

PA13-246

HB5718

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VOL.56
PART 5
1361 – 1694**

hac/gbr
HOUSE OF REPRESENTATIVES

45
April 17, 2013

Absent and not voting 14

SPEAKER SHARKEY:

The bill is passed.

Will the Clerk please call Calendar Number 279.

THE CLERK:

On page 23, House Calendar 279, favorable report of the Joint Standing Committee on Planning and Development, Substitute House Bill 5718, AN ACT CONCERNING MUNICIPAL AUTHORITY TO PROVIDE TAX ABATEMENTS TO ENCOURAGE RESIDENTIAL DEVELOPMENT.

SPEAKER SHARKEY:

The distinguished Chairman of the Planning and Development Committee Representative Rojas, you have the floor, sir.

REP. ROJAS (9th):

Good afternoon, Mr. Speaker.

I move acceptance of the Joint Committee's favorable report and passage of the bill.

SPEAKER SHARKEY:

Question is on acceptance of the Joint Committee's favorable report and passage of the bill. Will you remark, sir?

REP. ROJAS (9th):

Thank you, Mr. Speaker.

The -- the bill makes changes to state's statutes that allow municipalities to provide tax abatements that encourage economic development and in this case residential improvements. The bill makes three changes; it the changes the threshold of the value for the improvement that has to be made to qualify for the tax abatement from \$25,000 to \$10,000, it adds mixed use development as a qualified project for an abatement, and currently under state's statue an area in the municipality in which they want after -- offer tax abatements has to be labeled a rehabilitation area. Either a whole neighborhood has to be labeled that way or the entire community. Under the bill it allows a municipality to label an individual property within a neighborhood as a need of rehabilitation.

I move adoption.

SPEAKER SHARKEY:

Thank you, sir.

Will you remark on the bill before us?

Representative Aman.

REP. AMAN (14th):

Yes, Mr. Speaker.

To the proponent of the bill I do have a couple of questions and some of it does deal with the current

language and the some of the questions that I have had.

In line three I just want to make sure that everybody is aware that this requires a may it is not a shall that it is completely up to the municipality to decide to enter this program. It's also my understanding that if we're going to do any of these single family homes with a \$10,000 agree -- improvement and a tax abatement that it is requires a individual written agreement between the owner of the property and the town that this is a individually directed proposal. It's not done for a blanket neighborhood.

And through you, Mr. Speaker.

I just want to make sure my understanding is correct.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Yes. Yes.

SPEAKER SHARKEY:

Representative Aman.

REP. AMAN (14th):

Yes, I -- I do believe that this does address a problem that some of our inner suburbs are having that they have a complete blighted area. They have one, two or three homes scattered about and they're very concerned that the blight might spread and a new owner takes over and it's a way of encouraging the improvement and the stopping of a decline in a neighborhood, so I do urge my colleagues to -- to support the bill.

SPEAKER SHARKEY:

Thank you, sir.

Will you remark further on the bill before us?

Representative Miner of the 66th.

REP. MINER (66th):

Thank you, Mr. Speaker.

Mr. Speaker, as I read through this bill it looks like it's gone through a number of transitions over the time since it was originally introduced and it -- it appears to have moved away from what I think most people if they read it would -- would kind of glean that it was intended to be for larger commercial, possibly industrial projects that towns could go to a legislative body meeting and vote to put in place some rules by which there would be an incentive -- at least

an assessment incentive for a period in time in exchange for someone bringing jobs, someone bringing business opportunity and the like, but as you -- as you look through bill it -- it seems as though it's gotten progressively diluted, I would call it, and -- and so now what the bill proposes to do is to offer an assessment incentive to someone who invests as little as \$10,000 on anyone of a number of things, office use, retail use, so on and so on and then there's some language added later on in the bill that -- that seems to indicate that it would even be for mixed use.

And so my question through you, Mr. Speaker, is when a -- while it says may, I don't think that is the same as shall, so there's nothing directing the town after they've approved this to do anything other than allow someone to discount and so if someone were to acquire one of these pieces of property during that window of being fixed up and let's say the assessment was for a significantly more than \$10,000, through you, is there something in the land records that would alert a new buyer that in fact the property tax load on that has been artificially reduced and that, such as with 490, there's a declaration on the land record, so pretty much you know when you walk into the tax

collector -- or the assessor that that may not in fact would be what your tax bill would be unless you use it for that use?

So through you, is -- is such a declaration made or presumed in this bill?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Given that there is a written agreement that needs to be filed with the town, yes, I think -- I think that people would understand upon purchasing a property that that provision exists.

Through you.

SPEAKER SHARKEY:

Representative Miner.

REP. MINER (66th):

And thank you, Mr. Speaker.

And if the gentleman could show me on what line it is required that there is a written agreement?

Through you.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Line four.

SPEAKER SHARKEY:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

And I thank the gentleman for his answer.

The way I read that it says, any municipality may and so am I incorrect that there's nothing that requires a municipality to enter in -- enter into a written agreement?

Through you.

It seems like it is not shall it's may and so they don't have to do it.

Through you.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

I think this is a decision that has to be made by the municipality when they are going to offer a tax abatement and unless offering the tax abatement they do not have to enter into that written agreement.

SPEAKER SHARKEY:

Representative Miner.

REP. MINER (66th):

I'm sorry, I didn't -- I -- I didn't quite hear that. If the gentleman could repeat that response, please.

SPEAKER SHARKEY:

Representative Rojas, could you repeat your answer.

REP. ROJAS (9th):

Sure. Sure, the written agreement would be entered into if the municipality is going to offer a tax abatement to a property owner.

Through you.

SPEAKER SHARKEY:

Representative Miner.

REP. MINER (66th):

Thank you, Mr. Speaker.

I thank the gentleman for his answer.

I -- I don't read that way. The way I read it says that the municipality may by affirmative vote approve such a plan and that if they approve such a plan I guess they -- they could enter into written agreement, but that -- I take the gentleman's answer.

And thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Will you remark further on the bill before us?

Representative Sawyer of the 55th.

