

Legislative History for Connecticut Act

SB 0906	PA211	1997
Senate 1429-1430, 1490-1492, 3472-3473, 3548-3550		(10p)
House: 4460-4473		(11p.)
Commerce: 183-191, 211		(10p)

Total 31p

Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate
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CONNECTICUT
GEN. ASSEMBLY
SENATE

PROCEEDINGS
1997

VOL. 40

PART 4

1083-1433

THE CLERK:

Adoption of Senate Amendment Schedule A, LCO 790a.

Total Number Voting 36

Those Voting Yea 18

Those Voting Nay 18

Those absent and not voting 0

THE CHAIR:

The Amendment dies. Will you remark further on the bill? Senator Jepsen.

SEN. JEPSEN:

I would ask that this bill be PT'd at this time.

THE CLERK:

Calendar Page 12. Calendar 266, File 439, Substitute for SB906, AN ACT CONCERNING TRANSFER OF REAL PROPERTY UNDER THE MANUFACTURING ASSISTANCE ACT AND PARTICIPATION BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT IN CERTAIN LOANS. Favorable Report of the Committee on Commerce and Exports, and Government Administration and Elections. Clerk is in possession of no Amendments. They've been withdrawn.

THE CHAIR:

Senator McDermott, as soon as we get the bill on the board. Senator McDermott.

SEN. MCDERMOTT:

Madam President. I move acceptance of the Joint

S---t

Wednesday, April 30, 1997

001430

Committee's Favorable Report and passage of the bill.

THE CHAIR:

Question is on passage, will you remark?

SEN. MCDERMOTT:

Thank you Madam President. Basically, what this bill does is authorize the Commissioner of the Department of Economic and Community Development to accept real property and transfer these properties to companies under the Manufacturing Assistance Act to stimulate economic development. I move adoption.

THE CHAIR:

Question is on passage of the bill. Will you remark? Will you remark? Senator McDermott.

SEN. MCDERMOTT:

Thank you Madam President. I move this item to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

THE CLERK:

Calendar Page 15, Calendar 281, File 450,
Substitute for SB544, AN ACT CONCERNING ADVERTISING TOBACCO OR ALCOHOL ON PUBLIC TRANSPORTATION. Favorable Report of the Committee on General Law, and Public Health. Clerk is in possession of one Amendment.

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1434-1795

Senate

Wednesday, April 30, 1990 1490

THE CHAIR:

Thank you Senator Harp. Will you remark further on the Resolution? Will you remark further? Senator Jepsen.

SEN. JEPSEN:

I would move this item to the Consent Calendar at this time.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered. At this time we'd like to call the Consent Calendar. Clerk please announce a roll call vote, and call the Consent Calendar.

THE CLERK:

Immediate roll call has been ordered in the Senate on the second Consent Calendar. Will all Senators please return to the Chamber. An immediate roll call has been ordered on the second Consent Calendar. Will all Senators please return to the Chamber.

Madam President, the second Consent Calendar begins on Calendar Page 1, Calendar 310, Senate Joint Resolution SJR32.

Calendar Page 12, Calendar 266, Substitute for SB906.

Calendar Page 17, Calendar 293, Substitute for

HB6643.

Calendar 295, HB6921.

Calendar 297, Substitute for HB5141.

Calendar Page 18, Calendar 299, HB6945.

Calendar 300, HB5088.

Calendar Page 22, Calendar 64, Substitute for

SB860.

And Calendar Page 25, Calendar 178, Substitute for

SB1112.

Madam President, that completes the second Consent Calendar.

THE CHAIR:

Thank you Mr. Clerk. Would you announce a roll call vote. The machine will be open.

THE CLERK:

Immediate roll call has been ordered in the
Senate. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate on the second Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

Have all members voted? If all members have voted, the machine will be locked. Clerk please take a tally.

THE CLERK:

The adoption of Consent Calendar No. 2.

Total Number Voting 36

Those Voting Yea 36

Those Voting Nay 0

Those absent and not voting 0

THE CHAIR:

Consent Calendar is adopted. Clerk please return to the Call of the Calendar.

