



Joan McDonald
Commissioner



State of Connecticut
Department of Economic and
Community Development

301 w

**TESTIMONY SUBMITTED TO THE PLANNING & DEVELOPMENT
COMMITTEE
March 5, 2010**

*Joan McDonald, Commissioner
Department of Economic and Community Development*

**SB 301 AN ACT CONCERNING THE SMALL TOWN ECONOMIC ASSISTANCE
PROGRAM**

SB 304 AN ACT CONCERNING STATE SURPLUS PROPERTIES

The Department of Economic and Community Development (DECD) offers the following comments in support of *SB 301, An Act Concerning the Small Town Economic Assistance Program* and *SB 304 AN ACT CONCERNING STATE SURPLUS PROPERTIES*.

SB 301 would allow the Small Town Economic Assistance Program (STEAP) to fund multi-town projects. Towns would be able to apply jointly for a larger project by partnering to address a mutual need. Currently, towns must submit separate applications if they are working on a joint project. This would allow one application to be submitted on behalf of multiple towns.

The savings by doing this would be significant for several reasons. First, soft costs, such as architectural drawings and engineering plans would be reduced because only one contractor would need to be hired. Second, the savings from the soft costs would then allow for more hard costs to be placed directly into the project.

Additionally, this would minimize the administrative burden for the towns and for the state. One application would be submitted by the towns through a lead town and one contract would be executed between the lead town and the state.

This bill seeks to maximize the ability for communities to apply for regional projects so that there is a greater return on an investment by the state which benefits multiple communities. Allowing towns to submit proposals on a regional basis would put into practice to State's agenda on advancing regionalism as articulated in DECD's Economic Strategic Plan.

The other bill the Department of Economic and Community Development fully supports is *SB 304, AN ACT CONCERNING STATE SURPLUS PROPERTIES*. This bill represents one of

many efforts to streamline and expedite state approvals for projects that grow our economy and support our state's quality of life.

The purpose of this bill is to exempt the Department of Economic and Community Development from certain notice and public comment requirements when the department is transferring ten acres or less of state land. The provisions of this bill will greatly streamline DECD's process for minor transfers of surplus state property to municipalities and private organizations for economic and housing development purposes.

Specifically, the bill exempts DECD from the requirements of CGS 4b-47, including the requirement to post real estate transactions under 10 ten acres on the CEQ Environmental Monitor website. CGS section 4b-47, enacted in 2007, changed the state properties review board process to require that all agencies notice on CEQ's website, for a period of 45 days, their intent to dispose of surplus land. This posting is irrespective of the size of the property – ¼ acre lots or 400 acre holdings.

The overwhelming majority surplus land the DECD processes is to support affordable housing projects. Most of these properties are less than ½ acre, are located within existing suburbs and urban areas and support in-fill housing. These projects cause little to no negative environmental impacts, and their rapid return to productive use is a positive affect for the community. The requirement to advertise these minor transfers for 45-days on the CEQ Monitor website adds no value to the transaction and unnecessarily delays these transactions.

The current statute currently provides both the Departments of Transportation and Education with a 10-acre threshold over which they are required to post surplus land transactions on this website. We believe that it is right and proper for DECD to be included with this threshold limit.

Again, this bill will streamline state processes by eliminating unnecessary requirements and reducing an administrative burden on the agency.

DECD knows that this method will work because we currently administer a federal program where this approach has been used for years. The federal Small Cities Community Development Block Grant (CDBG) Program has funded numerous multi-jurisdictional grants with a lot of success. We have used the multi-jurisdictional approach for grants to fund business and housing loan fund pools and roadway improvements that have crossed town lines.

We are confident that allowing for multi-jurisdictional grants through STEAP will be successful and we look forward to working with the Governor and legislature and continuing to advance a regional approach to how projects are done.

Thank you for your time and consideration of our comments.