



## **QUARTERLY REPORT TO THE TRANSPORTATION COMMITTEE**

**Regarding the Status of Pending and Current Contracts, Small Harbor Projects  
and the Construction Project at the State Pier**

**Pursuant to PA 21-179**

**April 1, 2024 Submission**

The Connecticut Port Authority (“CPA”) is a quasi-public agency, pursuant to Section 1-120(1) of the General Statutes of Connecticut (“CGS”), a body politic and corporate, constituting a public instrumentality and political subdivision of the State of Connecticut (“State” or “Connecticut”) that is responsible for coordinating the development of the State’s ports and harbors and maritime economy. *See generally* CGS § 15-31b(a). It is the mission of the CPA to grow Connecticut’s economy and create jobs by strategically investing in the state’s three deep water ports and small harbors to enable each to maximize its own economic potential.

Pursuant to PA 21-179: “Section 1. (NEW) (Effective from passage) On or before October 1, 2021, and quarterly thereafter, the executive director of the Connecticut Port Authority shall submit a report regarding the status of pending and current contracts, small harbor projects and the construction project at the State Pier in the town of New London to the joint standing committee of the General Assembly having cognizance of matters relating to transportation, in accordance with the provisions of section 11-4a of the general statutes. The Commissioner of Administrative Services and the Secretary of the Office of Policy and Management shall jointly review and comment on each such report before such report is submitted to the committee.”

## **I. Status of Pending and Current Contracts and Other Agreements**

The following is a status list of current contracts:<sup>1</sup>

### **1. Office of Policy and Management (OPM) Memorandum of Understanding (MOU) as Amended**

ACTIVE - The Authority executed a Memorandum of Understanding (MOU) with the Office of Policy and Management (OPM) in September of 2019, which has since been amended in scope several times, as open issues have been rectified. OPM is in the final stages of ensuring the CPA has all the policies and procedures in place to allow for full compliance with all identified reform measures. The current MOU will terminate effective June 30, 2024.

### **2. Connecticut Innovations Memorandum of Understanding (MOU)**

ACTIVE – The Authority has a Memorandum of Understanding (MOU) with quasi-public agency Connecticut Innovations, effective March 6, 2019, for the purpose of providing the Authority with management and other administrative services, specifically in the areas of human resources, time and labor, payroll, benefits, and CORE-CT.

### **3. Connecticut Department of Transportation (CTDOT) and the Treasurer of the State of Connecticut Memorandum of Understanding (MOU) as Amended**

ACTIVE – The Authority has a Memorandum of Understanding (MOU) with Connecticut Department of Transportation (CTDOT) and the Treasurer of the State of Connecticut, effective June 2016, to provide staff support to the Authority in the form of a Transportation Engineer 2 temporary employee assigned to work exclusively for the Authority as a Program Manager, with compensation and benefits as a retired State employee.\*\* The MOU also provides certain services to the Authority's State Pier facility in New London, such as snow removal for the approach to State Pier Road.

\*\* Effective January 25, 2024, the DOT staff support terminated.

### **4. Concession Agreement as Amended**

ACTIVE - The Concession Agreement between the Authority and State Pier New London terminal operator Gateway New London, LLC was executed in January 2019. It is a twenty (20) year agreement, with two (2) additional ten (10) year options.

### **5. Harbor Development Agreement (HDA) as Amended**

ACTIVE – The Harbor Development Agreement (HDA) between the Authority, State Pier New London terminal operator Gateway New London, LLC and partners North East Offshore (NEO), a joint venture of Ørsted and Eversource, was executed in February 2020. The HDA resulted from a 2018 Request for Proposals process with respect to the operation of the State Pier facility and the subsequent Concession Agreement with Gateway (noted in #5 above).

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<sup>1</sup> Electronic copies of contracts available upon request.

The HDA governs the financial contributions and other commitments involved in the redevelopment and near-term operation of the facility as a modern, heavy-lift capable port which will meet the facility requirements of the offshore wind industry. The generational improvements will benefit the port's long-term growth by increasing its capacity to accommodate heavy-lift cargo for years to come while maintaining its freight rail link. The HDA term includes the approximately two (2) year construction project, a ten (10) year sublease period and an additional seven (7) year option (terms of the option period to-be-negotiated at the end of the initial sublease period).

