



CITY OF NEW HAVEN
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John DeStefano, Jr.
Mayor

Testimony of the City of New Haven
to the Finance Committee

Supporting

S.B. No. 1114 AN ACT CONCERNING THE GOVERNING BOARD OF THE HARBOR
POINT DISTRICT AND AN EXPANSION OF TAX INCREMENTAL FINANCING

Submitted by

Kelly Murphy, Development Administrator, City of New Haven
March 18, 2013

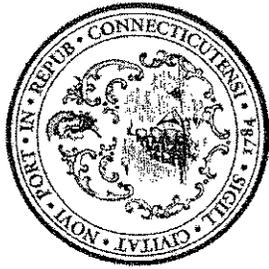
Senator Fonfara, Rep. Widlitz and members of the Committee, thank you for the opportunity to testify in support of SB 1114 An act Concerning the Governing Board of the Harbor Point District and Expansion of Tax Incremental Financing.

With few options for large scale capital financing, economic development officials across the state are exploring more creative ways to build necessary infrastructure and fill financing gaps in development projects. The proposed bill expands the traditional use of tax increment financing (underwritten by future property tax) to look at blended financing from property tax, sales and income taxes, all of which are generated from net new economic activity. This approach was informed by innovative economic development TIF and grant programs in Missouri, New Jersey and Massachusetts, but is specific for the needs of Connecticut. The proposed program would dedicate up to 75% of certain incremental state and local tax revenue streams, paid over up to 20 years, to supplement other investment sources. The balance of net new tax revenues would go to the state and local general fund(s).

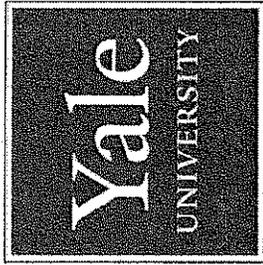
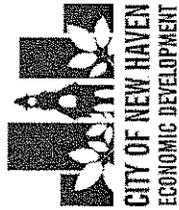
By way of example, there is an opportunity to develop the medical district in New Haven because of the high quality of research and health care activities now taking place and anchor one corner of the state's bio-science triangle. Later this week we will break ground on the infrastructure work necessary for 100 College Street, the future home of Alexion Pharmaceuticals. The project will be funded through a combination of Federal TIGER II funds, and a state and local match. To further increase the job and tax base within a center city will require a significant investment in roads and public infrastructure. The projects have the potential to create 7,000 to 9,300 net new permanent jobs and would produce up to \$1 BILLION in economic output, annual income tax revenue of up to \$25M and \$51M in sales tax receipts all because of an investment in a globally-competitive industrial sector.

I have attached a presentation on the Medical District project and more information on this and other projects is available on our website <http://www.cityofnewhaven.com/EconomicDevelopment/Projects/>

Thank you for your consideration. I would be happy to answer any questions you may have.



CITY OF NEW HAVEN



Yale SCHOOL OF MEDICINE



NEW HAVEN MEDICAL DISTRICT

16 DECEMBER 2011

2 NEW HAVEN: AN ECONOMIC ENGINE FOR CT

□ New Haven Medical District & regional bioscience companies are a strong anchor to the emerging CT Research Triangle, positioning the State to lead bioscience R & D nationally.

- 21,000 jobs at Yale University & Yale New Haven Hospital (Yale 4th largest employer in State, YNHH is 7th)
- 11,600 jobs in the New Haven Medical District
- 5,600 of 6,900 research jobs in CT are in New Haven (80%)
- 42 out of 60 CT bioscience companies are in the New Haven region, 1,600 jobs, approximately 70%
- Bioscience is 70 % of total CT venture capital investments

Sources: HBJ, CURE, Yale University, EDC, AAMC, Ninigret Partners

3 MAJOR CENTER FOR BIOMEDICAL RESEARCH

Total NIH Research Funding by City

Rank	City	Total
1	BOSTON	\$ 1,731,605,006
2	NEW YORK	\$ 1,154,419,839
3	BALTIMORE	\$ 797,320,888
4	SEATTLE	\$ 783,494,653
5	PHILADELPHIA	\$ 770,299,254
6	LA JOLLA	\$ 742,209,143
7	LOS ANGELES	\$ 646,932,678
8	SAN FRANCISCO	\$ 577,212,628
9	CHICAGO	\$ 557,589,160
10	HOUSTON	\$ 504,133,105
11	PITTSBURGH	\$ 489,426,621
12	ANN ARBOR	\$ 473,588,168
13	SAINT LOUIS	\$ 402,866,102
14	NEW HAVEN	\$ 386,067,732
15	DURHAM	\$ 357,727,024
16	NASHVILLE	\$ 350,827,134
17	CHAPEL HILL	\$ 341,449,146
18	STANFORD	\$ 339,893,354
19	CAMBRIDGE	\$ 334,926,110
20	ATLANTA	\$ 328,880,606

