



General Assembly **File No. 678**

**January Session,
2015**

Substitute House Bill No. 6851

House of Representatives, April 16, 2015

The Committee on Planning and Development reported through REP. MILLER, P. of the 36th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT ESTABLISHING THE CONNECTICUT TRANSIT CORRIDOR DEVELOPMENT AUTHORITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective October 1, 2015*) (a) For purposes of this section and sections 2 to 9, inclusive, of this act:

- (1) "Authority" means the Connecticut Transit Corridor Development Authority created pursuant to this section;
- (2) "Authority development project" means a project occurring within the boundaries of a Connecticut Transit Corridor Development Authority development district;
- (3) "Connecticut Transit Corridor Development Authority development district" or "development district" means an area around a transit station, determined by a memorandum of agreement between the authority and the chief executive officer of the municipality where such transit station is located, provided such area shall not exceed a one-half mile radius of such transit station;
- (4) "Department" means the Department of Transportation;
- (5) "State-wide transportation investment program" means the planning document developed and updated at least every four years by the department in compliance with the requirements of 23 USC 135, listing all transportation projects in the state expected to

receive federal funding during the four-year period covered by the program; and

(6) "Transit station" means any passenger railroad station or Hartford-New Britain busway project station that is operational, or for which the department has initiated planning or that is included in the state-wide transportation investment program.

(b) There is hereby established and created a body politic and corporate, constituting a public instrumentality and political subdivision of the state established and created for the performance of an essential public and governmental function, to be known as the Connecticut Transit Corridor Development Authority. The authority shall not be construed to be a department, institution or agency of the state.

(c) (1) The powers of the authority shall be vested in and exercised by a board of directors, which shall consist of eleven members: (A) Four appointed by the Governor; (B) one appointed jointly by the speaker of the House of Representatives and the president pro tempore of the Senate; (C) one appointed jointly by the majority leaders of the House of Representatives and the Senate; (D) one appointed jointly by the minority leaders of the House of Representatives and the Senate; and (E) the Secretary of the Office of Policy and Management and the Commissioners of Transportation, Housing and Economic and Community Development, or their designees, who shall serve as ex officio members of the board, with the right to vote.

(2) In addition to the members listed under subdivision (1) of this subsection, the chief elected official of each municipality in which an authority development project is planned, or such official's designee, shall serve as an ad hoc, voting member of the board solely for matters directly affecting such project and not including matters pertaining to the general operations of the authority.

(3) In addition to the members listed under subdivisions (1) and (2) of this subsection, the executive director of the regional council of governments for the planning region in which an authority development project is planned, or such executive director's designee, shall serve as an ad hoc, nonvoting member of the board solely for matters directly affecting such project and not including matters pertaining to the general operations of the authority.

(4) The Governor shall designate the chairperson of the board from among the voting members. All initial appointments shall be made not later than thirty days after the effective date of this section. The terms of the initial board members shall be as follows: (A) The four members appointed by the Governor shall serve terms of four years from the date of appointment; (B) the member appointed jointly by the speaker of the House of Representatives and the president pro tempore of the Senate shall serve a term of two years from the date of appointment; (C) the member appointed jointly by the majority leaders of the House of Representatives and the Senate shall serve a term of two years from the date of appointment; and (D) the member appointed jointly by the minority leaders of the House of Representatives and the Senate shall serve a term of two years from the date of appointment. Thereafter, all members shall be appointed by the original appointing authority for four-year terms. Any member of the board shall be eligible for

reappointment. Any vacancy occurring other than by expiration of term shall be filled in the same manner as the original appointment for the balance of the unexpired term. The appointing authority for any member may remove such member for misfeasance, malfeasance or wilful neglect of duty.

(5) Each member of the board, before commencing such member's duties, shall take and subscribe the oath or affirmation required by article XI, section 1, of the state Constitution. A record of each such oath shall be filed in the office of the Secretary of the State.

(6) The board of directors shall maintain a record of its proceedings in such form as it determines, provided such record indicates attendance and all votes cast by each member. Any member who fails to attend three consecutive meetings or who fails to attend fifty per cent of all meetings held during any calendar year shall be deemed to have resigned from the board. A majority of the members of the board shall constitute a quorum, and an affirmative vote by a majority of the members present at a meeting of the board shall be sufficient for any action taken by the board. No vacancy in the membership of the board shall impair the right of a quorum to exercise all the rights and perform all the duties of the board. Any action taken by the board may be authorized by resolution at any regular or special meeting and shall take effect immediately unless otherwise provided in the resolution. The board may delegate to three or more of its members, or its officers, agents or employees, such board powers and duties as it may deem proper.

(d) (1) The board of directors shall annually elect one of its members as a vice-chairperson, and shall elect other of its members as officers, adopt a budget and bylaws, designate an executive committee, report semiannually to the appointing authorities with respect to operations, finances and achievement of its economic development objective, be accountable to and cooperate with the state whenever the state may audit the Connecticut Transit Corridor Development Authority or an authority development project or at any other time as the state may inquire as to either, including allowing the state reasonable access to any such project and to the records of the authority.

(2) The chairperson of the board, with the approval of the members of the board of directors, shall appoint an executive director of the authority who shall be an employee of the authority and paid a salary prescribed by the members. The executive director shall be the chief administrative officer of the authority and shall supervise the administrative affairs and technical activities of the authority in accordance with the directives of the board. The executive director shall not be a member of the board.

(3) Each member of the board of directors shall be entitled to reimbursement for such member's actual and necessary expenses incurred during the performance of such member's official duties, but shall receive no compensation for the performance of such duties.

(e) Each member of the board of directors of the authority and the executive director shall execute a surety bond in the penal sum of at least one hundred thousand dollars, or, in lieu thereof, the chairperson of the board shall execute a blanket position bond covering each member, the executive director and the employees of the authority. Each surety

bond shall be conditioned upon the faithful performance of the duties of the office or offices covered, be executed by a surety company authorized to transact business in this state as a surety and be approved by the Attorney General and filed in the office of the Secretary of the State. The cost of each bond shall be paid by the authority.

(f) No board member shall have or acquire any financial interest in (1) any authority development project, or (2) any property included or planned to be included in any such project or in any contract or proposed contract for materials or services to be used in such project.

(g) The authority shall have perpetual succession and shall adopt procedures for the conduct of its affairs in accordance with section 3 of this act. Such succession shall continue as long as the authority has bonds, notes or other obligations outstanding and until its existence is terminated by law, provided no such termination shall affect any outstanding contractual obligation of the authority and the state shall succeed to the obligations of the authority under any contract. Upon the termination of the existence of the authority, all its rights and properties shall pass to and be vested in the state.