#### **6. New England Central Railroad (NECR) Land and Track Lease as Amended**

ACTIVE – The New England Central Railroad (NECR) Land and Track Lease between the Authority and New England Central Railroad, Inc. (NECR), a subsidiary of Connecticut-based Genesee & Wyoming Inc., was executed in March 2020. NECR agreed to lease a five-acre parcel under its control to the Authority to facilitate the redevelopment of the port facility to handle offshore wind components. The agreement covers the approximately two (2) year construction project, as well as the ten (10) year sublease period. It includes a renewal period capped at ten (10) years.

#### **7. Saybrook Junction (Office Lease) as Amended**

ACTIVE – The Authority leases office space for its headquarters at 455 Boston Post Road, Suite 204 at Saybrook Junction in Old Saybrook, which terminates June 2026.

#### **8. Gowrie Group (Insurance Documents)**

ACTIVE – Gowrie Group is the Authority's current insurance broker, responsible for advising and marketing all insurance coverages.

#### **9. Regan Communications / Quinn and Hary (Website Services Contract) as Amended**

ACTIVE – The contract for monthly web maintenance includes uploading files and other content (including meeting agendas, minutes and recordings) to the Authority's website and other activities, as requested, and is currently continuing month-to-month, based on direction from OPM.

#### **10. Sound Computing (IT Services)**

ACTIVE – The Authority has an annual IT services contract with Sound Computing that is currently month-to-month, based on direction from OPM.

#### **11. Cohn Reznick LLP (Auditing Services)**

ACTIVE – The Authority has a second three (3) year engagement with Cohn Reznick for Auditing Services, which was executed September 2023.

#### **12. Robinson and Cole LLP (Legal Services)**

ACTIVE – The Authority recently executed a three (3) year engagement with Robinson and Cole for Legal Services, which commenced on December 20, 2023.

**13. Kiewit Infrastructure Co. Construction Manager-at- Risk (CMR) State Pier Infrastructure Improvements Project) as Amended**

ACTIVE – The Kiewit Infrastructure Co. was selected by the Authority to serve as the Construction Manager-at-Risk (CMR) for the State Pier Infrastructure Improvements Project and to engage subcontractors through a competitive bidding process to perform various construction work packages at the State Pier facility.

The Authority had a Memorandum of Agreement (MOA) with DAS in connection with procurement and limited technical services in support of the State Pier project in New London, which terminated February 20, 2024.

**14. AECOM Construction Administrator (State Pier Infrastructure Improvements Project) as Amended**

ACTIVE – The Authority’s contract with AECOM designates AECOM as the Authority’s Construction Administrator (owner’s representative) for the State Pier Infrastructure Improvements Project.

**15. AECOM Permitting (State Pier Infrastructure Improvements Project) as Amended**

ACTIVE – The Authority’s contract with AECOM authorizes AECOM to provide permitting services in support of state and federal permitting for the State Pier Infrastructure Improvements Project.

**16. Small Harbor Improvement Projects Program (SHIPP) Grant Agreements**

ACTIVE – Following approval of the SHIPP project list by the State Bond Commission, the Authority executes grant agreements with recipient municipalities. See Section II for additional information on projects in-progress.

**17. GZA Geoenvironmental. Inc Consulting Services Agreement as Amended**

ACTIVE – The Authority’s agreement with GZA is for the purpose of assessing the current condition and future capabilities of Fort Trumbull’s Pier No. 7 in New London.

**18. Escrow Agreement with Webster Bank Per State of Connecticut Department of Energy and Environmental Protection (DEEP) State Pier Project Permit Condition**

ACTIVE – As required by Condition #7 of DEEP License 201905859-SDF TW WQC for improvements to the New London State Pier, this escrow account was established to fund \$3,425,000.00 in support of fish habitat restoration projects as mitigation for coastal resource impacts authorized by the license.

