

Analysis of State Bond Commission Agenda Items

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OFFICE OF FISCAL ANALYSIS

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New Allocations on State Bond Commission Agenda

December 11, 2018

Item	Agency/Program	New Allocation \$
General Obligation (GO) Bond Allocations		
	Board of Regents for Higher Education	
1	New and replacement of instruction, research and laboratory equipment	3,000,000
2	Deferred maintenance, code compliance and infrastructure improvements - Community Colleges	7,000,000
3	Deferred maintenance, code compliance and infrastructure improvements - Universities	7,000,000
4	Naugatuck Valley Community College: Upgrades to mechanical systems	6,000,000
6	System telecommunications infrastructure upgrades, improvements and expansions	2,000,000
15	Advanced manufacturing and emerging technology programs	2,625,000
	Capital Region Development Authority	
10	Connecticut Convention Center and Rentschler Field	275,000
17	Grant-in-aid for the purpose of encouraging development	521,000
20	Grant-in-aid for the purpose of encouraging development	300,000
	Connecticut Port Authority	
18	Grants-in-aid for improvements to ports, harbors and marinas	1,750,000
26	Grants-in-aid for improvements to deep water ports, including dredging	3,750,000
	Department of Administrative Services	
23	Infrastructure repairs and improvements at state-occupied facilities	995,000
	Department of Correction	
16	Renovations and improvements to existing state-owned buildings	326,120
	Department of Economic and Community Development	
8	Connecticut Manufacturing Innovation Fund	5,000,000
28	First Five Brownfields Program for state-owned property	825,000
33	MAA - Economic Development and Manufacturing Assistance Act	20,442,877
12	Small Business Express Program	1,000,000
	Department of Education	
25	Alterations and improvements to Regional Vocational-Technical Schools	3,800,000
	Department of Emergency Services and Public Protection	
24	Replacement and upgrade of radio communication systems	13,500,000
32	Upgrades to the state-wide telecommunications system	2,200,000
	Department of Energy and Environmental Protection	
14	State Parks Improvement Program	2,500,000
	Judicial Department	
5, 7	Alterations, renovations and improvements to buildings and grounds	2,375,000
	Office of Policy and Management	
29	Bridgeport economic development projects	500,000
31	Bridgeport infrastructure projects and programs	3,200,000
11	Body cameras	514,940
9	Grants-in-aid to municipalities for the same purposes as the Town Aid Road (TAR) Program	5,000,000
34	Urban Act	14,096,143
	State Library	
13	Grants-in-aid to public libraries	1,212,750
GO New Allocation Total This Agenda		111,708,830

Item	Agency/Program	New Allocation \$
	Special Tax Obligation (STO) Bond Allocations	
	Department of Transportation	
19	Let's Go CT!	91,601,722
STO New Allocation Total This Agenda		91,601,722

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	381,871,361	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	
September Agenda	497,433,071	
November Agenda		1,073,055,572
(Current Agenda) December Agenda	111,708,830	
CY Total	2,029,615,837	1,941,241,091
CY Allocation Cap	2,036,000,000	2,000,000,000
Allocation Remaining Under Cap	6,384,163	58,758,909

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	
Allocations Effective July 1		
July Agenda	529,986,587	
September Agenda	299,410,392	
November Agenda		104,876,091
(Current Agenda) December Agenda	91,601,722	
CY Total	1,556,085,928	620,130,296

II. Agenda Items

Items #1, 2, 3, 4, & 6 Board of Regents: Various Programs (\$25,000,000 combined in new General Obligation (GO) bonds)

These funds would allow for general maintenance and improvements to the Connecticut State Colleges and Universities system. Items to be funded include but are not limited to: information technology, furniture, equipment, security measures, manufacturing program equipment, building systems and exteriors, energy conservation efforts, and accessibility improvements. Item #4 would fund the replacement of Naugatuck Valley Community College boilers and chillers that have exceeded or are approaching typical lifespans.

