



**TESTIMONY**

of the

**CONNECTICUT CONFERENCE OF MUNICIPALITIES**

to the

**PLANNING & DEVELOPMENT COMMITTEE**

March 2, 2009

The Connecticut Conference of Municipalities appreciates the opportunity to comment on the recommendations of the Smart Growth Working Group.

CCM supports the recommendations of the Smart Growth Working Group. However, in the course of recommendations going from statements to legislative proposals, some clarity may be needed on some proposals, such as H.B. 6466, wherein the draft proposal may add administrative burdens on towns and cities. We will ask for changes to such proposals.

The Smart Growth Working Group, a group established about a year ago, was established to develop short- and long-term smart growth strategies. CCM has participated in the overall working group, as well as in the four subcommittees.

CCM applauds the Working Group co-chairs for making the group so inclusive – any entity that wanted to participate was encouraged to do so.

An Issue Whose Time Has Come

It is not hyperbole to state that Connecticut must go in a new direction or risk losing our quality of life.

Our state's over-reliance on property taxes to fund local governments, K-12 public schools, and other public or "municipal" services must end. Our state's uncoordinated and inefficient land use patterns must be changed. These systems no longer work – local government services aren't adequately and fairly funded, our students are shortchanged and people on fixed incomes are hit hard. The breakdown of these systems results in traffic congestion that plagues communities of

all types, development being detoured away from existing infrastructure into previously undeveloped green spaces, and the irretrievable loss of open space lands. It severely hinders thoughtful "responsible" or "smart" growth.

CCM has had a long-standing interest in responsible growth.

The time is ripe for real movement on responsible growth. Over the past few years, findings by very different groups -- the Roman Catholic Archdiocese of Hartford, the Connecticut Regional Institute for the 21st Century, 1000 Friends of Connecticut, Regional Plan Association, and the State of Connecticut Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives -- link Connecticut's present property tax and land-use policies with wasteful and destructive "sprawl." These policies combine to drive people and business away from cities, urbanized towns and other already-developed areas. These policies eat up precious green and open spaces. The reports show that towns of all types -- suburban, rural and urban -- are being hurt:

- A growing number of *small cities and older suburbs*, home to nearly half of the state's population, *face significant and growing poverty*.
- *Especially hard hit are Connecticut's central cities and urbanized towns*. These municipalities must cope with poverty rates nearly three times the statewide average and with local tax bases that are just 40 percent of the average and growing slowly.
- A large group of *fast-growing, middle-class suburbs are struggling* to provide schools and infrastructure with insufficient resources.
- *Sprawl threatens the state's natural resources and farmland*. The amount of urban and suburban land in Connecticut continues to increase at a dramatic rate -- even though the population hasn't grown much over the last 20 years. Runaway growth devours farmland and churns out paved residential and commercial development -- changing an area, and our state, forever.

Cooperative land-use planning among the State, towns and cities can strengthen communities, preserve the environment and help the economy by improving transportation systems. Reforms that shift the revenue burden away from property taxes can stabilize fiscally stressed schools, help communities pay for needed public services and reduce competition for tax base. The State, councils of government or other regional organizations can help solve regional problems while ensuring that all communities have a say in decision-making.

Cooperative planning also includes encouraging development in areas where the infrastructure already exists, and around major transportation corridors.

The following bills are components of the Smart Growth Working Group recommendations:

**H. B. 6463 “An Act Concerning Membership on Regional Planning Agencies”**

This bill would require that regional planning agencies (RPAs) comprise of municipal chief elected officials.

Many regional planning agencies comprise persons appointed by local planning commissions. It is inappropriate for such non-elected persons to be granted additional authority, as prescribed in many smart growth proposals.

This proposal helps bring RPAs down the path they will need to go to be full catalysts for regionalism, for them to have the wherewithal to take on additional responsibilities.

CCM recommends voluntarily transitioning regional planning organizations (RPOs) into regional councils of government (COGs) by creating state incentives that would help RPOs to become newly-enhanced Councils of Government (COGs). COGs (and similar structures called “councils of elected officials” or CEOs) grant decision-making power to elected mayors and first selectmen and to appointed chief executive officers – people who are accountable for their decisions. COGs have more comprehensive authority than do RPAs.

