

Department of Economic and Community Development

At a Glance

CATHERINE H. SMITH, *Commissioner*

Ronald F. Angelo, Jr., *Deputy Commissioner*

Kip Bergstrom, *Deputy Commissioner*

Established - 1995 (Consolidated with the Commission on Culture and Tourism on July 1, 2011 and transferred housing operations to the newly created Department of Housing July 1, 2013)

Statutory authority - Conn. Gen. Statutes Chapters 127b and 184b

Central office - 505 Hudson Street, Hartford, CT 06106

Number of employees - 112

Recurring operating expenses - \$27,881,158

Organizational structure - Office of the Commissioner, Office of Business Development, Office of Financial Review and Special Projects, Office of Finance and Administration, Office of Brownfield Remediation and Development, Office of the Arts, State Historic Preservation Office, Office of Tourism.

Mission

The Department of Economic and Community Development (DECD) develops and implements strategies to increase the state's economic competitiveness.

Statutory Responsibility

Under the provisions of Conn. Gen. Statutes Chapters 127b and 184b DECD administers programs and policies to promote business, community development, brownfield redevelopment, arts, culture and tourism and is the state agency responsible for promoting economic growth.

Public Service

In an effort to provide continued quality service to its customers, the agency is staffed with highly trained economic and community development professionals who identify customer and community needs and coordinate resources—both public and private—to meet those needs.

DECD (www.decd.org) promotes in-state business and economic development, as well as out-of-state business recruitment, through use of tax credits, financing, technical assistance, and enterprise zones. Strategically, DECD supports comprehensive, industry-based economic development to strengthen the competitiveness of Connecticut's workers and industries. The department's international staff is dedicated to attracting foreign direct investment to Connecticut and helping Connecticut companies take advantage of export opportunities in the global marketplace.

DECD also provides planning, engineering, architectural and construction management services to oversee state-sponsored real estate development, including urban and downtown revitalization, industrial site development and brownfield redevelopment. DECD provides municipalities and non-profits with financial and technical assistance for community development activities. In addition, DECD provides assistance to customers for permitting and regulatory compliance with state or federal programs to allow for an expedited development process.

Improving the quality of life in Connecticut continues to be a key factor in promoting economic vitality, and DECD develops and strengthens the arts and makes artistic experiences widely available to residents and visitors, both through its grant programs and services. DECD invests in Connecticut artists and arts organizations and encourages the public's participation as creators, learners, supporters and audience members, and connects people to the arts and helps to build vital communities across the state.

DECD works to make tourism a leading economic contributor, a compelling reason for visiting the state and a source of pride for Connecticut residents. DECD partners with the Connecticut business community and tourism districts to provide a positive image of the state, encourage strategic investment, and ensure that Connecticut is a prime destination for leisure and convention/meeting travelers. Primary strategies for implementing those objectives is the statewide strategic marketing plan for tourism, which is consumer driven with defined measurable objectives, and establishing the statewide Connecticut *still revolutionary* brand.

Through the State Historic Preservation Office (SHPO), DECD administers a broad range of federal and state programs that identify, register and protect the buildings, sites, structures, districts and objects that comprise Connecticut's cultural heritage. DECD is the regulatory authority for the review of both federally and state funded projects to determine the impact on historic resources and has the authority under the Connecticut Environmental Protection Act to pursue litigation to protect certain historic properties from unreasonable demolition. DECD also administers seven grant programs for historic preservation, three state tax credit programs for preservation and restoration, the federal tax credit program and manages the Freedom Trail and Washington-Rochambeau Trail programs. In addition, it operates four state-owned museums: Henry Whitfield State Museum, Old New-Gate Prison and Copper Mine, Prudence Crandall Museum and the Sloane-Stanley Museum.

Improvements/Achievements 2013-14

DECD's investments, programs and services, and policy initiatives have made a significant impact on the economy of Connecticut and the quality of life of its citizens. What follows are some highlights from FY 2013-14.