Item #	Description	Entity	Amount (\$)
1	New and Replacement Instruction, Research, or Laboratory Equipment	System wide	3,000,000
2	Deferred Maintenance, Code Compliance and Infrastructure Improvements	Community colleges (C.C.), Charter Oak State College, and system office	7,000,000
3	Deferred Maintenance, Code Compliance and Infrastructure Improvements	State universities	7,000,000
4	Upgrades to Mechanical Systems	Naugatuck Valley C.C.	6,000,000
6	System Telecommunications Infrastructure Upgrades, Improvements and Expansions	System wide	2,000,000

Items #5 & 7 Judicial Department: Alterations, Renovations and Improvements to Buildings and Grounds at State-Owned and Maintained Facilities (\$2,375,000 combined in new GO bonds)

Boiler Replacement - Danbury JD/GA: Project includes replacement of the seven original boilers in the 1984 courthouse. Currently one boiler is no longer working and the remaining six are past their anticipated lifespan.

Facade Repairs - Danielson GA (\$1.1 million) and New Britain Court Complex (\$475,000): Funding will be used to fix water infiltration issues. The repairs include removal and replacement of masonry caps and block components, joint sealants, perimeter sealants at windows and doors, and repairs of masonry and flashing.

Emergency/Minor Capital Projects: Funds will be used to cover projects and repairs to mechanical systems (boilers, cooling towers, and compressors), plumbing projects, window replacement, parking lots repairs, minor repointing projects, and minor office modifications at courthouses statewide.

Item #8 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. (See Background for more information).

The State Bond Commission allocated \$60 million in total to the CMIF since the program's inception in 2014. Through FY 17, \$43.8 million in state funds were approved by the advisory board to support Manufacturing Innovation Fund initiatives; in total this leveraged \$99.2 million in private and federal funding.¹

¹ Manufacturing Innovation Fund Annual Report FY 2017.

<https://www.advancingmanufacturingct.com/pdf/2017%20MIF%20Annual%20Report%201-17-2018.pdf>

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;
- 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, will create and retain 4,496 jobs, train 7,314 workers, and develop 242 apprentices.²

Item #9 Office of Policy and Management: Grants for Municipal Purposes (\$5,000,000 in new GO bonds)

This funding represents 1/12th of the total FY 19 authorization of \$60 million for Grants for Municipal Purposes. Funding is distributed to municipalities based on a portion of the payment each municipality received in FY 13 from the Municipal Revenue Sharing Account.³

Towns are required to use these funds for the same purposes for which Town Aid Road grants may be used. However, Sec. 96 of PA 13-247 allows towns to apply for a waiver from this requirement, and use these funds (and Town Aid Road grants) for other capital purposes.

Item #10 Capital Region Development Authority: Alterations, Renovations, and Improvements at Rentschler Field (\$275,000 in new GO bonds)

The allocation will support the replacement of hinges and seatbacks on the chair back seats in Rentschler Field in East Hartford which are in need of repair.

There are nearly 4,000 seats original to the stadium and fifteen years of use and exposure to the elements has caused the plastic hinges and seat bottoms to deteriorate at an exponential rate. The failing chairs have resulted in patrons falling through them during events.

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

³ The Municipal Revenue Sharing Account was a non-appropriated account that existed in FY 12 and FY 13, and provided grants to municipalities based on 1) FY 11 Manufacturing Machinery and Equipment PILOT grant payments, and 2) a statutory property tax relief formula. This account is unrelated to the Municipal Revenue Sharing Account established by PA 15-5, the FY 16 and FY 17 budget.

Item #11 Office of Policy and Management: Body Worn Camera Program (\$514,940 in new GO bonds)

The requested funding will go to reimbursing the nine listed towns for the purchasing of body worn cameras:

Recipient	Amount \$
Coventry	36,039
Easton	48,955
Glastonbury	126,627
Ledyard	83,155
North Branford	34,646
Orange	18,062
Stratford	20,347
Watertown	36,256
Wethersfield	110,853

To date, there has been approximately \$3.1 million provided to municipalities for the reimbursement of body-worn camera purchases. During the 2018 legislative session, the program was expanded to the replacement of dashboard camera devices that were purchased in 2010 or prior.

