

New London Development Corporation

Prepared for The American Assembly

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Situation

At the beginning of 1997, a strong economy was creating revenue surpluses for the State of Connecticut. Governor John G. Rowland, a Republican, wanted to use these funds to help catalyze the economies of Connecticut's struggling cities, which are heavily Democratic.

One city being targeted was New London, a waterfront community of 26,000 founded in 1646 at the mouth of the Thames River and Long Island Sound. Once a bustling small city, by 1970, New London was full of empty storefronts and peeling paint. From 1985 to 1997, four different consultants were retained by separate entities to study the city. Their conclusions were similar. They said the city had attractive assets, but without leadership, goals and a long term plan, New London would remain at the mercy of social and economic factors it could not control.

The governor and his Commissioner of Economic and Community Development, Peter Ellef, had been concerned about lost economic opportunities in New London as early as 1996. After a public request for proposals, they retained a lobbying firm led by Jay B. Levin, a New London resident, attorney, and former city councilor and state representative, to develop a strategic plan.

Ellef asked Levin for a suggestion of who might lead a public/private partnership in New London. Levin suggested Connecticut College President Claire L. Gaudiani as a person with extensive experience in both sectors. Unlike a business leader who might be perceived as having a vested financial interest, Gaudiani would arrive from the non-profit sector with the moral juice to lead. She had a reputation as an energetic leader, an advocate for cases she believed in -- including social justice -- and was an exceptional fund-raiser. She had an enviable network of high-level contacts with national credentials

in finance, development, housing, politics, law, business and planning. Dr. Gaudiani also had a long-standing professional relationship with Dr. George M. Milne, Jr., who served on Connecticut College's Board of Trustees and was President for Central Research at Pfizer.

Leadership and Goals

Once a leader was identified, Ellef and Levin worked with Gaudiani to create a structure through which the state could route development funds. Levin identified the New London Development Corporation (NLDC), a non-profit, 501 (c) 3 agency established under state statutes in 1978, but dormant since the mid-90s. The corporation's specific purpose was to conduct or assist in projects, undertakings, studies, construction and other activities in planning, economic development, and improvements in the City of New London, all to combat community deterioration and to lessen the burdens of government.

Gaudiani recruited the first board including a mix of former and new NLDC board members. She interviewed and invited leaders in banking, law, marketing, education, real estate, social services, and political figures to serve as officers and members of the corporation and gave consideration to racial, economic and gender diversity. The earlier NLDC Board did not have this broad representation.

The recruitment process involved identifying the people who could help the NLDC achieve a total renaissance in New London. Gaudiani and her closest advisors decided to dream a big dream: why not seek a Fortune 500 company for New London Mills site? To succeed, Gaudiani approached George Milne who had the unique capabilities and vision of an experienced, private-sector executive. She explained the big dream to him in the meeting they had at 7 a.m. August 29, 1997 in his Groton office. She suggested that he consider the New London Mills site for Pfizer's expansion plans. Milne assured her that Pfizer was in the late stages of site selection and as such New London would not be an option. Undeterred, Gaudiani invited him to join the New London Development Corporation Board and lead the NLDC in finding the right company to use the site. Milne agreed to join the NLDC board, and he was elected along

with other directors on September 19, 1997. On that day, the reactivated New London Development Corporation also elected Dr. Gaudiani as its new president and announced publicly that it would work to revitalize the city, particularly the downtown area.

Milne and Steve Percy were appointed co-chairs of the commercial development committee. Their first job was to work with Gaudiani in finding the Fortune 500 company. On numerous occasions Gaudiani, Milne and Percy walked the New London Mills site to see how the site could be prepared as an attractive opportunity for a Fortune 500 corporation.

Vision and a Plan

In addition to working on the investment of capital in real estate and infrastructure, Dr. Gaudiani believed that the NLDC needed to invest in the "human capital" of the city. She envisioned projects to provide better economic opportunities, to promote health and wellness, early childhood development, K-12 education, and support of the arts, humanities, and public spaces. The NLDC concurred and at the first meeting, the group identified the following goals:

- increase the city's tax base,
- increase the number of jobs, and
- improve the quality of life for New London residents.

Gradually, Milne came to realize that Pfizer ' s planned Global Development Facility (GDF) would make an ideal anchor tenant for the site. But he knew his corporate superiors were expecting that the new GDF would be built as a corporate office park on a large, suburban or rural tract of land next to a major highway.

