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Testimony

in Opposition to

SB 19: An Act Establishing the Transit Corridor Development Assistance Authority

Planning and Development Committee

March 4, 2016

Senator Osten, Representative Miller, Senator Linares, Representative Aman, and members of the Planning and Development Committee, thank you for this opportunity to testify on SB 19, An Act Establishing the Transit Corridor Development Assistance Authority.

SB 19 contains much of the material contained in HB 6851, which was introduced during the 2015 session. That bill would have created and empowered a quasi-public agency, led by a board of political appointees, to exercise eminent domain and to develop or otherwise change or use property surrounding any train or bus station without the approval of local governments and their constituents.

I came before you then to discuss the many grave concerns I had about that bill. This Committee and the Office of Policy and Management (OPM) responded last year and more recently to a number of the concerns I raised – and that many legislators, local elected officials, and members of the public shared – and several resultant revisions appear in SB 19.

While I appreciate those efforts, I nevertheless remain concerned about numerous aspects of SB 19, and chief among them its fundamental premise, which is the creation of a central

authority (TCDA) responsible for transit-oriented development (TOD) on a statewide basis. Without a full account of widespread demand for such an authority, there is no clear need for one. Nor is there a rationale for spending taxpayer funds to manage and staff a new quasi-public agency, especially at a time of grave financial distress for the state, when critical essential services are being significantly cut.

By creating a new agency with an elaborate governance structure, revenue objectives, and a statewide purview, this bill reaches far beyond its ostensible intent of simply providing assistance and guidance to municipalities upon their request.

Specific Concerns and Questions

- Making TOD planning, development, and financing resources available to municipalities would require a staff, but not a governing board. Yet the bill gives the TCDA a governing board, requires it to raise revenues to operate, and allows it to borrow money. All of this virtually guarantees that it must have its own agenda, both for financial purposes and for implementing TOD. **This creates an inherent conflict of interest.** There is nothing to prevent the TCDA from proposing projects and resources for executing them that serve its own interests better than those of the municipalities involved.
- The purpose of the appointed board is not clear, if the TCDA's objective is to provide a service and to meet municipalities' needs, rather than to make independent decisions. There is no apparent need for the board.
- The bill does not state that TCDA projects would be subject to the state's laws concerning open competitive bids. This opens the door to agreements with contractors who may have relationships with TCDA board members or state officials.
- While the bill does state, in lines 279-280, that the TCDA must sign an MOU with a municipality before proceeding on work, it does not limit that work to projects requested by towns. Lines 153-155 state that the TCDA's purpose includes entering into agreements to facilitate development or redevelopment at the request of OPM. This suggests that the TCDA and OPM would proactively approach towns. Given the current massive needs for infrastructure funding, it is not justifiable to use taxpayer dollars to fund the efforts of an administration-controlled agency to promote its own projects to local officials.
- Funds for staff would be provided initially by taxpayers, through the DOT budget. This is Special Transportation Fund money. Would TOD then be one of the transportation purposes covered by "lockboxed" funds? It would then be paid for with funds ostensibly destined for transportation infrastructure.
- It is not clear if municipalities would be required to pay the TCDA fees for its services. If so, how would the rates be determined?

- The bill does not make clear how much authority the TCDA can retain for matters like the signature of contracts, the choice of vendors, the setting of user fees, etc., once an MOU is signed with a municipality. Since one assumption by the proponents is that many municipal governments are unfamiliar with implementing and financing TOD, it is concerning that there are no constraints on the powers an MOU can give to the TCDA. This is important, since any municipality will be represented on the TCDA board by only one vote.
- Other testimony on SB 19 states that there is demand for the TCDA among the communities in the Capitol Region, and that the region has been satisfied with the work of the Capitol Region Development Authority (CRDA). The need for a second authority to serve these communities is not clear, particularly if CRDA staff would initially be assisting the TCDA to perform its own work.

Recommendations

I remain concerned that SB 19 proposes a statewide solution to address demand that may not exist. This would mean that a service is being imposed and taxpayer funds are being used to stimulate demand. I would respectfully suggest to the Committee that it reject the approach offered by SB 19 and instead consider these recommendations:

- Conduct a survey of Connecticut's municipalities to understand their demand for TOD, the barriers they face, and the kind of assistance that would help them. Then offer a new proposal based on the results.
- Identify a limited number of municipalities that want TOD assistance and are willing to pay for it, and assign a team within OPM to them for the duration of their projects. Evaluate the result, and then consider whether it is worth expanding the offer.
- Consider simply delegating to a member of OPM staff the responsibility for assisting municipalities and coordinating various state agencies to provide services.

If the reason for passing this legislation is solely to offer TOD assistance to municipalities, at their request, this bill greatly outstrips that purpose, and it would be irresponsible not to question the intent and the possibility that it reflects a TOD agenda that is state-driven rather than local in origin.

There is a key question at the heart of this bill. TOD is a grand, sweeping concept, but it must be executed at the local level. Should it then, like transportation itself, be driven or stimulated on a larger scale, from the top down? The residents and elected officials of many communities in Connecticut would say no. Consulting with them is a reasonable step that would demonstrate good faith and transparency.