

**Remarks to members of the Commerce Committee  
February 21, 2012**

Good morning Senator LeBeau, Representative Berger, Senator Frantz, Representative Camillo and other members of the Commerce Committee. My name is Richard Mulready and I am the Vice Chairman of the Connecticut Development Authority and I am here today to speak in favor of HB 5018, AN ACT CONCERNING CONNECTICUT INNOVATIONS, INCORPORATED AND THE CONNECTICUT DEVELOPMENT AUTHORITY.

As Catherine Smith noted, this bill deals with the consolidation of these two quasi-public agencies into one agency that we believe would allow them to be more effective in carrying out their missions. When people have asked me over the 18 years that I have spent on the CDA board what the mission of the CDA is, I have usually given a one word answer: Jobs. That, of course, is the essential mission of CII as well. But these two agencies have different approaches. CDA is a lender – often the lender of last resort to those businesses that cannot get the credit they need to survive and grow. CII, as I understand it, primarily deals with startups and new companies – particularly those with new and innovative ideas for products and processes. One is primarily a lender and the other is primarily an equity investor.

Businesses, and proposed businesses, need both types of funding to realize their potential.

Businesses often advertise “one-stop shopping”. In many cases, it is the most efficient – and more importantly, the most effective - way to provide products and services. I believe that the consolidation of these two entities has the potential to do that for existing and proposed businesses in Connecticut.

Having said that, I believe that there is one “tweak” in the consolidation that would be helpful. As I noted, CII primarily deals with equity capital for startups while CDA deals primarily with loans for existing businesses. My suggested “tweak” would be to ensure that equity capital for existing businesses can be made available as well. Many of the companies that we see at CDA could use an injection of equity along with the loans that we provide.

My final point is this: we have an outstanding staff at CDA. They are experienced, hard-working and they care about the companies that we serve. They often go above and beyond the call of duty. For example, I have heard of numerous cases where we could not provide the financing that a company sought but rather than just say "no", our staff has referred that company to other entities that have been able to help them - or has helped them reformat their request in a manner where we can provide them with funding.

While there will be adjustments for the staffs of both entities I believe that they will each quickly adjust to their new environment and help make one plus one equal three.

Thank you for your time and consideration.