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CITY OF BRIDGEPORT
DEPARTMENT OF FINANCE
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TESTIMONY OF THE CITY OF BRIDGEPORT

FRIDAY, MARCH 1ST, 2013

PLANNING AND DEVELOPMENT PUBLIC HEARING

Thank you for the opportunity to testify regarding statistical revaluations for municipalities.

The City Bridgeport is required to undertake a full revaluation every 10 years and a statistical revaluation in the 5th year of the 10 year cycle. The last full revaluation was taken for Grand List year 2008 which means the City is due to undertake the statistical revaluation for Grand List 2013 with an option to delay one year.

The revaluation from 2008 was done at a time when the real estate market was still high from the housing boom and unfortunately the real estate market has dropped significantly since then. The ramifications from doing the statistical revaluation now are detrimental to Bridgeport.

Implementing a statistical revaluation now with the current real estate market will cause the mill rate to increase dramatically. This will increase the real estate taxes slightly to start but will cause the business taxes to rise to levels that will hinder the City of Bridgeport's ability to attract businesses. The City will also lose some of the businesses that it currently has.

Bridgeport has been attracting new businesses and currently has several projects in the works but these projects will be in jeopardy with a large mill rate increase. The effect of this will cause the tax burden to shift to the residents. As you know a large part of the tax rolls rests on the residents of the City and attracting new business will shift that burden.

Bridgeport is requesting to bypass the statistical revaluation and wait for the full revaluation for Grand List 2018. This will give the market the opportunity to rebound.

There is negative financial impact in requesting the bypass but doing the revaluation now will have a negative impact to the tax payers of Bridgeport.

Below are the main bullet points for our request to bypass the statistical revaluation:

- The City of Bridgeport is required to do a statistical revaluation for the October 2013 assessment but has the option under state statute to delay the revaluation until the October 2014 assessment.

- The current real estate market is well below the market value of when the last revaluation was implemented. This means by doing another statistical revaluation now, it would cause the City of Bridgeport's mill rate to increase dramatically.

- While taxes on real estate would increase slightly, the taxes on motor vehicles and businesses would increase substantially. The City of Bridgeport has been attracting new businesses to the City and over the next few years will have the opportunity to broaden its commercial/business tax base even more.

- The City of Bridgeport will stand to lose those business opportunities with a significant mill rate increase and pass the tax burden onto residential properties. The City is already dealing with competition from the surrounding towns for a stronger commercial base.

- Allowing the City of Bridgeport to have the opportunity to bypass this revaluation cycle and wait for its next full revaluation would give the real estate market the time to rebound. In these very challenging financial conditions the economy is facing, it is critical for the City to move forward and continue its efforts to build a bigger commercial base and give relief to its residents.

I appreciate you giving me an opportunity to address this issue and for allowing me to provide testimony. Should you have any further questions or concerns, please feel free to contact me.

Sincere Regards,

Anne Kelly-Lenz

Anne Kelly-Lenz
Finance Director