REP. SAWYER (55th):

Thank you, Mr. Speaker.

Question to Representative Rojas.

SPEAKER SHARKEY:

Please proceed, madam.

REP. SAWYER (55th):

Thank you.

In following along the lines of questioning I had sort of the same questions in my mind that Representative Miner had. In looking at this do municipalities now have a policy protocol already in place?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Can she clarify the question again?

Representative, clarify the question.

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HOUSE OF REPRESENTATIVES

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April 17, 2013

REP. SAWYER (55th):

Well, in --

SPEAKER SHARKEY:

Representative Sawyer, can you repeat the question?

REP. SAWYER (55th):

Thank you, Mr. Speaker.

Do municipalities now, or is it anticipated that they will a policy in place as to how to handle such requests as this, or when you had mentioned before talking about it as a one instance situation that each one would be handled differently? Can you tell me what's happening now and what the anticipated change is?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Because the bill is largely enabling it's up to the individual municipality as to how they're going to formulate this policy on tax abatements.

Through you.

SPEAKER SHARKEY:

Representative Sawyer.

REP. SAWYER (55th):

I thank the gentleman for his answer, because I think that's clarifying. In the instance where you have a large city like Hartford and you have a small town like Union, they will handle it very differently and would have a much different depth of perhaps policy or even requests for this kind of legislation - - this kind of action.

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, madam.

Will you remark further? Will you remark further on the bills before us?

Representative Cafero. (Inaudible).

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

Mr. Speaker, through you, question to Representative Rojas.

SPEAKER SHARKEY:

Please proceed, sir.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

Mr. Speaker, through you.

I read the bill to not only change the amount from 25,000 to 10,000 and not only add mixed use development to the list of those properties that could be considered, but also in section -- the lines 33 through 36, the new definition of a rehabilitation area seems to me quite different and very philosophically different than what was in the past. And what I mean by that is, it used to talk in terms of rehabilitation area means any municipality or part thereof, which is deteriorated, et cetera, et cetera, I think initially it was the intent of this General Assembly that what we were talking about is neighborhoods or certain large areas that comprised of more than one individual property. Let's say a city wanted to make a concerted effort to clean up and found a developer or an owners that were willing to expend amounts of money with this kind of incentive to clean up whole areas.

It seems to me that the language that is now being added would literally be one property, so if one homeowner gets a municipality to agree that his or her home is deteriorated and is willing to invest more than \$10,000 in its renovation, the municipality would be allowed to forgive for up to three years, 50

percent of the increased assessed value; is that correct?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Yes.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Through you, Mr. Speaker.

Would you agree that that is a significant departure from what the law previously indicated, or at least the intent as I understand it, which was larger areas or neighborhoods of a city as opposed to one individual piece of property?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Yes, and it reflects a kind of change in dynamics in a lot of the neighborhoods that we have.

Specifically, one of my communities, Hartford, has over 70 properties that are currently in foreclosure, have largely been abandoned by the banks that own them and the goal here is to allow the municipality to go in and offer these tax abatements in an effort to try to encourage development in individual properties, as opposed to labeling an entire community as a need of rehabilitation when not every property in that particular neighborhood doesn't need rehabilitation.

Through you.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

Just to understand your last statement, the current law never required that the entire community be deemed deteriorated. It just required that a part, or portion of the municipality be deemed such, a blighted neighborhood, a blighted area, but this is now property by property can be deemed deteriorated and has the potential of availing themselves of this law and that would be a change; is that correct?

Through you, Mr. Speaker.

SPEAKER SHARKEY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Yes.

SPEAKER SHARKEY:

Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker.

SPEAKER SHARKEY:

Thank you, sir.

Will you remark? Will you remark further on the bill that's before us? Will you remark further?

If not, staff and guests to the well of the House. Members please take your seats, the machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll.

Will members please return to the Chamber immediately.

SPEAKER SHARKEY:

Have all the members voted? Have all the members voted?

Members please check the board and make sure your vote is properly cast. If all the members have voted, the machine will be locked and the Clerk will take a tally.

Clerk, please announce the tally.

THE CLERK:

Bill Number 5718	
Total Number Voting	141
Necessary for Passage	71
Those voting Yea	112
Those voting Nay	29
Absent and not voting	10

SPEAKER SHARKEY:

The bill is passed.

Are there any announcements, introductions or points of personal privilege?

Representative Alberts.

REP. ALBERTS (50th):

Thank you, Mr. Speaker.

I rise today to announce the passing of a leader in the town of Union and also the state of Connecticut. Unfortunately, on Saturday a long term serving selectman and former first selectman of the town of union passed away, Tom Fitzgerald, and I

wanted to bring this to the attention of the membership of the Chamber.

In small communities, such as Union, which is the smallest town in the state, civic leaders do many functions, in particular Tom had not only served as a selectman and a first selectman in the past, but he -- he was also serving at the time of his death as a member of the Union Fire Department.

At this time I would like to yield, if I may, Mr. Speaker, to Representative Bacchiochi who knew Tom particularly well.

SPEAKER SHARKEY:

Representative Bacchiochi, if you'll just hold for one moment.

Could we have quiet in the Chamber please? And can members or guests please take your conversations outside?

Thank you.

Representative Bacchiochi.

REP. BACCHIOCHI (52nd):

Thank you, Mr. Speaker.

And I also want to say a few words on behalf of my friend Tom Fitzgerald. Prior to the redistricting

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**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2013**

**VETO
SESSION**

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mhr/gbr
HOUSE OF REPRESENTATIVES

332
June 5, 2013

Total Number Voting	145
Necessary for Passage	73
Those Voting Yea	145
Nay	0
Not voting	5

DEPUTY SPEAKER GODFREY:

Bill as amended is passed in concurrence.

Mr. Clerk, Calendar 279, please.

THE CLERK:

On Page 42, Calendar 279, Favorable Report of the joint standing Committee on Finance, Revenue and Bonding, Disagreeing Action; Substitute House Bill 571, AN ACT CONCERNING MUNICIPAL AUTHORITY TO PROVIDE TAX ABATEMENTS TO ENCOURAGE RESIDENTIAL DEVELOPMENT.