Sec. 2. (NEW) (*Effective October 1, 2015*) (a) The purposes of the Connecticut Transit Corridor Development Authority shall be to: (1) Stimulate new investment and economic and transit-oriented development, as defined in section 13b-79kk of the general statutes, within Connecticut Transit Corridor Development Authority development districts through cooperation and coordination with the municipalities wherein each such development district is located; (2) stimulate tourism, art, culture, history, education and entertainment in such development districts through cooperation and coordination with the municipalities wherein each such development district is located, regional organizations and the Department of Economic and Community Development; (3) manage facilities through contractual agreement or other legal instrument; (4) upon request from the legislative body of a municipality wherein a development district is located, work with such municipality to assist in the development and redevelopment efforts to stimulate the economy of the region; and (5) upon request of the Secretary of the Office of Policy and Management, enter into an agreement to facilitate development or redevelopment within a development district.

(b) For the purposes enumerated in subsection (a) of this section, the authority is authorized and empowered to:

(1) Have perpetual succession as a body politic and corporate and to adopt procedures for the regulation of its affairs and the conduct of its business, as provided in section 3 of this act;

(2) Adopt a corporate seal and alter the same at pleasure;

(3) Maintain an office at such place or places as it may designate;

(4) Sue and be sued in its own name, plead and be impleaded;

(5) Contract and be contracted with;

(6) (A) Employ such assistants, agents and other employees as may be necessary or desirable to carry out its purposes, which employees shall be exempt from the classified service and shall not be employees, as defined in subsection (b) of section 5-270 of the general statutes; (B) establish all necessary or appropriate personnel practices and policies, including those relating to hiring, promotion, compensation, retirement and collective bargaining, which need not be in accordance with chapter 68 of the general statutes, and the authority shall not be an employer as defined in subsection (a) of section 5-270 of the general statutes; (C) negotiate and enter into collective bargaining agreements with labor unions; and (D) engage consultants, attorneys and appraisers as may be necessary or desirable to carry out its purposes in accordance with sections 1 to 8, inclusive, of this act;

(7) Acquire, lease, purchase, own, manage, hold and dispose of personal property, and lease, convey or deal in or enter into agreements with respect to such property on any terms necessary or incidental to carrying out the purposes set forth in this section;

(8) Procure insurance against any liability or loss in connection with its property and other assets, in such amounts and from such insurers as it deems desirable and to procure insurance for employees;

(9) Invest any funds not needed for immediate use or disbursement in obligations issued or guaranteed by the United States of America or the state of Connecticut, including the Short Term Investment Fund and the Tax-Exempt Proceeds Fund, and in other obligations that are legal investments for savings banks in this state, and in time deposits or certificates of deposit or other similar banking arrangements secured in such manner as the authority determines;

(10) Enter into such memoranda of understanding as the authority deems appropriate to carry out its responsibilities under this section; and

(11) Do all acts and things necessary or convenient to carry out the purposes of, and the powers expressly granted by, this section.

(c) In addition to the powers enumerated in subsection (b) of this section, the Connecticut Transit Corridor Development Authority shall have the following powers with respect to authority development projects:

(1) (A) To acquire by gift, purchase, lease or transfer, lands or rights-in-land and to sell and lease or sublease, as lessor or lessee or sublessor or sublessee, any portion of its real property rights, including air space above, and enter into related common area maintenance, easement, access, support and similar agreements, and own and operate facilities associated with authority development projects, provided such activity is consistent with all applicable federal tax covenants of the authority; (B) to transfer or dispose of any property or interest therein acquired by the authority at any time; and (C) to receive and accept aid or contributions from any source of money, labor, property or

other thing of value, to be held, used and applied to carry out the purposes of this section, subject to the conditions upon which such grants and contributions are made, including, but not limited to, gifts or grants from any department, agency or instrumentality of the United States or this state for any purpose consistent with this section;

(2) To formulate plans for, acquire, finance and develop, lease, purchase, construct, reconstruct, repair, improve, expand, extend, operate, maintain and market facilities associated with authority development projects, provided such activities are consistent with all applicable federal tax covenants of the authority;

(3) To contract and be contracted with, provided if management, operating or promotional contracts or agreements or other contracts or agreements are entered into with nongovernmental parties with respect to property financed with the proceeds of obligations, the interest on which is excluded from gross income for federal income taxation, the board of directors shall ensure that such contracts or agreements are in compliance with the covenants of the authority upon which such tax exclusion is conditioned;

(4) To fix and revise, from time to time, and to charge and collect fees, rents and other charges for the use, occupancy or operation of authority development projects, and to establish and revise from time to time procedures concerning the use, operation and occupancy of facilities associated with such projects, including parking rates, rules and procedures, provided such arrangements are consistent with all applicable federal tax covenants of the authority, and to utilize net revenues received by the authority from the operation of such facilities, after allowance for operating expenses and other charges related to the ownership, operation or financing thereof, for other proper purposes of the authority, including, but not limited to, funding of operating deficiencies or operating or capital replacement reserves for such facilities and related parking facilities, as determined to be appropriate by the authority;

(5) To engage architects, engineers, attorneys, accountants, consultants and such other independent professionals as may be necessary or desirable to carry out authority development projects;

(6) To contract for construction, development, concessions and the procurement of goods and services, and to establish and modify procurement procedures from time to time in accordance with the provisions of section 3 of this act to implement the foregoing;

(7) To borrow money and to issue bonds, notes and other obligations of the authority to the extent permitted under section 6 of this act, to fund and refund the same and to provide for the rights of the holders thereof and to secure the same by pledge of assets, revenues and notes;

(8) To do anything necessary and desirable, including executing reimbursement agreements or similar agreements in connection with credit facilities, including, but not limited to, letters of credit or policies of bond insurance, remarketing agreements and agreements for the purpose of moderating interest rate fluctuations, to render any bonds

to be issued pursuant to section 6 of this act more marketable; and

(9) To engage in and contract for marketing and promotional activities for authority development projects under the operation or jurisdiction of the authority.

(d) The Connecticut Transit Corridor Development Authority and the Capital Region Development Authority established pursuant to chapter 588x of the general statutes, may enter into a memorandum of understanding pursuant to which: (1) Administrative support and services, including all staff support necessary for the operations of the Connecticut Transit Corridor Development Authority may be provided by the Capital Region Development Authority, and (2) provision is made for the coordination of management and operational activities that may include: (A) Joint procurement and contracting; (B) the sharing of services and resources; (C) the coordination of promotional activities; and (D) other arrangements designed to enhance revenues, reduce operating costs or achieve operating efficiencies. The terms and conditions of such memorandum of understanding, including provisions with respect to the reimbursement by the Connecticut Transit Corridor Development Authority to the Capital Region Development Authority of the costs of such administrative support and services, shall be as the Connecticut Transit Corridor Development Authority and the Capital Region Development Authority determine to be appropriate.

