days of each fiscal year of the Transit Corridor Development  
331 Assistance Authority, the board of directors of the authority shall  
332 submit a report to the Governor, the Auditors of Public Accounts and  
333 the joint standing committee of the General Assembly having  
334 cognizance of matters relating to planning and development. Such  
335 report shall include, but not be limited to, the following: (1) A  
336 description of each authority development project in which the

337 authority is involved, its location and the amount of funds, if any,  
338 provided by the authority with respect to the construction of such  
339 project; (2) a list of all outside individuals and firms, including  
340 principal and other major stockholders, receiving in excess of five  
341 thousand dollars as payments for services; (3) a comprehensive annual  
342 financial report prepared in accordance with generally accepted  
343 accounting principles for governmental enterprises; (4) the affirmative  
344 action policy statement, a description of the composition of the work  
345 force of the Transit Corridor Development Assistance Authority by  
346 race, sex and occupation and a description of the affirmative action  
347 efforts of the authority; and (5) a description of planned activities for  
348 the current fiscal year.

349 (b) The board of directors of the authority shall annually contract  
350 with a firm of certified public accountants to undertake an  
351 independent financial audit of the Transit Corridor Development  
352 Assistance Authority in accordance with generally accepted auditing  
353 standards. The board shall submit the audit report to the Governor  
354 and the Auditors of Public Accounts.

355 (c) The authority shall designate a contract compliance officer from  
356 its staff to monitor compliance of the operations of facilities and  
357 parking facilities associated with authority development projects that  
358 are under the management or control of the authority, with (1) the  
359 provisions of state law applicable to such operations, and (2)  
360 applicable requirements of contracts entered into by the authority  
361 relating to set-asides for small contractors and minority business  
362 enterprises and required efforts to hire available and qualified  
363 members of minorities, as defined in section 32-9n of the general  
364 statutes. Each year during the period of operations of facilities  
365 associated with authority development projects, such officer shall file a  
366 written report with the authority as to findings and recommendations  
367 regarding such compliance.

368 Sec. 5. (NEW) (*Effective October 1, 2016*) (a) Any person, including,  
369 but not limited to, a state or municipal agency, requesting funds from

370 the state, including, but not limited to, any authority created by the  
371 general statutes or any public or special act, with respect to any  
372 authority development project shall, at the time it makes such request  
373 for funds from the state, present a full and complete copy of its  
374 application or request along with any supporting documents or  
375 exhibits to the authority for its recommendation and to the Secretary of  
376 the Office of Policy and Management. The Transit Corridor  
377 Development Assistance Authority shall, not later than ninety days  
378 after receipt of such application or request, prepare and adopt an  
379 economic development statement summarizing its recommendations  
380 with respect to such application or request and deliver such statement  
381 to the state officer, official, employee or agent of the state or authority  
382 to whom such application or request was made. In preparing such  
383 economic development statement, the Transit Corridor Development  
384 Assistance Authority shall consider any written statement submitted  
385 by the regional council of governments for the planning region in  
386 which the authority development project is planned or the  
387 neighborhood revitalization zone committee for the area that includes  
388 or is proximate to the location in which the authority development  
389 project is planned. The recommendations in such statement shall  
390 include contract provisions regarding performance standards,  
391 including, but not limited to, project timelines.

392 (b) Notwithstanding any provision of the general statutes, public or  
393 special acts, any regulation or procedure or any other law, no officer,  
394 official, employee or agent of the state or any authority created by the  
395 general statutes or any public or special act, shall expend any funds on  
396 any authority development project, unless such officer, official,  
397 employee or agent has received an economic development statement  
398 adopted by the Transit Corridor Development Assistance Authority  
399 pursuant to subsection (a) of this section, except that if no such  
400 statement is received by the date ninety days from the date of the  
401 initial application or request for such funds, such funds may be  
402 expended. If funds are expended pursuant to this subsection in a  
403 manner not consistent with the recommendations contained in an  
404 economic development statement for such expenditure, the officer,

405 official, employee or agent of the state expending such funds shall  
406 respond in writing to the authority, providing an explanation of the  
407 decision with respect to such expenditure.

