

Department of Economic and Community Development



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Community Development

At a Glance

CATHERINE H. SMITH, Commissioner

Tim Sullivan, Deputy Commissioner

Ronald F. Angelo, Jr., Deputy Commissioner

Established - 1995

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

Central office - 505 Hudson Street, Hartford, CT 06106

Number of employees - 105

Recurring operating expenses - \$27,640,684

Organizational structure - Office of the Commissioner, Office of Business Development, Office of Financial Review, Office of Finance and Administration, Office of Brownfield Remediation and Development, Office of Capital Projects, 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, community development and marketing 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.

The Connecticut Department of Economic and Community Development works to position the state as a prime location to start, expand or move a business. The department's marketing efforts, which target both in-state and out-of-state audiences, are focused on communicating the strengths of *still revolutionary* Connecticut, including its highly educated and productive workforce, prime Northeast location and abundance of financial and technical support services, through the voices of its own successful business leaders.

DECD works to make tourism a leading economic contributor and to position the state as a prime destination for leisure and business travelers. DECD partners with the Connecticut business community and tourism districts to provide a positive image of the state through cooperative marketing opportunities. DECD offers a broad range of services, including marketing, research, hospitality services, direct sales and business marketing assistance. It operates Connecticut's six welcome centers, the state's official tourism website www.CTvisit.com and popular social media sites.

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 Fiscal Year 2014-15

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 2014-15.

- Since the inception of the Small Business Express Program, DECD has funded 1,385 companies totaling \$207,962,984. The total number of jobs to be created and retained is 20,222. 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 \$348.4 million was spent in Connecticut by qualified productions. Sixty-seven tax credit applications were processed and \$91.5 million in tax credits were issued to 35 production companies (\$66.3 million to 32 production companies, \$8.8 million in digital animation tax credits, and \$16.3M to four infrastructure projects).
- Since 2012, DECD has announced/or funded a total of 13 projects under the First Five Program involving \$256,600,000 in state funds, leveraging a dollar ratio of 5.3:1, or a total private investment of \$1,296,475,383. These projects will result in the retention of 13,526 jobs and the creation of 5,264 jobs in Connecticut.
- An example of a First Five project is The Navigators Group, Inc., an international specialty insurance holding company with insurance company operations underwriting management companies and operations at Lloyd's. The Navigator's Group will invest over \$13 million and bring 200 jobs to its new home in Stamford. In consideration of the company's commitment to create 200 corporate jobs, DECD provided a 10-year loan and grant for relocation costs and the purchase of furnishings, office equipment, computers and software.
- DECD announced/or funded another 35 projects through the Manufacturing Assistance Act involving \$98,342,633 in state funds, leveraging outside investments of \$298,377,896. These projects will result in the retention of 4,774 jobs and the creation of 2,617 jobs in Connecticut.
- DECD's Office of International and Domestic Business Development (OIDBD) coordinated participation of Connecticut companies at several international trade shows, including Medica in Dusseldorf, Germany (anticipated sales of \$684,375); Hannover Messe in Hannover, Germany (anticipated sales of \$962,353); Farnborough Air Show in Farnborough, U.K. (anticipated sales of \$50,235,771) and Paris Air Show in Le Bourget, France (anticipated sales of \$69,250,000).
- In recognition of its Foreign Direct Investment (FDI) leadership, OIDBD was named a steering committee member of the national Frontlines Coalition, an initiative of the Organization for International Investment (OFII).
- OIDBD participated in several FDI efforts in Europe and South America, meeting with over 100 companies and organizations in market and vertical segments in alignment

with OIBD's strategic interests. This is included OIBD's first time participation at the Hospitalar trade show in Sao Paolo, Brazil.