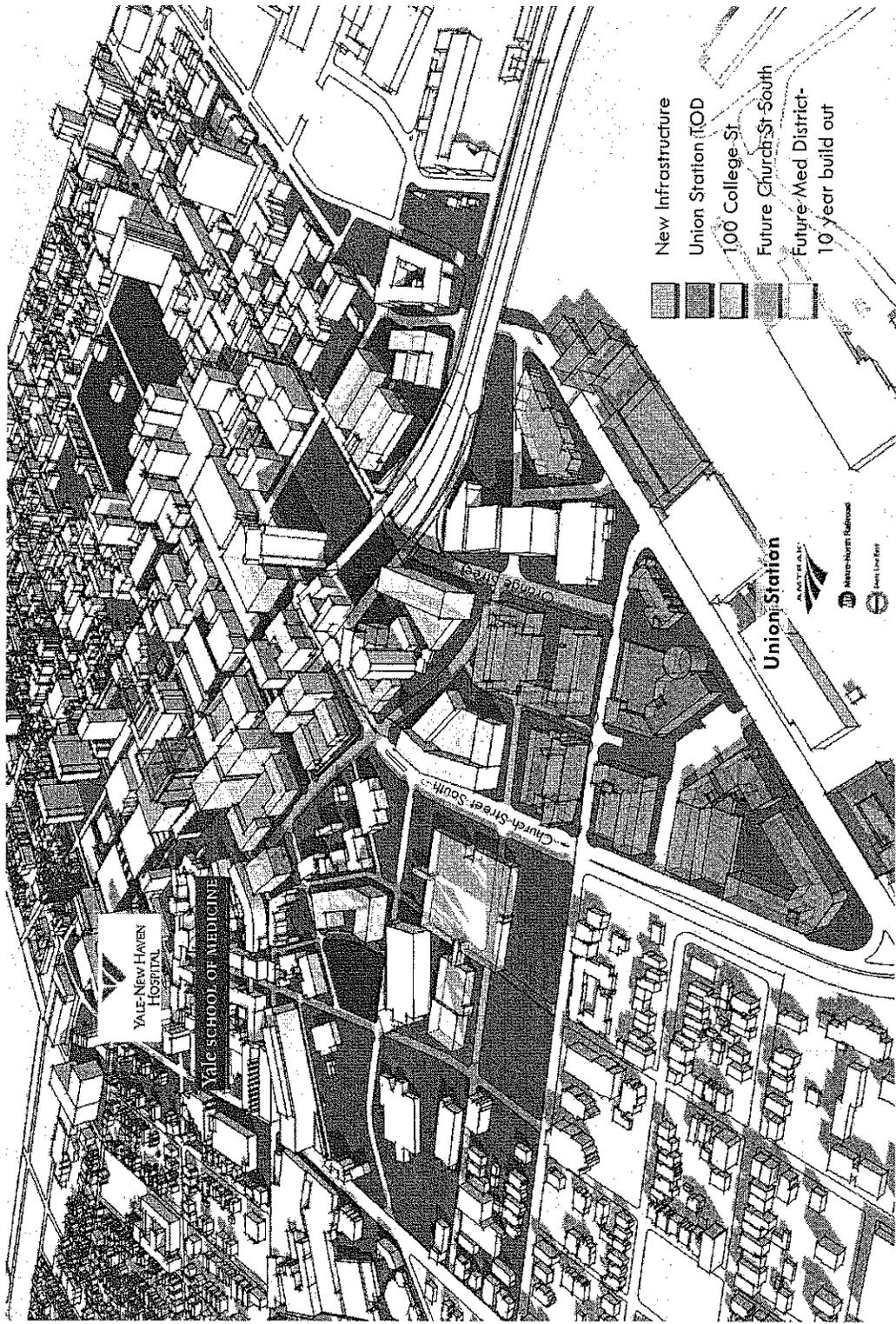


- New Haven's Institutions Are:
 - 6th in nation for neuroscience research
 - 7th in nation, per capita research funding, right behind Boston and Cambridge
 - 12th in nation for heart disease research
 - 13th in nation for clinical research
- Connecticut is:
 - 13th in nation for combined Economic and Employment Impact leveraged from Federal & State Funded Research-research at Yale is approximately 80% of this state-wide activity.

