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Sent as E-mail attachment: fintestimony@cga.ct.gov

Chairman, Co-chairman and Members
Finance, Revenue and Bonding Committee
Connecticut General Assembly
Legislative Office Building, Room 3700
Hartford, CT 06106

Re: R.H.B. No. 5636. An Act Concerning Municipal Taxing Districts, The Sales Tax, The Apprenticeship Tax Credit, Certain Fees And The Tax Credit Report

Dear Chairman, Co-chairman and Members:

I offer special thanks to the Finance, Revenue and Bonding Committee for conducting its hearing on the proposed bill. Raised House Bill 5636 would increase the amount of tax exempt property in New London, which is approximately 58 percent. I strongly oppose the proposed portion of the bill concerning creation of a special taxing district for Fort Trumbull based on the reasons which follow.

Background

Raised House Bill 5636 proposes to allow for the creation of a special taxing district in New London – the subject of my concern - in addition to seven other enumerated provisions.

Working with a mayor desperate to see some progress in the Fort Trumbull area, Rep. Ernest Hewett introduced complex legislation for the purpose of giving the city new taxing and bonding authority that could allegedly provide added incentives to attract development.

Comments

It is an understatement to say that the process was rushed. The legislation is flawed. And none of the officials closely involved with the redevelopment efforts in Fort Trumbull could well explain to us how it would work. “ ‘You need five Philadelphia lawyers to figure it out,’ commented one such official, speaking on background.” Quoting from Dave Collins, editorial opinion, The Day newspaper, March 27, 2016

Electric Boat, which occupies the twin office buildings originally built by Pfizer as the only new construction that has yet come out of the redevelopment efforts in Fort Trumbull, learned of the legislation only after it was introduced in the Finance, Revenue and Bonding Committee and presented at public hearing.

This is how the schemers are treating a major taxpayer, employer and potential future partner in development at Fort Trumbull. In other words, this was a debacle by the Mayor, a veteran legislator that made a rookie mistake - there was a hidden unclear agenda.

Lobbyist Jay Levin, a city resident, former ceremonial mayor under the old city manager system, and longtime mover and shaker in the local Democratic Party, pushed the proposal in a couple of meetings with the Mayor. Levin explained in the Collins article that based on his work with a Bridgeport developer, he felt New London could benefit from legislation that has helped drive the redevelopment of a former industrial site at Steel Point in Bridgeport.

Levin claimed he had no developer in mind for Fort Trumbull who could benefit from the legislation if passed. His only intent, he said, was to help his city and the Mayor, who he backs.

Further, the Collins editorial stated that the "The legislative paperwork rushed to committee by Hewett was largely a cut-and-paste job; geography references were changed from Bridgeport to New London, but a reference to raising \$190 million for infrastructure needs — the old Bridgeport number — remained in the text. A mistake, said Levin."

Essentially, the legislation would allow New London to create a special taxing district that could issue bonds to cover infrastructure costs necessary for a development project. Payment of the bonds, backed by the future value of the buildings to be constructed, would be the responsibility of the developer.

In reality, it's a whole lot more complicated according to Attorney Linda Mariani, president of the Renaissance City Development Association, who said she did not fully understand its applicability to Fort Trumbull. Neither does Peter Davis, the former Norwich planner recently hired as the full-time executive director of the RCDA, at the Mayor's initiative. Both said they did not know in advance that Hewett had introduced legislation.

As previously reported in the Day, Hewett could not well explain the legislation's intent aside from "helping attract development," said he wanted to act fast in a short session to get something introduced, knowing he could later amend it. Hewett

expressed surprise how quickly it got on the committee's agenda. Most probably, compliments of Mr. Levin's legislative connections. It appears everyone was surprised.

The idea seems an odd fit for Fort Trumbull, because the environmental cleanup and infrastructure installation are nearly complete there, thanks to an \$85 million state investment. Something doesn't add up, but no one seems able to do the math.

Conclusion

The proposed bill does not benefit the tax structure for New London, which has 58 percent of tax exempt real estate.

Very truly yours,

A handwritten signature in cursive script that reads "Robert Fromer".

Robert Fromer
Concerned former New London resident