

2017 CRCOG Legislative Agenda

Approved by the CRCOG Policy Board December 7, 2016

The CRCOG approved the following 2017 legislative agenda at the December 7, 2016 Policy Board meeting.

Transportation Items.

1. Transportation Lockbox. Rail, bus and infrastructure investments are critical to Connecticut's economic growth and competitiveness. To improve deteriorating infrastructure, structurally deficient bridges and protect new and planned investments in mass transit, CRCOG supports the creation of a transportation lockbox that ensures revenues targeted to transportation projects cannot be diverted for other purposes.

2. Hartford Rail Line Service to New Haven and New York City. Greatly expanded service is due to launch January 2018 with 17 trains daily to New Haven with some through to New York City. Construction is progressing well to meet this deadline. CRCOG strongly supports this project and an on time launch. CRCOG supports future completion of three new Hartford Rail stations in the region.

3. Hartford Springfield Boston Rail Service. Connecting the metro Hartford region to major economic centers is a vital part of our economic future. With much better connection to New Haven and New York City about a year away, the missing link is connecting the 1.8 million residents of metro Hartford Springfield region with metro Boston's 4.7 million residents. In the last few years frequent commuter service has been extended from Boston to Worcester leaving a relatively small gap between Springfield and Worcester that needs double tracking. Track and related improvements with rolling stock would be in the \$600 million range for the Hartford Springfield Boston service. Since the project is largely in Massachusetts between Springfield and Worcester, we need to work with state and federal officials in CT and Massachusetts to advance this important rail service project. CRCOG strongly supports connecting our metropolitan region with metro Boston region with frequent passenger rail service.

4. CTfastrak Operation and Eastern Expansion. CTfastrak launched in March 2015, and average daily ridership has greatly exceeded projections. Expansion of service east of the Connecticut River will be realized in two phases, the first of which was completed in the fall of 2016. Phase I implemented enhanced local service by expanding service hours on five existing routes. Phase II will include enhanced service between Hartford and the University of Connecticut Storrs campus, CTfastrak service and amenities along the Silver Lane and Burnside Avenue corridors in East Hartford, and shuttle service in the Buckland Hills area. CRCOG urges continued investments in the

infrastructure and operational subsidies for these expansion services, continued marketing of transit services, and timely delivery of the bus fleet and amenities to make Phase II a reality.

5. Transit Oriented Development for CTfastrak and Hartford Line Services. CT DOT has been carrying out planning efforts in support of development near rapid transit and rail stations and CRCOG has secured more than two grants to do so in the capital region. CRCOG supports the state assisting towns and cities in identifying tools and resources to leverage development around these stations and to work with anchor institutions to embrace and move on the opportunities being presented.

6. I-84 Viaduct and I-84 and I-91 Interchange. CRCOG been active in the planning efforts to replace the Interstate 84 highway viaduct in a manner that addresses mobility and safety, reduces congestion, maintains access to regional employers and destinations, and looks to reknit Hartford neighborhoods with the downtown area. We support the advancement of fiscally responsible alternatives that reconstruct this segment of Interstate 84 while considering the importance of the Hartford Rail Line and a strong transportation hub in Union Station during the process. CRCOG further supports planning efforts to evaluate improvement alternatives for the Interstate 84 / Interstate 91 Interchange. CRCOG recognizes the need to explore alternative transportation revenues beyond federal funds to advance I-84 and I-91 projects. CRCOG further supports planning efforts to evaluate future improvement alternatives for the Interstate 84 and Interstate 91 Interchange.

Other Issues

7. Support Expanding Shared Services. Over the past 10 years CRCOG has launched a number of new shared municipal services in addition to the longstanding cooperative purchasing and public safety services such as CAPTAIN. Nutmeg Network: With help from a number of partners and state funding, 35 out of 38 town and city governments are now connected to the Nutmeg network and are able to use the Nutmeg Municipal Cloud for a variety of services. So far internet telephone, hosting services, internet streaming of public meetings, and an human resources portal are up with electronic document management to follow shortly. CRCOG requests the reinstatement of the Regional Performance Incentive Program grants (funded through car rental and hotel taxes) to support CRCOG expanding this critically important platform for our member towns and statewide. CRCOG also requests continued state support for building out the Nutmeg network and supporting innovative service sharing pilots.

