

# Analysis of State Bond Commission Agenda Items

February 28, 2014  
10:30 AM



## **OFFICE OF FISCAL ANALYSIS**

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The following is intended to provide legislative members of the State Bond Commission (SBC) with additional information and analysis of the items on the agenda. We have reviewed the items and provided additional information, comments or questions where it would be helpful.

## I. Summary

### FY 14 General Obligation Bonds<sup>1</sup>

Allocations	FY 14 \$	FY 13 \$ (January)
February Agenda	310,507,457	394,920,084
Prior Allocations	734,499,570	544,543,140
<b>TOTAL</b>	<b>1,045,007,027</b>	<b>939,463,224</b>

The figures do not include reallocations.

### FY 14 Transportation Fund Bonds

Allocations	FY 14 \$	FY 13 \$ (January)
February Agenda	67,000,000	165,250,000
Prior Allocations	660,405,612	502,944,000
<b>TOTAL</b>	<b>727,405,612</b>	<b>668,194,000</b>

#### Special note on job creation/retention estimates in the SBC agenda:

The Office of Policy and Management has provided an estimate for the number of jobs created or retained for each agenda item. The figures are based on the assumption that for every \$1 million of directly expended project construction costs, a total of 21 jobs are created or retained. Of the 21 job total, 9.4 are direct jobs and 11.6 are supplier jobs.

## II. Agenda Items

**Item #1** Office of Policy and Management: Development of databases in the CORE Financial System associated with Results-Based Accountability (\$2,718,688 in new General Obligation bonds)

These funds will be used to finance the implementation of new web-based business intelligence software. The new software will replace the primary Core-CT data query software and advanced analytic and reporting capabilities. The project is targeted for completion by the fall of 2015.

**Item #2** Department of Administrative Services: Statewide Asbestos Abatement Program (\$5,000,000 in new General Obligation bonds)

These funds will be used to finance the Statewide Asbestos Abatement Program, which provides remediation funding for projects that encounter asbestos during renovation or repair work. The table below lists current and pending asbestos abatement projects. The State Bond Commission has allocated \$144.9 million for the program since 1986.

### Current and Pending Asbestos Abatement Projects<sup>1</sup>

Project	Amount \$
Fairfield Hill Power Plant	250,000
Fairfield Hills storage building	75,000
Governors horse guard windows	45,000
79 Elm street canopy	30,000
CCSU old police station	70,000
Putnam Courthouse	30,000
VA Rocky Hill boiler house	100,000
Uncas on Thames old police building	100,000
10 Clinton Street, Hartford	2,750,000
DEEP Sunrise Park Demolition	50,000
Altobello Campus	1,000,000
Naugatuck Valley Community College Founders Hall	900,000
DEEP Harkness Park	150,000
Osborne Correctional	250,000
Enfield Correctional	50,000
WCSU Newberry Hall	200,000
Platt Technical High School	100,000

<sup>1</sup>Full abatement project costs are listed. Due to construction phasing and budgets, some projects have already begun and have already been partially funded under previous bonding; therefore future portions of the work will require additional funding to complete the abatement project. Conversely, abatement project costs show estimated total abatement costs; however, they too will have to be phased over multiple funding years in order to complete the project due to construction timing or funding issues.

<b>Project</b>	<b>Amount \$</b>
State Office Building	2,000,000
Connecticut Valley Hospital: various minor projects & demo Smith House	1,000,000
Various State Parks/DEEP facilities	200,000
State police barracks D,F,I,L, renovations	75,000
Minor emergency-abatement projects	500,000
<b>TOTAL</b>	<b>9,925,000</b>

**Item #3** Capital Region Development Authority (CRDA): Improvements to the XL Center in Hartford (\$31,200,000 in new General Obligation bonds)

The funds will be used for improvements at the XL Center in Hartford, including: (1) electrical, mechanical and plumbing upgrades and replacements, (2) concession, rest room and locker room upgrades and (3) seating, security, technology, signage and lighting upgrades. Construction is scheduled to begin in March 2014, with a completion deadline set for October 2014, which coincides with the start of the 2014 season for the Hartford Wolf Pack and UCONN hockey teams. CRDA anticipates that an additional \$2.3 million in state funding will be required in FY 15 to continue the renovations.

*Background:* Assessments conducted on the XL Center indicate that the building needs an estimated minimum investment of \$35 million over the next ten years for the items listed above. The center will also need other long term improvements, including new luxury seating areas and a new concourse fan club area. In December 2013 the State Bond Commission allocated \$1.8 million of the \$2.4 million needed for preconstruction design services. After the \$31.2 million allocation made by this agenda item, the unallocated balance for this bond account will be \$2 million.

The XL Center, formerly known as the Hartford Civic Center, is a multi-purpose arena and convention center located in downtown Hartford. The facility is owned by the City of Hartford and actively operated and maintained by Global Spectrum.

In December 2007, the Center was renamed when the arena's naming rights were sold to XL Capital insurance company in a six-year agreement. The arena is ranked the 28th largest among college basketball arenas. Opened in 1974 as the Hartford Civic Center and originally located adjacent to a shopping mall (Civic Center Mall, which was demolished in 2004), it consists of two facilities: the Veterans Memorial Coliseum and the Exhibition Center.

The Coliseum is the full-time home of the Hartford Wolf Pack AHL hockey team and part-time home of the University of Connecticut men's and women's basketball teams. Beginning in 2014, the University's hockey team will play all of its games at the XL Center.

Question: Will the City of Hartford (as owner of the XL Center) contribute funding (e.g. operating revenue) towards any of the needed renovations?

**Item #4** Board of Regents – Community colleges: New and replacement instruction, research and laboratory equipment (\$9,000,000 in new General Obligation bonds)

The Board of Regents will use the \$14 million from Items #4 and #5 as follows: (1) \$13.5 million will be used for smart classroom technology across the system and (2) \$0.5 million will be used to survey campuses to determine how the funds will be allocated to each location. The table below lists the type of equipment that will be purchased for audio visual, teleconferencing and computer systems. In addition, IT software upgrades may be necessary to support the hardware and will also be purchased with these funds.

### Technology Equipment for the Board of Regents System

Description
Microphones for audio capture and amplification
Flat screen or projector display screens
Smart board or touchscreen technology
Lecture capture systems
Computer system at lectern
Interactive telecommunication systems

**Item #5** Board of Regents – Community colleges: System Technology Initiative (\$5,000,000 in new General Obligation bonds)

See Item #4 for write-up.

**Item #6** Board of Regents – Community colleges: System wide facilities master plan (\$500,000 in new General Obligation bonds)

The funds will be used to begin a coordinated system-wide facilities master planning process, which is associated with SB 30, “AAC the Board of Regents for Higher Education Infrastructure Act”. The bill is the Governor’s proposal to combine the Community College System, the Connecticut State University System and Charter Oak College into the Connecticut State Colleges and Universities (CSCU).

**Item #7** Department of Housing: Grants-in-aid and loans for Flexible Housing Program projects (\$15,931,930 in new General Obligation bonds)

- A. Supportive Housing Demonstration projects (\$2,328,161) - The funds will support: (1) recapitalization and reserve account replacement and (2) refinancing any related costs for the three projects listed in the table below.

### Supportive Housing Demonstration Funding

Project	Location	Amount \$
Atlantic Park Apartments	Stamford	658,000
Colony Apartments	Stamford	633,000
Brick Row Apartments	Willimantic	1,037,161
<b>TOTAL</b>		<b>2,328,161</b>

- B. Grant-in-aid to Corporation for Independent Living (\$1,000,000) - The funds will support a supplemental grant-in-aid to finance the cost of accessibility modifications so that homeowners can transition from nursing homes or other long term care facilities back into the community under the Money Follows the Person Medicaid Rebalancing Program.

*Background:* The federal Money Follows the Person (MFP) Rebalancing Demonstration Grant encourages states to reduce their reliance on institutional care for Medicaid recipients by transitioning individuals out of institutional settings and into community settings with appropriate supports. The Department of Social Services receives enhanced federal Medicaid reimbursement for the first year of an individual's transition.

Questions:

1. How many units are anticipated to be modified with this funding?
2. How many units have been modified under the MFP program overall?
3. How long is the process on average?

- C. Grant-in-aid for Rehabilitation of Glen Apartments in Danbury (\$5,173,769) - The funds will support a grant-in-aid for a major rehabilitation project at the Glen Apartments. The project will include: (1) converting heating and cooling systems, (2) upgrading lighting and insulation, (3) installing Call for Aid systems, (4) installing individual meters for each apartment, (5) creating new ADA-compliant apartments, (6) installing an emergency generator, (7) improving the community building to make it fully handicapped accessible and (8) making site improvements to replace impervious surfaces and better manage storm water drainage.

*Background:* The Glen Apartments is owned and managed by the Housing Authority of the City of Danbury. It contains 100 apartments for the elderly in 23 buildings, which were constructed in two phases between 1962 and 1964.

