



OLR RESEARCH REPORT

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QUESTION FOR CHAIRPERSON OF THE CONNECTICUT DEVELOPMENT AUTHORITY NOMINEE

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CONNECTICUT DEVELOPMENT AUTHORITY (CDA) BOARD (CGS § 32-11a (c))

- An 11-member board of directors governs this quasi-public agency, which provides low-cost financing for businesses relocating or expanding in Connecticut. The governor appoints four members and the chairperson.
- The board: (1) adopts written procedures for operating the authority, (2) appoints CDA's executive director, (3) creates its subsidiaries, (4) acquires property and contracts for services, (5) issues and retires bonds, and (6) approves loans and requests for other types of financial assistance.

SERVING ON A BOARD OF DIRECTORS

1. You currently serve on the board of directors of three nonprofit organizations. How does that experience prepare you for chairing the board of a quasi-public agency?
2. Two of the boards you serve on—the Connecticut Fund for the Environment and the Trust for Public Land seek to preserve the state's natural resources. CDA finances activities that arguably consume or affect those resources. Is there an inherent tension between protecting the environment and developing the economy? If so, how would you balance these two competing needs?

3. The governor has nominated you to head the Department of Economic and Community Development (DECD) and chair the state's other quasi-public economic development agency—Connecticut Innovation, Inc. (CII). Will you have the time and resources to run DECD and oversee the two quasi-public agencies?

REORGANIZATION

1. The state has an alphabet soup of economic development agencies. How are CDA, CII, and DECD different?
2. Should these agencies be consolidated, as the Commission on Enhancing Agency Outcomes proposes, in a new quasi-public agency?
 - What purpose would the consolidation serve?
 - Would the agencies operate more efficiently?
 - Would it give customers better access to the agencies' services?
 - Do you think quasi-public agencies generally do a better job planning and implementing policies than state agencies?
3. The alphabet soup gets thicker if you were to stir into the pot the local and regional economic development agencies.
 - What do you make of the current mélange of state, regional, and local economic development agencies? Do we need this number of agencies?
 - What do the different types of agencies do? Who do they serve?
 - How do you think this mélange looks to the agencies' businesses and nonprofit organizations customers?

FINANCIAL ASSISTANCE

1. What is the difference between CDA and a bank? Do they provide the same products and services? Do they serve the same types of customers? Does CDA compete with banks?

2. Do business' financial needs vary from sector to sector? Do they vary depending on business' size or age? Does CDA customize its financial products to address these needs?
3. An October 20, 2010 report listed nine CDA programs—six providing or guaranteeing business loans, two providing financing for cleaning up contaminated property, and one providing funds for job training. How are these programs different? How does a potential client know which program to access?
4. How did you stay in touch with your customers when you worked in the financial services industry? How did you adjust your products and services to match their changing needs?
5. How did you foster innovation? Does CDA encourage and reward its employees to be innovative?

BROWNFIELDS

1. What is the relationship between CDA's subsidiary—the Connecticut Brownfields Redevelopment Authority—and CDA's two environmental clean-up programs—the Business Environmental Cleanup Revolving Fund and the Environmental Assistance Revolving Fund? Why does CDA need a subsidiary for cleaning up brownfields?
2. How many brownfields are there in the state? How many brownfields have been remediated with the subsidiary's help? How would you characterize this performance?
3. Several state agencies implement brownfield policies and programs. From CDA's perspective, what are the major barriers to cleaning up these properties and restoring them to productive use?

MEASURING SUCCESS

1. How should the legislature measure the success of CDA's programs? What indicators should the legislators watch?
2. The law requires CDA to collect and report data on the number and quality of jobs its borrowers create, thus creating an expectation that CDA's goal is to create jobs. Is this a fair or reasonable expectation? If not, why?

3. To what extent do CDA's clients use CDA assistance to adopt new, cost-cutting technologies? How do those technologies affect the number and types of jobs a client has?
4. The law requires CDA's board to give priority to "high performance work organizations." How does the board determine if an organization meets this standard?
5. CDA requires its clients to submit affirmative action plans. To what extent has CDA assistance created equal employment opportunities for women and minority group members?

EXPORTING

1. Does CDA provide export financing? If yes, how does it differ from other forms of CDA financing?
2. How does CDA market its export assistance? How many businesses have received such assistance?

CULTURE AND TOURISM

1. Does CDA provide financing to cultural attractions, such as art and historical museums?
2. Is underwriting a loan for such institutions different than underwriting a loan for businesses?

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