

# Analysis of State Bond Commission Agenda Items

May 26, 2022



## **OFFICE OF FISCAL ANALYSIS**

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<b>General Obligation (GO) Bonds</b>	<b>Item #</b>	<b>New Allocation</b>
<b>Capital Region Development Authority</b>		
Grant-in-aid to the municipality of East Hartford for the purposes of general economic development activities	4	10,000,000
<b>Connecticut Port Authority</b>		
Grants-in-aid for improvements to deep water ports, including dredging, not exceeding \$70,000,000, provided not less than \$20,000,000 shall be used for deep water ports outside of New London	2	20,000,000
<b>Department of Administrative Services</b>		
Infrastructure repairs and improvements at state-occupied facilities	12	753,500
School building projects - Principal and current payments	19	250,000,000
<b>Department of Correction</b>		
Alterations, renovations, and improvements to existing state-owned buildings for inmate housing, programming and staff training space and additional inmate capacity, and for support facilities and off-site improvements	1	7,718,785
<b>Department of Economic and Community Development</b>		
Manufacturing Assistance Act (MAA) - Economic Development and Manufacturing Assistance Act of 1990 and the Connecticut job training finance demonstration program	17	4,200,000
<b>Department of Emergency Services and Public Protection</b>		
Nonprofit Security	8	5,000,000
<b>Department of Energy and Environmental Protection</b>		
Dam repairs, including state-owned dams	11	400,000
Grants-in-aid for containment, removal or mitigation of identified hazardous waste disposal sites	16	3,482,000
Various flood control improvements, flood repair, erosion damage repairs and municipal dam repairs	13	3,470,000
<b>Department of Mental Health and Addiction Services</b>		
Design and installation of sprinkler systems in direct care patient buildings	6, 14	9,675,000
<b>Office of Policy and Management</b>		
Grants-in-aid to municipalities for the purchase of on-body cameras for local law enforcement officers	7	917,536
Urban Act - Grants-in-aid for urban development projects	18	12,674,415
<b>State Library</b>		
Grants-in-aid to public libraries for construction, renovations, expansions, energy conservation and handicapped accessibility under the provisions of CGS Sec. 11-24(c)	10	250,000
<b>Connecticut State Colleges and Universities</b>		
Advanced manufacturing and emerging technology programs	3	750,000
Deferred maintenance, code compliance and infrastructure improvements - Community Colleges	9	5,600,000
<b>Paid Family and Medical Leave Insurance Authority</b>		
Grants-in-aid for capitalizing the Family and Medical Leave Insurance Trust Fund	5	3,800,000
<b>Total New GO Allocations</b>		<b>338,691,236</b>

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, as it was when first published.

### I. Summary

#### General Obligation (GO) Bonds

Total New GO Bond Allocations by Month	2022 \$	2021 \$
March Agenda	333,441,256	
April Agenda		339,721,558
<b>(Current Agenda) May Agenda</b>	338,691,236	
Allocations Effective July 1		250,121,428
July Agenda		655,206,945
December Agenda		518,584,629

<b>CY Total Through May</b>	<b>672,132,492</b>	<b>339,721,558</b>
CY Total	672,132,492	1,763,634,560

CY Allocation Cap	2,239,000,000	2,162,000,000
Allocation Remaining Under Cap	1,406,971,080	398,365,440

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 increases calculated using CPI, the limit for CY 22 is \$2,239 million.

#### Special Tax Obligation (STO) Transportation Bonds

Total New STO Bond Allocations by Month	2022 \$	2021 \$
March Agenda	320,632,353	
April Agenda		120,818,691
<b>(Current Agenda) May Agenda</b>		
July Agenda		512,361,200
December Agenda		838,783,435

<b>CY Total Through May</b>	<b>320,632,353</b>	<b>120,818,691</b>
CY Total	320,632,353	1,471,963,326

## II. Agenda Items

### **Item #1** Department of Correction: Renovations and Improvements to Existing State-Owned Buildings (\$7,718,785 in new GO bonds)

Funding of \$7,718,785 is requested for the construction (\$6,468,405), contingency (\$646,840), architect/engineer's fee (\$110,685), testing laboratory (\$10,000), special inspections (\$28,000), commissioning (\$70,000), permits (\$5,000), construction administrator (\$115,000), and the DAS fee (\$264,855) for a water storage tank replacement at the Enfield Correctional Institute.

Previously, \$383,145 was allocated to this project for the architect/engineer's fee (\$300,000) and the DAS fee (\$83,145). The current water tank is over 60 years old and is in poor condition due to exceeding its life expectancy. This project is necessary to meet the Department of Public Health's water requirement regulations.