- Through the Small Business Express Program, DECD has funded 1,128 companies totaling \$154,466,160. The total number of jobs to be created and retained is 15,702. The general categories of businesses to receive funding include: manufacturing, main street retail, hospitality/entertainment/tourism, healthcare/Bioscience, business/financial services, information technology, construction, and specialty products.
- An estimated \$544.6 million was spent in Connecticut by qualified productions. Eighty-four tax credit applications were processed and \$128.9 million in tax credits were issued to 37 production companies (\$66.8 million to 32 production companies, \$16.4 million in digital animation tax credits, and \$45.6M to six infrastructure projects).
- DECD has announced/or funded a total of 11 projects under the First Five Program involving \$197,100,000 in state funds, leveraging a total investment of \$914,658,541. These projects will result in the retention of 11,465 jobs and the creation of 4,514 jobs in Connecticut.
- A highlighted example of a First Five project is Charter Communications, Inc., a Fortune 500 company and the fourth-largest cable operator in the United States, is establishing its headquarter office in downtown Stamford. Charter will invest more than \$10 million and intends to bring 200 jobs to the area, which includes the majority of its executive officers. In consideration of the company's commitment to create 200 corporate jobs, DECD will provided a 10-year loan of \$6.5 million with funding going toward Charter's costs for tenant improvements and the purchase of furnishings and office equipment.
- DECD announced/or funded another 22 projects through the Manufacturing Assistance Act involving \$78,503,000 in state funds, leveraging a total investment of \$370,332,757. These projects will result in the retention of 5,273 jobs and the creation of 1,709 jobs in Connecticut.
- Outside of the First Five Program, DECD can provide very competitive incentive packages for relocation projects, including funding for NewOak Capital, a financial services firm based in New York City, who will establish NewOak Credit Services, LLC in Danbury, Connecticut. The expansion is expected to create up to 100 new jobs within three years. DECD is supporting the \$13 million project with a \$3 million dollar loan to purchase furniture and equipment, make leasehold improvements, and provide working capital. The company is leasing 10,000 square feet of space at the Matrix Corporate Center in Danbury and will create up to 50 jobs in the first year and up to 100 jobs within three years.
- DECD's Office of International Business Development (OIBD) administered two rounds of general funding under the STEP (State Trade Export) federal program exceeding expected export sales of \$15.5 million in the first round.
- In partnership with the U.S. Department of Commerce in Middletown, DECD provided personalized export assistance to Connecticut's companies. This program has a reported export successes of 120 companies with a value of \$46 million. This translates into a job creation/retention number of 220 (1 job/\$200,000).

- DECD led a group of businesses and area economic development officials to Israel to promote Connecticut companies, the state's many business advantages, and strengthen Connecticut-Israeli business collaborations. This mission resulted in signing a memorandum of understanding between DECD and Israel Tech Transfer Organization-ITTN to establish the basis for a long-term relationship that will increase collaboration and investments in key areas such as research and development, science and manufacturing.
- As a follow-up to the Governor's trip to China in 2012, DECD signed a memorandum of understanding with Qingdao's Foreign Affairs Office to further develop the relationship between Connecticut and the province of Shandong, China.
- DECD's OIBD participated in several Foreign Direct Investment efforts in Europe and Asia meeting with 100+ companies and cluster associations key segments of interest such as manufacturing, clean-tech and software applications to further develop the global brand of the state.
- OIBD, also coordinated participation of Connecticut companies at several international trade shows, including: Medica - Dusseldorf, Germany (reported expected sales of \$625,000), Hannover Messe - Hannover, Germany (reported expected sales of \$895,000); Paris Air Show - Le Bourget, France (reported expected sales of \$87.9 million), and Farnborough, England 2014.
- DECD's Economic Development Programs unit supports new department strategic initiatives, partnerships and federal grants and it helps to create jobs by funding innovation, technical assistance/training, and new technological developments. As part of this effort, it provided funding to 35 programs for a total of \$35.4 million. They were also the recipient of a \$1.3 million planning grant from the Department of Defense's Office of Economic Adjustment, which will be utilized to analyze how defense spending cuts affect New England's defense supply chain and industry-related work performed in the state and region.
- Since Fiscal Year 2012, the Office of Brownfield Remediation and Development (OBRD) has invested \$62.6 million in 37 projects to remediate contaminated sites in 27 cities and towns statewide. These investments have funded completed or ongoing remediation and redevelopment of 608 acres, and have generated significant additional leverage. For every dollar invested by the State, \$3.43 has been or will be invested by non-State partners. This is a conservative estimate as it does not include redevelopment of many large parcels that are in the early stages of remediation and redevelopment which are expected to attract significant private investment.
- In addition, OBRD has a pipeline of projects that have been awarded funding and are currently pending final contract for an additional 41 projects representing \$25.4 million of State investment.
- OBRD closed out the 2013-14 fiscal year with a remediation funding round that received 42 applications from sites in 27 different municipalities. Funding requests totaled over \$74 million for a diverse range of projects that are currently under review.
- DECD has enrolled a total 1,275 applicants into the Job Expansion Tax Credit Program (JET). As of June 30, 2014, there have been 421 eligible JET applicants that have received more than \$20 million in tax credits, which was based on the creation of 3,675 jobs, including 240 previously unemployed hires, 76 veterans and 5 receiving vocational rehabilitation services.
- DECD approved its ninth and final Insurance Reinvestment Fund, which was established under Public Act 10-75. The \$9.9 million Enhanced Capital Connecticut

