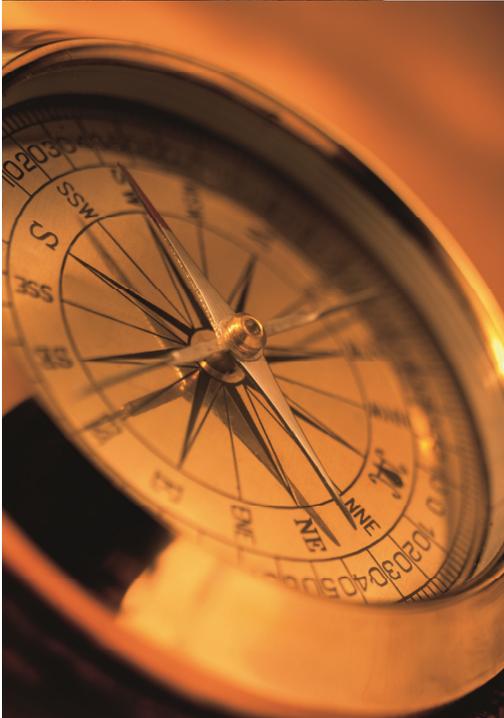




CONNECTICUT'S

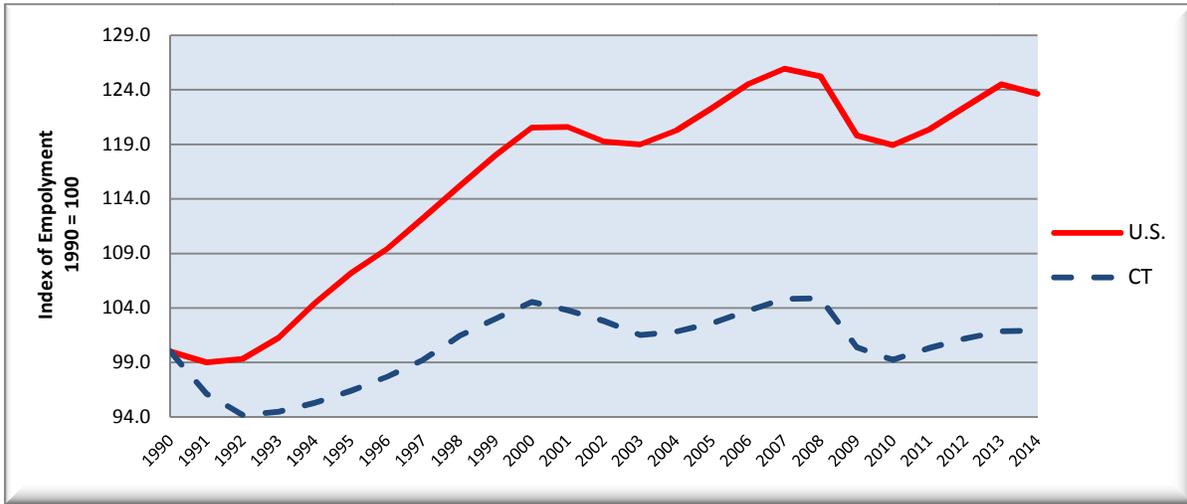
ECONOMIC DEVELOPMENT STRATEGY



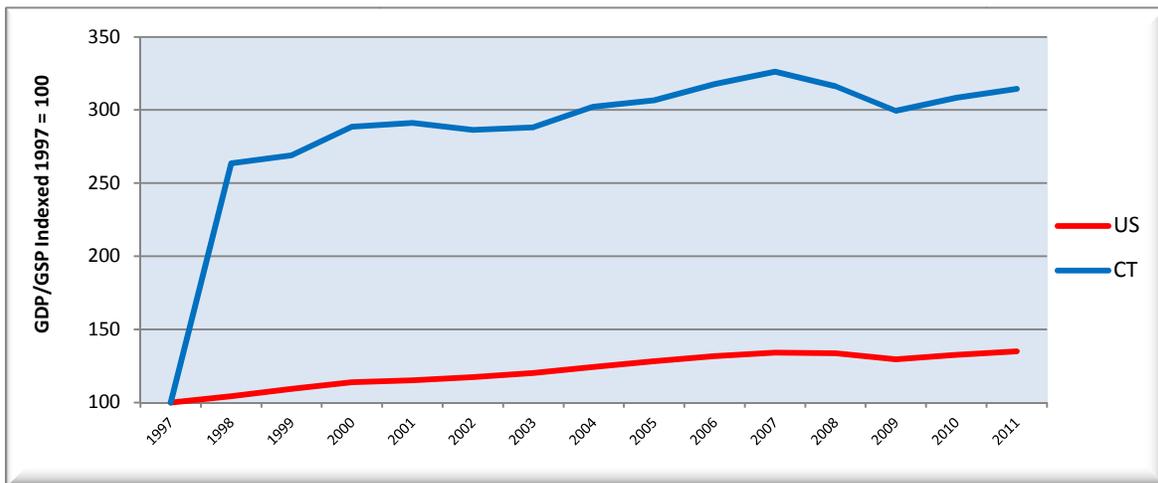


### Economic Trends in Context

Over the past number of decades, Connecticut’s employment has experienced cyclical changes due to losses during recessions and gains during expansions, as well as structural changes because of shifts in the marketplace for industries. Connecticut has regained approximately half of the jobs lost during the most recent economic recession between 2008 and 2010, while the nation as a whole has regained about 83%.



GDP is commonly used as an indicator of the economic health of a region, as well as to gauge standard of living. As a result, worker productivity in the state continues to be one of the highest in the nation.



Patents abound in the state, with research-oriented companies and higher education institutions contributing to the innovative economy. Between 2005 and 2009, five companies created more than 1,300 patents. During that same time period, Yale University and the University of Connecticut (UConn) combined to create more than 100 patents.

Despite our small geographic size, Connecticut is a strong global player. Connections to global markets have become even stronger over the years because of our business mix and the quality of the anchor institutions that call Connecticut home.

The state exports a number of goods and services to other countries, including aerospace parts within the manufacturing sector as well as investment and other services within the finance and insurance sectors. Imports also are common to every industry. And in the recent past, an increase in Foreign Direct Investment is contributing to our economy.

