



## QUARTERLY REPORT TO THE TRANSPORTATION & APPROPRIATIONS COMMITTEES

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

**Pursuant to PA 21-179**

**October 1, 2024 Submission**

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."

Pursuant to PA 21-179: "Section 1. (NEW) (Effective from passage) Not later than January 1, 2025, and quarterly thereafter, the Connecticut Port Authority shall submit a report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committees of the General Assembly having cognizance of matters relating to transportation and appropriations and the budgets of state agencies that shall include the following: (1) A description of the authority's work to support grants under the Small Harbor Improvement Projects Program; (2) a description of the authority's dredging activities and the needs concerning dredging in harbors in the state; and (3) a description of the authority's marketing activities on behalf of maritime communities in the state."

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

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

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

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

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

ACTIVE - CPA entered into a Memorandum of Understanding (MOU) with Connecticut Department of Transportation (CTDOT) and the Treasurer of the State of Connecticut, effective June 2016, to facilitate the governance of the ports and harbors of the State, and the orderly transition and transfer of related resources to the CPA. The MOU also provides certain services to CPA's State Pier facility in New London, such as snow removal for the approach to State Pier Road

### **3. Concession Agreement as Amended**

ACTIVE - The Concession Agreement between CPA 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. Amendments No.1 and No.2 to the Concession Agreement were executed on August 20, 2024 and September 5, 2024 consecutively. These Amendments include the extension of the contract term from twenty (20) to twenty-three (23) years from the Closing Date.

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

ACTIVE – The Harbor Development Agreement (HDA) between the CPA, 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 #3 above).

The HDA governs the financial contributions and other commitments involved in the redevelopment and near-term operation of the facility as 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 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

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

additional seven (7) year option (terms of the option period to-be-negotiated at the end of the initial sublease period).

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

ACTIVE – The New England Central Railroad (NECR) Land and Track Lease between CPA 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 CPA to facilitate the redevelopment of the port facility 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 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.

**6. Saybrook Junction (Office Lease) as Amended**

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

**7. Willscot (Trailer Lease)**

ACTIVE – CPA is leasing a trailer for office space at 200 State Pier Road, New London, CT 06320. The Lease Agreement began on August 30, 2024 for a minimum period of six (6) months.

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

ACTIVE – Gowrie Group is the CPA'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 CPA's website and other activities, as requested, and is currently continuing month-to-month, based on direction from OPM. CPA issued an Request for Proposals (RFP) on August 23, 2024 for Communications and Marketing Services. The RFP submission deadline was September 27, 2024. The Selection Committee will be reviewing proposals, with a recommendation to the Board anticipated in October.

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

ACTIVE - CPA 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 - CPA 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 - CPA 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 CPA 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.

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

ACTIVE – CPA's contract with AECOM designates AECOM as its Construction Administrator (owner's representative) for the State Pier Infrastructure Improvements Project.

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

ACTIVE – CPA'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, CPA executes grant agreements with recipient municipalities. See Section II for additional information regarding SHIPP.

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

ACTIVE – CPA'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.

GZA anticipates 100% design plans for rehabilitation of Pier 7 on October 1, 2024 and will submit all documents to CPA. CPA will forward all relevant documents to DEEP and DAS for execution of the project.

**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 CPA's pending federal license from USACE for in-water work at the State Pier facility. CPA 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 – This is a 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. This agreement is up for renewal on February 28, 2025.

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

ACTIVE – In December 2022, CPA entered into a Memorandum of agreement (MOA) with the Army Corps of Engineers for the design phase of the New Haven Harbor Improvement Federal Navigation Project. The USACE completed its investigative borings of the harbor in early September 2024, and the project has moved to design phase. Dredging is estimated to begin in October 2025.

**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. See Section III for additional information.

## II. Status of Small Harbor Projects

It is the mission of the Connecticut Port Authority (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. 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. CPA's Maritime Development Manager will be CPA's primary contact for SHIPP moving forward including the current round of submissions received on July 1, 2024.

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.

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

CPA 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, CPA updated it's 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 CPA 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

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.

All SHIPP Grant agreements have been fully executed to date. Subsequent to SHIPP Round One (1), all grants are administered on a reimbursement basis when the projects are completed and accepted. The Maritime Development Manager will assist in the expansion of assistance to municipalities

Round	Bond Authorization Date	Number of Projects Funded	Amount Funded
One	11/29/2017	16	\$ 4,011,650
Two	4/16/2021	8	\$ 2,956,200
Three	4/6/2023	9	\$ 5,043,856
		<b>33</b>	<b>\$ 12,011,706</b>

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

## **SHIPP Round 4**

On March 1, 2024, CPA announced the launch of SHIPP Round Four (4) and appealed 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) by the Application Submittal Deadline of July 1, 2024. Email reminders regarding the deadline were sent in May and June. CPA received 17 applications from 14 municipalities within the deadline outlined in the SHIPP Round 4 RFA. Applications are reviewed by the Review Committee, consisting of CPA Board Members and led by CPA's Maritime Development Manager. Selected applicants will be presented to CPA's Board of Directors in October, then submitted to the Bond Commission for approval.



