

CONNECTICUT

INNER CITY BUSINESS STRATEGY

STATEWIDE SUMMARY



CONNECTICUT

INNER CITY BUSINESS STRATEGY

**CREATING JOBS, INCOME, AND WEALTH FOR
INNER CITY RESIDENTS**

**BRIDGEPORT
HARTFORD
NEW BRITAIN
NEW HAVEN
WATERBURY**

On behalf of the more than 200 business, civic and community leaders from the five cities involved in creating this Connecticut Inner City Business Strategy, we are pleased to present this Statewide Summary. This summary has been drawn from the extensive reports prepared by each of the five cities, and highlights recommendations for both statewide and city action.

It is our view that the powerful partnerships that have been created and the exceptionally strong economy provide Connecticut with a unique opportunity at this moment in history to deal with the complex issues relating to inner-city revitalization. The Governor and legislative leaders are already committed to making significant infrastructure investments to revitalize our cities. Because the Connecticut Inner City Business Strategy has been driven by local leadership and built from the ground up, implementing the recommendations will further leverage and reinforce the major projects already underway.

By building upon these many worthwhile initiatives and by creating specific strategies that capitalize on the unique competitive advantages and economic potential of each of our cities, we believe this effort can have a significant impact.

In order to provide a clear focus for this initiative, all the cities agreed upon a simple Mission Statement: **To increase the income, wealth and employment opportunities for inner-city residents**. The recommended strategies will help accomplish this by strengthening the ability of our residents, businesses and cities to compete in the New Economy. When successful, the strategies will also play an important role in changing the perceptions of urban investors and residents about the potential that exists in our inner cities.

We would like to express our thanks to the Governor's Council on Economic Competitiveness and Technology for giving us the opportunity to be involved in such an important and worthwhile initiative. Finally, we would like to express our particular thanks to DECD's Commissioner James F. Abromaitis, ICIC's project leaders, Anne S. Habiby and Claire E. Kaplan, and CERC's CEO, William J. Kaufmann. Together, they have provided each of us and our Advisory Boards with the resources and experience-based insight that has made it possible to shape this ambitious agenda.

Mickey Herbert
President & CEO
Bridgeport Bluefish
Bridgeport

Gregory B. Howey
President
OKAY Industries
New Britain

Frederick L. Luedke
President
NEOPERL, Inc.
Waterbury

Arthur C. Marquardt
President & CEO
CTG Resources, Inc.
Hartford

Nathaniel D. Woodson
President & CEO
United Illuminating
New Haven

City Champions

ACKNOWLEDGMENTS

We would like to gratefully acknowledge the leadership and generous commitment of time, energy, and resources of all of the following:

Governor Rowland and the leadership of the Connecticut Legislature

Governor's Council for Economic Competitiveness and Technology

The Connecticut Department of Economic and Community Development (DECD)

The Initiative for a Competitive Inner City (ICIC)

The Connecticut Economic Resource Center, Inc. (CERC)

The Honorable Joseph Ganim, Mayor, City of Bridgeport

The Honorable Michael Peters, Mayor, City of Hartford

The Honorable Lucian J. Pawlak, Mayor, City of New Britain

The Honorable John DeStefano, Mayor, City of New Haven

The Honorable Philip Giordano, Mayor, City of Waterbury

The City Councils of Bridgeport, Hartford, New Britain, New Haven and Waterbury

The inner-city business owners and community organizations throughout the State who contributed valuable information through interviews

The over 200 business, government and nonprofit leaders throughout the State who contributed critical knowledge and insight about their cities and dedicated their personal time to developing these strategies.

TABLE OF CONTENTS

I.	Executive Summary	5
II.	A Unique Approach to Urban Revitalization	13
III.	Connecticut's Inner Cities	17
IV.	The State's Role in Promoting Urban Competitiveness	21
V.	Bridgeport's Inner City Strategy	29
VI.	Hartford's Inner City Strategy	35
VII.	New Britain's Inner City Strategy	41
VIII.	New Haven's Inner City Strategy	43
IX.	Waterbury's Inner City Strategy	47
X.	Conclusion	51

I. EXECUTIVE SUMMARY

An Unprecedented Effort to Revitalize Connecticut's Inner Cities

The Connecticut Inner City Business Strategy Initiative is a bold effort to tackle the state's most pressing challenge – to extending today's economic prosperity to citizens who have been left behind.

