

To: Commerce Committee Ct State Legislature

From: Andrew Gibson, CEO of AeroCision, an Aerospace Manufacturer based in Chester CT

Re: Written testimony in support of Senate Bill 540 "An Act Increasing the Cap on the Insurance Reinvestment Fund Tax Credit Program"

Date of Hearing: February 19, 2015

Dear Senator Hartley, Representative Perone and Members of the Committee,

My name is Andrew Gibson, the CEO of AeroCision, LLC. AeroCision is an aerospace manufacturer based on Chester CT. We employ over 60 high wage engineering and manufacturing people. This past quarter, we hired 3 new people to keep up with our projected growth in 2015.

I fully endorse the passage of Senate Bill 540, "An Act Increasing the Cap on the Insurance Reinvestment Fund Tax Credit Program."

Our CT payroll is over \$4.2mm annually and we purchase approximately \$6,000,000 of local goods and services. Five years ago, our export book was almost zero. We now export \$6,000,000 of high end aerospace parts which brings foreign capital into CT. Exports will double within four years.

A couple of years ago our ability to re-invest in the ongoing business and growth was at a dead end. Enhanced Capital introduced us to CT's "*Reinvestment Fund Tax Credit Program*". We were finally able to secure a major investment in our business on terms that allowed us to make critical **flexible investments** in our people, equipment and plant.

CT's \$200mm Tax Credit Program is a **major differentiator** on the national and international manufacturing stage. I receive at least one re-location inquiry per week from a Southern or Western State. Those states have appealing low cost packages. CT's progressive stance on access to flexible capital is the primary reason why we don't follow up with other States.

In other words, Alabama is cheaper, but we can make more of an impact with our customers staying put and employing CT's Tax Credit Financing.

For small manufacturers like us, the Tax Credit Funding is a true "Goldilocks" financing package. Not insanely expensive like Private Capital, and not inflexible like traditional Bank Capital. The low cost and flexible terms make it just right.

I understand the initial \$200 million tax credit fund is now nearly exhausted. I strongly recommend to this committee and to the Legislature that \$200 million in credits continue. CT's Tax Credit Funding is a major national – and international - success story.

We compete with companies from all over the world especially from China, Eastern Europe and India. We have to squeeze every penny to provide cost competitive products to our customers including Rolls Royce, Honeywell and General Electric. The Tax Credit Funding works, we are a living example. It should not only be preserved, but wisely expanded.

Thank you and please call me with any questions or comments.

Kind regards, Andrew

Andrew Gibson, CEO
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