(e) Prior to taking any action in a development district, the Connecticut Transit Corridor Development Authority and municipality where such district is located shall enter into a memorandum of understanding. Such memorandum shall include, but not be limited to, (1) defined responsibilities of the authority and the municipality with regard to such district; (2) identification of the properties within such district that are controlled or owned by the authority, the state, the municipality or a private entity; (3) long and short range plans for the district, including any foreseeable changes of use or control of properties located therein; (4) identification and allocation of revenue sources for projects within such district, including, but not limited to, bonding, taxes, fees, rental income or parking; and (5) agreement as to the types of activities that will require a public hearing.

(f) Nothing in sections 1 to 8, inclusive, of this act shall be construed as exempting development projects of the Connecticut Transit Corridor Development Authority on privately or municipally owned property from municipal zoning, subdivision or wetland regulations, municipal plans of conservation and development or any municipal ordinance.

(g) Nothing in sections 1 to 8, inclusive, of this act shall be construed as limiting the authority of the Connecticut Transit Corridor Development Authority to enter into agreements to facilitate development or redevelopment of state property or facilities.

Sec. 3. (NEW) (*Effective October 1, 2015*) The board of directors of the Connecticut Transit Corridor Development Authority shall adopt written procedures, in accordance with the provisions of section 1-121 of the general statutes, for: (1) Adopting an annual budget and plan of operations, which shall include a requirement of board approval before the budget or plan may take effect; (2) hiring, dismissing, promoting and compensating

employees of the authority, which shall include an affirmative action policy and a requirement of board approval before a position may be created or a vacancy filled; (3) acquiring real and personal property and personal services, which shall include a requirement of board approval for any nonbudgeted expenditure in excess of five thousand dollars; (4) contracting for financial, legal, bond underwriting and other professional services, including a requirement that the authority solicit proposals at least once every three years for each such service that it uses; (5) issuing and retiring bonds, notes and other obligations of the authority; (6) providing loans, grants and other financial assistance, which shall include eligibility criteria, the application process and the role played by the authority's staff and board of directors; and (7) the use of surplus funds.

Sec. 4. (NEW) (*Effective October 1, 2015*) (a) In lieu of the report required under section 1-123 of the general statutes, within the first ninety days of each fiscal year of the Connecticut Transit Corridor Development Authority, the board of directors of the authority shall submit a report to the Governor, the Auditors of Public Accounts and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding. Such report shall include, but not be limited to, the following: (1) A list of all bonds issued during the preceding fiscal year, including, for each such issue, the financial advisor and underwriters, whether the issue was competitive, negotiated or privately placed, and the issue's face value and net proceeds; (2) a description of each authority development project in which the authority is involved, its location and the amount of funds, if any, provided by the authority with respect to the construction of such project; (3) a list of all outside individuals and firms, including principal and other major stockholders, receiving in excess of five thousand dollars as payments for services; (4) a comprehensive annual financial report prepared in accordance with generally accepted accounting principles for governmental enterprises; (5) the cumulative value of all bonds issued, the value of outstanding bonds and the amount of the state's contingent liability; (6) the affirmative action policy statement, a description of the composition of the work force of the Connecticut Transit Corridor Development Authority by race, sex and occupation and a description of the affirmative action efforts of the authority; and (7) a description of planned activities for the current fiscal year.

(b) The board of directors of the authority shall annually contract with a person, firm or corporation for a compliance audit of the authority's activities during the preceding authority fiscal year. The audit shall determine whether the authority has complied with its policies and procedures concerning affirmative action, personnel practices, the purchase of goods and services and the use of surplus funds. The board shall submit the audit report to the Governor, the Auditors of Public Accounts and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

(c) The board of directors of the authority shall annually contract with a firm of certified public accountants to undertake an independent financial audit of the Connecticut Transit Corridor Development Authority in accordance with generally accepted auditing

standards. The board shall submit the audit report to the Governor, the Auditors of Public Accounts and the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding.

(d) The authority shall designate a contract compliance officer from its staff to monitor compliance of the operations of facilities and parking facilities associated with authority development projects that are under the management or control of the authority, with (1) the provisions of state law applicable to such operations, and (2) applicable requirements of contracts entered into by the authority relating to set-asides for small contractors and minority business enterprises and required efforts to hire available and qualified members of minorities, as defined in section 32-9n of the general statutes. Each year during the period of operations of facilities associated with authority development projects, such officer shall file a written report with the authority as to findings and recommendations regarding such compliance.

Sec. 5. (NEW) (*Effective October 1, 2015*) (a) Any person, including, but not limited to, a state or municipal agency, requesting funds from the state, including, but not limited to, any authority created by the general statutes or any public or special act, with respect to any authority development project shall, at the time it makes such request for funds from the state, present a full and complete copy of its application or request along with any supporting documents or exhibits to the authority for its recommendation and to the Secretary of the Office of Policy and Management. The Connecticut Transit Corridor Development Authority shall, not later than ninety days after receipt of such application or request, prepare and adopt an economic development statement summarizing its recommendations with respect to such application or request and deliver such statement to the state officer, official, employee or agent of the state or authority to whom such application or request was made. In preparing such economic development statement, the Connecticut Transit Corridor Development Authority shall consider any written statement submitted by the regional council of governments for the planning region in which the authority development project is planned. The recommendations in such statement shall include contract provisions regarding performance standards, including, but not limited to, project timelines.

(b) Notwithstanding any provision of the general statutes, public or special acts, any regulation or procedure or any other law, no officer, official, employee or agent of the state or any authority created by the general statutes or any public or special act, shall expend any funds on any authority development project, unless such officer, official, employee or agent has received an economic development statement adopted by the Connecticut Transit Corridor Development Authority pursuant to subsection (a) of this section, except that if no such statement is received by the date ninety days from the date of the initial application or request for such funds, such funds may be expended. If funds are expended pursuant to this subsection in a manner not consistent with the recommendations contained in an economic development statement for such expenditure, the officer, official, employee or agent of the state expending such funds shall respond in writing to the authority, providing an explanation of the decision with respect to such expenditure.

