

CONNECTICUT

Economic & Community Development



2025 ANNUAL REPORT

TABLE OF CONTENTS

I. BUSINESS ASSISTANCE TAX CREDITS.....	2
A. DECD Business Assistance Tax Credit Programs.....	2
B. Connecticut Innovations Business Tax Credit Programs.....	25
II. ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES	28
A. Economic Development Investment Analysis	28
B. Job Creation and Retention Analysis	31
C. Wage Analysis	31
D. Economic Development Direct Assistance Programs	32
E. Other Business Support Programs Administered in FY 2025	36
F. Office of the Permit Ombudsman (OPO)	46
G. Office of Brownfield Remediation and Development (OBRD)	49
III. COMMUNITY DEVELOPMENT PROGRAMS.....	53
A. Community Development Impact	53
B. Office of Community Development.....	53
C. Community Investment Fund (CIF) 2030.....	53
DECD issued one approval in FY 2025.	54
E. State Historic Preservation Office (SHPO).....	55
F. Connecticut Office of the Arts (COA)	56
G. Connecticut Office of Statewide Marketing & Tourism (SMT)	57
IV. EMPLOYMENT INDICATORS AND GROSS STATE PRODUCT (GSP)	59
V. APPENDIX	61

I. BUSINESS ASSISTANCE TAX CREDITS

A. DECD Business Assistance Tax Credit Programs

For a listing of DECD tax credit recipients, please click [here](#).

Estimated Economic Impacts of Tax Credit Programs: Methodology

The economic and fiscal impact analyses of the tax credits below consist of either an estimated direct impact analysis or an estimated total impact analysis. The estimated direct impact is the tax revenue generated by the activity for which the tax credit is awarded: these are the estimated tax revenues generated by the newly created jobs and the construction and investment activity. New jobs generate new income taxes, and the construction and investment generate new sales taxes. The direct net economic impact is the sum of the estimated income taxes and estimated sales taxes minus the lost tax revenues to the state due to the tax credit. Direct corporate taxes are not reported as we do not have a reliable method of estimating them. The direct impact is the most conservative estimate of the economic impact of the program under review. The estimated net direct impact analysis does *not* include any potential downstream impacts in the economy from the additional spending or jobs created.

The estimated total impact is the sum of the direct, indirect, and induced impact of the tax credit program. The total estimated fiscal revenues reported therefore incorporate the 'direct' additions to state net revenues (the "direct impact" explained above), the 'indirect impacts' (for example, the income taxes from the construction jobs needed to build a new building) and the 'induced impact' (for example, revenues generated when new employees at the company and those filling indirectly created jobs spend their income on food, clothing and other items which would generate sales tax revenue to the state). Estimated state expenditures incorporate the direct cost to the state of the tax credits, plus additional indirect and induced government spending due to the additional economic activity. We use the total economic impact evaluation methodology when we have insufficient data to conduct a direct impact analysis. This typically occurs when the goal of the tax credit goes beyond job creation and investment such as enterprise zones which target development in the local community, and film tax credits which aim to build a film and digital media industry in the state. For these types of programs, we estimate the total economic impact using DECD's REMI Tax-PI model.

1. Special Act – Lockheed Martin

i. Program Description

In Fiscal Year (FY) 2017, DECD and Lockheed Martin Corporation entered a Special Act contract for up to \$140,000,000 in grants and \$80,000,000 in sales and use tax exemptions to be funded evenly between 2019 and 2033. In exchange for this assistance, Lockheed Martin will maintain its primary helicopter manufacturing operation and headquarters in Connecticut and produce up to 200 CH-53K (King Stallion) heavy lift helicopters in the state through at least June 2032. Please click [here](#) for additional details on the employment, in-state supply chain spending, and capital expenditure targets Lockheed Martin must achieve to earn the entire incentive package.

Based on the maximum contracted employment, the financial assistance made available to Lockheed Martin per job is shown in the table below.

Table 1: Financial Assistance per Job	
Total Assistance Contract 1	\$220,000,000
Jobs to be created and retained	8,582
Total Assistance per Job	\$25,635

Source: DECD

ii. Program Activity

Lockheed Martin did not meet the terms of the Annual Employment Minimum or Target Goal in FY 2025. Therefore, the company did not earn a Certificate of Eligibility for this period. In total, Lockheed Martin has earned a total offset of \$34,284,000 in sales and use taxes and obtained \$55,432,218 in grant funding. The table below shows the estimated state tax revenues from Lockheed Martin in FY 2019 through FY 2025, based on data reported by the company.

Table 2: Net Direct Economic Impact of Lockheed Martin FY 2019 – FY 2025	
New Jobs Reported	466
Estimated Income Taxes from New Jobs	\$50,257,409
Estimated Sales Taxes from Capital Expenses	\$38,783,128
Estimated Direct Total State Revenue	\$89,040,537
Incentive Cost to State*	\$47,252,132
Net Direct State Revenue	\$41,788,405

Source: DECD Analysis

Note: Direct State Revenue does not include estimates of corporate business taxes or other direct taxes. *The incentive cost to the state are the tax credits and debt service on grants awarded.

2. Stranded Tax Credit/Sales and Use Tax Offset Program

i. Program Description

The Stranded Tax Credit program was established in June 2017 by [Public Act 17-2](#). Per statute, the program is capped at \$50,000,000. An accumulated credit is defined as non-incremental research and development tax credits ([CGS Sec. 12-217n](#)) that have not been taken through the business's last complete income year prior to its program application date (therefore, the credits are "stranded"). This program is designed to allow businesses to offset such Accumulated R&D Credits against their sales and use tax liabilities so long as it undertakes a capital project that meets one of the following objectives:

- Expands the business' scale or scope;
- Increases employment at the business; or
- Generates a substantial return to the state's economy.

ii. Program Activity

As of FY 2025, DECD approved two applications.

Table 3: Stranded Tax Credit Activity as of June 30, 2025

Company	Contract Date	Credits Allocated	Credits Issued	Status of Capital Project
ASML US, LLC	6/27/2018	\$6,000,000	\$6,000,000	Complete
Boehringer Ingelheim USA Corporation & Boehringer Ingelheim Pharmaceuticals, Inc.	2/18/2020	\$14,000,000	\$7,600,000	In Process
Total		\$20,000,000	\$13,600,000	

Source: DECD

Table 4: Financial Assistance per Job

Total Tax Credits Allocated	\$20,000,000
Jobs to be created and retained	3,833
Total Credits Allocated per Job	\$5,218

Source: DECD

Note: ASML also received MAA funding. The contractual job requirement is included in the table above.

iii. State Revenue Generated

ASML received their full allocation of credits in FY 2021. The estimated revenues generated to date and the 10-year projection assuming current employment levels are shown below.

Table 5: ASML Sales and Use Tax Offset State Revenue To-Date and Projection

	Revenue Totals To-Date 2018-2025 (Nominal \$)	10-Year Projected Totals (Nominal \$)
Tax Credits Earned	\$6,000,000	
Estimated Income Taxes - Direct	\$22,948,212	\$29,290,786
Estimated Sales Taxes - Direct	\$1,840,205	\$1,840,205
Total Estimated State Revenue - Direct	\$24,788,418	\$31,130,991

Source: DECD Analysis

Note: Direct State Revenue does not include estimates of corporate business taxes or other direct taxes.

Boehringer has received \$7.6 million in credits through FY 2025. The estimated revenues generated to date and the 10-year projection assuming current employment levels are shown below.

Table 6: Boehringer Sales and Use Tax Offset State Revenue Projection		
	Revenue Totals To-Date 2018-2025 (Nominal \$)	10-Year Projected Totals (Nominal \$)
Tax Credits Earned	\$7,600,000	
Estimated Income Taxes - Direct	\$7,075,696	\$9,499,034
Estimated Sales Taxes - Direct	\$9,463,837	\$9,463,837
Total Estimated State Revenue - Direct	\$16,539,533	\$18,962,871

Source: DECD Analysis

Note: Direct State Revenue does not include estimates of corporate business taxes or other direct taxes. The allocation above was based on direct, indirect, and induced impact.

iv. Recommendation:

DECD recommends the program continue within available appropriations due to its positive impact on state revenue.

3. Urban and Industrial Site Reinvestment Tax Credit (URA)

i. Program Description

URA credits are designed to incent development of new jobs and economic activity by companies or developers across the state. The full tax credit is allowable over ten years as follows:

- The income year in which the investment was made and the two succeeding income years, 0%.
- The third full income year following the year in which the investment was made and the three succeeding income years, 10%.
- The seventh full income year following the year in which the investment occurred and the two succeeding income years, 20%.

The URA program is capped at \$950 million in awardable credits and individual projects may not exceed \$100 million. If a project exceeds \$20 million, it must be approved by the legislature. These credits may be assigned once by the holder.

ii. Program Activity

The table below shows the URA recipients over the last ten years along with the total tax credits awarded and earned (the state's tax cost). This list contains companies that signed contracts within this time frame. The total credits allocated as presented below represent the *potential* credits the company may earn. Credits for which certificates were issued to companies by DECD from FY 2016 through FY 2025 are listed under "credits earned."

Table 7: Urban and Industrial Site Reinvestment Tax Credits, FY 2016–FY 2025

Applicant	Town	Contract Fiscal Year	Total Credits Allocated	Total Credits Earned
Bridgewater Associates, LP	Westport	2016	\$12,000,000	\$12,000,000
Conair Corporation	Stamford	2016	\$15,000,000	\$11,400,000
Fed Ex	Middletown	2016	\$20,000,000	\$16,000,000
Linde, Inc. f/k/a Praxair, Inc.	Danbury	2016	\$16,000,000	\$6,400,000
Bob's Discount Furniture	Manchester	2017	\$11,000,000	\$3,546,267
Partner Reinsurance Company	Greenwich	2017	\$1,437,492	\$521,547
Polamer Precision	New Britain	2017	\$10,000,000	
Trader Joe's East, Inc.	Bloomfield	2017	\$7,000,000	\$2,800,000
Henkel of America, Inc.	Rocky Hill	2018	\$5,000,000	\$4,000,000
Indeed, Inc.	Stamford	2018	\$15,000,000	\$3,000,000
Charter Communications	Stamford	2019	\$15,000,000	\$6,000,000
Charter Communications	Stamford	2019	\$8,000,000	
World Wrestling Entertainment	Stamford	2019	\$8,500,000	
Amazon.com Services, LLC	North Haven	2021	\$15,000,000	\$6,000,000
Americold Logistics, LLC	Plainville	2021	\$3,000,000	
Nordson Corporation	Norwich	2021	\$900,000	
101 College Street, LLC	New Haven	2021	\$18,500,000	
Home Market Foods, Inc.	South Windsor	2024	\$4,000,000	
TOTAL			\$ 185,337,492	\$71,667,814

Source: DECD

Note: The tax credit awards may have been reduced to account for reallocated funds. Companies that left the program without receiving an URA credit have been removed from this table

iii. Estimated Direct Economic Impact

The table below presents the estimated direct economic impact of companies that entered the URA program over the last ten years. The data used to evaluate the fiscal impact is supplied by the companies during their annual certification process. The direct jobs data consists only of newly created jobs reported by the companies while active in the program and does not include retained jobs. Direct state revenue comprises estimated income tax revenues generated by the new jobs plus estimated sales tax revenues generated by the eligible capital expenses. Some companies were eligible for exemptions under the sales and use taxes exemption program administered by Connecticut Innovations; these amounts were deducted from the sales tax estimates.

Table 8: Net Direct Fiscal Impact of URA Program in Nominal Dollars FY 2016–FY 2025	
	URA Direct Impact
New Jobs Reported – Annual Average Above Baseline*	4,067
Estimated Cumulative Direct Income Taxes	\$264,141,761
Estimated Cumulative Direct Sales Taxes	\$12,019,148
Estimated Cumulative Total Direct State Revenue	\$276,160,910
Cumulative Direct State Costs (Tax Credits)	\$71,667,814
Estimated Cumulative Net Direct Revenue	\$204,493,096

Source: DECD

Note: *Direct jobs are those reported by the companies to DECD while active in the program. Direct State Revenue does not include estimates of corporate business taxes or other direct taxes.

The table below shows the tax credit allocated per job to be created or retained.