(HB 5718)

DEPUTY SPEAKER GODFREY:

The gentleman from the 9th, Representative Rojas.

REP. ROJAS (9th):

It's a good evening, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Good evening.

REP. ROJAS (9th):

I move for acceptance of the joint committee's Favorable Report and passage of the bill, in concurrence with the Senate.

DEPUTY SPEAKER GODFREY:

The question is on passage and concurrence.

Would you explain the bill, please, sir.

REP. ROJAS (9th):

Thank you, Mr. Speaker.

Mr. Speaker, the Clerk is in possession of an amendment, LCO 8070. I ask that it be called and I be granted leave of the Chamber to summarize.

DEPUTY SPEAKER GODFREY:

Clerk is in possession of LCO Number 8070, previously designated Senate Amendment Schedule "A." Will the Clerk please call the amendment.

THE CLERK:

Senate "A," LCO 8070, introduced by -- or Senator LeBeau, et al.

DEPUTY SPEAKER GODFREY:

The gentleman has asked leave of the Chamber to summarize.

Is there any objection?

Hearing none, Representative Rojas.

REP. ROJAS (9th):

Thank you, Mr. Speaker.

This bill was previously passed by the House and amended in the Senate to allow for the creation of a

special taxing district at Rentschler Field in East Hartford. This is a potential for a, an enormous project. It's a large, mixed-use which project, which will include retail, residential developments, the possibility of an indoor water park, as well as a -- a new building for the United Technologies Company.

We are looking, the first 17 pages of the bill allows for the creation of the district, similar to what's been created in Stamford and Bridgeport and Windsor and Southington, in the interest of promoting economic development. The knack, the last section includes some provisions that will, revolving around tax increment financing.

The bill will allow for negotiations to take place between the state, the town, and the developers, and any decisions that are made would have to come back to the General Assembly for approval.

I move adoption.

DEPUTY SPEAKER GODFREY:

Question is on adoption.

Will you remark on Senate Amendment "A?"

The gentleman from the 14th, Representative Aman.

REP. AMAN (14th):

Yes; thank you, very much, Mr. Speaker.

I am pleased to see this coming forward.

Rentschler Field, even though with the football stadium and Cabelas is a very large area that for many years, many of us have looked at and were hoping for development.

This project, as it's going forward, looks like it needs a special taxing district, as we're putting it forward or as it's being put forward, and hopefully it will help it to come forward.

I do have some questions to the proponent of the bill, through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Proceed.

REP. AMAN (14th):

Yes. The area that we're talking about is the Rentschler Field area. Could the proponent of the bill give me an idea about how large a geographic area we're talking about so that people have an idea of the size of the project that they're, we're looking at?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

The Rentschler Field area is about 700 acres.

This proposed project would encompass about 135 acres.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. And formatting the -- the district, itself, there's various legislation that talks about the number of voters that have or the numbers of residents who have to vote to put in it. And I'm wondering within that acreage, are there people with homes in that area or does the part with it talks about 15 residents of West Hartford means that -- or, I'm sorry -- of East Hartford means that they could be from anywhere within East Hartford, not within the Rentschler Field area?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

In Lines 58, when they, when, that section, when they describe voter, they also give voter privileges

to any holder of record of an interest in real property within a district. There currently is no residential properties within the district; there are mainly private businesses.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yeah. Yes. And I -- I think my concern was I thought, I was under the impression that all of the land or almost all -- all of it was owned by Pratt and Whitney, which would be one voter, and I believe the statute calls for 15 or more. And I was just wondering how that was; that's why I was asking about the interpretation of where those 15 people had to reside.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Well, there's a difference between the 15 residents of a community who need to call for a petition for a referendum to be held as opposed to the

board of directors, who would be made up of -- of property owners within the district.

Located on the site already is Cabelas, the UConn Stadium, the United Technologies' Resource Center; Embry-Riddle has a campus in the area, as well. So there are a number of property holders in there who would qualify under this bill.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes, I thank, I thank you, very much.

The, it's my understanding that once a district is set -- and that's the first 17 pages the good Representative was talking about -- is that in many ways that taxing district, once it's established acts almost like its own municipality in that it can do a whole series of things.

Through you, Mr. Speaker, what does this particular taxing district expect to provide for its participants or its residents, or its business owners within the district?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

At the, in the, in the outset, it's just to -- to develop the infrastructure that would allow for the development of all, for the economic development. There are provisions in the bill that talk about whether responsibilities can be transferred to the municipality, but initially all the responsibilities around fire, police, wouldn't take place until that negotiation takes, negotiation takes place with the town.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. The, one of the primary purposes of setting up the district and actually of us meeting today is so that TIF financing could be used. Under the TIF financing, is there any obligation for the state or East Hartford to be obligated to pay back those bonds?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

The way the bill is set up, that responsibility would fall on the developer. The state and the town would bear no responsibility for the bonds that are issued to develop the project.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. And it's also my understanding that since some of the discussions are talking almost of a hundred million dollars of bonds being issued, is that number one of the ones being discussed?

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

There are a number, a -- a lot of numbers being thrown out -- out there, right now. We are still early in the process. It's all subject to negotiation, but it is a significant project in the hundreds of millions of dollars.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. And once a district is -- is set up, it's my understanding that the City of East Hartford will still have the ability to put on their own property taxes, personal property taxes, state may pay their income tax, sales taxes, basically all of the normal taxes that any other area would have to pay, the property owners in that area would have to pay. And the additional charges that they may receive from being in the district would go to the district.

Is that understanding correct, Mr. Speaker?

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

Yes, the -- the program, the plan is expected to generate about \$76.6 million in payroll and result in \$2.83 million in income tax revenue to the state.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. They, their -- one point it's -- it's talking about the law limits, the current law limits financial assistance to \$10 million to any -- within a two-year period -- per business or applicant unless the Legislature specifically authorizes otherwise. This bill exempts them.

