

CHAPTER 6

ECONOMICS

An Overview of Redding's Evolving Economic Life

From the town's beginnings in 1767 to the mid-nineteenth century Redding's economic livelihood depended principally on self-sufficient agriculture and small industries. From the mid-nineteenth century onward, however, local farming began a long and gradual decline as abundant western produce flooded eastern markets and as many of Redding's farmers moved west. At the same time the town's small water-powered local industries could no longer compete with the new steam-powered factories being built along the recently constructed railroad lines. Except for the Gilbert and Bennett Manufacturing Company, located in Georgetown beside the Danbury and Norwalk Railroad, the small industries faded and disappeared from the Redding scene over the several decades following the Civil War. By 1900 Redding's population had declined by 25 per cent from its 1850 peak and much of its farmland was reverting to forest.

Starting in the late 19th century, however, a major shift in the town's economic base began as it became a haven for weekend and country houses of people from urban areas, including notable arrivals of members of the New York intellectual elite. This began the trend, continued to the present day, of valuing the town's fallow farms as open space for scenic appreciation and passive recreation. The twentieth-century conversion of the Saugatuck and Aspetuck valleys into public water-supply reservoirs, with watersheds encompassing 89% of the town's land, has made permanent this transition from an actively-developed farm economy to a residential haven with limited potential for commercial development.

A concomitant shift in the town's economic base began during the 1920's as the automobile became predominant on the roads, and the State of Connecticut's Trunk Line Routes began to be implemented. As the roads developed, it became more and more practical for people employed elsewhere to take up year-round residence in Redding and commute to their jobs. It also was during the 1920's that the town saw the gradual installation of electricity and telephone service along the intercity conduits that the new trunk roads represented.

Since that time, Redding has grown fivefold in population and has evolved into a residential community in which most inhabitants depend on income sources or employment originating outside the town.

The percentage of agricultural and industrial workers, initially dominant in Redding, has declined steadily over the course of this 150-year history although such residents are still a presence in the town including a significant number of people practicing skilled construction and craft trades.

Ever since the post-Civil War evolution of Redding began, transforming the place from a farm town to a semi-rural haven, Redding has attracted well-educated professional and managerial persons along with people associated with leadership in the arts and letters. At the same time Redding is affected by the currently-accelerating trend toward income stratification from town to town in Connecticut, with a concentration of highly paid professional people in the low-density suburban towns of lower Fairfield County. As a result Redding's economic and demographic profile is in some respects influenced not by its geographic position and its immediately neighboring towns, but by the characteristics of other low-density commuter towns to the south and west. This trend is noted because it is

likely to continue and accelerate during the coming ten-year period; at present, however, Redding's economics and demographics are at its region's statistical center and demographic pivot-point. Not coincidentally, in a county stratified economically based upon each town's commuting distance from New York, Redding's geographic location at the center of the county corresponds to its economic position (see Table 6-A).

Median household income in Redding presently exceeds \$144,000. To place this in context, median household income for Connecticut as a whole is less than \$74,000, and for Fairfield County as a whole is slightly more than \$90,000. By comparison, median household incomes for the seven commuter towns to the west of Redding average \$176,600, while those of the nine towns to the east of Redding average \$94,292. Median household incomes in Fairfield County's four cities are much lower, especially in Bridgeport. The average for the three cities of Norwalk, Stamford, and Danbury is \$68,556, while the median for Bridgeport is \$43,137.

While the calculation of median household income includes all the wage earners within a household, and includes many two-income households, it also includes many elderly and single person households and people living on fixed incomes. Despite the general affluence of Redding's population, the 2016 American Community Survey data revealed that approximately 29.8% of Redding households had incomes below \$50,000 a year, with 10.7% having incomes of less than \$20,000 per year.

