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CT is Still Revolutionary - a research, development and innovation-driven economy

July 17, 2014 - Connecticut

Connecticut's economy is growing - we've had three consecutive years of job creation - supported by Governor Dan Malloy's comprehensive approach to developing an economic climate that is second to none, and built to last.

Our approach recognizes that Connecticut's great strength is our talent. Our workforce is among the most productive and best educated in the world. And our entrepreneurs are among the most competitive in the world.

Connecticut is moving forward and - in close consultation with our business community - the Malloy administration is continuing to make investments that develop and attract talent, and the capital that follows it. It's a virtuous cycle, building a business-friendly culture. And confidence that our state is on a sound and rising trajectory is rapidly growing.

Connecticut's economy is diverse, but examples from two sectors provide good illustrations of our strategy at work.

Advanced Manufacturing

In February, Governor Malloy announced an agreement with United Technologies Corporation (UTC) Chairman & CEO Louis Chenevert under which UTC will invest up to a half billion dollars to expand and upgrade its Connecticut R&D and manufacturing facilities over the next five years. During that period, UTC expects to spend as much as four billion dollars in other capital investments and research in Connecticut.

This strategic agreement meshes with an \$8 million investment by UTC's Pratt & Whitney in its Additive Manufacturing Innovation Center at UConn, launched in April of last year. One of the nation's most advanced additive manufacturing labs, this partnership deepens Pratt's capabilities in metals manufacturing process development and production engineering. Naturally, it provides an opportunity for UConn faculty and students to work with the latest in 3-D manufacturing equipment and manufacturing technologies, creating a pipeline of engineering talent for UTC and other companies.

Beyond UTC itself, Connecticut's precision manufacturers - upon which UTC and virtually every one of its competitors are depending - must meet an unprecedented demand for state-of-the-art aerospace products over the next decade.

To capture that growth in aerospace, and opportunities in other key sectors, we've invested in three key initiatives:

* This spring, we committed \$30 million to create the Connecticut Manufacturing Innovation Fund - a flexible platform designed with our aerospace supply chain particularly in mind. Led by a manufacturing-minded board of directors, it will provide financial assistance for research and development, modernizing equipment, attracting new manufacturers to our state, and education and

training programs;

* To help provide the work force that our manufacturing entrepreneurs require, we expanded the manufacturing technology centers at our community colleges; and

* We invested in Next Generation Connecticut, making targeted investments in STEM facilities and labs at UConn, including 200 new STEM teaching faculty and 6,580 undergraduate seats.

The engine for the historic agreement between Governor Malloy and Chairman Chenevert is our highly successful Research and Development tax credit program. Utilized by more than 130 companies last year, it draws direct and indirect research expenditures by both large and small companies in a variety of fields to Connecticut.

Bioscience

In May of 2011, scarcely five months after taking office, Governor Malloy announced the Bioscience Connecticut Initiative - investing over \$750 million in UConn Health Center. Not only did this investment upgrade the facility, but it added critical research operations that will bring more bioscience industry research, innovation, commercialization, and entrepreneurship to Connecticut.

By September of 2011, the governor's decision had led to interest from world-renowned research institute The Jackson Laboratory (JAX) and, on January 5, 2012 - one year to the day after he took office - the final agreement was announced. Among other benefits, it included a unique intellectual property sharing agreement that gave Connecticut Innovations (CI) - our quasi-public venture capital institution - a portion of royalty proceeds. In addition, JAX agreed to serve as a convener and collaborator in our state, and they have already forged partnerships with several hospitals, universities and companies.

We continue to strengthen and extend the partnership between our government, our universities, and our private sector and expect that partnership to produce more success stories. Stories like Alexion Pharmaceutical - started by a Yale University professor in 1992 - which returned to New Haven as one of our First Five companies to build their new global headquarters and create hundreds of new jobs. Our new Connecticut Bioscience Innovation Fund strengthens that partnership by encouraging bioscience innovation throughout Connecticut with up to \$500,000 to help finance projects at startups, early stage businesses, non-profits and colleges and universities.

The Bioscience Connecticut strategy and initiatives build on our strong talent pool in this vibrant industry sector. As these investments mature, Connecticut will become even more of a destination for world class talent, the companies those individuals want to start or work for, and the capital seeking those opportunities.

Connecticut's brand - Still Revolutionary - conveys it well: today, Connecticut is a research, development, and innovation-driven economy. From providing our small businesses access to financial capital, to making strategic investments in our workforce, to creating win-win partnerships with leading companies in key industry sectors, we're building on our considerable strengths and managing for the long-term, ensuring Connecticut continues to be the global leader we have always been.

Catherine Smith is Commissioner of the Department of Economic and Community Development for the State of Connecticut.