

Analysis of State Bond Commission Agenda Items

September 20, 2018
10:30 AM



OFFICE OF FISCAL ANALYSIS

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State Bond Commission Agenda

Thursday, September 20, 2018

General Obligation (GO) Bond Summary		New Allocation \$	Item #
Capital Region Development Authority			
Design and construction of parking garages to support development in Hartford		16,000,000	1
Grant-in-aid to the municipality of East Hartford for the purposes of general economic development activities		2,340,000	7
Grant-in-aid for the purpose of encouraging development		34,350,000	14,17
CT Innovations Inc.			
Grant-in-aid to recapitalize the programs of Connecticut Innovations, Inc., described in chapter 581 of the general statutes		43,500,000	6,10,30
Department of Administrative Services			
Removal or encapsulation of asbestos in state-owned buildings		5,000,000	3
Development, including acquisition and equipment, of a new thermal facility		1,100,000	22
Infrastructure repairs and improvements to state-owned buildings and grounds		720,000	23
School building projects - Principal and current payments		200,000,000	35
Department of Correction			
Departmental facilities		3,455,767	15, 16
Department of Economic and Community Development			
Connecticut Manufacturing Fund established by section 32-70 of the general statutes		5,000,000	5
Brownfield remediation and revitalization program projects		10,000,000	9
MAA - Economic Development and Manufacturing Assistance Act		53,150,000	32
Department of Education			
Grants-in-aid to assist charter schools with capital expenses		500,000	34
Department of Emergency Services and Public Protection			
Departmental facilities		1,770,000	24
Grants-in-aid for School Security Projects		10,000,000	28
Department of Energy and Environmental Protection			
Grants-in-aid or loans to municipalities for acquisition of land, public parks, recreational and water quality improvements		544,037	21
Grants-in-aid to municipalities for open space land acquisition and development for conservation or recreation purposes		5,000,000	27
Grant-in-aid for drainage and flood control improvements in Wethersfield		436,907	33
Department of Housing			
Flexible Housing Program		9,275,000	26
Department of Mental Health and Addiction Services			
Grants-in-aid to private non-profit organizations for community-based residential and out patient facilities for purchases, repairs, alterations and improvements		326,000	29
Judicial Department			
Alterations, renovations and improvements to buildings and grounds at state-owned and maintained facilities		3,645,000	4
Security improvements at various state-owned and maintained facilities		1,000,000	25
Office of Policy and Management			
Grants-in-aid for dredging and navigational improvements for economic development		5,000,000	2
Information Technology Capital Investment Program		5,054,100	8
Bridgeport infrastructure projects and programs		4,300,000	31
Urban Act - Grants-in-aid for urban development projects		75,516,260	36
GO Bond New Allocation Total		496,983,071	

Special Tax Obligation (STO) Bond Summary	New Allocation \$	Item #
Department of Transportation		
Department facilities	5,740,000	11
Environmental compliance at or in the vicinity of state-owned properties	1,650,000	11
Local Transportation Capital Improvement Program	49,702,000	12,19
Bus and rail facilities and equipment	105,400,000	13
Urban Systems Projects	7,233,392	13
Capital resurfacing and related reconstruction projects	2,000,000	18
Let's Go Connecticut infrastructure improvement program	129,335,000	20
STO Bond New Allocation Total		299,410,392

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.

I. Summary

Calendar Year 2018 General Obligation (GO) Bonds

Total New GO Bond Allocations by Month	2018 \$	2017 \$
February Agenda	381,870,961	245,694,659
April Agenda	154,013,479	-
May Agenda	-	351,670,860
June Agenda	233,258,508	-
Allocations Effective July 1	322,525,000	270,820,000
July Agenda	328,805,588	-
(Current Agenda) September Agenda	496,983,071	-
November Agenda	TBD	1,073,055,572
Total Through September	1,917,456,607	868,185,519
CY Total	1,917,456,607	1,941,241,091

Estimated Allocation Remaining Under Cap	118,543,393	58,758,909
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C.G.S. 3-21 (as amended by P.A. 17-2 (JSS) Sec. 712) limits GO bond allocations at \$2 billion per calendar year beginning in CY 17. Based on annual CPI, the limit for CY 18 is estimated to be \$2,036 million.

Calendar Year 2018 Special Tax Obligation (STO) Transportation Bonds

Total New STO Bond Allocations by Month	2018 \$	2017 \$
February Agenda	355,465,199	437,004,205
April Agenda	114,584,199	-
May Agenda	-	78,250,000
June Agenda	165,037,829	-
July Agenda	529,986,587	-
(Current Agenda) September Agenda	299,410,392	-
November Agenda	TBD	104,876,091
Total Through September	1,464,484,206	515,254,205
CY Total	1,464,484,206	620,130,296

II. Agenda Items

Item #1 Capital Region Development Authority: Parking Garages (\$16,000,000 in new GO bonds)

The allocation will support the design of a parking garage on the site of the former public health laboratory on Clinton Street in Hartford. The estimated \$16 million, 350-space garage will provide parking for state employees and for the Bushnell South area to allow for redevelopment of surface parking lots. Demolition of the former building, a DPH laboratory, is currently underway.

The State Bond Commission previously allocated \$1 million towards the project at the June 2018 meeting.

Item #2 Office of Policy and Management: Grants-in-aid for Dredging and Navigational Improvements for Economic Development (\$5,000,000 in new GO bonds)

The allocation will support dredging activities for the state pier in New London. The \$5 million allocation here represents the balance of the \$25 million of bonding for dredging authorized in PA 18-178, the 2018 bond act.

At the July 2018 State Bond Commission meeting, \$20 million was allocated for dredging on the Groton side of the waterway, which was related to the Electric Boat expansion.