Source: NIH Funding 2010 aggregate data; NP analysis

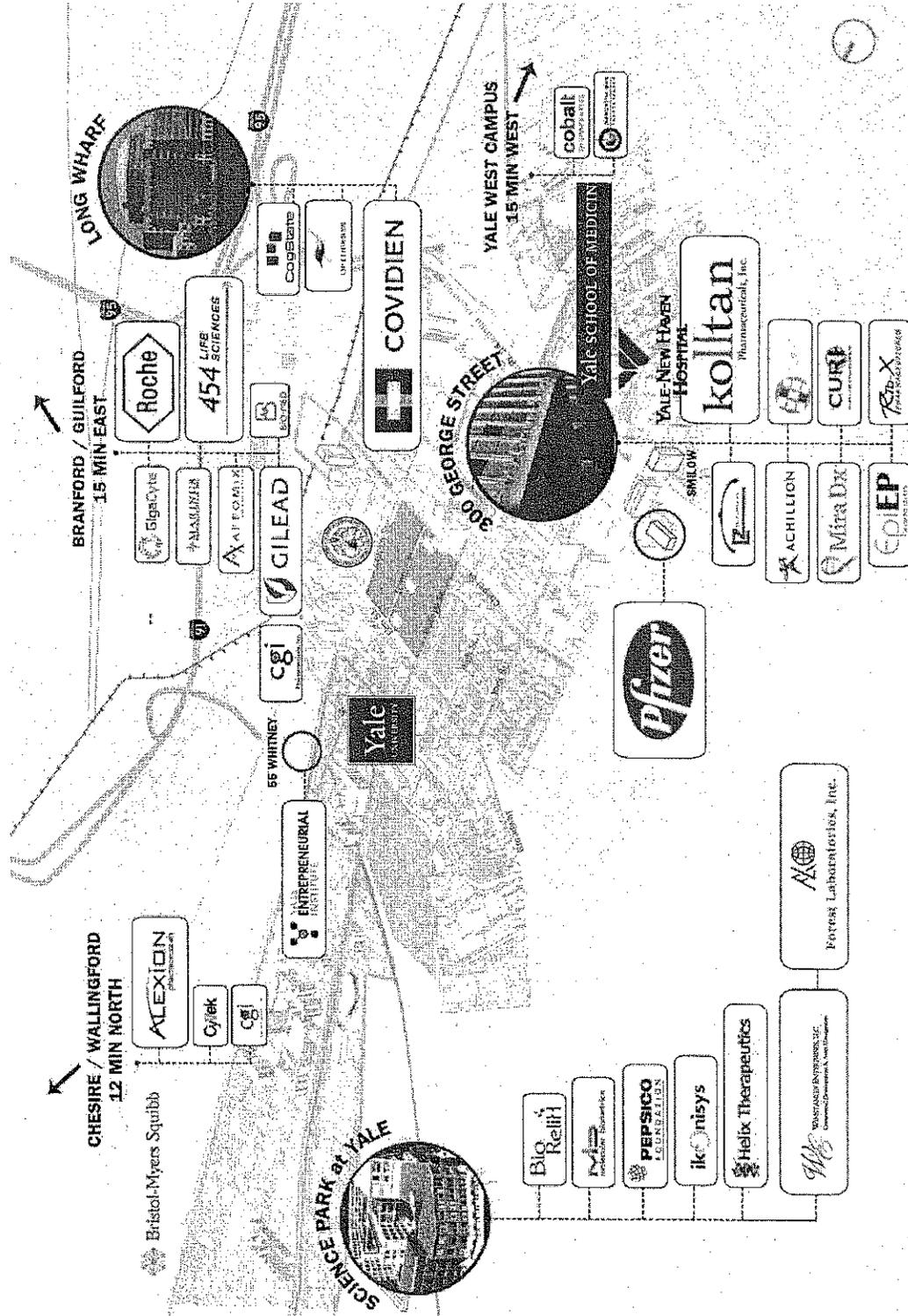


MEDICAL DISTRICT PLAN—10 YEAR VISION



Rendering is a conceptual illustration of future opportunity.

