

Subject: RE: CT Studios Update

I am working on trying to get the town of South Windsor to be a pilot program for the micro grid program. CT studios will have two fuel cells producing 5 mega watts of power. They only need one. I want to back feed the Sewer Plant, CREC School, and Pleasant Valley School so in a power outage the plant will not have to be on generator power and the two schools can be used as additional shelters or warming stations. In a Cat. 2 or 3 storm we will definitely need multiple shelters. If the state allows us to back feed on the over head lines that run thru the middle of Town of South Windsor I can feed Town Hall, PD and the High School and possible the Community Center. This grant has no bearing on the CT. Studios project as it is not part of their capital stack but it does have a positive effect for us in the case of tropical storms. I am just trying to capitalize on their Fuel cell. (At their expense.) CT Studios is already running a line to Strong Road to feed the Electric Distribution CO under their current agreement. A left hand turn on Pleasant Valley road to the plant works in the program. The other two schools are so close that this is a no brainer. There will be only six towns chosen so the competition will be fierce. The larger the grid covers within a certain mile radius the better the opportunity a project will have. There is only 15 million dollars available for this program. We looked at the current fuel cell at the HS to tie in the community center and PD but it does not work. The fuel cell as you know only does half the HS.

The grant is due by Jan. 2nd and I place the responsibility on CT. Studios to file for the grant as I felt maybe they could get their line from Chapel to Strong paid for by this grant thereby being a win. /win for both of us. There is no obligation on the part of the Town as we are not applying for the grant. What I am doing is writing a letter of support and indicating we need this power to support our plant and schools for shelters as well as designating the Studio due to the capacity of the fuel cells and the ability to house large groups of people and provide for all the amenities we have currently at the HS.

Matt

Matthew B. Galligan
Town Manager

Good Morning Dana:

We understand that you are planning to begin construction on Connecticut Studios with an opening planned in January of 2013.

As you are well aware, the Universal Studios Team has been a part of your New Mexico and Pennsylvania projects from their inception. I have witnessed first-hand your ability to create exceptional stage properties that continue to be sought out by the leading producers of television and film.

Universal Lighting and Grip has worked closely with Pacifica Ventures for the past several years providing lighting solutions for both stage facilities and their associated locations. Together we have supported numerous major productions. Just to name a few, *Terminator*, *Book of Eli*, *The Avengers* and *The Lone Ranger*. All major blockbuster films made on Pacifica's stages. We look forward to the same great opportunities at CT Studios.

All of the best during construction,

Rick Maas



**CONNECTICUT
STUDIOS**

MEMORANDUM

To: South Windsor Town Council
From: Anthony DelVicario
Re: Status Report since December 20, 2012
Date: December 28, 2012

Financial Matters/Capital Stack

Ocean Capital (First Mortgage) and First Niagara (Tax Credit Bridge Loan) have been provided all requirements for the final underwriting of their loans. Due to the holiday this process is not yet completed, final commitments are expected early in January 2013.

Foss & Co. continues to wrap up Purchase & Sale Agreements for State of Connecticut Infrastructure Tax Credits. These include: Liberty Mutual Insurance, Standard Insurance and UPS.

Construction Matters

Several construction firms are finalizing their bids on the site, infrastructure and building construction. Bids are due January 4.

Langan Engineering has completed its program to further test soil conditions by conducting a test program where a portion of the site will be surged (soils compressed using various techniques). Langan's original Geo Tech report called for extensive measures to prevent soil settlement that would impact buildings and infrastructure. CT Studios has obtained a second opinion that indicates that such extreme measures may be unnecessary. This test program will verify or contradict that finding and allow the project to move forward. Manafort Brothers Inc. of Plainville will be implementing the test with observations from Langan.

Energy

Upon receipt of the final commitments from its lenders, CT Studios will submit these to the State of CT DECD who will then provide its own final commitment. This information will be provided to the power purchaser who has previously committed to execute a Power Purchase Agreement with CT Studios upon its receipt.

CT Studios energy consultant is moving on a parallel path to respond to an RFP by the State of CT DEEP. This RFP proposes the use of CT Studios and its energy component as a possible "Micro-Grid" providing emergency power and shelter in the event of a major power outage. The overall CT Studios project is not dependent upon the success of this use. Its success would allow the resources of CT Studios to provide further public benefit to the Town and State.



January 14, 2013

James M. Eschert, P. E.
Principal Engineer
The Metropolitan District
555 Main Street, PO Box 800
Hartford, Connecticut 06142

Re: Connecticut Studios

Dear Mr. Eschert:

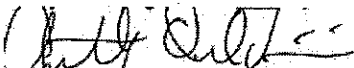
We have been informed by our civil engineer, VHB that the MDC will require an Availability and Capacity Analysis to be conducted by a 3rd party qualified under the MDC RFQ #22. It is further our understanding that MDC will select and contract with the consultant and that Connecticut Studios will be responsible for the cost.

Connecticut Studios does hereby agree to these conditions. Prior to proceeding we do request that an estimate of costs be provided to Craig Stevenson. Mr. Stevenson coordinates our development activities and will work to assist you in this process. Any improvements required will fall under the umbrella of public infrastructure and those costs are being paid for by the Town of South Windsor. Mr. Stevenson will facilitate any coordination with the Town and this process.