THE CLERK:

Calendar Page 1, Favorable Reports, Calendar 50, File 21, Substitute for SB949, AN ACT ELIMINATING THE REQUIREMENT TO DISCLOSE CLIENTS AND CUSTOMERS IN THE ANNUAL STATEMENT OF FINANCIAL INTERESTS FILED WITH THE STATE ETHICS COMMISSION. Favorable Report of the Committee on Government Administration and Elections. Clerk is in possession of five Amendments.

THE CHAIR:

Senator LeBeau. Just a moment, Senator before we begin we'll put the bill on the Calendar on the board. Senator LeBeau.

SEN. LEBEAU:

Thank you Madam President. I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

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3192-3550

211, PT, and 216 is marked Go.

Page 13, Calendar 240, is Go; 251, is Go; 252, PT; 257, PT; 273, is PR; 274, PR.

Page 14, Calendar 282, is PR.

Calendar 283, PT; 303, PR; 312, PR; 322, PR.

Page 15, Calendar 326, Substitute for SB1143, I move to the Foot of the Calendar.

THE CHAIR:

Motion is to refer this item to the Foot of the Calendar. Without objection, so ordered.

SEN. JEPSEN:

Calendar 328 is PT; 329, is PR; 331 and 380, are PR.

The first four items on this page, 392, 395, 396, and 400 are PT. The balance 408, and 417 are PR.

Page 17, Calendar 422, is PT; 447, PT; 457, PR; 465 and 470, PT.

Page 18, the first two items 480 and 526 are Go. The last two items, 548 and 109 are PT.

Page 19, the first three items, Calendars 160, 193, and 199 are PT.

Calendar 253 is Go.

Page 20, Calendar 266, Substitute for SB906, I move to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

SEN. JEPSEN:

Calendar 285, I move suspension so that it may be taken up at this time.

THE CHAIR:

Motion is for suspension of the rules in order to take this up, for marking?

SEN. JEPSEN:

Yes.

THE CHAIR:

For marking. Without objection, so ordered.

SEN. JEPSEN:

At this time I would move Substitute for SB1162, which is the same Calendar 285, to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent Calendar. Without objection, so ordered.

SEN. JEPSEN:

Calendar 307 is PT.

Calendar 315, Substitute for SB995, I move to the Consent Calendar.

THE CHAIR:

Motion is to refer this item to the Consent

Immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. An immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

Madam President, the first Consent Calendar begins on Calendar Page 5, Calendar 536, Substitute for HB6333.

Calendar Page 7, Calendar 567, HB6670.

Calendar Page 8, Calendar 571, HB6916.

Calendar 572, Substitute for HB6771.

Calendar Page 9, Calendar 576, Substitute for HB5723.

Calendar Page 11, Calendar 584, Substitute for HB6854.

Calendar Page 12, Calendar 216, Substitute for SB171.

Calendar Page 18, Calendar 480, Substitute for HB6893.

Calendar 526, HB6338.

Calendar Page 19, Calendar 253, Substitute for SB1211.

Calendar Page 20, Calendar 266, Substitute for SB906.

Calendar 285, Substitute for SB1162.

Calendar 315, Substitute for SB995.

Calendar Page 21, Calendar 327, Substitute for
SB260.

Calendar 363, HB6585.

Calendar 375, Substitute for SB1186.

Calendar Page 22, Calendar 490, Substitute for
HB6253.

Calendar 525, Substitute for HB6211.

Calendar Page 23, Calendar 369.

Committee on Conference, Substitute for HB5042.

Madam President, I believe that completes the
first Consent Calendar.

THE CHAIR:

Thank you Mr. Clerk. Would you once again
announce a roll call vote, the machine will be open for
purposes of voting on the Consent Calendar.

THE CLERK:

Immediate roll call has been ordered in the
Senate. Will all Senators please return to the
Chamber. An immediate roll call has been ordered in
the Senate on the Consent Calendar. Will all Senators
please return to the Chamber.

THE CHAIR:

Have all members voted? If all members have
voted, machine will be locked. Clerk please take a

tally.

THE CLERK:

Motion is adoption of the Consent Calendar No. 1.

Total Number Voting 36

Those Voting Yea 36

Those Voting Nay 0

Those absent and not voting 0

THE CHAIR:

The Consent Calendar is adopted. Senator Jepsen.