- D. Loan for Rehabilitation of Park West Apartments in Vernon (\$2,230,000) -The funds will support a 40-year loan at a 1.0% interest rate to New Park West Limited Partnership to assist with the rehabilitation of the Park West Apartments in Vernon.

The improvements include drainage improvements and erosion control, accessibility improvements to the apartments, construction of a new community building and energy-efficiency measures to the 189 affordable mixed-income units. The total estimated cost of the project is \$30.9 million.

- E. Loan for Rehabilitation of Horace Bushnell Apartments in Hartford (\$2,500,000) - The funds will support a 30-year loan at a 1.0% interest rate to 4-40 Vine Street Housing, LLC for rehabilitation of the Horace Bushnell Apartments in Hartford. The project involves the substantial rehabilitation of the existing development comprised of 74 units of affordable rental housing units.
- F. Predevelopment Cost Revolving Loan Program (\$2,700,000) - The funds will recapitalize the Predevelopment Cost Revolving Loan Program.

*Background:* Under the Predevelopment Cost Revolving Loan Program the state provides interest-free and deferred loans for predevelopment costs connected to the construction, rehabilitation, or renovation of low- and moderate-income housing. Eligible predevelopment costs include architectural design, feasibility and environmental studies, and real estate option payments.

Question: Have any specific projects been selected by the agency for this funding?

**Item #8** Department of Housing: Predevelopment costs for facilities in the state-sponsored housing portfolio (\$1,626,000 in new General Obligation bonds)

The funds will finance predevelopment grants for costs such as architectural design, environmental studies, and other early-stage development costs at the state-sponsored housing portfolio facilities listed below:



<b>Recipient</b>	<b>Project</b>	<b>Location</b>	<b>Amount \$</b>
Bristol Housing Authority	Zbikowski Park	Bristol	213,000
Enfield Housing Authority	Enfield Manor and Extension, Woodside Park, Ella Grasso Manor and Windsor Court	Enfield	475,000
Faith Asset Management LLC	Cobbs Mill Crossing	Glastonbury	65,000
Rose Garden Cooperative Inc.	Rose Garden Co-op	Hartford	90,000
Middlefield Housing Authority	Sugarloaf Terrace	Middlefield	65,000
Borough of Naugatuck Housing Authority	Oak Terrace	Naugatuck	250,000
Faith Asset Management LLC	Security Manor	New Britain	93,000
Norwich Housing Authority	Sunset Park	Norwich	375,000
<b>TOTAL</b>			<b>1,626,000</b>

**Item #9** Office of Policy and Management: Grant-in-aid to Newtown for a new Sandy Hook Elementary School (\$3,000,000 in new General Obligation bonds)

These funds will be used to provide grant-in-aid to the Town of Newtown to finance on-going planning and design costs for a new Sandy Hook Elementary School. The Department of Administrative Services will administer the funds.

**Item #10** Department of Energy and Environmental Protection: Hazardous waste remediation at 424 Grand Avenue in New Haven (\$230,000 in new General Obligation bonds)

This allocation from the Urban Sites Remedial Action Program (USRAP) is needed to cover a shortfall because the existing/previously allocated USRAP funds have been expended or are committed for legal, environmental surveys/investigation and construction/remediation costs to remediate a site at 424 Grand Avenue in New Haven. The additional funds will be used for environmental investigation and remediation work at the site.

*Background:* The funds will be transferred to the Department of Economic and Community Development (DECD) and used by the City of New Haven, who is performing/contracting the work. The site is currently owned and occupied by Reclamation Lumber, a recycler of reclaimed lumber. The lumber is not responsible for the onsite contamination. In 2002 DEEP entered into a consent order with Transpro, Inc., which was determined to have created some of the pollution at the site. Also in 2002 DEEP obtained \$300,000 in USRAP funds, which was transferred through DECD to the City of New Haven, to aid in the investigation and remediation at the site. Eventually, before work at the site was completed, Transpro, Inc. was dissolved and the investigation and remediation proceeded exclusively under USRAP funding.

**Item #11** Department of Economic and Community Development: Small Business Express Program (\$10,000,000 in new General Obligation bonds)

The funds will be used to recapitalize the Small Business Express Program, which was created by Public Act 11-1 of the October Special Session. The State Bond Commission has allocated a total of \$145 million for the program since 2011.

The Express program provides regular loans, forgivable loans, or matching grants to Connecticut-based small businesses and small manufacturers. Awards range from \$10,000 to \$250,000.

In order to be eligible for assistance a business must:

- Employ no more than 50 people during at least half of its working days during the prior 12 months;
- Be based and operate in Connecticut;
- Have been registered to do business at least for 12 months;
- Be current on all state and local taxes; and
- Be in good standing with all state agencies.

As of January 23, 2014, a total 1,000 businesses have been approved for funding. A total of \$134 million of the \$145 million allocation has been paid/will be paid shortly by the Department or has been given to partnering entities to provide to businesses.<sup>2</sup> In total these companies will create 3,579 jobs and retain 10,308 jobs.

Questions:

1. On average, how much assistance does DECD approve per month through the Express Program?
2. Does the agency anticipate the demand for assistance to grow (or decrease) over the next two years?

**Item #12** Department of Transportation: Replacement of the Metro-North Railroad bridges over East Main and Atlantic Streets in Stamford (\$10,000,000 in new Special Tax Obligation bonds)

The funds will be used to replace two Metro North Railroad bridges in Stamford. The East Main Street (Route 1) bridge project will cost \$4 million. It involves lowering the East Main Street underpass for vertical roadway clearance and to increase traffic lanes from two to four lanes. Construction is expected to begin in 2015 and be completed in 2017. The Atlantic Street bridge project will cost a total of \$11 million, including: (1) \$6

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<sup>2</sup>The Department of Economic and Community Development (DECD) administers the funds in the Express program with six partnering entities, including the Community Economic Development Fund, the Waterbury Development Corporation, the Connecticut Community Investment Corp., the Hartford Economic Development Corp, the Middlesex County Revitalization Commission, and the SouthEastern Connecticut Enterprise Region.

million from this allocation to complete preliminary engineering requirements, (2) \$4 million from federal funds and (3) \$1 million from previously allocated state bond funds. Construction is expected to begin in 2017 and be completed in 2019.

**Item #13** Connecticut Bioscience Innovation Fund: Approval of a memorandum of understanding to issue \$200,000,000 in bonds to fund the program

The State Bond Commission (SBC) is voting on a memorandum of understanding (MOU) between Connecticut Innovations, Inc. (CII), the OPM secretary and state treasurer regarding the issuance of \$200 million in General Obligation bonds for the Connecticut Bioscience Innovation Fund (CBIF). In addition to the issuance of bonds, the MOU also covers the extent to which federal, private, and other available funds should be added to the bond proceeds. The SBC vote is required to satisfy the standard approval requirements under the State General Obligation Bond Procedure Act. The act deems the principal amount of the authorized bonds to be an appropriation and allocation of the bond amounts. The bonds are subject to standard statutory conditions. Approval of this agenda item will allow the \$200 million to be automatically authorized and allocated over a ten-year period (see table below) without further SBC approval.

#### **CT Bioscience Innovation Fund Bond Payment Schedule**

<b>Fiscal Year</b>	<b>Amount \$</b>
2013	10,000,000
2014	10,000,000
2015	15,000,000
2016	15,000,000
2017	25,000,000
2018	25,000,000
2019	25,000,000
2020	25,000,000
2021	25,000,000
2022	25,000,000
<b>TOTAL</b>	<b>200,000,000</b>

*Background:* The CBIF will provide financing for projects to improve the delivery of health care services, lower health care costs, and directly or indirectly create bioscience jobs. The projects can involve improvements or developments in services, therapeutics, diagnostics, and devices in pharmaceuticals, bioscience, biomedical engineering, medical care, medical devices, medical diagnostics, personalized medicine, health information management, and other related disciplines.

Eligible recipients include nonprofit corporations, accredited colleges and universities, and for-profit start-up or early-stage businesses.<sup>3</sup> The CBIF can provide grants, credit extensions, loans, loan guarantees, equity investments, or any other form of financial assistance to eligible recipients.

A 13-member advisory committee oversees the fund, including the approval of all financial assistance awards. CII will manage the fund by holding, administering, investing, and disbursing its assets.

Question: What is the anticipated annual cost to CII for the administration of the Fund? Will these costs be recuperated with a portion of the bond allocation or other sources of funding?

**Item #14** Department of Economic and Community Development: Reallocation of funds to change recipient from the Bridgeport Economic Development Corp. to the Community Economic Development Fund, Inc. (\$2,000,000 in reallocated General Obligation bonds)

This item transfers a grant-in-aid from the Bridgeport Economic Development Corporation to the Community Economic Development Fund for the purposes of implementing a minority business enterprise assistance program in the southern half of the state.