Related activities

In addition to the \$20 million previously allocated for dredging, Electric Boat is eligible for the following assistance:

1. a \$35 million loan to assist with acquisition of machinery and equipment for growing operations. This was allocated to the company at the June 2018 meeting.
2. up to \$20 million from Connecticut Innovations in sales and use tax exemptions for capital and new construction on the Groton campus.
3. an \$8 million grant-in-aid for workforce development to support Electric Boat and its manufacturing supply chain. The grant will fund relevant initiatives through community colleges, technical high schools, and other organizations in Connecticut, such as the Eastern Workforce Investment Board.

Item #3 Department of Administrative Services: Removal or Encapsulation of Asbestos and Hazardous Materials in State-owned Buildings (\$5,000,000 in new GO bonds)

These funds are requested to finance the estimated costs of the ongoing renovation and repair of statewide projects. The program operates in support of improvement projects of most state agencies. It provides for identification and abatement of hazardous materials prior to, or in conjunction with, separately authorized capital projects.

Some examples of current abatement needs are:

- Mystic Oral School
- Southbury Training School
- DVA – Veterans’ Home, incinerator
- Hartford Superior Court
- DESPP – Mulcahy Complex
- CCSU - Willard and Diloretto
- Enfield Armory
- ECSU – Goddard
- DEEP - Seaside Main Hospital Building
- Vinal Technical High School
- DEEP – Clark Creek WMA Barn
- SCSU – various locations
- Norwalk Community College
- Grosso Technical High School
- DOC – Osborne
- NVCC floor tile
- WCSU – White Hall, Litchfield Hall
- CVH
- DEEP – Fort Trumbull Pier
- Platt Technical High School
- Windham Technical High School
- Oliver Wolcott Technical High School
- Hazmat surveys for DCS projects

Item #4 Judicial Department: Alterations, Renovations and Improvements to Buildings and Grounds at State-Owned and Maintained Facilities (\$3,645,000 in new GO bonds)

The requested funding will be put towards the following projects:

- Danielson GA – Design Façade Repairs (\$105,000): Funds will be used for the removal and replacement of masonry caps and block components, existing joint sealants, removal and replacement of perimeter sealants at windows and doors, and repairs to unit masonry and flashing. The courthouse has ongoing water infiltration issues.
- New London GA – Roof Repairs (\$1.2 million): This project is an exterior renovation/replacement of the existing slate roof and associated components. Roofing materials have fallen off in several locations and have caused water infiltration of the court’s interior. The roof has exceeded its expected service life and can no longer be economically maintained.
- Rockville GA – Boiler Replacement (\$140,000): Funding is for the replacement of the two boilers at the court. Currently the building is running off one boiler as one has been experiencing on-going leaks.
- Stamford Courthouse – Garage Repairs (\$800,000): Funding for this project will address various sections of the garage structure that have been experiencing leaks, surface cracks, and sealant expansion joint failures.
- Waterbury GA – HVAC Replacement Phase II (\$900,000): Funding is for the second and final phase of the roof top unit replacement project.
- Various Statewide – Emergency/Minor Capital Projects (\$500,000): The funds will be used for projects and repairs to mechanical systems (e.g., boilers, cooling towers, and compressors), plumbing projects, window replacement, parking lot repairs, and other minor projects at courthouses statewide.

Item #5 Department of Economic and Community Development: Manufacturing Innovation Fund (\$5,000,000 in new GO bonds)

The allocation will recapitalize the Connecticut Manufacturing Innovation Fund (CMIF). The funds will support grants-in-aid, loans, and other programs under the CMIF.

The State Bond Commission allocated \$55 million in total to the CMIF since the program's inception in 2014. In FY 16, \$30.7 million was invested to support CMIF initiatives, leveraging \$73.4 million in private and federal funding.¹

Background: The CMIF's mission is to facilitate the modernization and innovation of the state's advanced manufacturing sector, including but not limited to: Aerospace, Fuel Cell/Energy Materials, Shipbuilding, and Medical Devices. Areas of focus include:

- Helping manufacturers adapt innovative processes, technologies, and materials, creating value-added products/services that transform the business;
- Assisting supply chain companies to gain more work from Original Equipment Manufacturers in domestic and global markets; ensure they are equipped to meet expected demand increases; and
- Ensuring continuous workforce development.

Assistance available includes loans or grants to eligible applicants. The CMIF also funds the following initiatives:

- Connecticut Manufacturing Innovation Fund Voucher Program
- Connecticut Manufacturing Innovation Fund Incumbent Worker Training
- Connecticut Manufacturing Innovation Fund Apprenticeship Program
- Young Manufacturers Academy Summer Programs

Through FY 17, 897 companies have participated in the program and have committed to create and retain 4,496 jobs, train 7,314 workers, and develop 242 apprentices.²

Items #6, 10, & 30 Connecticut Innovations, Inc.: Recapitalization of CI Programs/ CTNext (\$43,500,000 combined in new GO bonds)

The allocation will support the following programs.

1. Recapitalization of Connecticut Innovations, Inc. (CI) programs with \$28.5 million. CI's programs provide equity investment, pre-seed funds, and loans to new and early stage companies. State Bond Commission (SBC) last allocated \$15 million to CI for recapitalization at the November 2017 meeting.

2. CTNext programs with \$15 million. In addition, Item #32 on this agenda will provide \$7.350 million for CTNext, for a total of \$22.350 million in allocations. SBC previously allocated \$18,700,000 in total to CTNext.

¹ Manufacturing Innovation Fund Annual Report FY 2016.

http://www.ct.gov/ecd/lib/ecd/MIF_Annual_Report_2016_final.pdf

² Department of Economic and Community Development, 2017 Annual Report.

http://www.ct.gov/ecd/lib/ecd/decd_annual_report/decd_2017_annual_report.pdf

Since 2011, SBC allocated a total of \$101.5 million to CI to specifically support the recapitalization of various CI programs and to support CTNext.

Background on CTNext: PA 16-3 MSS establishes CTNext as a subsidiary of CI. Under this act the powers and duties of CTNext include:

1. encouraging younger generation start-up entrepreneurs to stay in Connecticut;
2. promoting entrepreneurship at Connecticut public and independent institutions of higher education; and
3. doing all things necessary to carry out its purposes and execute its powers.