Since January 1999, state leaders have mobilized teams of over 200 business, civic, and community leaders across Connecticut to create strategies for inner-city revitalization in Bridgeport, Hartford, New Britain, New Haven, and Waterbury. These leaders have rallied behind the recognition that on-going prosperity in the state will depend on the revitalization of its distressed urban areas.

Working closely with the Initiative for a Competitive Inner City (ICIC), a national not-for-profit organization founded by Harvard Business School Professor Michael Porter, the leadership teams have identified market-based opportunities for inner-city business growth that can create jobs, income, and wealth for local residents.

The plans that have emerged represent broad collaboration among corporate leaders, government officials, community groups, and academic institutions. As cities begin to implement these strategies, it is clear that this initiative will create not just ideas, but action, accountability, and results.

WHAT WE HAVE ACCOMPLISHED. . .

- Leaders throughout the state have produced a shared strategic vision and action plan to accelerate business growth in Connecticut's most distressed urban areas.
- Two hundred business, civic, and community leaders are committed to inner-city economic development.
- Five corporate champions have stepped forward to lead a diverse coalition of organizations and businesses in the revitalization of their inner cities.
- Over 250 inner-city businesses have been interviewed, providing in-depth knowledge of inner-city strengths and barriers.

THE THREE-YEAR INNER-CITY STRATEGY OUTLINED HERE CAN...

- Prepare over 3,000 inner-city residents to compete for higher-skill jobs with strong career paths.
- Support and accelerate inner-city business growth and attract new businesses to the urban core.
- Develop a cadre of 500 new inner-city entrepreneurs poised to take on new business opportunities.
- Fundamentally alter the opinions and attitudes of customers, investors, business professionals, and inner-city residents regarding opportunities in Connecticut's inner cities.

Support for this initiative has come from all corners of Connecticut, producing a tremendous amount of momentum to drive opportunities into results. Governor Rowland has provided credibility and resources to bring key leaders together. The Department of Economic and Community Development (DECD) has provided financial support and dedicated hundreds of staff hours to oversee the project. Mayors, civic leaders, and private sector business leaders have contributed enormous time and resources to find new ways to strengthen their inner-city economies.

The unprecedented collaboration among historically divergent constituents in this initiative creates a unique and powerful backdrop for state action. By contributing the force of state support, Connecticut leaders can sustain and accelerate the momentum that local leaders have created through their efforts.

With today's strong economy, there has never been a better moment to harness the power of free markets to renew Connecticut's inner cities.

A Market-Oriented Approach

The Connecticut Inner City Business Strategy Initiative represents an entirely new approach to the problem of inner-city revitalization. Rather than focusing on barriers to development, this approach identifies and taps the economic competitive advantages inherent in each inner-city area.

The statewide action plan that follows is the result of locally driven, market-based growth strategies. By capturing opportunities presented by Connecticut's industrial tradition and emerging economic engines, the state can move farther than ever before toward providing all of its citizens with opportunities for stable employment and entrepreneurship.

State leaders are positioned to contribute to the initiative in two ways: by supporting city-specific strategies that the five city teams have identified and by comprehensively addressing crosscutting issues that affect all of Connecticut's urban areas.

City-Specific Strategies

The five city teams have developed detailed action plans for business growth. Combined, their action plans involve over 30 new initiatives and public-private partnerships. Many of these initiatives are well on their way to producing visible results.

In **Hartford**, plans are underway to create the **Hartford Enterprise Partnership, Inc.**, designed to provide a range of business advisory services to inner-city companies. The Hartford Enterprise Partnership will coordinate existing service providers and develop new partnerships with corporations and business schools to assist inner-city businesses in reaching their growth potential. A number of private companies have already expressed interest in capitalizing this entity.

In **Bridgeport**, 10 metal manufacturers have formed the **Metal Manufacturers' Education and Training Alliance (META)**. META is a private-sector-led cluster work group focused on boosting the competitiveness of Bridgeport's metal manufacturing industry and capturing new business opportunities. A key part of Bridgeport's inner-city strategy, the cluster work group was created to reverse the stagnation that this inner-city cluster has experienced over the last five years. While initially composed of 10 companies, META's goal is to serve a significant portion of the 160 metal manufacturing companies in Bridgeport. META is focusing its efforts on the following four areas:

- Lean Manufacturing
- Joint Purchasing
- Marketing
- Training

META has already received over \$100,000 in cash and in-kind services, primarily from the private sector.