Is that 10 million, is that tied to the bond or what is that 10 million tied to? And, again, I'm looking at the bottom of Page 3 of the report that we received.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

The reference of the \$10 million number is the number that is allowed by any state agency to give to an economic development project over a two-year period.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yes. The last question that I have regards the

very last section within the bill, five -- Lines 540 through 547, which talks about the fact that it exempts the project from certain sections.

If the proponent of the bill can explain the purpose of that section and what actually gets exempted, since it's written with a lot of numbers that I doubt very many people really know what mean.

Through you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Representative Rojas.

REP. ROJAS (9th):

Through you, Mr. Speaker.

The -- the exception that's being made is in -- in this statute here, 32-285, the amounts of, so allocated shall not exceed the estimated amount of incremental taxes to be collected, except that in the case of retail shopping centers, that amount of incremental sales allocated shall not exceed 30 percent of the gross sales directly associated with that project.

So we would be making an exception in that one case, but there's a provision further down that we are not excepting that would require that any negotiated project come back to the committee of cognizance,

which would be the Committee on Finance, Revenue and Bonding for a final approval.

Through you.

DEPUTY SPEAKER GODFREY:

Representative Aman.

REP. AMAN (14th):

Yea, in summary, I would say that I encourage my colleagues to vote for this. I think it's, the project would be absolutely fantastic for the State of Connecticut and East Hartford, if it was built.

It seems like there are sufficient safeguards for both East Hartford and the state to negotiate what is the best possible deal, all the way around. So, again, I urge my colleagues to support it.

Thank you, Mr. Speaker.

DEPUTY SPEAKER GODFREY:

Thank you, Representative Aman.

Will you remark further on Senate Amendment "A?"

Will you remark further on Senate Amendment "A?"

The gentleman from the 10th, Representative Genga.

REP. GENGA (10th):

Mr. Chairman, I stand in support of this project because of the great impact it will have on the

economy in the greater-Hartford area. Should this be successful -- and it's going to take a period of time -- you're talking about creating over a thousand construction jobs, 50 more -- \$54 million in payroll. And the economy in the Hartford area would generate over five-and-a-half million customers; 60 percent of those would come from out of state, and the impact from the out-of-state would be significant on the retail sales, the tourism, the hotels, and restaurants, because it's planned to be a very diversified retail, a -- a very diversified project.

Thank you, and I urge support of this.

DEPUTY SPEAKER GODFREY:

Thank you, sir.

Will you remark further on Senate "A?" Will you remark further on Senate "A?"

If not, let me try your minds. All those in favor, signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, Nay.

The Ayes have it. The amendment is adopted.

Remark further on the bill as amended? Will you

remark further on the bill as amended?

If not, staff and guests please come to the Well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll.

The House of Representatives is voting by roll. Will members please return to the Chamber immediately.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted? If so, the machine will be locked.

The Clerk will take a tally.

Mr. Clerk, please announce the tally.

THE CLERK:

In concurrence with the Senate, Substitute House Bill 5718, as amended by Senate "A."

Total Number Voting	143
Necessary for Passage	72
Voting Yea	143
Nay	0
Not -- absent, not voting	7

DEPUTY SPEAKER GODFREY:

Bill is passed in concurrence with the Senate.

Mr. Clerk, Calendar 693. Mr. Clerk, please call

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2013**

**VOL. 56
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Senator Looney.

SENATOR LOONEY:

Thank you. Thank you, Madam President.

Madam President, if we might mark some additional items at this time, as we said earlier, would ask the Clerk to call as the next item Calendar page 39, Calendar 422, House Bill 5718, and also, Madam President, some additional items to, to mark as a go from the Committee on Labor and Public Employees.

The first item, Madam President, would be on Calendar page 6, Calendar 352, House Bill Number 6452; Calendar page 21, Calendar 604, House Bill Number 6553; Calendar page 24, Calendar 618, House Bill Number 6433; and Calendar page 37, Calendar, under matters returned, Calendar page 37, Calendar 351, House Bill Number 6416; and on Calendar page 41, Calendar 237, Senate Bill 910. If we might mark those items as well, Madam President.

Thank you.

THE CHAIR:

Thank you.

Mr. Clerk.

THE CLERK:

On Calendar page 39, Calendar 422, substitute for House Bill Number 5718, AN ACT CONCERNING MUNICIPAL AUTHORITY TO PROVIDE TAX ABATEMENTS TO ENCOURAGE RESIDENTIAL DEVELOPMENT, Favorable Report of the Committee on Planning and Development.

THE CHAIR:

Good evening, Senator Cassano.

SENATOR CASSANO:

Good evening, Madam President.

I move acceptance of the Joint Favorable Committee,
and I ask for favorable passage of the bill.

THE CHAIR:

Motion is on acceptance and passage. Will you remark,
sir?

SENATOR CASSANO:

Yes, this bill makes a change in the way we provide
tax abatements. And before I introduce the bill, I
believe that the Clerk has an amendment, LCO 8070.

THE CHAIR:

Mr. Clerk.

THE CLERK:

LCO Number 8070, Senate "A" offered by Senator LeBeau,
Cassano, et al.

THE CHAIR:

Senator Cassano.

SENATOR CASSANO:

Yes, this is AN ACT CONCERNING MUNICIPAL --

THE CHAIR:

Is this on motion to adopt?

SENATOR CASSANO:

I, I would move to adopt the amendment as proposed.

THE CHAIR:

The motion is on adoption. Will you remark, sir?

SENATOR CASSANO:

This is AN ACT CONCERNING MUNICIPAL AUTHORITY TO
PROVIDE TAX ABATEMENTS TO ENCOURAGE RESIDENTIAL

DEVELOPMENT. In a specific situation; I'm going to yield to Senator LeBeau who can describe this amendment.

THE CHAIR:

Senator LeBeau, will you accept the yield, sir?

SENATOR LEBEAU:

Yes, I would, Madam President.

THE CHAIR:

Please proceed.

SENATOR LEBEAU:

Good evening, Madam President.

