

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. General Obligation bond allocations in calendar year are approximately \$2.7 billion in total.

	2016
SBC Agenda Items Year to Date	\$ 1,908,712,905
November 15, 2016 Agenda	\$ 473,420,041
Automatic Allocations	
Uconn	\$ 240,400,000
Jackson Labs	\$ 21,108,000
CSUS 2020	<u>\$ 40,000,000</u>
Subtotal	<u>\$ 301,508,000</u>
TOTAL	\$ 2,683,640,946

Item #1 Department of Administrative Services: Finance Construction and Demolition Costs for Renovation to the State Office Building in Hartford (\$75,000,000 in new General Obligation bonds)

Funding of \$75,000,000 is requested for the State Office Building renovations and a new parking garage at 165 Capitol Avenue in Hartford.

State Office Building renovations include, but are not limited to:

- Complete interior renovation of the 321,000 square foot building (including replacement of all interior systems and construction).
- Restoration and renovation of the building’s exterior (including roof replacement, restoration of limestone wall panels, replacement of exterior steel windows, reconfiguring existing entrance elements such as stairs and ramps).
- Renovation of central exterior courtyard, creating a civic landscaped plaza.
- Restoration and/or removal of existing walls around the property.
- Redevelopment of existing perimeter streetscape and surface parking.

In addition to the renovations of the State Office Building, there are estimated costs of \$38,500,000 associated with building a new parking garage (expected construction to begin 3/1/17) which includes, but is not limited to: the demolition/abatement of the existing 450 car parking structure and fueling station and development of a new 1,000 car parking structure.

Questions:

- What is the timeline for major milestones associated with building renovations and parking garage?

Item #2 Connecticut Strategic Defense Investment Act (\$140,000,000 in new General Obligation bonds)

The allocation supports the financial assistance agreement between the state and Sikorsky (Lockheed Martin), as outlined in PA 16-1 SSS, the Connecticut Strategic Defense Investment Act. Specifically, the allocation will finance four grants that Sikorsky may qualify to receive

under the course of the agreement (employment, payroll, supplier spend, and capital expenditures grants), as well as bonus grants based on full-time employment (FTE) levels.

In addition to these grants, Sikorsky is eligible for Sales and Use Tax offsets under the agreement.

The funds will be released in the following schedule. These allocations represent the maximum grant amount that Sikorsky may qualify to receive per compliance year of the agreement, the first of which is FY 19.

Sikorsky Bond Payment Schedule

Fiscal Year	Amount
FY 17	8,921,436
FY 18	9,096,428
FY 19	9,446,428
FY 20	9,621,428
FY 21	9,796,428
FY 22	9,971,428
FY 23	10,321,428
FY 24	10,321,428
FY 25	10,321,428
FY 26	10,321,428
FY 27	10,371,428
FY 28	10,496,428
FY 29	10,496,428
FY 30	10,496,428

Performance Criteria for Grants

In order to qualify for any grant funding, Sikorsky must meet base level “minimum requirements,” as outlined in PA 16-1 SSS, in the following categories:

- full-time employment (FTE) levels;
- payroll;
- purchases from the Connecticut supply chain.

1. Provided that Sikorsky meets the minimum requirements in the three categories listed above, the company is eligible to receive up to \$2.14 million in each category per year.

2. Provided that Sikorsky meets the minimum requirements in the three categories listed above **and** reaches the 90% threshold for capital expenditures, the company can receive an additional \$2.14 million per year.

3. In addition to the grants described above, Sikorsky may also receive a bonus grant, if FTE levels exceed targets. The bonus grant is equal to \$3,500 per employee up to 550 extra (above target) employees.

4. To achieve the maximum grant amount, Sikorsky must reach the targeted levels, as outlined in PA 16-1 SSS, in each of the three categories listed above and in capital expenditures for that grant. If Sikorsky achieves an employment, payroll, or supplier spend level below the target (but above the base level), the state would reduce maximum grant amount based on the proportion of the target achieved.

5. In order to qualify for annual Sales and Use Tax offsets of \$5.714 million, Sikorsky must reach the three minimum requirements indicated listed above (Performance Criteria for Grants).