Item #12 Department of Economic and Community Development: Small Business Express Program (\$1,000,000 in new GO bonds)

The allocation 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 \$306.2 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 November 16, 2018, a total of 1,966 businesses have received \$321.3 million in loans and grants through the program. This resulted in the creation of 8,287 jobs and the retention of 21,698 jobs.

Item #13 Connecticut State Library: Grants-in-Aid to Public Libraries for Construction, Renovations, Expansions, Energy Conservation and Handicapped Accessibility (\$1,212,750 in new GO bonds)

This allocation will be used in two parts to provide grants-in-aid to the following recipients:

1. \$1.0 million to the Phoebe Griffin Noyes Library Association, a non-profit in Old Lyme, which plans to make several improvements and additions to the building and site. Other funds in the amount of \$1,683,583 would be used to fund total project costs of \$2,683,583. Improvements and renovations include: a designated teen space, additional meeting and study space, additional space for children’s services and technology, improvements to service points and the basement, alterations to the library grounds, as well as an increased number of parking spots, and a new outdoor patio; and

2. \$212,750 to the Town of Milford to remodel and expand the Milford Public Library's children's department and create two technology-equipped meeting rooms. The allocation would be used for an additional 1,200 square feet to the children's area, dedicating areas for each age group, lowering book stacks for accessibility, and making ADA improvements to restrooms. Other funds of \$212,750 will be used to fund total project costs of \$425,500.

Item #14 Department of Energy and Environmental Protection: Alterations, Renovations and New Construction at State Parks and Other Recreation Facilities, including Americans with Disabilities Act (ADA) Improvements (\$2,500,000 in new GO bonds)

This allocation will be used to hire contractors to assist in the removal of damaged or distressed trees on state property, as a result of weather and insect issues. Storms that occurred during Spring of 2018, including the Nor'easters of March and, in some parts of the state, a tornado in May damaged many of the state's trees. Trees have also sustained damage as a result of invasive insects, the emerald ash borer and the two-lined chestnut borer. Lastly, the combination of gypsy moths and ongoing drought is killing many large oak trees in the state's forests.

Item #15 Board of Regents: Advanced Manufacturing and Emerging Technology Programs (\$2,625,000 in new GO bonds)

These funds would, in several ways, sustain and improve the community college Advanced Manufacturing programs. The funds support the establishment of a new Advanced Manufacturing/Workforce Development program by Three Rivers Community College, housed at Grasso Technical High School. The program, accessible to high school students and the general public, will train potential and current employees of Electric Boat and its supply chain. This allocation will also allow for higher enrollment at the newest Advanced Manufacturing center, at Tunxis Community College, through renovations and the purchase of new equipment. Finally, the funds would pay for equipment at the other five community colleges hosting Advanced Manufacturing programs on-site (Asnuntuck, Housatonic, Manchester, Naugatuck, and Quinebaug Valley) to ensure technology is current.

Item #16: Department of Correction: Alterations, Renovations and Improvements to State-Owned Buildings (\$326,120 in new GO bonds)

This funding is requested for renovations of all 12 housing unit bathrooms at the Carl Robinson Correctional Institution in Enfield. Carl Robinson has been in operation since 1985 and the original bathrooms have never been renovated or replaced. They are experiencing leaks in the shower walls and floors, toilet/main line clogs, and piping and patrician failures.

Item #17 Capital Region Development Authority: Outside Capital City Economic Development District (\$521,000 in new GO bonds and \$12,000,000 in reallocated GO bonds)

A. Wolverine Properties for 246-250 Lawrence Street in Hartford (\$521,000)

The allocation will support a loan to Wolverine Properties to assist with redevelopment of two vacant buildings at 246-250 Lawrence Street in Hartford with 12 market rate units.