Similarly, in **Waterbury**, plans are underway to create a **Manufacturing Leadership Group**, a leadership structure that would support the growth of Waterbury's large base of manufacturers. Waterbury's manufacturing sector is dominated by small firms, which currently face a need to modernize, find new markets, and address an impending shortage of skilled workers. The Manufacturing Leadership Group would support these companies in the following ways:

- Provide a clearinghouse for programs
- Foster industry-specific networks to expanding markets and link buyers with suppliers
- Organize networks around training issues
- Provide technical assistance with modernization

In **New Haven**, leaders have focused on preparing the inner city to compete as a center of and supplier to the new **knowledge-based economy**, taking advantage of the high concentration of higher education and research activities in the region. Strategies are aimed at preparing the inner-city workforce to compete for the full range of jobs in this growing cluster and creating the laboratory space and "smart buildings" required by start-up and early stage biotechnology and information technology companies.

New Britain's action plan includes **expanding two existing incubators** to provide more assistance to small start-up businesses and **developing a health care training center** to meet the growing need for trained health care workers at local hospitals and health centers. Leaders in New Britain's health services cluster are working together to develop training programs tailored to their specific needs.

By harnessing private sector and municipal support, these city projects and others like them are well on their way to producing measurable economic results in the inner city. State support for the detailed initiatives that each city has put forward will reinforce local commitment and produce powerful results.

Each city's complete strategy is described in greater detail in an individual report.

Statewide Initiatives

In addition to supporting ongoing city strategies, state leaders are uniquely positioned to address crosscutting issues affecting many Connecticut cities. Working together, the five cities have identified the following initiatives:

Competitive Urban Businesses: Creating a base of strong and growing businesses

For-profit business growth based on real market opportunities is the most sustainable way to increase jobs, income, and wealth in the inner city. While many inner-city businesses are successful, others face constraints that impede their ability to grow. In order to support existing businesses and encourage new business formation, the State can pursue the following strategies:

- **Cluster Activation.** Forming active cluster working groups is one of the most effective ways to strengthen existing businesses. The working groups provide companies with opportunities to achieve and sustain a competitive edge. As members of a cluster network, they can significantly improve their operations and strategies, adopt new technologies, or cut costs through collaborative efforts in workforce development, joint purchasing, information sharing, technology consulting, and other areas.
- **Inner-City Capital Fund.** A targeted capital fund, designed to invest solely in inner-city businesses, would stimulate business formation and support expansion. A successful capital fund would also encourage further investment to the area. The fund would be raised and managed by private sector partners.

In three years:

- Over **200 inner-city companies** in the five cities can be actively involved in cluster initiatives and urban revitalization efforts.
- As many as **2,500 inner-city employees** can benefit from these advancements.

In three years:

With a strong management team, the Inner-City Capital Fund can have **\$15 million to \$20 million** under management and make investments in at least **5 to 10 companies**.

Competitive Inner-City Residents: Preparing the workforce to take advantage of new economic opportunities

In all five cities, there is a critical need for innovative training programs – from work-readiness training, to skills upgrading for incumbent workers, to executive education for inner-city business owners. Connecticut's tight labor market creates a compelling need to draw out the full potential of the labor force. Equally important, a pool of inner-city entrepreneurs must be developed to take advantage of new market opportunities. The State can launch a multi-faceted agenda to strengthen the competitive edge of urban residents.

- **Executive Training Programs.** While various employee training programs exist, there are few opportunities for top managers at inner-city companies to obtain business training. Access to executive training programs would support growth and competition through skill development and business networking. To support executive training, the State can establish a scholarship fund to send inner-city CEOs to executive training programs at area universities.

In three years:

- **150 inner-city business owners** can receive business training.
- **Thousands of employees** can benefit from improvements these CEOs and senior managers bring back to their companies.

- **Job-Readiness Training.** Introducing proven job-readiness training models such as STRIVE in several cities can help improve access to job-readiness training and reach a labor pool that is currently untapped.

In three years:

- The State can provide job-readiness training to **1,200 inner-city residents**

- **Employer-Driven Skills Training.** The only way to ensure that the skills of the workforce match the needs of the workplace is to directly involve employers in developing training curricula. To encourage this, state leaders can provide planning grants to urban industry cluster working groups to work with local service providers to tailor job-training programs.

In three years:

- Cluster-based training programs can develop the skills of **250 inner-city residents**, providing access to better jobs and career advancement.

- **Entrepreneurship Training.** Each of the cities has identified specific plans to support entrepreneurship. The State can contribute to the development of a pool of urban entrepreneurs by further supporting successful entrepreneurial training programs. In addition, to target inner-city youth, the State can partner with the National Foundation for the Teaching of Entrepreneurship (NFTE), a recognized leader in its field.