Items #7 Capital Region Development Authority: Grant-in-aid to East Hartford for General Economic Development Activities (\$2,340,000 in new GO bonds)

The allocation will support a grant-in-aid to East Hartford for various infrastructure improvements.

Project	Amount \$
Great River Park Improvements: -Boat ramp and fishing pier access improvements; -Replacement of site lighting demolition of old structure; -Refurbishment of the Bulkeley Bridge overlook and Founders Bridge access stairs/ramps.	1,340,000
Abatement and demolition of three blighted residential structure and a former fire station.	1,000,000
Total Item #7	2,340,000

Item #8 Office of Policy and Management: IT Capital Investment Program (\$5,054,100 in new GO bonds)

This funding will be used to develop and implement information technology enhancements for the departments of Administrative Services (DAS) and Energy and Environmental Protection. The table below shows the breakdown of the allocation.

Funding for the Information Technology Capital Improvement Program

Description	DAS \$	DEEP- ez File \$	DEEP - CMS \$
Consultant Services	62,500	1,000,000	3,000,000
Software	491,600	75,000	75,000
Hardware	-	175,000	175,000
Total	554,100	1,250,000	3,250,000

Funding will be used for the following projects:

DAS- Replacing the state contracting portal with modern e-sourcing technology. The new system will have greater ability for online customer and supplier performance feedback, preference tracking, documentation management, work assignment tracking, and keyword search.

DEEP- Enhancements to DEEP's permitting system to allow for online permitting for all programs. Additionally, a new case management system will be funded to consolidate several databases which track information about environmentally contaminated sites.

Item #9 Department of Economic and Community Development: Brownfield Remediation and Revitalization Program (\$10,000,000 in new GO bonds)

The allocation will support supplemental grants-in-aid for programs administered by the Office of Brownfield Remediation and Development (OBRD) including selection projects under the Brownfield Area-Wide Revitalization (BAR) Program, OBRD grants, and OBRD Targeted Brownfield Development Loan Program. This includes [Round 2](#) of the BAR Program, [Round 11](#) of OBRD grants, as well as other projects to be reviewed by the Office of Brownfield Remediation and Development in [Fall 2018](#).

Background: The program provides financial assistance for environmental investigations and remediation activities. The Department of Economic and Community Development (DECD) provides qualified applicants funds in the form of low interest loans and grants. In FY 17, DECD awarded \$41.6 million to 39 projects across the state.³

Item #10 - See Item #6

Item #11 Department of Transportation: Environmental Compliance & Department Facilities (\$5,740,000 in new STO bonds)

Two programs are funded through this allocation: 1) The environmental compliance portion (\$1,650,000) is for annual funding for salt storage facilities and replacement of oil and gasoline storage tanks. Current tanks have reached the end of their useful life. 2)The funding for departmental facilities (\$4,090,000) will be used for generator replacement or installation at department locations in Norfolk, East Lyme, Mansfield, Haddam, East Haven, and the department's central warehouse. Funding will also be used to repair or replace elevators and chillers at DOT headquarters in Newington. The new chillers will replace the original chillers from 1991 with more energy-efficient and quieter systems.

Items #12 & 19 Department of Transportation: Local Transportation Capital Improvement Program (LoTCIP) (\$49,702,000 combined in new STO bonds)

LoTCIP funds are administered by regional Councils of Government (COGs), which determine how funds distributed by town and project. The table below (next page) shows total funds made available to each COG.

³ Department of Economic and Community Development, 2017 Annual Report.
http://www.ct.gov/ecd/lib/ecd/decd_annual_report/decd_2017_annual_report.pdf

LoTCIP Distribution	Funding \$
Capitol Region Council of Governments	10,580,000
Naugatuck Valley Council of Governments	8,445,500
Southwestern Regional Planning Agency	8,305,500
Connecticut Metropolitan Council of Governments	6,138,000
South Central Connecticut Regional Council of Governments	6,000,000
Southeastern Connecticut Council of Governments	5,145,000
Lower Connecticut River Valley Council of Governments	2,603,500
Northwestern Hills Council of Governments	1,102,500
Northeastern Connecticut Council of Governments	882,000
DOT Administration	500,000
Total LoTCIP Allocation (Items #12 & 19)	49,702,000

Item #13 Department of Transportation: Urban Systems Projects & Bus and Rail Facilities (\$112,633,392 in new STO bonds)

The following table provides information on location and nature of projects for the \$7.2 million of state funds being used to match over \$30 million of federal funds for Urban Systems Projects.

Urban Systems Projects			
Town	Description	State \$	Federal \$
Ridgefield	Improvement Between Prospect & Governor	5,000	20,000
Norwich	Safety Improvements from Maple St to Fairmount St	400,000	1,600,000
Norwich	Safety Improvements from Old Salem Plaza to Maple St	500,000	2,000,000
Haddam	Replace 2 T-type Intersections with Roundabouts	115,000	460,000
Granby	Intersection Improvements at East St. & Notch Rd	130,000	520,000
Westport	Rehab/Replace Br 01349 / Saugatuck River	410,000	1,640,000
Manchester	Two Roundabouts - 83 @ Oakland; Oakland @ Local Roads	10,000	40,000
Granby	Major Intersection Improvement at CT 20/189	300,000	1,200,000
Stafford	Modern Roundabout at Routes 32 & 190	63,000	252,000
Farmington	Realign I-84 EB On-Ramp and US 6	98,374	393,496
Bristol	Intersection Improvement at CT 69 and Divinity St	914,000	3,656,000
East Hartford	Reconstruction of Brewer St	64,500	516,000
Brookfield	Intersection Improvements at Various SLOSSS Locations	410,000	1,640,000
Old Lyme	Replace Br 02713 / Four Mile River & Br 06896 / Armstrong Brook	80,000	320,000
East Haddam	Replace Br 06887 (culvert) / Shady Brook	50,000	200,000
Wilton	Grumman Hill Road Intersection w/ Signal	940,000	3,760,000
Westport	Various Intersection Improvements	130,000	520,000
Norwich	Replace Br 02589 / Cold Brook	520,000	2,080,000
Bridgeport	Realign @ Lafayette Circle & Improvements on SR 700	215,000	1,720,000
Seymour	Spot Improvements, Swan Ave to Franklin St	200,000	800,000
Southington	Farmington Canal Heritage Trail	656,200	2,624,800
Various	Project Design/Acquisition of Right-of-Way/Project Modifications	1,022,318	4,089,272
	Total	7,233,392	30,051,568

The next table shows expected use of \$105.4 million for bus and rail facilities and equipment projects. The \$3 million of state funding for station improvements in Darien will be matched by \$12 million of federal funds.