THE CHAIR:

Good evening, sir.

SENATOR LEBEAU:

Thank you.

This amendment consists of two sections, and I want to thank, first of all, I want to thank Senator Cassano for his help on, on this, and this is a very important bill for the Town of East Hartford. And it, Section 1 of the bill provides for the establishment of the Rentschler Field improvement district in East Hartford. Without getting into too much detail, the underlying purpose of the district is to facilitate the construction of public improvements required for the development of the district.

Under the act, the district is authorized to issue bonds to finance such public improvements. Nothing can happen essentially without an interlocal agreement with the Town of East Hartford, provides that any bonds may be secured and paid for by benefit assessments against property owners. It is expected that in accordance with the interlocal agreement with the town, the bonds will be substantially paid from

the incremental real property tax revenues generated by the development of the district.

The terms of the interlocal agreement will be negotiated after the passage of the special act. The interlocal agreement will establish the conditions that must be satisfied prior to the issuance of district bonds.

Unless the district and East Hartford reach an agreement on the terms of the interlocal agreement, the district may not issue any bonds. Section 2 of this amendment amends -- can I get General Statutes 32-285, which establishes the state's incremental sales tax program -- and the amendment provides limitations on the amount of incremental sales tax generated within the district that be can, that can be considered and determine the amount of financial assistance awarded to a project that does not apply to the development within the district.

Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark?

Senator McKinney.

SENATOR MCKINNEY:

Thank you, Madam President.

Through you, Madam President, a question or two to the proponent.

THE CHAIR:

Please proceed, sir.

SENATOR MCKINNEY:

Thank you, Madam President.

Senator LeBeau, for those of not, those of us not as intimately familiar with all the statutory sections referenced, it would appear to me that we're looking

at establishing, for lack of a better term, a taxing district in East Hartford. Is that correct, through you?

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President, that, that is correct. This section is based on previous special acts which authorize the creation and, of improvement districts in Stamford, Bridgeport, Windsor, and Southington. The language is really boilerplate language that's been taken directly from, from those developments, those districts, excuse me.

Through you, Madam President.

THE CHAIR:

Senator, Senator McKinney.

SENATOR MCKINNEY:

Thank you.

And you actually answered the next question, was, in my memory, we have done similar taxing districts for other towns. You answered the towns that we've done this. And this is the identical language, that's correct.

Through you -- or similar language -- through you.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President, very similar language, not identical, because there are some different, differences depending upon the different districts.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

Thank you.

And through you, Madam President, it's my understanding that with similar tax districts, these are usually set up in the establishment or the hope of an economic development project, of what size we don't know but usually done with a prospective developer who understands the taxing district is used as part of the financing of the project. Is that fair to say?

Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President, that is entirely correct.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

And, and thank you, and through you, Madam President, then this does not impact in any way any of the surrounding towns other than whatever development might be occurring if it were to occur in East Hartford.

Through you, is that correct?

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President.

This is a, as a matter of fact, the, that is absolutely correct, and this is a, concerns almost exactly 135 acres on Rentschler Field. It's not even all of Rentschler Field but a piece of Rentschler Field which would be right in back of the stadium and next to Cabela's.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

There's a lot I can do with that, Madam President.

THE CHAIR:

Please don't there, sir.

SENATOR MCKINNEY:

But I will pass.

THE CHAIR:

Thank you.

SENATOR MCKINNEY:

And, and through you, Madam President, I know you can't speak for other Senators. I know that Senator Cassano introduced the bill and yielded to you. I raise that, because oftentimes areas that have certain developments may not want other developments in neighboring areas for fear of competition. I'm assuming, and I guess I would ask through you that this would appear to be regionally the rest of the region is comfortable with a potential economic development project in this area. Is that correct?

Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President, I would hope so.

Let me state, state the following though, however, Senator, because I think it's important to say this. Like Cabela's, this would, the intent of the developers who have approached East Hartford, that much of the economic activity that would take place on this, in this district would be from out of state. It's anticipated, anticipated that 55 to 60 percent of the customers in this district would be people drawn to the district for this, the economic activities that are going to be presented there.

I'm very proud to say that Cabela's, other, is the number one draw on the State of Connecticut for out-of-state, for out-of-state traffic. We anticipated that when Cabela's was built, and we're anticipating that the kinds of activities that are being preliminarily proposed by the developer in this case would also draw significant out-of-state activity and bringing traffic into the state so we're not competing directly with any of the, the regional entities that currently exist.

Through you, Madam President.

THE CHAIR:

Senator McKinney.

SENATOR MCKINNEY:

Thank you. Thank you.

And I think other than the fact that I'm sure Senator Ayala and others of us would probably argue that once Bass Pro Shops comes into the City of Bridgeport, Cabela's will no longer be the number one attraction for retail shoppers from out of state. I want to thank the Senator for answering my questions. I think this is consistent with what we've done before, and obviously, we all hope that economic development in that area around Rentschler Field is good for the region, and it's good for the State of Connecticut.

Thank you.

THE CHAIR:

Will you remark?

Senator Fasano.

SENATOR FASANO:

Thank you. Madam President, if I may through, to Senator LeBeau.

THE CHAIR:

Please proceed, sir.

SENATOR FASANO:

Thank you.

Senator LeBeau, I heard some of the back-and-forth with Senator McKinney regarding the purpose of the taxing district, and I, I, I get from that the fact that what this amendment does is allow East Hartford to create a tax zone to create businesses and the commercial activity which is good not only for East Hartford but the state. Am I correct?

Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President.

The prospective developer, in talking to them, they're talking about hundreds if not thousands of jobs and millions of dollars of economic activity, millions of dollars of ultimately tax dollars coming into the, to the State of Connecticut. This is, and, and as always, Senator, you and I both know there's always a lot of hope on these things, and we're hoping that this will turn out in, in this direction.

Through you, Madam President.

THE CHAIR:

Senator Fasano.

SENATOR FASANO:

Thank you, Madam President.