408 (c) The Transit Corridor Development Assistance Authority shall  
409 coordinate the use of all state, municipal and quasi-public agency  
410 planning and financial resources that are made available for any  
411 authority development project in which the authority is involved.

412 (d) All state agencies, departments, boards, commissions, councils  
413 and quasi-public agencies shall cooperate with the Transit Corridor  
414 Development Assistance Authority in carrying out the purposes set  
415 forth in section 2 of this act.

416 Sec. 6. (NEW) (*Effective October 1, 2016*) The state shall protect, save  
417 harmless and indemnify the Transit Corridor Development Assistance  
418 Authority and its directors, officers and employees from financial loss  
419 and expense, including legal fees and costs, if any, arising out of any  
420 claim, demand, suit or judgment based upon any alleged act or  
421 omission of the authority or any such director, officer or employee in  
422 connection with, or any other legal challenge to, authority  
423 development projects within a development district, provided any  
424 such director, officer or employee is found to have been acting in the  
425 discharge of such director, officer or employee's duties or within the  
426 scope of such director, officer or employee's employment and any such  
427 act or omission is found not to have been wanton, reckless, wilful or  
428 malicious.

429 Sec. 7. Subdivision (12) of section 1-79 of the 2016 supplement to the  
430 general statutes is repealed and the following is substituted in lieu  
431 thereof (*Effective October 1, 2016*):

432 (12) "Quasi-public agency" means Connecticut Innovations,  
433 Incorporated, the Connecticut Health and Education Facilities  
434 Authority, the Connecticut Higher Education Supplemental Loan  
435 Authority, the Connecticut Student Loan Foundation, the Connecticut  
436 Housing Finance Authority, the State Housing Authority, the Materials

437 Innovation and Recycling Authority, the Capital Region Development  
438 Authority, the Connecticut Lottery Corporation, the Connecticut  
439 Airport Authority, the Connecticut Health Insurance Exchange, the  
440 Connecticut Green Bank, the Connecticut Port Authority, [and] the  
441 State Education Resource Center and the Transit Corridor  
442 Development Assistance Authority.

443 Sec. 8. Subdivision (1) of section 1-120 of the 2016 supplement to the  
444 general statutes is repealed and the following is substituted in lieu  
445 thereof (*Effective October 1, 2016*):

446 (1) "Quasi-public agency" means Connecticut Innovations,  
447 Incorporated, the Connecticut Health and Educational Facilities  
448 Authority, the Connecticut Higher Education Supplemental Loan  
449 Authority, the Connecticut Student Loan Foundation, the Connecticut  
450 Housing Finance Authority, the Connecticut Housing Authority, the  
451 Materials Innovation and Recycling Authority, the Capital Region  
452 Development Authority, the Connecticut Lottery Corporation, the  
453 Connecticut Airport Authority, the Connecticut Health Insurance  
454 Exchange, the Connecticut Green Bank, the Connecticut Port  
455 Authority, [and] the State Education Resource Center and the Transit  
456 Corridor Development Assistance Authority.

457 Sec. 9. Section 1-124 of the 2016 supplement to the general statutes is  
458 repealed and the following is substituted in lieu thereof (*Effective*  
459 *October 1, 2016*):

460 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
461 and Educational Facilities Authority, the Connecticut Higher  
462 Education Supplemental Loan Authority, the Connecticut Student  
463 Loan Foundation, the Connecticut Housing Finance Authority, the  
464 Connecticut Housing Authority, the Materials Innovation and  
465 Recycling Authority, the Connecticut Airport Authority, the Capital  
466 Region Development Authority, the Connecticut Health Insurance  
467 Exchange, the Connecticut Green Bank, the Connecticut Port  
468 Authority, [and] the State Education Resource Center and the Transit  
469 Corridor Development Assistance Authority shall not borrow any