*Background:* PA 12-189 implemented a minority business enterprise assistance program to help such businesses obtain surety bonds, including bid, performance, and payment bonds, for capital projects, which may be run by a contracted nonprofit entity. The act earmarks \$2 million each to nonprofits that give priority to minority business enterprises located in the northern and southern halves of the state. The State Bond Commission allocated \$2 million at the July 26, 2013 meeting to Hartford Development Corporation (HEDCO) to implement a minority business enterprise assistance program in the northern half of the state.

**Item #15** Department of Housing: Emergency Mortgage Assistance Program (\$4,000,000 in new General Obligation bonds)

The funds will provide supplemental funding for the Emergency Mortgage Assistance Program.

*Background:* The Emergency Mortgage Assistance Program (EMAP) provides temporary monthly mortgage payment assistance for up to five years to eligible Connecticut homeowners who are facing foreclosure due to a financial hardship. An EMAP loan is

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<sup>3</sup>Early stage businesses are those that have been operating for no more than three years and are developing or testing a product or service that is not yet available for commercial release or available only in a limited manner, including clinical trials or market testing of prototypes.

secured by a fixed-rate, subordinate mortgage on the homeowner's residence. Repayment of an EMAP loan is required and starts when the homeowner's financial condition sufficiently improves.

From the program's implementation in 2008 through October 31, 2012, closed loans through EMAP total \$41.6 million.<sup>4</sup> In calendar year 2012, the program provided emergency relief to 263 homeowners, with roughly 200 more EMAP loans approved as of December 31, 2012 and working their way toward closings in 2013. The Connecticut Housing Finance Authority (CHFA) sets aside 10% of expended EMAP funds on an annual basis to support some of the costs of the program.

**Item #16** Department of Education: Grant-in-aid to Windham Middle School for building alterations and information technology equipment (\$498,725 in new General Obligation bonds)

The grant-in-aid to Windham Middle School will be used as follows: (1) \$362,600 for computer equipment (including laptops, calculators and smart boards) and (2) \$136,125 for licensing.

Questions:

1. The agenda refers to programmatic deficiencies at the school. Please explain how the equipment being purchased will address these deficiencies.
2. The agenda refers to building alterations but these funds appear to be only for equipment and licensing (presumably for software). Is any funding being used for building alterations?
3. Why are bond funds being used for licensing?

**Item # 17** Department of Education/Office of Early Childhood: Grants-in-aid for school readiness and state-funded daycare centers (\$2,475,396 in new General Obligation bonds)

These funds will be used to provide grants-in-aid ranging from \$4,800 to \$275,260 for facility improvements and repairs for school readiness programs and state-funded day care centers. See Appendix A for a table that shows the grant amount by town and applicant.

**Item #18** Capital Region Development Authority: Housing development projects in Hartford (\$9,289,977 in new General Obligation bonds; \$17,700,000 in reallocated General Obligation bonds)

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<sup>4</sup>Source: CHFA correspondence with the Office of Fiscal Analysis in November 2012.

This funding will support the following housing development initiatives in Hartford:

- A. Loan and Equity Investment to TAROB, Inc. (\$4,289,977) - This funding will support a \$2,487,819 loan and a \$1,802,158 equity investment to TAROB, Inc. to assist with the development of the Residences at Riverview, a ten story mixed-use, mixed-income high-rise building with 48 rental units and 20,000 square feet of commercial space at 3 Constitution Plaza in Hartford.

The loan will be provided at 2.0% interest for a ten year term with a 25 year amortization schedule and payments deferred for six years. The authority will receive an equity stake in the property with the \$1,802,158 investment.

- B. Loan to CIL Development, Incorporated (\$5,000,000) - This funding will support a \$5 million loan to CIL Development Incorporated to assist in financing the Capewell Lofts project into approximately 72 units of housing, including studio, one, two and three bedroom units. The project also includes approximately 5,400 square feet of commercial space.

The loan will be provided initially as a construction loan at an interest rate of 3.0%. The loan will be converted to a 1.0% permanent loan for 40 years which will be subordinate to the conventional first mortgage loan. The interest rate will be reset in year ten to a rate not in excess of the primary conventional mortgage and subject to the project's cash flow.

As of February 4<sup>th</sup>, the developer is awaiting clearance from the U.S. Environmental Protection Agency (EPA) for remediation of the building.<sup>5</sup> Assuming the EPA provides approval this month, closing on the purchase and remediation would occur around April. The remediation is estimated to take six months with construction beginning thereafter. If this schedule is achieved, then the units are anticipated to be ready for occupancy by December 2015.

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<sup>5</sup>Gregory Seay, "With \$5M from CRDA, Capewell housing awaits EPA," *Hartford Business Journal*, February 4, 2014.



Former Capewell Horsenails Factory

- C. Loans for Redevelopment of 777 Main Street (\$17,700,000 in previously allocated funding) - This item changes the rate and terms of the combined \$21,607,234 loans provided by the Capital Region Development Authority (\$17,700,000) and the Department of Housing (\$3,907,234) for the redevelopment of 777 Main Street into mixed income apartments. Becker Development LLC will redevelop vacant office space into 285 apartments, of which 59 will be affordable to persons with incomes at or below 50% of the area median income.

*Capital Region Development Authority* originally provided: (1) a \$10,200,000 loan with a 40 year-term at 0.5% interest rate, with payments deferred until maturity and (2) a \$7,500,000 grant. The assistance is being modified to: (1) a \$10,200,000 loan that has a 42-year term at a 0.5% interest rate, with payments deferred until maturity and (2) a \$7,500,000 loan with a 42-year term at an initial interest rate of 0.5%. The rate will increase to 2.0% starting 5 years after the project is placed in service. Payments will be deferred until maturity, subject to early principal payments based on available cash flow.

*Background:* The Capital Region Development Authority (CRDA) provides grants or loans to encourage residential housing development in downtown Hartford. Specifically, CRDA seeks projects that are 80% market rate and 20% affordable and has designated a portion of its funding for small projects (less than 20 units). CRDA requires its funds to be leveraged by private lending and/or equity contributions and the amount of assistance and its nature are determined on a case by case basis.

*Department of Housing* - The original terms of the \$3,907,234 loan were 40 years at 0.5% interest with payments deferred until maturity. DOH will provide a

\$3,907,234 loan that has a 42 year term at a 0.5% interest rate, with payments deferred until maturity.

**Item # 19** Department of Energy and Environmental Protection: Underground Storage Tank Petroleum Clean Up Program (\$4,500,000 in new General Obligation bonds)

The funds will be used for reimbursements under the Underground Storage Tank (UST) Petroleum Clean Up Program. The program is being phased out and this allocation is part of a \$36 million authorization (\$9 million per year between FY 13 and FY 16) for reimbursement to UST owners or operators that have already incurred costs for spill cleanups.

*Background:* The UST Petroleum Clean-up Program is administered by the Department of Energy and Environmental Protection (DEEP). It enables owners and operators of federally-regulated petroleum UST's (motor fuel, used oil, or heating oil for resale) to demonstrate financial responsibility and provides reimbursement to responsible parties and third parties for investigation and clean-up of releases or suspected releases from such USTs. Heating oil USTs for onsite heating are ineligible for this program.

Public Act 12-1 of the June Special Session phases out the UST program by specifying dates after which UST owners or operators can no longer rely upon the program to demonstrate compliance with their financial responsibility requirements. The dates are: (1) on or after October 1, 2012 for a person who owns or operates one or more UST systems on more than five separate parcels of real property, and (2) October 1, 2013 for municipalities or those who own or operate USTs on five or fewer parcels of real property. After the applicable deadline, UST owners or operators will be required to satisfy their financial responsibility requirements through another mechanism such as insurance, letter of credit, surety bond, a guarantee, including a corporate guarantee, a trust fund or passing a financial test.

**Item # 20** Office of Policy and Management: Design of state and local benchmarking systems (\$500,000 in new General Obligation bonds)

These funds will be used to finance Phase 2 development of state and local benchmarking systems. This phase consists of: (1) developing and (2) assisting local governments with, an electronic mapping tool for uploading financial information. Analytical tools and a data warehouse will also be created.

*Background:* This project is comprised of the following three phases:

Phase 1 began in late calendar year 2012 and is anticipated to be completed in March of 2014. Under Phase 1, OPM and the State Department of Education (SDE) worked with municipalities, local boards of education and other stakeholders to develop a uniform



chart of accounts (UCOA) and related education and municipal accounting manuals that provide guidance on reporting in accordance with the UCOA.

OPM's consultant for the project, Blum Shapiro, was directed in Phase 1 of the project to identify, if possible, a mechanism that would meet the State's municipal and education financial information benchmarking needs without significantly altering the underlying financial accounting systems of municipalities and local boards of education, from which such information would ultimately be derived. The mapping approach was determined to be the best approach that would meet this objective.