Fund IV, LLC was established by Enhanced Capital. There are now nine approved funds under this program totaling \$200 million of a total tax credit allocation of \$200 million. Insurance companies that invested in these funds receive a dollar-for-dollar tax credit. Approved funds must invest 3% of the approved allocation in pre-seed businesses and 25% of the approved allocation in green technology businesses. These nine funds have funding available for business financing.

- Through a variety of state funded programs, including Small Town Economic Assistance Program and Urban Act programs, DECD funded 37 projects for a total state investment of over \$79 million, which leveraged an additional \$41 million. These projects help to support community development activities throughout Connecticut, including such activities as new sidewalks, façade improvement programs, and industrial park development.
- DECD manages Connecticut’s new branding initiative, Connecticut *still revolutionary* for both tourism and business development. The \$22 million Statewide Tourism Marketing Fund investment over the course of 18 months has generated measurable gains in overall tourism spending to the state and has helped increase positive awareness of Connecticut as a place to visit.
 - The tourism industry generates billions in spending and represents more than 100,000 jobs for Connecticut residents.
 - 200 percent of Connecticut leisure and hospitality sector jobs recovered since the recession.
 - Job growth has consistently outperformed most other industry sectors throughout 2012, 2013 and 2014.
 - \$219 million was directly linked to the State’s new marketing efforts.
 - “Still Revolutionary”, the state’s award-winning marketing campaign, has reached target consumers in key markets with its message nearly 646 million times.
 - 53 percent of people who saw the campaign ads report that they were interested in visiting, claim to have visited or plan to visit as a result of seeing the ads.
 - Travel counseling in our state welcome centers – there was a 46 percent increase in visitors to our state welcome centers vs. this time last year.
 - Traffic to CTvisit.com has increased dramatically – up 23 percent over the same time last year.
 - After starting 2012 at #44 nationally, the state’s Facebook page is now #17 nationally and #2 in New England. (As of July 1, 2014)
 - Connecticut’s official tourism eNewsletter opt in subscribers, 600,000+, receive monthly articles featuring seasonal destinations, events and travel deals.
- The Office of Tourism won multiple national awards including four Adrian Awards within the national hospitality industry, four Big Apple awards, two Sabre awards for digital and social media, a PR News Digital Award, and a U. S. Travel Association Mercury Award.
- DECD’s statewide Connecticut Convention & Sports Bureau partnership generated more than \$68 million in booked convention and sports business resulting in an estimated \$5.4 million in tax revenue to the state. In addition there were 291 leads generated accounting for 231,322 convention and sports business room nights.
- DECD is using LEAN to increase efficiency and eliminate waste throughout all the various programs and processes the agency administers in order to deliver enhanced value to our constituents by minimizing waste. Through the year, DECD rolled out eight Lean events and achieved 83% basic lean employee training.