Connecticut has targeted priority investment areas including healthcare/ bioscience, insurance and financial services, advanced manufacturing, digital media, tourism and green technologies. We have evaluated the clusters that have the best opportunity for growth and intend to make investments in each to further enhance the presence of these priority industries in the state.

Connecticut is a leader among states in a number of factors. And, if the state were its own country, it would rank seventh globally in worker productivity.

A comprehensive economic development strategy looks at the state as an integrated sum of the parts — housing; workforce development; infrastructure; business growth; energy use; health and safety — with each segment interdependent on the strength of the rest. Economic development strategies must address all aspects of the economy in order to create the most gains.

However, we must make constant improvements in our business climate to be competitive, also. This strategy embeds key initiatives to make such change: enhancements to our transportation infrastructure; provision of new energy sources and reduction in energy costs; and the continued improvement in our educational systems. In order to achieve our goal of being a top quartile state in which to do business, we need to continue to listen to the business community, streamline state government and invest in our future.

Connecticut National Rankings	
Per Capita Income	1 <sup>st</sup>
Healthy Residents	1 <sup>st</sup>
Finance and Insurance Jobs	2 <sup>nd</sup>
Production per Energy Unit	2 <sup>nd</sup>
Advanced Degrees	3 <sup>rd</sup>
Total State Productivity	4 <sup>th</sup>
Research and Development	4 <sup>th</sup>
Low Poverty Rate	5 <sup>th</sup>
Scientists and Engineers	5 <sup>th</sup>
Energy Efficiency	5 <sup>th</sup>
Low Crime Rate	6 <sup>th</sup>
World Wide Productivity	7 <sup>th</sup>
Parents	8 <sup>th</sup>
Technology & Science Capacity	9 <sup>th</sup>



The vision for Connecticut is one of innovation and excellence in people, places and organizations — in other words, vibrancy. This vibrancy will attract talented people and grow businesses. In order to create vibrant regions throughout the state in today’s economy, economic development strategies require investments that support an entrepreneurial economy, one that looks beyond job growth and also focuses on integrating the social and economic wellbeing of individuals, businesses, communities and regions.

## STRATEGIC PLAN

Economic development needs to be approached strategically with the all players on the team playing from the same playbook. While the state needs to continue to manage its finances responsibly and maintain efforts to streamline government, we also must make the required investments to move our economy forward.

Given that Connecticut has an impressive standing in many areas, this plan builds on our strengths while making changes to address shortfalls. The following strategic plan and action steps provide a roadmap and plan .

### **Our Vision**

Connecticut ranks among the top quartile of states in economic performance

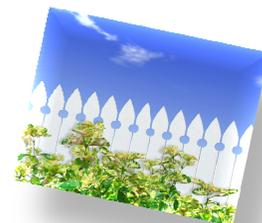
### **Our Mission**

Develop and implement strategies to increase the state's economic competitiveness

### **Our Objectives**

Build on our established strengths and emerging sectors; differentiate based on our key assets:

- **Invest in the Business Clusters that Drive Connecticut's Economy and Encourage Entrepreneurial Development**
  1. Retain and grow our existing job base
  2. Support entrepreneurial activities
  3. Build exports and global opportunities
  4. Build a brand for the state that drives economic growth
- **Ensure a Workforce that Meets the Needs of Employers**
  1. Understand the future needs of employers
  2. With education partners, grow and enrich our talent pool. Develop longer range initiatives to invest in our institutions around the key STEM skills
- **Create Sustainable Communities**
  1. Create vibrant neighborhoods
  2. Use Smart tools to improve communities
  3. Ensure quality housing at a broad range of prices



- **Invest in Infrastructure and Support Systems that will Foster Business Growth**
  1. Continue efforts to create a more responsive government that reforms the regulatory environment and makes it easier to do business in the state
  2. Work to reduce the cost of energy
  3. Continue to strategically invest in transportation infrastructure

### **Our Metrics**

Metrics are critical to establish a baseline that enables the state to systematically monitor changes in its key economic attributes. Metrics provide a strategic function too, allowing us to monitor progress, compare ourselves to others, and make the necessary adjustments to ensure we stay on a path to become the “best in class” for economic development. Therefore, while some metrics are still in the development stage, all of the action steps will be measured by corresponding metrics to highlight progress made and make mid-stream corrections.

## INVEST IN THE BUSINESS CLUSTERS THAT DRIVE CONNECTICUT'S ECONOMY AND ENCOURAGE ENTREPRENEURIAL DEVELOPMENT

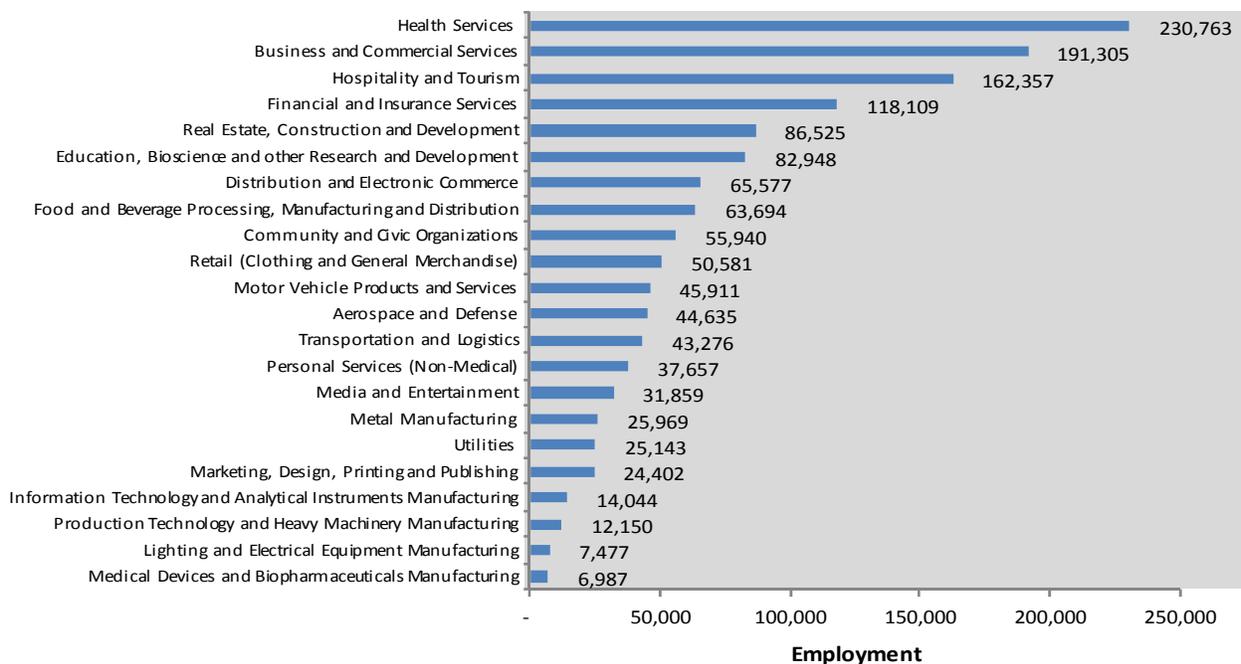
Industry cluster strategies are an important component of a comprehensive strategy. By understanding Connecticut's particular strengths, we can target economic development resources on businesses with the best opportunity to succeed here.