Thank you in advance for your quick attention to this matter. Any further questions or concerns should be directed to:

Craig Stevenson
52 Milwood Road, East Hartford, CT 06118
860-306-8325
cstevenson@connectedtoct.com

Sincerely,


Anthony DeMicario

CT Studios

Infrastructure Budget

Item	Private Improvements	Public Improvements	Total Improvements
Land Value Allocation			
Reimbursement for Easement	\$0	\$1,000,000	\$1,000,000
	\$0	\$1,000,000	\$1,000,000
Earthwork			
Site Demo & Earthwork	\$0	\$1,246,000	\$1,246,000
Building Pad Prep	\$240,000	\$0	\$240,000
	\$240,000	\$1,246,000	\$1,486,000
State Traffic Commision Improvements			
Roadway lane	\$0	\$820,000	\$820,000
Traffic Signal	\$0	\$230,000	\$230,000
Traffic Mgmt.	\$0	\$190,000	\$190,000
Design & Civil Engineering Offsite	\$0	\$135,000	\$135,000
	\$0	\$1,375,000	\$1,375,000
Utilities:			
Water Main Distribution	\$5,000	\$410,000	\$415,000
Sanitary Sewer	\$15,000	\$135,000	\$150,000
Site Electrical (Conduits & Lighting)	\$65,000	\$1,135,000	\$1,200,000
Fire Protection	\$25,000	\$250,000	\$275,000
	\$110,000	\$1,930,000	\$2,040,000
Roadway Construction:			
Heavy duty paving	\$0	\$550,000	\$550,000
Standard duty paving	\$710,000	\$0	\$710,000
Porous paving	\$0	\$200,000	\$200,000
Curbing, Sidewalk, & Finishes	\$225,000	\$525,000	\$750,000
Ellington Road Widening	\$0	\$60,000	\$60,000
	\$935,000	\$1,335,000	\$2,270,000
Stormwater Mgmt. & Water Quality:			
Stormwater Mitigation	\$0	\$450,000	\$450,000
Stormwater Piping	\$0	\$540,000	\$540,000
	\$0	\$990,000	\$990,000
Hotel & Retail Development Area			
Utilities, site prep, and paving	\$0	\$1,935,000	\$1,935,000
Design & Civil Engineering	\$0	\$262,000	\$262,000
	\$0	\$2,197,000	\$2,197,000
Pumping Station	\$0	\$100,000	\$100,000
Fencing	\$120,000	\$200,000	\$320,000
Landscaping (Topsoil & Landscaping)	\$50,000	\$500,000	\$550,000

CT Studios Infrastructure Budget

Item	Private Improvements	Public Improvements	Total Improvements
Soft Costs:			
Engineering Services	\$0	\$60,000	\$60,000
Legal, accounting, consultants, environmental, etc. @ 5%	\$0	\$0	\$0
Developer's Fee	\$0	\$0	\$0
C&M Fee	\$0	\$0	\$0
General Conditions Alloc.	\$0	\$2,000,000	\$2,000,000
	<u>\$0</u>	<u>\$2,060,000</u>	<u>\$2,060,000</u>
Pre-Contingency Totals	\$1,455,000	\$12,933,000	\$14,388,000
Contingency @ 10% (exclud. land)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Infrastructure Budget	<u><u>\$1,455,000</u></u>	<u><u>\$12,933,000</u></u>	<u><u>\$14,388,000</u></u>
% of Total	10.11%	89.89%	100.00%
CT Studios	\$1,455,000	\$9,201,000	\$10,656,000
Hotel & Retail Development Area	\$0	\$2,432,000	\$2,432,000
Budgeted Items	\$0	\$1,300,000	\$1,300,000
Total	\$1,455,000	\$12,933,000	\$14,388,000



**CONNECTICUT
STUDIOS**

MEMORANDUM

To: South Windsor Town Council
From: Anthony DeVicario
Re: Status Report since December 28, 2012
Date: January 21, 2013

As all are aware, CT Studios one and only job at this point is to take all actions necessary to deliver to the Town a signed power purchase agreement. To achieve this object CT Studios has been required to present the State DECD with final commitments for all sources of capital. The below list were provided to CT Studios since our last report. Copies of these letters are being furnished to the Town Manager. These are confidential and proprietary therefore can be viewed in the Manager's office in hard copy only.

1. Letter of Foss & Co. committing to the purchase of \$14 million in State of CT Film & Media Infrastructure Tax Credits
2. Letter of the National Development Council committing to assisting in the monetizing the Federal ITC associated with the Fuel Cell
3. Letter of Interest of Seminole Financing to provide construction loan for the Fuel Cell

As CT Studios completes the final verification of its financial stack, on a parallel track pricing for construction is being finalized. Additionally other details that must be complete to start construction are also being attended to. This week the following tasks were completed.

1. CT Studios site contractor has provided a proposal and final numbers, allowing the attached budget to be finalized with regard to the site work and infrastructure. (Attached)
2. CT Studios has authorized the Metropolitan District Commission to proceed with an analytical study to determine the anticipated water usage of the fully developed project. (Attached)
3. CT Studios was invited to provide additional information by the State of CT DEEP regarding its proposal to the Micro-grid Grant and Loan Program (It must be noted that this application and possible approval is not crucial to the completion of the studio project and in no way detracts from the task at hand. Its success however would extend the benefits of CT Studios.) This item is not attached.