SEN. JEPSEN:

Thank you Madam President. It is our intention to recess in a moment for approximately half an hour so that a new Go list can be compiled. Points of personal privilege.

THE CHAIR:

At this time the Chair would like to announce members of a Conference Committee on bills that have just passed that would put us in conflict with the House that is on Calendar 363. Committee of Conference will be Senator Kevin Sullivan, Senator Edith Prague, Senator Tony Guglielmo.

On Page 23, the Committee of, I'm sorry, Page 22, Calendar 490, Senator LeBeau, Senator Crisco, and Senator Smith. The members of that Conference Committee will meet and report back. It would be

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GEN. ASSEMBLY
HOUSE

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266

House of Representatives

Wednesday, May 28, 1997

HB7010 as amended by House "A".

Total number voting	143
Necessary for passage	72
Those voting yea	143
Those voting nay	0
Those absent and not voting	8

DEPUTY SPEAKER PUDLIN:

The bill passes. The Clerk please call Calendar 461.

THE CLERK:

On Page 13, Calendar 461, Substitute for SB906 AN ACT CONCERNING TRANSFER OF REAL PROPERTY UNDER THE MANUFACTURING ASSISTANCE ACT AND PARTICIPATION BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT IN CERTAIN LOANS. Favorable Report of the Committee on Government Administration and Elections.

DEPUTY SPEAKER PUDLIN:

Good evening, Representative Samowitz.

REP. SAMOWITZ: (129TH)

Thank you, Mr. Speaker. I move for acceptance of the Joint Committee's Favorable Report and passage of the bill.

DEPUTY SPEAKER PUDLIN:

On acceptance and passage. Will you remark?

REP. SAMOWITZ: (129TH)

pa

004464
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Wednesday, May 28, 1997

Yes, briefly. This is a Commissioner's bill that does technical things to allow the municipality, it allows the DECD to acquire municipal or privately owned property by lease or sale through the manufacturing assistance act and also allows the DECD to participate with CDA to streamline and augment loans with the manufacturing assistance funds, thus eliminating the need for two closings.

I do have an amendment I'd like to call. Would the Clerk please call LC08884, 8884, and may I be permitted to summarize?

DEPUTY SPEAKER PUDLIN:

Would the Clerk please call LC08884, House "A".

THE CLERK:

LC08884 designated as House "A", offered by Representative Samowitz.

DEPUTY SPEAKER PUDLIN:

Representative Samowitz, before you summarize, this is not available to us at this time.

REP. MILLER: (122ND)

Mr. Speaker, we do not have copies on our side of the aisle.

DEPUTY SPEAKER PUDLIN:

Well, we're going to wait for a minute, then. Thank you very much. The Chamber will stand at ease

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for a moment.

REP. SAMOWITZ: (129TH)

I have another amendment to call. Maybe I'll recall this amendment.

DEPUTY SPEAKER PUDLIN:

I've already designated it. It's probably easier right now, if it's almost out to us.

Representative Samowitz. Excuse me, everyone. If we could please come back to order, Representative Samowitz has something to ask.

REP. SAMOWITZ: (129TH)

Thank you, Mr. Speaker. Least I forget, let me take this opportunity to move adoption of the amendment.

DEPUTY SPEAKER PUDLIN:

On adoption. We thought you had, Sir.

REP. SAMOWITZ: (129TH)

Thank you, Mr. Speaker. The Clerk now has amendment LCO8884.

DEPUTY SPEAKER PUDLIN:

We have a designated amendment. You're going to have to ask for it to be withdrawn. If this amendment has not been, you're not withdrawing this amendment? This one's already been called. And you may summarize.

REP. SAMOWITZ: (129TH)

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Thank you, Mr. Speaker. What this amendment does, LC08884, designated as House Amendment "A", takes care of a technical problem where, if the state takes a property and it's environmentally contaminated, there might be some risk on the state and this amendment takes care of the problem by making a transferor liable and may make the transferee liable in the event that there should be any environmental contamination of any property acquired.

I move its adoption.

