Finance, Revenue and Bonding Committee Public Hearing 4/10/2019
Public Testimony 4/10/2019

To: The Hon. John W. Fonfara, Co-Chair, the Hon. Jason Rojas, Co-Chair, the Hon. Kevin D. Witkos, Ranking Member, the Hon. Christopher Davis, Ranking Member and the members of the Finance Revenue and Bonding Committee

My name is Lawrence P. Dooley and I am writing on behalf of CG Management Company, LLC in its capacity as Managing Partner of Colt Gateway LLC, a Connecticut limited liability company and Owner of the historic factory buildings that form the Coltsville National Historic Park.
I am submitting this testimony to raise awareness about the unintended consequences of the bill. While the intent of HB 7410 seems clear, to increase Connecticut’s tax revenues by decreasing the tax credits utility companies can use to offset their tax liabilities, there is real concern that the value of the credit could be diminished based on the buyer’s ability to purchase the credits. Any diminishment in the value would significantly impact the program by stalling or even stopping projects in the feasibility and schematic design phases which would result in the decrease in the number of overall rehab projects in CT. This would be a huge set back to the progress made in redeveloping the many vacant and underutilized historic buildings that are vital to the successful revitalization of many towns throughout the state.
Colt Gateway has effectively utilized the State Historic Rehabilitation Tax Credit program as a critical source of funds to rehabilitate seven historic Colt buildings (East Armory, South Armory, L-Shape Building, Gym, U-Shape Building, Sawtooth Building and the Power Plant). We are currently in the process of rehabilitating the North Armory and, once again, CT State Historic Tax Credits are a critical source. The underwriting for the financing of the North Armory is contingent upon receiving the full value of the State Historic Rehabilitation Tax Credits when the building is placed in service.
The remaining two buildings (Forge and Foundry) will be donated to the National Park Service as the centerpiece of the Coltville National Historical Park. The National Historical Park authorization originally required the “financial viability” Colt Gateway as per the attached letter from Colt Gateway to the Chairman of the House Committee on Natural Resources. The National Historical Park was always contingent upon Colt Gateway’s ability to successfully develop the armories which would not have been possible without the State Historic Rehabilitation Tax Credit program.
Prior to rehabilitation the City of Hartford collected 200K a year in property taxes. After rehabilitation, 1.5MM/year in property taxes have been paid to the City of Hartford. The Colt complex was virtually abandoned before Colt Gateway LLC started the rehabilitation. The Colt factory buildings are now a vibrant community with over 800 people working there and 160 people living here. Current Tenants at Colt Gateway: Insurity Software Company, Foley Carrier Services, JCJ Architects, Hooker Brewery at Colt Gateway, Sam & Tom’s Café, United States Senator Christopher Murphy, CREC Greater Academy of the Arts, Green Box-Is and Maier Design Group.

If projects like Colt never get off the ground because of this legislation, Connecticut will lose significant economic returns from such projects. Over time, the beneficial impact to the state will significantly outweigh the initial tax credit offered to make the project feasible.
In closing, I respectfully ask that the legislature refrain from passing Sections 25, 26 & 27 of HB 7410. It will devastate an industry that is proving to be a powerful economic driver in CT. Connecticut will not
benefit financially, rather Connecticut will suffer from the loss of revenue generated by the projects—all of the externalities we don’t think about like the restaurant, hospitality, entertainment, and retail industries. Moreover, we will be left with abandoned and blighted buildings, instead of rehabilitated buildings that are driving economic development in underserved areas.

Thank you for the opportunity to submit testimony in opposition of Sections 25, 26 & 27 of HB 7410.

Respectfully,

Lawrence P. Dooley
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Managing Member
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December 20, 2011

The Honorable Tim Bishop
Chairman
House Committee on Natural Resources
Sub- Committee on National Parks
Longworth House Office Building
Washington, DC  20515

Re: H.R. 2504, the Coltsville National Historic Park Act

Dear Congressman Bishop:

I am writing on behalf of CG Management Company, LLC in its capacity as sole manager of Colt Gateway LLC, a Connecticut limited liability company, the owner of the East Armory. Let me first take this opportunity to acknowledge the efforts of Congressman Larson, the State of Connecticut and the City of Hartford with respect to the redevelopment of the former Colt Manufacturing site. Please know that I look forward to continuing to work with the stakeholders in order to achieve the common goal of successfully developing the East Armory, which would include at least 10,000 square feet of space for the National Park Service.

As the developer of the East Armory, I am committed to fulfilling my part of the conditions outlined in H.R. 2504 required for the establishment of the Coltsville National Historical Park. Specifically, Colt Gateway LLC acknowledges the requirement of legislation, H.R. 2504, the Coltsville National Historic Park Act, that, if passed, would provide the Secretary of the Department of Interior with the authority to review Colt Gateway’s financial statements in determining whether the development is financially viable before the park is established.

If you have any questions or would like additional information regarding the Colt Complex, please do not hesitate to contact me at (860) 522-5000 x 13.

Sincerely,

[Signature]
Lawrence P. Dooley
Colt Gateway LLC
Managing Member
CG Management Company LLC
Northeast elevation, after rehabilitation

West elevation, before rehabilitation.
Partial west elevation, after rehabilitation.

South armory, after rehabilitation.
South elevation of south armory, before rehabilitation.

U-shape building, after rehabilitation.
U-shape building, before rehabilitation.