470 money or issue any bonds or notes which are guaranteed by the state  
471 of Connecticut or for which there is a capital reserve fund of any kind  
472 which is in any way contributed to or guaranteed by the state of  
473 Connecticut until and unless such borrowing or issuance is approved  
474 by the State Treasurer or the Deputy State Treasurer appointed  
475 pursuant to section 3-12. The approval of the State Treasurer or said  
476 deputy shall be based on documentation provided by the authority  
477 that it has sufficient revenues to (1) pay the principal of and interest on  
478 the bonds and notes issued, (2) establish, increase and maintain any  
479 reserves deemed by the authority to be advisable to secure the  
480 payment of the principal of and interest on such bonds and notes, (3)  
481 pay the cost of maintaining, servicing and properly insuring the  
482 purpose for which the proceeds of the bonds and notes have been  
483 issued, if applicable, and (4) pay such other costs as may be required.

484 (b) To the extent Connecticut Innovations, Incorporated, the  
485 Connecticut Higher Education Supplemental Loan Authority, the  
486 Connecticut Student Loan Foundation, the Connecticut Housing  
487 Finance Authority, the Connecticut Housing Authority, the Materials  
488 Innovation and Recycling Authority, the Connecticut Health and  
489 Educational Facilities Authority, the Connecticut Airport Authority,  
490 the Capital Region Development Authority, the Connecticut Health  
491 Insurance Exchange, the Connecticut Green Bank, the Connecticut Port  
492 Authority, [or] the State Education Resource Center or the Transit  
493 Corridor Development Assistance Authority is permitted by statute  
494 and determines to exercise any power to moderate interest rate  
495 fluctuations or enter into any investment or program of investment or  
496 contract respecting interest rates, currency, cash flow or other similar  
497 agreement, including, but not limited to, interest rate or currency swap  
498 agreements, the effect of which is to subject a capital reserve fund  
499 which is in any way contributed to or guaranteed by the state of  
500 Connecticut, to potential liability, such determination shall not be  
501 effective until and unless the State Treasurer or his or her deputy  
502 appointed pursuant to section 3-12 has approved such agreement or  
503 agreements. The approval of the State Treasurer or his or her deputy  
504 shall be based on documentation provided by the authority that it has

505 sufficient revenues to meet the financial obligations associated with the  
506 agreement or agreements.

507 Sec. 10. Section 1-125 of the 2016 supplement to the general statutes  
508 is repealed and the following is substituted in lieu thereof (*Effective*  
509 *October 1, 2016*):

510 The directors, officers and employees of Connecticut Innovations,  
511 Incorporated, the Connecticut Higher Education Supplemental Loan  
512 Authority, the Connecticut Student Loan Foundation, the Connecticut  
513 Housing Finance Authority, the Connecticut Housing Authority, the  
514 Materials Innovation and Recycling Authority, including ad hoc  
515 members of the Materials Innovation and Recycling Authority, the  
516 Connecticut Health and Educational Facilities Authority, the Capital  
517 Region Development Authority, the Connecticut Airport Authority,  
518 the Connecticut Lottery Corporation, the Connecticut Health Insurance  
519 Exchange, the Connecticut Green Bank, the Connecticut Port  
520 Authority, [and] the State Education Resource Center and the Transit  
521 Corridor Development Assistance Authority and any person executing  
522 the bonds or notes of the agency shall not be liable personally on such  
523 bonds or notes or be subject to any personal liability or accountability  
524 by reason of the issuance thereof, nor shall any director or employee of  
525 the agency, including ad hoc members of the Materials Innovation and  
526 Recycling Authority, be personally liable for damage or injury, not  
527 wanton, reckless, wilful or malicious, caused in the performance of his  
528 or her duties and within the scope of his or her employment or  
529 appointment as such director, officer or employee, including ad hoc  
530 members of the Materials Innovation and Recycling Authority. The  
531 agency shall protect, save harmless and indemnify its directors,  
532 officers or employees, including ad hoc members of the Materials  
533 Innovation and Recycling Authority, from financial loss and expense,  
534 including legal fees and costs, if any, arising out of any claim, demand,  
535 suit or judgment by reason of alleged negligence or alleged  
536 deprivation of any person's civil rights or any other act or omission  
537 resulting in damage or injury, if the director, officer or employee,  
538 including ad hoc members of the Materials Innovation and Recycling