- In partnership with the U.S. Department of Commerce's (USDOC) Export Assistance Center in Middletown, personalized export assistance resulted in 68 export success stories with a value of \$26 million. This translates to a job creation/retention number of 130 jobs. The partnership also resulted in 7 DECD branding opportunities at USDOC events.
- DECD's Economic Development Programs unit supports new department strategic initiatives, partnerships and federal grants. 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.
- In addition to the state effort, the programs unit administers:
 - A \$4.4 million grant award from the Department of Defense's Office of Economic Adjustment building on previous investments and responding to the defense sector's need to improve core competencies that can be transferred to commercial markets providing diversification opportunities.
 - The Connecticut Manufacturing Innovation Fund (MIF) targets aerospace, medical device, composite materials, digital manufacturing and other opportunities to innovate commercial products and services. It helps industry drive enhancement in, or development of, products or services designed to strengthen the competitive position of Connecticut manufacturers. The MIF was originally capitalized with \$30 million in bond funding; an additional \$20 million in each of the next two fiscal years was authorized as part of this year's bond package.
- Acting through DECD, Connecticut was designated by the Obama Administration under the Investing in Manufacturing Communities Partnership (IMCP) initiative. With this designation, Connecticut will receive coordinated support from eleven federal agencies with access to more than \$1 billion in federal funding dedicated to economic development and the resurgence of manufacturing in the United States. Connecticut is one of 12 applicants to earn the designation.
- Since Fiscal Year 2012, the Office of Brownfield Remediation and Development (OBRD) has invested \$138 million in more than 100 brownfield development projects in cities and towns all across the state. For every dollar spent by the State on brownfield programs, private entities put in almost \$4.53. The FY 2014-15 funded projects have a leverage figure of \$6.29. Although a firm number is hard to determine, OBRD estimates the Connecticut has at least 1000 brownfields.
- FY 2014-15 also included the award announcement of the OBRD's first-ever Historic Brownfield Revitalization Grants. \$2.2 million was awarded to eight historically significant brownfields in an effort to redevelop some of the state's historic gems.
- The state's biennial budget through FY 2017 included \$40 million of new bond authorizations for brownfield projects.
- Brownfield legislation was passed to allow OBRD to run a new Brownfield Area Wide Planning Grant Program. The planning of the BAR Grants will begin in the new fiscal year.
- DECD has enrolled a total 1,275 applicants into the Job Expansion Tax Credit Program (JET). As of June 30, 2015, there were 449 eligible JET applicants that have received more than \$24 million in tax credits, which was based on the creation of approximately

- 6,400 jobs, including 520 previously unemployed hires, 441 veterans and 13 receiving vocational rehabilitation services. The program is now closed to new applicants.
- There are nine approved funds in the Insurance Reinvestment Fund and all \$200 million in available tax credits has been allocated. 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 supported 51 projects for a total state investment of over \$62 million, which leveraged an additional \$21 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 announced the results of an economic impact study of the tourism industry in Connecticut showing that this sector of the states' economy generated \$14 billion in total traveler spending across Connecticut in 2013, a 3% growth over 2012. The study also demonstrates that tourism supports more than 118,000 jobs statewide, including 80,000 direct jobs, representing 5.3 percent of all employment in the state. To provide a sense of scale, one of nearly 20 jobs in Connecticut is supported by visitor spending. The state's tourism industry generates \$1.6 billion in total tax revenues including \$523 million in state taxes and \$345million in local taxes.
 - Connecticut Office of Tourism (COT) launched the next wave of creative advertising in the award-winning *Connecticut still revolutionary* campaign promoting travel during the spring and summer. "Revolutionary Thoughts" communicates through unique pairings of identifiable destinations the idea that escaping to Connecticut offers travelers a diverse balance of experiences – relaxing and active, historic and contemporary, cultural and nature-oriented – without having to drive too far or plan too much.
 - New tourism marketing strategies included: increased focus on promoting overnight stays; increased advertising in Manhattan while continuing to target greater New York Metro, central Massachusetts, Rhode Island and in-state; new advertising in Boston and Philadelphia using digital media; and greater leveraging of Connecticut's world-class casinos as resort entertainment destinations.
 - COT partnered with industry to sponsor the Connecticut Governor's Conference on Tourism, the state's premier tourism industry event, bringing together more than 400 professionals from hotels, restaurants, casinos, tourist attractions, entertainment venues, historic sites, and cultural and arts institutions to share best practices and foster cooperative marketing efforts.
 - Connecticut Governor's Tourism Awards, introduced this year, were presented to honor and celebrate individuals and organizations that demonstrated excellence in the tourism industry and contributed to the success of the state and health of Connecticut's economy.
 - Tourism Marketing Outreach Meetings during March introduced the Office of Tourism's 2015 cooperative marketing opportunities to more than 300 industry partners throughout the state.
 - COT provided travel counseling to more than 3.2 million potential visitors interested in learning more about Connecticut via traditional inquiries, welcome centers and CTvisit.com. The trend continued with more customers utilizing online counseling in

lieu of requesting promotional brochures necessitating a significant strategic shift in plans for customer interactions away from print and more towards digital for 2016.

- DECD awarded 20 Marketing Challenge Grants, for a total amount of \$235,000, to assist non-profit culture and tourism entities in their efforts to promote visitor attractions and events.
- DECD's statewide Connecticut Convention & Sports Bureau partnership contracted 109 future meetings, conventions and sports events that are expected to generate more than \$63 million in local spending and \$4.8 million in tax revenue to the state. In addition there were 570 sales presentations and 344 leads issued accounting for 269,000 room nights, representing a 16% increase over the prior fiscal year.