Table 9: URA Tax Credits Allocated per Job to be Created or Retained Based on Maximum Contractual Job Obligations	
Tax Credits Allocated	\$185,337,492
Jobs to be Created or Retained	16,026
Tax Credits Allocated Per Job	\$11,565

Source: DECD

Note: The number of jobs retained and created have been adjusted to account for duplication for companies that have received assistance from more than one program or more than one URA contract. If a company has an MAA/URA contract the jobs are included above unless the company has left the URA program without receiving a tax credit.

iv. Recommendation

We recommend maintaining the URA tax credit program because it has generated sizable net benefits to the state. Moreover, qualifying firms are reviewed each year and may incur penalties and/or reduced tax credits if they do not meet job or net benefit requirements. This allows DECD to closely monitor the program, track the economic activities and benefits associated with the program, and only provide tax benefits for value created.

4. JobsCT Tax Rebate

i. Program Description

In FY 2023, DECD launched the JobsCT tax rebate program. Under this program, eligible employers can earn a rebate equal to 25% of the withholding taxes from net new employees. Employers that locate or grow in a Distressed Municipality or Opportunity Zone are eligible for a 50% rebate. The rebate payout is earned in years 3 through 7, ensuring the jobs are created before the credits are issued. For additional information on JobsCT please click [here](#).

ii. Program Activity

The table below shows fully executed JobsCT agreements along with the allocation amounts and rebates earned.

Table 10: JobsCT as of FY 2025

Applicant	Town	Agreement Fiscal Year	Total Credits Allocated	Total Credits Issued	Maximum Jobs to be Created	Jobs to be Retained
Greenbriar Equity Group, L.P.	Greenwich	2023	\$1,275,000	\$150,000	39	0
Ensign Bickford Aerospace Defense Company	Simsbury	2023	\$1,013,460	\$ -	160	419
Avelo Airlines, Inc.	New Haven	2023	\$355,000	\$ -	95	119
Talcott Resolution Life, Inc.	Hartford	2024	\$1,161,777	\$ -	51	389
WaveAerospace, Inc.	Stratford	2024	\$853,884	\$ -	74	4
Fuss & O'Neill, Inc.	Hartford	2024	\$1,142,489	\$ -	74	162
TTM Technologies North America, LLC	Stafford	2024	\$867,155	\$ -	124	753
Hudson Bay Capital Management, LP	Stamford	2025	\$2,070,000	\$ -	68	86
1970 Group, Inc.	Greenwich	2025	\$747,600	\$ -	55	0
MTU Aero Engine North America, Inc.	Rocky Hill	2025	\$791,403	\$ -	106	234
Soccer United Marketing, LLC	Stamford	2025	\$1,020,250	\$ -	40	1
CPa Medical Billing, LLC	East Haven	2025	\$939,994	\$ -	150	82
TOTAL			\$12,238,012	\$150,000	1,036	2,249

The table below shows the tax rebate allocated per job to be created or retained.

Table 11: Tax Credits Allocated per Job to be Created and Retained Based on Maximum Contractual Job Targets

Tax Credits Allocated	\$12,238,012
Maximum Jobs Created and Retained	3,285
Tax Credits Allocated Per Job	\$3,725

Source: DECD

iii. **Estimated Direct Economic Impact**

As of FY 2025, one company has received tax rebates under this program. The estimated direct revenues generated to date based on the reported new jobs are shown below.

Table 12: JobsCT Estimated Direct Fiscal Impact	
	Revenue Totals To-Date 2023-2025 (Nominal \$)
Net New Jobs	31
Tax Rebates Earned	\$150,000
Estimated Income Taxes - Direct	\$2,039,938
Estimated Sales Taxes - Direct	N/A
Total Estimated State Revenue - Direct	\$2,039,938

Source: DECD

iv. **Recommendation**

We recommend continuing the JobsCT program. It was designed to generate a positive net fiscal impact, as demonstrated by the estimated direct state income tax revenue generated by the 31 net new employees created.

5. **Data Center Tax Incentive Program**

i. **Program Description**

To support the growth of digital infrastructure, DECD offers the Data Center Tax Incentive Program which provides tax exemptions to qualified, eligible data centers that locate within the state and make a minimum qualifying investment. DECD offers applicants Property Tax and Sales and Use Tax exemptions for a period of 20 years for expending the minimum \$200 million of qualified expenditures within five (5) years from the execution of the financial assistance agreement. If an applicant exceeds \$400 million of qualified expenditures within five (5) years of the commencement date, the applicant will qualify for the 30-year exemption. The applicant must make the minimum qualified investments as defined in [CGS Sec. 32-286](#) to qualify for the respective exemption period. For additional information on the Data Center Tax Incentive Program please click [here](#).

Program Activity

Table 13: State Data Center Tax Incentive Program as of FY 2025			
Fiscal Year	Applicant	Town	Projected Minimum Investment
2023	Cigna Corporation	Windsor	\$386,000,000

Source: DECD, Cigna

ii. Estimated Direct Economic Impact

The company reported qualified investments of over \$863 million through FY 2025. For the sales tax estimates below, we conservatively assume that 40% of investment expenses are subject to sales tax, similar to the sales tax eligibility of construction expenses assumed throughout this report.

Table 14: Data Centers Estimated Direct Fiscal Impact	
	Revenue Totals To-Date 2023-2025 (Nominal \$)
Net New Jobs	5
Amount of Investment	\$863,084,176
Tax Rebates Earned	\$17,095,436
Estimated Income Taxes - Direct	\$73,514
Estimated Sales Taxes - Direct	\$21,922,338
Total Estimated State Revenue - Direct	\$21,995,852

Source: DECD, Cigna

DECD will monitor and evaluate the effectiveness of the program as companies provide data on exemptions. Please note there are no contractual job creation or retention requirements for this program so cost per job created will not be included.

iv. Recommendation

DECD recommends this program continue due to the positive impact on state revenue. DECD may recommend related programmatic changes in the future.

6. Film, Television and Digital Media Tax Credits

i. Program Description

DECD's film incentives program aims to expand the motion picture and digital media production industry in the state. The Office of Film, Television & Digital Media assists eligible companies with two tax incentive programs based on qualified in-state expenditures. Film tax credit recipients can be found [here](#).

During FY 2025, approximately \$176.8 million in tax credits were issued for \$634.1 million spent in Connecticut by qualified productions (the productions mostly occurred prior to FY 2025).

Table 15: DECD FY 2025 Film Tax Credit Activity

Tax Credit Program	Company Spend	Tax Credits Issued	Number of Credits
Film, Television & Digital Media	\$501,437,874	\$150,236,824	49
Film Infrastructure	\$132,676,728	\$26,535,345	2
TOTAL	\$634,114,602	\$176,772,169	51

Source: DECD

ii. Estimated Economic and Fiscal Impacts

Since we do not have job creation data tied to the tax credit, and because the intent of the tax credits is to build a film and digital media production industry in the state, we conduct a total economic impact analysis for the film and digital media production tax credit utilizing DECD's REMI model, which presents the direct, indirect and induced activity that results from the tax credit. Job creation data is now required per [Public Act 23-204](#). We anticipate incorporating job creation data into future estimates.

(1) Film & Digital Media Production Tax Credit

An eligible production company that produces a qualified production and incurs qualified production expenses or costs in excess of \$100,000 may apply for a tax credit equal to 10–30% of production expenses and costs incurred in Connecticut. Expenses claimed for the film and digital media production tax credit may not be used in claiming the infrastructure tax credit (see below). This tax credit intends to attract more film, television, and digital media productions to the state.

a. Estimated Economic Impact of the Film & Digital Media Production Tax Credit

The table below shows the economic impact of the tax credit program in FY 2025 using an “expenditure approach,” which estimates the impact of the film and digital media production expenses that qualified for the credit against the revenue loss to the state of the awarded tax credits. It shows over \$5 of new economic activity (“output”) in the economy per \$1 of tax credit awarded in FY 2025.

Table 16: Estimated Total Economic Impact of the Film & Digital Media Production Tax Credit		
FY 2025		
	FY 2025	Per \$1 of Credit
Inputs		
Eligible Production Spending	\$501,437,874	
Total Credits Issued	\$150,236,824	
Results		
Estimated New Employment	3,495	
Estimated New Gross Domestic Product (GDP)	\$461,547,000	\$3.07
Estimated New Output (Total Sales)	\$841,423,000	\$5.60

Source: DECD

b. Estimated Fiscal Impact

DECD utilizes industry employment data to obtain a broad estimate of the fiscal impact of the film and digital media production tax credit. In February 2022, DECD released a comprehensive evaluation of the agency’s film incentive programs performed by a consulting firm specializing in film, television and digital media industry-specific economic impact studies (referred to below as the Olsberg report; the study can be found [here](#)). The study reports the results of surveys conducted of the users of the Film & Digital Media Production Tax Credit. The results indicate that the availability of the tax credits was critical to their location and expansion decisions in the state, with the majority of survey respondents saying it was the most important factor. The report concludes that the tax credits incentivized the growth of the

industry in the state and that a significant portion of the jobs in the industry would not be in the state in the absence of the tax credits.

The two industries that utilize the tax credits are the motion picture industry and the broadcasting industry. We estimate the fiscal impact of the Film & Digital Media Production Tax Credit using 50% of these industries' jobs in the state. This is the midpoint of the range the Olsberg report used and is a conservative estimate based on the responses to the authors' surveys.

Employee headcount data used for the estimates below are monthly state industry data reported by the Bureau of Labor Statistics (BLS) for FY 2025. The data shows an average of 9,830 jobs in the two industries in FY 2025, so 50% of those jobs (4,915) are used for the estimates below.

The estimated impact below is for credits issued in FY 2025.

Table 17: Estimated Total Fiscal Impact of the Film & Digital Media Production Tax Credit FY 2025		
	FY 2025	Per \$1 of Credit
Inputs		
50% of Industry Jobs	4,915	
Total Credits Issued	\$150,236,824	
Results		
Estimated State Revenues	\$50,718,480	\$0.34
Estimated State Expenditures	\$27,844,580	
Estimated Net State Revenue	\$22,873,900	

Source: Bureau of Labor Statistics, DECD

The estimated state revenues above incorporate the loss of state revenues equivalent to the amount of the tax credit issued. The \$50 million is therefore new revenues net of the cost of the tax credit. The estimated state expenditures are new expenses the state may incur because of the new activity (for example, significant new economic activity can result in population changes as more workers move their families towards new job opportunities, and the increased population drives up government spending on services).

Film tax credits issued may spike any given year if a few large claims were filed together as is usually the case for productions that took place a few years prior. Occasional spikes in claims issued can result in a distorted fiscal impact when analyzed within a one-year timeframe. Because of the uneven nature of claims filings, we include a five-year average analysis which smooths out the fluctuations in annual claims and gives a broader picture of the economic and fiscal impact of the credit. As above, we use an expenditure approach to evaluate the economic impact and 50% of the industry workforce to estimate a conservative fiscal impact. The inputs for the economic impact analysis are the five-year average values of claims and productions, and for the fiscal impact, 50% of the five-year average of industry employment.

The table below shows the economic impact evaluated using the most recent five-year average of eligible expenditures and credits issued. This scenario shows when using an average to account for wide fluctuations in credits issued that can occur from year to year (due to the timing of companies' applications), over \$3 in GDP and \$5 in total output (sales) is generated per dollar of tax credit issued.

Table 18: Estimated Total Economic Impact of the Film & Digital Media Production Tax Credit Average FY 2021-FY 2025		
	5-Year Average	Per \$1 of Credit
Inputs		
Eligible Production Spending	\$452,480,605	
Credits Issued	\$135,602,717	
Results		
Estimated New Employment	3,079	
Estimated New Gross Domestic Product (GDP)	\$409,124,500	\$3.02
Estimated New Output (Total Sales)	\$747,227,400	\$5.51

Source: DECD

The table below shows the fiscal impact of the Film and Digital Media Production tax credit when evaluated using a conservative 50% of the most recent five-year average of industry employment,

and the average tax credits issued over the five years. Employee headcount data used for the estimates below are monthly state industry data reported by the Bureau of Labor Statistics (BLS) for FY 2021 through FY 2025. The data shows an average of 9,759 jobs in the two industries over the five years; 50% of those jobs (4,880) are used to estimate the fiscal impact.

The estimated state revenues above incorporate the loss of state revenues equivalent to the amount of the tax credit issued. This scenario shows that when using average credits issued to adjust for wide fluctuations that can occur from year to year (due to the timing of companies' applications), against the more stable average employment in the industry sector, the net fiscal impact for the state continues to be positive.