539 Authority, is found to have been acting in the discharge of his or her  
540 duties or within the scope of his or her employment and such act or  
541 omission is found not to have been wanton, reckless, wilful or  
542 malicious.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2016	New section
Sec. 2	October 1, 2016	New section
Sec. 3	October 1, 2016	New section
Sec. 4	October 1, 2016	New section
Sec. 5	October 1, 2016	New section
Sec. 6	October 1, 2016	New section
Sec. 7	October 1, 2016	1-79(12)
Sec. 8	October 1, 2016	1-120(1)
Sec. 9	October 1, 2016	1-124
Sec. 10	October 1, 2016	1-125

**TRA**      *Joint Favorable Subst.*

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 17 \$	FY 18 \$
Comptroller Misc. Accounts (Fringe Benefits) <sup>1</sup>	TF - Potential Cost	Potential	Potential

Note: TF=Transportation Fund

**Municipal Impact:** None

**Explanation**

This bill creates the Transit Corridor Development Assistance Authority (TCDAA) as a quasi-public agency. It allows the TCDAA, after entering into a memorandum of understanding (MOU) with an affected municipality, to develop property and manage facilities in certain developments.

The bill may result in a cost to the state for fringe benefits, including but not limited to health insurance, group life insurance, and retirement benefits through the State Employees' Retirement System (SERS) for new employees; currently estimated to be approximately 39.94% of salary. The bill classifies the employees of the authority as state employees for the purpose of fringe benefits. The bill does not specify how the authority will be funded, to the extent the authority is funded by non-state resources, the cost of fringe benefits may be reimbursed to the state out of the authority's resources. The impact to SERS will not be realized until FY 18, as the FY 17 actuarially determined employer contribution was established in the SERS valuation as of June 30, 2014. Lastly, to the extent existing Department

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<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 39.94% of payroll in FY 17 and FY 18.

of Transportation employees staff the authority, the state may continue to support the fringe benefits for these employees, or a portion thereof, as the state does for the Connecticut Airport Authority. Therefore the fringe benefits for existing employees would not represent a new cost to the Transportation Fund.

The bill also allows the TCDA and the Capital Region Development Authority (CRDA) to enter into a memorandum of understanding (MOU) that will allow CRDA to provide administrative support to the authority. The bill allows the MOU to include terms for reimbursement by the authority to CRDA for such services and so there is no fiscal impact to CRDA.

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

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

**OLR Bill Analysis****sSB 19*****AN ACT ESTABLISHING THE TRANSIT CORRIDOR DEVELOPMENT ASSISTANCE AUTHORITY.*****SUMMARY:**

This bill creates the Transit Corridor Development Assistance Authority (TCDAA) as a quasi-public agency to, among other things, stimulate new investment and economic and transit-oriented development near transit stations. It authorizes TCDAA, after entering into a memorandum of agreement (MOA) with an affected municipality, to develop property and manage facilities in development districts encompassing the areas around existing and planned transit stations (i.e., “development districts”).

The bill establishes a 15-member board to govern TCDAA and gives it general powers to operate as a quasi-public agency and development-specific powers for projects within development districts. It authorizes TCDAA to enter into an MOA with the Capital Region Development Authority (CRDA) for administrative support and services. It subjects TCDAA to specific auditing and reporting requirements.

EFFECTIVE DATE: October 1, 2016

**QUASI-PUBLIC AGENCY**

The bill makes TCDAA a public instrumentality and political subdivision of the state, created to perform an essential public and government function. It is a quasi-public agency, not a state department, institution, or agency, and thus is subject to statutory procedural, operating, and reporting requirements for quasi-public agencies, including lobbying restrictions and an ethics code.