Gaudiani hired the Philadelphia firm of Wallace, Roberts, Todd to support the work of the Commercial Development Committee and Pfizer. As the work progressed, Milne came to believe Pfizer could redefine where the City of New London was going and catalyze further private investment. Dr. Milne recused himself from the NLDC ' s efforts to market the New London Mills site and became a client of the agency.

As plans began to form, the team saw a vision of the redeveloped Fort Trumbull area, including the unoccupied Naval Undersea Warfare Center (NUWC), which would create an exciting urban waterfront. Milne also saw how these ideas dovetailed with two elements of Pfizer's corporate mission: making a difference in the communities in which it worked and working toward a cleaner environment.

In mid-October, Gaudiani called the Governor from Milne's office when it was clear that he was ready to explore more formally how Pfizer could become the very Fortune 500 company that the NLDC was seeking. Gaudiani and Milne met with the Governor and his aides. It was clear to all that Milne would need strong and compelling plan to bring everyone together and enable him to sell it to the Pfizer corporation.

The Governor responded with a state commitment. For four short months, under Milne's and Gaudiani's leadership, an inter-agency group of city, state, federal, and NLDC officials convened to outline the work and funding each agency needed to commit to in order for Dr. Milne to bring the Pfizer Global Development Facility (GDF) to New London.

The scope of work included development of the state's fourth biotechnology incubator, the refurbishment of the historic Fort Trumbull on the former NUWC property as a new state park; and the productive reuse of the remaining NUWC site. The work plan also included the purchase and environmental abatement of an adjacent scrap yard, upgrading the area's utilities and infrastructure, improving the odor control and other systems of the city's wastewater treatment plant, and the acquisition of numerous surrounding residential and business properties.

Among the agencies involved in the work initiated by the NLDC were the Connecticut Department of Community and Economic Development, the Connecticut Department of Environmental Protection and the Connecticut Development Authority, the U.S. Navy and the Naval Facilities Engineering Command, and the New London Office of Development and Planning, the Office of the City Manager, the Planning and Zoning Commission, and the New London Redevelopment Agency.

As lead agency, the NLDC had hired the firm of Wallace, Roberts and Todd of Philadelphia, known for its pioneering urban planning work in Baltimore's Inner Harbor,

to design a land plan. The firm's charge was to ensure that the new Pfizer facility, with an investment of \$180 million in private funds, would be the centerpiece of a concentrated reuse of the Fort Trumbull peninsula, which could also include a hotel, retail space, new housing, and a half-mile long public riverwalk. The plan came together with a commitment by the myriad agencies to go forward in December 1997.

On January 21, 1998, the Pfizer Board of Directors approved the plan for a \$300 million Global Development Facility in New London that would include 1,300 existing and 600 new jobs with a \$125 million annual payroll by 2002. On February 3rd, Drs. Gaudiani and Milne and Governor Rowland, along with officials from New London, joined community leaders and the media on a ferry boat tour of New London harbor. With the city's waterfront as a dramatic backdrop, the trio -- representing the public, private and non-profit sectors -- announced what they called a model partnership for investing in the future of cities. New London was an example of how a former industrial site could be remediated into an attractive development site.

Downtown Plan: The Heart of New London

The NLDC was anxious to move forward in a timely fashion on a downtown revitalization plan for new and existing city business to be able to “capture” the 2,000 new Pfizer employees who would be driving through the city to work at the GDF.

A draft plan was unveiled at a meeting on December 1, 1998, attended by over 200 people. It called for development of seven demonstration projects. They included the preservation and redevelopment of three historic buildings, two new housing developments, one new retail/entertainment project and one small, scattered-site housing project. The strategy employed was to bring life and vitality back to the heart of the city by repopulating the downtown area. This was in keeping with the urban planning tenet that residents drive retail.

On December 8, 1998, the City Council unanimously approved the Downtown Master Plan. The NLDC formed a Social Justice Committee and created a new staff position, a social justice coordinator to advance the quality of life goals with and for the city's low income citizens.

State Pier

In March 1998, the NLDC began its work on the State Pier Municipal Development Plan (MDP), which was approved by the New London City Council in March 1999. The plan called for NLDC to acquire, abate and demolish 15 residential properties in the predominantly industrial area and relocate 17 families. All properties were acquired under budget and one year ahead of the official MDP schedule. All properties were acquired without contention. Because of NLDC 's relocation program, four former tenants from the neighborhood became first-time homeowners.

Demolition of residential property had taken place and the Connecticut Department of Transportation played the role of developer. The state bonded for funds to build the warehouse and storage facility needed to help the pier profit from business it previously had to turn away, increased the number of jobs, and increased tax revenues for the state.