8. Allow Municipalities to Issue Urban Stabilization Bonds. State law change would allow municipalities to have discretion to increase the term of bonds from a maximum of 20 years to a maximum of 30 years for both new and refunding bonds. This would not require any state funds. These provisions, particularly the ability to issue refunding bonds in this manner, could provide significant debt service relief to Connecticut

municipalities, particularly urban communities. There would be a “sunset provision” of four years from the date of enactment, so that municipalities would not have an unlimited timeframe to utilize this provision. CRCOG requests that the state legislature pass act to allow cities and towns the option to use urban stabilization bonds with a maximum term of 30 years up from the current 20 year limit.

9. Provide Stable Funding for COG Regions. As the largest of Connecticut’s 9 councils of governments, CRCOG would benefit from stable funding in order to build capacity to serve towns and increase shared municipal services. State funding has fluctuated dramatically in recent years. CRCOG and the other 8 COGs can act as partners with the state and town and city members to work on important issues for the state in planning and operations. CRCOG requests stable funding to support regional efforts to enhance local government efficiencies and to serve our member towns and cities.

10. Use COG Boundaries as Framework. In 2014 CRCOG assumed new boundaries as a regional planning organization with almost 1 million residents and 38 towns. In 2015, transportation planning boundaries were completed for Metropolitan Planning Organizations including CRCOG. CRCOG is now carrying out the LOTCIP program of decentralizing and speeding up transportation projects.

CRCOG has recently received state approval to be a regional Economic Development District and will reapply for federal funds for regional economic development planning. This will allow a new Comprehensive Economic Development Strategy to be developed for the new region.

CRCOG launched a regional human services council in 2015, as required by law, to consider issues that cross cut this very complex and resource intensive area such as opioid addition, homelessness and mental health services.

CRCOG requests that when state government wishes to regionalize services, such as public health, that they first consider councils of governments as the possible framework and consult with councils of governments to come up with solutions to complex challenges such as public health boundaries, 911 dispatch and other areas.

11. Accelerate Use of Information Technologies to Transform Services by Implementing the State Strategic IT Plan. In 2016, a report endorsed by the MORE Commission recommended greater use of IT as a strategic resource for state and local government service improvement. Recommendations included support for the creation of a statewide technology plan, expansion the Nutmeg Network and Nutmeg Public Service Cloud and promotion of the Nutmeg Network through pilot projects that use the power of the network to enhance local government service delivery. The plan contemplated state agencies moving to electronic forms management, single application processes, common application and standardization of forms and common criteria for various qualification programs. IT capacity and services are very important for economic development and or the growth of the state’s economy. CRCOG requests

that the state adopt and implement the strategic IT plan to transform services in the state.

12. State Assumption of Special Education K-12 Funding. K-12 funding makes up a majority of most local budgets in the CRCOG region. Unfunded state special education mandates cause the towns and cities financial hardship that falls unevenly across the region. Communities that provide excellent special education services are apt to recruit families seeking those services and hence placing a burden on local taxpayers. CRCOG requests that the State assume costs of special education, holding towns harmless for providing quality programs for families in need, and families that move to towns for improved services. CRCOG also requests a streamlined needs determination process operated at the regional (RESC) level accompany this assumption.

13. Update Prevailing Wage Provisions. CRCOG along with CCM and COST supports updating the threshold for prevailing wage projects to \$1 million. CRCOG further supports having the project minimum threshold indexed automatically to inflation in the construction industry. CRCOG further supports combining the prevailing wage threshold for renovation and new construction projects and CHRO projects into a single threshold. CRCOG additionally supports proceeding with the regulatory process by the CT Department of Labor to establish clear definitions for the criteria that identify prevailing wage projects. CRCOG supports updating the prevailing wage provisions in state law.

14. Fair Share of Federal Homeland Security Funding for CRCOG Region. Federal resources for homeland security for the CROCG metropolitan area has been dramatically reduced in recent years. As funding is reauthorized at the federal level, CRCOG requests that the risk areas in the region receive their fair share of funding compared to other metropolitan regions nationally with similar levels of targeted risk.