It has perpetual succession as long as any of its obligations are outstanding. Termination does not affect outstanding contractual obligations. Its rights and properties vest in the state when it lawfully terminates.

## **PURPOSE**

Under the bill, TCDAAs must stimulate new investment and economic and transit-oriented development in development districts (see Development District Powers, below) through cooperation and coordination with the municipality in which a district is located. TCDAAs must also:

1. stimulate tourism, art, culture, history, education, and entertainment in development districts by cooperating with regional organizations, the Department of Economic and Community Development (DECD), and the municipality in which a district is located;
2. manage facilities through contractual agreements or other legal instruments;
3. assist municipalities in which a district is located, at the request of their legislative bodies, in development and redevelopment efforts to stimulate the region's economy; and
4. enter into an agreement to facilitate development or redevelopment within a development district, at the Office of Policy and Management (OPM) secretary's request.

## **POWERS**

### ***General Powers***

The bill gives TCDAAs general powers to function as a quasi-public agency and specific powers related to projects within a development district's boundaries in which it is involved ("authority development projects"). The general powers allow it to:

1. have perpetual succession as a corporate body;

2. adopt and alter a corporate seal;
3. adopt procedures for regulating and conducting its affairs;
4. maintain offices;
5. sue and be sued;
6. purchase insurance for its property, other assets, and employees;
7. enter into contracts and memoranda of understanding;
8. acquire, lease, manage, and dispose of personal property and enter into agreements with respect to such property;
9. enter into agreements to facilitate development or redevelopment of state property or facilities;
10. use consultants, attorneys, and appraisers;
11. invest funds that are not immediately needed in (a) U.S.- or state-issued or -guaranteed obligations, including the Short Term Investment Fund and Tax-Exempt Proceeds Fund; (b) legal investments for savings banks in Connecticut; and (c) time deposits, certificates of deposit, or similar arrangements; and
12. do all things necessary and convenient to carry out these powers.

The bill also authorizes TCDAAs to employ staff as necessary and specifies that they are not state employees, and TCDAAs are not an employer, under the state's collective bargaining law. However, TCDAAs officers and employees are state employees for purposes of group welfare and retirement benefits, including the state pension system, life insurance, and health insurance.

TCDAAs may establish and modify personnel policies, including those relating to employee hiring, compensation, promotion,

retirement, and collective bargaining. TCDA may enter into collective bargaining agreements with labor unions, but these agreements do not have to comply with the state's collective bargaining law for state employees.

### ***Development District Powers***

TCDA may delineate development district boundaries through a MOA with the municipality in which the transit station is located. The municipality's legislative body must approve the MOA. The development district must not extend beyond a half-mile radius from a transit station. Transit stations are passenger railroad or Hartford-New Britain busway project stations that (1) are operational, (2) the Department of Transportation (DOT) is planning, or (3) are included in DOT's state-wide transportation investment program (a document, updated every four years, listing transportation projects expected to receive federal funding). However, the bill exempts from the definition of transit stations Hartford-New Britain busway project stations located wholly in municipalities that (1) are contiguous to Hartford (including East Hartford) and (2) had an operational Hartford-New Britain busway project station on January 1, 2016.

With respect to projects occurring in a development district's boundaries, TCDA may:

1. acquire and dispose of property;
2. plan for, acquire, finance, construct, develop, operate, market, and maintain facilities;
3. promote and market development projects;
4. collect fees and rents from the facilities it develops and adopt procedures for operating them;
5. enter into contracts;
6. borrow money;

7. engage independent professionals, such as lawyers, engineers, accountants, and architects;
8. adopt and amend procurement procedures; and
9. receive money, property, and labor from any source, including government sources.

### **MOA with CRDA**

The bill authorizes TCDAAs to enter into an MOA with CRDA under which CRDA provides administrative support and services, including staff support, and coordinates management and operational activities, including: (1) joint procurement and contracting; (2) sharing services and resources; (3) coordinating promotional activities; and (4) arrangements enhancing revenue, reducing operating costs, or achieving operating efficiencies. The MOA can specify the terms and conditions for these relationships, including reimbursement by TCDAAs to CRDA.