Table 19: Estimated Total Fiscal Impact of the Film & Digital Media Production Tax Credit Average FY 2021–FY 2025		
	5-Year Average	Per \$1 of Credit
Inputs		
50% of Industry Jobs	4,880	
Total Credits Issued	\$135,602,717	
Results		
Estimated State Revenues	\$60,828,140	\$0.45
Estimated State Expenditures	\$27,262,540	
Estimated Net State Revenue	\$33,565,600	

Source: DECD

c. Recommendation

DECD recommends this program continue with consideration for opportunities to improve efficacy as needed.

(2) Film Infrastructure Tax Credit

This tax credit is available to a taxpayer that invests in a state-certified entertainment infrastructure project. The credit intends to help establish a film and digital animation industry presence in Connecticut by incentivizing capital investment in plant and equipment for pre- and post-production facilities and investment in educational programs that produce the workforce needed by the film

and digital animation industry.

The amount of film infrastructure credits issued in FY 2025 is \$26.5 million for approximately \$132.7 million in eligible infrastructure expenses.

a. Estimated Fiscal Impact for the Film Infrastructure Tax Credit

To account for the indirect and induced impact of the eligible infrastructure activity, we present the total impact estimated using DECD's REMI model below.

Table 20: Estimated Total Fiscal Impact of the Film Infrastructure Tax Credit FY 2025		
	FY 2025	Per \$1 of Credit
Inputs		
Eligible Infrastructure Spending	\$132,676,728	
Total Credits Issued	\$26,535,345	
Results		
Estimated New Construction and Related Jobs	1,790	
Estimated State Revenues	-\$16,022,150	-\$0.60
Estimated State Expenditures	\$1,829,880	
Estimated Net State Revenue	-\$17,852,030	

Source: DECD

The estimated state revenues above incorporate the loss of state revenues equivalent to the amount of the tax credit issued. The loss of \$16 million in tax revenues is therefore new revenues net of the cost of the tax credit. The estimated state expenditures are new expenses the state may incur because of the new activity (for example, significant new economic activity can result in population changes as more workers move their families towards new job opportunities, and the increased population drives up government spending on services).

The economic and fiscal impacts of construction and related activities dissipate quickly upon completion. We cannot model new permanent employment associated with the infrastructure project because credit applicants are not required to provide information

on employment or procurement in the new facilities. We do not assign any jobs to the facilities because we account for 50% of the industry workforce in the film and digital media production tax credit above. Because industry jobs are most likely associated with the availability of both film tax credits, we are understating the impact of the infrastructure tax credit.

The analysis presented here therefore represents a partial picture of the benefit of the infrastructure projects undertaken by the recipient firms, as we cannot say which credit is responsible for which jobs. Because we have no knowledge of the totality of net new economic activity the infrastructure projects facilitate, we cannot determine the entire net benefit of the infrastructure tax credit program; it is analyzed here in isolation as construction projects only.

The new employment above is mostly in the construction sector with a few in supporting sectors. It is a narrow measure of the impact of the film infrastructure credit; data on new jobs in the facilities, for example, from the companies that utilize the credit would enable DECD to conduct a fuller evaluation of the benefits of this credit. The 2022 Olsberg report used the same methodology as above and drew the same conclusions.

b. Recommendation

DECD recommends this program continue in order to incentivize infrastructure expansion in the state, and that DECD analyze program performance and evaluate any opportunities to improve efficacy as needed.

Since the Film Infrastructure Tax Credit operates in tandem with the Film and Digital Media Production Tax Credit, it is not possible to attribute long-term industry job creation to one program in isolation. As a result, the fiscal impacts presented here likely understate the broader economic benefits associated with maintaining a competitive film production ecosystem in Connecticut.

(3) Digital Animation Production Company Tax Credit

No new Digital Animation credits were issued in FY 2025. The program was repealed in the 2025 legislative session through [Public Act 25-165](#).

7. InvestCT

i. Program Description

In 2015, the legislature amended the Insurance Reinvestment Fund Tax Credit to provide a new tax credit under the name InvestCT which can only be applied against taxes imposed under [Chapter 207](#) (insurance, hospital and medical services corporation tax), and [CGS Sec. 38a-743](#) (insurance premiums tax). This tax credit was an extension of the second Insurance Reinvestment Fund Tax Credit. Under this program, the tax credits are distributed at 20% a year for five years, beginning in year six of the program. The first certificates were distributed in FY 2021.

Table 21: InvestCT Fund Managers' Investments and Job Creation 2016-2025	
Investments by Industry	Total
Utilities	\$20,450,000
Construction	\$750,000
Food Manufacturing	\$2,575,000
Paper Manufacturing	\$2,125,574
Chemical Manufacturing	\$11,557,169
Plastics and Rubber Products Manufacturing	\$2,250,000
Fabricated Metal Product Manufacturing	\$9,020,000
Electrical Equipment, Appliance and Component Manufacturing	\$1,250,000
Other Transportation Equipment Manufacturing	\$1,500,000
Miscellaneous Manufacturing	\$1,525,004
Merchant Wholesalers	\$4,400,000
Retail Trade	\$10,722,000
Publishing Industries (Including Software)	\$13,563,774
Telecommunications	\$1,360,000
Data Processing, Hosting and Related Information Services	\$1,000,000
Financial Investments and Related Activities	\$6,822,254
Professional and Technical Services	\$25,315,232
Administrative and Support Services	\$544,488

Table 21: InvestCT Fund Managers' Investments and Job Creation 2016-2025	
Investments by Industry	Total
Waste Management and Remediation Services	\$7,543,749
Ambulatory Health Care Services	\$13,804,202
Social Assistance	\$10,671,557
Accommodation including Recreational Camps	\$1,250,000
Total Investments	\$150,000,003
Job Creation (across all industries)	1,595
Tax Credits Issued by DECD	\$150,000,000

Source: DECD

Note: Does not include jobs that were counted towards other DECD assistance.

(1) Estimated Net Economic Impact of InvestCT

The total economic impact of the InvestCT program was estimated using the REMI Tax-PI model. The table below reports the results of the economic simulation. These numbers represent the estimated net new economic activity in the Connecticut economy generated by the InvestCT Tax Credit. The total impact includes estimated direct, indirect, and induced economic activity.

Table 22: Estimated Total Economic Impact of the InvestCT Tax Credit from 2016-2025		
	Impact	Revenue Earned Per \$1 of Credit
Total Fund Investments	\$150,000,003	
Total Credits Issued	\$150,000,000	
Estimated Total New Jobs – Annual Average Above Baseline	3,429	
Estimated Cumulative Total State Revenues	\$158,786,300	\$1.06
Estimated Cumulative Total State Expenditures	\$146,934,700	
Estimated Cumulative Net State Revenue	\$11,851,600	

Source: DECD

Note: *Total jobs are estimated new direct, indirect, and induced employment as a result of the program. Total state revenues and expenditures are the sum of the estimated new direct, indirect, and induced state revenues and expenditures generated by the program.

a. Recommendation

This will be the last year of reporting for the \$150,000,000 allocation. However, in 2021 the legislature allocated an additional \$200,000,000 to this program which will be reported on in the future. DECD recommends this program continue while we monitor the impact of the program through the next allocation.

8. Property Tax Abatements for Investment in Enterprise Zones (EZ)

i. Program Description

Companies that locate in an Enterprise Zone can apply for a five-year, 80% abatement of local property taxes on qualifying real and personal property subject to the property being new to the grand list of the municipality as a direct result of a business expansion or renovation project, and in the case of an existing building, having met the statutory idleness requirement. The Enterprise Zone program benefit is a property tax abatement equal to 80% of the assessed value (which is 70% of market value) of real property and machinery and equipment new to the local grand list, multiplied by the appropriate mill rate. The State reimburses the municipality for 50% (half) of the foregone taxes, where the tax losses are directly related to the expansion project at the real property seeking the enterprise zone benefits. There are several types of Enterprise Zones across the state. Targeted Investment Communities may offer EZ benefits within their bounded Enterprise Zones, and/or in State-designated entertainment districts, qualified manufacturing plant sites, or railroad depot zones. The Urban Jobs Program provides EZ-level benefits to eligible companies with suitably induced projects located in a Targeted Investment Community yet outside of the bounded Enterprise Zone, the entertainment district, qualified manufacturing plant, and the railroad depot zone. Other zones across the state within the Enterprise Zone Program include: Airport Development Zones, the Bioscience Enterprise Corridor Zone, Contiguous Municipality Zones, Defense Plant Zones, Enterprise Corridor Zones, Knowledge Center Enterprise Zones, and Manufacturing Plant Zones.

More information about the various Enterprise Zones can be found [here](#).

ii. Program Activity

The table below shows the dollar amounts claimed, and the associated value of the investments certified for eligibility in the Grand List Year

commencing October 1, 2024. DECD certifies companies as being eligible for EZ benefits, and municipalities that grant the abatements file claims with the state's Office of Policy and Management (OPM) for state reimbursement.

Table 23: Property Tax Abatements for Investment in Enterprise Zones, 2025 (Grand List Year 2024)	
Claimed Abatements for Newly Certified Investments	\$4,562,384
Number of New Certifications	19
Associated Investment Value Based on Assessment	\$219,145,794

Source: DECD and OPM

iii. Estimated Economic and Fiscal Impacts

We analyze the estimated total economic impact of the enterprise zone abatements for 2025 utilizing the REMI Tax-PI model. The estimated total impact is the sum of the direct, indirect, and induced impact of the tax credit program. The program year for the EZ program is the Grand List Year (GLY), which runs October 1 through September 30, with the October date determining the GLY.

The results below are for GLY 2024 investments. The 2025 impact analysis only incorporates investments that were new to the municipalities' grand lists for GLY 2024, as DECD does not have employment and other data from previously approved recipients to conduct an ongoing analysis of their impacts to the region. Claims under all Enterprise Zone types are provided to DECD by OPM and are incorporated into the impact analysis below.

We assume the investment would not have occurred in the region were not for the EZ program. Companies may claim abatements for two types of property new to the grand list: real estate and personal property. Real estate investments could either be acquisitions or construction and/or renovations. Estimates provided to DECD by the companies seeking certification in GLY 2024 showed an average of 1% of real estate investment was targeted for acquisition, and 99% was targeted for construction and/or renovation. We assumed actual investments made in the year followed the same plan and applied these same percentages towards the market value of real estate expense claims (actual expenses may differ from projections provided to DECD). We assume the state will reimburse

the municipalities for the full 50% of the abatements. The full estimated economic impact is shown below.

The estimated results suggest that the EZ abatement program had a positive impact in 2025 for GLY 2024 investments. This is a partial analysis as it does not include abatements made for projects beginning in prior years.

Table 24: Estimated Total Economic Impact of New Investments in 2025 Enterprise Zone Program		
	Impact in 2025 (GLY 2024)	Revenue Earned Per \$1 of State Contribution
Abatements Claimed for New Investments	\$4,562,384	
Assumed State Reimbursement to Towns	\$2,281,192	
Estimated Net New Employment	2,614	
Estimated Total State Revenues*	\$13,540,101	\$5.94
Estimated Total State Expenditures	\$2,618,786	
Estimated Net State Revenue	\$10,921,315	

Source: DECD

*Note: Total state revenues and expenditures are the sum of the estimated new direct, indirect, and induced state revenues and expenditures generated by the program.

It is important to note that the purpose of the enterprise zone program is to incentivize private investment in communities that have experienced economic distress, and to yield benefits to the designated communities through new or improved real property values, increase in tenant occupancy rates, reduction of blight, additional taxable property for the local grand list, and benefits to the state as a whole with additional income tax revenues related to the new jobs created. The goal is that by locating in an area in which it normally would not, the company fuels local economic development by employing local residents, stimulating local businesses and strengthening the community's tax base.

iv. Recommendation

DECD recommends that the Enterprise Zone program continue due to its positive impact on state revenue.

9. Airport Development Zones

i. Program Description

Information on the Airport Development Zones can be found [here](#). Claims data from companies located in Airport Development Zones (ADZ) is included in the Enterprise Zone data provided to DECD by OPM. No new ADZ claims were filed in FY 2025.

ii. Recommendation

DECD does not have any recommended changes to the existing Airport Development zones.