The state has developed growth strategies around six industry clusters: healthcare/life sciences, financial services and insurance, advanced manufacturing, digital media, green technology and tourism.

These targets are based on two key guiding questions: 1) which are the areas where we have current size, depth and leadership positions and 2) which parts of the economy are likely to see the fastest rates of national and global growth and in these areas, and do we have the talent and ingenuity to compete?

From the chart below, it's clear that we have strong presence in the healthcare/life sciences; financial service/insurance and manufacturing sectors. These three sectors account for 35% of state GDP. Selecting these particular clusters will build upon the considerable strengths of our current employers and university skills.

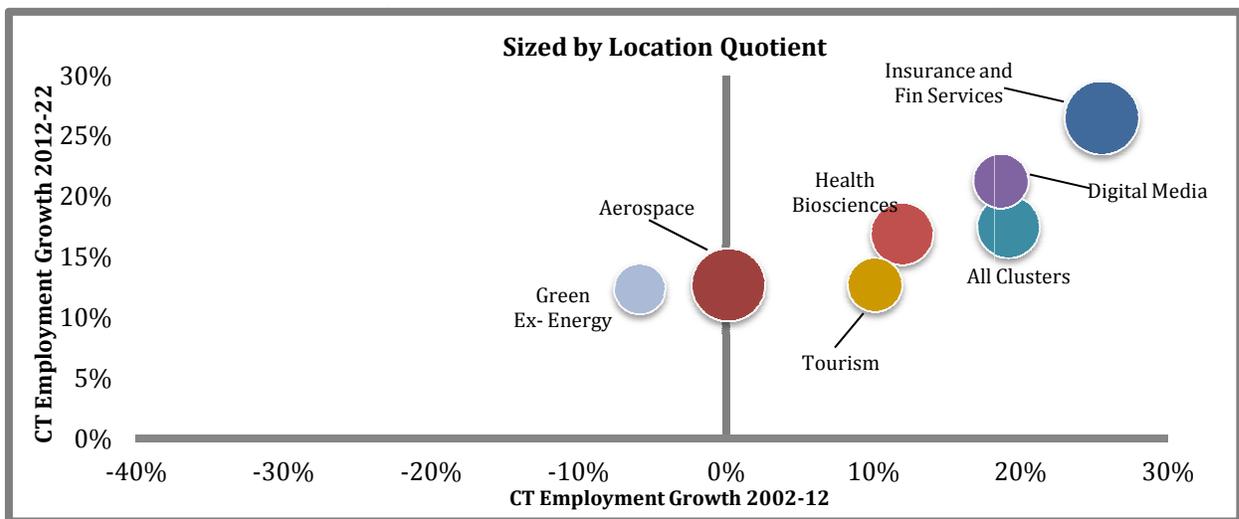
### Employment by Cluster, 2012



Source: Data from the U.S. Cluster Mapping Project, Harvard Business School

To determine the best emerging clusters to focus on, we turned to econometric analysis. Economists have developed tools to measure the relative strength of industry clusters in particular locations. A location quotient (LQ) is an indicator that allows economists to calculate how a region is employing workers in each sector relative to the national economy. An LQ of one indicates that the sector share of employment in the region is equal to the share of the national economy. An LQ of less than one is an indication that output in the region may not be sufficient to meet local demand and imports are needed. A quotient greater than one means the cluster represents a specialized competitive advantage that Connecticut has compared to the national economy.

Three of the state’s six strategic clusters digital media, green technology and tourism, had an LQ in 2012 less than one, indicating an opportunity for Connecticut to grow local businesses in these clusters. Our policy goals are geared to growing these clusters to increase their competitive positioning. The other three clusters, insurance and finance, advanced manufacturing and health and biosciences, had an LQ of more than one, a distinct competitive advantage in the regional economy illustrating established competitive advantages of Connecticut. Policy goals should protect and enhance these clusters. The chart below shows historic and projected employment growth in the state’s six target clusters.



### Clusters by the Numbers

- Total employment for these six clusters grew by 11% from 2002 to 2012 as compared to only 6% growth across all industries.
- Total employment in Connecticut for these six clusters is projected to grow by 18% from 696,904 in 2012 to 821,727 in 2022 as compared to 12% growth across all industries.
- Average annual wages in the six strategic clusters were significantly higher than the state average in 2012 and represented an excellent opportunity for individuals in Connecticut to earn a livable wage. The average annual wage for the aggregate of these six clusters was \$89,280 as compared to \$64,021 across all sectors.
- The aggregate of exports from these sectors was \$108 billion or 48% of total state exports in 2012. Similarly, the aggregate of sales from these sectors was \$179 billion or 42% of total state sales in 2012.

Increased investment of economic development funds directed toward these industry clusters is expected to further develop the state's competitive advantages and foster an increased inflow of resources from abroad.



### Overview of Business Clusters

**Healthcare/Bioscience:** Healthcare promises to be a strong driver of employment in the coming decade.

Traditional healthcare jobs in healthcare delivery will grow due to the aging of the baby boomers and their need for additional healthcare services. Connecticut also will see growth from its strong position in life sciences (including pharma, medical devices and genomics) due to the strength of the university research community and the strong array of companies expanding their R&D and manufacturing presence in the state. The cluster's competitiveness is also fueled by the highly effective technology transfer offices at Yale and UConn.