### **Item #2** Connecticut Port Authority: Grants-in-Aid for Improvements to Deep Water Ports, Including Dredging (\$20,000,000 in new GO bonds)

This allocation will provide supplemental financing for redevelopment and upgrades to the State Pier in New London in accordance with the Harbor Development Agreement (HDA). That agreement is a public-private partnership between the Connecticut Port Authority (CPA), North East Offshore, LLC (a joint venture between Ørsted and Eversource) and Gateway New London, LLC. Included within the total estimated project cost is \$75 million in funding from private entities (i.e., Deep Water Wind and Northeast Offshore Funds).

Based on discussion at the CPA's May 24, 2022 meeting of the board of directors, this additional request is to fund costs associated with permitting delays, additional steel, soft costs such as legal expenses, and planned costs to accelerate the project schedule (i.e., to make up lost time associated with the permitting delays) to meet a substantial facility completion date of February 28, 2023. According to the CPA, this brings the total estimated project cost to \$250 million and total fund availability to \$255 million. The difference between total cost and fund availability will provide the CPA with additional resources for owner's contingency should new costs arise.

### **Item #3** Connecticut State Colleges and Universities: Advanced Manufacturing (\$750,000 in new GO bonds)

These bond funds will be used for Phase II of the Tunxis Community College advanced manufacturing facility at 21 Spring Lane in Farmington (purchased in 2020). Phase II is an expansion of the Phase I renovation. It will include renovation of 2,300 square feet for a 3-D Additive Manufacturing Lab, classrooms, office space, and student space. This work will allow the Tunxis College of Technology, which is the National Center for Next Generation Manufacturing, to move into this building. It is anticipated that Phase II will be complete by January 2023.

The first phase, which is currently under construction, consists of 10,000 square feet of lab and classroom space within the 42,000 square foot building. When finished (anticipated by the fall 2022 semester), Tunxis students will be able to complete advanced manufacturing coursework fully on-campus, instead of being bused to Asnuntuck Community College to use equipment there.

The remaining building space (nearly 30,000 square feet) will be renovated as needed to accommodate growth. It is anticipated that future projects will include space for: 1) a College Connections program for local high school students, 2) evening and weekend training for incumbent workers, 3) a new Energy Management program, and 4) New England Spring and Manufacturing Association training. The additional, total cost of this future work is estimated to be \$2-3 million.

**Item #4** Capital Region Development Authority: Grant-in-aid to East Hartford for General Economic Development Activities (\$10,000,000 in new GO bonds)

The allocation will support a grant-in-aid to East Hartford to assist in the costs associated with the redevelopment of the Silver Lane corridor.

Background: The town is planning multiple projects to support development along Silver Lane: the acquisition of, and improvements to, Applegate Lane; improvements to the Ring Road that links the former Showcase Cinemas site to Silver Lane; the acquisition and redevelopment of the nearby Silver Lane Plaza. Additionally, the town is planning streetscape improvements in the vicinity of Rentschler Field. The project will include installation of new sidewalks, crosswalks, bus shelters and other streetscape improvements.

In July 2016, the State Bond Commission allocated \$12 million to the Town of East Hartford for the redevelopment of the Silver Lane and Rentschler Field corridor. An additional \$500,000 was allocated for the Silver Lane corridor redevelopment project at the December 2021 meeting.

**Item #5** Paid Family and Medical Leave Insurance Authority: Grants-in-aid for Capitalizing the Family and Medical Leave Insurance Trust Fund (\$3,800,000 in new GO bonds)

The requested bond funds will be used to pay for various information technology needed to implement the Paid Family and Medical Leave Insurance program, including development of a fund recovery system for noncompliance by employers and website design.

Previous allocations of \$12,219,735 total were made between July 2020 and April 2021 to support development of related information technology infrastructure.

*Background*

The Paid Family and Medical Leave Insurance Authority (PFMLIA) was created by the Paid Family and Medical Leave Act, PA 19-25, as amended by PA 19-117. Under this law, the Authority is responsible for collecting the 0.5% contributions to the Paid Family & Medical Leave Trust Fund from employees (remitted through their employers), administering paid leave benefits, and engaging in outreach and education. The debt service associated with GO bonds used for PFMLIA purposes is required to be repaid to the General Fund from the resources of the PFMLIA Trust fund.

**Items #6 & 14** Department of Mental Health and Addiction Services: Connecticut Mental Health Center (\$9,675,000 combined in new GO bonds)

Total funding of approximately \$9.7 million (\$5.5 million under agenda item #6 and \$4.2 million under item #14) is requested for a construction contract and associated costs for work at the Connecticut Mental Health Center in New Haven. The project includes the installation of a sprinkler system as well as new flooring, ceilings, lights, generator, and fire pump.