CRCOG 2017 Legislative Agenda

Crumbling Concrete Foundations

Approved December 7, 2016 by the CRCOG Policy Board

On December 7, 2016 the CRCOG Policy Board acted to approve the following as part of its 2017 legislative agenda. The Northeast Council of Governments Board had previously voted to support this package of recommendations. CRCOG plans to work with CCM and COST in an effort to secure their support for this approach in the upcoming legislative session.

Background

On August 10th, the CRCOG Executive Committee appointed an Ad-Hoc Working Committee Crumbling Foundations to assist towns in addressing this issue. A total of 36 towns, of which 20 are CRCOG members have been impacted by crumbling concrete foundations presumably related to the presence of a mineral pyrrhotite in the concrete mix. This is a significant and growing issue for home owners and towns.

The Working Committee has made a number of recommendations to assist in assessing the situation and in moving forward with remediation. These recommendations to the Policy Board were finalized at the Working Committee's December 1st meeting.

1. Concrete Testing Funding. CRCOG supports the use of Community Development Block Grant (CDBG) funds from the Small Cities Program or program income funds to help homeowners with crumbling foundations to, at a minimum, test the affected property to verify the existence of a problem. Any income restrictions for this purpose should be waived. Current entitlement communities CDBG funding use would be at the discretion of those communities.

2. Remediation Fund. CRCOG supports the creation of a relief fund for homeowners experiencing crumbling foundations. CRCOG's Ad-hoc working committee has a template in progress that it is willing to discuss with legislators details regarding the program. Some key points regarding any relief funding should include:

- Any state funding for crumbling foundations should be exempt from CHRO and prevailing wage requirements. The homeowners will be the ones who are finding contractors or other services for this project and to require them to adhere to CHRO or prevailing wage requirements will be too high of a bar.

- In conjunction with the development of a process and a cut-off date after which buyers will no longer be eligible for relief (proposed cut-off date is the date the bill is implemented), the sales disclosure statement should reflect that the buyer is aware that such a problem exists if it does not do so already.

3. Remediation Funding Sources. CRCOG recognizes that funding for the relief fund will be a challenge. CRCOG's Ad-hoc Working Committee on Crumbling Foundations has put forward a few suggestions as a starting point for this discussion – recognizing that any funding mechanism will cause economic reverberations. This issue is a challenging and difficult one that is already having economic impact on the affected municipalities and will continue to affect those communities. Some potential suggested funding mechanisms for a relief fund are as follows:

- An increase in the conveyance tax for affected municipalities by 1/4%
- Potentially increasing sales tax on construction only by 1% or .5%
- Insurance companies: CRCOG would support the state encouraging insurance companies to participate in a relief fund to which a few insurance companies have already pledged some support.

4. Guaranteed Loan Fund for Concrete Remediation. CRCOG supports pursuing a potential state-guaranteed private loan fund or other private banking based loan fund to help homeowners facing crumbling foundations.

5. State Building Fee Waiver. CRCOG supports waiving the state portion of the building fee for any municipalities waiving fees for work on crumbling foundations.

6. Future Testing. CRCOG supports testing of residential and commercial concrete for the presence of pyrrhotite and possibly establishing and regulating a maximum acceptable amount to be present in concrete loads.

7. Time Limits for Filing Claims. CRCOG supports reviewing increasing time limits for filing claims related to crumbling foundations with insurance companies as well as examining time limits for appeals and adjudication of such claims.

8. Peril of Collapse Insurance Coverage. CRCOG supports requiring insurance companies to provide coverage for the "peril of collapse" due to the presence of pyrrhotite resulting in the impairment of the structural integrity of the building.

Draft Road Use Tax in Lieu of Town Aid Road

December 7, 2016

At the December 7, 2016 CRCOG Policy Board meeting action was taken to direct further development of the Road Use Tax option in the event that Town Aid Road funds were proposed for reduction or elimination in the 2017 legislative session. The direction was to have a proposal ready in that event that mitigates negative effects on towns under the simple \$25 dollar tax.