The financing consists of a \$225,000 historic tax credit bridge loan at 3% interest and a second construction loan/permanent mortgage at 3% interest for twenty years.

B. Downtown North Project in Hartford (\$12,000,000)

The reallocation will repurpose the funds to the redevelopment loan for parcel C for demolition and site work on the adjacent parcel D within the redevelopment area. Parcel C includes the development of 150 to 200 apartments and associated retail. Parcel D includes the development of 150 additional apartments.

The original allocation supported the development of parcel C only.

In total, the six year, multi-phase plan includes the development of 800 apartments and 60,000 square feet of retail over four parcels of land adjacent to Dunkin Donuts' Park.⁴ The \$200 million cost for the full project is to be funded mostly with private funds.

Items #18 & 26 Connecticut Port Authority: Improvements to Ports, Harbors, and Marinas, Including Dredging and Navigational Improvements (\$5,500,000 combined in new GO bonds)

Funds are requested for various support projects at the State Pier in New London. The \$5.5 million in site repair, demolition, and improvements supplements \$25 million of allocations for dredging in the same location approved at the July and September 2018 State Bond Commission Meetings.

Related activities

The prior dredging funding was allocated in connection with a First Five agreement with Electric Boat, which is also 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 #19 Department of Transportation: Let's Go! CT (\$91,601,722 in new STO bonds)

These funds will be used to finance two programs eligible for Let's Go! CT funds.

- \$78 million will be used for improvements to I-84 in West Hartford. The project will widen lanes and add auxiliary lanes in the exit 39A to exit 41 area.
- \$13.6 million for the Community Connectivity Grant Program (CCGP). This round of funding will be used to award grants to 40 municipal initiatives. This supplements \$12.7 million of funding for other applicants provided at the July 2018 bond commission meeting.

Item #20 Capital Region Development Authority: Hartford Regional Market (\$300,000 in new GO bonds)

The allocation will support improvements at the Hartford Regional Market including security cameras and related upgrades, site lighting, utility upgrades and drainage repairs.

⁴ <https://www.courant.com/community/hartford/hc-news-hartford-downtown-north-first-hearing-20180905-story.html>

At the July 2018 meeting, the State Bond Commission allocated \$750,000 to support a planning assessment study of the Hartford Regional Market as well as necessary physical improvements needed at the site.

Background. The Connecticut Department of Agriculture (DoAG) has historically operated and managed the Hartford Regional Market. However, PA 18-154 conveyed the parcel of land on which the Hartford Regional Market stands to the Capital Region Development Authority (CRDA) and now requires CRDA and DoAG to enter into an agreement governing the continued operation of the Hartford Regional Market. CRDA's role would be in redevelopment while operations would remain with the agriculture department.⁵

Item #21 Department of Energy & Environmental Protection, Grants-in-Aid or Loans to Municipalities for Acquisition of Land, Public Parks or Recreational and Water Quality Improvements (\$1,000,000 in reallocated GO bonds)

This allocation will be used to provide a grant-in-aid to the Town of East Hartford for improvements to the sports fields at the middle and high schools. At the middle school, the allocation will be used to fund improvements of the soccer fields, track, scoreboard, irrigation system, lighting, and bleachers. At the high school the allocation will be used to fund installation of new bleachers.⁶

Item #22 Department of Housing: Shoreline Resiliency Fund (\$2,273,231 in reallocated GO bonds)

These funds are requested to supply the required non-federal match funding for the Resilient Bridgeport project, funded by the US Department of Housing and Urban Development (HUD) National Disaster Resilience Competition (NDRC). Resilient Bridgeport comprises a resilience strategy—a long term plan to transform the city's vulnerable low-lying areas — and a pilot project in Bridgeport's South End. The matching funds will go towards building and maintaining the resulting coastal flood defense system.