The most recent and comprehensive report on the Connecticut biopharma sector, the 2009 Archstone Report on the Biopharma Sector's Impact on the U.S. Economy, indicated that the cluster was responsible for 53,584 jobs in more than 800 companies.

Connecticut's groundbreaking stem cell research legislation provided a platform for Yale, UConn and Wesleyan University to strengthen their position in the top tier of institutions/regions focused on this important field by supporting research and development as well as laboratory infrastructure. More recently, the recruitment of The Jackson Laboratory to Connecticut, with its expertise in personalized medicine research, complements research and tech transfer from the UConn. Their strong research capabilities will also complement and enhance Connecticut's reputation as a global leader in life science research.

**Insurance/Finance:** For over one hundred years, the insurance industry has been synonymous with Hartford and Connecticut because of the state's competitive focus on technology; an unyielding commitment to quality and service-excellence for the consumer; a global reach to the consumer and financial markets; and the most educated and experienced employees in the world.

In 2012, finance and insurance accounted for 16.1% of the state's economy. Connecticut is 2<sup>nd</sup> in the finance and insurance share of total employment in 2013. The sectors gained 26,100 employees between 1990 and 2009, which accounted for 14% of the total gain in employment in the state in those years. Approximately 300,000 additional jobs in the state result from activities in the finance and insurance industries. The state is home to industry giants such as AETNA, Hartford Steam Boiler, The Hartford, ING, CIGNA and The Travelers Companies. It is also home to global giants in the world of finance such as UBS and the Royal Bank of Scotland.



**Advanced Manufacturing:** Connecticut remains robust in manufacturing despite employment growth challenges in the past two decades. Connecticut

ranks 4<sup>th</sup> in the states in business R&D invested per capita and workforce productivity.

The major global players in this industry such as Electric Boat, Sikorsky, Pratt & Whitney, and Kaman call Connecticut home and are supported by a strong supply chain of more than 80 aerospace component manufacturers and another 170 advanced manufacturing companies.

The state leads in the fields of advanced manufacturing such as aerospace, additive manufacturing and underwater defense technology. The Aerospace Economic Report and Outlook for 2010 (AERO 2010 Report), produced by the Center for Aviation and Aerospace Leadership (CAAL) at Embry-Riddle Aeronautical University, predicted worldwide the aerospace industry would recover in 2010, and the rate of recovery could be relatively quick. In fact, the study went even further to suggest the recovery in aerospace manufacturing would help lead the U.S. economy out of recession. In 2013, Connecticut aerospace exports were \$7.7 billion accounting for 46% (nearly half) of all exports from the state.



**Digital Media:** This fast growing industry is comprised of numerous production and post-production facilities, digital animation, gaming companies and film makers. The field involves the creative convergence of digital arts, science, technology and business to present information in visually compelling and innovative ways. It constitutes a set of skills that are increasingly in demand in the corporate world, entertainment industry, science and technology realms, mass media and numerous other fields.

From 2002-06 digital media cluster participants spent an average of \$3 million per year in the state. Since 2006 average spending has increased to \$200 million per year. This increase has been fueled in part by the state's attractive tax credit programs. These figures do not account for the economic impact of related expenditures and do not measure construction investment and jobs created.

Connecticut is home to many industry giants such as ESPN, NBC Sports, and WWE, as well as television networks such as YES and A&E. Several talk shows and digital movie studios like Blue Sky Studios, a division of 20<sup>th</sup> Century Fox, also are located in the state. Connecticut has seen numerous relocations and expansions translating into hundreds of new jobs. Smaller companies are drawn to locate or form here to work with the larger industry players, resulting in additional economic growth for the state.



In recognition of the exciting potential of this cluster, the state has supported the creation of two new undergraduate degrees being offered by UConn in digital media and design. The degrees are cross-disciplinary programs intended to give students in Connecticut a competitive edge for career success in the rapidly growing job market and to provide employers in the industry access to the required skill sets to further develop their markets.

**Tourism:** Tourism and hospitality represents an \$11.5 billion industry in Connecticut employing 110,000 people and generating \$1.15 billion in state and local taxes. According to the World Travel

and Tourism Council, tourism is predicted to grow 4.2% annually in the next 10 years worldwide. North American growth is expected to be in the 3.3% range annually over the same period.

The *“still revolutionary”* marketing and branding campaign is the state’s primary strategic activity to grow tourism. The positioning statement of the campaign states: *“Just as it has for centuries, Connecticut remains a haven for original ideas and fresh thinking. A magnet for innovators, the state blends the old and historic with the young and energetic to create an inspiring dynamic — one that motivates people to experience new things, defy convention and blaze their own trails.”*



The campaign is using a multitude of communication avenues to get this message out. It was launched in the spring of 2012 and since then tourism-related jobs increased, with the sector being one of the top 3 job generators for 6 of those months.

In addition, we need to make sure businesses inside and outside of Connecticut are aware that the state is creating a truly competitive business environment. The state’s new attention to 1) creation and retention of jobs; 2) welcoming entrepreneurial activities; 3) providing assistance to businesses that want to remain, grow, and relocate here; 4) commitment to fiscal responsibility; and 5) regulatory reforms that foster business opportunities are all part of a story that is being told through the advertising campaign.

**Green Technology:** National and global policy attention is being focused on renewable energy and energy efficiency. Connecticut is well positioned to take advantage of these trends building upon the early successes we have seen in this arena. We are a global leader in fuel cells (with 30% of the U.S. jobs and more than 50% of the regional jobs) and energy efficiency. This strategy recognizes our unique position as a leader in this area.

Connecticut has put in place high-level policy to maximize our share of energy-related business growth. The Department of Energy and Environmental Protection (DEEP) developed the first-ever Comprehensive Energy Strategy (CES) for the State of Connecticut—an assessment and strategy for all residential, commercial, and industrial energy issues. When implemented, the CES will move Connecticut toward a cheaper, cleaner, and more reliable energy future while creating thousands of jobs.