Phase 2 is anticipated to begin in March of 2014 and will primarily focus on software development for the benchmarking system, which would include designing and developing the mapping tool for capturing the financial information. This mapping tool will be used to report and capture both the municipal and education financial data that currently resides in the underlying financial accounting systems of municipalities and local boards of education.

Sensitive education data will continue to be captured, stored and reported in the SDE EdSight database to ensure that student data is securely maintained, including certain nonfinancial education data obtained through web based forms to be developed by Blum Shapiro.

Phase 2 of the project will also include a PILOT program overseen by SDE, whereby SDE will test the capturing of the information and reporting under the PILOT Program. SDE plans on testing the information from nine educational entities and will ensure that adequate training and support is provided to these entities. Blum Shapiro will map the majority of the financial information from the underlying accounting systems of each of the nine PILOT entities. For the municipal data, there will be no PILOT program to test the data. The municipal reporting/benchmarking is to occur in 3 stages, beginning with stage 1 implementation of high level data reporting / benchmarking by September of 2014. This high-level approach is considered low risk and tantamount to a PILOT. Stage 1 will be followed by stages 2 and 3 in each subsequent year in order to obtain more detailed reporting/benchmarking of municipal information. Nonfinancial municipal information will be captured through web based forms developed by Blum Shapiro.

Phase 3 is anticipated to begin in calendar year 2015 and will be the final phase whereby Blum Shapiro will map the education financial information from the local accounting systems of each educational entity to the UCOA, based on the results of the PILOT from Phase 2. This would occur by September of 2015. In addition, Blum Shapiro will continue to map the municipal financial information from each municipality's underlying accounting system but at a more detailed level - the implementation of stages 2 and 3 municipal reporting outlined above. Complete reporting at the most detailed level (stage 3) for the municipal benchmarking system would occur by

September of 2016. Nonfinancial municipal and education information will continue to be captured through web based forms.

**Item #21** Department of Administrative Services: Development of a new data center (\$18,250,000 in new General Obligation bonds)

These funds are requested to finance costs associated with equipping and connecting the Bureau of Enterprise Systems and Technology (BEST) data center to a new location in Groton. The core infrastructure is expected to be completed by the end of December 2014. Agency systems will be moved from East Hartford to Groton in early 2015 with completion of all movements by September 2015. Funds will also provide for equipping and connecting to back-up capacity in the State of Massachusetts' Disaster Recovery Center in Springfield.

### New Data Center Costs

Funds are to be used for:	Amount \$
Interior build out, cabling and mechanical modifications	3,550,000
Redundant high speed connections between locations	4,000,000
Data Center Equipment	8,700,000
Relocation and continuity of operations costs for the move	2,000,000
<b>TOTAL</b>	<b>18,250,000</b>

Question: Large storms appear to be occurring more frequently. Is the Groton data center site located outside of the coastal flood zone?

**Item #22** Department of Administrative Services: Alterations and improvements at state-owned buildings (\$359,056 in new General Obligation bonds)

The funds will be used to finance alterations and improvements as follows:

1. Design roof top unit and roof replacement, 300 Corporate Place, Rocky Hill (\$50,000) - These funds are for a pre-design study to evaluate the roof and existing mechanical systems. Upon completion of the study, a schedule and budget will be developed for a full design plan and project construction. The project not expected to start until the spring of 2016.

*Background:* The Office of the Chief State's Attorney is located at 300 Corporate Place in Rocky Hill.

2. Design parking lot reconfiguration, 505 Hudson Street, Hartford (\$110,000) - The parking lot redesign is expected to be completed by the winter of 2014. The project will be bid for construction for the spring of 2015.

*Background:* The Office of Culture and Tourism's central office (Department of Community and Economic Development) is located at 505 Hudson Street.

3. Emergency/minor capital projects as needed (\$209,056) - These funds are for dealing with emergency projects or small projects as needed.

**Items #23 & #30** Department of Energy and Environmental Protection: Repairs to the Dooley Pond Dam and Spillway in Middletown (a total of \$2,125,000 in new General Obligation bonds)

The funds will be used to finance repairs to the Dooley Pond Dam and Spillway in Middletown. The dam, which is located near Route 17 south of Brushy Hill Road, is in need of expedited repairs because the dam's left spillway training wall has partially collapsed. The pond's water level is being lowered approximately four feet as a precaution and there is no imminent threat to public safety.

*Background:* Dooley Pond Dam is a class C (high hazard) dam in Middletown. The dam is currently in poor to fair condition based on the physical condition and hydraulics of the spillway. On February 27, 2013 a partial collapse of the left spillway training wall occurred, resulting in the deposition of concrete blocks and concrete slab in the spillway discharge channel. The spillway is presently incapable of discharging water without likely erosion of the exposed embankment soils which could lead to a potential breach failure, and as such the impoundment has been maintained in a lowered condition, resulting in limitations to recreational use.

The repairs consist of constructing a new, higher capacity concrete spillway, installing protective riprap on both the upstream and downstream channel sections, and installing toe drains. The purpose of this construction is to increase the capacity of the dam to pass flow from major storm events, as well as to create a newer and easier to maintain structure. The "spillway" is not a separate structure, but an integral portion of the existing dam, and is inadequate and partially failed. The entire requested amount (\$2,125,000) is for repairs to Dooley Pond Dam, which encompasses the spillway and earthen embankment.

The pond, near Route 17 and south of Brushy Hill Road, is 18.5 acres with access from Brush Hill Road. It has a maximum depth of 16.5 feet near the dam on the pond's north end, and a mean depth of 7.2 feet. The dam was built to create the pond, which is supplied by springs and water flowing in from Long Hill Brook on the south end.

**Item #24** Department of Energy and Environmental Protection: Improvements at state parks (\$700,000 in new General Obligation bonds)

These funds will be used to fund: (1) archaeological studies at Hammonasset in Madison (\$250,000) and (2) as-needed emergency/minor capital improvements for all state parks (\$500,000).

*Background for design and archaeology studies:* DEEP currently has several large projects in the design phase for Hammonasset Beach State Park in Madison, including: (1) a new Meigs Point Nature Center, (2) a new West Beach Bath complex, and (3) the BURTway, a new recreation trail throughout the park that will double as the pathway for needed utility upgrades and replacements (gas, electric, water, fiber), and camping cabins. The projects are in areas of the park that have been the site of prior modern, historic and prehistoric human activity. The funds will be used for archeological investigation of areas that were selected after an initial survey indicated that further study was needed.

*Background for minor capital repairs:* DEEP controls over 400 buildings and 250,000 acres of land. The funds will be used for minor capital projects that are too small to bring to the bond commission as an individual project. Projects will be prioritized by a staff committee that represents DEEP's various disciplines. Project examples include: (1) a new roof on a small building; (2) re-drill of a failed drinking water well at a campground; (3) replacement of a failed boiler at a building; (4) small building demolition; (5) reapplication of non-slip flooring at beach facility bathhouses; (6) materials for the replacement of a pedestrian bridge in a park; and (7) replacement of garage doors on an 80-year-old shop building.

**Item #25** Department of Mental Health and Addiction Services: Design of new chillers and switchgear at the Connecticut Mental Health Center in New Haven (\$283,750 in new General Obligation bonds)

The funds will be used to design new chillers and switchgear at the Connecticut Mental Health Center (CMHC) in New Haven. The project will be managed by the Department of Construction Services (DCS), which will choose a vendor. The anticipated timeline from design to completion is between 18 months and two years. In the interim it may be necessary to install temporary chillers since the current ones are nearing the end of their useful life.

*Background:* CMHC provides services to various individuals including those with severe and persistent psychosis, depression, addictions, and co-existing mental health and addiction problems. In addition, CMHC operates outreach programs, offers clinical services, conducts research, and provides trainings for professionals treating mental illness and addictions.

**Item #26** Board of Regents – Community colleges: Settlement of a construction claim related to the new technology building at Naugatuck Community College in Waterbury (\$1,650,000 in new General Obligation bonds)

The funding will be used for a litigated settlement between Lawrence Brunoli Incorporated and the Department of Construction Services

**Item # 27** Board of Regents – Housatonic Community College in Bridgeport: Parking garage repairs (\$532,740 in new General Obligation bonds)

The parking garage at Housatonic Community College in Bridgeport was built in 1966 and has a capacity of 1,287 cars. The work consists of: (1) cleaning, repointing, sealing and painting, (2) restoration and repairs to the existing concrete block walls, (3) repair of concrete deck and wearing surfaces, and (4) drainage repairs, including broken overhead pipe repairs, and drain bucket and grate replacement. In addition the garage's entire storm water drainage system needs to be cleaned and flushed with high pressure jetting to blast away clogs, ice and hard deposits within the drainage system.

**Item #28** Department of Administrative Services: Roof replacement at 505 Hudson Street in Hartford (\$370,500 in new General Obligation bonds)

The funds will be used to award a construction contract based on bids received by December 17, 2013 for the roof replacement on 505 Hudson Street in Hartford. This project will start and be complete in the spring of 2014.

