

**Testimony of Marie C. O'Brien, President, Connecticut Development Authority
To the Commerce Committee
February 3, 2011**

**In Support of Raised HB 6221
AN ACT CONCERNING THE ELIMINATION OF CERTAIN SUNSET DATES**

Good afternoon Senator LeBeau, Representative Berger and distinguished members of the Commerce Committee. My name is Marie O'Brien, President of the Connecticut Development Authority.

I would like to thank you for the opportunity to speak in support of Raised House Bill 6221, AN ACT CONCERNING THE ELIMINATION OF CERTAIN SUNSET DATES.

CDA As The State's Bank

CDA is the state's bank – a quasi-public authority offering financing, business expertise and program resources necessary to meet the state's economic development goals and to help Connecticut businesses grow their enterprises. We measure success by the number of jobs affected and place a high value on new jobs created, especially in core fields important to the state. CDA operations are streamlined and undergo continuous improvement assessments in order to remain flexible and competitive. In addition CDA stimulates business investment and creates jobs by financing projects that contribute to Connecticut's economy, technology base, intellectual capital, and urban infrastructure.

Tax Incremental Financing

One of the most important tools CDA uses to help finance sites that are market-ready for development is Property Tax Incremental Financing (TIF). Under existing statutory language, this capability is due to expire as of July 1, 2012.

HB 6221 will eliminate the sunset date, providing CDA and its partnering municipalities with a benefit. That benefit is a more predictable and long-serving financial tool that can be accessed throughout the lengthy lifetime of redevelopment and brownfield projects. In many cases, brownfield projects require several years to be completed, facing changing development pressures and financial terms. The greater reliability of a permanent TIF would help reduce this cycle by a significant percentage.

How does TIF work?

- A municipality identifies a brownfield or information technology infrastructure project (current statutory emphasis.)
- The municipality and CDA determine that the increased property value will generate incrementally new property taxes.
- A portion of the increased property taxes are assigned to CDA.
- CDA monetizes the assigned property tax and generates up-front cash to be invested in the project.

Recent TIF projects include:

- North Haven Commons – Retail development – former metal reclamation yard. TIF for \$2.3 million
- Killingly Commons – Power Retail Center - Former manufacturing facility converted into a big box complex. TIF for \$1.5 million
- Goodwin College – Former petroleum tank farm. Property used for the expansion of an educational facility. TIF for \$3 million.

In your folders is a presentation from CDA's subsidiary, the Connecticut Brownfields Redevelopment Authority, that provides details on the program and lists additional projects.

I'd be happy to answer any questions that you might have or provide further details at another time. Thank you for your attention to this important request.

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