The Waterfront: Public Access

Using ideas from the waterfront study by consultant Jay Levin and ideas from the citizens of New London, the City Council asked the NLDC to produce a workable design for the waterfront park, including a plaza north of the city pier. The city bonded \$17.1 million for construction in June 1999. The linear half-mile long park, built on concrete piers, was inaugurated in April 2001, and today stretches from the downtown ferry terminal to Shaw's Cove, just short of Fort Trumbull.

Fort Trumbull Plan Moves To Implementation

In October 1999, the NLDC chose Corcoran Jennison, a 28-year-old Boston firm with extensive public-private development experience, to build a hotel, conference center, fitness center, marina and residential housing at Fort Trumbull. The firm has \$1 billion in assets and retains almost 100 percent of the properties it develops. But Corcoran Jennison could not start work on Fort Trumbull until a state environmental assessment was completed and a Municipal Development Plan (MDP) was approved by the City Council. With the state approval of the Environmental Impact Evaluation for

Fort Trumbull in April 1998, the way was cleared for a vote on the MDP.

In June 1999, the Fort Trumbull project gained momentum with an announcement of plans to build a new Coast Guard Museum on land at Fort Trumbull.

The New London County Historical Society opposed the Fort Trumbull MDP, although the historical society was unable to document that any single building had historic significance, nor did the society follow up on the NLDC's offer to consider relocating structures.

On January 19, 2000, the City Council voted 6-1 in to adopt the redevelopment MDP.

On February 2, 2000, Corcoran Jennison committed to build a luxury hotel, conference and fitness center, townhouse community and research and development offices on the Fort Trumbull peninsula. The residential and hotel portions of the project represent about \$50 million worth of taxable property; the value of the three office buildings had not been calculated. The project included a strong component of public access to the waterfront, with a planned pedestrian and bicycle path connecting to a walkway leading to downtown. The Fort Trumbull project directly mirrored the NLDC's goals of increasing the city's tax base, increasing jobs and improving quality of life.

Citizen Involvement and Public Interest

The NLDC employed a variety of tools over the months to keep the community involved with and informed about its work during the planning process. By March of 1999, it had invited New London citizens to attend 20 public meetings, more than 15 neighborhood gatherings, open houses and other event to discuss development proposals. Citizens were welcome to attend bi-weekly City Council briefings and NLDC Board and Executive Committee meetings. The NLDC conducted a series of neighborhood meetings in the Fort Trumbull and State Pier neighborhoods; published advertisements in the local newspaper listing upcoming meetings, project updates, general news, and the names NLDC board members; and published a hot-line telephone number for residents to call for information. Beyer, Blinder Belle/EDAW was hired to do a 10 week study of the renovation of downtown. The architect/planners created an open studio which invited the

public to visit and comment on plans in process. Individual city councilors also encouraged residents to discuss their ideas at small gatherings.

Media interest in New London's revitalization and the public/private/non-profit partnership was intense. The local, state, national and international media interviewed Dr. Gaudiani, NLDC officials, staff, and city officials. They accepted invitations to speak at numerous service and fraternal clubs, radio call-in shows and appeared on cable television. The NLDC also co-sponsored a public forum with Pfizer and the City to help local businesses take advantage of new economic activity in the city; and NLDC and Pfizer officials participated in a construction industry meeting at Connecticut College on various projects slated for Eastern Connecticut.

The NLDC and Pfizer effectively employed numerous symbolic methods of keeping the momentum moving and hope alive -- a public opportunity for citizens to sign their names to the GDF's first beam; a NLDC birthday party with cake cutting and bands, coinciding with a College Jam to welcome students to downtown's stores, restaurants and museums; a Taste of New London for the first Pfizer employees who were moved temporarily into an office building near the GDF site.

New London's Social Problems and Economic Constraints

New London faced big-city problems. The poorest residents of southern New London County were concentrated in New London. Unemployment was twice the state average and over half of the New London High School students left before graduation. With just 5.6 square miles of area, New London was also hampered in raising tax revenues because an unusually high proportion (54%) of city land and buildings were tax exempt. Yet the city had attractive assets in its historical buildings, waterfront location, good transportation via ferry, rail and highway, cultural and entertainment attractions, potential for tourism and eclectic restaurants.

