

DEC 12 2024

## Land Use Department

**Remarks of Jennifer Zeronza during Ledyard, CT Planning and Zoning meeting to be held on Thursday, December 12, 2024 at the Ledyard Middle School**

Re: Application PZ#24-8SUP & PZ#24-9CAM - 1737 and 1761 Connecticut Route 12 (Parcel IDs: 76-2120-1737 & 61-2120-1761), Gales Ferry, CT

Good evening, my name is Jennifer Zeronza, 18 Bluff Road West in Gales Ferry.

I'm here tonight as a townsperson who happens to have a financial background. I hold a Bachelor's as well as a Master's degree in Finance. I am a Certified Management Accountant. And for the past thirty years, I have worked for several multinational corporations in roles including Accounts Payable, Manufacturing Accounting, Financial Planning & Analysis, Financial Reporting, Corporate Tax, Expatriate Tax, and General Accounting.

I'll leave it to my neighbors, to our Engineer and to our Attorney to continue to outline the myriad of ways that this application fails to meet the Planning & Zoning regulations. Instead, I'd like to talk about the elephant in the room - **money**. Much has been made of the *potential* economic benefit of this application, and it's the only pro-quarry argument I've heard.

**But let's remember the application itself – just to quarry Mt. Decatur away for a decade – would not increase the taxable base, only the potential future development would.**

Many may ask why money is relevant in a land use application?

The Planning and Zoning regulations (11.3.4.G) require that any special permits are consistent with the Ledyard Plan of Conservation and Development ("POCD")<sup>1, 2</sup>

In the POCD, it specifically mentions Ledyard's Economic Development Commission, which was formed to "expand and diversify the town's economic base..."<sup>3</sup>

In the Economic Development Commission's Annual Report, which outlines their mission to expand the tax base of Ledyard, they report that only 1% of our real estate is commercially or industrially developed.<sup>4</sup>

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<sup>1</sup> <https://www.ledyardct.org/DocumentCenter/View/848301/ZONING-REGULATIONS-Effective-January-2-2024?bidId=> page 11-9, section 11.3.4 G

<sup>2</sup> <https://www.ledyardct.org/DocumentCenter/View/136/Plan-of-Conservation--Development-POCD---Effective-Date-2272020?bidId=>

<sup>3</sup> POCD, page 41

<sup>4</sup> <https://ledyardct.legistar.com/View.ashx?M=F&ID=13210865&GUID=84DDF370-B254-4184-93C2-4465A7362AF9>

# LEDYARD OVERVIEW

\*Less than 1% of the Town of Ledyard's real estate is commercially or industrially developed.

\*For comparison, East Lyme has 9%, Colchester has 10%, Montville has 12%, Stonington has 15%, and Waterford has 26%.

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This slide is extremely important, because it highlights the challenge we're faced with. Simply put, we need new industrial and commercial taxpayers who **increase our income** without a disproportionate increase in our costs. Residential taxpayers may increase our income but they also increase our costs, usually through the most expensive town service: education.

I get it. We all need to get it, because this is why we're here.

**Now, the POCD talks about encouraging business development in an appropriate way. In fact, the word "appropriate" is used 29 times in the POCD; 6 times in the Economic Development section alone. What the POCD also does – consistently and repeatedly – is talk about *protecting* Ledyard. The word "protect" is used 135 times in the POCD, but neither the words "Quarry" nor "blast" appear.**

The POCD does not allow for a deviation from the Planning & Zoning regs due to potential future tax income, it only underscores the need for **appropriate** business development while **protecting** Ledyard.

All of this gets us to the special permit application before you, coupled with the Goman + York economic analysis (For simplicity's sake, I'll refer to it as "the analysis").

The analysis evaluates several economic factors, only some of which I'll touch on today in the interest of time.

First, let's start with the assertion that the possible future estimated development would bring permanent employment opportunities.