NEW HAVEN BIOSCIENCE CLUSTER



utlic The New Haven Advantage Local + Regional Biotech.



7 MEDICAL DISTRICT DEVELOPMENT OPPORTUNITY

- Building on the catalyzing development at 100 College Street, the remaining available land provides potential to almost **double the size** of the medical district in the next 10 years:
 - 7,000-9,300 net new permanent jobs,
 - Up to \$1 B potential additional annual economic output,
 - Annual income tax revenue up to \$25 million, sales tax to \$51 million
 - Additional build out possible throughout remainder of district.
- ***New Haven's new Medical District will be a showcase urban center for Biomedical Research, remaining competitive with re-envisioned hubs like Cambridge, Pittsburgh, & Cleveland and complementing the investments in Farmington/Storrs to create a I-91 research corridor that rivals any metropolitan region in the nation.***

□ These economic projections were based on 2008 REMI model, updated with 2010 data on full district new build projections. (does not include construction)

8 MEDICAL DISTRICT - NEAR TERM

1. Request for Direct Governor's Office/DECD point person to facilitate the advancement of this plan.

2. Multi-Tax TIF Legislation Approval

- Provides impactful funding for municipal infrastructure and development projects. This TIF proposal blends both Municipal and State revenue to provide gap financing for up to 20% of project costs by bonding against up to 75% of net new incremental tax revenue. Based on a model implemented in New Jersey's 2009 Stimulus Act and City will initiate the introduction of the proposed legislation in the next session.

3. Funding for Design & Construction of Infrastructure \$45 m

- This funding would provide the \$2.5 million of design fees to finalize construction documents on the full district infrastructure plan, as well as approximately \$42.25 million for construction costs to build out the full district (not including Rt 34 and Church Street South). A final estimate will be provided during the final design phase.

4. Bioscience Career Ladder Workforce Training \$ 3 m

- Funding to provide initial 2-year curriculum and staff oversight to develop a targeted training program at Gateway Community College and other programs to advance workforce into future jobs in the district.

5. Enabling Authority to Convey Rt 34, College St to Orange St
for Economic Development



■ In order to provide critical expansion space to the 100 College Street development, the next parcel in the Rt 34 corridor. City will request enabling authority in next legislative session.

9 **MEDICAL DISTRICT - NEAR TERM (2)**

6. **Union Station TOD Project Advancement (in process)**

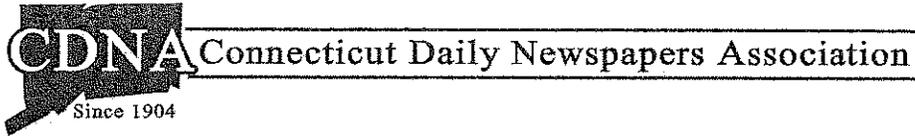
■ City of New Haven in coordination with State DOT to advance this project.

7. **Church Street South Project Advancement (in process)**

■ Project in pre-development phase, and financing needs will be raised in the future.

8. **Future full build of Rt 34 infrastructure / Downtown Crossing**

■ State's participation in Phase I of the Rt 34 infrastructure has been instrumental to leveraging additional federal and private funds. Future participation in the remainder of the corridor will be required.



March 18, 2013

Testimony in OPPOSITION to *SB 1112 An Act Concerning the Publication of Legal Notices by Municipalities*

Good morning.

My name is Michael F. Killian. I'm Senior Vice President of the Record-Journal, a 146 year old family owned and operated newspaper company located in Meriden – still in the same family after five generations.

We publish the daily and Sunday Record-Journal plus six community newspapers: The Southington Citizen, The Plainville Citizen, The Berlin Citizen, The North Haven Citizen, The Cheshire Citizen and the Town Times in Middlefield and Durham – all delivered free each week to every home in these communities.

In total we reach over 250,000 readers in Central Connecticut.

I am also here today as past president of the Connecticut Daily Newspaper Association and the New England Advertising Executives Association to oppose Bill No. 112, An Act Concerning the Publication of Legal Notices by Municipalities.

Let me start with my conclusion: Once a bad idea, always a bad idea.