Because COGs are comprised of municipal officials accountable to the voters, these bodies can be granted more significant authority in an effort to increase regional cooperation and thus improve efficiency. It also would provide a real opportunity for property tax relief and reform, as well as joint economic development.

**H. B. 6464 “An Act Concerning Coordinated Preservation and Development”**

This bill would require the Face of Connecticut Steering Committee to review (1) open space and watershed land grant applications, (2) offers to sell development rights to agricultural land, (3) historic structures and landmarks grants, and brownfield remediation funds, to determine if such applications are consistent with smart growth principles, as defined, presumably, in H.B. 6467. Applications will not be accepted and grants would not be allocated unless such applications are “consistent with the principles of smart growth.”

Since the Face of Connecticut Steering Committee may prevent towns and cities from obtaining significant amounts of financial aid, the Committee should be reconfigured to add significant municipal representation. Currently, the Committee comprises of state agencies and nonprofits only.

Successful planning must be from the bottom-up. The only way the actions of the Committee will be accepted is if they are based on the reality on the ground, based on local and regional plans built from them. Further, it is not appropriate to have nonprofits making what are essentially land use decisions.

**H. B. 6465 "An Act Concerning Smart Growth and Transportation Planning"**

This proposal would allow the Transportation Strategy Board (TSB) to (1) develop a capital plan that incorporates smart growth and (2) submit to the State Bond Commission a statement on the extent to which transportation capital projects incorporate smart growth principles.

This proposal helps ensure that transportation-oriented matters that impact smart growth are given the proper analysis and focus.

**H. B. 6466, "An Act Concerning Projects of Regional Significance"**

This bill would require regional planning organizations (RPOs) to develop a process for applicants to state and local agencies to request a pre-application review of "projects of regional significance."

The bill would require municipal and other agencies to allow such applicants the ability to provide preliminary comments on the project, summaries of the review process of the agency, and an opportunity for such applicants to discuss the project with the municipality through RPOs.

CCM is concerned about the workload this proposal may bring on communities – that this may add unnecessary administrative burdens on municipalities.

CCM is unaware of any current law that prevents applicants from meeting and obtaining pre-application information from a municipality. A municipality's participation should be voluntary and incentive-based. After all, it is in a municipality's interest to participate so that economic development is done in a timely manner.

**H. B. 6467, "An Act Concerning Smart Growth and Plans of Conservation and Development"**

This bill would, among other things, (1) establish a statutory definition for "smart growth"; (2) require that the state plan of conservation and development incorporate smart growth principles, as defined in the bill; and (3) require that smart growth provisions in local plans of conservation and development are consistent with those of the state plan.

Although CCM appreciates the intent behind this proposal, it takes the wrong approach. The approach should be bottom-up, not top-down. The State plan of conservation and development should be informed by local and regional plans, not the other way around.

**H. B. 6469 "An Act Concerning Smart Growth and State Planning"**

This bill would require the University of Connecticut to conduct (a) a tax incidence study, (b) build out analysis and (c) statewide geographic system (GPS) mapping system, within available appropriations.

### Tax Incidence Study

A “tax incidence analysis” would enable policymakers to determine the way in which individuals, households and businesses are affected by the present federal-state-local tax burden, as well as proposed changes. CCM understands that funding was allocated for such a study, but it has not been completed.

### Build Out Analysis

A statewide “build out analysis” is needed to understand how Connecticut will look 25, 35 and 50 years from now under current patterns of development. The State provided a similar analysis to determine the way in which current patterns of development affect the state’s long-term capacity for providing drinking water.

It is essential that, as a state, we discern demographic and other trends. We can’t know where we want to go if we don’t know where we are, and where we are heading.

CCM urges the Committee to amend this proposal to also require a cost-of-sprawl study. It is needed to quantify what the costs are to state and local governments due to unmanaged, inefficient sprawl development.