Bus and Rail Facilities and Equipment	
Project Description	State Funding \$
Project Design/Acquisition of ROW/Project Modifications	2,100,000
SLE - Fare Collection Improvements	4,000,000
WALK Bridge Program (Additional Wall 27)	4,000,000
NHL - Customer Service Initiative	12,000,000
NHL - Station Improvement Program (Darien Station)	1,500,000
NHL - Station Improvement Program (Darien)	3,000,000
NHL - Station Improvement Program	5,000,000
NHL - Station Improvement Program- Stamford Station	1,800,000
Stamford Parking Garage (Additional)	60,000,000
NHL - Grade Crossing Renewal Program	3,500,000
Network Infrastructure Upgrade Phase 4 PE	2,500,000
Off System Bridge (Housatonic RR) (Additional)	4,000,000
Middletown Swing Bridge	2,000,000
Total	105,400,000

Items #14 & 17 Capital Region Development Authority: Projects Outside the Capital City Economic Development District (\$34,350,000 combined in new GO bonds)

The allocation will support projects listed in the following table.

Item	Recipient/Project	Award Type	Description	Amount \$
A	Spinnaker Real Estate Partners	Loan - 3% for twenty years, subject to all other funding source being approved	Development of approximately 108 units of market rate housing and related retail/commercial space at the corner of Park and Main Streets.	8,400,000
B	Loan and Equity Investment Fund	Fund capitalization	Refurbishment of historic neighborhood-serving retail buildings in the area of Albany Avenue and Main Street. Since 2012, the SBC has allocated \$3.6 million for various building, streetscape, and façade improvements across Albany Avenue from Homestead Avenue to Main Street.	4,000,000
C	Downtown North redevelopment of parcel C/RMS Companies	Loan	Development of 150 to 200 apartments as part of a six year, multi-phase plan to develop four parcels adjacent to Dunkin' Donuts Park. The \$200 million cost for the full project is to be funded mostly with private funds.	12,000,000

Item	Recipient/Project	Award Type	Description	Amount \$
D	Affirmative Investments	Loan/Cash Flow Note	Development of a grocery store at Albany Avenue and Main Street. Construction of 33,000 sqft store is anticipated to take approximately 18 months.	8,500,000
E	Charter Oak Health Center, Inc.	Grant-in-aid	Renovations and improvements to a building adjacent to its facility on Grand Street for expansion of programs and services. Since 2006, the SBC has allocated \$3.2 million through the Dept. of Public Health to Charter Oak Health Center, Inc. for renovations, equipment, and computer hardware and software.	450,000
F	Riverfront Recapture	Grant-in-aid	Phase 1 development of an extension of the Hartford Riverwalk to newly acquired property north of Riverside Park.	1,000,000
Total (Items #14 & 17)				34,350,000

It should be noted that the CRDA board is meeting on September 20th to vote on the projects listed under A, B, C, and D. Without CRDA board approval and the closing of financing packages, the funds cannot be released to developers, regardless of bond commission action.

Item #15: Department of Correction: Alterations, Renovations and Improvements to State-Owned Buildings (\$2,373,333 in new GO bonds)

Part of the funding requested is for upgrading camera recorder systems (\$1,150,833). The current camera recorder systems are obsolete; Parts and support are no longer available from the manufacturers. The new network video recording systems (NVRs) will replace four digital video recording systems (DVRs) and upgrade three servers. These upgrades will take place at six correctional facilities.

The remaining funding is requested for the installation of new/additional security cameras in 13 correctional facilities (\$1,222,500). The cameras address coverage/security vulnerabilities and Prison Rape Elimination Act (PREA) requirements.

Item #16: Department of Correction: Alterations, Renovations and Improvements to State-Owned Buildings (\$1,082,434 in new GO bonds)

This funding is requested for replacement of the elevators at Osborn Correctional Institution in Somers. There are two elevators at Osborn, a freight elevator and a passenger elevator; This project will replace them both. The current elevators are 55 years old and break down due to lack of parts. The passenger elevator serves the hospital at Osborn and the freight elevator moves supplies and equipment required to operate the facility. This project has previously received funding of \$80,000 for architect and DAS fees.

Item #17 - See Item #14

Item #18 Department of Transportation: Capital Resurfacing (\$2,000,000 in new STO bonds)

These funds will allow the department to continue compliance with Title II of the Americans with Disabilities Act (ADA) by providing curb ramps at pedestrian crossings. Recent guidance

by the Federal Highway Administration expanded the number of projects by requiring compliance for most paving activities; In the past, compliance was keyed to major street, roadway, or highway alteration.

Item #19 - See Item #12

Item #20 Department of Transportation: Let's Go! CT (\$129,335,000 in new STO bonds)

This allocation provides or continues funding for several projects authorized by Let's Go! CT, as shown in the following table.