DEPUTY SPEAKER PUDLIN:

On the adoption of "A". Will you remark? If not, I'll try your minds. Those in favor of "A" signify by saying "aye".

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER PUDLIN:

Opposed, "nay". Ayes have it. "A" is adopted.

Will you remark further on the bill as amended?

REP. SAMOWITZ: (129TH)

Thank you, Mr. Speaker. There's another amendment, LC07594. Will the Clerk please call and may I be permitted to summarize.

DEPUTY SPEAKER PUDLIN:

Will the Clerk please call LC07594, Schedule "B".

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THE CLERK:

LCO7594 designated as House "B" offered by
Representative Godfrey.

DEPUTY SPEAKER PUDLIN:

Representative Samowitz has asked leave of the Chamber to summarize. Hearing no objection, Representative Samowitz.

REP. SAMOWITZ: (129TH)

Thank you, Mr. Speaker. This amendment is very technical in nature and what it does is make sure that the terms are used consistently, i.e., that seller, that sale becomes exchange and a lease becomes leasehold and other technical language changes that makes the bill consistent in nature of its terms.

I move its adoption.

DEPUTY SPEAKER PUDLIN:

On adoption of "B". Will you remark?
Representative Miller.

REP. MILLER: (122ND)

Thank you, Mr. Speaker. A question to the proponent.

DEPUTY SPEAKER PUDLIN:

Frame your question, Sir.

REP. MILLER: (122ND)

Yes. Representative Samowitz, this works both

pat

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ways, I assume?

DEPUTY SPEAKER PUDLIN:

Representative Samowitz.

REP. SAMOWITZ: (129TH)

Through you, Mr. Speaker, if I heard the question correctly, it was, this works both ways?

The amendment is just to use terms so that they're used consistently throughout both ways.

REP. MILLER: (122ND)

Let me put it to you this way. If the State of Connecticut is transferring some property to somebody else, will the state now be liable for any contamination on that site?

REP. SAMOWITZ: (129TH)

Through you, Mr. Speaker, I think Representative Miller is referring to House Amendment "A" which has already been adopted. We're on House Amendment "B" which is the technical nature.

DEPUTY SPEAKER PUDLIN:

Representative Miller.

REP. MILLER: (122ND)

I'll ask after it's approved. Thank you.

DEPUTY SPEAKER PUDLIN:

Okay, Sir. Will you remark further on "B"? Let me try your minds. All those in favor of "B" signify

pat

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by saying "aye".

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER PUDLIN:

Opposed, "nay". Ayes have it. "B" is adopted.

Will you remark further?

REP. SAMOWITZ: (129TH)

Thank you, Mr. Speaker. As stated before, this bill is pretty much technical in nature that allows the DECT to use the manufacturing assistance act to acquire property to lease and sell that property, and to participate with DCA to augment the loan program.

I urge its adoption.

DEPUTY SPEAKER PUDLIN:

Will you remark further on --

REP. GARVEY: (67TH)

Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

Yes. Proceed, Madam.

REP. GARVEY: (67TH)

Thank you, Mr. Speaker. Through you to the proponent. I am sorry that we didn't see the amendment, the first amendment, and I have a question pertaining to it.

DEPUTY SPEAKER PUDLIN:

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004470
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Of course, Madam.

REP. GARVEY: (67TH)

It is now part of the bill. I wondered if you would please explain for those of us who did not hear, who would now be responsible for remediation if the State of Connecticut transferred a piece of property to someone else. Through you.

REP. SAMOWITZ: (129TH)

Through you, Mr. Speaker, the amendment says the transferor shall, and the transferor always is going to be liable and the transferee may be liable, so that there's always, and the only person who can sue us is the state itself. So it's always going to be the transferor and it could be any subsequent purchaser of the property, so that the state is pretty much protected, particularly given the fact that the only way that there would even be any liability on behalf of the state is if the state sues the state, which is very unlikely, even in its inception.

This is more or less a safeguard that we have that gives the state another arrow in its quiver in the event that property is discovered to be contaminated, although this particular bill is not intended, per se, to deal with contaminated property just in the event that the state does acquire some property which is

pat

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later discovered to be contaminated.

DEPUTY SPEAKER PUDLIN:

Representative Garvey.