### **III. Status of Dredged Material Placement Planning Study**

The Connecticut Dredged Material Management Study is being conducted by the US Army Corps of Engineers (USACE) under the authority provided in Section 22, Water Resources Development Act of 1974, as amended and commonly known as the Planning Assistance to States (PAS) program under the "comprehensive plan" category. The study will conduct analyses of dredge material needs and placement sites in Connecticut in support of overall statewide coastal dredged material management planning. The non-federal sponsor is Connecticut Port Authority (CPA), who cost shares the study on a 50:50 basis with the federal government. A Study Agreement between the CPA and the USACE was executed on March 16, 2023, with an agreed upon initial study cost of \$1.5 million. In August 2024, CPA approved an amendment to the agreement to expand the scope of work of the study. Amendment Number One which was fully executed in September 2024, approved additional state funding of \$2.25 million. Study tasks will identify the potential quantities of dredged material from non-federal waterways statewide and more importantly identify alternative placement methods and locations for dredged material. The amendment will allow the USACE to scope and conduct investigations at priority placement sites for dredged material.

CPA has continued to work with USACE and DEEP, and in May 2024, the Connecticut Dredged Material Management Study Dredging Inventory and Forecast Assessment of Navigation-Dependent Facilities in Connecticut Waterways of Long Island Sound questionnaire was finalized and distributed by the CPA to those identified in the past as waterway asset managers/owners within Connecticut waterways. The deadline for questionnaire submissions from stakeholders was July 31, 2024, however the CPA has worked with USACE to allow for late submissions if received. The USACE continues to analyze the data received from stakeholders. In October 2024, CPA will facilitate along with CPA's partners at USACE & DEEP, a series of Public Information Sessions for stakeholders to explain the future steps of the study, and to field questions and comments. CPA continues to facilitate monthly partner meetings to ensure the requirements of the study schedule are met.

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

### Project Overview and Update

CPA 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. The OPM MOU terminated June 30, 2024.

It has been the goal of the Connecticut Port Authority to make generational improvements and 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 have transformed State Pier into a modern, heavy-lift terminal capable of meeting the facility requirements of the offshore wind industry, while maintaining a freight rail link.
- The upgrades included 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.
- Between 160-180 construction jobs were created during the construction phase of the project. Construction was substantially complete by June 2024 in time for the commencement of the second wind project, Revolution Wind, which will provide clean, sustainable power to Connecticut and Rhode Island.
- The Ørsted and Eversource joint venture company (Northeast Offshore – NEO) have 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 at the site.
- State Pier operations commenced April 2023.
- Three offshore wind projects totaling more than 1,700MW are being marshalled from State Pier New London:
  - South Fork Wind (132MW, State of New York) (completed in March 2024);
  - Revolution Wind (304MW, State of Connecticut and 400MW, State of Rhode Island); (commenced June 2024)
  - and Sunrise Wind (924MW, State of New York)
- During periods where Ørsted and Eversource are not using State Pier, Gateway Terminal will market the facility to other commercial and maritime enterprises to ensure maximum utilization.
- CPA's concession agreement with terminal operator Gateway New London, LLC requires the operator to market the facility to the commercial and maritime sectors.

In late July 2024, State Pier saw the arrival of Wind Scylla, a 459-foot offshore wind installation vessel. The assembly of components at State Pier for Revolution Wind and the outbound vessel transport will continue into calendar year 2025 as planned. With respect to Sunrise Wind, the Bureau of Ocean Energy Management (BOEM) approved Sunrise Wind's plan for construction and operations in late June 2024, and Ørsted completed the acquisition of Eversource's 50% share of Sunrise Wind in July 2024. The 84 turbine Sunrise Wind Project is scheduled to be delivered from the State Pier Terminal and will provide 924MW of sustainable wind generated energy to the homes and businesses of New York.

## **Project Cost Update**

In April 2021, CPA 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 CPA'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.

CPA 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 CPA's meeting on June 21, 2022, CPA'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 CPA's meeting on July 18, 2023, CPA'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.

The estimated project cost of the HDA as of CPA's Board Meeting dated August 20, 2024 comprised of construction costs amounting to \$275 million, and soft costs averaging \$36 million. As previously noted, Substantial Completion of the Project was achieved in June 2024. CPA continues to work with the CMR to ensure the balance of punch list items are completed.

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

Submitted by:

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