B. Connecticut Innovations Business Tax Credit Programs

In this section, we present available information on tax credit programs that target economic development but are not administered by DECD. The analysis provides estimated activity incited by the credit, which is a measure of the direct economic activity associated with the credit. Additional information, including jobs data if available, can be found in Connecticut Innovations, Inc. (CI) annual report, linked on page 47.

DECD has not conducted an audit, review or compilation of the data provided by CI.

1. Angel Investor Tax Credit

i. Program Description

The Angel Investor Tax Credit is administered by Connecticut Innovations, Inc. It provides a credit for a cash investment of not less than \$25,000 in the qualified securities of a Connecticut business by an angel investor. The credit is applicable to taxable years beginning on or after January 1, 2010, and is applicable to the investors' personal income tax. Qualified Connecticut businesses must have been in business for fewer than seven years and have fewer than 25 paid employees, 75% of whom must be Connecticut residents. Gross revenue must be less than \$1 million and management and their families must have majority ownership of the venture.

An **angel investor** is an accredited investor, as defined by the Securities and Exchange Commission, or network of accredited investors who review new or proposed businesses for potential investment who may seek active involvement, such as consulting and mentoring, in a Connecticut business. The angel investor may apply to CI to reserve a tax credit equal to 25% of the cash investment. The angel investor must choose from a list of

Connecticut businesses that CI has determined are qualified to receive cash investments eligible for the angel investor tax credit. The angel investor must not have a majority ownership of the business.

The most current statistics for this program are shown below (2023 is the most recent tax year for which claims data is available), followed by a summary of the investments by industry.

Table 25: Angel Investor Tax Credit Program (01/2016–12/2025)	
Number of Investments	1,738
Investments in Qualified Connecticut Businesses	\$164,455,085
Tax Credits Issued (through 12/31/2025*)	\$41,089,017
Tax Credits Claimed (through 2023**, from DRS)	\$24,582,006

Source: Connecticut Innovations and DRS, *2025 data preliminary **latest available

Angel Investor Tax Credit claims were \$5.2 million in 2023, and the impact on annual state revenues over the last ten years is \$24.6 million of tax credits claimed against the personal income tax through 2023 (2024 claims data were not available at time of publication of this report). More information on the Angel Investor Tax Credit program can be found [here](#).

The businesses by broad industry category and the amounts invested in them are shown below.

Table 26: Angel Investments by Company Category 2016–2025	
Bioscience	\$63,874,236
Clean Technology	\$11,418,568
Information Technology	\$43,409,686
Advanced Materials	\$115,000
Other	\$45,637,594
Total	\$164,455,085

Source: Connecticut Innovations

Note: Numbers may not total due to rounding.

ii. Recommendation

Given the high utilization of this program by Connecticut’s targeted industry sectors, DECD recommends that the program continue and expand its scope to be competitive with other states’ programs

2. Sales and Use Tax Exemption

i. Program Description

The Sales and Use Tax exemption is administered by Connecticut Innovations, Inc. (CI). The exemption is for a company's anticipated qualifying capital equipment and/or construction materials. This exemption will relieve the company and/or the developer from Connecticut sales tax, up to a CI Board-approved amount. Active deals as of June 30, 2025, are listed in the table below.

Table 27: FY 2025 Sales and Use Taxes Exemption Active Deals				
Date Approved	Company Name	Approved Exemption	Eligible Purchase Total (based on 6.35% sales tax)	Exemption Used (through FY 2025)
06/18/18	Electric Boat	\$20,000,000	\$314,960,630	\$12,863,897
06/23/20	101 College Street, LLC	\$5,000,000	\$78,740,157	\$2,932,667
02/15/22	Travelers	\$750,000	\$11,811,024	\$40,523
06/09/23	Triumph	\$750,000	\$11,811,024	\$82,610
06/16/23	Rich Products	\$500,000	\$7,874,016	\$277,131
06/16/23	SP Residential	\$3,250,000	\$51,181,102	\$484,272
02/13/24	ASML	\$10,000,000	\$157,480,315	\$396,609
02/13/24	Made in Bridgeport	\$500,000	\$7,874,016	\$0
	TOTALS	\$40,750,000	\$641,732,284	\$17,077,710

Source: Connecticut Innovations

Companies currently active in the program have an approved total of \$40.75 million in sales and use taxes exemptions, of which \$17.08 million has been claimed. The eligible construction and capital expenses amount to \$641.7 million.

ii. Recommendation

DECD recommends that the program continue as it serves as a primary tool to retain and expand large business in Connecticut.

II. ECONOMIC DEVELOPMENT PROGRAMS AND ACTIVITIES

A. Economic Development Investment Analysis

A listing of DECD's Economic Development recipients can be found [here](#).

DECD's Recovery Bridge Loan recipients can be found [here](#).

The table below shows the various types of direct financial assistance DECD provided.

Table 28: Active Direct Assistance Portfolio Value by Assistance Type				
	FY 2025		Portfolio	
Assistance Type	Assistance Amount	Percentage of Total	Assistance Amount	Percentage of Total
Loans	\$0	0.0%	\$429,716,373	56.5%
Grants	\$11,718,608	100.0%	\$330,197,885	43.5%
TOTAL	\$11,718,608	100.0%	\$759,914,258	100.0%

Source: DECD

Note: Numbers may not total due to rounding.

The state's borrowing cost per the Office of the State Treasurer in FY 2025 was 3.59% for 20-year tax-exempt bonds. The following table provides a breakdown of DECD's active portfolio by funding source.

Table 29: Value by Funding Source						
	FY 2025			Portfolio		
Funding Source	No. of Companies	Assistance Amount	Percentage of Total	No. of Companies	Assistance Amount	Percentage of Total
MAA	3	\$11,718,608	100.0%	137	\$513,680,865	67.6%
EXP	0	\$0	0.0%	517	\$104,233,393	13.7%
Other	0	\$0	0.0%	2	\$142,000,000	18.7%
TOTAL	3	\$11,718,608	100.0%	656	\$759,914,258	100.0%
MAA - CI Seamless				6	\$600,000	N/A
EXP - Lending Partners				307	\$36,642,770	N/A
Inactive MAA Projects				14	\$76,118,000	N/A
Inactive EXP Projects				1,381	\$209,480,450	N/A

Source: DECD

Note: For MAA funding, only business assistance recipients are included in the count above. Manufacturing Innovation Fund projects funded with MAA funds are not included in this section. First Five and Grants-in-Arrears

recipients are included in MAA. Companies may have received funding under more than one program or under more than one contract. Companies assisted by DECD's lending partners and MAA-CI Seamless recipients are not listed on Open Data since compliance is managed by our Partner entity. Inactive projects include companies that have gone out of business, repaid their assistance and left the program, terminated their agreement or completed all the contract requirements. EXP projects contracted in FY 2012-2015 are all included in the inactive portfolio. MAA and "Other" projects are included in this report for 10 years. A company may appear on the active and inactive list if it has multiple contracts. Inactive projects, lending partner projects and Seamless projects are not included in the tables that follow unless otherwise noted. The Recovery Bridge Loans and Connecticut Hospitality Grants are not included in this section.

As a result of DECD's active business assistance investments of approximately \$760 million, an additional \$3.4 billion was invested in Connecticut's economy. In other words, for every dollar invested by DECD, approximately \$4.43 was invested by other sources into the same business projects.

Table 30: Active Portfolio Leverage Ratio			
	Leverage Ratio	Non-DECD Funds	DECD Investment
Active Portfolio	4.43	\$3,367,447,988	\$759,914,258

Source: DECD

Note: The table above includes \$1,184,000,000 in project costs for Lockheed Martin, a Special Act recipient. This is a \$140,000,000 grant with a total budget of \$19,341,402,994. Including the total \$19 billion budget would have skewed the leverage ratio.

In FY 2025, DECD estimated \$27,904,621 in MAA loans and \$20,398,455 in EXP loans to be uncollectable. This may include lending partner loans, Seamless loans, Bridge loans and include contracts that originated outside the scope of this annual report. In FY 2025, DECD forgave \$9,983,352 in MAA loans and \$120,000 in EXP loans (including lending partners) in response to companies satisfying contractual requirements.

The table below shows the industry mix of DECD's active business assistance portfolio.

Table 31: Active Portfolio Industrial Composition			
NAICS Code	North American Industry Classification System (NAICS) Category	Direct Assistance	Percentage
11	Agriculture, Forestry, Fishing and Hunting	\$4,757,300	0.6%
22	Utilities	\$780,000	0.1%
23	Construction	\$6,323,390	0.8%
31-33	Manufacturing	\$409,570,185	53.9%
42	Wholesale Trade	\$24,328,309	3.2%
44-45	Retail Trade	\$11,128,963	1.5%
48-49	Transportation and Warehousing	\$22,897,801	3.0%
51	Information	\$46,087,296	6.1%
52	Finance and Insurance	\$80,463,640	10.6%
53	Real Estate and Rental and Leasing	\$869,000	0.1%
54	Professional, Scientific, and Technical Services	\$62,915,749	8.3%
55	Management of Companies and Enterprises	\$8,700,000	1.1%
56	Administrative and Support/ Waste Management	\$14,517,521	1.9%
61	Educational Services	\$10,333,400	1.4%
62	Health Care and Social Assistance	\$22,043,298	2.9%
71	Arts, Entertainment and Recreation	\$12,541,000	1.7%
72	Accommodation and Food Services	\$15,045,557	2.0%
81	Other Services (except Public Administration)	\$6,611,849	0.9%
	TOTAL	\$759,914,258	100.0%

Source: DECD

Note: Numbers may not total due to rounding.

B. Job Creation and Retention Analysis

The following information is a summary of job audits that have been conducted for companies in DECD's portfolio (Direct Assistance, R&D and JobsCT and URA Tax Credits) that have contractual employment obligations.

Table 32: Business Assistance Portfolio Job Audit Results as of June 30, 2025						
Status	No. of Audits Completed	Jobs to be Retained	Jobs to be Created	Total Job Obligation	Actual Jobs at Audit	Requirement Attained
Met	993	34,357	12,627	46,984	57,359	122.1%
Not Met	442	7,289	3,120	10,409	7,066	67.9%
Total	1,435	41,646	15,747	57,393	64,425	112.3%

Source: DECD

Note: A company may have more than one audit over a span of several years. The results above are not meant to show the results of the company's final job audit. Companies that partially met their goal and earned an incentive are considered Met in the table above. Duplicate jobs retained, created and jobs per audit have been removed from this analysis across contracts and programs. This table does not include companies that went out of business but includes audits for other inactive companies, including 2012–2015 EXP projects. COVID-19 assistance programs do not have contractual employment obligations.

C. Wage Analysis

Tables in this section provide the results of a FY 2025 active portfolio wage analysis based on survey results. Please note that Recovery Bridge Loan recipients are not included in this section.

Table 33: Active DECD Portfolio Wage Analysis Based on Survey Responses	
Weighted Average	\$121,555
High	\$208,152
Low	\$30,000
Median	\$67,144

Source: DECD

The following table shows the portfolio wage data, stratified by industry.

Table 34: Business Assistance Portfolio Wages by Industry			
NAICS Code	North American Industry Classification System (NAICS) Category	No. of Companies	Portfolio Weighted Average Wage
11	Agriculture, Forestry, Fishing and Hunting	2	\$41,330
22	Utilities	1	\$100,000
23	Construction	8	\$69,663
31-33	Manufacturing	47	\$68,808
42	Wholesale Trade	5	\$144,757
44-45	Retail Trade	9	\$63,484
48-49	Transportation and Warehousing	2	\$105,236
51	Information	3	\$196,119
52	Finance and Insurance	5	\$112,514
53	Real Estate and Rental and Leasing	1	\$53,338
54	Professional, Scientific and Technical Services	19	\$139,503
56	Administrative and Support and Waste Management and Remediation Services	5	\$92,570
62	Health Care and Social Assistance	8	\$54,055
71	Arts, Entertainment and Recreation	2	\$70,000
72	Accommodation and Food Service	8	\$47,803
81	Other Services (Except Public Administration)	4	\$85,682

Source: DECD

D. Economic Development Direct Assistance Programs

1. Manufacturing Assistance Act (MAA)

i. Program Description

The MAA program was DECD's primary funding source for providing direct financial assistance to businesses. Per [CGS Sec. 32-221](#), the goals of the MAA program are to:

- Promote the retention, expansion, and diversification of existing manufacturing and other economic base businesses in targeted industries.
- Encourage manufacturing and other economic base businesses from other geographic areas to locate into the state.

