

**Testimony for HB5880 by Howard Schlesinger,  
Meridian Development Partners**

Chairmen LeBeau and Berger, members of the committee: My name is Howard Schlesinger and I am a partner in Meridian Development Partners. I am here to speak in favor of HB 5880, which is proposed legislation providing for the creation of the Greenway Commons Improvement District in the town of Southington.

Meridian Development Partners is a New York City-based real estate investment firm that specializes in projects involving environmentally challenged property. Our goal is to transform distressed real estate into economically viable and physically attractive developments that are responsive to the needs of the communities where they are located.

Meridian, with the full cooperation of the Town of Southington, seeks to create a special assessment district to assist in financing the extensive environmental clean-up, infrastructure and related pollution control improvements on the former Ideal Forging site. This district will significantly enhance our ability to structure tax-based financing and proceed quickly with demolition and remediation without creating any financial or legal liabilities for the Town.

This legislation will allow the district to issue bonds that will not be obligations of the Town. Debt service on the bonds will be paid from new real estate taxes generated by the project improvements within the District pursuant to a tax sharing agreement between the district and the Town. This approach is consistent with the Town's established brownfields assistance program. The bonds will also be secured by special benefit assessments on properties within the District.

The Legislature has created special assessment districts like this before in Connecticut, including those in Bridgeport, Stamford, Derby, East Lyme and Georgetown. These districts are becoming a common way to help structure and execute tax increment financings that are otherwise difficult to do in Connecticut. Special assessment districts have also been used extensively throughout the country to finance public improvements related to development projects.

This Legislation does not require the formation of the District; it simply allows the Town of Southington to create the district when petitioned by the property owner. Further, the district is a discretionary tool that will only be used if it helps finance the environmental clean-up and related activities. District bonds will only be issued with the agreement of the Town of Southington pursuant to an inter-local agreement that permits the district to use a portion of incremental real estate taxes. The inter-local agreement must be formally approved by the Town Council.

The boundaries of the assessment District shall conform to those of the Greenway Commons development, and will have no impact on property owners outside the district. In the event that the taxing authority of the special assessment district is ever used, it can only affect Meridian, or our successors in interest.

The District does not create any new financial or legal liabilities for the Town. The District, if formed, is a separate entity; the obligations of the District are not the responsibility of the Town. The Town will not need to pledge its full faith and credit on the District bonds.

The timing for the District, the financing and the clean-up of the site are critical. If this legislation is passed, formation of the District, if it is deemed appropriate and is approved by the Town, will take place by early summer. Financing could be ready by late summer or early fall. In the meantime, demolition and other clean-up activities may start as soon as mid-summer and would be substantially complete by the spring of 2009.

Meridian is refining its remedial action plan and it is still subject to review by the State. Preliminary estimates indicate that the total cost of demolition and removal of contaminated building materials, remediation of soils, engineering and construction of capping structures and other site improvements designed to prevent future contamination of the water table and river from in situ materials is likely to cost upwards of \$8 million.

We believe this legislation, provides important and widespread benefits. For Meridian, it allows us to economically and efficiently clean-up a brownfield that we had no part in creating. For the Town, it accelerates the date when an eyesore and environmental hazard is removed, and major new redevelopment can take place in its downtown. For the state, it brings new investment, economic activity and jobs to a location, and at a time, when they are much needed.

Thank you for this opportunity to testify before the Committee. I would be pleased to answer any questions.