



Department of Economic and
Community Development

Connecticut
still revolutionary

Catherine H. Smith
Commissioner

Testimony before Commerce Committee 3/12/13 Public Hearing

- SB 537: AA Establishing A Broker Between EB -5 Visa Applicants and Businesses Seeking Capital
HB 5302: AA Requiring A Cost-Benefit Analysis Of Proposed State-Funded Economic Development Capital Investments
HB 5460: AA Establishing A Plan For Emerging Bioscience And Pharmaceutical Businesses In Southeastern Connecticut
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Senator LeBeau, Representative Perone, Senator Frantz and Representative Lavielle, Thank you for the opportunity to submit testimony before you today. There are three bills that I would like to comment on today.

Senate Bill 537, would establish within the Department of Economic & Community Development (DECD) a program that matches foreign investors with businesses or individuals seeking capital and apply for designation of such program as an EB-5 Regional Center. Though DECD is in support of the creation of an EB-5 Regional Center, we feel that the state should support and embrace The Business Council of Fairfield County's current licensing application that is currently in the final weeks of an extensive year long planning process.

This public private partnership would lead to the creation of an EB-5 Visa Regional Center that would serve the state of Connecticut as a whole. The mission of this Stamford based center, would seek to foster economic development in the state by providing capital for Connecticut-based commercial enterprises. Additionally, the regional center would seek investments from public and private sources of capital.

DECD has neither the capital nor the resources to run a program that is envisioned within this legislation, and there is no need to begin a year long process when we will have a center up and running in the very near future. The model being pursued now, which has brought together professionals from the public and private sectors should continue through its incorporations and rely on support and cooperation from Connecticut's Economic Development agencies to market it services. A task which DECD is excited about undertaking.



HB 5302, would require a cost-benefit and return on-on-investment analysis to accompany legislation concerning state-funded economic development capital investments. DECD understands the motives behind this legislation but urges the committee to proceed cautiously. Currently DECD conducts a REMI on all major projects, but conducts the analysis in a manner that protects proprietary information. The analysis is conducted by focusing on summary data and not individual inputs.

Lastly, **HB 5460** would require the Department of Economic & Community Development to develop a plan to facilitate the growth of a bioscience and pharmaceutical presence in Southeastern Connecticut. Though DECD supports the intention of the bill, we must direct the committee's attention to Governor's Bill 838, which seeks to create a bioscience and pharmaceutical presence throughout Connecticut. This ambitious 10-year \$200 million investment seeks to capitalize on Connecticut's core strengths; exceptional academic institutions, innovative health insurers, a vast network of first class health delivery system and a plethora of start up bioscience companies.

Connecticut needs to aggressively capitalize on our ongoing investments in the bioscience industry including stem cell research, Bioscience CT and Jackson Labs. We need to leverage state dollars with private, federal and non-profit co-investments in order to focus on the viability of commercial applications. These investments will only lead to innovation and a higher density of a specialized workforce throughout Connecticut.

There are two important factors today that are driving the growth of the bioscience industry; they are strategic collaborations and convergence science. Now strategic collaborations is self explanatory but convergence science is the merger of life and physical and engineering sciences in order to find new ways to solve problems. Connecticut is fortunate to have all the core strengths necessary for growth, but we must work to lift the state as a whole in order to attain that critical mass.

As I mentioned earlier, legislation was introduced this session by Governor Malloy to create this critical mass here in Connecticut. It is my fear that HB 5460 will only fracture a worthy piece of legislation before it has a chance to be implemented. Creating an unrestricted and fluid environment where strategic collaborations can thrive will only provide a boon to the state as a whole.