*Background:* The Office of Culture and Tourism's central office (Department of Community and Economic Development) is located at 505 Hudson Street.

**Item #29** Department of Energy and Environmental Protection: Matching funds for a federal grant to demolish Springborn Dam in Enfield (\$1,000,000 in new General Obligation bonds)

This \$1 million allocation will be used to provide a match for a \$3 million grant from National Oceanic and Atmospheric Administration (NOAA) to finance the demolition and removal of the Springborn Dam in Enfield.

*Background:* The Springborn Dam is an in-stream barrier to fish passage on the Scantic River. Removal of the dam will restore access to 2.5 miles of habitat for spawning, juvenile rearing and growth of American shad, blueback herring, alewife and American eel. Once the dam is removed, it will allow fish passage at Somersville Mill Pond Dam. When this occurs, access will be restored to an additional 27.5 miles of river habitat. In

addition to these diadromous<sup>6</sup> species, removal of Springbom Dam will reconnect a large population of native brook trout with upstream habitat and spawning areas. The 114 sq. mi. Scantic River watershed joins the mainstream Connecticut River approximately 62 miles upstream from Long Island Sound and approximately two miles upstream of the head of tide.

Springbom Dam is 18 feet high and made of quarried stone, concrete, and wood. It once powered a gristmill and sawmill but its height was later raised to power a mill to recycle wool to provide to carpet mills. The dam's structure reflects the evolution of its usage and repairs that were made over time. The dam is built on top of a bedrock outcrop. The height of the ledge is modest and will not block fish passage once the dam is removed.

**Item # 31** State Department of Education - Technical High School System: Design of fat, oil and grease separators (\$651,710 in new General Obligation bonds)

The funds will be used to finance the design of fat, oil and grease separators at the technical high schools listed below:

Project/Location	Cost \$
Bristol Tech Education Center and Oliver Wolcott - Torrington	192,000
Platt CTHS - Milford, Bullard Havens CTHS - Bridgeport	192,000
Ella Grasso CTHS - Groton, Windham CTHS - Willimantic	267,710
<b>TOTAL</b>	<b>651,710</b>

Questions:

1. Are any additional funds needed to purchase and install the separators? If so, how much?
2. Will any energy savings result from this project?

**Item #32** Department of Housing: Grants-in-aid and loans for Flexible Housing Program projects (\$15,639,280 in new General Obligation bonds; \$3,907,280 in reallocated General Obligation bonds)

- A. Redevelopment of Sasco Creek Apartments in Westport (\$8,898,000) - This funding will support a grant-in-aid to the Westport Housing Authority to assist with redevelopment of the apartments into a moderate rental project. The existing 33 double-wide mobile homes, which were built in 1985, are split into two housing units each. They will be demolished and replaced with 54 new units in two- and three-story buildings, along with a community building. The

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<sup>6</sup>Diadromous refers to all fish that migrate between the sea and fresh water. The term includes anadromous fish, which migrate upstream to spawn and catadromous fish, which migrate downstream to spawn.

proposed project will retain the existing 39 townhouse-style residences that were built in 2003 in the rear of Sasco Creek known as Hidden Brook.

- B. Improvements to Historic Townley Street Apartments in Hartford (\$1,866,981) - The funding will support a grant-in-aid for improvements to the Historic Townley Street Apartments in Hartford. The Apartments, which were built in 1968, are owned by Historic Townley, LP and managed by Vesta Corporation. The project includes new roofs, windows and insulation, kitchen and bath upgrades, replacement of existing boilers and hot water heaters as well as other interior and exterior building improvements including a new closed circuit TV security system for the 28 units. The project will begin in the first quarter of 2014.
- C. Improvements to Londonberry Gardens in New London (\$4,874,299) - The funding will support a grant-in-aid for improvements to Londonberry Gardens in New London. Londonberry Gardens, which was built in 1986, is owned and managed by Vesta Corporation. The improvements include new windows, interior upgrades to kitchens and baths, replacement of existing life safety equipment, exterior building improvements, new sidewalks and parking lots and the conversion of the existing baseboard electric heat system to high efficient central gas boilers at the 86 unit moderate rental project.
- D. Loans for Redevelopment of 777 Main Street (\$3,907,234) - This item changes the rate and terms of the combined \$21,607,234 loans provided by the Department of Housing (\$3,907,234) and the Capital Region Development Authority (\$17,700,000) for the redevelopment of 777 Main Street into mixed income apartments. Becker Development LLC will redevelop vacant office space into 285 apartments, of which 59 will be affordable to persons with incomes at or below 50% of the area median income.

*Department of Housing* – The original terms of the \$3,907,234 loan were 40 years at 0.5% interest with payments deferred until maturity<sup>7</sup>. DOH will provide a \$3,907,234 loan that has a 42 year term at a 0.5% interest rate, with payments deferred until maturity.

*Capital Region Development Authority* originally provided: (1) a \$10,200,000 loan with a 40 year-term at 0.5% interest rate, with payments deferred until maturity and (2) a \$7,500,000 grant. The assistance is being modified to: (1) a \$10,200,000 loan that has a 42-year term at a 0.5% interest rate, with payments deferred until maturity and (2) a \$7,500,000 loan with a 42-year term at an initial interest rate of 0.5%. The rate will increase to 2.0% starting 5 years after the project is placed in service. Payments will be deferred until maturity, subject to early principal payments based on available cash flow.

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<sup>7</sup>The Department of Economic and Community Development, the predecessor to the Department of Housing, originally provided the loan.

**Item #33** Department of Transportation: Reallocation of funds for dredging projects (\$11,750,000 in reallocated General Obligation bonds)

The funds are available from a previous bond allocation for dredging projects for the New Haven and Norwalk Harbors. The projects were funded by the U.S. Army Corps of Engineers. The table below shows the list of dredging projects using the previously allocated funds.

<b>Location</b>	<b>Project</b>	<b>Funding \$</b>
Mystic River	Auxiliary channel dredging	1,000,000
Guilford	Municipal Marina dredging	500,000
Housatonic River	Maintenance dredging	10,250,000
<b>TOTAL</b>		<b>11,750,000</b>

**Item #34** Department of Social Services: Grants-in-aid for a food pantry and a community center (\$1,465,300 in new General Obligation bonds)

- A. Cheshire Community Food Pantry (\$465,300) - The funds will assist with construction of a new 3,500 sq. ft. food pantry in Cheshire. The current food pantry serves an average of 118 Cheshire families per month (approximately 1,400 per year). The pantry employs a client-choice model, whereby clients are allowed to select their own groceries from the pantry. The pantry is open to eligible town residents. The Cheshire Department of Social Services screens applicants, who must complete a two-page application and are subject to income and liquid asset requirements.
- B. City of New Haven (\$1,000,000) - The funds will assist the city with the Dixwell Q House Community Center revival project. The center originally opened in 1969 and has been vacant for over a decade. The estimated cost to demolish the current structure and construct of a new 50,000 sq. ft. center is \$13.5 million. The new center will provide lease space for local businesses and resources and activities for youth in the community ages 15 and older. Youth services may include, physical education facilities, mental health services, and shared space with the Stetson Branch Library, currently across the street.

Questions:

1. Where is the additional funding for the Dixwell Q House project coming from?
2. Is Cheshire providing any funding for the food pantry project?
3. Does the agency do any other business with these organizations?
4. What is the timeframe for each project?



**Item #35** Department of Transportation: Highway resurfacing projects (\$57,000,000 in new Special Tax Obligation bonds)

The Vendor-In-Place (VIP) Program refers to a contract where the vendor supplies all materials, labor and equipment to perform a complete work function in place. The most common example is DOT's VIP paving contract, where the vendor supplies the asphalt, paving equipment, trucking and labor and the State pays for the services by the ton. These projects are usually not eligible for a federal match.

The table below lists the projects that are scheduled to be completed under the Capital Resurfacing and Rehabilitation VIP Program during the 2014-1015 construction seasons.

