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Testimony of the City of New Haven
To the Finance, Revenue and Bonding Committee
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**Senate Bill No. 996: An Act Establishing the Connecticut Emergency
Economic Investment Commission**

The **Senate Bill 996** would establish a new Connecticut Emergency Economic Investment Commission to make up to \$1 billion in investments for the next two fiscal years throughout the State. The funding for this new effort is made available in part by eliminating existing appropriations for specific infrastructure projects in various towns and cities. Given the current economic crisis the City of New Haven understands the concept for a mechanism that would make funding available quickly for "ready to go" infrastructure projects. Our major concern with **SB 996** is that several of the existing funding authorizations for New Haven infrastructure projects would be eliminated. Each of these projects have been ready to go for several years but have not been placed on the Bond Commission despite our requests to do so. The value of each project was never questioned but issues of available State bond funding were the reason given for not advancing the funds. Repealing these authorizations and requiring them to go back to a new Commission would likely add a new and unnecessary bureaucratic hurdle.

While the raised bill appears to have a mechanism to accept applications for similar projects it requires a very strict project readiness commitment to begin the project 30 days after approval by the Commission. The City of New Haven does in fact have many projects that would meet these requirements as evidenced in our "shovel ready" project list developed for the Federal stimulus package. One of the projects, the River Street Municipal Development Project is already underway and the funding being repealed is for the final phase that is ready to go. Two of the projects identified below that had been previously authorized for bond funding have been on hold and not advanced to final bidding. If funding for each of these were approved now they in fact could be ready to go by late summer or early fall of this year which appears to be about the same time that projects would be approved by the new Commission.

We are requesting that funding for the three previously authorized projects be maintained and approved for funding either using the current Bond Commission mechanism or be included in this new bill. If we had assurances that the funding was in place and would be released in a timely manner work would begin immediately on making these projects ready to go in a short time period. A brief description of each project is outlined below.

Grant-in-aid to the City of New Haven for the River Street Municipal Development Project - \$2.5 million. Account #12052(09)PA 07-7 32(f)(7)

The River Street Municipal Development Project(MDP) is redeveloping a 50 acre industrial and commercial area back into a viable industrial area producing jobs and adding to the tax base. This area, located in the Fair Haven Section of New Haven along the inner harbor, contained long vacant factories, scrap yards, unused oil storage tanks and contaminated brownfield properties. The Project involves acquiring vacant industrial properties, carrying out environmental remediation on the contaminated properties, building new streets, waterfront bulkhead improvements, demolition of crumbling buildings and preparing for reuse of these properties.

Through a collaboration of local, State and Federal resources work has been proceeding in phases including new businesses that are locating on newly prepared parcels. The City of New Haven has already invested \$11 million of its own bonded funds, the Federal Economic Development Administration(EDA) is investing \$1.5 million and the State of Connecticut had authorized \$5.3 million to supplement the local and Federal funds to acquire, stabilize and remediate properties for redevelopment and undertake infrastructure improvements. The State Bond Commission released \$2.5 million of the original authorization and those funds and the Federal EDA funds are funding infrastructure improvements. That work is already bid out and work will get underway this summer. The **remaining \$2.5 million** of State funding is needed immediately in order to complete all of the infrastructure improvements. The plans are complete and final permitting is underway at the State. Without this funding the work cannot be completed.

This project is already producing results cleaning up hazardous properties, adding new jobs and increasing the tax base. Two new businesses have already moved into the area, Suraci Metal Finishing and Capasso Restoration. Together they employ about 75 people, have invested millions in renovating abandoned buildings and plan to expand if economic conditions allow. With the assistance of the CT Department of Economic and Community Development a \$2.8 million assistance grant was approved at Bond Commission in January to assist with site improvements for a major new facility for Colony Hardware, a multi-state distributor of construction equipment and supplies. They will break ground this summer, 2009 at 100 River Street on a 133,000 square foot facility resulting in the retention of 100 jobs and the creation of an additional 100 jobs.