- Enhance employment opportunity and the tax base of communities, particularly in the state's more economically disadvantaged communities.

An analysis of the MAA portfolio shows these goals are being met. Approximately 72% of MAA active assistance has gone to businesses in the manufacturing, finance and insurance and professional service industries. 36 MAA recipients are located in the state's distressed municipalities. Companies in DECD's MAA portfolio (active and inactive) have committed to create 11,015 jobs and retain 29,694 jobs. Please note these job numbers have been adjusted for duplication across contracts and programs.

Table 35: MAA Financial Assistance Per Job to be Created or Retained Based on Maximum Contractual Job Obligations

Total Assistance	\$589,798,865
Jobs to be Created or Retained	40,709
Financial Assistance per Job	\$14,488

Source: DECD

Notes: This calculation includes the Active and Inactive MAA projects. This table reflects a company's maximum job obligation and does not reflect actual jobs created or retained. Duplicate jobs to be created/retained have been removed. Duplicates could be caused by a company having multiple MAA contracts or MAA/URA contracts. Jobs for ASML are included in the Stranded Tax Credit section of this report.

ii. Estimated Direct Economic Impact

The table below shows the cumulative direct impact of the MAA program over the most recent 10 years (FY 2016 – FY 2025). The direct jobs are those reported to DECD as newly created jobs while active in the program. This data is obtained through company surveys and audits. The direct net state revenue estimated below is the difference between the direct revenues generated by the program and its direct expenses. The direct impact comes from the jobs created at the company and capital expenditures made by the recipients of the MAA funds, so the direct revenues under the program are the estimated income taxes and sales taxes generated by each of these respectively. The direct expenses are the costs to the state government to fund the program, which is the estimated debt service it pays on the bonds issued to finance MAA grants and loans. These costs

are offset by the repayments of loans made by the recipients and any penalties they pay for not meeting the required conditions after receiving the funds. Earned forgiveness reduces the loan repayment amounts and is incorporated into the totals as well. Some companies were eligible for exemptions under the sales and use tax exemption program administered by Connecticut Innovations, Inc.; the exemptions claimed through FY 2025 were deducted from the revenue estimations.

Table 36: MAA Estimated Direct Economic Impact FY 2016–2025	
New Jobs Reported – Annual Average Above Baseline*	5,651
Average Direct Net State Revenue	\$22,009,853
Cumulative Direct Net State Revenue	\$220,098,534

Source: DECD analysis

Note: *Direct jobs taken into account for the direct impact estimations only include data from company surveys and completed audits taken while the company was active in the program. Retained jobs are not included in this estimation. Direct State Revenue does not include estimates of corporate business taxes or other direct taxes.

The direct net revenue above shows that on *average* estimated direct revenues exceeded the estimated costs of the program by over \$22 million a year over the last ten years, as the estimated cumulative total of the net direct revenue it generated over this time period is over \$220 million (in nominal dollars). This analysis does not include any potential downstream (i.e. indirect and induced) impacts in the economy from the additional spending or jobs created.

iii. Recommendation

DECD recommends continuing the program due to its positive impact on state revenue. The recently launched Strategic Supply Chain Initiative was funded through reallocating previous MAA grant and loans that never came to fruition, and is an example of innovative programming that DECD can create using this flexible funding stream.

2. Small Business Express Program (EXP)

i. Program Description

The goal of the EXP program was to provide the capital necessary to fuel small business growth. The 1,915 companies funded through the EXP program have committed to create 7,768 jobs and retain an existing

20,692 jobs. (Please note job numbers have been adjusted for duplication across contracts and programs.)

Table 37: EXP Financial Assistance Per Job to be Created or Retained Based on Contractual Requirements	
Total Assistance	\$313,713,843
Jobs to be Created & Retained	28,460
Financial Assistance per Job	\$11,023

Source: DECD

Note: This calculation includes the Active and Inactive EXP portfolios. The inactive portfolio includes EXP projects funded in FY 2012, 2013 and 2014. This table reflects a company's maximum job obligation and does not reflect actual jobs created or retained. Duplicate jobs to be created/retained have been removed. Duplicates could be caused by a company having multiple EXP contracts or an EXP and MAA contract. If a company has funding from both EXP and MAA, the EXP job requirement was reduced to 0 regardless of the timing of the MAA and EXP contracts.

The EXP portfolio delinquency rate is approximately 11.6% based on a total loan portfolio value of over \$243,708,090 and 3,204 loans disbursed. The EXP portfolio for the delinquency rate calculation includes Recovery Bridge loans, certain EXP projects funded with MAA funds and may include certain lending partner projects.

ii. **Estimated Direct Economic Impact of the EXP Program:**

The table below shows the estimated direct impact of the EXP Program from its inception through FY 2025. The direct jobs are those reported to DECD as newly created jobs while active in the program. This data is obtained through company surveys and audits, and does not include retained jobs and newly created jobs not yet reported to DECD. The direct net state revenue is defined as the difference between the direct revenues generated by the program and its direct costs. The direct impact comes from the jobs and capital expenses created by the recipients of the EXP funds, so the direct revenues under the program are the estimated income taxes and sales taxes generated by each of these respectively. The direct costs are the costs to the state government to fund the program, which is the estimated debt service it pays on the bonds issued to finance EXP grants and loans. These costs are offset by the repayments of loans made by the recipients and any penalties they pay for not meeting the required conditions after receiving the funds. Any loan forgiveness earned is

incorporated into the analysis.

Table 38: EXP Estimated Direct Economic Impact FY 2012–2025	
New Jobs Reported – Annual Average Above Baseline	6,051
Average Estimated Direct Net State Revenue	\$10,727,840
Cumulative Estimated Direct Net State Revenue	\$150,189,762

Source: DECD analysis

Note: Direct jobs taken into account for the direct impact estimations only include data from completed audits taken while the company was active in the program. Retained jobs are not included in this estimation. Recovery Bridge Loans are not included in this analysis. Direct State Revenue does not include estimates of corporate business taxes or other direct taxes.

The direct net revenue shows that on average estimated direct revenues exceeded the estimated costs of the program by over \$10 million per year over the life of the program to date through FY 2025, and the estimated cumulative total of the net direct revenue it generated is over \$150 million. This analysis does not include any potential downstream impacts (i.e. indirect and induced) on the economy from the additional spending or jobs created.

iii. Recommendation

DECD has transitioned out of the direct lending business and is partnering with the private sector to incentivize increased lending to small businesses particularly in undercapitalized and under-resourced communities via the Connecticut Small Business Boost Fund.

3. Other Funding Sources

DECD has two projects that received direct financial assistance from a program other than MAA or EXP: Lockheed Martin and Avelo Airlines. The Financial Assistance per job for Lockheed Martin is reported in the tax credit section of this report. Avelo Airlines does not have a contractual job creation or retention requirement.

E. Other Business Support Programs Administered in FY 2025

1. Connecticut Small Business Boost Fund

i. Program Description

Information on the Small Business Boost Fund program can be found [here](#).

A list of Boost loan recipients can be found [here](#).

Table 39: Boost Program Activity as of June 30, 2025			
	Companies Assisted	Value of Loans Funded	Jobs at Application
Loan Program	619	\$78,762,839	3,907
Technical Assistance Program	1,261	N/A	3,107

Source: Grow America. Note: Companies may have received funding and/or technical assistance more than once. Jobs at application have been reduced to remove duplication from within the loan program. There may be duplication between the loan program and technical assistance program.

The table below shows the general categories of such businesses assisted:

Table 40: Boost Program Industry Composition			
Industry	Number of Loan Portfolio Companies	Loan Portfolio Value	Number of Technical Assistance Portfolio Companies
Accommodation & Food Service	27	\$2,386,223	85
Agriculture	2	\$100,000	12
Business Services	53	\$9,558,229	70
Construction	49	\$5,990,800	143
Dentists/Physicians	7	\$440,000	4
Educational Services	18	\$2,249,536	50
Finance & Insurance	19	\$1,868,873	13
Gas Stations & Convenience Stores	4	\$171,806	4
Healthcare & Social Assistance	54	\$7,005,103	75
Hotels	2	\$435,000	0
Information Technology	13	\$1,656,058	21
Landlord	2	\$31,844	7
Manufacturing	60	\$12,160,858	37
Other	79	\$7,747,384	251
Professional Services	75	\$7,772,477	100
Real Estate	6	\$551,000	36
Restaurant	40	\$5,647,320	64
Retail	61	\$7,569,800	162
Transportation & Warehousing	28	\$2,526,092	97
Waste Management	7	\$1,116,545	10
Wholesale Trade	13	\$1,777,891	20

Table 40: Boost Program Industry Composition

Industry	Number of Loan Portfolio Companies	Loan Portfolio Value	Number of Technical Assistance Portfolio Companies
TOTAL	619	\$78,762,839	1,261

Source: Grow America

The Boost Program is administered by Grow America. The Boost Program does not have contractual job creation or retention requirements. The purpose of the program is to help local communities recover from the impacts of the COVID-19 pandemic by assisting businesses with rebuilding and expanding and encouraging the formation of new businesses. As of FY 2025, the state's contribution to the program was \$50 million and banks have committed approximately \$55.3 million.

There are two tranches to align funding with the timing of cash needs and minimize interest expense. The default rate of the boost program is 9% for Tranche A and 3% for Tranche B. Write-offs for Tranche A and Tranche B are 13% and 1%, respectively. At this time, it appears that the fund will revolve and continue lending after the initial state funds are disbursed, and the program will become self-sustainable.

ii. Recommendation

Due to the utilization by Connecticut small businesses and anticipated self-sustainability, DECD recommends this program continue while continuing to evaluate its impact.

2. Canna-Business Revolving Loan Program

i. Program Description

The Canna-Business revolving loan program is jointly administered by DECD and the Social Equity Council (SEC). Information on the Canna-Business Revolving Loan program can be found [here](#). A list of recipients can be found [here](#).

Table 41: Canna-Business Program Activity as of June 30, 2025

FY 2025		Portfolio	
Number of Companies	Loan Amount	Number of Companies	Loan Amount
4	\$1,680,000	4	\$1,680,000

Source: SEC

Note: FY 2025 was the first-year loans were contracted under this program.

This program does not have contractual job creation or retention requirements. The state's investment leveraged \$459,500 in private funding for a leverage ratio of .27.

ii. Recommendation

DECD recommends administration this program be fully transferred to SEC due to their knowledge and expertise of the industry. DECD can continue to provide support through the existing Memorandum of Understanding between SEC and DECD.

3. Recovery Bridge Loan

i. Program Description

In response to the COVID-19 pandemic, DECD administered the Recovery Bridge Loan Program out of available EXP appropriations. The goal of the Bridge Loan Program was to provide emergency cash flow relief to small businesses and nonprofits with 100 or fewer employees who were negatively impacted by the pandemic. DECD entered into 2,122 contracts for interest free loans totaling \$41,833,220. Recipients do not have a job creation or retention requirement. As of June 30, 2025, \$39,436,482 was repaid.

ii. Recommendation:

This was a short-term crisis response program and has been discontinued.

4. COVID-19 Hospitality Support Grant

i. Program Description

DECD and DRS partnered to administer the Hospitality Support Grant program. Grants between \$7,500 and \$49,999 were provided directly to businesses in the hospitality sector, hardest hit by the pandemic. 1,648 companies received \$26,596,259 from this program.

ii. Recommendation:

This was a short-term crisis response program, funded by the American Rescue Plan Act (ARPA), and has been discontinued.

5. Manufacturing Innovation Fund (MIF)

i. Program Description

The MIF was created to support the growth, innovation, and progress of Connecticut's advanced manufacturing sector. The MIF programs are centered on four principles: accelerate growth, cultivate talent, develop talent, and facilitate innovation.

The Board's 2025 Annual Report can be found [here](#).

ii. Recommendation:

DECD recommends the continuation of this program since it has yielded positive benefits for Connecticut's manufacturing industry.

6. Minority Business Revolving Loan Fund (MBRLF)

i. Program Description

The MBRLF is a component of the Small Business Boost Fund pursuant to [CGS Sec. 32-7g](#). Financial assistance under this program is in the form of loans targeting minority businesses. Hartford Economic Development Corporation (HEDCO), Inc. was chosen to administer the program through a request for proposal process.

