

Analysis of State Bond Commission Agenda Items

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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 Bonds¹

Allocations	FY 14 \$	FY 13 \$
March Agenda	44,485,319	284,985,254
Prior Allocations	1,045,007,027	939,463,224
TOTAL	1,089,492,346	1,224,448,478

The figures do not include reallocations.

FY 14 Transportation Fund Bonds

Allocations	FY 14 \$	FY 13 \$
March Agenda	0	5,800,000
Prior Allocations	727,405,612	668,194,000
TOTAL	727,405,612	673,994,000

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: Information Technology Capital Investment Program (\$2,571,899 in new General Obligation bonds)

Item 1: Office of Policy and Management- Information Technology Capital Investment Program (\$2,571,899 in General Obligation bonds)

The table below shows how the funds will be distributed to agencies:

Description	Department of Developmental Services (DDS) \$	Department of Administrative Services (DAS) \$	Department of Emergency Services and Public Protection (DESPP) \$
Consultant Services	617,247	612,623	479,820
Software	350,809	261,360	32,000
Hardware	32,040	141,000	45,000
TOTAL	1,000,097	1,014,983	556,820

DDS (\$1,000,097) - The funds will be used for two projects. One project involves developing a home and community based management system, which will automate IT systems across several DDS business functions and also across other relevant agencies. The second project will update the Quality of Services Review program and provide integration to mobile devices.

DESPP (\$556,820) - The funds will be used to upgrade the current special licensing and weapons registration system. The new system will allow for online self-service and will assist DESPP in managing license applications.

DAS (\$1,014,983) - The funds will be used to develop an Enterprise Content Management system, which allows for better management of documents, records, and other content, and create standards, processes, and documentation for the technology. The system is intended to assist agencies with basic records management needs.

Item #2 Office of Policy and Management: Transit-oriented development predevelopment fund (\$1,000,000 in new General Obligation bonds)

This funding will be used to create the Transit-oriented Development Predevelopment Fund. The fund will be managed by the Local Initiative Support Corporation, which is a national nonprofit that helps provide financial, policy and management assistance for economic and community development initiatives. To project will leverage \$13 million in non-state funds, in addition to \$1 million from the Connecticut Housing Finance Authority.

Questions:

1. What kinds of transportation projects will the fund be used for?
2. Who will receive funding for these projects? How will projects be chosen?

Item #3 Department of Economic and Community Development: Grant-in-aid to Nursing Homes for Right-Sizing Conversions (\$250,000 in new General Obligation bonds)

This funding will be used by the Department of Housing to support grants-in-aid to licensed nursing facilities to finance assessments of capital improvement needs to diversify or establish new business models.

Background: The Right-Sizing Conversion program provides financial assistance to the owners of nursing facilities that are licensed by the CT Department of Public Health so that they can change or diversify their business model in a way that supports individuals on Medicaid who need Long Term Supports and Services (LTSS) but who can reside in community-based facilities rather than more expensive nursing home facilities.

Item #4 Department of Energy and Environmental Protection: State parks - repair and resurfacing of roads and parking areas (\$5,761,000 in new General Obligation bonds)

This allocation will be used to fund road and parking area resurfacing and repairs at more than a dozen state parks and forests including: (1) Dinosaur State Park, (2) Rocky Neck State Park campground, (3) Chatfield Hollow State Park, (4) Squantz Pond State Park, (5) Sleeping Giant State Park, (6) Pachaug State Forest, (7) Mohawk State Forest, and (8) Cockaponset State Forests.

Item #5 Department of Housing: Reallocation to clarify status of housing project in Darien (\$200,000 in reallocated General Obligation bonds)

The Darien Housing Authority received a grant-in-aid at the September 2014 meeting of the State Bond Commission to finance alterations, renovations and additional of two bedrooms at 216 and 218 West Street. The reallocation in the current agenda item clarifies that the housing facilities ceased to be part of the state housing portfolio in 2012.

Item #6 Department of Social Services: Grants-in-aid for improvements to facilities in Hartford and Stratford (\$1,549,690 in new General Obligation bonds)

The funds will support the following initiatives:

- A. **Latino Community Services in Hartford (349,690)** - This funding will assist the organization with renovations and improvements to its Hartford facility. The project includes repairs to the exterior including masonry repairs, driveway,

garage and repairs to the porch. Interior renovations and improvements are also included as part of the project.

Background: Latino Community Services is non-profit organizations that provides support and services for individuals living with HIV/AIDs or who are at risk for HIV infection. Services include, but are not limited to, HIV and STD testing, prevention services and education, case management, medical transportation for individuals living with HIV/AIDs and a food pantry.

- B. Sterling House Community Center in Stratford (\$1,200,000)** - This funding will assist the center in installing an elevator and making other accessibility and safety improvements.

Background: The Sterling House Community Center is a multiservice center which provides affordable educational, recreational, and social activities for all ages.