The final infrastructure and cleanup funds will allow the City to prepare the remaining properties for reuse attracting new industrial and commercial companies who are seeking clean sites near local available labor and easy access to the highway system and harbor facilities.

Grants-in-aid to the City of New Haven, the Housing Authority of New Haven, for-profit housing development corporations and non-profit organizations that are exempt under section 501(c) of the Internal Revenue Code, for economic development projects, including improvements to downtown and a biotechnology corridor and related development purposes within the City of New Haven - \$5,833,846. Account# 1873(01)SA 01-2 9(d)(1)

In 2002 a **\$30 million dollar** commitment was made by the State to assist in the major redevelopment of key projects within the City of New Haven. A **balance of \$5,833,000** remains of the original authorization. The City has previously requested the use of these remaining funds but they have not been advanced to the Bond Commission for consideration. The City is currently in negotiations for the development of several projects that these funds were intended for including the former Coliseum site which is part of the Downtown Gateway Development Project. A commitment of these remaining funds for infrastructure would allow these projects to move forward. To date the funds expended have produced significant results resulting in major projects that are adding jobs, housing and increasing the tax base:

- **Centerpointe Development** – a **\$20 million dollar** mixed-use housing and commercial redevelopment of vacant historic buildings in downtown New Haven. Completed in 2006 two deteriorated vacant buildings were renovated resulting in 80 new apartments and three street level retail spaces including a new CitiBank office and a phone store. The apartments are fully occupied and 25 people work at the bank and phone store. Approximately **\$3.3 million** of the original State funding was utilized with private investment of \$17 million.
- **360 State Street** – a **\$180 million dollar** mixed-use housing and commercial development in downtown New Haven. Now under construction this is the largest mixed-use project currently underway in the State of Connecticut. Building on a vacant downtown parcel across from the State Street rail commuter station it will be a 700,000square foot project with 500 new residential housing units, 50 of which are affordable, an urban grocery store, a 500 space garage, a green sustainable building design LEED silver and a 7,200 square foot early childhood center to serve 100 children. The project is creating 1600 construction jobs, 200 permanent jobs and will add \$1.5 million to the tax base. Approximately **\$9.9 million** of the original State funding was committed to this project.
- **Wall/State Parking Garage** – a prime parcel of downtown land at Wall and State Street was acquired using approximately \$1.8million of the original State funding for a planned 650 space parking garage. The parcel is currently operated by the New Haven Parking Authority as a parking lot until final plans and bond funding in the markets is determined feasible. The City is currently requesting from the Department of economic and Community Development a redesignation of the balance of the funds for a mixed-use development in the downtown. The property acquisition and the redesignation of the original State funds total **\$4 million dollars**.
- **New Haven Citywide Revitalization Project** – a **\$57million dollar** program that resulted in 321 units of housing that were a combination of new and rehabilitated units. The work was administered by both the City and nonprofit housing organizations using **\$7 million dollars** of the original State funding.

Renovations and improvements to Tweed New Haven Airport - \$5,000,000.

Account#1873(01)SA 01-2 9(d)(7)

In 2001 the General Assembly passed a **\$5 million dollar** appropriation for improvements to Tweed New Haven Airport. None of the funds have been approved by the Bond Commission to date. The Tweed New Haven Regional Airport Authority and the City of New Haven request that these funds not be repealed as would occur in SB 996. The funds have always been designated for a variety of airport improvements and together with the "Community Benefits" program proposed recently the funding would enhance both safety at the airport and improve the operation of the facility particularly with respect to nearby neighborhoods and improvements to local roadways.

For more information, please contact Kelly Murphy, Development Administrator or Christine Bonanno at the City of New Haven Economic Development Administration, (203) 946-2366, kmurphy@newhavenct.net , cbonanno@newhavenct.net