



nerej

Connecticut - maintaining its competitive edge in difficult economic times

July 15, 2009 - Connecticut

As news stories go, it didn't send shockwaves throughout the state. But the recent announcement that Eka Software Solutions, a software company based in India, decided to establish its U.S. headquarters in Norwalk speaks volumes about the competitive advantages the state has to offer companies that locate here.

In the article, a company official was quoted touting Connecticut's talented workforce and the advantages of being in close proximity to New York City. This latest success story, in my estimation, also underscores our state's proven track record in attracting foreign companies and investment, and our focus on nurturing high tech business development.

Although Connecticut is faring better than most states, we still face some difficult fiscal challenges brought on by the recession. Much in the same way families are cutting back, state government must change the way it operates. Priorities must reflect new economic realities. We must do more with less.

This presents us with new opportunities, not only in how we run state government but how we can maintain - and even strengthen - our competitive edge over other states and nations in areas of business development, job creation, responsible growth, innovation and creativity.

Our economy has endured a seismic shift. Traditional sources of economic strength may not offer the security they once did. For instance, the financial services industry will in all likelihood never fully return to its heightened status in Connecticut's business landscape.

While this certainly presents challenges, Connecticut is taking the necessary, proactive measures to ensure that we have many more success stories like Eka Software in the months and years to come.

The state, for example, has made \$100 million in direct loans available to businesses and manufacturers to ensure the continued free flow of credit. Additional funds are going to key economic sectors, brownfield remediation, and to help residents and municipalities deal with foreclosures. We're working with banks to free up lending and leveraging federal stimulus dollars to maximize the benefits for Connecticut.

Connecticut is focused on attracting and developing new industries. In 2006, we established tax credits for the production of digital media and motion pictures. Later, we expanded the credits to animation production and on infrastructure improvements. In 2008, Blue Sky Studios recognized Connecticut's commitment to growing its entertainment industry and took advantage of an \$8 million loan to move from White Plains, N.Y. to Greenwich.

This has spurred other companies to Connecticut. NBC Universal is moving production of three shows to Stamford; Endemol USA is bringing its version of the game show Deal or no Deal? to Waterford; and in South Windsor, a major production facility is on the drawing board.

Nurturing a culture of innovation is critical to economic development, to keeping the jobs that we have, and growing new ones. We want to help companies perform research that leads to cutting-edge products, and we want to make it easier to move ideas from the R&D labs to the production floor. In April, Connecticut Innovations celebrated its 20th anniversary. Over those 20 years, state investments of \$180 million have leveraged more than \$2.8 billion in private dollars, putting 341 companies on the map in Connecticut.

Connecticut ranks among the top six states in the country that are advancing toward the New Economy based on knowledge jobs, globalization, economic dynamism, transformation to a digital economy and technological innovation capacity.

The Department of Economic and Community Development (DECD) is the lead state agency responsible for all economic development and responsible growth matters. By partnering with organizations and institutions of higher learning, DECD has made expanding Connecticut's foothold in the new economy a priority.

Programs like the Small Business Incubator Program, the Innovation Pipeline Accelerator, and the Aerospace & Defense Initiative - just to name a few - are helping start ups and established companies with financial assistance, product commercialization, the implementation of lean manufacturing, and building support networks.

High technology jobs overlap many industries, and one in particular interest to Connecticut is energy - not only for the economic potential, but also for the environmental benefits.

The state is strengthening its leadership position in the area of fuel cells; encouraging the research, production, and distribution of biodiesel; and our Energy Application Research Program helps companies use new energy technologies.

Also, solar can be a key to reversing our dependence on foreign oil. Last year I unveiled the Connecticut Solar Lease Program, a first of its kind in the nation, to defer the high initial costs associated with the purchase and installation of residential solar systems. The Connecticut Clean Energy Fund is making solar energy a real possibility for many more households with its solar rebate program and leveraging federal tax credits.

Experts say there is the potential for hundreds of thousands of Green Collar jobs to open up in the next decade. I issued Executive Order No. 23, my initiative to grow and expand green industries and green jobs, in February.

One of the keys to developing the state's capabilities in the emerging green technologies is education or workforce development. Our workers need the training and skill sets necessary to fill the growing demand in diverse fields. My plan leverages the state's innovative and entrepreneurial talent that will guide Connecticut to a greener future for all and maintain our economic competitiveness.

Even during difficult times, it is investments like these that are paying dividends. Meanwhile our economic development team continues to chalk up "wins" for Connecticut and its residents:

Sun Products Corporation, a leading North American provider of detergent and cleaning products, agreed to locate its North American Technology Center in Trumbull and its headquarters in Wilton, citing the available scientific and engineering workforce, the location, and sophisticated infrastructure.

Our diversified, productive workforce enticed Walgreens to invest \$175 million and create 550 jobs in their new high-tech distribution facility in Windsor that will use some of the most innovative logistics systems in the field.

Earlier this year Gartner, Inc., a research and advisory company with 4,100 associates worldwide, announced plans to expand its operations in Connecticut, retaining 861 jobs and creating approximately 300 additional positions over the next five years.

The fact that such a broad array of companies are choosing to invest and grow in Connecticut bodes well for the future. Their confidence in the state and its overall direction reinforce my belief that we are on the right economic development path.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540