Town	Description	State	Prior Bond Allocation
Hartford	Relocation & Reconfigure Interchange 29 (Charter Oak Bridge)	112,000,000	153,000,000
West Hartford	Safety and Capacity Improvements I-84	535,000	3,100,000
Various	I-95 Eastern CT Corridor Study	250,000	1,450,000
Plainville	Farmington Canal Heritage Trail Ped/Bike Improvements	3,800,000	-
Glastonbury/ Wethersfield	Trail Connections to Putnam Bridge Walkway	500,000	-
Glastonbury/ Wethersfield	Trail Connections to Putnam Bridge Walkway	185,000	-
Various	I-95 East Improvements between the I-395 Interchange and Gold Star Bridge	5,000,000	-
Fairfield/ Bridgeport	I-95 West Improvements between Exits 19 and 27A	4,000,000	-
Meriden	Reconfigure the I-91/I-691/Rt 15 Interchange	3,000,000	7,000,000
Plainfield/ Sterling	Moosup Valley State Park Trail	65,000	-
Total		129,335,000	164,550,000

Of the \$129.3 allocation, the majority (\$112 million) will be used toward further relocation and reconfiguration of interchanges and approaches to either side of the Charter Oak Bridge. The \$112 million from this agenda adds to the \$153 million previously allocated for the same project. Anticipated changes include: 1) relocation of northbound I-91 at exit 29, 2) widening of I-91 northbound to provide an additional lane from exit 27 to 29, and 3) widening Route 15 northbound to provide an additional lane from the Charter Oak Bridge to the Silver Lane underpass in Hartford/East Hartford.

Item #21 Department of Energy and Environmental Protection: Grants-in-aid or Loans to Municipalities for Acquisition of Land, Public Parks or Recreational and Water Quality Improvements (\$544,037 in new GO bonds)

A total of \$1 million of funding, from this allocation and \$455,963 of Urban Act allocation requested under Item #36, will be used for improvements to the track and the installation of field lighting at Hartford Public High School. Members of the Hartford Public High School (HPHS) boys' team earned an overall fifth place in the statewide open standings at the Indoor State Open Championship on February 18, 2018. Additionally, many members of the boys' and girls' medal winners qualified for the New England Championships on March 3rd in Boston and the National Championships on March 9th in New York.

Item #22 Department of Administrative Services: Development of a New Thermal Facility (\$1,100,000 in new GO bonds)

The Capitol Area System (CAS) District Heating and Cooling System is a state owned thermal-energy transport system. The pipeline system was started in 1986 with the then-new Legislative Office Building (LOB) being the first to be connected. This allocation finances the replacement of a chiller for the CAS at the Capital District Energy Center (CDEC) power plant located at 490 Capitol Avenue in Hartford. The current chiller is operating at less than one-half its capacity. The project will be managed by CDEC.

Item #23 Department of Administrative Services: Infrastructure Repairs and Improvements (\$720,000 in new GO bonds)

This allocation is for alterations and improvements at various state facilities as detailed below:

Replace Parking Lot (\$560,000) – 300 Corporate Place- Rocky Hill:

The State Facility located at 300 Corporate Place is on 4.36 acres and occupied by the Office of the Chief State's Attorney. This building was constructed in 1987 and the 210 space parking lot is original to the building (28 years old). The existing parking lot has exceeded its useful life and requires full replacement. The scope of the project includes site improvements including drainage, curbing, and landscaping.

Code/Safety Improvements (\$60,000) – Fleet Operations Facility- Wethersfield:

The DAS Fleet Operations Facility at 60 State Street was constructed in 1938. The funds will address numerous infrastructure and operational concerns identified by DAS.

Underground Storage Tank Removal (\$100,000) – 555 Russell Road- Newington

DAS will use these funds for the removal of underground storage tanks, an above ground diesel storage tank, and the removal of residual fuel oil product within the seven cottages residential oil tanks. The removal of these tanks will eliminate future environmental issues, yearly registration, and reporting of obsolete tanks.

Item #24 Department of Emergency Services and Public Protection (DESPP): Alterations and Improvements to Buildings and Grounds, Including Utilities, Mechanical Systems and Energy Conservation Projects (\$1,770,000 in new GO bonds)

This request will fund improvements at various facilities, including \$400,000 for repairs and upgrades to the Connecticut Fire Academy. The Connecticut Fire Academy, located in Windsor Locks, is responsible for training local professional and volunteer firefighters. The Academy is funded through both state resources and tuition costs paid by local fire departments. The repairs and upgrades are specific to a petroleum vaporizer used to control fires during training exercises and repairs to a burn building.

The request also includes \$300,000 for an ongoing project to remove an underground storage tank from a DESPP facility in Meriden.

Item #25 Judicial Department: Security Improvements at Various State-Owned and Maintained Facilities (\$1,000,000 in new GO bonds)

Funds will be used for various projects at courthouses statewide including weapons detection equipment, video surveillance equipment, alarm monitoring and cellblock locking control systems, access control equipment, and sally port doors.

Items #26 Department of Housing: Flexible Housing Program (\$9,725,000 in new GO bonds)

Requested funds will be used towards four projects.

The first \$3 million (26A) is for the Department of Housing's *Pre-Transaction Critical Needs Program*. The program provides financial assistance to address immediate, time-sensitive capital needs at State Sponsored Housing Portfolio properties for which large-scale revitalization or redevelopment projects are not anticipated for the next several years or more. Typical work completed involves roofs, plumbing, HVAC, etc. The release of these funds will be controlled through the allotment process pending project selections.

The remainder of the request is for the three projects described in the table below. Additional project information follows the table. The Flexible Housing program supports the development and rehabilitation of affordable and supportive housing in Connecticut.