REP. GARVEY: (67TH)

Thank you, Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

Thank you, Madam.

REP. HESS: (150TH)

Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

I see your finger, but I don't know where it's pointing. Someone should speak up.

REP. HESS: (150TH)

Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

Ah! There it is. Thank you, Representative Hess.

REP. HESS: (150TH)

Thank you, Mr. Speaker. I want to urge my colleagues to support this bill as amended. It will give the Department of Economic and Community Development another tool to make Connecticut more competitive.

It is the kind of lease land purchase that is done in the southern states and I just wanted to give our state as much of an option to be as competitive as the

pat

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rest of the states.

I urge its passage. Thank you.

DEPUTY SPEAKER PUDLIN:

Will you remark further? Staff and guests to the well of the House. Members please be seated. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll call. Members to the Chamber.

The House is voting by roll call. Members to the Chamber.

DEPUTY SPEAKER PUDLIN:

If all the members have voted, the votes are properly recorded, the machine will be locked. The Clerk will take a tally. The Clerk will announce that tally. Announce the tally please.

REP. METZ: (101ST)

Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

Representative Metz. And your vote would have been what, Sir?

REP. METZ: (101ST)

In the affirmative, please, Mr. Speaker.

DEPUTY SPEAKER PUDLIN:

In the affirmative.

pat

House of Representatives

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REP. METZ: (101ST)

Thank you very much.

DEPUTY SPEAKER PUDLIN:

Representative Boukus. Representative Diamantis,
were you in the Chamber on your feet?

REP. DIAMANTIS: (79TH)

Yes, Sir.

DEPUTY SPEAKER PUDLIN:

Representative Diamantis.

REP. DIAMANTIS: (79TH)

In the affirmative.

DEPUTY SPEAKER PUDLIN:

The Clerk will announce the tally.

THE CLERK:

SB906 as amended by House "A" and "B".

Total number voting	146
Necessary for passage	74
Those voting yea	146
Those voting nay	0
Those absent and not voting	5

DEPUTY SPEAKER PUDLIN:

The bill passes. The Clerk please call Calendar
636.

THE CLERK:

On Page 23, Calendar 636, Substitute for SB418 AN

JOINT
STANDING
COMMITTEE
HEARINGS

COMMERCE

PART 1

1-331

1997

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SEN. MCDERMOTT: Our next speaker is Chet Camarata from the DECD.

CHET CAMARATA: Good afternoon, Chairman McDermott, Chairman Samowitz, and distinguished members of the committee.

My name is Chet Camarata. I am the Executive Director of the Infrastructure and Real Estate Division of the Department of Economic and Community Development. I am standing in today for Rita Sengari, the Executive Director of Business and Housing could not make it here.

I am here to testify in favor of SB906, AN ACT CONCERNING TRANSFER OF REAL PROPERTY UNDER THE MANUFACTURING ASSISTANCE ACT. This bill would authorize the Commissioner to accept real property and transfer these properties to companies under this act.

The bill would allow the Department to build on existing authority under the Manufacturing Assistance Act and to lease these properties for economic and community development projects. By passing this legislation the Department can a valuable tool to its organization so we might induce companies to remain, expand, and relocate into the State.

In the southern states the concept of land lease purchase is a common practice and often used by the public sector as an incentive for the company to relocate there. Currently, the Manufacturing Assistance Act doesn't provide this ability. And example of how the legislation might function is that DEC would acquire privately owned land and lease it back to the manufacturer or economic based business as part of its business proposal. By leasing the land back to the owner the incentive could prove to be more beneficial to the client and in some instances, to DEC as opposed to being more beneficial that utilizing some of our standard loan incentives.

The Department could use the funds to acquire a property, recoup its investment through the

creation and retention of job generation, tax revenue, and repayment through the lease. In many cases, it will be a best fit for the client in utilizing privately owned property.

In the event that the Department has a lien on a property from an existing deal and the company might have defaulted on the loan, DECD might have the authority to foreclose on the property and reuse this property through sale or lease for other economic development and community development projects.

The purpose of this bill is not to utilize this authority to create an inventory of properties. It would be to acquire the property when a particular project finds that a land asset which might be advantageous for the Department to take control of, might benefit that particular deal.