### **RELATIONSHIP WITH AFFECTED MUNICIPALITY**

In addition to establishing a development district's boundaries through an MOA with the affected municipality, the bill requires TCDAAs, before taking action in a development district, to enter into an MOA with the municipality in which the district is located. The MOA must:

1. define each party's responsibilities for the district;
2. identify the properties in the district that are controlled or owned by TCDAAs, the state, the municipality, or a private entity;
3. specify long and short range plans for the district, including foreseeable changes to the use or ownership of district properties;
4. identify and allocate revenue for district projects, including taxes, fees, rental income, or parking;

5. specify the types of activities and requests (which may include a neighborhood revitalization committee's request for the area including or proximate to the district) requiring a public hearing;
6. include an agreement as to additional methods of soliciting community involvement; and
7. specify how the MOA may be terminated.

The bill specifies that municipal plans of conservation and development, local ordinances, and land use regulations apply to projects on private and municipally owned property in a development district.

## **DUTIES**

### ***Coordinating Projects***

The bill requires (1) TCDA to coordinate all state, municipal, and quasi-public agency planning and financial resources allocated for a development district project in which it is involved and (2) all state and quasi-public agencies to cooperate with it.

Applicants requesting state funds for a development district project must submit a copy of their application, along with supporting documents, to the OPM secretary and TCDA. TCDA has 90 days to give the funding agency its written recommendations (called an "economic development statement"), which must include provisions on performance standards, including project timelines. TCDA must consider, in formulating its economic development statement, written statements submitted by the (1) regional council of governments for the planning region in which the project is planned and (2) neighborhood revitalization zone committee for the area that includes or is proximate to the planned project.

The agency cannot spend funds on such a project until it receives TCDA's recommendations or after 90 days, whichever is sooner. If it expends funds in a manner not consistent with the statement's

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recommendations, it must explain the decision, in writing, to TCDA.

### ***Annual Report***

Instead of the annual report quasi-public agencies must submit to the governor, state auditors, and the Program Review and Investigations Committee, the board must annually report, within 90 days after TCDA's fiscal year begins, to the governor, state auditors, and the Planning and Development Committee on TCDA's finances, procurement, and employment. This report must include:

1. a description of each project, its location, and the amount the authority spent on its construction;
2. a comprehensive financial report prepared according to generally accepted governmental accounting principles;
3. a list of individuals and firms, including principal and other major stockholders, who received more than \$5,000 for services;
4. a statement of the authority's affirmative action policy, a description of its workforce by race, sex, and occupation, and a description of its affirmative action efforts; and
5. a description of the activities planned for the current fiscal year.

### ***Independent Financial Audit***

The bill requires the board to annually contract with a certified public accounting firm to undertake a financial audit, according to generally accepted auditing standards. It must submit it to the governor and state auditors.

### ***Compliance Officer***

The bill also requires TCDA to designate a contract compliance officer to monitor TCDA's facility operations for compliance with state law and contracting requirements relating to (1) set-asides for small contractors and minority business enterprises and (2) required efforts to hire available and qualified minorities. The compliance officer must annually file a written report, including findings and

recommendations, with TCDA.

## GOVERNANCE

### ***Board Membership***

Under the bill, TCDA's 15-member board consists of 11 appointed directors and four ex officio, voting directors: the OPM secretary and the DECD, housing, and transportation commissioners, or their designees. Additionally:

1. the chief elected official of each municipality in which a TCDA project is planned, or his or her designee, serves as an ad hoc, voting member for matters directly affecting the municipality;
2. the executive director of each regional council of governments for the planning region in which a project is planned, or his or her designee, serves as an ad hoc, nonvoting member for matters affecting the planning region; and
3. the legislative body in the municipality in which a project is planned must appoint a representative of the minority community to serve as an ad hoc, nonvoting member for matters affecting the municipality's minority community.

Table 1 lists the appointed, voting directors; their appointing authority; and initial terms. All appointments must be made by November 1, 2016.