The Clean Energy Finance and Investment Authority (CEFIA) is the nation’s first “Green Bank,” the first full-scale clean energy finance authority. CEFIA will leverage public and private funds to drive investment and scale up clean energy deployment in Connecticut. CEFIA offers innovative low-cost financing to encourage homeowners, companies, municipalities, and other institutions to support renewable energy and energy efficiency.

### **A Comprehensive, Customer-Centric Approach to Growth**

The economic development strategy will focus on building our by concentrating efforts on all levels and size of business in order to accelerate our economic recovery. The state will continue to leverage its financial and technical resources to assist companies from startup phase to maturity.

### **Startup and fast-growing companies:**

According to the Edward Lowe Foundation, Connecticut ranks 44th in terms of the number of stage 2 companies (with 10–99 employees) per capita and 34th in terms of the number of startup companies (1-9 employees) per capita in the nation. Research shows that small companies, in comparison to young companies, produce the most new jobs in an economy. While Connecticut has a long history of innovation and patent creation, it is lagging amongst other states on innovation and entrepreneurialism. With that understanding, this strategy will focus on initiatives, investments and assistance that will increase the chances of success for young companies by providing timely access to appropriate resources, including market and product expertise, talent, capital and ideas.



Connecticut Innovations (CI), a quasi-governmental organization created in 1989 to provide strategic and operational insight to companies to push the frontiers of high-tech industries such as energy, biotechnology, information technology and photonics, plays a key role in the deployment of the state's efforts toward supporting innovation and entrepreneurship. This entity was one of the first early stage investment agencies developed by a state in the country. Since 1995, CI has made more than \$242 million in equity and risk capital investments, leveraging more than \$1 billion in private capital.

The Department of Economic and Community Development (DECD) and CI have created an Innovation Ecosystem called CTNEXT. Leading research shows that ideas are more readily accessible in larger, denser communities that act as hubs where people of diverse backgrounds and interests interact with one another. As a public-private partnership, CTNEXT catalyzes public and private resources to better support the formation, growth and attraction of companies with high growth potential. CTNEXT works with entrepreneurship stakeholders to create vibrant, innovative communities that help companies grow and create good jobs in Connecticut.

### **Small Business:**

Connecticut's economy is reliant on main street and mainstream businesses to provide fundamental services to our citizens. The great recession in 2008 made it difficult for these businesses to access capital. To address this problem, a bipartisan Jobs Bill was passed in October 2011 that contained a new program designed for small business.

The Small Business Express Program (EXP) provides funding and technical assistance to Connecticut's small businesses to spur job creation and economic growth. EXP provides access to capital through revolving loans, incentive-driven loans, and matching grants to create jobs. Through mid-February, 2014, 1,009 companies were assisted. They are expected to retain 10,401 jobs and create another 3,550.



### **Mid-Sized Business:**

Connecticut is an attractive home to businesses of all sizes. Since Governor Malloy's election in 2010, a renewed emphasis on attracting companies from out of state has led to the recruitment of several mid-sized companies in the financial services industry, pharma and life sciences and green

technologies. The state's financial assistance programs and tax credits for job creation have contributed to these moves.

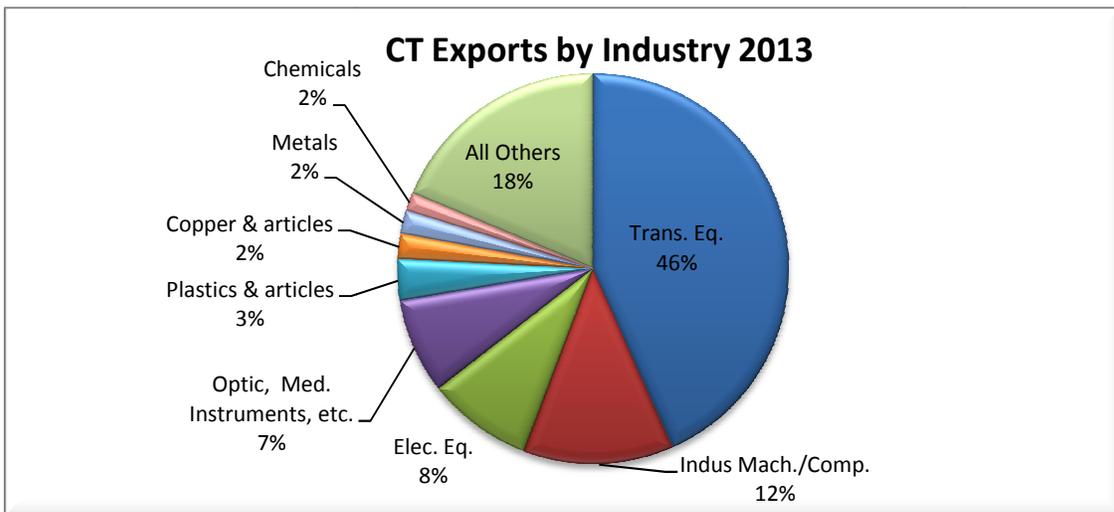
**Big Business:**

The First Five Program provides financial assistance for large-scale projects to encourage business expansion, relocation and job creation. Eligible projects must create no less than 200 jobs within 24 months or invest no less than \$25 million and create no less than 200 new jobs within five years. The 11 participating companies are expected to create up to 5,248 jobs and retain 12,690, as well as make \$1.3 billion in capital investments.



**Exports and Foreign Direct Investment:**

Exports are an engine of growth in Connecticut accounting for \$16.5 billion, which was 7% of GDP in 2012. The state, through DECD, works closely with its partners at the federal and regional level to provide support services and programs to help Connecticut companies take advantage of opportunities in the global marketplace by diversifying their customer base and their revenue streams.



Encouraging foreign-owned companies to establish or expand operations in Connecticut is equally important, as they employ 102,600 and invest \$14 billion annually. A recent study by Business Roundtable shows the dramatic impact globally engaged companies have on the state's economy. These companies account for 49% of the state's private sector output and directly or indirectly support 850,900 private sector jobs.

The state has launched an effort to proactively promote Connecticut abroad as the destination of choice. This strategy is a targeted approach directed to attract prospects from China, Germany and northern Europe, Israel, and Brazil in particular to explore the potential to establish a presence in the state. Through careful investment we seek to continue strengthening the business base in the sectors of interest.