<b>Town</b>	<b>Description</b>	<b>Estimated Cost \$</b>
East Windsor	Exit FR SB I-91 to Post Office Rd.	1,458,355
East Hartford	SR 517 to ACC to WB I-84	345,622
Vernon	RT 30 to Coventry TL	873,889
Mansfield	RT 44 to Willington TL	682,814
Stafford	RT190 to Mass SL	1,404,966
Manchester	BGN OVLP RT 30 to End OVLP RT 30	949,757
Ellington	RT 83 to Tolland TL	354,051
Windsor	RT 75 to Windsor Locks	1,104,303
East Hartford	SR 516 EB to RT 5 NB	309,093
Hartford	Scarborough ST NB to BGN OVLP I-84	1,500,504
Middletown	NB exit to Bow LA to End of Mattabesett River	1,899,514
Southington	BGN OP RT 332 to OP Quinn River #6291	160,166
New Britain	South ST to RT 175	1,070,584
Southington	RT 332 to RT 10	960,997
Durham	RT 68 to Middlefield TL	286,613
Newington	RT 173 to RT 99	2,028,771
Portland	RT 66 to RT 17A	558,282
Franklin	SR 610 to Lebanon TL	1,154,588
Lyme	SR 431 to RT 82	404,273
Mansfield	.02 MI N/O Mansfield to Firehouse to RT 275	286,016
Woodstock	RT 197 to Mass State Line	899,301
Eastford	RT 198 to RT 97	1,573,090
Plainfield	RT 14 to US 6	1,567,590
East Lyme	RT 161 to .03 MI N/O WTFD Vol. Fire Dept.	734,292
Westbrook	SR 625 to Old Saybrook TL	1,025,809
Preston	.26 MI N/O Stuart Dr. to JCT of RT 2	965,305
Stonington	ACC to I-95 SB to RT 184	371,271
Voluntown	NO. Stonington TL to RT 165	1,303,575
Old Saybrook	Old Boston Post Rd to OVLP RT 1	319,018
N. Stonington	RT 49 to RT 184	676,539
Montville	RT 32 to DR to Mohegan Tribe Park	352,020
Bozrah	SR 612 to Norwich TL	528,030
Madison	RT 1 to End of I-95	712,169

<b>Town</b>	<b>Description</b>	<b>Estimated Cost \$</b>
Guilford	.28 MI S/O Prospect Hill Rd to RT 80	1,083,377
Guilford	Lake Dr #2 to Durham TL	1,086,627
Madison	Whitman Rd to County Rd	1,080,627
North Haven	ACC to NB I-91 to .07 MI S/O WLFD TL	1,284,104
North Haven	JCT RT 5 to No. Branford TL	635,178
East Haven	Kimberly Ave #2 to Branford	761,663
East Haven	Wheaton Rd to Brocketts Point Rd	459,198
Bethany	BGN N/B TCL to Wooding Hill Rd EXT	1,176,866
New Haven	RT 63 to Woodbridge TL	170,481
New Haven	Glenview Terrace to Woodbridge TL	151,233
Fairfield	ACC to N/B RT 15 to RT 136	1,031,133
Fairfield	RT 1 to ACC to N/B RT 15	1,218,111
Westport	RT 1 to RT 57	354,710
Fairfield	JCT S/B RT 1 to RT 58	296,966
Fairfield	Westport TL to BGN OP New England Ave	1,655,312
Stratford	End of RT 8 to .07 MI S/B ACC RT 110	681,922
Stratford	End of RT 8 to N/B Exit to RT 110	670,924
Westport	RT 1 to RT 52	879,900
Norfolk	W JCT RT 272 to Winchester TL	1,448,036
Avon	End of Farmington RV to RT 10	166,441
Norfolk	RT 44 to Mass SL	1,167,861
Barkhamsted	N JCT RT 318 to Hartland TL	1,145,669
Hartland	RT 20 to RT 189	1,026,386
Torrington	Pinewoods RD to RT 44	818,335
Brookfield	S JCT RT 133 to RT 202	474,357
Bethel	RT 53 to RT 25	2,208,117
Seymour	RT 34 to RT 67	2,188,699
New Fairfield	RT 37 to Sherman TL	1,489,647
New Milford	Elm ST to Buckingham RD	976,454
<b>Total</b>		<b>57,000,000</b>

**Item #36** Office of Policy and Management (Department of Transportation): Grant-in-aid to Bridgeport for runway safety improvements at Igor I. Sikorsky Memorial Airport (\$5,200,000 in new General Obligation bonds)

This funding is part of a \$51.0 project to improve runway safety at the Igor I. Sikorsky Memorial Airport, which is owned by the City of Bridgeport. The \$51.0 million will come from the following sources: (1) \$5.2 million in state funding (this allocation), (2) \$43.4 million in federal funds and (3) \$2.4 million from the city. The safety improvements consists of rehabilitation of pavement on Runway 6-24, construction of a Runway Safety Area, installation of an Engineered Material Arrestor System (EMAS) to comply with FAA safety requirements and the relocation of a portion of Route 113. Additional safety improvements include the installation of new runway edge lighting,

the removal of the existing blast fence, installation of a new security fence and various other minor changes.

**Item #37** Department of Children and Families: Grant-in-aid to Woodruff Family YMCA in Milford (\$250,000 in new General Obligation bonds)

The funds will be used to reimburse the Woodruff Family YMCA in Milford for costs associated with the renovation of the second floor of its facility at 631 Orange Avenue to accommodate an increase in full-day preschool enrollment as well as health and wellness programs.

Questions:

1. How old is the building at 631 Orange Avenue?
2. How many children does Woodruff Family YMCA serve annually?
3. How many more full-day preschool slots will be available once the renovation is completed?
4. How much space on the second floor will be devoted to preschool and how much will be designated for health and wellness programming?
5. When are renovations anticipated to be completed?

**Item #38** Office of Policy and Management: Reallocation of Criminal Justice Information System (CJIS) funds to develop the Deadly Weapon Offender Registry (\$499,999 in reallocated General Obligation bonds)

The funds will be used to finance costs for the Department of Emergency Services and Public Protection (DESPP) to develop the Deadly Weapon Offender Registry. The funds are available because the project to upgrade of the online Sex Offender Registry came in under budget.

Questions:

1. DESPP received \$1.5 million in Other Expense funding in its FY 14 budget to establish and operate the Deadly Weapon Offender Registry. What portion of the Registry were those funds used on?
2. When will the Registry be operational?

*Background:* Sections 18-22 of PA 13-3, "AAC Gun Violence Prevention and Children's Safety", established a registry within DESPP of persons convicted of certain crimes involving deadly weapons. This newly-created registry will be under the care and control of the Bureau of Field Technology, Infrastructure, and Transportation within DESPP and will use existing commercial off-the-shelf technology.

**Item #39 (revised)** State Library: Reallocation of funds for ADA improvements at the Portland Public Library (\$20,000 in reallocated General Obligation bonds)

The funding will be used for American with Disabilities improvements to the restrooms at the Portland Public Library.

**Item # 40** Department of Correction: Infrastructure improvements at departmental facilities (\$2,084,485 in new General Obligation bonds)

The funds will be used for the projects listed in the table below:

**Department of Correction Infrastructure Projects**

Description	Amount \$
Upgrades to an obsolete fire alarm system at Corrigan-Radgowski Correctional Center. Replacement parts are no longer available for the existing system.	261,800
Upgrade video recording systems from VCR to digital at Bridgeport, Cheshire, Cybulski, Osborn, Robinson and Willard Correction Institutions. This upgrade will also significantly increase the quality of the recordings.	497,685
Upgrades to showers at Corrigan-Radgowski, which are twenty two years old.	425,000
Agency-wide repairs to roofs, fences, doors, and security systems.	300,000
Remediation of the June 2013 diesel spill at York Correctional Institute. The agency has received a previous authorization of \$1,038,124 for containment and remediation of the spill.	600,000
<b>TOTAL</b>	<b>2,084,485</b>

**Item # 41** Judicial Department: Expansion of backup systems (\$1,750,000 in new General Obligation bonds)

The funds will be used to expand the agency's data backup systems to provide availability and security of court files. The project is part of a plan to convert the processing of court business to an interactive web-based process for easier use by Judicial Department customers.

**Item #42 (revised)** State Library: Reallocation of funds for projects at the Tolland Public Library and the New Fairfield Public Library (\$1,510,000 in reallocated General Obligation bonds)

Tolland Public Library: The \$1,000,000 will allow the library to expand into currently unused space (the old Hicks gym), which will increase the library's size by 43%. The seating capacity of the program room will double from 40 to 80 people. A separate children's program room will also be added. Quiet spaces are planned for collaboration by students, community groups and small businesses. Space will be added for technology, which will increase public access to digital information. Additional space will also be available for expanding the library's collections of books, CDs and DVDs.

See below for the New Fairfield Free Public Library project.

**Item #43** State Library: Funding for a project at the New Fairfield Public Library (\$173,920 in new General Obligation bonds and \$67,333 in reallocated General Obligation bonds)

New Fairfield Public Library: This project is receiving a total of \$751,253 from Items #42 and #43. The project addresses Americans with Disabilities Act (ADA) code compliance issues along with fire and safety code issues. The project also includes improvements to space utilization including study areas, Wi-Fi access and a multifunctional program room.

**Item # 44** Department of Housing: Housing Trust Fund (\$8,961,000 in new General Obligation bonds)

This allocation will provide funding for two projects under the Competitive Housing Assistance for Multifamily Properties (CHAMP):

- A. Watertown Crossing Village in Waterbury (\$4,400,000) - This funding will support a \$4.4 million loan to Watertown Crossing Village Limited Partnership to assist with the rehabilitation of Watertown Crossing Village in Waterbury.