Through you, Madam President, and any time a town could get a bill passed which yields tax dollars and economic gain and employment and municipal grandless improvement is a good effort and a good thing that this body should embrace. Is that fair and accurate?

Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President, yes.

SENATOR FASANO:

I thank Senator LeBeau for his answers. I'd like to have the Clerk call LCO 8413. Oop, what, oh, are we on the amendment still?

THE CHAIR:

Please.

SENATOR FASANO:

I apologize. I didn't realize you were still on the amendment.

THE CHAIR:

We are still on the amendment, sir.

SENATOR FASANO:

Okay. I will wait and (inaudible).

THE CHAIR:

(Inaudible).

SENATOR FASANO:

Thank you.

THE CHAIR:

Okay. Senator Frantz on the amendment. Thank you.

SENATOR FRANTZ:

Yes, thank you, Madam President.

On the amendment, through you, a, a question for Senator LeBeau.

Thank you, Madam President, and through you, Madam President, Senator LeBeau, this is potentially a very exciting project, and, and I think I'm starting to sense some enthusiasm around the circle here for additional development in the East Hartford/Rentschler Field area. Cabela's has been a great success. We were involved heavily with the financing of that several years ago, and it has been a great success so far.

And so more of that would be a good thing for this particular part of the State of Connecticut and for Connecticut on the whole in that it's not too far away from the border. I believe it's only 20, 25 minutes away from the Massachusetts state border from the Rhode Island border. I'm not sure, but it's close enough that it would become more of a destination spot for shoppers and, and one that's not too difficult to get to, because you have good highways going there from the north and from the east.

So my question, through you, Madam President, for Senator LeBeau is, is with these different taxing districts, I believe that every single one in the State of Connecticut in our history has been

successful, but I could be wrong. Have there been any failures to the best of your knowledge?

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Madam President, I am not that familiar. I know that the Stamford District has been very successful. I'm not sure about how successful Bridgeport has been or Windsor or Southington. I really don't. I think Windsor, Windsor has been also, but that's from a perspective of not so much of as, as a Senator and examining that or even as Chairman of Commerce but just seeing, looking across the river and seeing a tremendous development in Windsor. So I think the answer is, is, is yes, but I'm not sure.

SENATOR FRANTZ:

Right. I, and, and through you, Madam President, I think, I think the Senator is right. For everybody's edification, I think it's important that we all realize that these, for the most part, are great successes, and there haven't been any terrible, you know, flaming disasters in, certainly in the State of Connecticut and other states I, I don't know about. It would be interesting to find out about more in, in, in the future about that.

But I think there's not a lot of downside to this when you look at it, and that's one of the reasons why I stand here this evening in favor of this amendment. It's a, it's an area that could use the, the assistance, and it's also a potentially very exciting project as has been the track record so far since Cabela's has opened its doors about four and a half years ago.

Thank you, Madam President.

THE CHAIR:

Thank you. Will you remark, Senator Kissel, on the amendment?

SENATOR KISSEL:

Thank you very much, Madam President.

Just a few questions through you to the proponent of the amendment.

THE CHAIR:

Please proceed, sir.

Senator LeBeau, prepare yourself.

SENATOR KISSEL:

Thank you.

I believe I actually read a little bit about this in a Journal Inquirer article recently. And just so I can get a better handle on exactly what's happening in the good city of East Hartford, who currently owns the land that this is going to, to, to be on?

Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

That would be the United, through you, Madam President, that would be United Technologies Corporation.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you.

And in the part, second, the first section of, right after the description of the, the bounds of the land, it says, the project boundaries shall also include any

offsite locations mandated by any permitting agency for improvements associated with the project. I'm, I just don't know what that means. So I'm just wondering what that means.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

I'm going to ask the Senator what lines that's on.

SENATOR KISSEL:

I don't have numbers, but it's like the, it's right at the end of Section 1. So you have Section 501, and then it's got, it just starts off with number 1. It's the very --

SENATOR LEBEAU:

Thank you, Madam President.

I've, I've just located it. If I may?

THE CHAIR:

Please proceed, sir.

SENATOR LEBEAU:

I, I believe we're referring to utility improvements here, if there is a, a water main or something needs to come in, electricity.

SENATOR KISSEL:

And through you, Madam President.

THE CHAIR:

Senator.

SENATOR KISSEL:

I thought I saw that the developers are thinking in a high-end retail, but I also saw in the fiscal note it has something to do with Connecticut Innovations. And I'm just wondering how does the Connecticut Innovations work into a project like this?

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President.

I would, there, there is, there, there's no specific designation in the bill. Essentially, what this, we, we have a, there's a developer. But the developer is not in the bill. This is for the Town of East Hartford for, to, to have that area designated as a development zone, as a development district. I, I don't have the, the fiscal note in front of me, but, so I, I, I'm not sure how CI would be part of that, but I could presume.

I, I know that UTC is thinking of expanding into this area as, potentially as part of the development, so that perhaps is the reason why, but I, that's not part of the bill, so I'm not sure why CI is mentioned. CI also, by the way, probably because if there is a, if there is a, if we're talking in the last section of the bill, as we have, which is, regards the incremental sales tax program, that is now under CI, because it was the CI, CDA, Connecticut Development Authority, has been, which, which did the incremental tax financing program, is now under Connecticut Innovations, so that is why, that is probably more specifically why there is a mention of CI in this.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Okay. So my --

SENATOR LEBEAU:

Through you, Madam President.

SENATOR KISSEL:

Right.

THE CHAIR:

No problem, sir.

SENATOR KISSEL:

So through you, Madam President, only because I was just, and, again, not, not trying to bust you by any stretch of the imagination, I read about it, find it exciting, may want to replicate it somewhere in our neck of the woods too at some point in time, so figuring out how this works is, is a good thing.

But it sounds like CII is more for the taxing benefits, the ability to do that, as opposed to the development would be some kind of mixed use. So it's, it's, would it be fair to say it's not being targeted as a mixed-use kind of development? It's more going to be what I read, which was like the high-end retail.

Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

I, I would, through you, Madam President.