The table below summarizes the maximum financial assistance that Sikorsky may earn during the term of the agreement.

Sikorsky Financial Agreement Summary - All Targets Achieved
(in millions)

Compliance Year	Employment Grant	Payroll Grant	Supplier Spend Grant	Capital Expenditure Grant	Bonus Employ	Total Grant	Sales Tax	Total Financial Package
FY 19	2.14	2.14	2.14	2.14	0.35	8.92	5.714	14.64
FY 20	2.14	2.14	2.14	2.14	0.53	9.10	5.714	14.81
FY 21	2.14	2.14	2.14	2.14	0.88	9.45	5.714	15.16
FY 22	2.14	2.14	2.14	2.14	1.05	9.62	5.714	15.34
FY 23	2.14	2.14	2.14	2.14	1.23	9.80	5.714	15.51
FY 24	2.14	2.14	2.14	2.14	1.40	9.97	5.714	15.69
FY 25	2.14	2.14	2.14	2.14	1.75	10.32	5.714	16.04
FY 26	2.14	2.14	2.14	2.14	1.75	10.32	5.714	16.04
FY 27	2.14	2.14	2.14	2.14	1.75	10.32	5.714	16.04
FY 28	2.14	2.14	2.14	2.14	1.75	10.32	5.714	16.04
FY 29	2.14	2.14	2.14	2.14	1.80	10.37	5.714	16.09
FY 30	2.14	2.14	2.14	2.14	1.93	10.50	5.714	16.21
FY 31	2.14	2.14	2.14	2.14	1.93	10.50	5.714	16.21
FY 32	2.14	2.14	2.14	2.14	1.93	10.50	5.714	16.21
Totals	30.00	30.00	30.00	30.00	20.00	140.00	80.00	220.00

Background: The U.S. Navy awarded Lockheed Martin the contract to build 200 CH-53K “King Stallion” helicopters in September 2016. Lockheed Martin, which purchased Sikorsky from UTC in 2015, agreed to maintain the headquarters of Sikorsky in Connecticut and produce the King Stallion helicopters primarily in Connecticut in exchange for approximately \$220 million over 14 state fiscal years beginning in FY 19.

In accordance with the Federal award, Lockheed Martin had to identify the location where these helicopters will be produced by October 7, 2016. PA 16-1 SSS was signed into law on September 29, 2016.



The Sikorsky CH-53 King Stallion lifts a 27,000 pound external load.

Item #3 Judicial Department: Implement the Technology Strategic Plan (\$2,650,000 in new General Obligation bonds)

The funds will be used to purchase a new jury management system that will provide enhanced capabilities for the public to interact with the system online during the summons and selections process.

Items #5 and #11 Department of Economic and Community Development: Connecticut Manufacturing Fund (\$5,000,000 total in new General Obligation bonds)

These funds will recapitalize the Connecticut Manufacturing Innovation Fund (CMIF). The funds will support grants-in-aid, loans, and other programs under the CMIF. (See Background for more information).

The State Bond Commission allocated \$25.5 million in total to the CMIF since the program's inception in 2014. By the end of FY 15, \$26.8 million was committed to support Manufacturing Innovation Fund initiatives.¹

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

¹ Manufacturing Innovation Fund Annual Report FY 2015.
http://www.ct.gov/ecd/lib/ecd/mif_annual_report_final.pdf

- 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;
- 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

Item #6 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 allocated \$242.2 million in total to the program since 2011.

Background: The Small Business Express Program provides loans and grants to Connecticut's small business to spur job creation and growth. Assistance focuses on: (1) access to capital and (2) incentive loan and grant funds.

Small businesses are eligible if they meet the following criteria:

1. Have operations in Connecticut,
2. Are registered to conduct business for not less than twelve months,
3. Are in good standing with all state agencies and payment of all state taxes and
4. Employ not more than 100 employees.

Priority for available funding will be given to those eligible applicants who are (1) creating new jobs and (2) within Connecticut's economic base industries, as defined in CGS 32-222, including but not limited to: precision manufacturing, business services, green and sustainable technology, bioscience, and information technology sectors.