Traditionally artists, actors, musicians and writers have been active participants in the town's social and cultural life and were early examples of what have come to be known as "knowledge workers" whose work is not tied to a specific worksite and thus can include a substantial amount of work at home. In today's developing trend toward integrated work and residential settings aided by computer and telecommunication technology, a premium can be placed on attractive surroundings over ease of commuting. A significant number of professional service personnel now work from home. Rising energy costs may tend to increase this trend of working at home in the coming years. Although it is true that most Reddingites commute to jobs in other communities, and though the town has minimal commercial districts for traditional employment, the single largest work destination for people in Redding is Redding itself (per Connecticut Economic Resource Center Inc.). This trend has a noticeable effect on such variables as family life, volunteer efforts, town services, and property values.

Another notable recent trend, which is related to and has affected the town concurrently, has been a recent decrease in regional corporate employment as some major companies have left Connecticut for more tax-friendly environments. This has been one cause of a stagnation in property transfers and a reduction in housing prices, putting further pressure on the Town in maintaining, supporting and developing amenities and services. While the demographic "bubble" of 1980's births that led to this increased demand for services appears to have peaked, the town's increasing affluence is likely to continue and is likely to drive continuing high expectations for town services. Also, as the average age of town residents has increased over the last decade, younger families need to be attracted to Redding to renew its diversity and vibrancy.

At the same time, public sentiment in Redding continues to strongly support the Town's efforts to sustain its rural character and to purchase significant tracts of open space land. There has been a longstanding recognition of the contribution that open lands make in stabilizing the demand for public services and in preserving the attractive rural character of the town.

During the next ten years, the demand for services and attitudes toward tax levels may shift significantly as the demographic "bubble" of 1980's births subsides, and the town becomes increasingly dominated by the needs of retiring Baby Boomers. This may result in a long-term shift in focus toward austerity in town services, while adding increased demand for senior-oriented services. With a recent trend of decreasing property values and rising taxes, many senior Reddingites are selling their homes and leaving the state. Those who once could not afford Redding, are now finding affordable entry points and calling Redding home.

Town Finance: Current Trends and Reserve Capacity

The economic health of the Town of Redding -- particularly its ability to finance the facilities and services needed by present and future residents -- is critical to a sound Town Plan. State law directs the Plan to consider economic trends and requires that, "the plan shall be designed to promote with the greatest efficiency and economy the coordinated development of the municipality and the general welfare and prosperity of its people," (General Statutes, Section 8-23).

Redding's ability to finance both its infrastructure needs and the essential services it provides to its citizens is directly related to the size and growth of its Grand List. This list is the adjusted total of all taxable property, including real estate, motor vehicles and personal property, multiplied by the assessment rate (70 per cent), and is updated every five years. The last town-wide revaluation was conducted in 2017 and will be reflected in the tax base for the 2018-19 fiscal year.

As is true of many Connecticut towns with a similar economic profile, in recent years town expenditures have increased more rapidly than growth in the Grand List. Over the ten-year period between 2009 and 2018 the Town's Grand List has decreased by 22%, (see Table 6B below) reflecting both revaluation and new construction, while per capita Town expenditures grew by 14% (see Table 6C). Both revenues and expenditures are assumed to be equally influenced by inflation and so no adjustments for inflation are included. The significant grand list decrease over the last decade has been due to stagnation in the real estate market, lack of significant new construction following the great recession of 2008-9 and recent corporate departures further reducing the demand for area homes.

Recent increases in the price of petroleum products have altered the cost of operations of the town, and signs point to continued pressure from high energy costs in the future. The challenges that this will bring are in two areas: costs to the Town's operating budget, ranging from town vehicle fuel costs and heating of town buildings, to increased cost of supplies and petroleum products such as asphalt. Services contracted by the town will undoubtedly show increases to cover related costs borne by contractors.

The former Gilbert & Bennett property, traditionally a major component of Redding's tax base, is temporarily off the ratables list as a result of the site's stalled clearance for remediation and future redevelopment due to ongoing litigation arising from the bankruptcy of the site's developer. An in-depth discussion of the property appears in Chapter 10.