(c) The Connecticut Transit Corridor Development Authority shall coordinate the use of all state, municipal and quasi-public agency planning and financial resources that are made available for any authority development project in which the authority is involved, including any resources available from any quasi-public agency.

(d) All state agencies, departments, boards, commissions, councils and quasi-public agencies shall cooperate with the Connecticut Transit Corridor Development Authority in carrying out the purposes set forth in section 2 of this act.

Sec. 6. (NEW) (*Effective October 1, 2015*) (a) The board of directors of the Connecticut Transit Corridor Development Authority is authorized from time to time to issue its bonds, notes and other obligations in such principal amounts as in the opinion of the board shall be necessary to provide sufficient funds for carrying out the purposes set forth in section 2 of this act, including the payment, funding or refunding of the principal of, or interest or redemption premiums on, any bonds, notes and other obligations issued by it, whether the bonds, notes or other obligations or interest to be funded or refunded have or have not become due, the establishment of reserves to secure such bonds, notes and other obligations, loans made by the authority and all other expenditures of the authority incident to and necessary or convenient to carry out the purposes set forth in section 2 of this act.

(b) Every issue of bonds, notes or other obligations shall be a general obligation of the authority payable out of any moneys or revenues of the authority and subject only to any agreements with the holders of particular bonds, notes or other obligations pledging any particular moneys or revenues. Any such bonds, notes or other obligations may be additionally secured by any grant or contributions from any department, agency or instrumentality of the United States or person or a pledge of any moneys, income or revenues of the authority from any source whatsoever.

(c) Notwithstanding any other provision of any law, any bonds, notes or other obligations issued by the authority pursuant to this section shall be fully negotiable within the meaning and for all purposes of title 42a of the general statutes. Any such bonds, notes or other obligations shall be legal investments for all trust companies, banks, investment companies, savings banks, building and loan associations, executors, administrators, guardians, conservators, trustees and other fiduciaries and pension, profit-sharing and retirement funds.

(d) Bonds, notes or other obligations of the authority shall be authorized by resolution of the board of directors of the authority and may be issued in one or more series and shall bear such date or dates, mature at such time or times, in the case of any such note, or any renewal thereof, not exceeding the term of years as the board shall determine from the date of the original issue of such notes, and, in the case of bonds, not exceeding thirty years from the date thereof, bear interest at such rate or rates, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable from such sources in such medium of payment at such place or places within or

without this state, and be subject to such terms of redemption, with or without premium, as such resolution or resolutions may provide.

(e) Bonds, notes or other obligations of the authority may be sold at public or private sale at such price or prices as the board shall determine.

(f) Bonds, notes or other obligations of the authority may be refunded and renewed from time to time as may be determined by resolution of the board, provided any such refunding or renewal shall be in conformity with any rights of the holders of such bonds, notes or other obligations.

(g) Bonds, notes or other obligations of the authority issued under the provisions of this section shall not be deemed to constitute a debt or liability of the state or of any political subdivision thereof other than the authority, or a pledge of the faith and credit of the state or of any such political subdivision other than the authority, and shall not constitute bonds or notes issued or guaranteed by the state within the meaning of section 3-21 of the general statutes, but shall be payable solely from the funds as provided in this section. All such bonds, notes or other obligations shall contain on the face thereof a statement to the effect that neither the state of Connecticut nor any political subdivision thereof other than the authority shall be obligated to pay the same or the interest thereof except from revenues or other funds of the authority and that neither the faith and credit nor the taxing power of the state of Connecticut or of any political subdivision thereof other than the authority is pledged to the payment of the principal of, or the interest on, such bonds, notes or other obligations.

(h) Any resolution or resolutions authorizing the issuance of bonds, notes or other obligations may contain provisions, except as limited by existing agreements with the holders of bonds, notes or other obligations, which shall be a part of the contract with the holders thereof, as to the following: (1) The pledging of all or any part of the moneys received by the authority to secure the payment of the principal of and interest on any bonds, notes or other obligations or of any issue thereof; (2) the pledging of all or part of the assets of the authority to secure the payment of the principal and interest on any bonds, notes or other obligations or of any issue thereof; (3) the establishment of reserves or sinking funds, the making of charges and fees to provide for the same, and the regulation and disposition thereof; (4) limitations on the purpose to which the proceeds of sale of bonds, notes or other obligations may be applied and pledging such proceeds to secure the payment of the bonds, notes or other obligations, or of any issues thereof; (5) limitations on the issuance of additional bonds, notes or other obligations, the terms upon which additional bonds, bond anticipation notes or other obligations may be issued and secured, the refunding or purchase of outstanding bonds, notes or other obligations of the authority; (6) the procedure, if any, by which the terms of any contract with the holders of any bonds, notes or other obligations of the authority may be amended or abrogated, the amount of bonds, notes or other obligations the holders of which must consent thereto and the manner in which such consent may be given; (7) limitations on the amount of moneys to be expended by the authority for operating, administrative or other expenses of the authority; (8) the vesting in a trustee or trustees of such property, rights, powers

and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of any trustee appointed by the holders of any bonds, notes or other obligations and limiting or abrogating the right of the holders of any bonds, notes or other obligations of the authority to appoint a trustee or limiting the rights, powers and duties of such trustee; (9) provision for a trust agreement by and between the authority and a corporate trustee which may be any trust company or bank having the powers of a trust company within or without the state, which agreement may provide for the pledging or assigning of any assets or income from assets to which or in which the authority has any rights or interest, and may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of any bonds, notes or other obligations of the authority and not otherwise in violation of law. Such agreement may provide for the restriction of the rights of any individual holder of bonds, notes or other obligations of the authority. All expenses incurred in carrying out the provisions of such trust agreement may be treated as a part of the cost of operation of the authority. The trust agreement may contain any further provisions which are reasonable to delineate further the respective rights, duties, safeguards, responsibilities and liabilities of the authority, individual and collective holders of bonds, notes and other obligations of the authority and the trustees; (10) covenants to do or refrain from doing such acts and things as may be necessary or convenient or desirable in order to better secure any bonds, notes or other obligations of the authority, or which, in the discretion of the authority, will tend to make any bonds, notes or other obligations to be issued more marketable, notwithstanding that such covenants, acts or things may not be enumerated herein; and (11) any other matters of like or different character, which in any way affect the security or protection of the bonds, notes or other obligations.

(i) Any pledge made by the authority of income, revenues or other property shall be valid and binding from the time the pledge is made. The income, revenue, such state taxes as the authority shall be entitled to receive or other property so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether such parties have notice thereof.