**19. U.S. Army Corps of Engineers (USACE) and the State Historic Preservation Office (SHPO), Memorandum of Agreement (MOA) relating to the State Pier Infrastructure Improvements Project.**

ACTIVE – The MOA is a condition of the Authority’s pending federal license from USACE for in-water work at the State Pier facility. The Authority is not a direct party to the MOA between USACE and SHPO, but is an “invited signatory.”

**20. Agreement with U.S. Department of Commerce and National Oceanic and Atmospheric Administration's (NOAA) National Ocean Service (NOS) Center for Operational Oceanographic Products and Services as Amended.**

ACTIVE – Five-year reimbursable agreement totaling \$124,000 for the ongoing enhancement, management, operation, maintenance, and repair of the New Haven, Connecticut Physical Oceanographic Real-Time System (PORTS). NOS' PORTS program supports safe and cost-efficient navigation by providing shipmasters, pilots, and other users with accurate real-time information required for safe vessel loading and transit, and to avoid groundings and collisions.

**21. Memorandum of Agreement with the Army Corps of Engineers for the New Haven Harbor Improvement Federal Navigation Project Design Phase**

ACTIVE – In December 2022, the Authority entered into memorandum of agreement with the Army Corps of Engineers for the design phase of the New Haven Harbor Improvement Federal Navigation Project.

**22. Planning Assistance to States Agreement with the U.S. Army Corps of Engineers for a Dredged Material Placement Planning Study**

ACTIVE – On March 13, 2023, the Authority entered into a Planning Assistance to States Agreement with the U.S. Army Corps of Engineers for a Dredged Material Placement Planning Study. The study will build upon the recommendations made in the 2015 Dredged Material Management Plan for Long Island Sound. The Corps is responsible for leading the team. A detailed Project Management Plan (PMP) was completed February 2024. Compilation of Connecticut coastline dredging needs and material characterization will be completed by December 2024.

**23. Department of Administrative Services (DAS) Memorandum of Agreement (MOA)**

INACTIVE - The Authority executed a Memorandum of Agreement (MOA) with OPM and DAS, effective October 2, 2019 in connection with procurement, technical services, contract administration and construction management activities in support of the State Pier Infrastructure Improvements Project (the Project) in New London. OPM's involvement terminated on May 31, 2022 and the agreement was amended in June 2022 to reduce DAS' involvement during the remaining construction phase of the project. DAS personnel participated in the Project on an as-needed basis subject to availability, as determined by DAS management. The MOA was terminated on February 20, 2024 as approved by the Board.

## II. Status of Small Harbor Projects

It is the mission of the Connecticut Port Authority to grow Connecticut's economy and create jobs by strategically investing in the state's three deep water ports and small harbors to enable each to maximize its own economic potential. In pursuit of this mission, the CPA has created the Small Harbor Improvement Projects Program (SHIPP) as a central part of its strategy to support economic development throughout Connecticut's waterfront communities.

Connecticut General Statute, Section 13b-55a(c), states "Harbor improvement projects include the preparation of plans, studies and construction for the alteration and improvement of various state, municipal and other properties in or adjacent to the waters of the state, for purposes of improving the economy and infrastructure of the state."

Section 13b-56(b) provides "Any municipality may undertake a harbor improvement project, including the development, improvement, construction and installation of berthing areas, channels to berthing areas, sea walls, piers, docks, navigation aids, and bridges and other related facilities and structures, pursuant to a harbor improvement plan."

Harbor improvement projects qualify for varying levels of cost share via SHIPP, depending on the type of activities proposed:

Harbor Management Plans-Studies (50% Cost Share)  
Boat Ramp Facilities Feasibility Studies/Design (All Planning Studies are 100% Grant Funded - No Cost Share)  
Marina Repairs (Docks, Piles, other) (20% Cost Share) \*  
Dredging (20% Cost Share) \*

\*Not all municipalities have the funding resources to provide a 20% Cost Share. The program will accept preliminary project works (Design and Permitting) paid by the municipality as the cost share in lieu of the 20%.

### **RATING CRITERIA:**

- Local and Regional Supporting Actions.
- Economic and Market Viability.
- Timeline to Implementation.
- Project Permitted.
- Financial Impact if Project Grant not Awarded.
- Type of Marine Related services Provided by Facility.
- Stage of Project, planning, design, construction or other.
- Number of current employees, and jobs created by this project.