It really provides for an enhancement to the Manufacturing Assistance Act. It provides us with more flexibility under that Act and essentially adds a small, but new dimension to that program.

Thank you for this opportunity to be appear before you and I would be happy to respond to any questions that you might have.

REP. SAMOWITZ: Are there any questions? Yes, Representative Prelli.

REP. PRELLI: Thank you, Mr. Chairman. I notice in the bill there is no funding mechanism to initially buy this property. How are you expecting to -- what's the funding base you are going to use to buy the property? Is it already funded within DED?

CHET CAMARATA: I believe that the intent would be to utilize the existing Manufacturing Assistance Act funds in order to do that. The precise mechanism to utilize those funds has not been crafted in detail, but I would expect that that would be the source that we would hope to utilize.

REP. PRELLI: But I guess I would like to know that information prior to us acting on this bill and

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gmh

COMMERCE COMMITTEE

February 11, 1997

moving forward because I think it's a major piece to the whole puzzle is how we are going to come up with the money to buy the original.

I know once you get going and you get the lease money in, you start rebuilding the fund, but you need some seed money to start with.

My second question is, the State is going to be taking on a lot of liability especially environmental cleanups and other functions that become known as soon as we buy this property. Have we looked into how we are going to offset that liability or the liability of making (INAUDIBLE) that the State would own that's not commercial land?

CHET CAMARATA: Certainly, as part of any proposed transaction that might involve this power, we would certainly utilize our resources to evaluate that property thoroughly, be sure that the Department didn't take on any excess liability and certainly predictability as to what the liability would be if something would have to be investigated in detail.

I think in working with our State Department of Environmental Protection, the Department of Health Services, very closely as a deal like this might arise in order to identify these problems would be the fashion in which we might move forward to consummate such a proposal.

I don't know if you are already aware that we work very closely with DEP and services under the (INAUDIBLE) program and we use the -- use their facilitators, commonly known as ombudsmen to try to fast track such evaluations and I think in this particular case, we would continue to do that.

REP. PRELLI: I don't mean to get across that I don't like the idea. I think the idea is a fine idea. The other point is what kind of leases would we be going in this? Would we be looking at long term lease agreements or will we be using this as incubator projects to so the companies (INAUDIBLE - TOO MUCH STATIC ON THE TAPE) theory behind it?

CHET CAMARATA: I think that it might be all of the above, depending on the particular deal that comes to the table and the type of property that might be available.

One thing that MAA or the Manufacturing Assistance Act does not provide for is any ability to even look at this concept and that, I think, is something that we would like that ability to do.

REP. SAMOWITZ: One of the problems that we would experience is that, in particular to the high tech areas, is that there are certain companies that can't purchase, let's say, lasers themselves or we might get somebody to acquire it and lease it back.

Is this something that the Department of Economic Development, Economic and Community Development is doing? Is this what this is targeted for, this type of program?

CHET CAMARATA: Well, this is targeted towards real estate as opposed to -- I believe you mentioned equipment? Is that what you --

REP. SAMOWITZ: Right.

CHET CAMARATA: Okay. This is targeted strictly towards real estate.

REP. SAMOWITZ: Then why is it limited strictly to real property as opposed to any property?

CHET CAMARATA: Well, at this particular point, that -- the concept of applying this to other types of property has -- I don't even really know if it has been considered.

I do know that in this particular case there have been a number of instances over the past twelve months or so that really facilitated this proposal. I could certainly check to see if the alternate, which you have mentioned, has also been considered.

REP. SAMOWITZ: Or is this also designed -- I know that you talked about -- is this used for (INAUDIBLE -- STATIC ON TAPE DROWNS OUT THE DIALOGUE) and all --

(GAP IN TAPE DUE TO SWITCHING FROM TAPE 1A TO TAPE 1B -- QUESTION FROM REPRESENTATIVE SAMOWITZ STILL IN PROGRESS)

-- used to take environmentally impacted property? Is that -- anything contemplated or is that just a consequence that you really did want to avoid, but happened to occur, which Representative Prelli was referring to?