As of September 2, 2016, a total of 1,601 businesses have received \$251.1 million in loans and grants through the program. This resulted in the creation of 6,362 jobs and the retention of 17,882 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?

Items #7 and #16 Department of Economic and Community Development: Brownfield Remediation and Revitalization Program (\$5,000,000 total in new General Obligation bonds)

The allocation will support a supplemental grant-in-aid for the Brownfield Remediation and Revitalization Program. The funds will support selected under [Round 9](#) as well as other projects reviewed by the Office of Brownfield Remediation and Development.

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. Since 2008, the State Bond Commission allocated \$114.5 million in state funding for brownfield remediation and redevelopment in the form of loans and grants to municipalities and developers. In calendar 2015, DECD awarded \$38.5 million to 55 projects across the state.

Items #9 and #15 Department of Energy and Environmental Protection: Energy Micro-grids Program (\$30,000,000 in total new General Obligation bonds)

This allocation will be used to fund a 3rd grant round for energy microgrid projects. The grant round is currently open and is anticipated to remain open until all available funds have been awarded.

One project, the Wesleyan University microgrid expansion, has already been awarded but not yet funded. This bond allocation would provide the funding of \$424,000 for the project. Wesleyan's microgrid, activated in 2014, is a 2.4 megawatt and 676 kilowatt natural gas combined heat and power reciprocating engine. Funding for the expansion would supply power to the campus "24-7" in the event of a power outage.

In addition to this project already identified, it is anticipated that a minimum of six projects and a maximum of 15 individual microgrid projects would be funded with this allocation. It is expected that four projects will be submitting applications from United States Department of Agriculture (USDA) eligible towns, and up to four applications will be submitted from Connecticut Municipal Electric Energy Cooperative (CMEEC) towns.²

Background

Microgrids are small electric distribution systems that connect either: (1) a few facilities or (2) a small geographic area. Although they can be stand alone, DEEP anticipates that these bond funds will be used to create microgrids that are connected to the public electric power grid but also include equipment that will automatically isolate them (called "islanding") in the event of a power outage. This equipment consists of switches and transfers that meet certain engineering specifications.

How Projects are Chosen

² A public power entity that provides electric services to several municipal utilities and participating wholesale customers located in Connecticut. CMEEC is owned by municipal utilities in the cities of Groton and Norwich, the Borough of Jewett City, and the Second (South Norwalk) and Third (East Norwalk) Taxing Districts of the City of Norwalk, the Bozrah Light and Power Company and the Mohegan Tribal Utility Authority.
Office of Fiscal Analysis

Project applicants could be a public, private, or non-profit entity. The only requirement is that the applicant had to offer some “critical” service to their surrounding community in a large-scale outage situation (e.g. sheltering, re-fueling, etc.) Projects are chosen for funding based on the language set forth in the program’s enabling legislation, *PA 12-148, “AAC Enhancing Emergency Preparedness and Response.”* A model was built with 94 inputs that scored projects based on different technical, financial, managerial, and societal factors to guide decision-making. These criteria were set forth in the RFP, and all decisions were made based on the language in the enabling legislation.

Item #10 Department of Transportation: \$30,500,000 in Special Tax Obligation Bonds

The funds will be used to finance the Let’s Go CT! projects listed in the table below:

Project	\$
Design and engineering for I-84 widening between exits 3 and 8	7,500,000
Design and engineering for I-84 viaduct replacement in Hartford	20,000,000
Route 20 installation of pedestrian hybrid signal - East Granby	300,000
Pedestrian improvements at 5 signalized intersections - New London	375,000
Routes 44/218 Intersection modifications/signal replacement - West Hartford	850,000
Route 10 pedestrian improvements at signalized locations - Cheshire	225,000
Route 1 road safety audits - Westport to Greenwich	250,000
Implementation of innovative bridge delivery and design program - design/build procurement program consultant	1,000,000
Total	30,500,000

