



Testimony of Marie C. O'Brien
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to the Legislative Program Review and Investigations Committee

**Raised Bill No. 308, AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING
CONNECTICUT'S ECONOMIC COMPETITIVENESS**

March 1, 2010

Good afternoon Senator Kissel, Representative Mushinsky and distinguished members of the Program Review and Investigations Committee. My name is Marie O'Brien and I am the President of the Connecticut Development Authority (CDA).

I'd like to thank you for the opportunity to comment on Raised Bill 308, AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING CONNECTICUT'S ECONOMIC COMPETITIVENESS.

We respectfully oppose this bill.

CDA provides financial assistance focused on the retention of jobs in all industry sectors including life sciences; advanced manufacturing such as aerospace and biomedical engineering; professional services including financial services, engineering, architecture and construction design; technology businesses with significant R&D investments; and energy and energy efficiency companies. CDA's financial assistance provided over the last 18 months had an immediate effect on businesses' ability to sustain the downturn in our economy and continue providing employment opportunities. We anticipate the volume of loan transactions supporting all types of diversified small businesses will approach \$30 million in this fiscal year. Additionally, the CDA will issue self-sustaining bonds based on federal allocations and guidelines for private and public activities to support economic development projects and investments in commercial, industrial, aviation, and mixed use projects.

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Given our extensive experience in economic development finance, we offer the following points for your consideration:

- Distraction from CDA's mission during the worst recession we have experienced in this country will have a direct negative effect on Connecticut's business growth, job retention, creation and tax revenue.
- The merger of current economic development entities with their divergent missions would not have the synergistic results that the bill contemplates.
- The unintended consequences of this less than comprehensive and thoughtful approach during tenuous times minimizes the potential to be realized by considering consolidating investments in agencies or programs that impact transportation, the environment, workforce development, higher education, public utilities including telecommunications and energy. This tactical error may leave Connecticut without the strategic focus that other states have been able to achieve.
- With business owners and our banking partners, CDA's unique set of financial products has leveraged valuable private sector capital. We have responded to Connecticut businesses in a timely way during this recession and consequently have had a significant impact on thousands of Connecticut residents and workers.
- The CDA brand and CDA effectiveness in execution are well known to a wide range of financial, commercial, industrial companies, business organizations and municipalities. Creating a new replacement "alphabet soup" agency without research on its market impact, branding capability or acceptance by the business community is a less than sophisticated approach to how Connecticut's economic development goals would be respected in a global marketplace. For example, the bill calls for a focus on hard sciences when in fact the most recent innovative impact has been from the soft sciences.
- CDA's current legislative authority allows it to respond to almost any economic development request without legislative change and react to changing market conditions immediately. This is a strength that should be retained.

In conclusion, this bill suggests changes at CDA coming at a most difficult time, causing unnecessary distraction. The committee's objective to developing an enduring economic recovery and an effective organizational model needs further refinement. Thank you for the opportunity to speak to this crucial review of Connecticut's economic potential.