In three years:

- **200 inner-city residents** can be trained in the basics of entrepreneurship.
- **450 inner-city youth** can receive training in the basics of entrepreneurship and **45 high school teachers** can learn to teach these basics to their students.

Competitive Cities: Creating a business environment that facilitates growth

Many aspects of an inner-city environment can affect a business's capacity for growth. All five teams identified similar environmental barriers to growth, including cumbersome municipal services, perceptions of the inner city as a high crime area, the high cost of doing business relative to the suburbs, and the lack of available land for development. The State can improve the inner-city business environment through the following strategies:

- **Business Services & Outreach.** To create a strong, supportive business environment, local governments must be able to respond quickly and effectively to business needs. A cumbersome permitting process, for example, can become a key barrier to business formation and expansion. Improving city services that affect local businesses can significantly enhance the business environment. The State can encourage and facilitate these improvements by supporting the assessment of existing services, the development of new, automated processes, and the creation of performance measurement and management systems.
- **Brownfield Remediation & Land Assembly.** All five cities identified limited site availability as a constraint to inner-city business growth. The State can contribute to the cities' efforts to address this issue by augmenting and coordinating existing programs focused on site preparation and by working more closely with the cities to remediate specific sites.
- **Urban Renaissance Tax Credit Program.** To encourage economic vitality in the urban core, the State can provide tax credits to businesses seeking to develop or expand in Connecticut's inner cities. These tax credits would focus on reducing the current tax disadvantage of an inner-city location. Credits could be available for new construction, demolition of existing buildings, remediation, and business expansion and investment.
- **Connecticut Inner City 10.** By profiling 10 of the fastest-growing inner-city companies in Connecticut each year, the Connecticut Inner City 10 can help change lingering misperceptions of the inner city and provide role models for future inner-city entrepreneurs. In 2000, Connecticut had five companies on the national ICIC/Inc. Magazine *Inner City 100* list.
 - In three years:
 - The Connecticut Inner City 10 can drive home the message to over **one million people** that inner cities are competitive places for business and provide valuable publicity for **30 inner-city companies**.
- **Positive Perspectives Initiative.** In the five cities, the *perception* of crime has a greater negative impact on business than *actual* crime. Through the Positive Perspectives Initiative, the State can provide small grants to groups of businesses or organizations for press releases, public service announcements, photographs, and special events that promote positive features of the inner city.
 - In three years:
 - The project can generate at least **150 news stories** and **30 million media impressions** profiling successful inner-city companies, viable inner-city business opportunities, and positive changes to the inner city.

Moving Forward

In one year, this initiative has created unprecedented consensus and momentum behind inner-city revitalization at both the state and city levels. Continued success will require sustained commitment across multiple constituencies to harness energy, resources, and leadership. By resolving to support this effort and stimulate ongoing commitment from the private sector, Connecticut can go farther than any other state has gone to advance the prosperity of its inner-city residents.

II. A UNIQUE APPROACH TO URBAN REVITALIZATION

The Connecticut Inner City Business Strategy Initiative represents an entirely new approach to inner-city economic development.

Launched in January 1999 by the Governor's Council on Economic Competitiveness and Technology (Competitiveness Council) and the Department of Economic and Community Development (DECD), the initiative's mission is to devise a comprehensive, market-based strategy for inner-city economic revitalization. The initiative targets five cities: Bridgeport, Hartford, New Britain, New Haven, and Waterbury. By identifying opportunities for business growth and changing perceptions of the inner city, the Initiative seeks to create jobs, income, and wealth for inner-city residents.

Historically, efforts to revitalize inner cities have revolved around meeting the social and personal needs of inner-city residents through improvements in housing, education, health care, and other social services. Although these are important components to economic development, these efforts alone will not create a sustainable economic base in inner cities.

*The Connecticut Inner City Business Strategy Initiative recognizes that sustainable economic development in inner cities will only occur as it has elsewhere -- by employing an economic strategy that emphasizes **private, for-profit business growth and job development**. A vibrant private sector is the key to prosperous, competitive economies.*

The initiative also recognizes that inner-city revitalization is important not only for the well-being of low-income residents but also for the state as a whole. For example, productively utilizing the urban workforce will be critical in the State's efforts to maintain economic prosperity and growth in an era of labor shortages.

The Initiative for a Competitive Inner City (ICIC)

To implement this project, the Competitiveness Council and DECD partnered with the Initiative for a Competitive Inner City (ICIC), a national, not-for-profit organization founded in June 1994 by Harvard Business School Professor Michael E. Porter.