For background, Ledyard's unemployment rate was 1.9% in October of 2024.<sup>6</sup> Additionally, our POCD states that Ledyard's unemployment rate is below the state and county averages<sup>7</sup> This is substantiated in the state's October 2024 unemployment report, which reflects that Connecticut's overall unemployment rate is 2.5%.<sup>8</sup>

So, unemployment is not a burning issue in Ledyard.

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<sup>5</sup> Ledyard Economic Commission Annual Report (see previous citation), page 3

<sup>6</sup> <https://www1.ctdol.state.ct.us/lmi/LAUS/lmi123.asp>

<sup>7</sup> POCD, page 11

<sup>8</sup> <https://www1.ctdol.state.ct.us/lmi/LAUS/lmi123.asp>

The kind of jobs Ledyard wants to attract are highlighted in the section of the POCD that encourages the development of office space:

**“Modern office facilities would attract businesses that would have little impact on the environment and would require little in the way of industrial infrastructure but would create jobs and increase the tax base. Companies involved in financial services, insurance, real estate, software development, and data processing are examples of “low impact” enterprises that should be encouraged.”<sup>9</sup>**

But the 130 permanent jobs envisioned in the analysis – 13 years in the future, when the site may possibly be developed - are warehouse jobs:

#### Economic Impact – Summary of Findings

From the perspective of economic impact, the proposed excavation and conceptual future warehouse/industrial buildings are projected to create and/or sustain approximately 32 FTE site preparation jobs, 45 FTE Construction Jobs, 130 permanent warehouse jobs, and approximately \$5,700,630 in wealth creation in the Norwich-New London Region per year after completion. In short, the proposed development will have a meaningful positive economic impact in the Norwich-New London Region.

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These jobs are assumed to pay \$58,468 per year<sup>11</sup> (\$28.11/hr at 2,080 hours/year) which seemed high to me. A review of open positions on Indeed, a job seeker website, results in the following example four “warehouse” jobs within 10 miles of Ledyard:

<p><b>Driver/Warehouse Associate</b> :</p> <p>BellSimons Companies 3.1 ★ New London, CT 06320</p> <p><b>\$18 - \$20 an hour</b> Full-time 8 hour shift</p> <p>➤ Easily apply</p> <ul style="list-style-type: none"><li>▫ This role works in all departments within the warehouse related to product incoming and outgoing tasks.</li><li>▫ Assists shipping, receiving, transfers, unloading trucks...</li></ul> <p>Active 7 days ago</p>	<p><b>Warehouse Associate / Dock Worker/General Labor - 2nd Shift</b> ⋮</p> <p>humano Taftville, CT 06380</p> <p>⚡ Typically responds within 1 day</p> <p><b>\$17.50 - \$30.00 an hour</b> Full-time Monday to Friday -1</p> <p>➤ Easily apply</p> <ul style="list-style-type: none"><li>▫ If you are a experienced warehouse worker / freight handler / material handler / top performing distribution center that wants to make great money, keep reading ...</li></ul> <p>Active 5 days ago · More...</p>
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<sup>9</sup> POCD, Pages 40-41

<sup>10</sup> Goman + York Study, Page 4

<sup>11</sup> Goman + York Study, Page 29

<p><b>Warehouse Worker</b></p> <p>US Foods, Inc. Norwich, CT 06360</p> <p>Typically responds within 1 day</p> <p><b>\$21.63 - \$28.00 an hour</b> Full-time</p> <p>Weekends as needed ~2</p> <ul style="list-style-type: none"> <li>Experience selecting large scale orders in a warehouse or distribution center environment preferred.</li> <li>Benefits for this role may include health insurance, pre...</li> </ul> <p>More...</p>	<p><b>WAREHOUSE/DELIVERY (FULL TIME)</b></p> <p>Eurest Uncasville, CT 06382</p> <p><b>\$22 - \$25 an hour</b> Full-time</p> <p>Easily apply</p> <ul style="list-style-type: none"> <li>Withdraws merchandise and supplies from the warehouse.</li> <li>Collects empty containers and unsold merchandise for return to warehouse and/or disposal</li> </ul> <p>More...</p>
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Evaluating these 4 sample jobs, you can see that even the highest hourly rates don't usually reach the assumption as put forth in the analysis.