Part of the national response to Superstorm Sandy, HUD awarded federal grants through the Rebuild by Design (RBD) Competition and NDRC in 2014 and 2016, respectively, for innovative design projects to increase shoreline resilience. Different aspects of the Resilient Bridgeport project were selected for funding through both competitions; the RBD award was \$10 million and the NDRC award was \$42 million⁷. Thus far the project has been in the planning,



⁵ Per Mike Freimuth, Executive Director of CRDA. <http://www.courant.com/real-estate/property-line/hc-hartford-regional-market-redevelopment20180605-story.html>

⁶ https://www.easthartford.org/uploaded/downloads/Facilities/CapitalImprovement/Capital_Improvement_Plan_2016-17.pdf

⁷ Other Connecticut projects are receiving NDRC funding, bringing the state total NDRC amount to \$52.4 million. <https://www.ct.gov/doh/cwp/view.asp?a=4513&q=588726>

study, and design phases. For the pilot project, the necessary environmental impact statement is expected to be finalized around the end of 2018, followed by further design work and finally implementation and construction in 2020.⁸

The original allocation was for the Shore Up program, a low interest loan program started in the wake of Superstorm Sandy to aid homeowners and small businesses in elevating their properties; however there was an unused balance of funding in the account.

Item #23 Department of Administrative Services: Infrastructure repairs and improvements at state-occupied facilities (\$995,000 in new GO bonds)

This allocation is for DAS to finance alterations and improvements at various state facilities, including:

- Design Fire Code Improvements on Capitol Avenue complex (\$150,000). The Office of the State Fire Marshal has identified two fire code issues at 450 Capitol Avenue (OPM) and 460 Capitol Avenue (DPH). Funds will be used to design and partially fund construction to correct the fire code issues.
- HVAC Replacement at the Connecticut Library for the Blind and Physically Handicapped in Rocky Hill (\$215,000). This funding is to be used to replace two rooftop HVAC units and various repairs to the existing roof.
- Chimney Repairs at the Central Office for the Connecticut Technical High Schools at 39 Woodland Street in Hartford (\$130,000). Funds will be used to replace two chimneys at this facility that have failed.
- Other funds for minor capitol or emergency repairs as needed (\$500,000).

Item #24 Department of Emergency Services & Public Protection: Upgrade to the Department's Radio Systems (\$13,500,000 in new GO bonds)

The requested funds will finance the final stage of an existing project to replace and upgrade the Department's radio systems used to communicate with various state and local emergency personnel. To date, \$51,000,000 in funding has been allocated to support the project.

Item #25 Department of Education - Regional Vocational-Technical School System: Alterations and Improvements to Buildings and Grounds (\$3,800,000 in new GO bonds)

Funds will be used for repairs, improvement, and new equipment at all of the technical high schools. The technical high school system is administered by the state. Over eleven thousand students are currently enrolled in the system of 20 schools located throughout the state.

Item #26 - See Item #18

Item #27 Department of Social Services: Grants-in-aid for Neighborhood Facilities (\$349,690 in reallocated GO bond funding)

Funding is provided to the Hispanic Health Council (HHC) in Hartford for renovations to its headquarters at 175 Main Street and their facilities at 490 Park Street. The HHC provides various services to improve the health and well-being of the health of Latinos and other diverse communities. (<http://www.hispanichealthcouncil.org>). The HHC has five units focused on providing services related to: Women and Children's Health, Community Nutrition, Risk Reduction, Youth Development, and Community Based Participatory Research.

⁸ <https://resilientbridgeport.com/wp-content/uploads/2018/06/180606-Public-Meeting-Presentation.pdf>

Funding was previously allocated to the Latino Community Services in Hartford, which has since ceased operations.

Item #28 Department of Economic and Community Development: First Five Brownfields (\$825,000 in new GO bonds)

The allocation will support the remediation, marketing and planning activities at various state-owned surplus facilities and formerly state-owned facilities.

Background: PA 11-1 of the October Special Session requires the Department of Economic and Community Development (DECD) to identify, remediate, and market five geographically diverse state-owned contaminated properties (a.k.a. the First Five Brownfields program).