Questions:

1. Does DSS provide any other funding to these organizations?
2. Will either of these organizations provide matching funds?

Item #7 Department of Children and Families: Grant-in-aid to the YWCA of New Britain for renovations and improvements (\$601,000 in new General Obligation bonds)

These funds are requested to provide a grant-in-aid to the YWCA of New Britain for:

- Construction of a new entrance,
- Construction of a bus drop-off area and
- Renovations to expand program space.

Background: The YWCA of New Britain was established in 1910 to serve the women of the New Britain area. Through the years it has offered housing, a cafeteria, a swimming pool, gymnasiums, classes for the unemployed and non-English speaking, a thrift shop, clubs for senior citizens and dances and clubs for young people.

Questions:

1. How many children and families does the YWCA of New Britain serve annually?
2. Why is construction of a new entrance, bus drop-off area and expansion of program space necessary?
3. How much state bond funding has the YWCA of New Britain received in the past?

Item #8 Department of Economic and Community Development: Grant-in-aid to West Haven for downtown revitalization (\$500,000 in new General Obligation bonds)

This funding will support grant-in-aid to the Town of West Haven for renovation of sidewalks and pedestrian access enhancements along Main Street from Campbell Avenue to Kelsey Avenue and Wagner Place.

Item #9 Department of Economic and Community Development: Grant-in-aid to the Manchester Historical Society (\$114,392 in new General Obligation bonds)

This funding will support a grant-in-aid to the Manchester Historical Society to finance HVAC installation and window and door restoration to its history center at 175 Pine Street.

Item #10 Department of Economic and Community Development: Manufacturing Assistance Act (\$25,000,000 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").¹ The First Five Program recipient is 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 Pitney Bowes, Inc. is being considered during this meeting.

First Five Program Funding

Company	Total Assistance \$	Prior Agendas ² \$	Current Agenda \$
CIGNA ¹⁰	71,000,000	21,000,000	-
NBC Sports	20,000,000	20,000,000	-
ESPN ¹⁰	24,700,000	18,700,000	-
Sustainable Building Systems	19,100,000	19,100,000	-
CareCentrix	24,000,000	11,600,000	-
Alexion	51,000,000	26,000,000	-
Deloitte	14,500,000	9,000,000	-
Bridgewater Associates ³	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	-	16,000,000
TOTAL	386,300,000	138,700,000	16,000,000

A. Datto, Inc. (\$6,000,000) - This funding will support: (1) a \$5 million loan to Datto, Inc. to assist with expansion at its Norwalk facility and (2) a \$1 million grant-in-

¹PA 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.

²The State Bond Commission allocated \$5.95 million to TicketNetwork. TicketNetwork has since withdrawn from the program. Those funds will be reallocated for future use.

³A portion of these companies' assistance is eligibility for state tax credits in addition to bond funded loans and grants through First Five.

aid for training. The loan will be provided at a 1% interest rate for ten years with principal deferred for three years. Incremental loan forgiveness of up to \$5 million will be provided if the company retains the existing jobs and creates 200 new jobs within five years.

Background: Datto, Inc., founded in 2007, provides backup, disaster recovery and business continuity solutions. Datto is a channel-only provider and serves more than 8,000 Partners worldwide.

- B. Core Informatics, LLC (\$3,000,000) - This funding will support: (1) a \$2.75 million loan to Core Informatics, Inc. to assist with expansion in Branford and (2) a \$0.25 million grant-in-aid for office equipment. The loan will be provided at a 2.0% interest rate for ten years with principal deferred for three years. Loan forgiveness of \$1 million will be provided if the company meets retains 15 jobs and creates 69 new jobs within five years.

Background: Core Informatics delivers state of the art Laboratory Information Management Systems (LIMS) and Electronic Lab Notebooks (ELN) to customers in a variety of industries.

- C. Pitney Bowes, Inc. (\$16,000,000) - This funding is part of the First Five Program. It will support: (1) a \$15 million loan to assist in expansion and efficiency improvements at locations in Stamford, Danbury and Shelton and (2) a \$1 million grant-in-aid for training. The loan will be provided at a 2.0% interest rate for ten years with principal deferred for six years. Loan forgiveness of \$10 million will be provided if the company retains 1600 jobs and creates 200 new jobs by 2019. This allocation represents the entirety of the First Five assistance to Pitney Bowes.

Pitney Bowes plans to add an additional 200 new jobs to its existing workforce of 1,600 employees in the state. The company will also invest \$25 million in facility improvements, training and technology upgrades at its technology center in Danbury, its business operations center in Shelton, and its new headquarters, which will remain in Stamford.

Background: Pitney Bowes provides technology solutions for small, mid-size and large firms, including direct mail, transactional mail and call center communications along with digital channel messaging for the Web, email and mobile applications.