### **H. B. 6585 “An Act Concerning Regionalism”**

CCM strongly supports this proposal.

This bill would allow two or more municipalities to enter into agreements to “promote regional economic development” and share 50% of revenue from such development. It would also allow municipalities that enter into such agreements to receive 1/6 of a percent of the sales tax that occurs from transactions in such municipalities.

Sales tax revenues are an ideal funding mechanism for regional cooperation because allocation of funds by regions would reflect spending choices by the residents of the region. Also, it has a proven track record: most, if not all, of the other states that have authorized regional ‘asset’ expenditures use the State sales tax as the funding source.

Sales-tax sharing would be a strong incentive for the voluntary establishment of councils of government (COGs) in each of the 15 planning regions. In this way, municipal CEOs in each region would meet, on a regular basis, to discuss and act on issues of mutual concern – including economic development, land-use planning and joint service delivery.

A Legislative Program Review and Investigations Committee Study included a sales tax revenue sharing proposal. LPRIC discussed sharing such sales tax revenue with the 15 existing regional entities.

The Blue Ribbon Commission on Property Tax Reform and Smart Growth Incentives recommended that councils of government (COGs) be authorized to not only share tax revenue, but to “share local property taxes, pursuant to existing law – CGS 7-148bb...bond for capital projects, in order to support coordinated economic development strategies, regional assets and other projects, and several other things” (an excerpt is attached).

H.B. 6585 would also provide \$1 million to facilitate such interlocal agreements.

#### **H. B. 6588 “An Act Concerning Training for Local Land Use Commissioners”**

This bill would require the Center for Land Use Education and Research at the University of Connecticut to develop a curriculum and to train local land use officials of state land use laws and regulations.

State coordinated training would aid commissions by helping new members understand their responsibilities, and helping keep more seasoned members apprised of new law and regulations.

CCM supports ensuring that there is adequate funding for such training.

We oppose section C. It would allow the courts to consider the “training and expertise” of land use commissioners, including whether such officials attended training or were certified by UConn. This is putting the cart before the horse. It has not been determined how intensive the training would be, who would advise UConn about proper training, whether towns would be charged for the training and where training would occur- whether it would be accessible for commission members statewide.

#### **H. B. 6589 “An Act Concerning Land Use Appeals”**

CCM supports this bill.

H.B. 6589 would ensure that judges and others associated with land use cases, have the expertise to make sound assessments. The bill would likely expedite decision-making, which is favorable to all parties concerned.

#### **S. B. 371 “An Act Concerning Intermunicipal Cooperation”**

CCM supports this bill.

This bill would allow regional planning organizations (RPOs) to enter into agreements to (1) share property tax revenue generated by joint economic development efforts, (2) share future growth in sales tax revenue and distribute such revenue on a regional basis, (3) levy regional taxes, such as sales and hotel taxes, (4) pool health insurance, and (5) make land use decisions on a regional basis on projects of regional significance.

If financial resources were available, regional entities would undertake a variety of regional initiatives that would benefit the State, including:

- Purchasing land along regional corridors to enhance environmental quality and provide affordable housing.
- Assisting regional airports to promote economic growth in the region.
- Developing regional entertainment centers to anchor entire region and attract businesses and tourism.
- Ensuring disaster preparedness – vaccines, public awareness campaigns and transporting special needs populations.
- Constructing a regional solid waste transfer station.
- Constructing greenways to connect two or more municipalities.
- Enhancing geographic information systems (GIS) capacity within the region.

Dedicating a portion of the sales tax to RPOs would be a very significant smart growth measure. It would shift the revenue burden away from property taxes, thereby stabilizing fiscally stressed schools, helping communities pay for needed public services and reducing competition for tax base.

This proposal would make needed structural changes to set the stage for more efficient delivery of government services and real property tax relief. It is the kind of structural change that ensures efficiency and fairness.

#### **S. B. 384      “An Act Promoting Regionalism in the State”**

CCM supports this proposal.