The sources of the funds actually used to operate the Town, with comparisons over the past twenty-year period, are shown in Table 6D. A heavier burden of Town funding has been shifted to Town taxpayers over this period as the proportion of expenses raised by property tax has increased from 91% to 96%, largely as a result of a sharp reduction in total

State aid from 11% of Town costs to 2%. Since this decline in state funding has coincided with the drop in revenue from the Gilbert & Bennett property to nothing, the Town is currently passing through a challenging period in its economic history - a simultaneous reduction in housing marketability has coincided with increased tax burdens on all residents, in turn making the houses less attractive to potential buyers – a self-feeding conundrum.

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**Table 6-A
REDDING IN COMPARISON WITH AREA MUNICIPALITIES**

Town	Median HH Income	Median House Sales	Eq. Grand List Per Capita	Per Capita Tax	Per Capita Expenditures	Moody's Bond Rating	Actual Mill Rate	Eq. Mill Rate	Commercial & Industrial % of Grand List	Debt Svc. as % of Expend.
Weston	\$218,152	\$857,700	\$347,981	\$6,520	\$3,826	Aaa	28.67 %	18.74 %	1.0%	8.6%
Darien	\$208,125	\$1,248,200	\$623,628	\$5,895	\$3,291	Aaa	15.35 %	9.45 %	7.8%	8.0%
New Canaan	\$176,601	\$1,373,100	\$610,328	\$6,433	\$5,936	Aaa	15.98 %	10.54 %	4.7%	11.6%
Wilton	\$179,844	\$812,100	\$352,127	\$6,199	\$4,510	Aaa	26.83 %	17.60 %	13.7%	8.3%
Easton	\$133,356	\$629,200	\$258,306	\$5,337	\$3,370	NA	30.38 %	20.66 %	2.6%	6.9%
Westport	\$166,307	\$1,087,700	\$596,365	\$6,566	\$3,626	Aaa	18.09 %	11.01 %	11.8%	8.0%
Ridgefield	\$145,014	\$673,900	\$287,781	\$4,844	\$3,176	Aaa	26.01 %	16.83 %	10.9%	8.4%
Redding	\$129,643	\$603,300	\$249,848	\$4,960	\$2,134	Aa1	28.91 %	19.85 %	7.5%	4.3%
Greenwich	\$134,223	\$1,205,600	\$802,314	\$5,609	\$2,425	Aaa	11.27 %	6.99 %	14.0%	8.0%
Newtown	\$110,036	\$402,200	\$163,590	\$3,618	\$2,479	Aa1	33.07 %	22.12 %	8.0%	8.7%
Monroe	\$113,333	\$374,500	\$155,994	\$3,745	\$2,089	Aa2	34.35 %	24.01 %	11.3%	6.9%
Fairfield	\$122,135	\$589,500	\$264,395	\$4,407	\$3,202	Aaa	24.79 %	16.67 %	9.9%	8.0%
Brookfield	\$106,278	\$358,500	\$184,539	\$3,362	\$1,921	Aa2	25.70 %	18.22 %	14.9%	6.1%
Trumbull	\$112,674	\$392,800	\$186,570	\$4,041	\$2,491	Aa2	32.87 %	21.66 %	17.7%	7.4%
Bethel	\$94,292	\$335,800	\$143,893	\$3,095	\$1,479	NA	32.18 %	21.51 %	14.5%	4.1%
Shelton	\$87,277	\$338,200	\$161,886	\$2,465	\$1,108	Aa2	22.31 %	15.23 %	17.7%	9.0%
Stratford	\$69,336	\$249,600	\$121,827	\$3,150	\$5,390	A1	36.98 %	25.86 %	17.7%	14.4%

Stamford	\$81,634	\$504,200	\$249,113	\$3,753	\$3,247	Aa1	25.43 %	15.06 %	27.8%	10.4%
Norwalk	\$80,896	\$416,800	\$203,038	\$3,365	\$2,396	Aaa	24.91 %	16.57 %	20.3%	7.8%
Danbury	\$67,430	\$286,400	\$118,509	\$2,311	\$1,767	Aa1	28.26 %	19.50 %	25.3%	9.4%
Bridgeport	\$43,137	\$168,200	\$60,239	\$2,045	\$4,299	A2	42.20 %	33.94 %	20.4%	12.9%

