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## **Metro Hartford - opportunities in a challenged economy**

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The weather today seems to describe the general discussion around the American economy - rainy. But, it is the perspective of the business icons, who tend to sprinkle in a more optimistic forecast that I find interesting. Carl Icahn, who is estimated to lose over \$108 million with WCI Communities' bankruptcy filing, responded, "Like in all distressed industries, there is a cycle." He and others, with their glasses half full, move forward seeing and seeking the next opportunity in today's economy, while laying plans for tomorrow's.

Reporting on the happenings in the Hartford region, my guess is that you are mostly aware of the national headlines and other select information. Even with the impact of current market factors, this region continues to see good news, good opportunities and good planning.

We have all heard the woes of the airline industry resulting from rising fuel costs. Direct impact on the local level is the impending flight suspension from Bradley International Airport to Schiphol Amsterdam on October 1st. This is certainly a disappointment to the many travelers that have made this flight so successful. Yes, successful, however, fuel costs are working against the economics for all long haul flights. This is a national trend.

The good news is that direct flights to Cancun and Memphis have been added and we now have solid data demonstrating the viability for future transatlantic service. Bradley's aggressive marketing team continues pressing on to enhance air service, explore development opportunities around the airport while standing ready to respond as the market settles.

The Hartford Region is also seeing some sizable blocks of space coming on line. In Windsor, the 457,400 s/f, \$146 million expansion for the Hartford Life subsidiary of The Hartford Insurance and Financial Services Group has opened its doors. This facility consolidates the 2000 employees from the Avon and Windsor offices and will add 500 new employees over the next five years.

When Cigna's South Building became available in Bloomfield, it created an ideal opportunity for MetLife to consolidate and expand its regional footprint to 550,000 s/f, and making it one of the company's largest office locations. The move should be complete by the end of the year, creating a lease opportunity for a large block of contiguous class-A space in downtown Hartford's CityPlace I.

As with the ebb and the flow, suburban companies have chosen to move to the downtown such as S.H. Smith & Company from West Hartford and AI Engineers, Inc. from Middletown. AI Engineers has purchased the former WFSB broadcast studio at Constitution Plaza. Plans call for demolition of the existing 72,000 s/f building which will be replaced by a 100,000 s/f tech building.

City expansions continue with Prudential Retirement Insurance and Annuity Co. adding 275 new jobs, two more floors to the ten floors currently occupied and significant investment in its Hartford headquarters. Travelers is adding another 33,600 s/f and Insurity continues to grow, adding 200 new employees and a planned new parking garage at their Colt location.

Just outside the city, Henkel of America Inc. has relocated its North American corporate

headquarters to Rocky Hill from Gulph Mills, Penn. This consolidation will employ 430 people including 80 new jobs.

The academic community continues to invest, where Trinity College is undergoing a \$32 million restoration and renovation of the Long Walk along with other infrastructure upgrades to their distinctive campus. Goodwin College is investing \$100+ million in the transformation of a former oil tank farm along the Connecticut River to the Goodwin College Riverfront Campus. And in September, University of Hartford's Hartt School will open its new performing arts center. Also on the horizon are structural changes and additions to The University of Connecticut Medical and Dental School which will emanate from anticipated new collaborations with other regional medical institutions.

Moving aside from the bricks and mortar, this north central region is a key component to Connecticut's total economy. The workforce is highly skilled, demonstrated by more than one-third of the employees being college educated and the majority of the workforce earning at least \$50,000 per year. The region is also advantaged by a diverse mix of industries including trade, transportation and utilities (18%), educational and health services (15%), manufacturing (13%), insurance and finance (13%), and professional and business services (11%). Site selectors tell us we have a very loyal workforce to employers of choice; employers tell us that we have a very productive workforce.

But even in a region that values education, with numerous private prep schools, 32 colleges and universities, and well over half of the graduating college students choosing to stay in the region, our employers convey the need to attract and retain young professionals. As the region's economic development leader, my organization, the MetroHartford Alliance, unites the leaders from business, education and government to ensure that we all hear and respond to the needs of business. Thus came the formation of HYPE (Hartford Young Professionals and Entrepreneurs). Since formalizing membership in January, over 1,500 young professionals have enjoyed opportunities to participate in private CEO luncheons, marshaling a hole at the Travelers Championship, engaging with other successful entrepreneurs, attending informational seminars and just having fun!

At the request of the Hartford School System, the Alliance is also leading in the formation of an independent, nonprofit LEF (local education fund). With a goal of long term sustainable improvement and accountability, the fund will accelerate the school reform strategy as articulated by the superintendent and embraced by the community and school system. We are in the process of hiring an executive director.

Municipalities are also listening, planning and implementing. The Town of East Hartford has amended its Plan of Conservation and Development, creating two new properties in the Commercial Incentive Zone. Windsor and Bloomfield are also collaborating on the Route 305 Corridor for commercial and industrial development.

And the list goes on. As you are all weaving through this cycle becoming more efficient and looking into areas that may not have been typically top-of-mind, just think - you might find a rainbow.

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