	Low	Midpoint	High
Driver/Warehouse Associate	\$ 18.00	\$ 19.00	\$ 20.00
Warehouse Associate/Dock Worker/General Labor-2nd shift	\$ 17.50	\$ 23.75	\$ 30.00
Warehouse Worker	\$ 21.63	\$ 24.82	\$ 28.00
Warehouse/Delivery	\$ 22.00	\$ 23.50	\$ 25.00
Average of 4	\$ 19.78	\$ 22.77	\$ 25.75

**Versus analysis estimate of \$28.11/hour**

In my experience as a hiring manager, I have rarely seen individuals hired at the high end of the range. **Based on my experience combined with these sample 4 job postings, I can only conclude that paying a warehouse worker \$28.11 an hour is the exception, not the rule.**

Further, the POCD, published in 2020, cites the United Way's ALICE report

**ALICE® (Asset Limited, Income Constrained, Employed)** represents hardworking members of the community who are employed, yet can't keep up with the rising cost of living. <sup>13</sup>

The 2020 POCD says:

***"45% of jobs in CT now pay less than 20\$/hour. This income group represents an emerging segment of Ledyard's population that has need of affordable housing and potentially expanded municipal services."*** <sup>14</sup> (emphasis mine)

<sup>12</sup> <https://www.indeed.com/jobs?q=warehouse&l=Ledyard+Center%2C+CT&radius=10&vjk=1fbf3264467c3da1>  
Search performed November 24, 2024

<sup>13</sup> <https://unitedforalice.org/>

<sup>14</sup> POCD, page 42

Given my review of available warehouse jobs on Indeed – certainly closer to \$20/hour than \$30 – I submit to you that many of the possible future jobs would land very close to the ALICE threshold.

**So while the POCD targets bringing in higher paying jobs that have minimal impact to the environment, the analysis reflects the addition of 130 permanent low paying jobs, a possible additional stressor to the tax base due to the possibility of “potentially expanded municipal services”.**

Let’s get back to the stated problem facing Ledyard. The Economic Development Commission states that Ledyard’s tax base is comprised of only 1% of Commercially or Industrially developed land.

## LEDYARD OVERVIEW

◦ Less than 1% of the Town of Ledyard’s real estate is commercially or industrially developed.

◦ For comparison, East Lyme has 9%, Colchester has 10%, Montville has 12%, Stonington has 15%, and Waterford has 26%.

But the Goman + York analysis reflects that Ledyard’s tax base is actually comprised of 5.6% (5.1% + 0.5%) Commercial or Industrial taxable property.

### Real Estate Taxable Property

Year Description	2023		2037		Delta
	Assessment	%	Assessment	%	%
Residential	\$949,888,667	90.9%	\$1,026,686,986	88.6%	-2.3%
Commercial	\$53,570,278	5.1%	\$57,901,425	5.0%	-0.1%
Industrial	\$5,013,540	0.5%	\$34,331,032	3.0%	2.5%
Misc	\$36,472,391	3.5%	\$39,421,177	3.4%	-0.1%
Total	\$1,044,944,876	100.0%	\$1,158,340,620	100.0%	N/A

1737-1761 ROUTE 12  
TOWN OF LEDYARD

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So, do we have a problem or not? Either the town’s slide is misleading, as I can only presume that the “less than 1%” statistic is for Industrial only, or the economic analyst was incorrect in their calculation – because they differ by about 500%.

If the most important economic initiative of this town is to increase the commercial and industrial tax base, then let’s be abundantly clear in the numbers that are being presented and the message that is being sent.