**Item #7** Office of Policy and Management: Body Worn Camera Program (\$917,536 in new GO bonds)

Funding of \$917,536 is requested to reimburse Derby (\$59,646), Ellington (\$23,840), Essex (\$8,941), Groton Long Point (\$9,577), Milford (\$66,996), Norwalk (\$100,187), Plymouth (\$25,118), Waterbury (\$430,385), and West Haven (\$192,846) Police Departments for the purchase of body worn cameras, dash cameras, and video storage devices.

To date, there has been over \$7 million provided to municipalities for the reimbursement of body-worn camera purchases. During the 2019 legislative session, the program was expanded to include the replacement of dashboard camera devices that were purchased in 2010 or prior. PA 20-1 expanded the body-worn camera program and required camera use in all municipal, state, and tribal law enforcement units. It also required the use of dashboard cameras in all patrol vehicles.

**Item #8** Department of Emergency Services and Public Protection: Nonprofit Security Grant Program (\$5,000,000 in new GO bonds)

The Department of Emergency Services and Public Protection may provide grants-in-aid to certain eligible nonprofit organizations that are at heightened risk, as determined by the commissioner, of being the target of a terrorist attack, hate crime, or violent act. This program was established in PA 20-1.

Eligible nonprofits may receive a grant of not more than \$50,000. Fifty percent of the grant shall be made available when such nonprofit presents to the commissioner a contract in which they will incur eligible expenses for security infrastructure. Fifty percent of the grant shall be made available to such nonprofit when they demonstrate to the commissioner that they have incurred all of the eligible expenses pursuant to the contract.

**Item #9** Connecticut State Colleges and Universities: Deferred Maintenance, Code Compliance, and Infrastructure Improvements (\$5,600,000 in new GO bonds)

These funds will be used for deferred maintenance, code compliance and infrastructure improvements at the community colleges. Most (\$4.6 million) of the funding is designated for specific projects described below. The remaining \$1 million will be used for critical campus infrastructure needs such as safety improvements and oil tank removal.

The specific projects that will be funded from this allocation are:

- \$1 million for Middlesex Community College's Founders Hall improvements, including restroom accessibility;
- \$1 million for Guided Pathways-related expenditures at Gateway Community College, including space reconfigurations, furniture, and IT purchases;
- \$750,000 for remediation of hazardous materials, mold, and mildew at Asnuntuck Community College;
- \$600,000 for Capital Community College's main elevator bank to upgrade the elevator controls, to ensure functionality;
- \$500,000 for oil to natural gas boiler conversion at Middlesex Community College;
- \$450,000 for new cooling systems for certain IT equipment at Manchester Community College, to separate the cooling systems for IT equipment and the main building in order to cool classrooms and other non-IT spaces; and
- \$300,000 for code compliance at Capital Community College, to replace the grease trap at the food service facility.

**Item #10** State Library: Grants-in-Aid to Public Libraries (\$250,000 in new GO Bonds)

These funds are requested to provide a grant-in-aid to the City of Waterbury for updates to the elevator at the Silas Bronson Library. This allocation represents half of total project costs.

**Item #11** Department of Energy and Environmental Protection, Dam Repairs (\$400,000 in new GO Bonds)

This allocation will be used to fund the: 1) Connecticut Valley Hospital (CVH) Dam in Middletown at \$300,000, and 2) a statewide remote dam monitoring system at \$100,000. DEEP is the owner of over 260 dams, many of which need regulatory inspections, updated Emergency Action Plans, and repairs. The agency plans to remove “CVH Dam 1”, a small dam with no water behind it for a few years. The permit application is currently under review. The consulting firm WMC is working on the project with DEEP.

**Item #12** Department of Administrative Services: Infrastructure Repairs and Improvements to State-owned Buildings (\$753,500 in new GO bonds).

The allocation is requested for: bulkhead repairs at the Bureau of Aquaculture in Milford (\$277,500); security fencing installation at Cedarcrest Hospital in Newington (\$200,000); cooling tower repair at the Department of Public Health laboratory in Rocky Hill (\$210,000); and roof repairs at the Department of Labor annex building at 38 Wolcott Hill Road in Wethersfield (\$66,000).

**Item #13** Department of Energy and Environmental Protection: Various Flood Control Improvements, (\$3,470,000 in new GO bonds).

This allocation will be used to fund various projects as seen in the table below:

<b>Project</b>	<b>Location</b>	<b>\$</b>
Ellithorpe Site 5	Stafford	1,770,000
Bradway Site 4	Stafford	500,000
Furnace Brook Channel	Stafford	350,000
Wintonbury Site 15	Bloomfield	250,000
Farm Brook Sites 2A & 2B	Hamden	200,000
Rehabilitation Studies for Natural Resources Conservation Service sponsored dams	Various	400,000
<b>TOTAL</b>		<b>3,470,000</b>

These funds are used as the state's share for cooperative flooding, erosion and municipal dam repair projects, undertaken with municipalities and the federal government, as well as to fund repairs to state-owned flood control projects. DEEP enters into cost-share agreements with municipalities to address these problems. Funding from the state flood and erosion board program may be used to fund a portion of the costs for the engineering study, design and actual construction of the flood, erosion, non-structural flood mitigation measures or dam safety improvements.