Since its inception, the three (3) tranches of the SHIPP grant have resulted in excess of \$12 million dollars, which has been awarded to 33 projects spanning 16 municipalities in the state of Connecticut. Needless to say, there are boundless benefits to be gained from the economic development of our state's harbors.

## SHIPP Round 2

The Round 2 approved project list consisted of eight projects in municipalities statewide, totaling \$2.9 million in grant funding. The Round 2 projects were authorized by the State Bond Commission in April of 2021. The Authority has executed agreements with all eligible grant recipients.

## SHIPP Round 3

On April 19th, 2022, the Connecticut Port Authority (CPA) issued a Request for Applications (RFA) for the third round of SHIPP grant funding. Applications were accepted through July 8, 2022.

In April 2023, the Bond Commission approved the following Small Harbor Improvement Projects:

<b>Project</b>	<b>Location</b>	<b>Amount</b>
Branford	Point Wharf	\$1,000,000
Stonington	Town Dock North Pier	\$250,000
Stratford	Emergency Service Dock Project	\$63,346
Norwich	Brown Memorial Park Dock Replacement	\$289,490
Stamford	Cove Island Park Marina Channel Dredging	\$3,095,520
Stamford	Cummings Marina Final Design & Permitting	\$236,500
Stamford	Harbor Boat Launch Feasibility Study	\$20,000
Norwich	Heritage Riverfront Walkway Overlook Enhancement Project	\$45,000
Norwalk	Harbor Access Study	\$44,000
<b>TOTAL</b>		<b>\$5,043,856</b>

The CPA has distributed the Grant Agreements to awarded municipalities for execution. To date, all awards have been fully executed. The grants are administered on a reimbursement basis when the projects are completed and accepted. The new Maritime Development position will assist the Executive Director in the expansion of assistance to municipalities.

## SHIPP Round 4

On March 1, the CPA announced the launch of SHIPP Round 4 and is appealing to all cities and towns of Connecticut interested in improving the economic viability of their harbors and waterways to respond to the Request for Applications (RFA). The deadline for Applications is July 1, 2024.

## **Authority's Plan to Ensure a Transparent and Equitable Process for Selecting and Disbursing Grants through the Small Harbor Improvement Projects Program**

The Authority remains committed to a transparent and equitable process for selecting and disbursing grants through SHIPP. When a new round of SHIPP funding is announced, the application requirements and selection criteria are posted publicly, along with the SHIPP Policies and Procedures<sup>2</sup>.

In 2021, per guidance from OPM, the Authority updated its SHIPP Policies and Procedures. The SHIPP Policies and Procedures govern the selection criteria and grant funds disbursement requirements for program respondents. One modification to the SHIPP Policies and Procedures was to shift to providing grant funds on a reimbursable basis. Per the new requirements, grantees must submit a Certified Invoice to the Authority for completed work to receive funds.

To receive reimbursement for funds, a grantee must submit the following documents:

1. Certified Invoice with all back-up material.
2. Updated Project Schedule
3. Project Narrative Report
4. Project Budget Report(s)
  - a. Budget narrative
  - b. Progress report
  - c. Financial report
  - d. Grantee Affirmative Action Plan

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<sup>2</sup> Electronic copy available upon request.



### III. Status of the Construction Project at the State Pier in the Town of New London

#### Project Overview

It is the goal of the Connecticut Port Authority to make generational improvements to transform the State Pier in New London into a state-of-the-art heavy-lift capable port facility that will accommodate a wide variety of cargoes, including wind turbine generator staging and assembly. The State Pier infrastructure improvements have been designed to address previously identified facility shortcomings and enhance the State Pier facility and site conditions to accommodate future cargo needs and capitalize on opportunities for the State of Connecticut.