Table 42: Minority Business Revolving Loan Fund Program Activity as of June 30, 2025

MBRLF Program	Amount Allocated	Amount Disbursed	No. of Loans	Funds Available
HEDCO/Spanish American Merchants Association (SAMA) COVID-19	\$5,000,000	\$5,000,000	486	\$0.00
HEDCO/SAMA Small Business Support	\$3,000,000	\$3,000,000	325	\$0.00
HEDCO/ Society for Human Engagement and Business Alignment (SHEBA)	\$3,000,000	\$1,828,019	48	\$1,171,981
New Haven Partnership Loan Program (NHPLP)	\$275,040	\$275,040	31	\$0.00
MBRLF	\$16,224,960	\$11,593,700	142	\$4,631,260
TOTAL	\$27,500,000	\$21,696,759	1,032	\$5,803,241

Source: HEDCO

Note: Includes New Haven Partnership Lending Program recipients which were partially funded with MBRLF dollars.

This program has been critical to supporting small businesses.

ii. Recommendation

DECD recommends the continuation of this program since it helps small businesses in underserved communities with less access to capital.

7. International Trade and Foreign Direct Investment

i. Program Description

The role of the International and Domestic Business Development Team is to facilitate commercial, international, and out-of-state activities in Connecticut and to support protocol duties for members of the international diplomatic corps and foreign delegations visiting Connecticut in conjunction with the state's economic development objectives.

Accomplishments during FY 2025 include:

- Governor Lamont's economic development mission to India and the Paris Air Show to meet with businesses interested in expanding operations to the state.
- Connecticut's presence and participation at the 2025 Select USA Summit and 2025 Paris Air Show in Le Bourget, France.
- DECD was awarded and administered \$240,000 in Federal FY 2024-2025 State Trade and Export Promotion (STEP) grant funds from the U.S. Small Business Administration. The purpose of the grant is to increase the number of small businesses that export, increase the value of exports for current small business exporters, and increase significant new trade opportunities for small businesses. DECD funded 50 STEP projects. Common uses of the STEP grant funding were to support international trade show participation, website translations, localization, and search engine optimization, in addition to the various services provided through the U.S. Commercial Service office located in Middletown, CT.
- DECD also served on committees and boards of various internationally-oriented organizations, including the Council of State Government's Eastern Trade Council (ETC), State International

Development Organizations (SIDO), and MetroHartford Alliance's Global Business Committee.

8. Small Business Support Grant Program

i. Program Description:

In FY 2023, DECD began administering the Small Business Support Grant Program to expand small business assistance programs across Connecticut. Grants were provided to local nonprofit economic development organizations that provide a wide array of assistance to support the formation, growth, and innovation of small businesses.

Table 43: Small Business Support Grant Program Recipients

Recipient	Operating Expense Award	Business Grant Award	Grants Issued as of June 30, 2025
Black Business Alliance	\$1,805,000	\$1,000,000	\$409,000
Community Foundation for Greater New Haven	\$2,300,000	\$4,900,000	\$2,490,500
Girls for Technology	\$5,000,000	\$0	\$0
HEDCO/SAMA	\$4,288,027	\$4,000,000	\$2,467,613
Middlesex County Revitalization Commission	\$521,950	\$1,078,050	\$601,380
Minority Construction Council	\$1,000,000	\$0	\$0
Realist Lab	\$4,000,000	\$1,000,000	\$278,000
Reset/First Night	\$2,055,000	\$170,000	\$48,300
Southeastern CT Enterprise Region	\$1,000,000	\$3,597,945	\$1,480,334
Women's Business Development Council	\$4,345,942	\$11,918,833	\$8,434,744
TOTAL	\$26,315,919	\$27,664,828	\$16,209,871

Source: DECD

ii. Recommendation:

DECD recommends this program continue under the existing five-year contracts while evaluating and assessing changes that may need to be made moving forward to best serve the small business community.

9. Business and Industrial Development Corporations (BIDCO)

i. Program Description

In the 2023 legislative session the legislature authorized up to \$15 million in state general obligation bonds for eligible BIDCOs licensed by the Connecticut Department of Banking. BIDCOs are small private lenders

focused on lending to disadvantaged communities. Grantees may use up to 10% of their award for operational costs or to establish a loan reserve fund.

As of FY 2025 DECD contracted with one BIDCO that was licensed by the Connecticut Department of Banking and one small business loan has been approved.

Table 44: BIDCO Program Activity as of June 30, 2025			
BIDCO	Contract Amount	Loans Approved	Loan Amount
Capital Business Lenders	\$5,000,000	1	\$35,000

Source: DECD

ii. Recommendation:

This program is new and activity has just begun. DECD recommends that this program continue to evaluate its impact.

10. Tech Talent Fund

i. Program Description

DECD administers the [Tech Talent Fund](#), a resource for both workers and employers to ensure Connecticut has the workforce talent needed to fuel growth in its tech sectors. After issuing a comprehensive report on strategies to address the issue in December 2016, DECD began making a series of strategic investments.

Table 45: Tech Talent Fund Activity as of 6/30/2025	
Recipient	Contract Amount
Connecticut Innovations	\$500,000
Tech Talent South, LLC	\$1,250,000
District Arts & Education, Inc.	\$2,800,000
General Assembly Space, Inc.	\$1,250,000
SkillUp CT	\$352,000
180 Skills	\$422,200
Capital Workforce Partners	\$1,383,136
New England Board of Higher Education	\$2,045,880
Capital Workforce Partners	\$1,660,385

Table 45: Tech Talent Fund Activity as of 6/30/2025	
Recipient	Contract Amount
ReadyCT	\$215,000
TOTAL	\$11,878,601

Source: DECD

ii. Recommendation

DECD recommends the administration of the Tech Talent Fund continue to ensure Connecticut secures the workforce needed to fuel growth in these key sectors.

11. Programs Administered by Connecticut Innovations (CI)

i. Program Description

In accordance with [CGS Sec. 32-47a](#), CI is required to submit an annual report to the state legislature. CI's 2025 annual report can be found [here](#). CI [reported](#) 2,220 direct jobs in 202 venture companies in FY 2025. It is important to note that CI and DECD fund some of the same companies. Combining CI's and DECD's numbers would likely lead to double counting in certain categories such as number of recipients, leveraged dollars, jobs to be created or retained and economic impact.

Additionally, in 2024, CI commissioned an independent economic impact analysis of their programs. The results of that report can be found [here](#). The estimated fiscal impact of CI's FY 2025 programs, based on the most recent return on investment (ROI) estimates available from the economic impact analysis linked above, are reported below.

DECD has not conducted an audit, review or compilation of the reports linked in this section.

Table 46: Estimated Fiscal Returns of CI Programs FY 2025			
CI Program	State and Local ROI* per \$1 Invested	Deals Closed in FY 2025	Impact on State and Local Revenues
Venture Program	\$5.46	\$37,749,485	\$206,112,188
Loan Program	\$0.81	-	-
Sales and Use Tax Exemption Program	\$0.08	\$850,000	\$68,000
Innovation Program (CBIF)	\$0.04	\$7,832,436	\$313,297

Total CI Program Investments	\$4.45	\$46,431,921	\$206,493,486
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Source: CT Innovations. *ROI estimates from 2024 TEconomy report based on data for the year ending June 30, 2023.

ii. **Recommendation**

DECD recommends that the state continues to support CI programs due to its strong overall ROI. CI is Connecticut’s strategic venture capital arm and is the leading source of financing and ongoing support for innovative, growing companies. By offering equity and debt investments, strategic guidance and introductions to valuable partners, CI helps promising businesses to thrive.

F. Office of the Permit Ombudsman (OPO)

The Office of the Permit Ombudsman (OPO) was created within DECD to expedite regulatory state agency approvals for qualified economic development projects that need environmental, public health, and transportation permits. The Permit Ombudsman (PO) acts as a facilitatory between state regulatory agencies and businesses to fast-track projects through regulatory approvals and to resolve permitting issues.

FY 2025 OPO Activities:

- The PO worked very closely with the Department of Energy and Environmental Protection's Client Concierge Team and Department of Transportation to better facilitate communications and responsiveness between DECD and its clients with priority development projects.
- The PO assisted in coordinating pre-application meetings with regulatory agencies for businesses seeking to expand or relocate in Connecticut, helping to outline processes and timelines for obtaining critical permits and approvals.
- The PO dedicated significant time to facilitating permits and approvals for the Amazon Waterbury-Naugatuck facility, ensuring timely receipt of permits necessary for critical development milestones achieved in April. The Commissioner attended the groundbreaking ceremony in October 2025.
- DECD initiated internal discussions with the Offices of State Historic Preservation, Brownfield Remediation and Development, Business Development, and Community Development to enhance communication, support permit-expediting activities, and share project inquiries.

Table 47: FY 2025 Permits Ombudsman Activity

Municipality	Applicant Name	Date of Request	Reasons for Eligibility	Client Specific Needs	Agencies Involved	Type of Permit	Date Permit Submitted	Expected Timeframe	Dates of Granting / Denying
Southington	Turning Earth Central	3/5/25	ED	Anaerobic digester to turn food waste into reusable products	DEEP	NDDB	3/10/25	30 Days	4/10/25
Waterbury / Naugatuck	Amazon Fulfillment Center	1/21/25	ED	Critical milestones must be rectified by end of April	DEEP, DOT	OSTA MGT. DEEP SW, NDDB	2/7/25 – OSTA Comments Received OSTA sent review comments on 2/7/25. 2/21/25 – Consultant response provided 3/14/25 – OSTA provide Step 2 approval or OSTA final comments to be received. OSTA Certificate issued on 4/29/25 3/26/25 – Consultant response provided 4/4/25 – OSTA provide Step 2 approval	All permits obtained to achieve Amazon needs	DEEP Permits 4/10/25 DOT OSTA 4/29/25
Newtown	NDA	6/13/25	ED	-	DOT	OSTA	-	-	OSTA can start the review process as they submit for P&Z review/approval. OSTA cannot issue an approval until they have local P&Z approval, so OSTA approval for the allowable development can match what was approved at the local level.

Norwich	NDA	6/20/25	ED	Norwich Community Development Corp. was asking to cover costs for breaking the non-access line and completing the non-swap	DEEP, DOT	OSTA/FHWA DEEP-401 ACOE 404 NDDB, SW, LWRD, ACOE 404	Pre-app Meeting with DEEP on 7/28/25 Meeting with DOT on 6/23/25	Project Manager monitoring	NCDC must cover the costs despite state funding provided; payment is required for a break in the non-access highway line under CGS 13a-80 / 13a-80a. Additionally, since this is a federal highway, FHWA approval is necessary. Pursuant to 23 CFR 710.403, fair market value must be charged for any property dispositions—regardless of whether state grant funds are used for the development. As such, both state and federal requirements mandate that CTDOT receive payment.
Waterford	Electric Boat	6/4/25	ED	Inquire about facility for R/D relocation into existing Crystal Mall facility	DOT, OSTA	Traffic Study, OSTA MGT	Traffic study must be done first, followed by municipal approval	Electric Boat recently acquired Crystal Mall. The project is ongoing	-

Source: DECD, Office of the Permit Ombudsman

G. Office of Brownfield Remediation and Development (OBRD)

A brownfield is any abandoned or underutilized site where redevelopment and reuse has not occurred due to the presence of pollution in the buildings, soil or groundwater that requires remediation before or in conjunction with the restoration, redevelopment, or reuse of the property.

Information on DECD's Brownfield programs can be found [here](#). A listing of DECD's Brownfields program recipients can be found [here](#).

The Office of Brownfield Remediation and Development (OBRD) is a dedicated office within DECD with the primary mission to be a one-stop resource for brownfield development in Connecticut. As such, OBRD coordinates the state's response for brownfield assistance to communities and businesses. Brownfield redevelopment projects are usually long term and have a variety of complicated environmental, legal, and financial obstacles to overcome.

Since FY 2016, DECD has funded 265 brownfield projects spanning over 72 municipalities with approximately \$332 million in funding through a mix of loans and grants. This funding has leveraged approximately \$3.92 billion in other funds, resulting in a leverage ratio of approximately \$12 invested by non-DECD partners for every dollar of OBRD funding.

Table 48: Brownfield Funding Activity

	No. of Projects	Total DECD Investment	Non- DECD Funds	Leverage Ratio	Impacted Acreage
FY 2025	47	\$88,084,457	\$468,130,227	5.31	1,071.38
Brownfield Portfolio (FY 2016 – FY 2025)	265	\$332,184,288	\$3,920,639,947	11.80	3,812.11

Source: DECD/ OBRD

Note: Brownfield Program Activity statistics also include the federal EPA RLF program. The number of projects and acreage columns may have been adjusted to eliminate duplication for sites that have received funding in multiple phases, or under multiple contracts/programs.