(j) The board of directors of the authority is authorized and empowered to obtain from any department, agency or instrumentality of the United States any insurance or guarantee as to, or of or for the payment or repayment of, interest or principal or both, or any part thereof, on any bonds, notes or other obligations issued by the authority pursuant to the provisions of this section and, notwithstanding any other provisions of sections 1 to 8, inclusive, of this act, to enter into any agreement, contract or any other instrument whatsoever with respect to any such insurance or guarantee except to the extent that such action would in any way impair or interfere with the authority's ability to perform and fulfill the terms of any agreement made with the holders of the bonds, bond anticipation notes or other obligations of the authority.

(k) Neither the members of the board of directors of the authority nor any person executing bonds, notes or other obligations of the authority issued pursuant to this

section shall be liable personally on such bonds, notes or other obligations or be subject to any personal liability or accountability by reason of the issuance thereof, nor shall any director, officer or employee of the authority be personally liable for damage or injury caused in the performance of such director, officer or employee's duties and within the scope of employment or appointment as such director, officer or employee, provided the conduct of such director, officer or employee was found not to have been wanton, reckless, wilful or malicious. The authority shall protect, save harmless and indemnify its directors, officers or employees from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged negligence or alleged deprivation of any person's civil rights or any other act or omission resulting in damage or injury, if the director, officer or employee is found to have been acting in the discharge of his or her duties or within the scope of his or her employment and such act or omission is found not to have been wanton, reckless, wilful or malicious.

(l) The board of directors of the authority shall have power to purchase bonds, notes or other obligations of the authority out of any funds available for such purpose. The authority may hold, cancel or resell such bonds, notes or other obligations subject to and in accordance with agreements with holders of its bonds, notes and other obligations.

(m) All moneys received pursuant to the authority of this section, whether as proceeds from the sale of bonds or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this section. Any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes of section 2 of this act, and the resolution authorizing the bonds of any issue or the trust agreement securing such bonds may provide.

(n) Any holder of bonds, notes or other obligations issued under the provisions of this section, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any resolution authorizing the issuance of or any such trust agreement securing such bonds, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted under this section or under such resolution or trust agreement and may enforce and compel the performance of all duties required by this section or by such resolution or trust agreement to be performed by the authority or by any officer, employee or agent of the authority, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

(o) The authority may make representations and agreements for the benefit of the holders of any bonds, notes or other obligations of the state which are necessary or appropriate to ensure the exclusion from gross income for federal income tax purposes of interest on bonds, notes or other obligations of the state from taxation under the Internal Revenue Code of 1986 or any subsequent corresponding internal revenue code of the United States, as from time to time amended, including agreement to pay rebates to the federal government of investment earnings derived from the investment of the proceeds of the

bonds, notes or other obligations of the authority. Any such agreement may include: (1) A covenant to pay rebates to the federal government of investment earnings derived from the investment of the proceeds of the bonds, notes or other obligations of the authority; (2) a covenant that the authority will not limit or alter its rebate obligations until its obligations to the holders or owners of such bonds, notes or other obligations are finally met and discharged; and (3) provisions to (A) establish trust and other accounts which may be appropriate to carry out such representations and agreements, (B) retain fiscal agents as depositories for such funds and accounts, and (C) provide that such fiscal agents may act as trustee of such funds and accounts.

Sec. 7. (NEW) (*Effective October 1, 2015*) The state of Connecticut does hereby pledge to and agree with the holders of any bonds, notes and other obligations issued under section 6 of this act and with those parties who may enter into contracts with the Connecticut Transit Corridor Development Authority or its successor agency, that the state will not limit or alter the rights hereby vested in the authority or in the holders of any bonds, notes or other obligations of the authority to which contract assistance is pledged pursuant to this section until such obligations, together with the interest thereon, are fully met and discharged and such contracts are fully performed on the part of the authority, provided nothing contained herein shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such bonds, notes and other obligations of the authority or those entering into contracts with the authority. The authority is authorized to include this pledge and undertaking for the state in such bonds, notes and other obligations or contracts.

Sec. 8. (NEW) (*Effective October 1, 2015*) The state shall protect, save harmless and indemnify the Connecticut Transit Corridor Development Authority and its directors, officers and employees from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment based upon any alleged act or omission of the authority or any such director, officer or employee in connection with, or any other legal challenge to, authority development projects within a Connecticut Transit Corridor Development Authority development district, provided any such director, officer or employee is found to have been acting in the discharge of such director, officer or employee's duties or within the scope of such director, officer or employee's employment and any such act or omission is found not to have been wanton, reckless, wilful or malicious.

Sec. 9. Subdivision (12) of section 1-79 of the general statutes, as amended by section 4 of public act 14-222, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(12) "Quasi-public agency" means Connecticut Innovations, Incorporated, the Connecticut Health and Education Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the State Housing Authority, the Materials Innovation and Recycling Authority, the Capital Region Development Authority, the Connecticut Lottery Corporation, the Connecticut Airport Authority, the Health Information Technology Exchange of Connecticut, the Connecticut

Health Insurance Exchange, the Connecticut Green Bank, [and] the Connecticut Port Authority, and the Connecticut Transit Corridor Development Authority.

Sec. 10. Subdivision (1) of section 1-120 of the general statutes, as amended by section 5 of public act 14-222, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(1) "Quasi-public agency" means Connecticut Innovations, Incorporated, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, the Materials Innovation and Recycling Authority, the Capital Region Development Authority, the Connecticut Lottery Corporation, the Connecticut Airport Authority, the Health Information Technology Exchange of Connecticut, the Connecticut Health Insurance Exchange, the Connecticut Green Bank, [and] the Connecticut Port Authority, and the Connecticut Transit Corridor Development Authority.

Sec. 11. Section 1-124 of the general statutes, as amended by section 6 of public act 14-222, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

(a) Connecticut Innovations, Incorporated, the Connecticut Health and Educational Facilities Authority, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, the Materials Innovation and Recycling Authority, the Health Information Technology Exchange of Connecticut, the Connecticut Airport Authority, the Capital Region Development Authority, the Connecticut Health Insurance Exchange, the Connecticut Green Bank, [and] the Connecticut Port Authority and the Connecticut Transit Corridor Development Authority shall not borrow any money or issue any bonds or notes which are guaranteed by the state of Connecticut or for which there is a capital reserve fund of any kind which is in any way contributed to or guaranteed by the state of Connecticut until and unless such borrowing or issuance is approved by the State Treasurer or the Deputy State Treasurer appointed pursuant to section 3-12. The approval of the State Treasurer or said deputy shall be based on documentation provided by the authority that it has sufficient revenues to (1) pay the principal of and interest on the bonds and notes issued, (2) establish, increase and maintain any reserves deemed by the authority to be advisable to secure the payment of the principal of and interest on such bonds and notes, (3) pay the cost of maintaining, servicing and properly insuring the purpose for which the proceeds of the bonds and notes have been issued, if applicable, and (4) pay such other costs as may be required.

