



John DeStefano, Jr.  
Mayor



City Of New Haven  
PUBLIC INFORMATION OFFICE

**FOR IMMEDIATE RELEASE:**

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**FOR MORE INFORMATION:**

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**-NEWS RELEASE-**

**STATEMENT CONCERNING ANNOUNCED CLOSING OF U.S.  
REPEATING ARMS COMPANY**

**New Haven:** The City of New Haven has been notified that the U.S. Repeating Arms Company, Inc. (USRAC) intends to close its operations on March 31, 2006. City officials will be meeting with representatives from USRAC to discuss: possibilities for new ownership to keep this facility and its manufacturing jobs in New Haven, transitional packages for employees, recovery of tax forgiveness and abatements.

USRAC – formerly the Winchester Repeating Arms Company - was established in New Haven in 1866. The factory carries a capacity to produce approximately 300,000 firearms, but at the end of last year (2005) production had fallen to 80,000. USRAC currently employs 186 workers – 40% of whom are New Haven residents. Under the Federal Worker Adjustment and Retraining Notification Act USRAC is required to give employees a sixty (60) notification period. City officials will work with USRAC to see what additional steps can be taken to help employees transition if the ongoing efforts to secure financing or new ownership are unsuccessful.

New Haven City officials, State Economic Development officials, and members of the International Association of Machinists and Aerospace Workers have worked with USRAC for more than two decades to keep the plant in operation.

Both in 1982 and 1986 The City of New Haven loaned the company \$1 million. Both loans were repaid.

Subsequently, the City of New Haven, the State of Connecticut, and United Illuminating granted USRAC more than \$17 million worth of incentives to remain in New Haven. These incentives included millions in Real Property and Personal Property subsidies, \$1.5

million in debt forgiveness, \$750,000 in public works improvements, and a \$1.25 million United Illuminating subsidy.

As part of said package, On July 15, 1993 USRAC entered into an Assistance Agreement with the State Department of Economic Developed (DECD) which secured USRAC a \$4.7 million grant and on August 27, 1993 USRAC entered into another Assistance Agreement with the DECD for more than \$750,000. Both Assistance Agreements required USRAC to remain in New Haven for at least ten years.

Further, on May 11, 1993 The City of New Haven Science Park Development Corporation entered into a Real Estate Tax Agreement and a Personal Property Tax Agreement with USRAC. Both agreements were in addition to the tax exemptions provided by way of statutory authority under Section 12-81 of the Connecticut General Statutes. Both agreements stipulated that the city could terminate exemptions if USRAC employment levels fell below 400 full-time employees.

On January 12, 1994 Industrial Development Revenue bonds were issued to USRAC for more than \$31 million – with the City of New Haven acting as a sponsor. The bonds were used to build a 300,000 square foot. facility and purchase new equipment.

On March 22, 2001- due to contractions in the firearm market - both parties modified the 1993 Real Estate and Personal Property Tax Agreements and specified that there would no longer be a minimum level of employment for tax abatements and instead the abatements would be proportionally tied to the level of full-time employees. Since the original agreements in 1993, the City has forgone more than \$1.3 million in personal property taxes related to USRAC and more than \$1.4 million in real estate taxes. However, under its PILOT (Payment in Lieu of Taxes) program, designed to encourage investment in manufacturing, the State has reimbursed the City \$1,115,287 in personal property taxes and \$902,664 in real estate taxes, resulting in a net revenue loss since 1993 of \$773,132.

During December 2005, Mayor John DeStefano, Jr. initiated conversations and meetings with Pierre Bourgeois, President and CEO of USRAC, asking him to postpone the closing in order to explore any rescue packages that could be offered by the City and State. The City also started to engage USRAC in discussions to sell off the Winchester license to a third party that would continue to manufacture in New Haven. (The license to manufacture Winchester is between Olin and USRAC and expires in 2007).

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