In the event of reduction or elimination of Town Aid Road (TAR) funds, one possibility would be to use a Road Use Tax (RUT) in lieu of State borrowing to fund Town Air Road (TAR). The recommendation if adopted would be: Authorize towns and cities to a per vehicle Road Use Tax of \$25 per vehicle to be used exclusively for the purposes allowed under Town Aid for Road (TAR) in lieu of State borrowing for same purposes.

CRCOG staff research on RUT versus TAR shown below indicates the difference for each CRCOG town. Although there are a number of towns that would either have very little difference or stand to gain with a RUT, there are a number of especially smaller towns that could potentially lose considerable amount in a RUT versus TAR proposal.

The intent is to continue to study this item to be ready in the event that there is a proposal to reduce or eliminate the TAR program. Specifically, the RUT would provide \$4.3 million in new funding and it is proposed to hold towns harmless in their allocation and to distribute any remaining funds of the \$4.3 million on a proportionate basis.

Tax/TownName	Estimated RUT	TAR (2014)	Difference
Andover	\$86,750.00	190432.3	(\$103,682.30)
Avon	\$400,200.00	\$310,738.66	\$89,461.34
Berlin	\$537,725.00	\$327,928.02	\$209,796.98
Bloomfield	\$457,050.00	\$336,688.93	\$120,361.07
Bolton	\$124,225.00	\$200,674.51	(\$76,449.51)
Canton	\$234,900.00	\$260,786.50	(\$25,886.50)
Columbia	\$139,675.00	\$205,826.25	(\$66,151.25)
Coventry	\$293,450.00	\$292,762.46	\$687.54
East Granby	\$140,675.00	\$201,792.14	(\$61,117.14)
East Hartford	\$960,000.00	\$588,529.96	\$371,470.04
East Windsor	\$274,475.00	\$265,770.32	\$8,704.68
Ellington	\$369,900.00	\$338,371.61	\$31,528.39

Enfield	\$878,750.00	\$536,209.21	\$342,540.79
Farmington	\$578,700.00	\$372,175.10	\$206,524.90
Glastonbury	\$748,675.00	\$463,798.39	\$284,876.61
Granby	\$260,300.00	\$259,672.69	\$627.31
Hartford	\$1,238,400.00	\$1,205,201.65	\$33,198.35
Hebron	\$218,925.00	\$242,180.96	(\$23,255.96)
Manchester	\$1,113,625.00	\$647,712.69	\$465,912.31
Mansfield	\$254,400.00	\$423,034.22	(\$168,634.22)
Marlborough	\$145,925.00	\$212,336.26	(\$66,411.26)
New Britain	\$1,092,275.00	\$772,658.10	\$319,616.90
Newington	\$692,500.00	\$415,969.23	\$276,530.77
Plainville	\$427,425.00	\$307,216.56	\$120,208.44
Rocky Hill	\$449,325.00	\$341,638.34	\$107,686.66
Simsbury	\$496,450.00	\$360,991.28	\$135,458.72
Somers	\$237,575.00	\$270,095.76	(\$32,520.76)
Southington	\$1,002,775.00	\$521,381.45	\$481,393.55
South Windsor	\$593,575.00	\$380,375.06	\$213,199.94
Stafford	\$289,950.00	\$392,422.22	(\$102,472.22)
Suffield	\$324,900.00	\$290,658.13	\$34,241.87
Tolland	\$351,550.00	\$339,492.68	\$12,057.32
Vernon	\$604,750.00	\$403,154.76	\$201,595.24
West Hartford	\$1,139,675.00	\$689,310.95	\$450,364.05
Wethersfield	\$554,925.00	\$403,402.06	\$151,522.94
Willington	\$138,100.00	\$258,023.29	(\$119,923.29)
Windsor	\$644,475.00	\$404,298.04	\$240,176.96
Windsor Locks	\$505,650.00	\$263,439.19	\$242,210.81
	\$19,002,600.00	\$14,697,149.93	

CRCOG Legislative Agenda Item on Full Funding of PILOT Payments

December 7, 2016

At the December 7, 2016 meeting the CRCOG Policy Board acted to request that the CRCOG Chair and Legislative Co-Chairs work toward a common approach for the 2017 legislative session on PILOT and related measures in cooperation with the City of Hartford, CCM, COST and the Metro Hartford Alliance. Any agreement among the parties would need to be returned to the full CRCOG Policy Board for approval.