Social Justice

The NLDC became more active in the area of social justice in 1999. The primary need identified was to provide a supporting structure for bringing together existing and

new programs in a comprehensive, systematic, systemic, and inclusive manner with the goal of creating the synergy and critical mass needed to solve pressing urban problems. The NLDC role was to act as a catalyst and partner in the endeavors. The four areas, often referred to as “Pillars of Social Justice,” include:

Early Childhood Education: Interested parties were already organized and proceeding with plans to improve literacy, school readiness and raise the level of staff training and professionalism.

K-12 Education: The NLDC has already donated \$50,000 to Dr. Julian Stafford, New London’s superintendent of schools, which he used to fund an enriched, cooperative learning after-school program to replace recreational time. There has been considerable ongoing collaboration through the Youth Net initiative in after-and-beyond-school care.

Economic Development: The NLDC had won a \$750,000, two-year training grant for a program called Employ New London and launched House New London, a program that was designed to increase home ownership rates in New London’s neighborhoods and renovate low income neighborhoods with and for current residents. The program has substantial financial commitments from local banks, Pfizer, Inc., Fannie Mae Corporation, Lawrence and Memorial Hospital, Habitat for Humanity, Alderhouse, ECHO, HOPE and other housing non-profits, and the Bodenwein Public Fund.

Health and Wellness: Since the city's new Healthy New London program was coordinating the implementation of priorities previously identified for health and wellness in New London through the Community Partnerships program at the local community hospital, the NLDC has left this item for this group to pursue.

Working with more than 30 local organizations in partnerships, the NLDC has proceeded to advance education and economic opportunities of New London citizens, especially those faced with poverty. It has received a \$150,000 grant from the Annie E. Casey Foundation, which it has matched with another \$150,000. This support was to be used for the first stage of the funding and coordination of the social justice initiatives.

It Has Not Been Easy and It is Not Done Yet

The City Council and most residents recognized the benefits of economic development to the city as a whole, some Fort Trumbull residents, business owners and others disagreed, and several lawsuits were filed. One, by the Fort Trumbull Conservancy, LLC, comprised of present and potential residents, homeowners and/or taxpayers, was dismissed in Superior Court on the grounds that the plaintiff lacked standing. The court said the plaintiff could have intervened earlier during the administrative approvals process, but failed to do so. Another, by the Institute for Justice, a Libertarian public interest law firm based in Washington, D.C., has been fast-tracked through the court system. The parties indicated that a decision should be handed down in early 2003.

The NLDC also had a dispute with *The Day*, the daily newspaper published in New London, about whether all of its records should be open to the public. As a private, non-profit agency, the NLDC believed it was not subject to regulations governing public agencies. The conflict generated numerous news stories and complaints by the newspaper to the state's Freedom of Information Commission. Some months later, though, when Governor Rowland asked the NLDC to comply with the law, it did so. Had the agency known from the beginning that draft reports were exempt from disclosure, the issue could have been avoided.

In early October, the NLDC, the State of Connecticut and the Corcoran Jennison Corp signed a development agreement that initiates the process of building the luxury hotel, conference center, marina, 80 condominiums on the waterfront, and bioscience and other office buildings called for by the Municipal Development Plan. Progress continues.

Measuring Success

In June 1999, Standard & Poor's raised its investment outlook for the City of New London to positive from its previous stable rating, citing the city's strong financial operations and the anticipated development of a Pfizer research campus.

In April of 2000, Pfizer announced that New London would become the worldwide headquarters for its new, \$4.5 billion research and development division,

following Pfizer's acquisition of rival Warner-Lambert. The new global research division meshes the two companies' massive R&D operations into one entity, with its headquarters on Pequot Avenue in New London.

In the NLDC Annual Report 2000, presented in April 2001 at the corporation's annual meeting, Dr. Gaudiani looked back and looked forward, recalling that what has happened in New London was once only hoped for and talked about.

Today, New London is a city of grand achievement, enormous energy and boundless opportunity. We have built new shorelines and new skylines that will forever change the face of our city. But all of our success is built upon a history of citizen involvement, a tradition of community partnerships and the enduring pride and commitment of the entire New London community.

The Center for Economic Analysis at the University of Connecticut applied the REMI model to review the full, anticipated impact of the projects underway in New London. In summary, the city can expect a 50% increase in its tax base, job and population growth of over 3,000 over the next 20 years.

Lessons Learned in Revitalizing Inner Cities:

- Hold focus on goals despite distractions
- Sustain momentum
- Keep quality standards at the highest level
- Hold accountability lines firmly
- Don't expect to be popular or thanked. Economic development is as much political change as it is economic change. It will be vigorously resisted by the standing political system even though they stand to gain economically. The shifts are perceived as threats to the old power structure, and probably are.