The State Bond Commission (SBC) allocated the following amounts since the inception of this program.

SBC Date	Project	Town Name	Description	Allocation Amount \$
2/1/2017	Norwich Hospital site	Preston	Grant-in-aid to the Town of Preston to complete the environmental remediation and demolition of buildings at the former Norwich Hospital site to allow for redevelopment	10,000,000
5/27/2016	Mystical Oral School	Groton	Finance public outreach, zoning change and marketing efforts by the Town of Groton for the reuse of the state-owned former Mystic Education Center.	50,000
1/29/2016	CT Transit Bus Garage	New Haven	Environmental remediation of the former CT Transit bus garage at 470 James Street in New Haven	5,500,000
9/29/2015	CT Transit Bus Garage	New Haven	Environmental investigation and preparation of the Remedial Action Plan for the proposed redevelopment of the former CT Transit bus garage at 470 James Street	125,000
8/31/2012	All	Other	To study on the present condition of five facilities.	500,000
Total				16,175,000

Items #29, 30, & 31 Office of Policy and Management: Grants-in-Aid for the cities of Hartford and Bridgeport (\$3,700,000 combined in new GO bonds and \$1,500,000 in reallocated GO bonds)

Funding is provided for infrastructure and economic development projects in Hartford and Bridgeport. Funding is provided as follows:

Bridgeport: \$3,700,000 for replacement of the Congress St. Bridge. The project is in design phase. The bridge is not currently operational.

Hartford: \$1,500,000 to construct a park on vacant, city-owned land on Albany Ave. between Magnolia and Irving streets. The park will include play areas, courts, an entertainment stage, and exercise and seating areas. The land used to house a police substation and basketball courts.

Item #32 Department of Emergency Services & Public Protection: Upgrades to the State Telecommunications System (\$2,200,000 in new GO bonds)

The requested funds will provide the East Lyme and Waterford area with an additional radio tower, providing more functional communication between emergency and law enforcement personnel in the area. The funds will pay for the radio tower itself, and upgrades to the microwave components of the existing hardware.

Item #33 Department of Economic and Community Development: Manufacturing Assistance Act (\$20,442,877 in new GO bonds and \$12,457,123 in reallocated GO bonds)

A. GKN Aerospace Services Structure Corporation (\$6,000,000)

The allocation will support a grant-in-aid to GKN Aerospace Services Structure Corporation with development and advancement of its capabilities in organic and ceramic matrix composites.

Total grants-in-aid of \$20 million will be paid in installments through 2018, if the company meets goals for job retention, job creation, manufacturing, research and development, capital expenditures and project milestones with research partners. The company must retain and create 263 jobs within six years.

This request will fund the fourth grant-in-aid, to be matched by the company under the agreement. The State Bond Commission previously allocated \$1 million under the agreement in March 2015, \$6 million in January 2016, and \$5 million in November 2017.

The State Bond Commission also previously allocated \$2 million in 2011 in an unrelated assistance agreement to GKN Aerospace Services Structure Corporation to assist with expansion of facilities in Cromwell.

Background: GKN Aerospace is a first tier supplier to the global aviation industry. In addition to the manufacture of highly complex composite and metallic aerostructures and engine products, the business is equally focused on military and civil markets.

B. Habco Industries, LLC (\$2,000,000)

The allocation will provide a loan to Habco Industries, LLC to assist with the purchase of machinery and equipment for expansion at its facility in Glastonbury. The company must retain 55 jobs and create 47 new jobs within five years.

The loan will be provided at an interest rate of 3.5% for ten years with principal deferred for two years.

The State Bond Commission previously allocated \$2 million at the March 2017 meeting to assist with the purchase of machinery and equipment for expansion at its facility.

Background: Habco Industries, LLC serves the aerospace and power generation industries with test & maintenance equipment. The company, founded by a former Pratt & Whitney aircraft engineer in 1970, is located in Glastonbury, Connecticut.