Payment in Lieu of Taxes (PILOT) Funding for Cities and Towns

The city of Hartford is experiencing well publicized financial challenges and a number of other CRCOG member communities also have a low per capita property tax base often with a sizable portion of the property off of the tax roles as government or nonprofit in nature.

The CRCOG Ad Hoc Economic Development Committee considered a number of options to address these issues and desires to arrive at a common approach among CRCOG member cities and towns in advance of the 2017 legislative session. CRCOG supports fully funding the state Payment in Lieu of Taxes (PILOT) program as a way of relieving fiscal stress on urban communities and of appropriately compensating these communities for nonprofit and government properties and services to them.

If the current program formula was fully funded the city of Hartford would receive \$44 million more and the following CRCOG region towns would receive the indicated increases: Mansfield \$6.5 million, New Britain \$5.44 million, Windsor Locks \$3.7 million, Suffield \$3 million, Newington \$2.9 million, Farmington \$2.66 million, Manchester \$1.7 million, West Hartford \$1.5 million, Somers \$1.3 million, East Hartford \$1.3 million, and Enfield \$1.2 million.

To fully fund the current formula for PILOT, the cost would be \$206 million dollars statewide. A one percent state sales tax generates \$635 million dollars a year statewide. To fully fund the current PILOT formula would require a 0.32 increase in sales tax statewide.

In addition to the main recommendation on PILOT, there are a number of variations on the recommendation that would increase or decrease the cost of the recommendations to the state.

Further increased aid to affected towns could be provided in a variety of ways:

- Reinstating the Manufacturing, Machinery and Equipment PILOT program that affects a number of CRCOG member towns significantly. Reinstating MME PILOT is estimated to be an additional \$60 million for the entire state (0.10 increase in sales tax statewide). Potential impact to CRCOG towns include East Hartford \$3.8 million, Windsor Locks \$1.7 million, Hartford \$1.6 million, Windsor, 1.54 million, New Britain \$1.4 million, South Windsor \$1.2 million, Manchester \$1.1 million, Newington \$890,000, Southington \$873,000, and Berlin 755,000.
- Increase PILOT costs with state buildings at the same percentage as private colleges and hospitals. To fully fund the increase to state to fully fund PILOT and change formula for state's share to be the same as colleges and hospitals the cost would be \$272 million dollars. Fully funding PILOT at this higher rate would require a rate increase in sales tax of 0.43 percent statewide.

Costs of the recommendation could be reduced by:

- Restricting PILOT full funding to "distressed" communities in the state. To fully fund only the 25 distressed municipalities in the state would cost \$145 million at the current formula.

Several other PILOT funding options include:

- PILOT increased to 60% for state and full funding of nonprofits. If the state PILOT was increased to 60% and the share for nonprofits fully funded, fully funded, Hartford's share would have been \$53 million and other CRCOG towns: Mansfield \$10.9 million, New Britain \$7.3 million, Windsor Locks \$6.27 million, Suffield \$5.2 million, Newington \$3.3 million, Farmington \$4.45 million, Manchester \$2.23 million, West Hartford \$1.76 million, and East Hartford \$1.77 million.
- State PILOT at level of private colleges and hospitals. If the State PILOT was at the same level as Colleges and Hospitals, Hartford's share would be \$62 million and other CRCOG town examples are: Mansfield \$15.4 million, New Britain \$9.23 million, Windsor Locks \$8.8 million, Suffield \$7.3 million, Newington \$3.8 million, Farmington \$6.25 million, Manchester \$2.72 million, West Hartford \$1.94 million, and East Hartford \$2.23 million.

One important possible joint action would be for CRCOG, along with the City of Hartford, CCM and COST, to request that the legislature fully fund the Payment in Lieu of Taxes (PILOT) program statewide to compensate cities and towns for statutory provisions removing these properties from local tax rolls. Other enhancements could include PILOT formula changes and reinstatement of MME PILOT funding.