ICIC has served as the primary advisor to the state and the five cities throughout the project. ICIC's mission is to spark new thinking about economic opportunities in America's inner cities, thereby creating jobs, income, and wealth for local residents. ICIC's work replaces the traditional focus on urban blight and community deficiencies with a more constructive focus on market opportunities. ICIC's approach to inner-city revitalization emphasizes the creation of sustainable communities through for-profit business development and often-overlooked competitive advantages.

From June to December 1999, business, civic, and community leaders in Bridgeport, Hartford, New Britain, New Haven, and Waterbury have worked closely with ICIC to assess their inner-city business base and create action-oriented growth strategies.

A Unified Strategy for Inner-City Revitalization

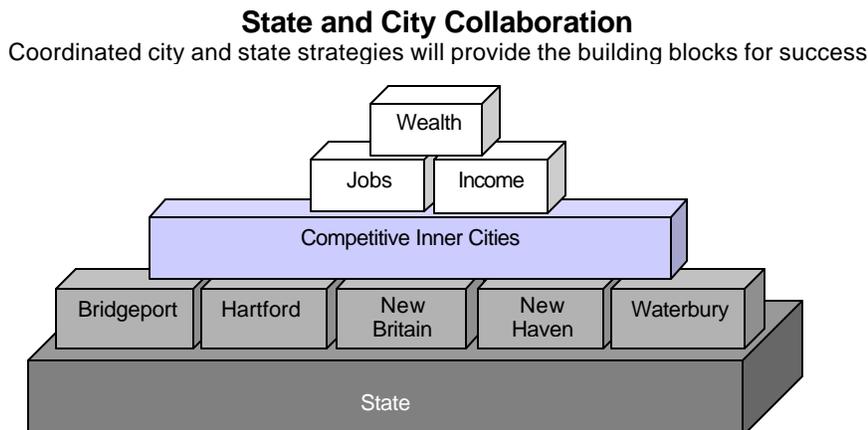
The Governor's Competitiveness Council, DECD, ICIC, the Connecticut Economic Resource Center (CERC), and leaders in the five cities recognize that a myriad of efforts are currently underway in each city to address the problems of poverty, crime, and other social problems that contribute to the isolation of inner-city communities from the mainstream economy. Many of these efforts have had substantial success.

Rather than attempting to replace these efforts, the Connecticut Inner City Business Strategy Initiative seeks to create a **unified strategy** for inner-city revitalization, which focuses organizational energy and resources on a common set of objectives. To accomplish this goal, the Connecticut Inner City Business Strategy Initiative has involved **strong collaboration** among the five participating cities, state leaders, and multiple organizations and sectors within each city.

In each city, this initiative was led by a **private sector** Corporate Champion and an Advisory Board. The five Corporate Champions are CEOs of major local companies, each of whom has committed an enormous amount of time and energy and engaged the support of a wide constituency of individuals and organizations. The five Advisory Boards are composed of groups of 20-25 business, government, and nonprofit leaders.

At regular meetings over a seven-month period, the Advisory Board provided feedback on research findings and oversaw the development of project strategies. Each city also identified a Research Team and Project Manager responsible for conducting a competitive assessment of the inner city and identifying strategies for business growth in conjunction with ICIC.

Through a process of debate and consensus, these newly mobilized teams have managed to cut across traditional institutional and sector barriers in each of the cities. The project has also created valuable linkages among the cities on common goals. City strategies are supported and reinforced by broader state initiatives and policies, as depicted in the following diagram.



Rigorous Economic Analysis

Recognizing that successful inner-city revitalization rests on developing and expanding the existing business base, each of the five cities has conducted a rigorous examination of the economic portfolio of its inner city. Working with ICIC, the teams identified and analyzed the *business clusters*¹ that make up their economy. Beginning with a complete picture of their urban economies allowed the teams to identify new opportunities for growth, as well as critical threats to economic stability.