Data for Table 6-A is from the 2018 Town Profiles by the Connecticut Economic Resource Center, Inc., and is included for comparative purposes among the communities of lower Fairfield County. The data may vary in some details from Tables 6-B through 6-F which have been derived from audited Annual Reports of the Town of Redding, or with the data of Table 4-E which reports US Census Data from 2010.

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**Table 6-B
TOWN GRAND LIST AND TAX REVENUE PER CAPITA
2009 – 2018**

Fiscal Year ended 6/30,	Fiscal Year Grand List ⁽¹⁾	Fiscal Year Mill Rate⁽²⁾	Fiscal Year Budget⁽³⁾	Fiscal Year Levy⁽⁴⁾	Fiscal Year per Capita⁽⁵⁾	Fiscal Year Pop.
2009	\$2,011,160,445	\$21.00	\$43,225,272	\$41,000,000	\$4,480.87	9150
2010	\$1,981,185,520	\$21.79	\$38,896,371	\$42,000,000	\$4,586.15	9158
2011	\$1,993,334,753	\$22.22	\$44,722,593	\$44,000,000	\$4,731.69	9299
2012	\$1,990,241,898	\$22.79	\$45,769,082	\$44,000,000	\$4,731.69	9299
2013	\$1,995,568,915	\$23.28	\$46,741,890	\$45,000,000	\$4,839.23	9299
2014	\$1,627,088,324	\$28.95	Not Available	\$46,000,000	\$4,946.77	9299
2015	\$1,631,649,246	\$28.91	\$47,444,321	\$46,000,000	\$4,946.77	9299
2016	\$1,633,281,007	\$29.24	\$47,796,002	\$46,000,000	\$4,963.85	9267
2017	\$1,633,286,803	\$29.62	\$47,654,442	\$46,000,000	\$4,959.03	9276
2018	\$1,566,019,612	\$31.72	\$48,233,326	\$47,000,000	\$5,066.84	9276

Explanatory Notes (General):

All figures are rounded. Column (1), (3) and (4) figures are in millions of dollars. Data source: Town of Redding annual financial reports.

Column Notes:

- (1) Grand List is the total of taxable real estate and personal property as of October 1 of the year that precedes the fiscal year. Tax-exempt properties are not included in the Grand List. Real estate assessments are generally fixed at 70% of fair market value as of the date of the last Town-wide revaluation, which occurred in 2018.
- (2) Mill rate expresses the rate of taxation in dollars per thousand dollars of assessed property value.
- (3) Adopted Budget is the total Town financial outlay, combining all expenditure accounts for the particular fiscal year (July 1 through June 30) as approved by the annual Town Meeting and referendum.
- (4) Projected Tax Levy states the amount of tax revenue anticipated each fiscal year from the adopted tax rate applied to the Grand List of taxable property. This figure typically comprises more than 85% of the annual Town financial outlay; the balance of operating funds are derived from fees, grants, interest on invested funds, and other outside sources.
- (5) Tax Levy Per Capita indicates the average Town tax obligation per each resident, calculated by dividing projected tax revenue (Column 4) by estimated Town population of that year.

