

22 February 2011

Mr. Jay Weintraub, Chairman
Canton Zoning Commission
4 Market Street, PO Box 168
Collinsville, CT 06022

Dear Mr. Weintraub,

I am Joe Danojovits, Chairman of the Canton Economic Development Agency, and I write this letter on behalf of my agency in support of the Konover Development Corporation's proposal to develop the northeast corner of Route 44 and Route 177.

As you know, one of the EDA primary objectives is to support the responsible development of commercial and industrial real estate projects in our town. In this regard, we believe that our town will soon be facing a financial crisis as labor contracts renew, and other overhead and infrastructure costs rise. Unlike past years, our town can expect little relief from state aid, as our state faces its own enormous budget deficit. We fear that the result will be increasing pressure on our residential real estate base at a time when our homeowners already face tax rates that are among the highest in our area. We are concerned that an upward tax spiral could result in a loss of some of our middle income tax payers.

We have recently completed a Cost of Community Service study that clearly shows that in our town (like most towns) the town cost of services to residential property owners substantially exceeds related residential tax revenues. (Please refer to the COCS study summary attached hereto.) Conversely, the revenues from commercial and industrial real estate exceed their related town costs. Sadly, our town substantially lags our more commercially developed neighbors (such as Simsbury, Farmington, and Avon) in commercial tax revenues as a percentage of grand lists. In recent years, very few proposed commercial projects have made it through our land use commissions to fruition.

In this regard, we are aware of the Konover Development Corporation's proposal to develop the northeast corner of Route 44 and Route 177. We at the EDA certainly believe that this project could represent a fine use of that prime parcel of commercial real estate. In this regard, we have reviewed the intended use of that property with the developer, and we have determined the likely future tax revenues that would be generated by that project. (Please refer to the Konover Commercial Real Estate Template analysis attached hereto). As you can see, this project has the near term potential to generate very substantial tax revenues that could be very significant in helping to offset upcoming town expenses increases.

Accordingly, we at the EDA express our support for the responsible pursuit of the Konover project. In this regard, we urge your committee - as we will with the other land

use committees - to expeditiously consider this matter, and move forward with timely resolution of your consideration.

Very truly,

Joe Danajovits, Chair
Canton Economic Development Agency