<sup>15</sup> <https://ledyardct.legistar.com/View.ashx?M=F&ID=13380972&GUID=3E5671FE-66E7-4C23-957B-799FA3B3AC69>  
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**The analysis re: income sources**

The analysis provides a financial model with a 15-year time horizon. In this model, there are two potential sources of income for the town that may be derived from a portion of the GFI site:

1. Tipping Fee aka Payment In Lieu of Taxes (“PILOT”) as proposed in this application for the first 10 years (red)
2. Potential, estimated future revenue beginning in 13 years *if the property is developed further* (purple)

Two Sections of Goman + York Model

Detailed Fiscal Impact Analysis of Proposed Extraction Site															
Revenue	Extraction Period										Development		Stabilized		
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Current Assessment	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$33,104,212	\$33,104,212	\$33,104,212
Real Property	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$40,000	\$40,000	\$1,165,599	\$1,165,599
PILOT		\$40,000		\$237,500		\$206,250				\$408,750					
Personal Property	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822			\$116,560	\$116,560	\$116,560
<b>Total</b>	<b>\$20,047</b>	<b>\$60,047</b>	<b>\$20,047</b>	<b>\$257,547</b>	<b>\$20,047</b>	<b>\$226,297</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$428,797</b>	<b>\$562,798</b>	<b>\$40,000</b>	<b>\$1,282,159</b>	<b>\$1,282,159</b>	<b>\$1,282,159</b>

Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11+
General Gov. Serv.	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 6,800
<b>Total</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$6,800</b>

<b>Net Fiscal Impact</b>	<b>\$1,467</b>	<b>\$41,467</b>	<b>\$1,467</b>	<b>\$238,967</b>	<b>\$1,467</b>	<b>\$207,717</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$410,217</b>	<b>\$555,998</b>	<b>\$33,200</b>	<b>\$1,064,192</b>	<b>\$1,064,192</b>	<b>\$1,064,192</b>
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**Years 1-10: Tipping Fee a.k.a. Payment In Lieu of Taxes (“PILOT”)**

First, we’ll focus on the red section of the analysis – this is the part that pertains to the 10-year quarry application before you.

Pertaining to Subject Application Before You

Detailed Fiscal Impact Analysis of Proposed Extraction										
Extraction Period										
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Assessment	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602
Real Property	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225
PILOT		\$40,000		\$237,500		\$206,250				\$408,750
Personal Property	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822
<b>Total</b>	<b>\$20,047</b>	<b>\$60,047</b>	<b>\$20,047</b>	<b>\$257,547</b>	<b>\$20,047</b>	<b>\$226,297</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$428,797</b>

Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General Gov. Serv.	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580
<b>Total</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>

<b>Net Fiscal Impact</b>	<b>\$1,467</b>	<b>\$41,467</b>	<b>\$1,467</b>	<b>\$238,967</b>	<b>\$1,467</b>	<b>\$207,717</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$410,217</b>
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10 year Quarry Operation

The analysis illustrates that *without the tipping fee*, the town would realize less than \$1,500 per year in tax revenue during the ten-year quarrying period.

Detailed Fiscal Impact Analysis of Proposed Extraction										
Extraction Period										
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Assessment	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602
Real Property	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225
PILOT		\$40,000		\$237,500		\$206,250				\$408,750
Personal Property	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822
<b>Total</b>	<b>\$20,047</b>	<b>\$60,047</b>	<b>\$20,047</b>	<b>\$257,547</b>	<b>\$20,047</b>	<b>\$226,297</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$428,797</b>

Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General Gov. Serv.	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580
<b>Total</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>

<b>Net Fiscal Impact</b>	<b>\$1,467</b>	<b>\$41,467</b>	<b>\$1,467</b>	<b>\$238,967</b>	<b>\$1,467</b>	<b>\$207,717</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$410,217</b>
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In order to address this gap, the applicant offers the town a Tipping Fee (aka PILOT) of \$0.25 per cubic yard of stone extracted from the site.

TIPPING FEE

The Applicant is cognizant of the fact that the industrial regrading of the southerly portion of the Applicant's property to ready it for future industrial development (and the production of ratables for the Town of Ledyard) is a long term proposition. In order to provide suitable compensation to the Town of Ledyard, in lieu of taxes, the Applicant is proposing a payment in lieu of taxes ("PILOT") for the duration of the proposed extraction operation<sup>1</sup>. The PILOT proposed is at the rate of \$0.25 per cubic yard of stone material extracted and exported from the site.<sup>2</sup> In conjunction with the proposed PILOT payment, the Applicant proposes to provide to the Town of Ledyard on a semi-annual basis, verification of the amount of stone which has been exported from the project together with a payment of the PILOT required for the amount so exported.

