

Commerce Committee JOINT FAVORABLE REPORT

Bill No.: SB-1020

AN ACT ESTABLISHING A REGIONAL ECONOMIC DEVELOPMENT PILOT

Title: PROGRAM IN THE NAUGATUCK VALLEY.

Vote Date: 3/16/2021

Vote Action: Joint Favorable Substitute

PH Date: 3/9/2021

File No.: 222

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SPONSORS OF BILL:

Commerce Committee

REASONS FOR BILL:

SB-1020 would direct The Department of Economic and Community Development to establish a regional economic development matching grant pilot program. The pilot program provides matching funds to regional economic development corporations to implement economic development programs in distressed municipalities.

This pilot program encourages regional efforts by requiring the bill's pilot program applicants to meet specific parameters.

Substitute Language – LCO 5448

The bill, as originally drafted, proposed the creation of a pilot program for the Naugatuck Valley. The substitute language removes reference to Naugatuck Valley, opening access to the pilot program to any regional organization that meets the requirements. The substitute language provides those requirements and sets the parameters of the program.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed

NATURE AND SOURCES OF SUPPORT:

1. **Andrew Baklik, Chief of Staff, City of Derby:** Submitted written testimony in support of this bill. Mr. Baklik conveyed the difficulties Derby faces regarding sustaining

economic development efforts when acting as a single entity. He voiced support to forming a regional entity, which could be better equipped to provide continuity relating to economic development efforts. He called the prospect of having regional staff "...a game-changer for small distressed municipalities like Derby."

2. **Connecticut Conference of Municipalities:** Submitted written testimony in support of this bill. They noted that having effective economic development policies is vital to the long-term success of the state. They were encouraged that this bill would incentivize companies to either locate or expand in Connecticut without doing so at the expense of the municipality in the form of property tax exemptions.
3. **N. Warren "Pete" Hess, Mayor, Borough of Naugatuck and Neil M. O'Leary, Mayor, City of Waterbury:** Provided written joint testimony, and Mayor Hess provided public hearing testimony in support of this bill. Seeing the potential shared benefits and understanding that economic development is increasingly regional in scale, Naugatuck and Waterbury created the Naugatuck Valley Regional Development Corporation. Mayor Hess and Mayor O'Leary believe that this bill, with its matching funds, would help build off their own efforts and encourage other municipalities to work more regionally.
4. **Thomas Hyde, CEO, Naugatuck Valley Regional Development Corporation:** Provided written and public hearing testimony in support of this bill. Mr. Hyde noted that the Naugatuck Valley has several municipalities that cannot afford economic development staff, which means they miss out on development opportunities. He testified that the goal of NVRDC is to expand into other municipalities in the region, thereby providing them access to economic development staff. Mr. Hyde highlighted that the funding in this bill would come in the form of a matching grant, ensuring that the regional organizations would have "skin in the game."
5. **Sheila O'Malley, Economic Development Director, City of Ansonia:** Submitted written testimony in support of this bill. Ms. O'Malley testified about her twenty-five years of experience in roles related to economic development. She explained that one of the most significant challenges municipalities face is a lack of the necessary funds to incentivize development activities successfully. She believes that regional efforts like the one encouraged by this bill will strengthen and benefit many communities.
6. **Joshua Rodriguez, Director of Public Policy & Economic Development, Waterbury Regional Chamber:** Submitted written testimony in support of this bill. The Waterbury Regional Chamber represents the interests of nearly one-thousand member businesses on matters of public policy. Mr. Rodriguez emphasized that this bill's funds would help developers overcome costs and incentivize them to undertake projects. He also stressed that organizations must deliver on their end because the funds come from a matching grant.
7. **Lynn Ward, President & CEO, Waterbury Regional Chamber:** Provided written and public hearing testimony in support of this bill. In addition to her role at the Waterbury Regional Chamber, Ms. Ward is also a board member of NVRDC. She believes that a regional approach to economic development, along with a public/private investment,

will result in more successful outcomes compared to municipalities acting independently. She concluded her written testimony by stating, “The business community is enthusiastic about the future of our region and stands ready to support regional efforts.”

NATURE AND SOURCES OF OPPOSITION:

None Expressed

Reported by: Peter B. Andrews

Date: 3-17-21