



**Raised Bill No. 6527**  
**AN ACT CONCERNING TAX INCREMENTAL FINANCING IN**  
**ENTERPRISE CORRIDOR ZONES**  
**Written Testimony provided to the Commerce Committee: March 24, 2011**

To: Co-Chairs Mr. LeBeau and Mr. Berger and Ladies and Gentlemen of the Committee on Commerce.

My name is Dale Kroop, the President of the Connecticut Economic Development Association (CEDAS). I am also the Director of Economic and Community Development in Hamden.

I am offering comments on Bill 6527 on behalf of our CEDAS membership. CEDAS is a membership organization of over 250 professionals in the economic development field. Almost 70 communities are represented by CEDAS members. Many towns along the Interstate 395 corridor in the northeastern part of the State, designated the Eastern Connecticut Enterprise Corridor, are CEDAS members. Tax Incremental Financing (TIF) has been used successfully recently on a project in the Town of Killingly to fund a portion of the environmental remediation of an 85 acre site. This tool is very important to our members such as Killingly. The economic tradition in Northeast CT is greatly enhanced through this important tool.

We support the expansion of Tax Incremental Financing as an economic development tool to enhance and spur economic growth in Connecticut as Bill No. 6527 proposes. TIF legislation exists in over 40 states. We suggest that municipalities in Connecticut be enabled to negotiate and provide TIFs directly to manufacturers and distribution facilities to locate or expand in Enterprise Corridor Zones creating jobs and increased tax revenues. The legislation should allow for developers to finance the improvements, commonly referred to as credit enhancement, with the municipality reimbursing the owner of the development some percentage of the property taxes paid on the development. As part of my own work in Hamden we do a great deal of redevelopment work including Brownfields. Without tools such as TIFs, we would not be successful at all.

TIFs may be used by all municipalities. Municipalities negotiate with developers regarding their willingness to offer a TIF agreement and if acceptable, the municipality and developer apply for a TIF district. Following State approval of the district, the municipality and developer can negotiate a funding arrangement where some portion of the anticipated increase in property taxes – the tax increment – is returned to the developer/owner for an agreed term to allow the developer to retire the financing used in the development. This approach is performance based meaning the developer receives the rebated property taxes only if the work is completed and it saves the municipality the expense of issuing bonds. An alternative would be that the municipality issues bonds to pay for the improvements but timing may prevent a precise match of principal and interest costs and increased property taxes. The TIFs used in Killingly involved plant expansions, new plants, infrastructure needs such as a rail spurs, etc.

Please also consider amending Section 1(a) to include a broad range of development projects which are eligible to receive Enterprise Corridor incentives. This method would allow municipalities to use private dollars to effectively enhance revenue generating projects in Connecticut.

Thank you for the opportunity to provide this testimony. Please contact me anytime at 203.287.7033 or by email: [dkroop@hamden.com](mailto:dkroop@hamden.com), or visit CEDAS at [cedas.org](http://cedas.org).