C. Express Countertops, Kitchens and Flooring, LLC (\$3,000,000)

The allocation will support a loan to Express Countertops, Kitchens and Flooring, LLC in Hartford for purchase of machinery, equipment and for leasehold improvements to assist with expansion. The company must retain 134 jobs and create up to 226 new jobs within seven years.

The loan will be provided at an interest rate of 3.5% for ten years, with principal deferred for five years. The company may be eligible for up to \$2 million in loan forgiveness if it meets job creation and retention goals.

The State Bond Commission previously allocated \$2 million at the January 2013 meeting to the company for purchase of machinery, equipment and inventory and for leasehold improvements. The company also received a \$100,000 Small Business Express matching grant in March 2012. The grant supports the purchase of inventory needed to expand its manufacturing capabilities and fulfill a backlog of customer orders.

Background: Express Countertops, Kitchens and Flooring, LLC makes and assembles kitchen cabinetry and countertops for homeowners, wholesalers and contractors. The company operates six retail locations and a manufacturing and warehouse facility in Hartford.

D. Polamer Precision, Inc. (\$1,900,000)

The allocation will support a loan to Polamer Precision, Inc. to assist with machinery and equipment for expansion of its facilities in New Britain. This is Phase 3 of 5 installments from a total state commitment of \$10 million.

The loan will be provided at an interest rate of 2% for ten years. The company will be eligible for loan forgiveness of up to \$4.5 million from the total commitment if the company meets job creation and retention goals.

Phase 1, allocated at the July 2016 meeting, and Phase 2, allocated at the February 2018 meeting, both consisted of a \$1.9 million loan and \$100,000 job training grant-in-aid.

Unrelated to this \$10 million commitment, the State Bond Commission also allocated \$3 million to Polamer Precision, Inc. in August 2012 to assist in the purchase of machinery and equipment for consolidation from three separate facilities in Newington to the 140,000 square foot facility in New Britain.

Background: Polamer Precision is a contract aerospace manufacturing firm that produces engine and airframe components.

E. Apprenticeship Connecticut Initiative - Dept. of Labor (\$5,000,000)

The allocation will provide the initial funding for the Apprenticeship Connecticut Initiative under the Department of Labor.

PA 18-178 enacted the Apprenticeship Connecticut Initiative program to develop workforce pipeline programs to train qualified entry-level workers for jobs with manufacturers and employers in sectors experiencing workforce shortages. The Commissioner of DOL will solicit and review requests from regional industry partnerships for workforce pipeline programs serving the workforce needs of manufacturers and other employers in the region.

The Act earmarks \$50 million in total for the program and caps at \$20 million the amount of funds any one partnership may receive in total funding.⁹

⁹Source: Public Act Summary of PA 18-178. <https://www.cga.ct.gov/2018/SUM/pdf/2018SUM00178-R01HB-05590-SUM.pdf>

F. Accel International Holding, Inc. (\$5,000,000)

The allocation will support a loan to Accel International Holding, Inc. to assist with equipment for its expansion into a second location in Cheshire. The company will retain 108 jobs and create 115 jobs within three years.

The loan will be provided at an interest rate of 3.5% for ten years with principal deferred for three years. The company will be eligible for loan forgiveness of \$2.75 million if it meets job creation and retention goals.

The State Bond Commission previously allocated \$3 million at the March 2016 meeting for a loan to the company for construction, leasehold improvements, inventory, working capital, machinery, equipment and software for expansion.

Accel International Holdings Inc. is a manufacturer of high-performance specialty wires and conductors. The company is located in Meriden.

G. Indeed, Inc. (\$10,000,000)

The allocation will support a loan to Indeed, Inc. to assist with leasehold improvements and equipment for additional expansion in Stamford. The company will create an additional 500 jobs. This commitment, combined with the first assistance agreement with the state, will bring total employment to 1,700 jobs within ten years.

The loan will be provided at 1% interest for fourteen years. The company will be eligible for loan forgiveness if it meets job creation and retention goals.