- The infrastructure upgrades will re-make State Pier as a modern, heavy-lift capable terminal and meet the facility requirements of the offshore wind industry, while maintaining its freight rail link.
- The upgrades include the creation of two heavy-lift pads, each capable of handling loads of 5,000 pounds per square foot (psf). The rest of the facility's load bearing capacity has been enhanced to 3,000psf.
- Hundreds of jobs have been created during the construction phase of the project. Construction is underway and scheduled to be substantially completed by Q1 of 2024.
- The Ørsted and Eversource joint venture company has entered into a ten-year lease agreement, which will allow it to use State Pier for wind turbine generator pre-assembly and staging, resulting in approximately 100 FTE offshore wind-related jobs created at the site.
- Three offshore wind projects totaling more than 1,700MW are already scheduled to be delivered from the completed facility:
  - South Fork Wind (132MW, State of New York);
  - Revolution Wind (304MW, State of Connecticut and 400MW, State of Rhode Island);
  - and Sunrise Wind (880MW, State of New York)
- The first U.S. built wind turbine installation vessel, Dominion's *Charybdis*, which is expected to be sea ready in early 2025, will first be deployed out of State Pier to support the construction of the Revolution Wind and Sunrise Wind projects.
- During periods where Ørsted and Eversource are not using State Pier, Gateway Terminal will market the facility to other commercial enterprises to ensure maximum utilization.
- State Pier offshore wind operations commenced April 2023.

U.S. Secretary of Energy Jennifer Granholm toured the State Pier Project and declared this should be "an example for the country." "We want to replicate this," Granholm said after meeting with workers on site.

On February 29, 2024, the last turbine (#12) for the South Fork Wind project was assembled and delivered from State Pier New London to the first completed utility scale wind farm in the United States, 35 miles east of Montauk Point, Long Island. A great day and historic moment for the State of Connecticut and the nation.

## **Construction Update**

The Authority executed a Memorandum of Agreement (MOA) with OPM and DAS, effective October 2, 2019, in connection with procurement, technical services, contract administration and construction management activities in support of the State Pier Infrastructure Improvements Project (the Project) in New London. OPM's involvement terminated on May 31, 2022, and the MOA was amended in June 2022 to reduce DAS' involvement during the remaining construction phase of the project on an as needed basis. The MOA with DAS was terminated on February 20, 2024, as requested by DAS and approved by the CPA Board.

## **Project Cost Update**

In April 2021, the Authority executed a Construction Manager-at-Risk contract (CMR) with Kiewit Infrastructure Co., which resulted in generating a Target Guaranteed Maximum Price (GMP) of \$204 million (i.e., \$193m construction cost, plus another \$11m in contingency) for construction of the Project. Combined with the project's separate non-construction or 'soft costs', which totaled \$31.5 million and included items such as design, permitting, lease of adjacent property, construction administration and 3rd party testing, the total project cost was estimated at \$235.5 million.

As noted by the Chair of the Board at the Authority's March 22, 2022 special board meeting, the permitting process for the project took significantly longer than anticipated and the board openly discussed that there was cost associated with the permit delay and additional cost in accelerating certain aspects of critical path construction activities associated with the State Pier's heavy lift platform to accommodate the handling of offshore wind components necessary for delivery of Orsted and Eversource's first offshore wind project, known as South Fork Wind.

The Authority successfully negotiated and approved the costs associated with the permitting delay and project acceleration. As of May 24, 2022, based on the trade contractor buy-out / procurement activities, the project's awarded GMP for construction totaled just over \$185 million. As a result of legislative authorization for an additional \$20 million and the Bond Commission's action on May 26, 2022, the available funds for the State Pier Infrastructure Improvements Project was increased to a total of \$255.5 million.

At the Authority's meeting on June 21, 2022, the Authority's Board executed the final trade contractor notice to proceed for dredge related work. The dredging and material disposal subcontract cost was \$32 million. Collectively, with all trade packages awarded, the construction related GMP was approximately \$217 million and together with the soft cost forecast of \$33 million, generated a total project cost of approximately \$250 million. This total project cost was consistent with public discussions of the project.