**Table 6-C
TOWN REVENUES VS. EXPENDITURES PER CAPITA
2009 – 2018**

Fiscal Year End 6/30	Revenues - Taxes	Revenues - Other Sources	Total Revenues	Revenue per Capita	Adopted Budget	Actual Expenditures	Expenditures per Capita
2009	\$40,453,041	\$2,772,231	\$43,225,272	\$4,724.07	\$42,617,416	\$41,937,601	\$4,583.34
2010	\$35,654,872	\$3,241,499	\$38,896,371	\$4,247.26	\$39,853,357	\$39,208,357	\$4,281.32
2011	\$42,303,785	\$2,418,808	\$44,722,593	\$4,809.40	\$44,174,737	\$43,672,498	\$4,696.47
2012	\$43,457,281	\$2,311,801	\$45,769,082	\$4,921.94	\$45,769,082	\$45,639,472	\$4,908
2013	\$45,701,489	\$1,040,401	\$46,741,890	\$5,026.55	\$46,929,511	\$46,652,558	\$5,016.94
2014					\$47,537,784		
2015	\$45,174,368	\$2,269,953	\$47,444,321	\$5,102.09	\$47,625,246	\$46,931,027	\$5,046.89
2016	\$45,137,277	\$2,658,725	\$47,796,002	\$5,157.66	\$47,796,002	\$47,188,300	\$5,092.08
2017	\$45,441,249	\$2,213,193	\$47,654,442	\$5,137.39	\$47,654,442	\$46,976,328	\$5,064.29
2018	\$46,105,132	\$2,128,194	\$48,233,326	\$5,199.80	\$48,233,326	\$47,939,092	\$5,168.08

Explanatory Notes (General):

All figures are rounded. Data source: Town of Redding annual financial reports.

**Table 6-D
CURRENT AND PAST REVENUE SOURCES**

Source	2007-08		2017-18	
Property Tax	\$34,344,509	166.4%	\$45,875,995	222.3%
Interest and Lien Fees and Other	\$2,553,877	12.4%	\$1,961,217	9.5%
Transfers from other Fund Balances	\$0		\$0	
Total Town Revenues	\$36,898,386	178.8%	\$47,837,212	231.8%
State Education Grant	\$553,059	2.7%	\$16,547	0.1%
Other State Grants	\$276,856	1.3%	\$379,567	1.8%
Total State Grants	\$829,915	4.0%	\$396,114	1.9%
TOTAL REVENUE	\$37,728,301	182.8%	\$48,233,326	233.7%

Source: Annual financial reports, Town of Redding.

The manner in which the Town allocates its current budget is itemized, by major categories, in Table 6-E. Total costs for education, both primary and secondary, continue to dominate overall expenditures, as they did ten years ago, at just over 70% of fiscal outlay. General Town government, employee benefits and debt service have each increased by fewer than two percent of the Town budget, while small decreases have occurred in proportional Town spending for public safety, public works and the capital reserve fund.

Table 6-E
TOWN EXPENDITURE ALLOCATIONS
For The Fiscal Years Ending 6/30/99 and 6/30/08

Expenditure	2007-08		2017-18	
Board of Education (Elementary & Middle Schools)	\$17,715,913	44.9%	\$20,752,623	43.3%
Regional School District (Joel Barlow High School)	\$9,959,078	25.2%	\$12,727,188	26.5%
General Government (Town Depts., Agencies & Boards)	\$2,504,699	6.3%	\$2,819,434	5.9%
Debt Service (Bond and Note Retirement, Interest)	\$2,052,599	5.2%	\$3,007,580	6.3%
Employee Benefits (Town Share)	\$1,905,293	4.8%	\$2,959,304	6.2%
Public Safety (Police, Emergency Response, etc.)	\$1,735,930	4.4%	\$2,501,836	5.2%
Public Works (Highways, Landfills & Recycling)	\$1,520,572	3.9%	\$1,369,688	2.9%
Parks & Recreation (Facilities & Programs)	\$870,008	2.2%	\$919,106	1.9%
Capital Programs (Current Projects & Reserve Fund)	\$690,495	1.8%	\$5,898	0.0%
Human Services (Health, Social Services, Library)	\$424,243	1.1%	\$634,237	1.3%
Miscellaneous (Misc. Transfers & Contingency)	\$65,650	0.2%	\$242,198	0.5%
Total	\$39,444,480	100.0%	\$47,939,092	100.0%

SOURCE: Annual financial report, Town of Redding, Office of the Controller.