I believe that's, I believe that's correct. However, it is not just high-end retail. It is, it is definitely mixed use. It is definitely some unique as the, the developer has presented it to us in unique activities that are not currently in the State of Connecticut.

It would also include some, some business, some, perhaps some facilities, as I mentioned, that were owned by UTC or Pratt and Whitney. But, but I think

this, again, the CI connection, which is Connecticut Innovations, CDA has the incremental tax financing program. CDA was put into CI, which is why that, that's what we're looking at there.

SENATOR KISSEL:

Okay. And one last question --

THE CHAIR:

Sir.

SENATOR KISSEL:

-- through you, Madam President.

THE CHAIR:

Please proceed, sir.

SENATOR KISSEL:

And so the, the targeted audiences for folks primarily out of state, probably in the Massachusetts area but could be other states, but that division for this is nothing that would necessarily be in competition with all the retail in Enfield, the Bradley, the New England Air Museum, you know, the things in the region that are also economic generators without defining exactly what the project is going to be, because that's probably still on the drawing board a little bit and, and to keep it exciting but that this is something unique that will work with the Cabela's, with the Rentschler Field stadium, with all of that, but it doesn't really, in your opinion at this time, pose any economic threat to other business areas in the region.

Through you, Madam President.

THE CHAIR:

Senator LeBeau.

SENATOR LEBEAU:

Through you, Madam President.

I would, I would agree with that to say I would think that the development potentially is complementary to those activities, and I think that's the direction that we're headed. However, again, I want to emphasize that this is not about any specific development. This is about East Hartford having the ability to do development and to have a special taxing district on Rentschler Field.

THE CHAIR:

Senator Kissel.

SENATOR KISSEL:

Thank you very much.

I, I, I think it's an exciting project. I, you know, it's funny. If you look at restaurants, for example, if you have a lot of them in an area, there's a synergy that develops, and all of them prosper, so to the extent East Hartford is able to take this area of land, make it economically exciting, that has the potential to invigorate the surrounding communities as well.

And so I know that Senator LeBeau has been a, a staunch advocate of helping Bradley International Airport, helping the surrounding communities around that airport, and I think that this might dovetail very nicely. I know there's been some major developments in the Manchester area, Senator Cassano's district. And I don't see them sort of picking off one another, but they all seem to be building each other up. So this could be another step in that direction, and I'm happy to support the amendment.

Thank you, Madam President.

THE CHAIR:

Thank you, Senator Kissel. Will you remark? Will you remark? If not, I'll try your minds on Senate "A". All, oops, sorry, Senator Cassano.

SENATOR CASSANO:

I'm sorry, Madam President.

THE CHAIR:

No problem.

SENATOR CASSANO:

I don't know if I can remark, because I'm (inaudible) from the actual bill, but I, I'm going to try. I can tell you, and Gary will tell you, I was immediate, had an immediate concern when he came to me about this. Having a mall in Manchester, Gary has a mall in South Windsor. West Farm has a mall. We have the same questions that Senator McKinney raised and, and, and Senator Kissel.

I truly believe, after talking with representatives of the developers, that this will help all of our malls, because it will bring people to our area that don't live here, and that's what's, I think, so exciting about this as it develops. I think more and more will be said. My concern was if they were going to take this and build another place that had another Macy's and another Sears and another J.C. Penney's, all we're doing is taking the same population and move them around from one town to another.

That is not the case. And so I'm quite relieved to know that. We've had discussions over the last 20 years about Rentschler Field and making sure that doesn't take place. UTC knew that as well. UTC has gone out and requested proposals for development and picked this proposal. And I think one of the reasons they probably did that is it doesn't do what we already have. So I, I think that, I, I say that to assure not only the people in my district but in your district and all of our districts that would just be a, a waste of, of money, of land, of resources, and so on, that duplicate what we already have.

Thank you.

THE CHAIR:

Thank you. Will you remark? Will you remark? If not, I'll try your minds. All those in favor of Senate Amendment "A" please say aye.

SENATORS:

Aye.

THE CHAIR:

Opposed.

Senate Amendment "A" passes.

Senator Cassano.

SENATOR CASSANO:

Yes, back to the, the main bill. It's a very simple bill that's been before us and was, this deals with tax exemptions. It expands the eligibility for optional property tax exemptions at the local, local level down to single family homes. We brought this forward, because we have no question about taking an area or a block, taking that down, giving an incentive to a developer to redo it.

Yet, we have single family homes in neighborhoods that are severely blighted. They've been in foreclosure and so on. And there's no incentive for anybody to do anything with those homes. And so what this bill does is brings the, the level down to one home. It also reduces the amount of money available from 25,000 to 10,000 so that it's not a real windfall. And so it's, very simply, an anti-blight bill within neighborhoods, and I think it will be very, very well received in a lot of municipalities throughout the state.

THE CHAIR:

Will you remark? Will you remark?

If not, Senator Cassano.

SENATOR CASSANO:

I would ask that the bill as amended be placed on the
Consent Calendar.

THE CHAIR:

Seeing no objection, so ordered, sir.

SENATOR CASSANO:

Thank you.

THE CHAIR:

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if the, if the Clerk would now
proceed to Calendar page 6, Calendar 352, House
Bill 6452.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On page 6, Calendar 352, substitute for House Bill
Number 6452, AN ACT CONCERNING THE REQUIREMENT FOR
ELECTRONIC FILING OF QUARTERLY UNEMPLOYMENT TAX
RETURNS, Favorable Report of the Committee on Labor
and Public Employees.

THE CHAIR:

Senator Osten.

Good evening.

SENATOR OSTEN:

Good evening, Madam President.

I move acceptance of the Joint Committee's Favorable
Report and passage of the bill.