**INVEST IN THE BUSINESS CLUSTERS THAT DRIVE CONNECTICUT'S ECONOMY AND ENCOURAGE ENTREPRENEURIAL DEVELOPMENT**

**Retain and grow our existing job base**

Action	Responsibility	Metrics
Work to ensure companies within the state retrain and grow their workforce <ul style="list-style-type: none"> <li>• Outreach Program tiered approach –                             <ul style="list-style-type: none"> <li>▪ Top 100 businesses</li> <li>▪ Top 10 business by industry segment</li> <li>▪ Top regional businesses</li> </ul> </li> <li>• Promote state programs/state through PR, partners</li> </ul> Leverage existing & create industry, education and economic development organization relationships	DECD as lead	<ul style="list-style-type: none"> <li>• # of jobs created/retained</li> <li>• # of companies retained</li> <li>• \$ amount of private investment leveraged</li> <li>• State GDP</li> <li>• Employment level</li> </ul>

**Attract domestic opportunities**

Domestic recruitment efforts will focus on recruiting companies to Connecticut by: <ul style="list-style-type: none"> <li>• Branding CT in the U.S. market</li> <li>• Working with CT companies to leverage the supply chain to identify new players for attraction</li> </ul>	DECD	<ul style="list-style-type: none"> <li>• # of new business opportunities brought to CT</li> <li>• # of new jobs created</li> <li>• \$ amount of new private investment</li> </ul>
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**Strengthening Connecticut's Global Presence**

<u><b>International recruitment</b></u> Establish strong relationships with targeted countries to maximize FDI into CT and grow exports <ul style="list-style-type: none"> <li>• Developing a global presence                             <ul style="list-style-type: none"> <li>▪ Attend key trade shows &amp; focus on FDI events globally</li> </ul> </li> <li>• Building a pipeline                             <ul style="list-style-type: none"> <li>▪ Work with foreign owned companies in CT to leverage the supply chain</li> <li>▪ Further develop existing foreign sister regional relationships</li> <li>▪ Leverage underdeveloped channels, i.e., consultants, academic institutions, finance professionals, etc.</li> </ul> </li> <li>▪ Promote the state's value proposition to foreign-owned companies in the U.S.</li> <li>• Support efforts of an EB-5 region in the state</li> <li>• Develop and deliver Concierge Program</li> </ul>	DECD as lead	<ul style="list-style-type: none"> <li>• # of companies recruited</li> <li>• # of jobs created</li> <li>• \$ amount of new private investment</li> </ul>
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**Spur Innovations**

Implement the Innovation Ecosystem to drive new entrepreneurial activity	CTNext	<ul style="list-style-type: none"> <li>• Level of new company formation</li> <li>• # of companies served by CTNext</li> <li>• # of jobs created</li> <li>• # of patents issued in the state</li> </ul>
Execute CI strategies to support startups with expertise and capital	Connecticut Innovations	<ul style="list-style-type: none"> <li>• # of companies served</li> <li>• ROI on equity investments</li> <li>• Leveraging of private \$</li> <li>• # jobs created</li> </ul>

**Build a brand for the State that drives economic growth**

Continue to support the "still revolutionary" brand	DECD	<ul style="list-style-type: none"> <li>• Impact of advertising as measured by # views, # of click throughs, survey results</li> <li>• Tourism spend</li> <li>• Tourism visits Perception of CT as a tourist destination and business location</li> </ul>
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### Overview

A productive and innovative workforce is repeatedly cited by companies as the most important factor in their location decisions. With talent as a key draw for businesses in the state, we must ensure that the high quality workforce is in place, grows and responds to the changing needs of our businesses. It is important that education and training initiatives are integrated with key economic growth strategic initiatives to assure workers have the skills needed to support the business sectors identified in this plan.



Recent state legislation and a variety of programs are expanding the worker pipeline and are retraining residents. The state is addressing immediate skills challenges, disparities in educational attainment and long-term demographic changes that will impact our workforce.

### Partners in Workforce Development

The state recognizes that a multitiered approach to developing a workforce and providing the skills needed to meet the market demand is required. A strong partnership amongst education, the training delivery system and market-driven players is essential. An example of this is the three new programs at the manufacturing schools within the community colleges. The investment was a direct result of manufacturers indicating that they were struggling to find talent with manufacturing skills. In a bipartisan effort led by the Governor, \$17.8 million was set aside to purchase additional equipment and provide more training in four community colleges.

Connecticut's comprehensive education reform of 2012 established a tiered framework for monitoring the performance of all districts and schools and for identifying the lowest-achieving schools in the state. The state's Education Commissioner has greater authority to intervene in the lowest achieving schools and districts. This effort also recognizes the importance of science, technology, engineering and math (STEM) in the curriculum.

In October 2012, Governor Malloy revitalized the P-20 Council, which is designed to examine and develop policies that span the various levels of our state educational and workforce preparedness system. The council, led by the Governor, will provide an opportunity for community leaders to state officials, and act as an advocacy organization, promoting improved educational standards from early childhood through graduate education and training. An integrated educational and training system allows for population outcomes and to understand what parts of the system need to be adjusted.



The Connecticut Employment and Training Commission (CETC) is Connecticut's workforce advisory board, authorized under Federal law (Workforce Investment Act – WIA) and governing state statutes. CETC is the state body with lead responsibility to provide workforce/talent development policy and planning guidance to Governor Malloy and the General Assembly. With a board made up of business, not-for-profit and governmental representatives, CETC is broadly charged to promote strategic coordination of the state's workforce/talent-related investments, strategies and programs. CETC is developing a longer-term method to ensure alignment of educational initiatives with the expected needs of the business community.



Finally, in 2013, the state made an extraordinary investment in STEM. While other states are cutting their higher education budgets, Connecticut committed more than \$1billion to STEM initiatives at UConn. Through this 10-year effort, the state will add 70% more seats to its engineering school, a new campus for digital media, and an expansion of R&D throughout the university. This unprecedented investment will ensure the talent required by future businesses will be met.