I would like to point out that in the Narrative portion of the application, Cashman states that the tipping fee would be paid on a semi-annual basis. However, in page 5 of the Goman + York analysis, tipping fee payments are reflected only in years 2, 4, 6 and 10. This was explained during their presentation as aligning with the multiple phases of the quarrying project.

<b>Detailed Fiscal Impact Analysis of Proposed Extraction</b>										
<b>Extraction Period</b>										
<b>Revenue</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>Current Assessment</b>	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602
<b>Real Property</b>	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225
<b>PILOT</b>		\$40,000		\$237,500		\$206,250				\$408,750
<b>Personal Property</b>	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822
<b>Total</b>	<b>\$20,047</b>	<b>\$60,047</b>	<b>\$20,047</b>	<b>\$257,547</b>	<b>\$20,047</b>	<b>\$226,297</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$20,047</b>	<b>\$428,797</b>

<b>Expenditures</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Year 6</b>	<b>Year 7</b>	<b>Year 8</b>	<b>Year 9</b>	<b>Year 10</b>
<b>General Gov. Serv.</b>	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580
<b>Total</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>	<b>\$18,580</b>

<b>Net Fiscal Impact</b>	<b>\$1,467</b>	<b>\$41,467</b>	<b>\$1,467</b>	<b>\$238,967</b>	<b>\$1,467</b>	<b>\$207,717</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$1,467</b>	<b>\$410,217</b>
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In total, the analysis estimates a Tipping Fee over 10 years of \$892,500, or an average of \$89,250 per year of 10 years.



**Tipping Fee**

Year 2	\$	40,000
Year 4	\$	237,500
Year 6	\$	206,250
Year 10	\$	<u>408,750</u>
Total	\$	<u>892,500</u>

Per Year -  
 10 years \$ 89,250

One important thing that the Goman + York analysis does not consider is **escalation**, similar to inflation. In my experience, this is usually an important feature of a financial analysis as different types of revenues and costs can change at different rates over time. The resulting net impact of all of these inflows and outflows must be considered. This analysis, though, keeps all values flat (no escalation), which may have been helpful in simplifying an explanation, but what it hides is that the 25 cents per cubic yard Cashman is willing to pay Ledyard **won't** increase during the 10-year quarrying period because Cashman provides no escalation clause in the narrative portion of the application.

This lack of an escalation clause in Cashman's offer means that the tipping fee would remain 25 cents per cubic yard for 10 years while the town's expenses for roads and schools and police and fire absolutely **will** increase.

**This is like being offered a job which will not grant you a raise for 10 years.**

**Materiality**

The most important factor to consider in this entire analysis is Materiality. Materiality is an accounting concept which requires us to focus on the most impactful (largest) dollar amounts in auditing, financial disclosures and many financial analyses. We don't talk about any numbers that are too small, because they're not material enough to impact our decision.

As a colleague of mine says, "Is the juice worth the squeeze?"

There is no need to devise complicated financial models to simply ask ourselves – does basic math tell us if the tipping fee materially benefits the Town of Ledyard?

To do that, I considered how the tipping fee could contribute to Ledyard's education costs

According to the Ledyard Board of Education, the average cost to educate a student during the 2022-23 school year (two years ago) was \$16,871 <sup>16</sup>

$$\frac{\$89,250 \text{ per year in Tipping Fee Revenue}}{\$16,871} = 5.29 \text{ students/ year}$$

<sup>16</sup> [https://cdnsm5-ss7.sharpschool.com/UserFiles/Servers/Server\\_111100/File/LPS%20Proposed%20Budget%20SY2024-2025.pdf](https://cdnsm5-ss7.sharpschool.com/UserFiles/Servers/Server_111100/File/LPS%20Proposed%20Budget%20SY2024-2025.pdf)  
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\$16,871 cost per student

The simplest of math (again, not even considering that costs to run the town will increase over time but the tipping fee won't) shows that the tipping fee – best case - would “pay” for 5.29 students a year for 10 years.