Madam President, if the other items marked go would now be marked passed retaining their place on the Calendar, and if the Clerk would read the items on the second Consent Calendar so that we might proceed to a vote on that second Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

On the second Consent Calendar for the day, page 6, Calendar 348, House Bill 5767; Calendar 352, House Bill Number 6452; also on page 6, Calendar 354, House Bill 6388; on page 7, Calendar 368, Senate Bill 900; page 18, Calendar 573, House Bill 6524; page 20, Calendar 591, House Bill 5727; Calendar 592, House Bill 5979; Calendar 593, House Bill 6523; Calendar 594, House Bill 6596; page 21, Calendar 605, House Bill 6567; page 23, Calendar 615, House Bill 6638; on page 24, Calendar 618, House Bill 6433; and Calendar 619, House Bill 6482; on page 33, Calendar 125, Senate Bill 906; and page 39, Calendar 422, House Bill 5718.

THE CHAIR:

Mr. Clerk, will you call for a roll call vote. Oops, hold on a moment.

Senator Looney.

SENATOR LOONEY:

Yes, Madam President.

Just I wanted to indicate did we get the item on Calendar page 33 --

THE CHAIR:

Yes, sir.

SENATOR LOONEY:

-- Calendar 125, Senate Bill 906?

THE CHAIR:

Yes, sir.

SENATOR LOONEY:

Good. Thank you very much, Madam President.

THE CHAIR:

Yeah.

SENATOR LOONEY:

I appreciate it and move that we vote the Consent Calendar.

THE CHAIR:

Mr. Clerk.

THE CLERK:

Immediate roll call has been ordered in the Senate.
Senators please return to the Chamber. Immediate roll call on Consent Calendar 2 has been ordered in the Senate.

THE CHAIR:

The machine is open.

THE CHAIR:

Senator Boucher.

No problem.

Senator Maynard.

Thank you.

If all members have voted, all members have voted, the machine will be closed.

Mr. Clerk, will you call the tally.

THE CLERK:

On the second Consent Calendar for today,

Total Number Voting	34
Necessary for Adoption	18
Those voting Yea	34
Those voting Nay	0
Those absent and not voting	2

THE CHAIR:

Thank you. The Consent Calendar, second Consent Calendar passes.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President, first of all for a, a journal notation.

THE CHAIR:

Please proceed, sir.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, Senator Coleman was absent today due to illness. We hope that he will be back with us next week, missed votes today. And also for a point of personal privilege, Madam President.

THE CHAIR:

Please proceed.

SENATOR LOONEY:

Thank you.

Madam President, two of our wonderful caucus colleagues on the, the Democratic staff in great

**JOINT
STANDING
COMMITTEE
HEARINGS**

**PLANNING AND
DEVELOPMENT
PART 4
1020 - 1336**

2013



John DeStefano, Jr.
Mayor

CITY OF NEW HAVEN
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Testimony of the City of New Haven
Before the Planning & Development Committee

In Support of
**H.B 5718 AN ACT CONCERNING MUNICIPAL AUTHORITY TO PROVIDE TAX ABATEMENTS TO
ENCOURAGE RESIDENTIAL DEVELOPMENT**

Submitted by
Erik Johnson, Livable Cities Initiative Director
March 1, 2013

Senator Casano, Representative Rojas and members of the committee.

Thank you for the opportunity to testify on behalf of HB 5718 An Act Concerning Municipal Authority to Provide Tax Abatements and Encourage Residential Development. We are encouraged by the committee's pro active approach to advancing the development of residential housing in the state. With a shortage of affordable and workforce housing it is essential to helping to retain our state's young talent.

We urge the committee to consider expanding the bill to similarly enhance the ability of a municipality to enter into tax abatement agreements for residential developments that provide mixed income housing. Following a national trend that is supported by the US Department of Housing and Urban Development (HUD) the City has prioritized developments that have a blend of market rate, affordable and home-ownership units. These mixed-income developments have been shown to have lower levels of crime and blight, even years after construction. To demonstrate this you only have to look to the city's Dixwell neighborhood. Just fifteen years ago the Elm Haven projects, a grouping of high rise buildings and alleyways had the highest concentration of crime in the city – so bad that often firefighters would wait for a police escort to respond to calls. The development has been replaced with Monterey Place a public-private partnership between the Housing Authority and a developer and has a mix of senior, affordable, market rate and home-ownership units. Over ten years old, this neighborhood is thriving and has seen a drastic reduction in crime. This development model has been replicated former public housing sites including Q-Terrace, the waterfront community visible from I-91 and Rowe apartment complex which is adjacent to the Yale Medical Campus.

The City of New Haven is currently reviewing a number of for-profit market rate housing development projects where at least twenty (20%) percent of the units to be developed will be made available to low and moderate income individuals. Modifications Sec. 8-215 would not only enable New Haven and other municipalities to better support and facilitate the development these mixed-income developments, it would also encourage the development of new affordable, workforce and market rate housing in communities throughout the state. Additionally, by providing tax-incentives at the local level, these types of housing projects will be able to secure higher levels of private financing, making them more feasible and less dependent on state support.

Thank you for your time and consideration. Our proposed modifications to the Statute are on the reverse side.

NEW HAVEN IT ALL HAPPENS HERE

Proposed modifications to the Statute below:

Sec. 8-215. Tax abatement for housing for low or moderate-income persons. Any municipality may by ordinance provide for the abatement in part or in whole of real property taxes on any housing ~~solely (where a minimum of 20% of the units are designated)~~ for low or moderate-income persons or families and may by ordinance classify the property on which such housing is situated as property used for housing ~~solely~~ for low or moderate-income persons or families. Such tax abatement shall be used for one or more of the following purposes: (1) To reduce rents below the levels which would be achieved in the absence of such abatement and to improve the quality and design of such housing; (2) to effect occupancy of such housing by persons and families of varying income levels within limits determined by the Commissioner of Economic and Community Development by regulation, or (3) to provide necessary related facilities or services in such housing. Such abatement shall be made pursuant to a contract between the municipality and the owner of any such housing, which contract shall provide the terms of such abatement, that moneys equal to the amount of such abatement shall be used for any one or more of the purposes herein stated, and that such abatement shall terminate at any time when such housing ~~is not solely for low or moderate-income persons or families. does not meet the minimum offering of units that are solely~~ offered/assessable/designated for low or moderate-income persons or families.