(b) To the extent Connecticut Innovations, Incorporated, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, the Materials Innovation and Recycling Authority, the Connecticut Health and Educational Facilities Authority, the Health Information Technology Exchange of Connecticut, the Connecticut Airport Authority, the Capital Region Development Authority, the Connecticut Health Insurance Exchange, the

Connecticut Green Bank, [or] the Connecticut Port Authority [or the Connecticut Transit Corridor Development Authority](#) is permitted by statute and determines to exercise any power to moderate interest rate fluctuations or enter into any investment or program of investment or contract respecting interest rates, currency, cash flow or other similar agreement, including, but not limited to, interest rate or currency swap agreements, the effect of which is to subject a capital reserve fund which is in any way contributed to or guaranteed by the state of Connecticut, to potential liability, such determination shall not be effective until and unless the State Treasurer or his or her deputy appointed pursuant to section 3-12 has approved such agreement or agreements. The approval of the State Treasurer or his or her deputy shall be based on documentation provided by the authority that it has sufficient revenues to meet the financial obligations associated with the agreement or agreements.

Sec. 12. Section 1-125 of the general statutes, as amended by section 7 of public act 14-222, is repealed and the following is substituted in lieu thereof (*Effective October 1, 2015*):

The directors, officers and employees of Connecticut Innovations, Incorporated, the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Housing Finance Authority, the Connecticut Housing Authority, the Materials Innovation and Recycling Authority, including ad hoc members of the Materials Innovation and Recycling Authority, the Connecticut Health and Educational Facilities Authority, the Capital Region Development Authority, the Health Information Technology Exchange of Connecticut, the Connecticut Airport Authority, the Connecticut Lottery Corporation, the Connecticut Health Insurance Exchange, the Connecticut Green Bank, [and] the Connecticut Port Authority [and the Connecticut Transit Corridor Development Authority](#) and any person executing the bonds or notes of the agency shall not be liable personally on such bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof, nor shall any director or employee of the agency, including ad hoc members of the Materials Innovation and Recycling Authority, be personally liable for damage or injury, not wanton, reckless, wilful or malicious, caused in the performance of his or her duties and within the scope of his or her employment or appointment as such director, officer or employee, including ad hoc members of the Materials Innovation and Recycling Authority. The agency shall protect, save harmless and indemnify its directors, officers or employees, including ad hoc members of the Materials Innovation and Recycling Authority, from financial loss and expense, including legal fees and costs, if any, arising out of any claim, demand, suit or judgment by reason of alleged negligence or alleged deprivation of any person's civil rights or any other act or omission resulting in damage or injury, if the director, officer or employee, including ad hoc members of the Materials Innovation and Recycling Authority, is found to have been acting in the discharge of his or her duties or within the scope of his or her employment and such act or omission is found not to have been wanton, reckless, wilful or malicious.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2015</i>	New section
Sec. 2	<i>October 1, 2015</i>	New section
Sec. 3	<i>October 1, 2015</i>	New section
Sec. 4	<i>October 1, 2015</i>	New section
Sec. 5	<i>October 1, 2015</i>	New section
Sec. 6	<i>October 1, 2015</i>	New section
Sec. 7	<i>October 1, 2015</i>	New section
Sec. 8	<i>October 1, 2015</i>	New section
Sec. 9	<i>October 1, 2015</i>	1-79(12)
Sec. 10	<i>October 1, 2015</i>	1-120(1)
Sec. 11	<i>October 1, 2015</i>	1-124
Sec. 12	<i>October 1, 2015</i>	1-125

PD *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note**State Impact:** None**Municipal Impact:**

Municipalities	Effect	FY 16 \$	FY 17 \$
Various Municipalities	Grand List Increase	Potential	Potential

Explanation

The bill establishes the Connecticut Transit Corridor Development Authority (CTCDA). It allows the CTCDA, after entering into a memorandum of understanding (MOU) with an affected municipality, to develop property and manage facilities in certain developments.

To the extent that development of property results in increased property values in affected districts, affected municipalities would experience a grand list increase. This increase would result in additional property tax revenue, given a constant mill rate. Any other impact to municipalities would depend on the terms of any MOUs the CTCDA enters into with them.

The bill also allows the CTCDA and the Capital Region Development Authority (CRDA) to enter into a memorandum of understanding (MOU) that will allow CRDA to provide administrative support to the authority. The bill allows the MOU to include terms for reimbursement by the authority to CRDA for such services. There is therefore no fiscal impact to CRDA.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in municipal grand lists and subject to the terms of any MOUs that the CTCDA enters into.

OLR Bill Analysis**sHB 6851****AN ACT ESTABLISHING THE CONNECTICUT TRANSIT CORRIDOR DEVELOPMENT AUTHORITY.****SUMMARY:**

This bill creates the Connecticut Transit Corridor Development Authority (CTCDA) as a quasi-public agency to, among other things, stimulate new investment and economic and

transit-oriented development near transit stations. It authorizes CTCDA, after entering into a memorandum of understanding (MOU) with an affected municipality, to develop property and manage facilities in development districts encompassing the areas around existing and planned transit stations (i.e., "development districts").

The bill establishes an 11-member board to govern CTCDA and gives it general powers to operate as a quasi-public agency and development-specific powers for projects within CTCDA development districts. It authorizes CTCDA to (1) issue bonds and other notes backed by its financial resources and (2) enter into an MOU with the Capital Region Development Authority (CRDA) for administrative support and services. It subjects CTCDA to specific auditing and reporting requirements.

EFFECTIVE DATE: October 1, 2015

QUASI-PUBLIC AGENCY

The bill makes CTCDA a public instrumentality and political subdivision of the state, created to perform an essential public and government function. It is a quasi-public agency, not a state department, institution, or agency, and as such is subject to statutory procedural, operating, and reporting requirements for quasi-public agencies, including lobbying restrictions and an ethics code.

It has perpetual succession as long as any of its obligations are outstanding. Termination does not affect outstanding contractual obligations. Its rights and properties vest in the state when it lawfully terminates.

PURPOSE

Under the bill, CTCDA must (1) stimulate new investment and economic and transit-oriented development (TOD) in development districts through cooperation and coordination with the municipality in which a district is located. Under existing law and the bill, TOD means development within one-half mile or walking distance of public transportation facilities (including rail and bus rapid transit and services) that meets transit-supportive standards for land uses, built environment densities, and walkable environments in order to facilitate and encourage their use.