Several site-specific issues were necessary to overcome to deliver the Project in compliance with the approved design criteria. For example, additional demolition of the State Pier's existing subsurface structural concrete deck was necessary to accommodate the width and transport corridor associated with the installation berth's heavy lift platform. Additional micro piles and anchor wall piles were necessary to overcome poor subsurface soil characteristics at the Northeast Bulkhead Annex and South Wall and modifications to the electrical equipment were required to accommodate

changes to the shore to ship power connections. The most significant site issue that has impacted the Project is deep obstructions, such as rocks and boulders that range from 2-feet to upwards of 10-feet in circumference and are located 20 to 50-feet or more below the surface. The presence of these obstructions prohibited the successful driving of the pipe and sheet pile to their required design depth. For structural stability of the wharf and to achieve certification that the cargo platforms can handle the significant loads generated when transferring cargo from the shore to the ship, the obstructions had to be removed and the piles driven to design depth. Removal of the deep obstructions took longer and cost more than anticipated.

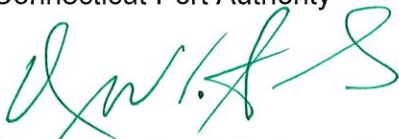
As of the Authority's meeting on July 18, 2023, the Authority's Board had (i) approved amendments to the Harbor Development Agreement that enabled its private-sector partners to provide \$23.75 million (half) of additional construction funding and (ii) obtained legislation that facilitated the State of Connecticut to provide \$30 million of additional funding. These additional funding sources, plus other minor adjustments, increased the available funds for the project to \$311 million. At the same July 18, 2023 meeting, the Board approved construction GMP Amendments No. 09 and 10 to the CMR Contract to address the above detailed site-specific construction issues, thereby raising the cost of construction from \$217 million to \$272.85 million. Concurrent with these actions, the Authority's Board established a CPA controlled contingency of \$6 million, which among other expenses, was intended to address three (3) remaining construction allowances. Together with the same soft cost forecast of \$33 million, generated a total cost forecast at completion of the works of approximately \$311 million.

As of November 30, 2023, two of the obstruction related issues have been completed and the third is targeted for completion by Q1 2024. Overall, the Project is 97% complete. Substantial completion of the State Pier portion of the terminal is targeted for Q1 2024, which will allow the facility to be used for Orsted and Eversource's second offshore wind project, which is the 704 MW Revolution Wind Project that will provide clean wind generated power for Connecticut and Rhode Island. Due to punch list work that requires warmer temperatures for successful application, final acceptance of the facility is anticipated in Q2 of 2024.

Please do not hesitate to contact me at [uhammond@ctportauthority.com](mailto:uhammond@ctportauthority.com) or (860) 577-5174 if you have any questions, comments, or concerns regarding the content of this report.

Submitted by:

Connecticut Port Authority



Name: Ulysses B. Hammond

Title: Executive Director

Date: April 1, 2024



STATE OF CONNECTICUT  
OFFICE OF POLICY AND MANAGEMENT



Jeffrey R. Beckham  
Secretary

April 2, 2024

Representative Roland Lemar  
Co-Chair  
Transportation Committee  
Room 2300  
Legislative Office Building  
Hartford, CT 06106

Senator Christine Cohen  
Chair  
Transportation Committee  
Room 2300  
Legislative Office Building  
Hartford, CT 06106

Dear Representative Lemar and Senator Cohen:

Pursuant to Section 1 of Public Act 21-179, I offer the following information concerning the April 1, 2024 report of the Connecticut Port Authority regarding the status of pending and current contracts, small harbor projects and the construction project at the State Pier in New London. The New London State Pier construction project is currently under the oversight of the Department of Administrative Services.

My office has reviewed the report with the staff of the authority. As noted in the report, my office continues to work with the authority pursuant to a memorandum of understanding. As previously noted, my office has directly supported the authority through oversight of its financial position; identifying opportunities to achieve highest standards of transparency, governance, accountability, and fiscal best practices; reviewing, drafting, and modifying policies and procedures; and addressing accounting system deficiencies and ensuring consistency financial reporting.

Our work will continue until the authority is able to account for and manage its financial transactions consistent with best practices. OPM Executive Finance Officer Kim Kennison is supporting the authority with these issues, given her years of experience in finance.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey R. Beckham".

Jeffrey R. Beckham  
Secretary