CHET CAMARATA: That was really not the focus of this bill. It is very possible that some of the Brown Field sites could come into play. However, we would have to approach that with extreme caution as has been mentioned here primarily because since this is going to be focused on deals that we have in the works, deals that probably need a decision in very short order to meet the needs of our customer, to do the evaluation, properties that may have not been fully reviewed for environmental impacts, may not be possible. I think that it could come about -- we would be looking at Brown Field sites, but that is not what the intent of this particular proposal is.

REP. SAMOWITZ: Maybe if you would be more specific. Without giving any names of any companies, but just give us the type of situation what this legislation is designed for and maybe it may be a much clearer understanding of what we are going after.

CHET CAMARATA: One example that I could think of would be a vacant site that is -- that has an owner that desires to sell it and not lease it and we have a customer that desires to lease and not buy a site. We may, under that circumstance, try and take control of the site. We do the purchase. We then lease it to our new customer on terms that certainly would help us to offset the cost of that property and would provide the benefit as far as jobs and taxes go to make it a worthwhile investment for the State.

REP. SAMOWITZ: The only final question I have is we hear sometimes Economic Development doing this type of project with your DECD doing this type of project, why one entity over another entity do you

think should be doing the project or financing the projects?

CHET CAMARATA: Are you talking about the separation between what the Connecticut Development Authority might do versus the Department of Economic and Community Development?

REP. SAMOWITZ: Yeah.

CHET CAMARATA: It's difficult for me to speak to that particular issue right now and I think that DECD normally gets involved with -- let's just say the investments that can work in conjunction with CDA, but they sometimes involve a little bit more risk that CDA normally would take on.

REP. SAMOWITZ: Thank you very much. Representative Hess.

REP. HESS: With this transfer, what happens to property taxes if it goes from a private owner to a DECD?

CHET CAMARATA: We're hoping, in fact the intent of this is to do a transaction which might be a matter of an hour. We may own it for an hour, take control of it, do the lease. We certainly -- I must admit that we haven't thought that through that entirely. But certainly, it is case where we don't want any community to suffer through our actions of owning a piece of property. And we would certainly build in safeguards to assure that that didn't occur.

REP. HESS: I don't know how leasing works, but somebody would, presumably, have to pay property taxes. So it must be wrapped up and through into the lease payments, if it is to be charged.

My point was, does DECD -- would they pay property taxes on any property that they own title to?

CHET CAMARATA: I don't know the answer. That's a legal question. I can't really answer, but I certainly can find that information out for you.

REP. HESS: Thank you.

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REP. SAMOWITZ: (INAUDIBLE - MICROPHONE NOT ON)

SEN. CIOTTO: (INAUDIBLE - MICROPHONE NOT ON)

REP. SAMOWITZ: Representative Miller.

REP. MILLER: Thank you, Mr. Chairman. The later part of the bill talks about no such land may be sold or changed, leased, without the prior consultation of the municipality in which such real property is located.

Would the State ever purchase land in a community and then -- in the host community and then give that land to another community to expand an industry?

CHET CAMARATA: I really couldn't hear all the question, but in order to clarify that, the coordination with the community is critical under this particular circumstance, primarily due to some of the issues that have already been raised. And certainly the notification to the community and actually, working with the community to make it a palatable deal for all parties is something we would work towards.

REP. MILLER: And if the host community didn't want to expand that particular industry, what's their recourse?

CHET CAMARATA: I'm not quite sure what that recourse would be, to be honest with you. At this point, certainly if we can't strike a deal that is acceptable to the community, we would have to negotiate with that community further and try and come up with terms that do work for everyone. And ultimately, if there is not agreement, I'm not quite sure what would occur at that point. We probably have to make a decision with regard to what's best for the State of Connecticut overall, but certainly not ignoring any particular company's -- municipality's rights.

REP. SAMOWITZ: Let me ask you -- just to follow through of that, are you talking about approval or consultation with a municipality? Do you mean the Mayor's office, the legislative branch, or which --

CHET CAMARATA: I believe that that would have to be clarified and I think that your point -- I am sorry, I didn't mean to interrupt you, but I think that we would certainly have to work with that authority within the community whether it be the Mayor, city counsel or whatever that legislative body might be to be sure that what we are doing is palatable to that community overall.