**Item #14 - See Item #6**

**Item #15** State Department of Education: Grants-in-Aid for Startup Costs at Interdistrict Magnet Schools (\$462,465 of previously allocated GO bonds)

Funding will support the Capitol Region Education Council (CREC). This allocation will provide funding for expansion at the University of Hartford Magnet School (UHMS) to cover the costs of the repurposing, renovation, furnishings and equipment for the Prekindergarten Annex space. Funds are available from the funds previously allocated on July 25, 2014 to provide grants to assist with additional capital start-up and expansion costs for eight interdistrict magnet schools under Sheff v. O’Neill.

**Item #16** Department of Energy and Environmental Protection: Grants-in-Aid for Hazardous Waste Disposal Sites (\$3,482,000 in new GO Bonds)

This allocation will be used for required funding obligations for the state share of the remedial action plan (RAP) for groundwater and soil remediation at the Raymark superfund site in Stratford. The federal portion of the funding is 90% to the state's 10% contribution.

The state Superfund Program provides funding to investigate and remediate hazardous waste and hazardous substance disposal sites that pose an unacceptable risk to human health and the environment; and where a responsible party is not available to perform needed and timely response actions. As part of the remedy, municipalities may receive grants to install water lines to serve areas impacted by contamination from a state Superfund site.

These funds are also used to provide the state's share of RAP costs for federal Superfund sites where the federal Environmental Protection Agency is funding and performing the remedial action due to the absence of a viable responsible party. The state's share typically ranges from 10% to 50% of such costs, and is a statutory obligation in order to have the federal government pay for the remainder of the Remedial Action. Unknown future sites are anticipated, requiring remediation funding. Sites addressed by this program may also be brownfields sites.

**Item #17** Department of Economic and Community Development: Manufacturing Assistance Act (\$4,200,000 in new GO bonds)

The allocation will allow the Department of Economic and Community Development to provide smaller loans and grants to manufacturers and economic based businesses across the state. The release of these funds will be controlled through the allotment process pending determination of grant and loan recipients. These funds will also support administrative costs related to the Manufacturing Assistance Act program.

Since 2018, the State Bond Commission allocated \$33.7 million towards the small projects component of the Manufacturing Assistance Act program.



**Item #18 Office of Policy and Management: Urban Act (\$12,674,415 in new GO bonds)**

The program finances various projects throughout the state, as shown in the following table.

<b>Item</b>	<b>Admin. Agency</b>	<b>Recipient</b>	<b>Purpose</b>	<b>Amount \$</b>
I.A	DECD	Applied Behavioral Rehabilitation Institute, Inc.	Facility improvements at the Home for the Brave Rehabilitation Institute in Bridgeport	1,500,000
I.B	DECD	City of Bridgeport	Mount Growmore Hydroponic Farming Greenhouse and Wellness Campus to advance indoor urban agriculture and delivery of community-designed services	2,000,000
I.C	DECD	Harriet Beecher Store House and Museum	House and museum capital improvements, renovations, and upgrades	250,000
I.D	DECD	Mark Twain House and Museum	House and museum capital improvements, renovations, and upgrades	250,000
I.E	DECD	United Way of Connecticut	Purchase and install an emergency generator at the organization's new office space	700,000
II.A	DEEP	City of Bridgeport	Refurbish Ellsworth Field fencing and dugouts of its little league fields	250,000
II.B	DEEP	Town of Ellington	Install 33 light fixtures and add an outdoor fitness area to Arbor Park along Main Street	224,415
II.C	DEEP	City of Groton	Replace the Shore Avenue seawall	2,700,000
II.D	DEEP	City of Hartford	Tree planting and urban garden installation for the Knox Park Urban Garden	250,000
II.E	DEEP	Town of Ledyard	Bridge and dam upgrades, which include upgrading pump stations, adding a storage tank, extending an emergency connection and other security upgrades	3,000,000
II.F	DEEP	Town of East Hartford	Improvements to the town's parks, community pools, recreational facilities, and open spaces	1,000,000
III.A	DESPP	Town of Canton	Replace the Canton Police Department communications console and fund renovations to the room in which the console is housed	550,000

**Item #19 Department of Administrative Services: School Building Projects (\$250,000,000 in new GO Bonds)**

These funds are requested to finance a portion of estimated grants-in-aid for the state's reimbursement of construction costs associated with local school building projects. These projects include expansion, renovations and improvements, safety and health related projects, vocational agricultural centers and cooperative regional special educational facilities. This program also funds capital improvements to schools that are part of the Connecticut Technical Education and Career System.

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