The Board of Education also states in their budget that total enrollment in October of 2023 was 2,421 students.<sup>17</sup>

$$\frac{5.29 \text{ students}}{2,421 \text{ total student enrollment}} = 0.002 \text{ (0.2\% of total enrollment)}$$

**So, the total benefit of the Tipping Fee is that it would “pay” for not two percent, but two TENTHS of ONE percent of total enrollment in the Ledyard schools for a period of 10 years.**

But if this application were to be approved, it wouldn't just be the 5.29 students per year that were directly impacted by noise, blasting, rock crushing, traffic, and most importantly - silica dust, it would be ALL of the **more than 1,000 students** enrolled at Gales Ferry/Juliet Long as well as the Middle School<sup>18</sup> - both of which are **within a mile of the site**.

I ask you: Is that juice worth the squeeze?

### **Years 13+: Potential Economic Development**

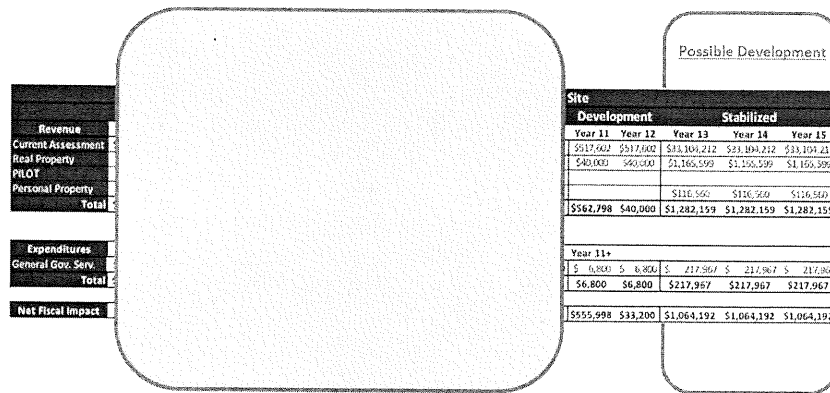
Let's skip forward to the later years in analysis – years 13 forward where it is assumed that the 10 year quarry operation has cleared the land, that the property is developed, and the owner & tenants are paying tax. This is the purple section which I have titled “Possible Development”.

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<sup>17</sup> Ledyard School Budget p. 15

<sup>18</sup> Ledyard School Budget p. 16

## Two Sections of Goman + York Model



What is important to caveat here is that the possible future economic benefit *is not directly related to the application you have before you*. Any future development and potential resulting tax revenue would be completely dependent on Cashman's appetite to invest money to further develop the site. If this quarry permit were approved, Cashman could blast away Mt Decatur for ten years, profit from the aggregate, and stop there.

**Let me say it again: There is a risk that the envisioned development would never occur, and Ledyard would be left with a defaced property that never provided material economic benefit to the town.**

In fact, we have an example a few miles downriver from us. New London leveled a neighborhood in the name of economic development, but never did fully develop the Fort Trumbull area, and the contested parcel of land sits vacant to this day. In fact, the town is now offering tax breaks to the tune of \$6.5M to develop it.<sup>19</sup>

Further, to presume that the kind of development outlined in the analysis would still be appropriate 13 years in the future is also a tremendous leap of faith. Goman + York stated during their presentation on November 14<sup>th</sup> that with regard to potential future occupancy rates, that because the analysis was "a ways out there in the future, it is a bit speculative".<sup>20</sup>

**So, to review so far:**

- Possible future tax benefits not directly related to this application
- Risk that it would never be developed
- Admittedly speculative on the part of the firm that modeled it

A few weeks ago, the President of the Chamber of Commerce of Eastern Connecticut said that this application would bring "significant tax relief".<sup>21</sup> Let's see about that.