The project will consist of 108 rental housing units, including 11 market rate units and 97 units with restricted rents at 25%, 50% and 60% area median income. The deferred 40 year loan will be provided at an interest rate of 0%. Funds will be secured with a Blanket Contingent Liability Mortgage to outline the 15 year restriction on property.

- B. Old Middletown High School Apartments in Middletown (\$4,561,000) - This funding will support a \$4,561,000 loan to Old Middletown Preservation Associates Limited Partnership to assist with the rehabilitation of 65 elderly, rent restricted rental housing units at the Old Middletown High School Apartments in Middletown. The deferred 40 year loan will be provided at an interest rate of 1.0%.

Rehabilitation will include masonry repair, new windows, energy-efficient boilers, upgraded kitchens and bathrooms, ADA modifications, and improved community space, improvements that will reduce energy use by an estimated 49 percent. Residents will not need to vacate their apartments.

The Old Middletown High School Apartments building was built in 1894 and converted into 65-unit senior housing development in 1978.



Old Middletown High School Apartments

*Background:* Through CHAMP, the Department of Housing provides gap funding to owners of existing developments and developers of proposed new developments to increase the supply of safe, decent and affordable housing in Connecticut. The program supports the creation and/or preservation of affordable multifamily housing.

Funds may be provided in the form of grants, loans or a combination thereof. In addition, funds awarded under this initiative may be combined with financial assistance from the Connecticut Housing Finance Authority, including 4.0% low-income housing tax credits and taxable and/or tax exempt bond financing.

**Item # 45** Department of Administrative Services: Security improvements at state buildings (\$600,000 in new General Obligation bonds)

The funds will be used for security enhancements at the facilities in the table below. Project time frames have not been finalized but are based on lead time for ordered equipment. Once equipment is in place, installation happens within a short duration.

**State Buildings Receiving Security Enhancements**

<b>Building Location</b>
55 Farmington Avenue, Hartford
92 Farmington Avenue, Hartford
322 Main Street, Willimantic
121 Main Street Ext, Middletown
401 Shippan Avenue, Stamford
149 Water Street, Norwalk
699 East Middle Turnpike, Manchester.

*Background:* Any state owned or leased facility is eligible for these funds. The funds pay for a variety of security enhancements including access control, proximity card readers, secure doors, digital video imaging, alarms, networking, duress buttons, call for aide stations, video surveillance and digital recording equipment.

**Item # 46** Judicial Department: Demolition of 59 Field Street in Torrington (\$600,000 in new General Obligation bonds)

The funds will be used for demolition of the existing building at 59 Field Street in Torrington in preparation for construction of the new Torrington Courthouse. The requests for proposals (RFPs) from the three developers are due in April 2014. It is anticipated that construction of the new courthouse will begin in March 2015.

**Item #47** Department of Economic and Community Development: Manufacturing Assistance Act (\$16,105,000 in new General Obligation bonds)

This funding will support the business initiatives described below. A portion of the funding will be used to provide financial assistance designated under the First Five Program (also referred to as "Next Five").<sup>8</sup> The First Five Program recipients are noted in the write-up. To date the State Bond Commission has allocated funding for nine of the eleven companies participating in First Five. Funding for CareCentrix is being considered during this meeting.

### First Five Program Funding

Company	Total Assistance \$	Prior Agendas <sup>9</sup> \$	Current Agenda \$
CIGNA <sup>10</sup>	71,000,000	21,000,000	-
NBC Sports	20,000,000	20,000,000	-
ESPN <sup>10</sup>	24,700,000	18,700,000	-
Sustainable Building Systems	19,100,000	19,100,000	-
CareCentrix	24,000,000	6,900,000	4,700,000
Alexion <sup>2</sup>	51,000,000	26,000,000	-
Deloitte	14,500,000	9,000,000	-
Bridgewater Associates <sup>10</sup>	115,000,000	-	-
Charter Communications	8,500,000	6,500,000	-
Navigators Group Inc.	11,500,000	11,500,000	-
Pitney Bowes	27,000,000	-	-
<b>TOTAL</b>	<b>386,300,000</b>	<b>138,700,000</b>	<b>4,700,000</b>

<sup>8</sup>PA 13-234, the general government implementer, extended the First Five program's sunset date by two years, from June 30, 2013 to June 30, 2015. As of today eleven companies are participating in the program. The law allows up to fifteen companies to participate in the program.

<sup>9</sup>The State Bond Commission allocated \$5.95 million to TicketNetwork. TicketNetwork has since withdrawn from the program. Those funds will be reallocated for future use.

<sup>10</sup>A portion of these companies' assistance is eligibility for state tax credits in addition to bond funded loans and grants through First Five.

- A. Garden of Light, Inc. (\$3,000,000) - This funding will support a \$3 million loan to Garden of light, Inc. dba Bakery on Main to assist with leasehold improvements and equipment at a new larger facility in East Hartford. The loan will be provided at an interest rate of 2.0% for ten years. Loan forgiveness of \$1.5 million will be provided if the company retains the existing jobs and creates the new jobs within four years. The company will retain 59 jobs and create 70 new jobs within four years.

*Background:* Bakery on Main produces gluten-free baked goods, granola, and oatmeal. The Bakery's manufacturing plant is a gluten-free facility, certified Kosher Parve, and is certified for organic production.

- B. CURE Innovations LLC (\$4,205,000) - This funding will support a \$4,205,000 grant-in-aid to CURE Innovations LLC for costs associated with establishing a Bioscience Innovation Center in Groton. The funds will finance leasehold improvements, planning, programming and operational costs. The center will be a business incubator for the bioscience industry and may indirectly create new jobs.

Questions:

1. Has CURE Innovations LLC previously provided incubator services in the bioscience industry?
  2. Will researchers/businesses utilizing the center be potentially eligible for grant funding under Connecticut's Bioscience Innovation Fund (see Item #13)?
- C. HomeServe USA Corp. (\$3,000,000) - This funding will support a \$3 million loan to USA for relocation costs associated with moving and consolidating the Stamford office and other offices in state to Norwalk. The loan will be provided at an interest rate of 2.0% for ten years with principal deferred for five years. If the company retains 109 full-time jobs and creates 130 full-time jobs over five years, then \$2 million of the loan may be forgiven.

At the December 2013 meeting, the State Bond Commission allocated \$1 million for a grant-in-aid to the company for training, marketing and technology purchases.

*Background:* HomeServe USA provides emergency services for homeowners related to water, sewer, electrical, HVAC and other home emergencies.

Question: Why was the loan provided separately from the grant-in-aid?

- D. Darwin National Assurance Company (\$1,200,000) - This funding will support a \$1.2 million loan to Darwin National Assurance Company to assist with expansion of operations in Farmington.



The loan will be provided at an interest rate of 2.0% for ten years with principal deferred for four years. Loan principal forgiveness will be provided if the company reaches certain milestones, up to the entire loan amount if 100 new jobs are created within four years. The company intends to retain 230 jobs and create at least 50 new jobs within four years.

*Background:* The Darwin National Assurance Company is a Fire & Casualty insurance company. The company's insurance plans include auto, home, boat, airplane, and business.

- E. CareCentrix - First Five Program (\$4,700,000) - This funding will support a \$4.7 million grant-in-aid under the First Five Program for CareCentrix to develop and expand its headquarters at 20 Church Street in Hartford. The company relocated its headquarters from East Hartford to Hartford in January 2013.

The Department of Economic and Community Development will provide a total of \$24.0 million in grant funding in installments over five years if the company meets annual job retention and creation goals until it reaches 503 total jobs.

The grant distribution is as follows:

- 1) \$12.0 million in grants over five years if all 213 existing employees are retained for the five years;
- 2) \$12.0 million grant will be paid over a five-year schedule if 290 jobs are created in the five-year span.

Were the company to create more than the targeted number of full-time jobs per year, payments may be accelerated upon the company's request based on an agreed upon payment schedule. The total cost of the project is estimated to be \$86 million.

The State Bond Commission previously allocated \$2.3 million in October 2012 and \$4.6 million in September 2013 for CareCentrix. Including this requested allocation, a total of \$11.6 million of the \$24 million in grants will be allocated to the company.

*Background:* CareCentrix provides health care plans and providers with a one-stop solution that coordinates all of a patient's home health care needs including skilled nursing services, home infusion therapies and durable medical equipment.

Question: Since the first bond allocation in October 2012, how many jobs were created and/or retained?