**Table 1: TCDA Appointed Board Directors**

<b><i>Appointing Authority</i></b>	<b><i>Number of Appointments</i></b>	<b><i>Initial Term</i></b>
Governor	Five	Four years
House speaker	One	Two years
Senate president pro tempore	One	Two years
House majority leader	One	Two years
Senate majority leader	One	Two years
House minority leader	One	Two years
Senate minority leader	One	Two years

After their initial terms, appointed directors serve four-year terms

and may be reappointed. Vacancies must be filled for the unexpired term by the original appointing authority. Each member must take the constitutional oath of office. Directors (1) may be removed by the appointing authority for malfeasance or willful neglect of duty and (2) are deemed to have resigned if they miss three consecutive meetings or 50% of the meetings in a calendar year.

Board directors are not paid a salary but are reimbursed for expenses.

### ***Chairperson and Executive Director***

The governor appoints the board chairperson from among the voting members. The board (1) annually elects a vice-chairperson, (2) elects other officers, and (3) appoints an executive committee. The chairperson, with the board's approval, must appoint an executive director, who cannot be a board director. The executive director is (1) a salaried employee; (2) the chief administrative officer of the authority; and (3) responsible for supervising the administrative affairs and technical activities of the authority, pursuant to the board's directives.

### ***Duties***

The board must adopt a budget and bylaws. It must report twice per year to the appointing authorities with respect to operations, finances, and achievement of its economic development objective. The board is accountable to the state and must cooperate with it when it audits TCDAAs' operations and projects. The board must grant the state reasonable access to TCDAAs' projects and records.

TCDAAs' board must adopt written procedures to:

1. adopt an annual budget and plan of operations and require board approval before either can take effect;
2. hire, dismiss, promote, and pay TCDAAs' employees, develop an affirmative action policy, and require board approval before a position may be created or a vacancy filled;

3. acquire real and personal property and personal services, and require board approval for any non-budgeted expenditure of more than \$5,000;
4. contract for financial, legal, and other professional services, and require the board to solicit proposals at least once every three years for these services;
5. award loans, grants, and other financial assistance, including developing eligibility criteria, an application process, and determining the role played by employees and directors; and
6. use surplus funds.

TCDA must follow the same notice requirements as quasi-public agencies before adopting its procedures.

### ***Board Deliberations***

A majority of the directors constitutes a quorum, and a majority of those present at any meeting at which there is a quorum can act. Vacancies do not prevent a quorum from acting. The board may act by adopting resolutions at regular or special meetings which take effect immediately unless the resolution specifies otherwise. The board must keep records of its proceedings in a form it chooses, indicating each director's attendance and votes cast.

The board may delegate any of its powers and duties to three or more directors, agents, or employees.

### ***Conflicts of Interest***

The bill prohibits directors from having a financial interest in:

1. an authority development project,
2. property included or planned for inclusion in any such project,  
or
3. a contract or proposed contract for material or services used in

such projects.

## **INDEMNIFICATION**

The bill requires the state to protect, save harmless, and indemnify TCDAAs and its directors, officers, and employees (“agents”) from financial loss and expense resulting from a claim, demand, suit, or judgment connected to an act or omission related to a development district project. The protection applies to individuals performing their duties or acting within the scope of their employment, as long as the act or omission is not wanton, reckless, willful, or malicious.

Another provision in the bill adds TCDAAs to a statute listing quasi-public agencies that are required to generally indemnify their agents. Presumably, under the bill, the state indemnifies TCDAAs’ agents with regard to claims connected to development districts projects, but TCDAAs must indemnify its agents with regard to other matters.

## **BACKGROUND**

### ***Legislative History***

The Senate referred the bill (File 364) to the Transportation Committee, which reported a substitute that narrowed the definition of transit station to exclude certain stations in municipalities contiguous to Hartford.

## **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute

Yea 11    Nay 9    (03/14/2016)

Transportation Committee

Joint Favorable Substitute

Yea 18    Nay 13    (04/12/2016)