Item #11: See Item #5

Item #12 Department of Transportation: Development of a Comprehensive Asset Management Plan (\$1,600,000 in new General Obligation bonds)

Funding of \$1.6 million will be used for the development and implementation of a comprehensive Transportation Asset Management System which is an unfunded federal mandate under the federal transportation initiative Moving Ahead for Progress in the 21st Century (MAP-21). The asset management system will be used to: evaluate current organizational capabilities within the Department of Transportation (DOT); analyze existing individual asset systems and develop a comprehensive inventory of critical infrastructure assets and their condition; develop an implementation plan for the Moving Ahead for Progress in the 21st Century Act (MAP-21) compliance system based on best practices; and determine the information technology required to support this initiative and purchase equipment based on DOT findings.

Item #13 Department of Administrative Services: Various Agency Programs (\$7,814,822 in new General Obligation Bonds)

Funding of \$7,814,822 is requested for the design and construction of the extension of the Capitol Area System (CAS). The CAS system is a thermal pipeline (including both chilled and hot water lines) from the north side of Capitol Avenue to the State Office Building, continuing down Washington Street and terminating at 100 Washington Street. Buildings which will benefit from the thermal extension: State Office Building at 165 Capitol Avenue, 80 Washington Street, 90 Washington Street, 95 Washington Street, 100 Washington Street and 101 Lafayette Street.

Questions:

- Does this complete the extension of the CAS? If not, what is the timeline and costs associated with future plans?

Item #14 Department of Developmental Services: Fire, Safety and Environmental Improvements to Regional Facilities for Client and Staff Needs, etc. (\$3,006,100 in new General Obligation Bonds)

The allocation of funds is for three different project categories.

1. \$1 million to fund emergency and minor capital improvements at departmental facilities. This funding allows DDS to immediately initiate corrective action when code, safety, health, or emergency conditions develop and to make interior and exterior improvements to maintain buildings.
2. \$1,006,100 to fund roof replacements: \$392,379 will be used for the Danbury Office roof and \$613,721 will be used for the Northwest Regional Center roofs in Torrington.
3. \$1 million to fund repairs and modification in the group homes and Regional Centers. In the Regional Centers (that are receiving people from the Regional Center closures) the funding will be used for bathroom modifications, paving for additional parking, and general modifications to interiors of the buildings. For the Regional Centers that have been closed (Meriden and Ella Grasso in Stratford) the funding will be used for re-keying doors, disconnecting utilities, draining sprinkler and water systems, putting in alarm systems to monitor the vacant buildings, and boarding up doors and windows.

Item #15 See Item #9

Item #16 See Item #16

Item #17 Department of Economic and Community Development: Grants-in-Aid to Municipalities and Tax Exempt Organizations for Cultural and Entertainment-Related Economic Development Projects (\$1,500,000 reallocation of General Obligation Bonds)

The reallocation will support the renovations needed to develop a recording studio at Hall Neighborhood House in Bridgeport.

The State Bond Commission previously allocated this funding to Hall Neighborhood House in June 2013 for the construction of an addition for its performing arts program that serves 325 children. However, it has been determined that this project is no longer feasible.

Hall Neighborhood House provides social and educational programs benefiting youth, families, and senior citizens in the community, including day-care, preschool, social services,

youth and senior citizen programs, affordable housing, job training, performing arts and recreation.

Items #18 & 28 II A Capital Region Development Authority: Residential Housing Development (\$6,600,000 in new General Obligation bonds)

The allocation will support a loan to HB Nitkin Group, Inc., to assist with development of a mixed use property in the Front Street District at 81 Arch Street in Hartford. The loan will be provided at an interest rate of 1% for thirty years.

The project consists of 54 units of market rental housing and approximately 11,000 square feet of retail space. The estimated construction timeline is 12 months starting in Spring 2017. This represents the fourth phase of Front Street District development project.

Phase I of the Front Street project involved the development of the restaurant/entertainment district and was completed in November 2010. Phase II focused on the development of the 115 residential units and approximately 27,500 square feet of retail space. Phase III involves the development of the UConn campus in downtown Hartford. The State Bond Commission provided \$7.5 million and \$2.8 million to support Phases I and II respectively.