CTCDA must also:

1. stimulate tourism, art, culture, history, education, and entertainment in development districts by cooperating with regional organizations, DECD, and the municipality in which a district is located;
2. manage facilities through contractual agreements or other legal instruments;
3. assist municipalities in which a district is located, at the request of their legislative bodies, in development and redevelopment efforts to stimulate the region's economy; and
4. enter into an agreement to facilitate development or redevelopment property within a

development district, at the OPM secretary's request.

POWERS

General Powers

The bill gives CTCDA general powers to function as a quasi-public agency and specific powers related to projects occurring within a CTCDA development district's boundaries ("authority development projects"). The general powers allow it to:

1. have perpetual succession as a corporate body;
2. adopt and alter a corporate seal;
3. adopt procedures for regulating and conducting its affairs;
4. maintain offices;
5. sue and be sued;
6. purchase insurance for its property, other assets, and employees;
7. enter into contracts and MOUs;
8. acquire, lease, manage, and dispose of personal property and enter into agreements with respect to such property;
9. enter into agreements to facilitate development or redevelopment of state property or facilities;
10. engage consultants, attorneys, and appraisers;
11. invest funds that are not immediately needed in (a) U.S.- or state-issued or – guaranteed obligations, including the Short Term Investment Fund and Tax-Exempt Proceeds Fund; (b) legal investments for savings banks in Connecticut; and (c) time deposits, certificates of deposit, or similar arrangements; and
12. do all things necessary and convenient to carry out these powers.

The bill also authorizes CTCDA to employ staff as necessary and specifies that they are not state employees, and CTCDA is not an employer, under the state's collective bargaining law. CTCDA may establish and modify personnel policies, including employee compensation, promotion, retirement, and collective bargaining. CTCDA may enter into collective bargaining agreements with labor unions, but these agreements do not have to comply with the state's collective bargaining law for state employees.

Development District Powers

CTCDA must delineate development district boundaries through a memorandum of

agreement with the municipality in which the transit station is located. The development district must not extend beyond a half-mile radius from a transit station. Transit stations are passenger railroad or Hartford-New Britain busway project stations that (1) are operational, (2) the Department of Transportation (DOT) is planning, or (3) are included in DOT's state-wide transportation investment program (a document, updated every four years, listing transportation projects expected to receive federal funding).

With respect to projects occurring in a CTCDA development district's boundaries, CTCDA may:

1. acquire and dispose of property;
2. plan for, acquire, finance, construct, develop, operate, market, and maintain facilities;
3. promote and market development projects;
4. collect fees and rents from the facilities it develops and adopt procedures for operating them;
5. enter into contracts;
6. borrow money, issue bonds, and enter into credit and other agreements to make the bonds more marketable;
7. engage independent professionals, such as lawyers, engineers, accountants, and architects;
8. adopt and amend procurement procedures; and
9. receive money, property, and labor from any source, including government sources.

MOU with CRDA

The bill authorizes CTCDA to enter into an MOU with CRDA under which CRDA (1) provides administrative support and services, including staff support and (2) coordinates management and operational activities, including: (a) joint procurement and contracting, (b) sharing services and resources, (c) coordinating promotional activities, and (d) arrangements enhancing revenues, reducing operating costs, or achieving operating efficiencies. The MOU can specify the terms and conditions for these relationships, including reimbursement by CTCDA to CRDA.

Bonding Authority

Under the bill, CTCDA can issue bonds and other notes with terms of up to 30 years. The bonds are secured by CTCDA's financial resources.

The bill allows CTCDA to determine how it will issue and repay the bonds and specifies

the terms and conditions it may include in its agreement with bondholders.

Authority bonds are not backed by the state's full faith and credit or guaranteed by the state or any of its political subdivisions and must say so on their face. They do not count toward the state's bond cap. CTCDA may make whatever representations or agreements are needed to exempt its bonds from federal income tax.

The authority's pledge of its income, revenue, or other property is legally binding and subject to liens. The bill specifies that a lien on such a pledge is binding against all parties with a claim against CTCDA, regardless of whether the parties received a notice of the lien.

The bill makes CTCDA bonds fully negotiable and legal investments. It authorizes CTCDA to buy insurance to cover debt service payments and allows the board to purchase, hold, and sell the authority's bonds in accordance with its agreements with bondholders.

It exempts board directors and those executing bonds or notes from personal liability. And it gives bondholders and their trustees the right, subject to the provisions of the bond resolution, to take legal action to force the board to perform its duties. The bill makes the bond proceeds and other revenue connected with the bonds trust funds, which must be used as the bond resolution specifies.

Under the bill, the state pledges not to limit or alter the authority's or its bondholders' or contractors' rights until the obligations are discharged, unless it adequately protects the bondholders and contractors. With respect to bondholders, the state's pledge applies to bonds for which the state has pledged "contract assistance." (The bill does not define contract assistance or provide a mechanism for such assistance.) It authorizes CTCDA to include this pledge in its bonds, other obligations, and contracts.

RELATIONSHIP WITH AFFECTED MUNICIPALITY

In addition to establishing a development district's boundaries through an MOU with the affected municipality, the bill requires CTCDA, before taking action in a development district, to enter into an MOU with the municipality in which the district is located. The MOU must:

1. define each party's responsibilities for the district;
2. identify the properties in the district that are controlled or owned by CTCDA, the state, the municipality, or a private entity;
3. specify long and short range plans for the district, including foreseeable changes to the use or ownership of district properties;
4. identify and allocate revenue for district projects, including bonding, taxes, fees, rental income, or parking; and

5. specify the types of activities requiring a public hearing.

The bill specifies that local ordinances and land use regulations apply to projects on private and municipally owned property in a development district.

DUTIES

Coordinating Projects

The bill requires (1) CTCDA to coordinate all state, municipal, and quasi-public agency planning and financial resources that are allocated for a development district project in which it is involved and (2) all state and quasi-public agencies to cooperate with it.

Applicants requesting state funds for a CTCDA development district project must submit a copy of their application, along with supporting documents, to the OPM secretary and CTCDA. CTCDA has 90 days to give the funding agency its written recommendations (called an "economic development statement"), which must include provisions regarding performance standards, including project timelines. CTCDA must consider, in formulating its economic development statement, written statements submitted by the regional council of governments for the planning region in which the project is planned.