The State Bond Commission previously allocated \$7 million at the November 2017 meeting for a loan to the company to assist with leasehold improvements and equipment for expansion.

Indeed.com is a leading jobs site with over 200 million unique visitors every month from over 60 different countries.

Item #34 Office of Policy and Management: Urban Act (\$\$14,096,143 in new GO Bonds and \$7,040,654 in reallocated GO bonds).

Item	Admin. Agency	Recipient	Purpose/Notes	Amount \$
I.A	OPM	City of Norwich	Police radio system	500,000
II.A	DEEP	City of Hartford	South Branch Park River multi-use trail	1,000,000
II.B	DEEP	City of New Haven	Lost Generation Memorial Garden	300,000
III.A	DECD	City of Hartford	Building renovations - 1240 Albany Ave.	1,000,000
III.B	DECD	City of Bridgeport	Remington Arms Complex	1,000,000
III.C	DECD	City of Bridgeport	Sikorsky Memorial Airport	7,000,000
III.D	DECD	DECD	Matching funds for Martin Luther King, Jr. corridors	100,000
III.E	DECD	McGivney Community Center, Inc.	Demolition to create parking and outdoor space	536,797
III.F	DECD	Goodspeed Musicals	Flood repair	400,000
III.G	DECD	Goodwin College	Accelerated Nursing Degree Program	300,000
III.H	DECD	TheaterWorks, Inc.	Facility Improvements	200,000
III.I	DECD	Trinity College	Innovation at Constitution Plaza	2,500,000
III.J	DECD	Long Wharf Theater	Facilities planning and market study	463,000
III.K	DECD	City of Stamford	Lathon Wider repurpose	150,000
III.L	DECD	Wadsworth Atheneum	Avery Memorial improvements	200,000
III.M	DECD	New Britain Museum of American Art	HVAC replacement	200,000
III.N	DECD	Shubert Theater	Phase II renovations	500,000
III.O	DECD	City of Norwalk	Raymond Maritime Museum	37,000
III.P	DECD	Mystic Aquarium	Tank installation	1,500,000
IV.A	DOH	Housing Development Fund	Community Land Trust program	750,000
V.A	DPH	Fair Haven Community Health Care	Facility Improvements	1,000,000
V.B	DPH	Regional Hospice and Palliative Care	Creating additional patient suites	500,000
V.C	DPH	Community Health Center, Inc.	Medical resident housing and classrooms	1,000,000

Item #35 2018 Private Activity Bond Allocation Carry Forward Resolution

The state received a Private Activity Bond allocation of \$376.8 million for the 2018 calendar year. Of this total, \$250.1 million was issued in 2018, which leaves \$126.6 million available for the following carry forward. These funds would remain available to their respective programs for the next three calendar years.

Private Activity Bond Authorization and Allocation: The process through which private activity bonds are authorized and allocated is different than the process followed for General Obligation (GO) bonds or Special Tax Obligation (STO) bonds. PA 01-7 (June Special Session) amended CGS Sec. 32-141 to provide the following statutory allocation formula:

Statutory Percentages for Private Activity Bond Allocations	
Agency	Statutory Allocation
Connecticut Housing Finance Authority	60.0%
Connecticut Development Authority	12.5%
Municipalities, CT Higher Educational Supplemental Loan Authority, Clean Energy Finance and Investment Authority & contingencies	27.5%
TOTAL	100%

Background: Private Activity Bonds are revenue bonds issued by quasi-public authorities or municipalities that are not a state obligation because the quasi-public authority pays the debt service out of the bond's dedicated

revenue stream. These bonds would normally be taxable except when they are used to finance projects that serve a significant public benefit, such as housing, economic development, student loans, and energy conservation. The state's annual PAB bonding capacity is determined by a federal formula based on state population. The State Bond Commission reallocates any unused PAB capacity at the end of each calendar year. The federal government classifies a bond as private activity if more than 10% of its proceeds are used by a private party (the quasi-public authority) and more than 10% of the debt service is backed by private resources.