Other Flexible Housing Program Projects

Item	Location	Recipient/Project	Award Type	Description	Amount \$
26B	New Britain	Chrysalis Center Real Estate Corporation	Loan; 0% interest for a term not greater than 35 years with payment at maturity	Rehabilitation of the abandoned Courtland Arms building, providing 24 one bedroom units for households below 80% of area median income	2,575,000
26C	Fairfield	Operation Hope of Fairfield, Inc.	Grant-in-aid	Acquisition and renovation of the 4 unit Durrell Drive affordable housing project	650,000
26D	Meriden	Women and Families Center, Inc.	Grant-in-aid	Development of 12 units of supportive housing for homeless youth on Colony Street	3,500,000

Additional Background on Flexible Housing Projects

Courtland Arms, New Britain

Previous announcements and reporting of this funding said the property would be converted into four supportive housing units, 17 units with affordable rents, and three market-rate units.⁴



Courtland Arms building

⁴ <https://portal.ct.gov/en/Office-of-the-Governor/Press-Room/Press-Releases/2017/04-2017/Gov-Malloy-Announces-23M-to-Support-the-Development-of-Affordable-Housing>; <http://www.newbritainherald.com/NBH-New+Britain+News/278888/state-commits-23m-toward-redeveloping-courtland-arms>

Durrell Drive, Fairfield

According to the Governor's press release on August 20th, 2018, "the Durrell Drive project will provide affordable housing and supportive services that target individuals and families up to 60 percent of the area median income. These rental units will be located at 21-23 and 63-65 Durrell Drive in Fairfield, which is near bus routes and rail service, quality schools, shopping, and employment opportunities."⁵

Supportive Housing on Colony Street, Meriden

Plans include the demolition of a small office building at the current property of the Women & Families Center, and construction in its place of a three-story apartment building to contain 12 studio apartments and community space, according to local reporting.⁶

Item #27 Department of Energy and Environmental Protection: Grants-in-aid to Towns for Acquisition of Open Space for Conservation or Recreation Purposes (\$5,000,000 in new GO bonds)

This allocation will be used, in conjunction with the February 2018 allocation also of \$5 million, to fund the anticipated 15 open space projects currently under review in the 2018 open space grant round. DEEP has received 15 applications, requesting \$7,849,275 in open space funding to protect 1,139 acres of land. The 2018 grant round will be announced this Fall and the 2019 grant round will begin accepting applications in September 2018.

For the last three annual open space grant rounds (2014 - 2017), DEEP has awarded an average of \$6M in funding to an average of 21 projects per year. Any funding remaining after review of this year's applications will be used toward the 2019 open space grant round.

Item #28 Department of Education: School Security Infrastructure Competitive Grant Program (\$10,000,000 in new GO bonds)

The State Department of Education and the Department of Emergency Services and Public Protection have jointly administered the school security infrastructure program since it was established in 2013. Eligible expenses include, but are not limited to: installation of surveillance cameras, penetration-resistant vestibules, ballistic glass, solid core doors, double access doors, computer-controlled electronic locks, entry door buzzer systems, scan card systems, panic alarms, or systems and; the training of school personnel in the operation and maintenance of the security infrastructure of school buildings.

During the 2018 legislative session, the program's deadline was extended and \$10 million in funding was added to the program.

To date, schools have been awarded approximately \$47 million in three competitive rounds to upgrade infrastructure and train personnel. A list of recent recipients, for the second and third rounds of funding, may be found [here](#) and [here](#).

⁵ <https://portal.ct.gov/Office-of-the-Governor/Press-Room/Press-Releases/2018/08-2018/Gov-Malloy-Announces-61-Million-to-Support-Affordable-Housing-Development-in-Diverse-Communities>

⁶ <http://www.myrecordjournal.com/news/meriden/meridennews/10868578-154/women-families-center-plans-for-young-adult-housing-complex.html>

Item #29 Department of Mental Health and Addiction Services: Grants-in-aid to Private, Non-profit Organizations (\$326,000 in new GO bonds)

Funding of \$326,000 is requested to support capital improvements for the Southeastern Council on Alcoholism and Drug Dependence, Inc. (SCADD) at their 37 Camp Mooween Road property in Lebanon (commonly known as Lebanon Pines). The 110 bed facility houses a long-term, community based substance abuse treatment program for men. The project includes various interior and exterior renovations including new siding, a generator to support potential power loss to the cafeteria, nurses and security station during inclement weather, and additional related improvements.

Item #30 – See Item #6

Item #31 Office of Policy and Management: Grants-in-aid for Infrastructure Programs in the City of Bridgeport (\$4,300,000 in new GO bonds)

Funding will be used to finance three infrastructure projects as detailed below:

<u>Project</u>	<u>Funding \$</u>
Capping of Seaside landfill	1,200,000
Exterior restoration of McLevy Hall	1,500,000
Demolition of Pleasure Beach Bridge	1,600,000
Total	4,300,000

Item #32 Department of Economic and Community Development: Economic Development and Manufacturing Assistance Act (\$53,150,000 in new GO bonds)

The allocation will support the following business initiatives enumerated 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").⁷

The State Bond Commission allocated \$366.5 million for sixteen of the companies participating in First Five since 2012. Funding for Synchrony Bank is to be considered during this meeting.

⁷ PA 16-3 MSS, the general government implementer, extended the First Five program's sunset date by three years, from June 30, 2015 to June 30, 2019. As of today eighteen companies are participating in the program. PA 16-3 MSS allows up to twenty companies to participate in the program.

First Five Program Funding

Company	Total Assistance Available	Total Assistance Available (Bond Funded Only)	Bond Funds Allocated on Previous Agendas ^{1,2}	Bond Funds on Current Agenda
CIGNA ³	71,000,000	21,000,000	21,000,000	-
NBC Sports	26,000,000	26,000,000	26,000,000	-
ESPN ³	10,000,000	-	-	-
Sustainable Building Systems	19,100,000	19,100,000	19,100,000	-
CareCentrix	24,000,000	24,000,000	21,400,000	-
Deloitte	14,500,000	14,500,000	9,000,000	-
Bridgewater Associates	52,000,000	22,000,000	22,000,000	-
Charter Communications	28,500,000	18,500,000	18,500,000	-
Navigators Group Inc.	11,500,000	11,500,000	11,500,000	-
Pitney Bowes	26,000,000	16,000,000	16,000,000	-
EDAC Technologies ⁴	48,000,000	48,000,000	48,000,000	-
Synchrony Bank	20,000,000	20,000,000	15,000,000	5,000,000
Henkel Corporation	25,000,000	20,000,000	20,000,000	-
AQR Capital Mgmt	35,000,000	35,000,000	28,000,000	-
Amazon	20,000,000	-	-	-
ASML US	20,000,000	14,000,000	14,000,000	-
Infosys	14,000,000	14,000,000	14,000,000	-
Electric Boat	83,000,000	63,000,000	63,000,000	-
Total	547,600,000	386,600,000	366,500,000	5,000,000

A. CTNext (\$7,350,000)

The allocation will support CTNext activities outlined below under PA 16-3 MSS. In addition, Items #6, 10 & 30 will provide \$15 million to CTNext.