**INVEST IN THE BUSINESS CLUSTERS THAT DRIVE CONNECTICUT'S ECONOMY AND ENCOURAGE  
ENTREPRENEURIAL DEVELOPMENT**

**Understand the current and future needs of employers**

<b>Action</b>	<b>Responsibility</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>• Create training programs to meet current gaps in our talent pool</li> <li>• Use partners such as CETC, DOL and employer groups to evaluate future needs of the employers in the state, with a special emphasis on our targeted clusters</li> </ul>	DOL, Higher Ed	<ul style="list-style-type: none"> <li>• Job placements                             <ul style="list-style-type: none"> <li>• Unemployment levels</li> <li>• #of training programs in targeted skills and geographic areas</li> </ul> </li> </ul>

**With education partners, grow and enrich our talent pool to address any current gaps**

<ul style="list-style-type: none"> <li>• Establish/expand manufacturing technology programs and grow engineering capacity in community colleges</li> </ul>	Higher Ed, Technical Schools, UConn	<ul style="list-style-type: none"> <li>• # of graduates</li> <li>• # of placements</li> </ul>
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**Develop longer range initiatives to invest in our institutions around the key STEM skills**

<ul style="list-style-type: none"> <li>• Partner with education to offer STEM courses to address to employer needs</li> </ul>	UConn K-12 Tech Schools	<ul style="list-style-type: none"> <li>• Measure success of UConn STEM program</li> <li>• Engage businesses for their feedback</li> </ul>
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### Overview

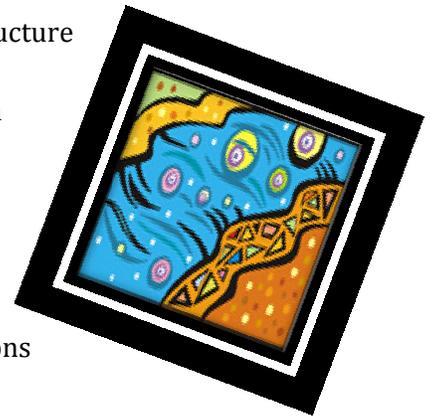
Most of the American landscape is a sea of industrial agriculture and suburban subdivisions dotted with office parks and strip malls. Anywhere USA. In contrast, there is not a single town or village in Connecticut that is like anywhere else in Connecticut or anywhere else in the country. Each has its own unique history, shaped by the numerous ethnic nationalities who settled there, with unique architecture and cultural venues, one-of-a-kind shops and restaurants, and exceptional characters, living and dead, who have left their unique marks, etched into buildings and onto the landscape.

This depth of local character is subtle. Many of our residents are not conscious of it, but it is a significant source of our current and future economic advantage, because the mobile young talent who will fuel the creation of the next economy value authentic, intimate places that offer opportunities for inspiration, connection and personal impact.



Diversity of people is also a critical prerequisite to innovation. We need to ensure that we use state policy to ensure continuing diversity of people in our great places. To help businesses create and retain jobs, quality housing choices are necessary. Affordable and workforce housing, particularly in and around transportation networks will serve as a building block for our future growth. The Department of Housing along with the quasi-governmental agency the Connecticut Housing Finance Authority are investing over \$500 million to help leverage private sector funding for the creation of thousands of new housing units throughout the state.

Similarly, investing in our state's arts-based cultural activities and infrastructure will advance the attractiveness and competitiveness of Connecticut cities, towns and villages as meaningful communities in which to live, work, learn and visit. Our Arts programs are part of a comprehensive strategy that recognizes the importance of quality of place, and of stimulating arts and cultural activities for quality of life. Arts and Culture amenities are important considerations in people's decisions on where to live. Moving away from simple, general operating support, our arts grants reward new and innovative programs that engage residents in important discussions about the future of their communities.



Finally, "smart growth," sustainable development, brownfield redevelopment and transit-oriented development are other tools to help attract businesses and workers. These new approaches to land-use planning, transportation, housing, environment and human needs will be integrated into our strategy and action plans in a way that makes them integral to our future economic activity. By being more strategic about where we invest state resources, we will better leverage previous public investments in infrastructure rather than duplicate those investments. In turn, we can achieve the goal of making our urban centers net contributors to economic growth in the state, reversing their lagging performance in recent decades.

Connecticut is now embracing these new approaches to development to meet the needs of the new economy and its workforce. Three regions of the state won highly competitive U.S. Housing and Urban Development (HUD) grants under the sustainable communities program in the past two years. Only 45 awards were made nationwide. These grants dovetail well with the current efforts at the state level of DECD, DEEP, and the Department of Transportation (DOT) to direct future investments of state funds in a coordinated fashion consistent with sustainable community goals.

## **RECENT ACCOMPLISHMENTS**

### ***Housing***

The Governor has committed over \$500 million over 10 years to enhance Connecticut's supply of affordable and workforce housing. His vision of investing in housing to promote economic development, revitalize cities, and provide attractive and affordable housing is critical to our strategic plan. With the new Department of Housing and the Connecticut Housing Finance Authority, the state will continue to make our cities and towns more desirable and affordable.



### ***Brownfield Remediation and Reuse Efforts***

Over two decades, since the term “brownfield” was first applied to environmentally challenged properties, Connecticut has continuously developed increasingly beneficial public policies and tools to address regulatory and liability issues and the financial costs associated with remediation and reuse. One of the most significant accomplishments was enactment of the Brownfields Liability Relief program in 2011, later amended in 2012. The program provides meaningful liability relief and focuses on on-site investigation and remediation.

### ***Arts***

In spring 2013 the state received a highly competitive grant from Art Place America, a consortium of the largest national foundations, to enable the repurposing of empty storefronts in 20 Connecticut city and towns as homes for arts-based entrepreneurial businesses. It was the second largest grant awarded and the only one to a state, validating Connecticut's strategy of using art to catalyze placemaking.