OBRD collaborates with state agency partners such as the CT Department of Energy and Environmental Protection, the CT Department of Public Health, federal agency partners such as the Environmental Protection Agency, as well as local partners like the regional councils of governments to bring back brownfields into economic use.

In this past fiscal year, OBRD conducted two competitive funding rounds under

the Brownfield Municipal Grant Program ([CGS Sec. 32-763](#)) and the Targeted Brownfield Loan Program ([CGS Sec. 32-765](#)). OBRD announced approximately \$20 million on December 4, 2024 (Round 20) and \$18.8 million on June 12, 2025 (Round 21) of grant and loan funding for a total of 44 projects across 28 municipalities in the state. This assessment and cleanup funding will help remediate and redevelop brownfield sites so that they can be put back to productive use. Many of the remediation grant awards are for public-private partnerships that are also leveraging significant private investment in the state.

The table below shows DECD's brownfield funding activity by program.

Table 49: Brownfield Funding Activity by Program				
	FY 2025		Portfolio (FY 2016–2025)	
Program Name	No. of Projects	Total DECD Investment	No. of Projects	Total DECD Investment
Remedial Action and Redevelopment Municipal Grant	36	\$37,160,757	181	\$144,916,538
Targeted Brownfield Development Loan	1	\$2,201,700	37	\$65,938,291
Brownfield Area-Wide Revitalization Planning Grant	5	\$822,000	19	\$3,292,000
State-Owned Brownfield Properties Program	0	\$0	4	\$15,915,595
Special Contaminated Property Remediation and Insurance Fund Revolving Loan	0	\$0	5	\$665,864
Urban Action Program and Special Act	1	\$700,000	8	\$25,006,000
U.S. EPA Revolving Loan Fund	1	\$300,000	2	\$930,000
MAA	0	\$0	0	\$500,000
Urban Sites Remedial Action	2	\$16,600,000	5	\$22,170,000
Community Investment Fund	1	\$30,300,000	4	\$52,850,000
TOTAL	47	\$88,084,457	265	\$332,184,288

Source: DECD/OBRD

Note: Brownfield Program Activity statistics also include the federal EPA RLF program. *The number of projects and acreage columns may have been adjusted to eliminate duplication of sites that have received funding in multiple phases, or under multiple contracts/programs. In previous years, the Brownfield Municipal Grant was known as the Remediation Action and Redevelopment Municipal Grant Program.

DECD has several non-funding Brownfield programs. Activity for those programs is below.

Table 50: Non-Funding Brownfield Program Activity		
Program	FY 2025 Approvals	FY 2016–2025 Active* Approvals
Brownfield Remediation and Revitalization (BRRP) Liability Relief Program	6	71
Abandoned Brownfield Cleanup (ABC) Liability Relief Program	4	64
Connecticut Brownfield Land Bank Program – Land Bank Approvals	0	3

Source: DECD

Note: *Occasionally, the BRRP and ABC approvals are withdrawn due to property transactions not occurring. Therefore, only active approvals for this period have been reported.

i. Recommendation

DECD recommends the continuation of the Brownfields programs because they remain critical to Connecticut's economic development and environmental health.

- High Demand and Proven Success: There is sustained demand for Brownfield funding across the state, and the program has a strong track record of success.
- Significant Leverage of Public Investment: Every dollar of OBRD funding leverages approximately \$12 in non-DECD investment, multiplying the impact of state resources.
- Ongoing Need: Hundreds of contaminated sites remain statewide, representing untapped opportunities for redevelopment and economic growth.
- Leveling the Playing Field: Brownfield sites are more complex and costly to develop than greenfields. Public investment ensures these properties can compete and be returned to productive use.
- Community and Public Health Benefits: Beyond economic returns, cleanup reduces blight, improves public health and safety, and revitalizes neighborhoods—delivering long-term, intangible benefits to communities.

The OBRD also manages the state's Dry Cleaning Establishment Remediation Fund (DCERF), which provides grants to eligible dry cleaning business operators and owners for the assessment, cleanup, containment or mitigation of pollution resulting from releases of chemicals used in dry cleaning. For more information on the program please click [here](#). The dry cleaning portfolio can be found [here](#).

The table below outlines the FY 2025 activity for that program.

Table 51: Dry Cleaning Remediation Funds FY 2025 Activity		
Applicant	Dry Cleaning Establishment/Address	Grant Amount
Torrington Developers, LLC	Santoro's Cleaners 1270-1288 East Main Street, Torrington, CT 06480	\$300,000
TOTAL		\$300,000

Source: OBRD, DECD

DECD invites businesses on a waiting list to formally apply when funding becomes available. This waiting list was created when applications were accepted between 2014 and 2017. Each applicant can request a maximum of \$300K from the DCERF. There are still over 25 applications on the waiting list yet to be funded under the program; therefore, no new applications for funding are being accepted. DECD recommends the continuation of this program due to ongoing demand and its importance in addressing environmental contamination from dry cleaning operations.

III. COMMUNITY DEVELOPMENT PROGRAMS

A. Community Development Impact

DECD's broad community development portfolio includes a wide variety of project types including arts and entertainment, economic development planning, and technical program support. Community development activities create the environment necessary for sustainable economic growth, stable neighborhoods, and healthy communities. Community development activities address the quality-of-life issues that create and reinforce the foundation that effective economic and housing development depend upon for success.

DECD recommends the continuation of these programs and supports the ongoing partnership between the department and its community development partners.

B. Office of Community Development

A complete listing of DECD's Community Development recipients can be found [here](#).

DECD's Community Development Portfolio includes projects funded through a variety of programs including the Small Town Economic Assistance Program, Urban Act Grant Program, Community Investment Fund, the Connecticut Communities Challenge, select MAA and select Local Transportation Capital Improvement Program (LOTICIP). In FY 2025 the state invested over \$132 million into 64 community development projects, bringing DECD's 10-year portfolio value to almost \$706 million.

Table 52: DECD Office of Community Development Activity				
	No. of Projects	Leverage Ratio	Total Project Cost	State Investment
FY 2025	64	5.44	\$853,782,682.50	\$132,488,084.50
CD Portfolio	434	2.29	\$2,319,805,566	\$705,764,810

Source: DECD

C. Community Investment Fund (CIF) 2030

The Community Investment Fund 2030 (CIF), authorized in [Sec. 32-285a](#) of the Connecticut General Statutes, was launched in FY 2022. CIF fosters economic development in historically underserved communities across the state. CIF is providing a total of up to \$676 million over five years to eligible municipalities as

well as not-for-profit organizations and community development corporations that operate within them. Municipalities designated as Public Investment Communities, Alliance Districts, and/or Distressed Municipalities are eligible. DECD acts as Administrator.

Grants are available for:

- Capital improvement programs, such as brownfield remediation, affordable housing, infrastructure, clean energy development, and home or public facility rehabilitation
- Planning grants provide applicants resources to develop a comprehensive plan for a CIF eligible project. Eligible activities include community engagement processes, feasibility studies, sustainability analysis and planning, development of a project plan, development of construction budgets and conceptual drawings, environmental tests, analysis and other property reports.

The CIF Board of Directors, comprised of members of the executive and legislative branches, reviews applications and makes recommendations to the Governor and State Bond Commission. The CIF FY 2025 Annual Report can be found [here](#).

D. Office of Community Economic Development Assistance (OCEDA)

DECD stood up the Office of Community Economic Development Assistance (OCEDA), authorized through Sections 118-121 of Public Act 24-151, in October 2024. OCEDA has a website, located [here](#), providing the map of eligible target areas and the Community Development Corporation (CDCs) certification process consistent with the statute. DECD communicated the launch of the webpage to each municipality with an eligible census tract.

DECD issued one approval in FY 2025.

Table 53: CDC Certifications as of June 30, 2025	
Name	Date Certified
Clay Arsenal CDC	February 3, 2025

Source: DECD

E. State Historic Preservation Office (SHPO)

Located within the Department of Economic and Community Development, the State Historic Preservation Office (SHPO) is responsible for overseeing the governmental program of historic preservation for Connecticut's citizens. SHPO administers a range of federal and state programs that identify, register and protect the buildings, sites, structures, districts and objects that comprise Connecticut's cultural heritage. All (50) US States, (5) Territories, (3) Freely Associated States, and the District of Columbia have a designated State Historic Preservation Office.

1. Tax Credits

A listing of DECD's SHPO tax credit recipients can be found [here](#).

Under its two tax credit programs, in FY 2025 SHPO issued over \$11 million in tax credit vouchers to 79 recipients.

Table 54: FY 2025 SHPO Tax Credit Activity		
Tax Credit Program	Number of Vouchers Issued	Voucher Amount
Historic Rehabilitation Tax Credit	7	\$10,247,091
Historic Homes Rehabilitation	72	\$1,183,940
TOTAL	79	\$11,431,031

Source: DECD

Additionally, SHPO processed 17 new projects under the federal historic rehabilitation tax credit program. For annual reports of the federal historic tax credit program visit the [National Park Service's website](#).

2. Grants

In FY 2025 SHPO granted over \$1.7 million in grants to 43 eligible recipients through its various grant programs. A listing of DECD's SHPO grant recipients can be found [here](#).

Table 55: FY 2025 SHPO Grant Activity		
Program	Number of Recipients	Grant Amount
Historic Restoration Fund	9	\$1,009,000
Partners In Preservation	3	\$265,000
Historic Preservation Survey & Planning	31	\$463,500
TOTAL	43	\$1,737,500

Source: DECD

F. Connecticut Office of the Arts (COA)

COA is an office within the Department of Economic and Community Development (DECD) and is recognized as a State Arts Agency (SAA) through our partnership with the [National Endowment for the Arts](#) (NEA). COA uses our position to work strategically within the arts community, within and alongside state and local government, and through partnerships with businesses, foundations, artists, municipalities, schools, non-arts nonprofits and more. These partnerships nurture abiding relationships that ensure Connecticut's creative sector thrives. COA approaches funding and support through an equity lens, working to ensure that all members of the arts ecosystem have access to public opportunities for funding and professional growth. This commitment is the foundation to build and sustain a culture where creative voices are valued, empowered and amplified. In FY 2025, COA continued to manage legislatively designated American Rescue Plan funds to both arts and non-arts organizations totaling just over \$25.7 million in federal funds. In addition, COA piloted the first year of a partnership to improve health outcomes for state residents via a social prescription program, known as "Prescription for Arts". In FY 2025, COA distributed 727 grants totaling just over \$43 million.

A listing of DECD's Arts grant recipients can be found [here](#).

Table 56: FY 2025 Arts Grant Activity

Program	No. of Recipients	Grant Amount
ARPA Grants	88	\$25,742,303
Directed Local Funds (Arts Line Items)	52	\$5,411,398
Supporting Arts	235	\$919,998
Connecticut Arts Endowment	187	\$879,014
Strategic Partnership Grant	16	\$719,440
Designated Regional Service Organizations	6	\$289,000
Elizabeth Mahaffey Arts Administrator Fellowship	2	\$5,000
Honorary Position Grants (Troubadour and Poet Laureate)	2	\$10,000
Every Child Art Experience	27	\$67,500
Artist Fellowship	84	\$242,000
Legislative Grant	28	\$8,795,489
TOTAL	727	\$ 43,081,142

Source: DECD

G. Connecticut Office of Statewide Marketing & Tourism (SMT)

- The 2024 Economic Impact of Travel in Connecticut report revealed that all business sectors of the Connecticut economy benefit from tourism activity directly and/or indirectly. The report indicated that tourism:
 - 70 million visitors generated \$19.5 billion on total economic impact by traveler spending in Connecticut
 - Generated \$1.5 billion in state and local tax revenues
 - Generated \$3.1 billion in food and beverage revenues, \$3 billion in recreation and entertainment revenues, \$2.4 billion in lodging revenues, \$1.7 billion in retail revenues, and \$1.3 billion in transportation revenues.
 - Supported 125,697 jobs

The full report can be found [here](#).