Item #11 Office of Policy and Management: Urban Action Program (\$7,137,338 in new General Obligation bonds)

1. Department of Energy and Environmental Protection

- A. Milford: Construction of Founder's Walk (\$300,000) - This funding will finance a grant-in-aid to the City of Milford for construction costs associated with Founder's Walk, including history kiosks, tables, a veteran's memorial wall, landscaping, and other related improvements. The City of Milford is financing \$250,000 of the project's \$550,000 total cost.
- B. Hartford: Improvements to Cronin Park (\$500,000) - This allocation will finance lighting installation, bleachers, a football field, and other related improvements at Cronin Park in Hartford. Cronin Park borders on Granby Street, and Durham and Burnham Streets and is comprised of approximately ten acres. The park is adjacent to Mark Twain School on Lyme Street.
- C. Hartford: Improvements to Elizabeth Park (\$100,000) - This allocation will finance improvements on the East Lawn of Elizabeth Park in Hartford, including a new play and splash area, new playground equipment, a new basketball court, new dogwood trees and restoration of the stone entrance on Prospect Avenue. The East Lawn section of the park is the 19.6 acres on City of Hartford side, not West Hartford.

The project is the eighth Connecticut location of a playground commemorating one of the victims of the December 2012 shootings at Sandy Hook Elementary School in Newtown. It will commemorate Ana Grace Marquez-Greene, who was 6 when she was killed. The official opening of the playground on the evening of April 4th will double as a birthday celebration for Ana Grace.

The playground is part of the Sandy Ground Project, which was founded in the wake of the Newtown shootings and the devastation of Hurricane Sandy the month before. The idea was inspired by three playgrounds the New Jersey State Firefighters Mutual Benevolent Association, the organization behind the project, had built in Mississippi after Hurricane Katrina. The New Jersey firefighters plan to build 26 playgrounds across the tri-state area, each one dedicated to the memory of a Sandy Hook student or educator lost on that day over one year ago.

In addition to locations in New York and New Jersey, playgrounds have been completed in Bridgeport, New London, Norwalk, Fairfield, Stratford, Westport, and Ansonia. There are also plans for playgrounds in Milford and Mystic.



2. Department of Economic and Community Development

A. Manchester: Grant-in-aid to the Manchester Historical Society (\$173,038) - See Item #9 above.

B. New London: HVAC replacement at the Lyman Allyn Art Gallery (\$1,500,000) - These funds will support a grant-in-aid to the Lyman Allyn Art Museum in New London for a replacement of the HVAC system.

Background: The Lyman Allyn Museum, founded in 1926, contains nine galleries, an auditorium, a library, conservation laboratory, offices, bookshop and café. Today, the permanent collection consists of over 10,000 paintings, drawings, prints, sculptures, furniture and decorative arts, with an emphasis on American art from the 18th through 20th centuries.

C. New Haven: Renovations and improvements at the Connecticut Tennis Center (\$946,300) - These funds will support a grant-in-aid to the Tennis Foundation of Connecticut to finance renovations and improvements to the Connecticut Tennis Center in New Haven. Projects include code improvements, energy efficiency upgrades, roof replacement, structural repairs, plumbing upgrades and project planning costs.

The State Bond Commission provided a \$258,000 grant-in-aid at the April 2013 meeting to the Connecticut Tennis Center to finance improvements such as renovation of the west concession stand, installation of flooring in various areas and other related improvements.

Background: The Connecticut Tennis Center, also known as the Cullman-Heyman Tennis Center, is located on the campus of Yale University. The complex consists of 22 outdoor Deco Turf II courts and eight indoor courts and is the fourth largest tennis venue in the world by capacity. The Pilot Pen Tennis Tournament is played on the outdoor courts each August.

- D. Bridgeport: HVAC upgrades and infrastructure improvements at the Discovery Museum (\$1,118,000) - These funds will support a grant-in-aid to the Discover Museum in Bridgeport to assist with facilities improvements, including, roof replacement, HVAC upgrades, exterior repairs, elevator repairs, interior improvements and exhibit upgrades.

Background: The Discovery Museum is a 20,000 square foot facility that includes changing and permanent interactive exhibit galleries, a 124 seat planetarium, Connecticut's only Challenger Learning Center, an 80 seat auditorium, and five multi-purpose classrooms where hands-on science classes are conducted for schools, groups and the general public.

- E. New Milford: Demolition of buildings on the Century Brass property (\$2,500,000) - These funds will support a grant-in-aid to the Town of New Milford to finance the demolition of the deteriorated former Century Brass property in preparation for redevelopment of the site.

Background: The Century Brass property has undergone multi-million dollar federal and state environmental assessment and cleanup. Further brownfield remediation will be undertaken on the mill building. The Town of New Milford intends to put the property on the market for private industrial or commercial use once the demolition and remediation is complete.

Item #12 Office of the State Treasurer: Issuance of up to \$400 million in General Obligation (GO) bonds

The State Treasurer requires approval from the State Bond Commission to issue and sell GO bonds

Item #13 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.