The ability of the Town to finance major capital improvements, such as roads, schools, athletic fields, business district parking, and public buildings, as well as desirable open space acquisition, depends in large measure on its ability to sell bonds at favorable interest rates. Table 6-F summarizes the Town's current debt position. As of June 2018 the Town had a total of 37.9 million dollars in bonds and notes outstanding, which represents 11.2% of its statutory debt capacity.

**Table 6-F
CURRENT TOWN DEBT AND BORROWING CAPACITY
Town of Redding**

Borrowing Category	Individual Debt Limit	Net Indebtedness	Reserve Capacity
General Purpose	\$108,459,214	\$20,134,080	\$88,325,134
Schools	\$216,918,428	\$17,736,225	\$199,182,203
Sewers	\$180,765,357	\$0	\$180,765,357
Urban Renewal	\$156,663,309	\$0	\$156,663,309
Pension Deficit	\$144,612,286	\$0	\$144,612,286

Explanatory Notes:

- The Town's debt limit for all purposes is fixed by the General Statutes at seven times the Town's annual receipts from taxation; currently \$337,428,666.
- Figures reported above for Net Indebtedness include bond and note obligations of other municipal entities within Redding, such as the Georgetown Sewer District and the Fire Districts.
- Indebtedness includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.
- Redding's combined debt of \$37.9 million is well within legal debt limits.

b) Long Term Debt

- All long term liabilities are generally liquidated by the General Fund.
- As of June 30, 2018, the Town's outstanding General Longterm Obligations stood at \$19,055,535, of which \$1,087,545 million were general obligation bonds for school improvements.
- In addition, the Town participates with the Town of Easton in providing a regional high school for students residing in each town. Total outstanding debt of Regional School District No. 9 at June 30, 2018, which matures through 2038, amounted to \$7,241,225. The related school building grant amounts due from the State of Connecticut were \$28,977 and \$1,563, respectively, for principal and interest. The Town of Redding's share of the debt, net of the related grant, was \$14,343,215.

Data Source For This Table:

Comprehensive Annual Financial Report For The Town of Redding, Connecticut, by RSM US LLP; Certified Public Accountants (Town Auditors), December 20, 2018, Exhibit D and related schedules.

The value of Redding's residential properties' decrease has been influenced by the prices of properties in towns with which Redding shares demographic affinity (mainly to the south and west), and yet Redding's property values still fall at the bottom of the range for these towns. Redding's long term land use policies have created a real estate environment within Redding that offers amenities of excellent schools, a rural, historic character and uncrowded, convivial conditions that are increasingly difficult to find in the traditionally higher-priced communities, and these amenities balance against a lower level of town services in Redding. With the recent regional outflow of major corporations, a large number of houses sit unsold, despite abnormally reduced valuations. Property taxes are very high in relation to similar structures in surrounding communities since there are very few commercial entities to share in the tax burden. As density builds still further to our south and west, and young families seek the qualities that Redding uniquely offers, a return to improved property values can be projected, especially if the redevelopment of the Gilbert & Bennett site proceeds in a noteworthy and appropriate manner.

Redding's property values are well above the average of the nine towns to its east, indicating an increasingly wide stratification of values between Redding and these communities.

Investment For Redding's Future

Ten years ago, Redding had almost no debt but had a large backlog of deferred capital expenses. Today, much of Redding's basic infrastructure is sound and up to date, and debt, while having increased, is still at a moderate level. New playing fields have been created at Redding Elementary School and at Joel Barlow High School, the Town Hall has been extensively renovated, a new Community and Senior Center have been constructed, a substantial road reconstruction program has been initiated, and six major parcels of private land have been purchased for permanent open space.

And yet, one of the most important purposes of a Town Plan is to look into the future, anticipating the future needs that will arise for public facilities and other infrastructure investments. From the analyses of Town needs and goals identified in other sections of this Plan, the projected list of potential capital investments, with approximate estimated costs in today's dollars, is summarized in Table 6G below.

