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Testimony supporting S.B. 400, establishing a program to encourage brownfield redevelopment

Roger Senserrich- Policy Director, Connecticut Association for Human Services – 3/9/2016

Good afternoon Senator Hartley, Representative Perone and members of the Commerce Committee. My name is Roger Senserrich, and I am the Policy Director at the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit agency that works to reduce poverty and promote economic success for children and families through both policy and program work.

I am here to express our support to S.B. 400, an act establishing the 7/7 program to encourage the redevelopment of brownfields and underutilized property. This proposal seeks to remove bureaucratic barriers and create tax incentives to increase investment in abandoned properties, and to create for low income residents during redevelopment. CAHS supports both objectives to create new opportunities in communities in need.

The vast majority of Connecticut's 281 brownfields listed by the Department of Energy and Environmental Protection (DEEP) are located in low income communities¹. Six of the seven towns with the highest poverty rate in the state have 114 sites (40% of the total). 95 are concentrated in just four cities: New Haven, Hartford, Bridgeport and New London. Three quarters of all sites are concentrated in just 20 towns. The list of contaminated or potentially contaminated sites is even longer² and follows a similar pattern.

Many of these properties are in downtown or waterfront areas, or close to transit hubs, and could provide a considerable economic boost for their communities with adequate investment. Unfortunately, the current set of grants and loan programs available under the Office of Brownfield Remediation and Development have proved to be inadequate to spur investment. The application process for the funds is often slow and ineffective for both developers and municipalities, reducing potential investment.

S.B.400 creates a new set of incentives to promote brownfield redevelopment, using predictable taxes with a breaks and deductions that come into place once the investment is complete. This removes uncertainty for the investor, as it clarifies the approval process and requirements to remediate and build in brownfield areas. The state and local government would collect less revenue from new projects at first, but as they would be new investment, it will not represent a revenue loss. The bill provides a strong incentive to attract new economic activity to low income areas, and it does it at little or no cost to the state by streamlining the approval process.

More importantly, the bill establishes that any developer or company would only be eligible to receive this benefit if they submit to area high schools and community colleges their anticipated workforce needs and projected job requirements. The company must certify that it will hire at least 30% of its total workforce from the local community, either through existing workforce development programs or new ones developed for the project.

¹ http://www.ct.gov/deep/lib/deep/site_clean_up/brownfields/brownfieldsinventory.pdf

² http://www.ct.gov/deep/cwp/view.asp?a=2715&q=325018&deepNav_GID=1626

This requirement would enable local workforce development systems to connect with environmental remediation projects, creating jobs with significant career potential. Environmental remediation and brownfield clean up often require workers to have post-secondary certifications; supervisory jobs might require associate’s degrees³. Workforce development boards have offered or currently offer brownfield clean up certifications through the Connecticut Green Jobs Funnel Initiative⁴, a model that has proven effective in the state. This bill creates an opportunity to expand these job programs, opening a career path to low-income workers. If paired with community college environmental science and engineering programs, it could open the door to the creation of solid middle class jobs pipeline in an expanding field.

In order to ensure that these opportunities are realized, however, workforce development programs might need additional resources that the bill currently does not include. This committee should consider exploring ways to dedicate federal funding under the Workforce Innovation and Opportunity Act, as well as consider crafting more detailed rules on workforce training programs. In addition, the legislature should consider including a mechanism to avoid that a business or company might use a brownfield development project for tax avoidance, taking advantage of the tax exemptions to shift activity to a new location. It is imperative, as well, that the sunset provisions remain in place to ensure the state eventually benefits from the new investments.

Finally, the committee should consider including new rules to streamline the zoning changes and construction permit process, further removing barriers for investment. The paradox in Connecticut is that it is often harder to invest in the areas that have the greater need. This legislation is an important first step to change this pattern.

Municipality	Listed Brownfields⁵	Poverty Rate⁶
New Haven	35	26%
Hartford	28	34%
Bridgeport	17	24%
New London	15	25%
New Britain	10	23%
Winchester	10	8%
Bristol	9	10%
Waterbury	9	24%
Shelton	8	5%
Stratford	8	11%
East Hartford	7	14%
Haddam	7	4%
Manchester	7	12%
Meriden	7	15%
Bloomfield	6	8%
Derby	6	13%
Norwich	6	15%
Middletown	5	12%
West Haven	5	13%
Hamden	4	8%
Ledyard	4	6%

³ http://www.bls.gov/green/environmental_remediation/remediation.htm

⁴ <https://www.ctdol.state.ct.us/OWC/JobFunnelFacts.pdf>

⁵ Source: http://www.ct.gov/deep/lib/deep/site_clean_up/brownfields/brownfieldsinventory.pdf

⁶ Source: CT Data Collaborative, using Census ACS 2000-2014 data.