Purpose (PA 16-3 MSS)	FY 19 Amount (in millions \$)
Innovation Places Program: grants for planning, designated innovation places, and projects that network innovation places (limits networking grants to \$3 million of the earmarked bonds) (see §§ 5-9)	4.90
Higher Education entrepreneurship grants (see § 28)	2.00
Grants to growth stage companies (see § 2)	0.45
Total FY 19	7.35

B. Synchrony Bank (\$5,000,000)

The allocation will provide a grant-in-aid to Synchrony Bank in Stamford to assist with establishing itself as a standalone bank. The company intends to retain 310 jobs and create up to 400 new jobs. Synchrony Bank, headquartered in Stamford, is the largest provider of private label credit cards in the United States, based on purchase volume and receivables. Synchrony Bank provides credit services to individual consumers, businesses and healthcare providers.

Total grants-in-aid of \$20 million are to be paid in installments over six years if the company meets annual job retention and creation goals until it reaches 710 total jobs. This request will fund the second set of milestone payments under the agreement. The first payment of \$10 million was allocated by the State Bond Commission at the July 2015 meeting and the second payment of \$5 million at the September 2016 meeting.

C. Aer Lingus (\$8,800,000)

The allocation will support a grant-in-aid to Aer Lingus, Limited that reflects a revised agreement with the company to extend cross-Atlantic air service between Bradley International Airport and Dublin Ireland and more than 20 other European cities. The service began in September 2016 and has been extended through 2022.

Under the original two-year agreement, the state agreed to provide a revenue backstop of \$4.5 million per year, or up to \$9 million for the first two years of service. To date, the state released the first \$4.5 million installment to Aer Lingus for the first year of service. The revised



agreement revised agreement extends the length of service from two years to six (2016 to 2022) and increases the maximum potential subsidy available from \$9 million to \$13.3 million. Specifically, the agreement lowered the year two subsidy from \$4.5 million to \$3.8 million, includes up to \$3 million in year three and \$2 million in year four. No subsidy will be available for year 5 or 6 of the agreement.

The State Bond Commission previously allocated \$4.5 million to Aer Lingus at the

March 2016 meeting which financed the year one subsidy to the company. This allocation provides the remaining \$8.8 million that may be necessary to pay the maximum yearly subsidies for the full term of the revised agreement.

Aer Lingus is the national airline of Ireland, founded in 1936. The company operates 50 aircraft on routes to destinations in the UK, Europe and North America and carries 11 million customers per year.

D. Gartner, Inc. (\$5,000,000)

The allocation will support a loan to Gartner, Inc. to assist with expansion of its headquarters in Stamford. The company will retain 1,385 jobs and create 400 new jobs. Gartner, Inc. is a global research and advisory firm that provides consultation services in the areas of finance, legal, IT, marketing, supply chain and procurement, and sales in various industries.

The loan will be provided at an interest rate of 1.75% for ten years with interest only payments for seven years. The company will be eligible for loan forgiveness if it creates and retains the jobs for 24 months within seven years.

E. Various Small Projects (\$4,000,000)

The allocation will support matching grants-in-aid to companies, educational organizations, and service providers to nurture training and education in the technology field. The release of these funds will be controlled through the allotment process as projects arise. Bond commission previously allocated \$1 million to DECD at the February 2018 meeting for similar projects.

F. United States Navy (\$13,000,000)

The allocation will support a grant-in-aid to the United States Navy to assist with construction of a consolidated emergency management center at the United States Navy Submarine Base in New London to enhance its military value.

This project will consolidate two firehouses, the base security department and associated equipment. It will allow the Navy to demolish two inefficient antiquated buildings and repurpose two others. It will also enable relocation of the main gate further inside the fence line to comply with Navy physical security requirements.

Since 2009, the State Bond Commission allocated \$14.4 million to the United States Navy and surrounding towns for various enhancements to the Navy's facilities and submarine operations.

G. Connecticut Innovations, Inc. (\$10,000,000)

This allocation will be provided to Connecticut Innovations, Inc. (CI) to establish a proof of concept fund.

Background: PA 18-178⁸ allows CTNext's executive director to jointly establish with CI's CEO a "proof of concept fund" to provide grants or make investments in activities that find commercial applications for research relevant to the state's key industries. The act obligates up to \$10 million in previously authorized MAA bonds to CI for the fund. The fund may invest any amount in an eligible activity, but limits grant awards to a maximum \$100,000.

In awarding grants or investing funds, the fund may give preference to: 1) activities based on research conducted at the state's higher education institutions, 2) making investments in companies involved in this research or commercialization efforts, or 3) both.

The fund must award the grants and make the investments on a competitive basis. To do so, applicants must demonstrate their intent to find commercial applications for the research in a form and manner the executive director, in consultation with the CEO, prescribes. The fund may award a grant directly to an applicant or to the company involved in the research or commercialization efforts.

Item #33 Department of Energy and Environmental Protection: Grants-in-aid or Loans to the Town of Wethersfield for Drainage and Flood Control Improvements (\$436,907 in new GO bonds and \$541,246 of previously allocated funds)

This allocation will be used to fund a grant-in-aid to the Town of Wethersfield for flood control improvements as part of the Phase 7 drainage and flood control project in Wethersfield. Specifically, this phase of the project will entail reconstruction and dredging of the: (1) Bell

⁸ Source: Public Act Summary of PA 18-178. <https://www.cga.ct.gov/2018/SUM/pdf/2018SUM00178-R01HB-05590-SUM.pdf>

Pond Dam, a Class “BB” moderate hazard, and (2) Murphy Pond Dam, a Class A - “low” hazard dam.