**Table 6-G
POTENTIAL CAPITAL RESOURCES NEEDS
2018 Through 2028**

Project Description	Anticipated Schedule	Estimated Cost
Road Construction and Related Equipment	2019 - 2022	\$3,770,000
Wastewater Treatment Repairs	2019 - 2022	\$1,238,000
Town Building Repairs & Equipment Replacement	2019 - 2023	\$ 230,000
HVAC Replacements at Community Center	2019 - 2021	\$142,000
Recreation, Pavilion and Playground Replacement	2019 - 2020	\$100,000
Emergency Communication Radio Replacement	2019 - 2023	\$1,144,000
Board of Education Facility Related Repairs to Schools	2019 - 2022	\$ 719,000
Projected Ten Year Program Total		\$7,343,000
Less Potential Open Space, STEAP and other Grants		
Estimated Capital Investment Required		\$7,343,000

¹ All figures used for Estimated Cost are purely conjectural, based on anticipated size of project and approximate 2018 costs, with no allowance for inflation, contingencies or revised priorities. The purpose of this compilation is solely to identify approximate near future capital needs of the Town as a basis for planning and establishment of priorities.

In addition to the charted capital expenses outlined in Table 6-G, the town should initiate a review of its landholdings for the siting of future public facilities such as playing fields, a potential additional school, and other recreational and administrative facilities. In addition the need for Affordable Housing may necessitate the purchase of land for town initiated housing projects (see Chapter 9, Incentive Housing Zones). The town's recently completed building projects, the playing fields projects currently in the pipeline, and the future capital expenses anticipated in the near term, will result in full utilization of the town's existing buildable sites. As the number of large sites available in town diminishes, and as those remaining contain more marginal land for the kinds of uses that could be needed, it may be desirable to maintain a permanent outlook toward, and evaluation of, sites that could be made available functioning much as the town's Open Space Plan guides acquisitions of open space lands.

While Redding's moderate level of indebtedness indicates a solid economic base for the town, the fact that the past ten year period has reflected a growth of expenses significantly greater than the growth in tax revenues reflects a trend that cannot be continued indefinitely. During the coming years it will be increasingly important to match income with expenses. Fortunately, three factors should help to make this possible:

- The demographic "bubble" of 1980's births, which has brought increased school enrollments has also brought corresponding increases in the town's most expensive activities, but this demographic "bubble" is now subsiding;
- The tax revenues from the town's most intensively developed lands in Georgetown, including the town's main sources of nonresidential tax revenue, have been reduced dramatically during a period when calls upon tax revenue and borrowing capacity for capital projects have been high. However, the eventual development of the former Gilbert & Bennett site should reverse this trend in coming years as tax revenues from the newly developed site come on line. Care should be taken however to exercise sound planning when resuming development of this site. Careful study and projections of new, ongoing expense burdens arising from areas including but not limited to increased school population, emergency services and infrastructure maintenance, should be weighed against any projections of increased revenues from taxes and other sources. It is common in such studies for these burdens to be underestimated, while the revenue is overestimated, a mistake that Redding can ill afford.
- Residential property values in Redding, while aberrantly low, are nevertheless likely to return to higher levels in the future, and values appear to be sustainable at a level at which the tax revenue from the average household will pay for the services consumed by that household (see Table 6-H below). Despite these factors that mitigate the uncertainty of future Town revenues, there is no way to adequately lay out future revenues with any precision; this indicates that prudence is needed in planning new expenses so that funds will be available when and where they are needed. A "Pay as you Go" plan will be needed by which new Capital Expenses are not entered into until increased revenues can be realistically predicted.