<b>CREATE SUSTAINABLE COMMUNITIES</b>		
<b>Ensure quality housing at a broad range of prices</b>		
<b>Action</b>	<b>Responsibility</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>Implement the \$500M commitment to build new and renovate existing housing</li> </ul>	DOH/CHFA	<ul style="list-style-type: none"> <li># of new affordable units</li> <li># of market-rate units in targeted locations</li> <li># of new supportive units</li> </ul>
<b>Integrate arts/culture and preservation with economic development</b>		
<b>Action</b>	<b>Responsibility</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>Focus arts grants and historic preservation grants on projects that catalyze economic development and placemaking</li> </ul>	DECD	<ul style="list-style-type: none"> <li># increase in share of 25-3 year olds</li> <li># of historic structures preserved</li> <li>\$ of federal and state historic tax credits</li> </ul>
<b>Use Smart tools to improve communities</b>		
<b>Action</b>	<b>Responsibility</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>Continue work to consolidate the specific brownfields funding programs at OBRD to a single grant and loan program</li> <li>Develop land use and environmental policies and regulations that facilitate the redevelopment of brownfields sites</li> </ul>	DECD with DEEP support	<ul style="list-style-type: none"> <li># of redeveloped Brownfields in state</li> </ul>
<ul style="list-style-type: none"> <li>Transit-Oriented Development: Lead cross-agency team in working with cities to develop a plan for the new rapid transit systems in the state (CT Fastrack and the New Haven–Springfield line)</li> </ul>	DOT, DECD and TOD cross-agency team	<ul style="list-style-type: none"> <li>Engagement of towns in TOD work on new rail/busway</li> </ul>

### Overview

Over the past two years the state has adopted a new more aggressive approach to economic development. The approach recognizes the realities of short and long-term economic factors and is built on the commitment to long-term financial stability for the state. Macro-economic actions we are taking to get our fiscal house in order will improve the economic climate in the medium and long term—making Connecticut a more competitive place to do business.

The state's comprehensive approach to economic development looks beyond direct financial assistance programs. It also focuses on areas such as transportation infrastructure, energy policy and government efficiency, which all impact Connecticut's business community.



### LEAN the governmental regulatory and permitting processes

The State is committed to transform its government agencies to deliver enhanced service to its constituents while keeping cost under control. To this end, all agencies are engaged in applying LEAN principles and practices to identify improvement opportunities in the way they do business and deliver services. This transformational effort is geared to empower employees at all levels of government to streamline and improve processes and establish better ways to measure customer satisfaction. As these agencies continue to track toward leaner, more efficient organizations, they will in turn be better positioned to pass those improvements to businesses and communities around the state. Shortening turnaround times, making it easier to get answers, and creating simpler more comprehensible programs are all goals of the LEAN effort.

These efforts are already paying off for constituents:

- DEEP now issues 90% of its permits in 60 days
- DOT's State Traffic Commission has streamlined the process for permits reducing processing time 83%, with 70% of applications now being improved in 30 days or less
- DECD's small business EXP program has a 45-60 day funding turnaround

### Reducing Regulatory Complexity

In October, 2013, the Governor issued Executive Order 37, calling for a review of all regulation in the state. Inviting the public to provide input, he also instructed all agencies to evaluate their regulations with an eye to streamline and simplify wherever possible. Recommendations were made to the Governor early in 2014.

## **Developing a Comprehensive Energy Policy**

The Governor and his department of Energy and Environmental Protection have proposed a Comprehensive Energy Strategy for the state of Connecticut. At the heart of the strategy is a series of policy proposals aimed at creating cleaner, cheaper and more reliable energy sources for the state.

The plan will use limited government resources to leverage private capital and increase the flow of funds into energy efficiency, renewable power, natural gas availability, and a 21st century transportation infrastructure that promotes mobility options, transit-oriented development, and market-based opportunities for clean fuels and clean vehicles. It identifies natural gas as a bridge to a truly sustainable energy future, and puts forward a seven-year game plan for expanding access to natural gas across Connecticut with a goal of providing nearly 300,000 Connecticut homes, businesses and other facilities with an energy choice that includes natural gas. The strategy calls for an expanded commitment to “all cost-effective” energy efficiency efforts.

To ensure reliability, the state is also investing in “micro-grids” that allow off-grid generation of electricity for critical services and businesses. Together these efforts have resulted in a 12% decline in energy costs for the state – and more reductions are expected as the strategy is executed.

## **Transportation Infrastructure Efforts**

New transportation infrastructure investment holds the promise of revitalizing areas of the state serviced by rail and rapid transit. Our most significant commuter rail corridor, from New Haven to New York, is the beneficiary of many upgrades currently in operation or soon to be in place. Over 216 new M8 rail cars have been delivered of the 380 ordered and now account for more than 50% of the cars on the New Haven line.

The **New Haven Hartford Springfield (NHHS) Rail** project will dramatically increase passenger rail in the corridor starting in 2016. The entire region from New York to Montreal will benefit from this and related investments in the next decade. Travel times will be cut, and there will be peak service every 30 minutes once the project is complete.



**CTfastrak** is the state’s rapid transit project—a Bus Rapid Transit System—that will serve communities between New Britain and Hartford. Full operation’s scheduled for 2015. All these transportation projects bring the potential for transit-oriented development around transit stops.

DOT has launched a new strategic planning process that will engage all key constituencies in determining how best to modernize and upgrade our transportation systems across the state. Once completed, this plan will serve as the cornerstone for future investments in highway, rail, and other transportation systems.

**INVEST IN THE INFRASTRUCTURE AND SUPPORT SYSTEMS THAT WILL FOSTER BUSINESS GROWTH**

**Continue efforts to create a more responsive government that remakes the regulatory environment and makes it easier to do business in the state**

<b>Action</b>	<b>Responsibility</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>• Create a new business e-portal and other e-government solutions to streamline access to available resources and allow for on-line transactions</li> </ul>	DECD/BEST	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• # of transactions</li> </ul>

**Work to reduce the cost of energy**

<b>Action</b>	<b>Responsibility</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>• Adopt the Governor’s Comprehensive Energy Strategy that will provide cheaper, cleaner, more reliable energy</li> </ul>	DEEP	<ul style="list-style-type: none"> <li>• Cost of energy</li> <li>• Energy outages</li> <li>• Improvement in CO2 outputs</li> </ul>

**Continue to strategically invest in transportation infrastructure**

<b>Action</b>	<b>Responsibility</b>	<b>Metrics</b>
<ul style="list-style-type: none"> <li>• With DOT, invest to improve transportation systems in the state</li> </ul>	DOT	<ul style="list-style-type: none"> <li>• Delivery of projects on time and budget</li> <li>• TOD projects</li> </ul>