

Testimony of Robert W. Santy President and CEO of the Connecticut Economic Resource Center, Inc. before the Committee on Commerce in support of SB 888, AAC Regional Economic Development. Good morning, Sen. LeBeau, Rep. Berger and members of the Committee, I am Bob Santy from CERC and I want to thank you for the opportunity to appear today.

As many of you know, the ideas underlying this bill are not new, and many areas of the state of Connecticut have active and effective regional economic development programs. Attached to my testimony is a map of the eight regions of the state that currently have Comprehensive Economic Development Strategies (CEDs) that have been approved or are in the process of approval by the federal Economic Development Administration. These regions form the basis of a more comprehensive approach to regional economic development by the state. However, there are serious structural and funding issues which negatively impact their effectiveness, and this bill is a great effort to try and correct them.

The premise underlying this bill is right on – we need to do more things at the right scale in Connecticut, and economic development programming uniquely should be done at a regional scale that reflects economic realities.

While the bill has some provisions that may not apply under current circumstances, it should be amended and enacted. I believe there are some organizational principles that you should keep in mind in further refinement of this legislation:

- ***Try to be consistent with Federal Economic Development District & CEDs requirements.*** The federal stimulus package includes \$150 million in new funding for the Economic Development Administration programs. This legislation should enhance Connecticut's ability to draw down those funds, particularly by encouraging creation of federally recognized economic development commissions. Also attached to my testimony is a table of EDA investments by state in 2007. I draw your attention to Connecticut's share.
- Make sure regional organizations are ***public/private partnerships***, representing municipalities, businesses, workforce and other stakeholders, not just a regional planning agency or a chamber of commerce.
- ***Build off work already done.*** The regions that have spent the time and considerable effort to come together around economic development priorities at the regional level should be rewarded for their work. It may become necessary to adopt different structures over time, but let's work with what we already have first.
- ***Provide flexibility in establishing geographic boundaries.*** The federal EDA does not require that all towns in a state be part of a region. 34 towns in Connecticut currently are not part of a region with a CEDs. However, state economic development officials most likely

will want all towns to be part of a regional group. A process for working through these issues needs to be established.

- **Use smart growth principles** to help define the work of regional level economic development organizations, consistent with the recommendations of the Smart Growth Working Group, Economic Development Sub-Group. Regions should prioritize their economic development projects in accordance with some responsible growth principles. CERC has developed a rating system as part of a project in Southwestern Connecticut that could form the basis of such an approach. 1000 Friends of Connecticut has also developed a Smart Growth Scorecard for rating projects. These regional project ratings could be part of a new strategic approach to capital spending by the state.
- **Ensure consistency with regional land use and transportation plans.** Land use and transportation planning is currently carried out at the regional level by Regional Planning Agencies and Metropolitan Planning Organizations (which are one in the same in some, but not all of the regions). There is currently no requirement for regional level economic development planning which results in economic growth getting short shrift. Considering our economic circumstances this cannot be allowed to continue. Preferably, the economic development plan will drive the development of the land use and transportation plans
- **Tie the new regional plans to incentives like the capital and equipment grants proposed by the Governor.** Municipalities will not regionalize economic development activities on their own. Incentives will provide chief elected officials with the rationale to spend time and effort to work collaboratively on economic development issues and projects.

CERC has spent extensive time and resources on regional economic development planning and structures over the years. We also have examined best practices nation-wide. We would be happy to work with the Committee and a representative group of regional agencies and other stakeholders to refine this important legislation.

Again thank you for the opportunity to appear before you today.