Table 6-H
A COMPARISON OF RESIDENTIAL TAX LEVY AND
RESIDENTIAL SERVICE COSTS
Town of Redding, 2018

a) Estimated Tax Levy Per Typical Single Family Dwelling, 2017-2018:

Average Residence Sale Value	X Ratio	X 31.72 mils	= Average Per Residence
\$603,300	0.70	0.3172	\$19,137

b) Residential Contribution to Total Town Services Cost:

Total Town Budget 2017 - 2018	X the Proportion from Town Tax Revenue	X the Proportion of Tax Revenue Derived From Residences	= Portion of Town Budget Supported by Taxation of Residences	% Total Town Budget (2017 - 2018)
\$47,939,092	.96	.86	\$39,578,514	82.56%

c) Estimated Town Services Cost Per Typical Dwelling:

Major Budget Program	2017-2018 Budget	Amount From Residential Tax	Estimated Cost Per Dwelling
Education (Town & District 9)	\$33,479,811	\$27,472,316	\$7,026
General Government	\$11,745,935	\$9,638,287	\$2,465
Debt Service	\$3,007,580	\$2,467,911	\$631
TOTALS	\$348,233,326	\$39,578,514	\$10,122

Explanatory Note and Analysis:

This table analyzes the degree to which the "typical" single family dwelling supports its share of services provided by the Town.

Source: Data from Table 6F and Town of Redding annual reports.

Recommendations

- 1) Carefully regulate development in line with long established Town standards. Conservation of the public water supply watershed is a mandated requirement in Redding, limiting the overall development potential on 89% of the Town's land area. Within this context Redding's ability to generate revenues from a mostly residential tax base will largely depend upon the increased valuation of existing properties rather than the generation of new land development, and upon sustaining moderate taxes rather than on a depth of Town services.
- 2) Actively pursue land acquisition for open space, recreation, conservation, water supply protection as a vital investment in the Town's future quality of life and financial stability. Existing partnerships in this effort, involving the Redding Land Trust, Redding Open Lands Inc., and the Nature Conservancy, should be actively continued.
- 3) Continue a close partnership with the Georgetown Land Development Company to achieve a successful redevelopment of the former Gilbert and Bennett factory site in conformance with the spirit of the public Charrette process that led to the current Master Plan. The project is important to both the tax base and the livable character of the community.
- 4) Encourage redevelopment of the existing central area of West Redding within an environmentally sensitive scale, to realize its full potential for commercial activity as well as for a wider variety of housing needs than are presently served. The Town should draw upon West Redding's existing infrastructure and transportation resources, and existing commercial uses, in a creative way for potential "smart growth" development including transit oriented projects. The realignment of the rail crossing in West Redding could be a catalyst for such improvements.
- 5) Anticipate infrastructure investments on an orderly capital improvement schedule in order to minimize future capital outlay and bonding costs. The Town should establish a priority order for capital investments, and set in place a "pay as you go" program calibrated in such manner that the Town will normally enter into such investments only as expected improvements to the Town's tax base come on line. In addition, evaluations of the costs of capital improvements should include long term evaluation of any related costs such as increased operating expenses or personnel expenses.
- 6) Allocate prudent annual budget amounts to the Town capital reserve fund, along with effective fiscal management costs for administration and facilities.
- 7) Encourage and provide continued support for public interest organizations that provide services with limited calls upon the tax base. These organizations should receive appropriate support from the Town in the form of operational partnerships and activities that utilize joint funding. Among these public benefit institutions serving the general public include the Mark Twain Library, the Redding Land Trust, recreation clubs such as the Boys and Girls Club, the Town's religious organizations, the Highstead Arboretum and others.
- 8) Pursue a limited quantity of suitable land available for the Town's future facility needs, or for potential Town-developed affordable housing using the Incentive Housing Zones created under the Connecticut Housing Program for Economic

Growth. This process should be carried out in a manner parallel to the Town's traditional planning for open space acquisition, with particular attention given to securing from the State the property along Ethan Allen Highway (Rt. 7) identified and zoned as IHZ for affordable housing.

- 9) Pursue measures for ameliorating rising fuel costs by means of investment in such things as vehicles with greater fuel efficiency, implementing of solar hot water and electric installations, bulk fuel or asphalt contract purchasing, and others.

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