Direct Business Assistance

DECD is the lead economic development agency — CDA, CI and others are partners.

- DECD provided $20M in direct financial assistance to CT companies in fiscal 2009.
- This leveraged $248 million in private funds.
- For every state dollar invested, $12 was invested by private industry. (12-1 return on investment)
DECD supports technology-based companies, and helps expand opportunities for innovating and enterprising start-ups.

- Small Business Development Centers (5 locations statewide)
- Small Business Innovation Research $250,000
- Green collar jobs — Executive Order 23
- Clean Tech Fund — $500,000
- Technology Innovation Program — $2M
Incentive-driven direct loans for projects when there is a strong economic development potential

Eligible uses for MAA funds

- Planning, including but not limited to: feasibility studies, engineering, appraisals, market studies and related activities
- Acquisition of real property, machinery or equipment or any combination, provided such assistance does not exceed the fair market value
- Construction of site and infrastructure improvements relating to a municipal or business development project
Innovation/Entrepreneurship

DECD Financing - MAA

- Eligible uses for MAA funds
  - Construction/renovation/demolition of buildings
  - Relocation expenses for the purpose of assisting manufacturing or other economic-based businesses to locate, construct, renovate or acquire a facility
  - Working capital in conjunction with a business development project
  - Business support services such as labor training, day care, energy conservation, pollution control, recycling and the like, in conjunction with other state agencies
Urban and Industrial Site Reinvestment Tax Credit Program
-Dollar-for-dollar corporate tax credit of up to 100% for an investment up to a maximum of $100 million in an urban area or an industrial project
- Minimum investment is $5 million in distressed communities and $50 million in all other communities
Corporate Business Tax Credits
- A corporate business tax credit for companies that hire at least 10 new employees for a minimum of a 12-month period;
  - the tax credit can be up to 60% of the state income tax withheld from the employee’s wage and the credit applies for five consecutive years

- A $1,500 per worker corporate tax credit to companies that hire workers who were employed in Connecticut and were let go by a previous employer as result of a corporate restructuring in which at least 10 workers were terminated by the same employer
  - credit is allowed during the first twelve months of the worker’s re-employment
DECD Financing - Tax Incentives

Corporate Business Tax Credits
- 5% credit for fixed capital investment in tangible personal property
- 5% credit for investments in human capital: employee training, childcare, facilities and subsidies and donation to higher education for advancement of technology
- 10% credit for increased investment in machinery and equipment for companies with 250 or fewer full-time permanent employees in CT
- 5% credit for companies with 251 to 800 full-time permanent employees in CT
- From 1-6% of R&D expenditures based on the amount of such expenditures and size of company
- 20% of the R&D expenditures in CT in the current income year exceeding R&D expenditures of the prior taxable year
DECD is the lead responsible growth/brownfield redevelopment agency. DEP, DOT, OPM, CHFA, CDA are partners.

Discretionary funding gives priority to TOD, brownfields and regionalism.

- CDBG Small Cities
- Brownfield programs
- CHFA tax credits
- Recovery Zone Program
Focus on Sustainability

The federal Sustainable Communities Initiative is eagerly anticipated to complement CT programs and strategies.

- HOMEConnecticut
- Incentive Housing Zones
- Brownfield Redevelopment
- Responsible Growth Task Force
- Economic Strategic Plan
DOE notified CDA that it is qualified to participate as a partner in the Loan Guarantee Program. This program supports up to $8 billion of debt financing for a wide range of energy projects. Together with the Connecticut Clean Energy Fund (CCEF), CDA was recognized by DOE as having the experience and capabilities necessary to participate in their Financial Institution Partnership Program (FIPP). More info available from Tony Roberto and Nick Juncadella from CDA.
Governor’s Initiatives

A $100 million bond authorization to address tight credit availability for small and medium sized businesses.

- $75 million in loan guarantees to provide loans of $500,000 to $3 million — will leverage more than $400 million in private capital
- $25 million set aside for direct loans of up to $500,000
Governor’s Initiatives

Jobs Creation Tax Credit Program

• Credit may be used for 3 years, beginning in income year 2010, and worth $2,500 per year per new job created

• Available to corporations and also pass-through entities, typical of today’s business enterprises.

• Credit will be subject to the existing annual cap of $10 million
Governor’s Initiatives

Renewable Energy Sales Tax Exemption

- To further bolster job creation, the Governor is proposing an enhanced sales tax exemption for green energy-type industries to encourage the research and production of such equipment in Connecticut.
Loan Forgiveness Program

- A person graduating from a Connecticut school with a bachelor’s in the targeted fields who works and lives in the state for at least 2 years will have 5% of any school loans forgiven.
- After 3 years, forgiveness increases to 10%; after 4 years, 15%, and after 5 years, 20%
- $2,500 is the maximum in any one year, with a cumulative maximum of $10,000
- A commensurate program for associate degrees will also be available
Incentives

• Depend on your industry
• Depend on your location (regional variations)
• Depend on your stage of development (pre-seed, seed, mezzanine, mature)
• Depend on your ‘project’