The agency cannot spend funds on such a project until it receives CTCDA's recommendations or after 90 days, whichever is sooner. If it expends funds not consistent with the statement's recommendations, it must give CTCDA a written explanation about this decision.

Annual Report

Instead of the annual report quasi-public agencies must submit to the governor, state auditors, and the Program Review and Investigations Committee, the board must annually report, within 90 days after CTCDA's fiscal year begins, to the governor, state auditors, and the Finance, Revenue, and Bonding Committee on CTCDA's finances, procurement, and employment. This report must include:

1. a list of the bonds it issued in the preceding fiscal year and, for each issue, its face value and net proceeds, the names of financial advisors and underwriters, and whether it was competitive, negotiated, or privately placed;
2. the cumulative value of all bonds issued and outstanding;
3. the amount of the state's contingent liability;
4. a description of each project, its location, and the amount the authority spent on its construction;
5. a comprehensive financial report prepared according to generally accepted governmental accounting principles;

6. a list of individuals and firms, including principal and other major stockholders, who received more than \$5,000 for services;
7. a statement of the authority's affirmative action policy, a description of its workforce by race, sex, and occupation, and a description of its affirmative action efforts; and
8. a description of the activities planned for the current fiscal year.

Independent Financial Audit

The bill requires the board to annually contract with a certified public accounting firm to undertake a financial audit, according to generally accepted auditing standards. It must submit it to the governor, state auditors, and the Finance, Revenue, and Bonding Committee.

Compliance Reports

The board must annually contract with a person or firm for a compliance audit. It must submit it to the governor, state auditors, and the Finance, Revenue, and Bonding Committee. The compliance audit must check CTCDA's performance against its policies and procedures on personnel and affirmative action, procurement, and use of surplus funds.

The bill also requires CTCDA to designate a contract compliance officer to monitor CTCDA's facility operations for compliance with state law and contracting requirements relating to (1) set-asides for small contractors and minority business enterprises and (2) required efforts to hire available and qualified minorities. The compliance officer must file an annual written report, including findings and recommendations, with CTCDA.

GOVERNANCE

Board Membership

Under the bill, CTCDA's 11-member board consists of seven appointed directors and four ex officio, voting directors: the Office of Policy and Management (OPM) secretary, and the transportation, housing, and Department of Economic and Community Development (DECD) commissioners, or their designees. Additionally, the following individuals, or their designees, serve as ad hoc members: the chief elected official of each municipality in which a CTCDA project is planned and (2) the executive director of each regional council of governments for the planning region in which a project is planned. These ad hoc members may vote only on matters directly affecting a project within their municipality or planning region, respectively.

Table 1 lists the appointed directors, their appointing authority, and initial terms. All appointments must be made by October 31, 2015.

Table 1: CTCDA Appointed Board Directors

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<i>Appointing Authority</i>	<i>Number of Appointments</i>	<i>Initial Term</i>
Governor	Four	Four years
House speaker and Senate president pro tempore (jointly)	One	Two years
House and Senate majority leader (jointly)	One	Two years
House and Senate minority leader (jointly)	One	Two years

After their initial terms, appointed directors serve four-year, staggered terms and may be reappointed. Vacancies must be filled for the unexpired term by the original appointing authority. Each must take the constitutional oath of office. Directors (1) may be removed by the appointing authority for malfeasance or willful neglect of duty and (2) are deemed to have resigned if they miss three consecutive meetings or 50% of the meetings in a calendar year.

Chairperson and Executive Director

The governor appoints the board chairperson from among the voting members. The board (1) annually elects a vice-chairperson, (2) elects other officers, and (3) appoints an executive committee. The chairperson, with the board's approval, must appoint an executive director, who cannot be a board director. The executive director is (1) a salaried employee, (2) the chief administrative officer of the authority, and (3) responsible for supervising the administrative affairs and technical activities of the authority, pursuant to the board's directives.

Duties

The board must adopt a budget and bylaws. It must report twice a year to the appointing authorities with respect to operations, finances, and achievement of its economic development objective. The board is accountable to the state and must cooperate with it when it audits CTCDA's operations and projects. It must grant the state reasonable access to CTCDA projects and records.

CTCDA's board must adopt written procedures to:

1. adopt an annual budget and plan of operations and require board approval before either can take effect;

2. hire, dismiss, promote, and pay authority employees, develop an affirmative action policy, and require board approval before a position may be created or a vacancy filled;
3. acquire real and personal property and personal services, and require board approval for any non-budgeted expenditure of more than \$5,000;
4. contract for financial, legal, bond underwriting, and other professional services, and require the board to solicit proposals at least once every three years for these services;
5. issue and retire bonds and other authority obligations;
6. award loans, grants, and other financial assistance, including developing eligibility criteria, an application process, and determining the role played by employees and directors; and
7. use surplus funds.

CTCDA must follow the same notice requirements quasi-public agencies follow before adopting its procedures.

Board Deliberations

A majority of the directors constitutes a quorum, and a majority of those present can act. Vacancies do not prevent a quorum from acting. The board may act by adopting resolutions at regular or special meetings which take effect immediately unless the resolution specifies otherwise. The board must keep records of its proceedings in a form it chooses, indicating each director's attendance and votes cast.

The board may delegate any of its powers and duties to three or more directors, agents, or employees.

Surety and Compensation

The bill requires each director and the executive director to provide an individual surety bond for at least \$100,000. Alternatively, the board chairperson may execute a blanket bond that covers the directors, executive director, and employees. The attorney general must approve the bond, which must be filed with the secretary of the state.

Board directors are not paid, but are reimbursed for expenses.

Conflict of Interest

The bill prohibits directors from having a financial interest in:

1. an authority development project,
2. property included or planned for inclusion in any such project, or
3. a contract or proposed contract for material or services used in such projects.

Indemnification

CTCDA directors, officers, and employees are not personally liable for bonds CTCDA issues or for any damage or injury caused by performing duties within the scope of their employment or appointment, as long as the actions are not willful, wanton, reckless, or malicious.

CTCDA must indemnify its directors, officers, and employees from financial loss and expense arising from certain specified claims, demands, suits, or judgments involving their actions. This protection applies to individuals performing their duties or acting within the scope of their employment, as long as the act or omission was not wanton, reckless, willful, or malicious.

The bill also requires the state to indemnify CTCDA and its directors, officers, and employees from financial loss and expense resulting from a claim, demand, suit, or judgment connected to an act or omission related to a CTCDA development district project. The protection applies to individuals performing their duties or acting within the scope of their employment, as long as the act or omission was not wanton, reckless, willful, or malicious.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Substitute

Yea 12 Nay 9 (03/27/2015)

[TOP](#)