S.B. 384 would establish a “municipal collaboration program” wherein two or more municipalities could enter into agreements regarding, among other things, capital improvements, energy savings efforts, shared services, health insurance pooling, highway maintenance, special education, transit-oriented development and joint economic development.

Under the proposal, the Office of Policy & Management would provide unspecified grants-in-aid to towns and cities for such joint projects.

There are many things groups of municipalities can do once they are established and given the power, as in this bill, to take meaningful actions. For example, they could be:

- *clearly authorized to share local property tax revenue*, particularly when it results from joint efforts at economic development.

- *authorized to bond for capital projects that would benefit the entire region.*
- *granted the authority to work jointly on planning and zoning issues, and to make regional land-use decisions.*
- *granted the ability to negotiate master contracts for their teachers and municipal employees.*

Long-term efforts at property tax relief and reform must include ways to make government more efficient and harness the strength of regions to solve problems rather than leaving each municipality to their own devices. This bill is a giant step in the right direction.

#### **H. B. 5544 “An Act Concerning Regional Economic Development Plans”**

CCM supports this bill.

This bill would permit towns and cities to adopt regional economic development plans that contain agreements to share revenue.

The revenue provided by this bill would jump-start regional service delivery, and allow regions to support valuable assets that benefit not just one community in a region, but the region as a whole. It would not be adding a whole new layer of government, rather, it would improve efficiency – things the regions were to do would not (or no longer) have to be done on a municipality by municipality basis.

This highly valued smart growth proposal would vastly improve coordination for economic planning, transportation, etc.

#### Conclusion

CCM looks forward to working with you as you develop smart growth-related proposals to ensure that Connecticut’s unique quality of life, which is so essential to our economic success as well, is preserved.

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If you have any questions, please call Jim Finley, Ron Thomas or Gian-Carl Casa, at (203) 498-3000.



**From "Report of the State of Connecticut Blue Ribbon Commission on Property Tax Burdens and Smart Growth Incentives"**

G. A New and Expanded Role for Councils of Government (COGs)

*1. Councils of Government (COGs) should be encouraged to be formed statewide and granted greater authority to make revenue sharing, land-use, and certain collective bargaining decisions.*

In addition to the property tax reform initiatives listed above, the Blue Ribbon Commission is also recommending an initiative that will help foster regional cooperation and policymaking.

There are Councils of Governments (COGs) already established in some parts of Connecticut and other regional planning agencies throughout the State. If strengthened and expanded statewide, COGs could play a critical sub-state role in encouraging regional cooperation while honoring Connecticut's tradition of local control.

Provide incentives for the formation of strengthened COG-like structures by reserving new powers, including state revenue sharing, to these new entities. These strengthened COG-like structures could make headway on a whole host of regional issues, such as land-use planning, housing and redevelopment efforts, teacher collective bargaining [see recommendation 2(a) on previous page], joint service delivery, investment in regional priorities and the protection of farmland and other open space.

By modifying and strengthening existing regional entities and emphasizing consensus building, it is possible for Connecticut to preserve its essential character, improve its economic prospects and address its difficult problems of concentrated poverty and racial segregation.

*The commission recommends that Councils of Government (COGs) be authorized to (a) share state revenues [e.g. a portion of the state sales tax], (b) share local property taxes [pursuant to existing law -- CGS 7-148bb], (c) bond for capital projects, in order to support coordinated economic development strategies, regional assets, and other projects, (d) make certain land-use decisions on a regional basis, (e) facilitate joint service delivery [pursuant to existing law -- CGS 7-148cc], (f) negotiate master teacher contracts [see recommendation 2(a) on previous page], (g) receive stronger financial and other incentives for municipalities to consolidate and/or cooperate on a multi-municipal or regional basis and to find areas of cooperation with state government (i.e. the consolidation of state and local road maintenance facilities and operations), (h) help municipalities consolidate the many special taxing and other districts to increase efficiency and accountability, and (i) help towns and cities better use the resources of municipal workers and teachers in fashioning more efficient and effective ways to deliver public services.*

The aforementioned recommendations will increase the ability of state and local government to increase efficiency up, down, and across the public service delivery spectrum.