Item #19 Military Department: State Matching Funds for Anticipated Federal Reimbursement Projects (\$742,500 in new General Obligation Bonds)

This request is for funding totaling \$742,500 which is the state portion of projects totaling \$1.5 million. The remaining \$757,500 is provided by federal funds. The funding is for paving and drainage repairs to the Hartford Armory, funding for lead remediation and emergency capital repairs.

Item #20 Military Department: Construction of a Readiness Center at Camp Hartell in Windsor Locks (\$500,000 in new General Obligation Bonds)

This request is for funding totaling \$500,000 which is the state portion of the project which totals \$11.5 million. The funding is to finance a 23,000 square foot facility which will serve as the Readiness Center for the Civil Support Team at Camp Hartell.

Item #21 Department of Energy and Environmental Protection (\$1,258,820 in new General Obligation Bonds)

This allocation will be used to fund (1) the design of a new state park western district headquarters building, including space for equipment storage; (2) HVAC improvements at Gillette Castle State Park (\$294,450); and (3) a new equipment garage for general state park maintenance. A summary of these allocations and their intended uses is seen in the table below:

Item	Town	Description	Allocation
Western District State Park Headquarters, including equipment storage	Watertown	design of new state park western district headquarter building at Black Rock State Park; equipment storage for general state park maintenance	795,250
Gillette Castle State Park improvements	East Haddam	heating, ventilation and air conditioning (HVAC) improvements: replacing all heating and temperature control sensors; install air conditioning throughout structure for moisture control of artifacts.	294,450
Thomaston garage/equipment storage	Thomaston	state park equipment storage: ATV's, boats, snowmobiles, etc.	169,120
TOTAL Item #21			\$1,258,820

Item #22 Judicial Department: Alterations, Renovations and Improvements at State-Owned and Maintained Facilities (\$2,800,000 in new General Obligation Bonds)

Danbury JD/GA Courthouse - Retaining Wall Replacement (\$700,000): This project involves the replacement, repairs, or removal of existing failing masonry-faced retaining walls and associated components, replacement of concrete substructure at walls and stairs and resetting granite stair treads.

Rockville GA Courthouse - Parking Garage Repairs (\$800,000): This parking garage serves staff and public parking and houses Marshal transport vans. The project includes concrete repairs, supplemental drain and piping installation, repair and re-tensioning of guard cables, application of new traffic markings, replacement of conduits and wiring, and all lighting in the garage.

Hartford Civil Courthouse - Roof Replacement (\$1,000,000): This project will replace the multi-level roofs at the Civil Courthouse. The current condition of the roofs is allowing water infiltration issues that are damaging historic interior finishes and disrupting court business.

Emergency and Minor Capital Projects (\$300,000): Projects include repairs to mechanical systems (boilers, cooling towers, compressors), elevator repairs/upgrades, plumbing projects, window replacement, parking lot repairs, and other minor office modifications at the various courthouses statewide.

Item #23 Connecticut Innovations, Incorporated: Recapitalization (\$15,000,000 in in new General Obligation bonds)

The allocation will recapitalize programs administered by Connecticut Innovations, Inc. including its Equity Pipeline and PreSeed programs.

PA 11-1 of the October Special Session authorized a total of \$125 million for grants-in-aid to recapitalize the programs of Connecticut Innovations, Inc. (CI). PA 16-3 JSS earmarked \$39.5

million of this authorization for specific projects and programs. The remaining authorization available for the recapitalization of CI programs assuming this requested allocation passes is \$5 million.

Background: Connecticut Innovations' current venture pipeline alone is over \$31 million in order to finish out FY 16 and continue through FY 17. The breakdown of the Equity Pipeline is as follows:

- \$10 million for Follow-on Funding for current portfolio,
- \$15 million in Equity Pipeline for new companies and
- \$6 million in PreSeed Funds.