- SMT marketed Connecticut as one of the best places in the US to live, work, and visit through the approachable, friendly, and fun “Make It Here” campaign across tourism, residential, and business development marketing campaigns. The messaging focused on Connecticut being an accessible place to make a family and create a happy, healthy, and safe home, build a business or a career, and a desirable place to visit because of the breadth of activity, particularly with outdoor recreation, arts and culture, and dining. These award-winning marketing campaigns were supported with a \$3.9 million ad spend which was heavy in digital advertising, but also included linear TV, radio, out of home, and over the top (OTT). This resulted CTvisit.com earning 6.7 million visits in one year and 15.4 billion earned media impressions from placements around the globe, ensuring Connecticut’s reputation as a great place to live, work, and visit spread further and faster than paid advertising could offer.
- Those who saw Connecticut’s marketing were 115% more likely to visit in the next 12 months and 59% took action to visit the state.
- The campaigns were heavily targeted at east coast markets, particularly Connecticut, New York, Massachusetts, and Rhode Island to encourage visitation as well as relocation. It also supported the direct international flight from Dublin to Hartford on Aer Lingus. Additionally, SMT supported the

Connecticut Convention and Sports Bureau with a direct campaign to increase RFPs for sporting events and conventions.

- Beyond paid media, additional initiatives included:
 - Refreshing the Welcome to Connecticut highway signs with bold and provocative statements that would increase state pride, strengthen identity, and drive national conversations on Connecticut as home of the Pizza Capital of the US, Submarine Capital of the World, Basketball Capital of the World, and Foodie Capital of New England. This event earned more than 5 billion earned media impressions, including a mention on the Stephen Colbert show.
 - Launching voting for the Connecticut Pizza Trail, focused on engaging state residents to pick their favorite pizzerias around the state. The effort resulted in more than 13,000 votes and more than 1 billion earned media impressions.
 - Creating the Connecticut Governor's Award of Excellence – a prestigious new honor celebrating Connecticut residents who epitomize the state's core values of creativity, resourcefulness, passion, dynamism, and generosity. The recognition was presented to Keith Richards, and the event earned more than 4 billion earned media impressions.

IV. EMPLOYMENT INDICATORS AND GROSS STATE PRODUCT (GSP)

A. Industry Employment (2024)

The following table provides the Connecticut employment by industry at the two-digit North American Industry Classification System (NAICS) code level. Health Care and Social Assistance is the largest industry in terms of annual average employment which accounted for 17.3% of total employment in 2024, followed by Government sector at 13.3% and Retail Trade industry at 9.8%.

Table 57: Connecticut Employment by Industry, 2024			
NAICS Code	North American Industry Classification System (NAICS) Category	Annual Average Employment	% of Total
11	Agriculture, Forestry, Fishing and Hunting	5,327	0.3%
21	Mining	479	0.0%
22	Utilities	5,233	0.3%
23	Construction	63,263	3.8%
31-33	Manufacturing	155,687	9.2%
42	Wholesale Trade	60,936	3.6%
44-45	Retail Trade	165,483	9.8%
48-49	Transportation and Warehousing	65,667	3.9%
51	Information	30,894	1.8%
52	Finance and Insurance	96,460	5.7%
53	Real Estate and Rental and Leasing	19,551	1.2%
54	Professional and Technical Services	101,432	6.0%
55	Management of Companies and Enterprises	31,116	1.8%
56	Administrative and Waste Management	88,590	5.3%
61	Educational Services	65,970	3.9%
62	Health Care and Social Assistance	291,438	17.3%
71	Arts, Entertainment and Recreation	28,793	1.7%
72	Accommodation and Food Services	125,916	7.5%
81	Other Services, Except Public Administration	56,833	3.4%
99	Non Classifiable Establishments	470	0.0%
	Government	223,591	13.3%
	Statewide total	1,683,128	100.0%

Source: Connecticut Department of Labor, Labor Market Information, 2024 QCEW Program Data

Note: Numbers may not total due to rounding.

B. Average Unemployment Rate (partial 2025)

According to the US Bureau of Labor Statistics, the United States had an average unemployment rate of 4.2% and Connecticut had an average unemployment rate of

3.7% in 2025 (excludes the month of October for which rate data is not available).

C. Gross State Product (GSP) by Industry (2024)

In 2024, Real Estate, Rental and Leasing accounted for 13.3% of the state's economy, followed by Finance and Insurance industry with 12.9% and Manufacturing with 11.7%. The Government and the Health Care and Social Assistance sectors rounded the top five with 9.1% and 8.7%, respectively.

Table 58: 2024 Connecticut GSP by Industry (Millions of Current \$)			
	Industry	GSP	% of Total
11	Agriculture, Forestry, Fishing and Hunting	\$391	0.1%
21	Mining, Quarrying and Oil and Gas Extraction	\$254	0.1%
22	Utilities	\$5,583	1.6%
23	Construction	\$10,539	2.8%
31-33	Manufacturing	\$41,607	11.7%
42	Wholesale Trade	\$19,532	5.5%
44-45	Retail Trade	\$21,718	6.1%
48-49	Transportation and Warehousing	\$8,166	2.3%
51	Information	\$18,443	5.2%
52	Finance and Insurance	\$46,109	12.9%
53	Real Estate and Rental and Leasing	\$47,385	13.3%
54	Professional, Scientific and Technical Services	\$26,319	7.4%
55	Management of Companies and Enterprises	\$8,091	2.3%
56	Administrative and Support and Waste Management and Remediation Services	\$10,420	2.9%
61	Educational Services	\$8,773	2.5%
62	Health Care and Social Assistance	\$30,937	8.7%
71	Arts, Entertainment and Recreation	\$4,032	1.1%
72	Accommodation and Food Services	\$9,129	2.6%
81	Other Services (Except Government and Government Enterprises)	\$6,999	2.0%
99	Government and Government Enterprises	\$32,408	9.1%
	TOTAL	\$356,835	100.0%

Source: U.S. Bureau of Economic Analysis

Note: In millions of current dollars. Numbers may not total due to rounding.

V. APPENDIX

A. The REMI Model

The Connecticut REMI Tax-PI model is a dynamic, multi-sector, regional economic model developed and maintained for the Department of Economic and Community Development by Regional Economic Models, Inc. of Amherst, Massachusetts. The REMI model includes the major inter-industry linkages among 466 private industries, aggregated into 67 major industrial sectors. With the addition of farming and three public sectors (state and local government, civilian federal government, and military), there are 70 sectors represented in the model for the state of Connecticut.

The REMI model is based on a national *input-output* (I/O) model that the US Department of Commerce (DoC) developed and continues to maintain. Modern input-output models are largely the result of groundbreaking research by Nobel laureate Wassily Leontief. Such models focus on the inter-relationships between industries and provide information about how changes in specific variables, whether economic variables such as employment or prices in a certain industry or other variables like population affect factor markets, intermediate goods production, and final goods production and consumption.

The REMI Connecticut model takes the US I/O “table” results and scales them according to traditional regional relationships and current conditions, allowing the relationships to adapt at reasonable rates to changing conditions. Listed below are some salient structural characteristics of the REMI model:

- REMI determines consumption on an industry-by-industry basis, and models real disposable income in Keynesian fashion, that is, with prices fixed in the short run and GDP (Gross Domestic Product) determined solely by aggregate demand.
- The demand for labor, capital, fuel, and intermediate inputs per unit of output depends on the relative prices of inputs. Changes in relative prices cause producers to substitute cheaper inputs for relatively more expensive inputs.
- Supply of and demand for labor in a sector determines the wage level, and these characteristics are factored by regional differences. The supply of labor depends on the size of the population and the size of the workforce.

-
- Migration—that affects population size—depends on real after-tax wages as well as employment opportunities and amenity value in a region relative to other areas.
 - Wages and other measures of prices and productivity determine the cost of doing business. Changes in the cost of doing business will affect profits and/or prices in a given industry. When the change in the cost of doing business is specific to a region, the share of the local and U.S. market supplied by local firms is also affected. Market shares and demand determine local output.
 - “Imports” and “exports” between states are related to relative prices and relative production costs.
 - Property income depends only on population and its distribution adjusted for traditional regional differences, *not* on market conditions or building rates relative to business activity.
 - Estimates of transfer payments depend on unemployment details of the previous period, and total government expenditures are proportional to population size.
 - Federal military and civilian employment is exogenous and maintained at a *fixed* share of the corresponding total U.S. values, unless specifically altered in the analysis.

Because each variable in the REMI model is related, a change in one variable affects many others. For example, if wages in a certain sector rise, the relative prices of inputs change and may cause the producer to substitute capital for labor. This changes demand for inputs, which affects employment, wages, and other variables in those industries. Changes in employment and wages affect migration and the population level that in turn affect other employment variables. Such chain-reactions continue in time across all sectors in the model. Depending on the analysis performed, the nature of the chain of events cascading through the model economy can be as informative for the policymaker as the final aggregate results. Because REMI generates extensive sectoral detail, it is possible for experienced economists in this field to discern the dominant causal linkages involved in the results.

The REMI model is a structural model, meaning that it clearly includes cause-and-effect relationships. The model shares two key underlying assumptions with mainstream economic theory: *households maximize utility* and *producers maximize profits*. In the model, businesses produce goods to sell to other firms, consumers, investors, governments and purchasers outside the region. The output is produced using labor, capital, fuel and intermediate inputs. The demand for labor, capital and fuel per unit output depends on their relative costs, because an increase in the price of one of these inputs leads to substitution away from that input to other inputs. The supply of labor in the model depends on the number of people in the population and the proportion of those people who participate in the labor force. Economic migration affects population size and its growth rate. People move into an area if the real after-tax wage rates or the likelihood of being employed increases in a region.

Supply of and demand for labor in the model determines the real wage rate. These wage rates, along with other prices and productivity, determine the cost of doing business for each industry in the model. An increase in the cost of doing business causes either an increase in price or a cut in profits, depending on the market supplied by local firms. This market share combined with the demand described above determines the amount of local output. The model has many other feedback. For example, changes in wages and employment impact income and consumption, while economic expansion changes investment and population growth impacts government spending.

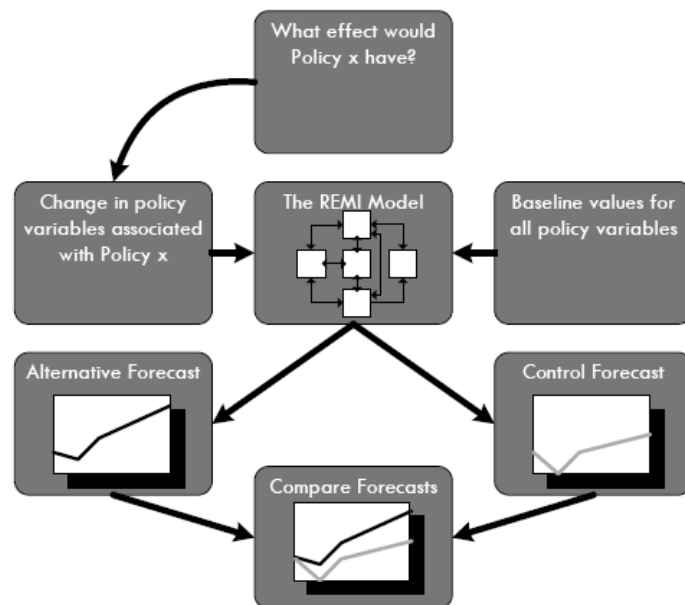
In order to understand how the model works, it is critical to know how the key variables in the model interact with one another and how policy changes are introduced into the model. To introduce a policy change, one begins by formulating a policy question. Next, select a baseline forecast that uses the baseline assumptions about the external policy variables and then generate an alternative forecast using an external variable set that includes changes in the external values, which are affected by the policy issue.

Figure B2 shows how this process would work for a policy change called Policy X. In order to understand the major elements in the model and their interactions, subsequent sections examine the various blocks and their important variable types, along with their relationships to each other and to other variables in the other blocks. The only variables discussed are those that interact with each other in the model. Variables determined outside of the model include:

- Variables determined in the U.S. and world economy (e.g., demand for computers)
- Variables that may change and affect the local area, but over which the local area has no control (e.g., an increase in international migration)
- Variables that are under control of local policy (e.g., local tax rates)

For simplicity, the last two categories are called policy variables. Changes in these variables are automatically entered directly into the appropriate place in the model structure. Therefore, the diagram showing the model structure also serves as a guide to the organization of the policy variables (see Figure B3).

Figure 1



REMI Model Linkages (Excluding Economic Geography Linkages)