**Item #48** Office of Policy and Management: Capital Equipment Purchase Fund (\$30,000,000 in new General Obligation bonds)

The funds will be used to purchase capital equipment for state agencies listed in the table below:

**Capital Equipment Purchase Fund Allocation by Agency**

Agency	Amount \$
State Comptroller	410,000
Department of Revenue Services	1,600,000
Office of Policy and Management	973,000
Department of Administrative Services	3,500,000
Attorney General	480,000
Division of Criminal Justice	1,600,000
Department of Emergency Services and Public Protection	4,000,000
Department of Labor	128,000
Office of Protection and Advocacy for Persons with Disabilities	17,000
Department of Energy and Environmental Protection	1,600,000
Agricultural Experiment Station	316,000
Department of Public Health	1,800,000
Office of the Chief Medical Examiner	10,000
Department of Developmental Services	2,400,000
Department of Social Services	3,100,000
Department of Rehabilitation Services	589,000
State Library	91,000
Board of Regents for Higher Education	951,000
Department of Correction	4,000,000
Public Defender Services	885,000
Judicial Department	1,550,000
<b>TOTAL</b>	<b>30,000,000</b>

**Item #49** Department of Energy and Environmental Protection: Clean Water Fund (\$94,000,000 in new General Obligation bonds; \$182,780,000 in Clean Water Fund revenue bonds)

The State's Clean Water Fund program provides grants equal to 20% of the eligible project costs and a loan for the remainder of the project costs to be repaid over not more than 20 years at 2% interest for most water pollution control projects, with some exceptions.

The priority list is developed, according to regulation, based on priority rating criteria, project ranking mechanism, order of priority funding, annual public hearings, and subsequent revisions to the priority list.

Several of the large projects for FY13 were delayed but are currently ready to proceed to construction, through this allocation. Projects have been solicited from municipalities,

the FY14 and FY15 Priority List has been drafted and reviewed by the DEEP Commissioner. The new Priority List is anticipated to be available for public comment in March, 2014.

The current Clean Water Fund (CWF) Priority List and scoring criteria are available on DEEP's website (FY12 and FY13 CWF Priority List)

[http://www.ct.gov/deep/lib/deep/water/municipal\\_wastewater/cwfprioritylist12\\_13.pdf](http://www.ct.gov/deep/lib/deep/water/municipal_wastewater/cwfprioritylist12_13.pdf).

**Item #50** Office of Policy and Management: Urban Action Program grants-in-aid (\$930,000 in new General Obligation bonds)

1. Department of Energy and Environmental Protection

- A. Brooklyn: Improvements to the baseball fields at Riverside Park (\$150,000)  
- The funds will be used to provide a grant-in-aid to Brooklyn for improvements at the Riverside Park baseball and tee-ball fields. Improvements include dugouts, bullpens, a concession stand, lighting, and other site improvements. The park has a canoe launch, passive walking areas and a volleyball court. The project is anticipated to be completed in the spring, 2014.

Question: Is the Town of Brooklyn providing funding for this project?

- B. Hamden: Playground improvements at four elementary schools (\$180,000)  
- The funds will be used for a grant-in-aid to renovate the playgrounds and purchase new equipment to accommodate current usage.

2. Department of Economic and Community Development

- A. Bridgeport Economic Development Corporation: Revise West End Municipal Development Plan (\$100,000) - These funds will support a grant-in-aid to the Bridgeport Economic Development Corporation to revise the existing plan to include the area of the adjacent Eco-Technology Park. The park currently consists of the largest fuel cell facility in North America, a mattress recycling facility, a grease recycling and biofuel production facility, a natural gas vehicle fueling station, a permeable paving company, a regional vocational Aquaculture school, a biofuels home heating oil company, a tire recycling facility, a waste-to-energy facility, a defense contractor, and one of the city's two sewage treatment plants.

Planned projects for the Eco-Technology Park include a renewable energy facility with the capacity for solar arrays, wind turbines, and fuel cells on the city's closed landfill at Seaside Park; anaerobic digesters for food waste and sewage sludge; a district heating loop using waste heat from a

neighboring power plant; a grey water pipeline; a clean fuels retrofit facility; and a green building supply company.

B. Waterbury: Renovations at the Silas Bronson Library (\$500,000)

There is no information available on this project because they have not applied for funding through the State Library construction grant program.

**Item #51** Approval of the State Treasurer's Certificate of State Indebtedness

This resolution satisfies statutory requirements for approval of documents related to State Bond Commission meetings.

## Appendix A

### Item #17: Grants-in-aid for School Readiness and State-Funded Daycare Centers

Town	Applicant / Grantee	State-funded Spaces	Description	Amount \$
Ansonia	TEAM*	18	Workspace upgrading	20,484
Bloomfield	Bloomfield Early Learning Center (BELC)*	91	Replace windows, ceiling insulation, sinks and countertops light fixtures and switches; bathroom renovations; digital key and audio/video intercom	275,260
Bloomfield	First Congregational Church Nursery School*	30	Air conditioning for year round use of space	53,500
Branford	Branford Early Learning Center, Inc.*	45	Kitchen upgrade	138,000
Bridgeport	ABCD, Inc. - Lucille Johnson	16	Replacement of entry doors; drop off area renovation	21,000
Bridgeport	Bridgeport YMCA - PALS 1	36	Replace furnace; security upgrade	7,300
Bridgeport	Public Schools	432	Security radios for pre-K classrooms in 12 schools. Beardsley: renovation bathrooms; radiator covers. Marin: playground fence.	96,600
Bridgeport	ABCD, Inc. - Inner City*	210	HVAC and acoustic ceiling	147,240
Bridgeport	ABCD, Inc. - Jamie Hulley*	128	Fencing and water management in play area	145,576
Bridgeport	Bridgeport YMCA - Kolbe Educational Center*	190	Floor tiles code repair	79,454
Colchester	BJ Kids World*	9	Playground code re surface	95,000
Danbury	CACD Action ELC	125	Replace entry doors and fencing; upgrade playground and heating system	41,885
Greenwich	Gateway Preschool	20	Playground partial funding; replace cabinets and counters; security access system	50,925
Groton	The Riverfront Children's Center, Inc.*	48	Age appropriate playground, drainage/surfacing	113,818
Guilford	Guilford Center for Children	24	Generator	51,188

Town	Applicant / Grantee	State-funded Spaces	Description	Amount \$
Hamden	Hamden Public Schools	23	Bathrooms and kitchen upgrade	40,100
Hartford	CRT - Douglas*	108	Playground shade structure	23,596
Hartford	CRT - Laurel*	129	Playground shade structure	48,992
Hartford	Dept. of Families, Children, Youth & Recreation - Hyland ELC*	61	Exterior lights, acoustic panels	50,000
Meriden	WFC Dooley Child Development Center	74	Replace floor, cabinets and microwaves	32,958
Middletown	CRT - Hamlin*	24	Window replacement	49,000
Middletown	Town & Country Early Learning Center*	56	Playground shade structure, turf resurfacing	27,851
Middletown	YMCA of Northern Middlesex County - Phelps Ingersoll CC*	51	Storage cabinets, flooring	6,000
Milford	Good Shepherd Day Care Center, Inc.*	44	Playground shade structure	26,000
New Britain	YWCA @ 22 Glen Street*	124	HVAC	70,000
New Haven	Catholic Charities Archdiocese of Htfd - New Haven CDC II	40	Replacement of windows and sink	4,800
New Haven	Friends Center for Children	12	Basement activity room	74,462
New Haven	Morning Glory	18	Replace roof and boiler; playground fence	21,600
New Haven	St. Francis & St. Rose of Lima School Readiness Program	89	Replace roof preschool section, entry doors; bathroom renovations; classroom floor replacement, electrical & sprinkler upgrade; ventilation system	169,000
New London	Shiloh's Child Works Preschool	16	Playground equipment & security system	54,494
New Milford	The Children's Center*	54	Playground artificial turf resurfacing	14,250
Sterling	Sterling Community Preschool	24	Bathroom & preschool classroom storage	37,176
Terryville	The Learning Center	34	Security system	12,499
Torrington	Torrington Child Care Center	54	Replace lighting and heat tape	12,973
Wallingford	The Wallingford Comm. Day Care Ctr., Inc.*	54	Security	41,000
Waterbury	Children's Center of GWHN	73	Entry door and locks, playground gates, security system	75,710
Waterbury	NVCC Child Development Center	20	Security system; playground fencing and gate	60,000

<b>Town</b>	<b>Applicant / Grantee</b>	<b>State-funded Spaces</b>	<b>Description</b>	<b>Amount \$</b>
Waterbury	The Ark Child Development Center, Inc. - East Main Street	20	Playground equipment for toddlers; floor replacement	18,393
Waterbury	Greater Waterbury YMCA*	185	Playground shade structure	6,085
Waterbury	The Ark Child Development Center, Inc. - West Main Street*	54	Air conditioning	19,950
West Haven	West Haven Child Development Center, Inc.*	160	Cafeteria code upgrades	25,677
West Haven	West Haven Community House Assoc., Inc.*	44	Rebuild wall, window lead paint removal	32,800
Willimantic	Thames Valley Council for Comm. Action, Inc.*	141	HVAC , air quality circulation improvements	82,800
	<b>TOTAL</b>	<b>3,208</b>		<b>2,475,396</b>

\* Indicates additional work for grantees that was previously, partially funded to address imminent safety concerns.