Items #25 and 26 Department of Administrative Services and Department of Construction Services: School construction grants-in-aid (\$252,100,000 total new General Obligation Bonds)

These funds are requested to finance estimated grants-in-aid for FY 16 for the state's share of the cost of the principal and current and interest payments for the construction of local school building projects. The school construction grant program has in excess of 600 school construction projects in various stages of completion. These projects include expansion, renovations and improvements, safety and health related projects, vocational agricultural centers and cooperative regional special educational facilities.

School districts may submit requests for school construction grant payments for any one or all of those projects. 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.

Item #27 Department of Economic and Community Development: Manufacturing Assistance Act (\$18,250,000 in new General Obligation bonds and \$1,000,000 in previously allocated funds)

This funding 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").³

The State Bond Commission allocated \$215.9 million for twelve of the companies participating in First Five since 2012. Funding for CareCentrix and AQR Capital Management (recently announced to the program) is to be considered during this meeting.

³ 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 fifteen 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	Bond Funds Allocated on Previous Agendas^{1,2}	Bond Funds on Current Agenda
CIGNA ³	71,000,000	21,000,000	-
NBC Sports	26,000,000	26,000,000	-
ESPN ³	10,000,000	-	-
Sustainable Building Systems	19,100,000	19,100,000	-
CareCentrix	24,000,000	18,800,000	2,600,000
Alexion ³	51,000,000	26,000,000	-
Deloitte	14,500,000	9,000,000	-
Bridgewater Associates	52,000,000	22,000,000	-
Charter Communications	8,500,000	8,500,000	-
Navigators Group Inc.	11,500,000	11,500,000	-
Pitney Bowes	26,000,000	16,000,000	-
EDAC Technologies ⁴	48,000,000	23,000,000	-
Synchrony Bank	20,000,000	15,000,000	-
Henkel Corporation	25,000,000	-	-
AQR Capital Management	35,000,000	-	13,000,000
Total	441,600,000	215,900,000	15,600,000

¹The State Bond Commission allocated \$5.95 million to TicketNetwork. TicketNetwork has since withdrawn from the program. Those funds will be reallocated for future use.

²The State Bond Commission allocated \$18.7 million to ESPN to support a loan and a grant-in-aid under the program; however, the agreement has been since updated to provide ESPN \$10 million in tax credits only. 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.

⁴EDAC Technologies received a bond allocation in July 2012, prior to officially participating in the First Five program. This allocation is counted towards the overall First Five assistance package to the company.

A. CareCentrix – First Five (\$2,600,000)

The allocation will support a grant-in-aid to CareCentrix to assist in relocation and expansion from East Hartford to 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 \$18.8 million of the \$24 million to CareCentrix. Including this requested allocation, \$2.6 million remains to be allocated to the company.

Background on CareCentrix

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?

B. Turbine Technologies, Inc. (\$1,000,000)

The allocation will support a loan to Turbine Technologies, Inc. to assist with machinery and equipment. The loan will be provided at an interest rate of 3% for ten years, with principal and interest deferred for three years. The company intends to retain 66 jobs and create six new jobs.

Turbine Technologies, Inc. is a high-tech manufacturing company supplying a variety of precision components and contracted engineering services to the Aerospace and Industrial Gas Turbine industries. The company's headquarters are located in West Hartford with locations in Farmington, CT and Greenville, SC.

C. Omega Engineering, Inc (\$1,650,000)

The allocation will support a \$1.5 million loan and a \$150,000 job training grant-in-aid to Omega Engineering, Inc. to assist with relocation from Stamford to Norwalk for expansion purposes.

The loan will be provided at an interest rate of 1% for ten years, with forgiveness of \$500,000 for meeting job creation and retention goals. The company intends to retain 117 jobs and create 13 new jobs.

Omega Engineering, Inc. is a precision manufacturer that produces equipment for measurement and control of temperature, humidity, pressure, strain, force, flow, level, pH and conductivity.

OMEGA's Development and Engineering Center (ODEC) is located on the Connecticut campus and is home to OMEGA's design and engineering laboratories. All product designs are tested and perfected here prior to marketing. The company recently moved its main office from Stamford, CT to Norwalk, CT.