Dams classified as low hazard indicate failure it would result in damage to agricultural land, unimproved roadways, and/or minimal economic loss. If a moderate hazard dam were to fail, it would result in damage to normally unoccupied structures, low volume roadways, and/or moderate economic loss.⁹

Previous Allocations of Grants-in-aid to the Town of Wethersfield for Flood Control

SBC Date	Allocation Amount	Previously Allocated
7/20/2001	37,092	326,442
9/26/1997	51,436	0
4/25/1997	640,000	0

Besides the requested allocation, this agenda item reallocates \$541,246. Previous allocation dates and amounts are shown in the table above.

Item #34 Department of Education: Charter School Capital Expenses (\$500,000 in new GO bonds)

This funding will be used to reimburse Common Ground High School for renovations of its existing building located at 358 Springside Ave. in New Haven. The \$500,000 loan, from July 2016, paid a portion of the \$1.29 million in renovation costs.

Item #35 Department of Administrative Services (Department of Construction Services): School Building Projects (\$200,000,000 in new GO Bonds)

These funds are requested to finance a portion of FY 19 estimated grants-in-aid for the state’s reimbursement of construction costs associated with local school building projects. These projects include expansion, renovations and improvements, safety and health related projects, vocational agricultural centers and cooperative regional special educational facilities.

An average of \$500 million was allocated for projects approved pursuant to CGS Sec. 10-287d between FY 14 and FY 18. Addition allocations may be requested later in the fiscal year, depending on projection of cash flow needs.

School districts may submit requests for school construction grant payments for projects which have been approved legislatively, as part of school construction priority lists or similar public acts, or in certain emergency situations, such as roof repairs. The dollar amount of the bond commission request is based upon the aggregate of all open school construction projects, specific cash flows from some projects, and historical experience with the ebb and flow of grant payment requests.

⁹ https://wethersfieldct.gov/filestorage/295/297/480/16794/16796/15908_Inspection_Report_2016-09-27_1860_Reservoir.pdf

Item #36 Office of Policy and Management: Urban Act (\$75,516,260 total in new GO Bonds)

Funding will be used to provide grants or loans to the following 32 recipients.

Urban Act Recipients Summary

Item	Admin. Agency	Recipient	Purpose/Notes	Amount \$
I.A	OPM	Discovering Amistad	Repairs to vessel	370,000
II.A	DEEP	City of Hartford	Track and lighting at Hartford High School. Partially funded by item 21 on this agenda	455,963
II.B	DEEP	Town of Manchester	Charter Oak Park - handball courts	100,000
II.C	DEEP	City of Meriden	Harbor Brook Flood Control	3,495,000
II.D	DEEP	City of New Haven	Fairmont Park - little league fields and other improvements	575,000
II.E	DEEP	City of New Haven	DeGale Field - playground and splash pad	217,597
II.F	DEEP	City of Stamford	Cove Island Park - dredging	1,500,000
II.G	DEEP	Town of West Hartford	Wolcott Park - lighting and playscape. Grant for half of estimated cost	750,000
II.H	DEEP	City of West Haven	Forest Elementary School - playground	100,000
II.I	DEEP	Town of Farmington	West Woods Upper Elementary School - playground. Grant for 21% of estimated cost.	50,000
III.A	DECD	Town of Fairfield	Stratfield Village Business District - streetscape improvements. Grant for 72% of estimated cost	650,000
III.B	DECD	City of Hartford	Traffic signal system repairs	590,000
III.C	DECD	City of Hartford	Sidewalks, trees, and traffic improvements	5,000,000
III.D	DECD	City of New Haven	Sidewalk repairs and improvements	2,300,000
III.E	DECD	Noah Webster House	HVAC, bathroom, and other improvements	302,700
III.F	DECD	Bushnell Center	Infrastructure improvements	3,000,000
III.G	DECD	Town of Windham	Parking garage in downtown Windham. Grant for 75% of estimated cost	6,000,000
III.H	DECD	City of Waterbury	Odd Fellows Hall rehabilitation	10,000,000
III.I	DECD	Warner Theater	Roof replacement	1,000,000
III.J	DECD	City of Waterbury	Redevelopment and demolition on Freight St.	1,500,000
III.K	DECD	City of West Haven	Traffic improvements and waterfront access	5,000,000
III.L	DECD	City of Waterbury	East Main Street improvements	4,000,000
III.M	DECD	CT Aerospace Hall of Fame and Museum	Curtiss Hangar restoration	1,000,000
III.N	DECD	Lockwood-Mathews Mansion Museum	HVAC, electrical, and safety upgrades	5,000,000
III.O	DECD	City of New Haven	Public works facility reconstruction. Grant for 2/3 of estimated cost	10,000,000
III.P	DECD	Town of Stratford	Water and gas line upgrades	510,000
III.Q	DECD	Bridgeport Economic Development Corp.	Cherry Street Lofts - loan to Hancock Avenue Partners for 157 units of mixed income housing	1,000,000
III.R	DECD	Park City Communities	Crescent Crossing housing - utility and streetscape improvements	5,500,000
IV.A	DPH	Connecticut Institute for Communities Inc.	Greater Danbury Community Health Center expansion. Grant for 75% of estimated cost	3,000,000
IV.B	DPH	Town of Guilford	Water main extension. Grant for 11% of estimated cost	450,000
V.A	CSL	City of Stamford	Weed Memorial & Hollander Branch Library - roof repairs	100,000
VI.A	SDE	SoundWaters Academy	Construction of education facility at Boccuzzi Park. Grant for 25% of estimated cost	2,000,000
Total Allocation				75,516,260