This idea has been raised in various forms over the past ten years. Members of our industry have made their way here many times and objected because of four key points. These points were imbedded by our founding fathers in 1789 when they required the Secretary of State in the Acts of the First Session of the First Congress to publish all bills, orders, resolutions and votes in publically available newspapers.

While technology has changed, the principals of their ideas have not changed. They are:

1. Independence
2. Archievable
3. Accessible
4. Verifiable

Public notices are an important tool in assuring an informed citizenry. That's why they are called "public" notices; not "town" notices. They were mandated to make sure there is a public window into the activities of government, officers of the court and anyone else holding a public trust.

Let me address each of these.

INDEPENDENCE from government is a constitutional mandate and a role the print media takes seriously. Allowing municipalities to be the author and the discriminator of any legal notice opens the door for the worst possible scenario. Lord knows we have had more than one corrupt public official. Can you imagine how easy it would be for anyone intent on bid rigging, for example, to manipulate what goes up and how long it stays?

ARCHIEVABLE separates the print media from all others including the web. Our bond volumes go back a century and a half in Meriden. The internet is still an emerging medium; however it has not stood the test of time. There is no certainty that what is put up today will be there for review a month from today let alone years from today. Security is another consideration. Hackers excel at breaking into web sites. We spend a lot of man power keeping ours safe and secure. Can any town invest the funds to do the same?

I also submit we are living in the Dark Ages. A hundred years from now, it may be impossible for anyone to determine what happened because with a simple push of the delete button all traces of communication can be erased.

ACCESSIBLE – There are thousands of homes without internet access even in the state of Connecticut. According to the most recent statistics from The Progressive Policy Institute, one in four of Connecticut households do not have a computer and internet access. Newspapers are readily available to everyone. And for free at public libraries for those without the money to buy them.

VERIFIABLE: We provide affidavits for each and every public notice we publish. They have been tested in the courts without question. Who will verify the town's own postings? The same person putting it up? It doesn't make any sense to me; and certainly not to the courts. The fox should not guard the hen house.

Additionally:

Lest we forget, recently there have been towns (Harwinton, Lyme, Andover and Portland) that have complained about the cost associated with a previous state law requiring the posting of their meeting minutes and agendas. Others have closed their web sites because they can't comply. (New Hartford, Litchfield, Burlington, Middlefield, Voluntown and Salem).

The cost of a 4 inch public notice is \$107.20 in our daily paper.

And what do you get for that investment? You get 1) the typesetting of it, 2) the proofing of it, 3) publication of it in our newspaper on the days of your choice, 4) uploaded to our

newspaper web site, 5) uploaded to a state wide web site, MyPublicNotice.com and 6) an affidavit as proof of performance.

All in all, not bad a price. I wonder if any municipality can really do it for less.

Our association created MyPublicNotices.com years ago to assist towns in aggregating all state public notices. It is searchable in one easy and convenient location for those who want it. I can't believe any contractor would give that up to search 167 local town web sites for the same information they can get in one visit.

Best of all, it is free to each town when they publish their notice in our papers.

The Record-Journal would even be willing to upload our public notices to town sites in addition to what we currently do for FREE, too. And I am confident that other newspapers in the state would be agreeable.

Rhode Island Attorney General Patrick C. Lynch, who was President of the National Association of Attorneys General (NAAG), made the following statement in his January 21, 2009 press release: "It's crucial that the function of newspapers as necessary and readily available vehicles for public notices be preserved and protected, especially because the print medium is accessible to large segments of our population, such as senior citizens, who may not have easy access to the Internet."

Then Attorney Richard Blumenthal agreed. I have seen his letter on the subject and encourage you to read it, too.

We should also remind ourselves that public notices come from many sources; not just towns.

You are kidding yourself if you think a public notice which doesn't disclose the full and complete details satisfies the intent of transparency. The devil is always in the detail.

Did you know that only 7% of the U.S. population goes to a local, state or federal government web site on any day? (Source: US Census Bureau).

I can tell you I have never been that bored.

Trading over 600,000 daily and 700,000 Sunday households or 1,920,000 readers for it doesn't make sense to me. If you are fully committed to open government, why settle for 7% when you are getting almost 50% penetrations in daily newspapers; more with our community papers, web sites and MyPublicNotices included. Newspapers have had a long and rich tradition serving the public as well as government. We are stewards of the public trust. I urge you to keep it that way.