D. AQR Capital Management – First Five (\$13,000,000)

The allocation will support a \$13 million loan to AQR Capital Management, LLC in Greenwich to assist with Phase 1 of expansion. The state's total assistance to the company will consist of up to \$35 million: \$28 million in loans and a \$7 million grant-in-aid. The company will retain 580 jobs and create up to 217 new jobs within two years.

The \$13 million loan will be forgiven if the company retains a total of 797 jobs for two years after the creation of Phase 1 new jobs. The loan will be provided at an interest rate of 2% for 10 years.

The company will receive an additional \$15 million forgivable loan if it creates another 189 jobs within five years and retains the total jobs for two years thereafter. In addition to the loans, the company is eligible for \$7 million in incremental grants-in-aid if it creates and retains an additional 140 jobs for a total of 1,126 jobs.

Located in Greenwich and founded in 1998, AQR is a global investment management firm that provides quantitatively driven alternative and traditional investment vehicles to both institutional clients and financial advisors. AQR was established in New York before moving its operations to Connecticut in 2004.

Item #28 Office of Policy and Management: Grants-in-Aid for Urban Development Projects (\$16,776,363)

II. Department of Economic and Community Development

A. Klein Memorial Auditorium Foundation, Inc (\$2,650,000)

The allocation will fund a grant-in-aid to the Klein Memorial Auditorium Foundation, Inc. for the installation of an elevator, technology improvements and code required improvements at the Auditorium in Bridgeport.

The Klein Memorial Auditorium is a 1,447-seat performing arts center that serves as a hub for Bridgeport and surrounding communities. Built in 1940, it is one of only seven Broadway-sized stages remaining in Connecticut.

B. Garde Arts Center (\$916,688)

The allocation will fund a grant-in-aid to the Garde Arts Center in New London for the installation of a new HVAC system.

Since FY 12 Garde Arts has received a grant funded by a General Fund appropriation for operational support. PA 16-2, the revised FY 17 budget, appropriates \$155,960 to Garde Arts in FY 17.

C. Stamford Museum and Nature Center (\$2,000,000)

The allocation will fund a grant-in-aid to the Stamford Museum and Nature Center for the construction of a new environmental education farmhouse.

At the January 2015 meeting, the State Bond Commission allocated \$750,000 to the Stamford Museum and Nature Center for renovations and improvements to its multipurpose farmhouse building.

D. City of Waterbury for the Brass City Harvest Regional Food Hub (\$1,700,000)

The allocation will fund a grant-in-aid to the City of Waterbury for the creation of the Brass City Harvest Regional Food Hub. The food hub, to be located in the South End, will serve as a central distribution point and retail market for local produce.

The proposed 40,000 square foot facility will be used by Brass City Harvest, the nonprofit managing the hub, to grow crops, using water-based food production, and operate a community kitchen and café. The facility, estimated cost \$6 million, will employ up to 48 people.

E. HBN Front Street District (\$1,000,000)

See Item #16.

F. Town of Vernon for Hockanum Mill (\$500,000)

The allocation will fund a grant-in-aid to the Town of Vernon to complete the environmental remediation of the Hockanum Mill. The site will be redeveloped into commercial space.

Background: In 2014, the developer of Hockanum Mill, Kaplan Millworks LLC, received \$2 million through the state's brownfield remediation program under the Department of Economic and Community Development.

Initial work began with the cleanup of the mountain of debris, abandoned cars, trailers and contractor waste that was left on this site which had been abandoned for 20 years. The goal is to restore 10 buildings, 150,000 square feet for commercial and industrial space on the 11 acre property. The site will be occupied by small businesses and will be home to Kaplan Mill Works, Kaplan Computers, Kaplan Cycles and Rockville Construction. The site will also be the home of the proposed New England Motorcycle Museum which will house a collection of more than 200 antique and modern

motorcycles. An environmental consultant is on board to characterize and plan for the environmental remediation.

G. City of Norwich for the Uncas Leap Heritage Center (\$500,000)

The allocation will fund a grant-in-aid to the City of Norwich to assist with development of the Uncas Leap Heritage Center.