<sup>19</sup> <https://www.theday.com/local-news/20240916/new-london-council-approves-6-5-million-in-tax-breaks-for-fort-trumbull-developer/>

<sup>20</sup> [https://ledyardct.granicus.com/player/clip/1182?view\\_id=1&redirect=true](https://ledyardct.granicus.com/player/clip/1182?view_id=1&redirect=true) comment occurs at about 1:23

<sup>21</sup> <https://ledyardct.legistar.com/View.ashx?M=F&ID=13573551&GUID=3366D5A0-3FB2-43C6-B2E0-C8A9707654D2>

The analysis estimates that the Net Fiscal Impact to Ledyard, beginning in Year 13 would be \$1,064,192 per year.

Revenue	Stabilized		
	Year 13	Year 14	Year 15
Current Assessment	\$33,104,212	\$33,104,212	\$33,104,212
Real Property	\$1,165,599	\$1,165,599	\$1,165,599
PILOT			
Personal Property	\$116,560	\$116,560	\$116,560
<b>Total</b>	<b>\$1,282,159</b>	<b>\$1,282,159</b>	<b>\$1,282,159</b>

Expenditures			
General Gov. Serv.	\$ 217,967	\$ 217,967	\$ 217,967
<b>Total</b>	<b>\$217,967</b>	<b>\$217,967</b>	<b>\$217,967</b>

<b>Net Fiscal Impact</b>	<b>\$1,064,192</b>	<b>\$1,064,192</b>	<b>\$1,064,192</b>
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A million dollars a year seems like a lot of money – it makes for an eye-catching headline and a way to win the hearts and minds of townspeople who would welcome some tax relief. But all you have to do is scratch the surface – again with basic math – to realize that the impact isn't as much as you may think.

The total current year budget for Ledyard is \$67,430,573 <sup>22</sup>

$$\frac{\$1,064,192 \text{ in } \textit{potential} \text{ tax revenue}}{\$67,430,573 \text{ total current town budget}} = 1.6\% \text{ potential increase in tax revenue}$$

1.6% doesn't seem "significant", does it?

A tool I find helpful in illustrating materiality (or significance) is to make the numbers more relatable to everyday life.

In this case, I considered what the impact of 1.6% would be on an average person in Ledyard.

The income per capita (per person) in Ledyard is \$42,183<sup>23</sup>

<sup>22</sup> <https://www.ledyardct.org/DocumentCenter/View/848618/FY24-25-ANNUAL-BUDGET-HANDOUT-BOOKET-and-CAPITAL-PLAN?bidId=>

<sup>23</sup> <https://uspopulation.org/connecticut/new-london-county/ledyard/>

So, if each of us were to receive an increase in income of 1.6%, that would amount to \$674/year or \$1.84 per day.

**I ask you to consider if it is appropriate to go through all of this pain and disruption and traffic and chaos and health risk for the possibility that under the best circumstances – 13 years in the future – this town would be rewarded with the equivalent of a daily cup of coffee in the Dunkin drive-thru.**

### Conclusion

Our experts, our Attorney, and our neighbors have already provided significant evidence that this application fails to meet the Zoning regulations. The POCD doesn't give it a green light, either. In fact, the POCD talks about **protection** and **appropriate** economic development.

The real issue here is money. We've all heard the phrase "It's the economy, stupid." In this case, what we're being told is "It's the taxes, stupid."

But we are not stupid.

I understand the need to better balance the industrial tax base with the residential one.

But a tipping fee that would "pay" for about 5 students per year while 1,000 are put at risk...

And possible, estimated future economic benefits that are about as material to this town as a daily cup of coffee...

And the risk that Cashman may destroy Mt. Decatur, enjoying the profits from aggregate sales but never providing material economic benefit to the town...

And the possibility of 130 low paying jobs that the POCD warns us against as they may further drain our town's resources...

The application you have before you is **not the answer**. Blasting away Mount Decatur and *maybe*, *possibly*, developing it afterwards, is not a silver bullet that's going to solve our financial problems.

I respectfully ask you tonight to deny this application. **The juice is not worth the squeeze.**

Thank you.