REP. SAMOWITZ: Yes. Representative Johnston.

REP. JOHNSTON: Just a quick follow up question. You mentioned a dozen cases, instances, where DECD had this tool that would have been helpful.

DECD has a regular part of many of its lending packages, will loan money for purchase of land. Are you saying that there were twelve specific cases in the last year that fell through because DECD was not able to purchase land -- lease it as opposed to lending money to that particular business to purchase the land?

CHET CAMARATA: I don't know where the number twelve came from.

REP. JOHNSTON: I am sorry. I thought you had mentioned twelve or you had mentioned a number of instances -

CHET CAMARATA: I said a number of instances.

REP. JOHNSTON: Oh, I'm sorry.

CHET CAMARATA: Yes. And as far as I know, as far as deals falling through, there is only one that I was personally involved with and that particular company chose to do their business at a different location and I don't know the details of exactly where they went and I'm at a loss right now, primarily because I was not heavily involved in the details of that transaction.

But this would have been a helpful tool to us as part of that transaction. I am not saying that it would have succeeded, but it maybe would have given us a little more ability to work with that company.

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REP. JOHNSTON: Thank you. A quick follow-up question, if I could, Mr. Chairman.

Is there a model available that the Department is aware of that other states that may have a similar proposal or similar capabilities of purchasing and leasing land in a situation like this that you know of?

CHET CAMARATA: My understanding is that in the southern states this is a common practice. I have no personal detailed knowledge on that. But certainly if you want some information on where this is already being utilized, I think we could provide that.

REP. JOHNSTON: Thank you.

REP. SAMOWITZ: I need to ask one technical question. You talk about line 23 the economic based business. Is that a cluster or is that a term or art or is that a definable term?

CHET CAMARATA: That is a term that is used within the Manufacturing Assistance Act which defines a company that is well generated for the State of Connecticut. It usually means that they export their goods or services outside the borders of the State of Connecticut which qualifies them to be an economic based industry. And they may, in fact, also be part of the cluster thrust.

REP. SAMOWITZ: Are there other questions? Thank you very much.

The next speaker is Larry Lasardi from the DECD.

LARRY LESARDI: Thank you. Good afternoon, Chairman McDermott, Chairman Samowitz, distinguished members of the committee.

My name is Larry Lesardi. I am the Deputy Director of the Business and Housing Development Group at the Department of Economic and Community Development.

I am here to testify today in favor of HB6521,

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Peter N. Ellef
Commissioner

State of Connecticut
Department of Economic
and Community Development
505 Hudson Street
Hartford, CT 06106

Testimony on SB 906
February 11, 1997

Good Afternoon, Chairman McDermott, Chairman Samowitz, distinguished members of the committee, my name is Rita Zangari and I am Executive Director of Business and Housing Development group at the Department of Economic and Community Development (DECD).

I am here to testify in favor of SB 906, An Act Concerning Transfer of Real Property Under the Manufacturing Assistance Act. This bill would authorize the Commissioner to accept real property and transfer these properties to companies under the Manufacturing Assistance Act.

This bill would allow the Department to build on existing authority through Federal and State programs to lease properties for economic and community development projects. By passing this legislation, the department can add a valuable tool to its organization so we might induce companies to remain, expand and relocate to Connecticut. In the Southern United States, the concept of a land lease/purchase is a common practice and often used as an incentive for a company to relocate there.

An example of how the legislation would function, is the DECD would acquire privately owned land and lease said land back to the manufactures or Economic Base Businesses in order to make a deal work. By leasing the land back to the owner, the incentive could prove to be more beneficial to the client and the DECD than our standard loan incentives. The Department could use the funds to acquire and develop a property and recoup its investment through the creation and retention of jobs, generation of tax revenue and repayment via the lease.

In the event the Department has a lien on property from an existing deal and the company defaults on the loan, the DECD would have authority to foreclose on the property. The Department could reuse the property though sale or lease for other Economic and Community development projects. The Department would not utilize the authority to create an inventory of properties. The DECD would only acquire the property when a particular project or specific use has been identified.

Thank you for this opportunity to appear before you and I will respond to any questions you may have.



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