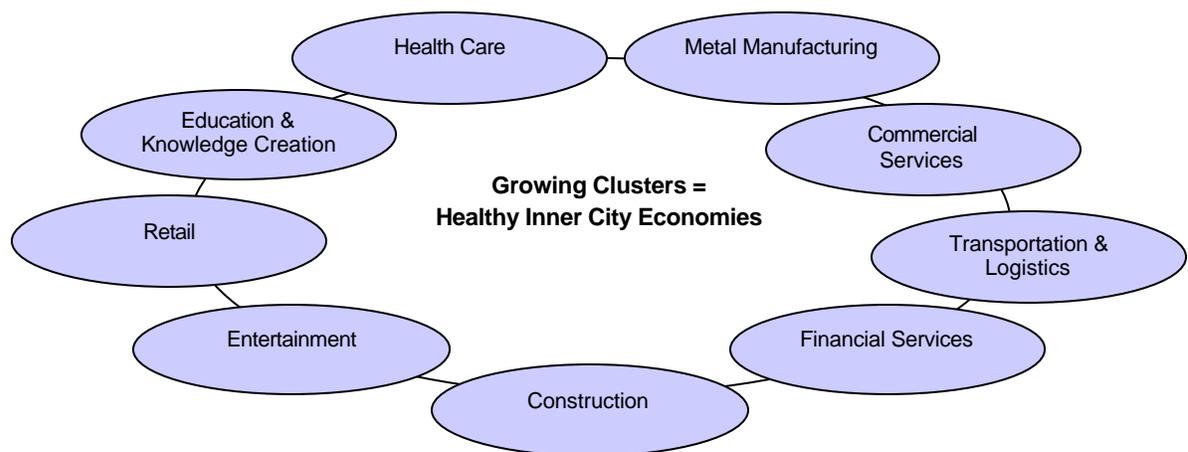
Traditionally, economic development strategies focus on particular parcels of real estate, individual neighborhoods, or specific industries. These approaches fail to recognize the dynamic nature of a city's economy and the multiple factors affecting competitiveness. Through the cluster lens, the cities were able to base their analysis and strategies on:

- A comprehensive view of their inner-city economy
- A view of the inner-city portfolio in the context of the region
- An understanding of key inter-linkages between companies and industries

While the cluster approach provided tremendous value at the city level, it also illuminated many connections among the cities. Several clusters were examined in multiple cities, allowing teams to share information, best practices, and innovative ideas for cluster growth and explore linkages among companies and clusters. This inter-city collaboration will have a far-reaching effect in strengthening urban business clusters and promoting sustainable economic development across the state.

The cluster focus also integrates this project with wider efforts to promote industry clusters throughout the state, as legislated in 1998. The clusters shown in the diagram below represent only some of the vibrant clusters present in Connecticut's urban areas.

Connecticut's Inner City Business Clusters



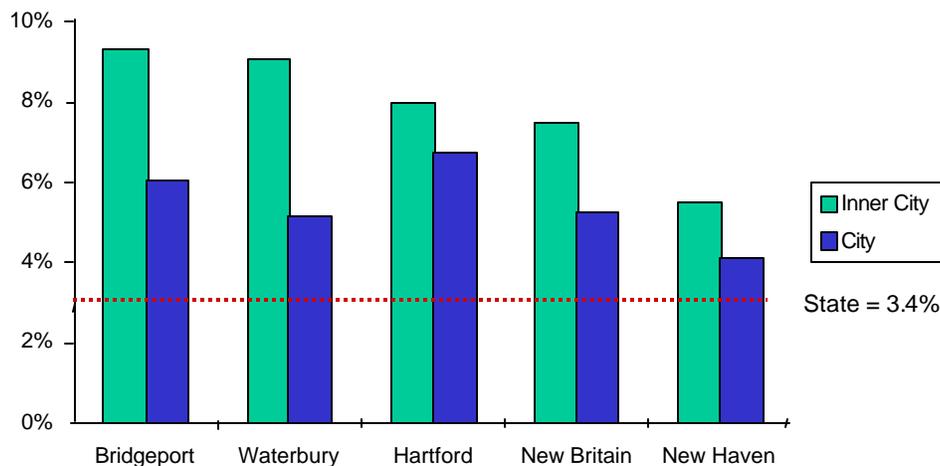
¹ A business cluster is a geographic concentration of interconnected companies and institutions in a particular field.

III. CONNECTICUT'S INNER CITIES

The Connecticut Inner City Business Strategy Initiative seeks to build and improve upon the existing business base in Connecticut's inner cities. Over 10,000 businesses reside in Connecticut's inner cities, despite high poverty and unemployment.

The inner city, for the purposes of this project, is a geographic part of the city with significantly higher levels of unemployment and poverty and lower median household incomes than the surrounding area.² The five inner cities included in this project are home to over 300,000 people. In 1998, these inner-city areas faced a combined unemployment rate of 7.6 percent, contrasted with a rate of 5.5 percent in the five cities overall and a rate of 3.4 percent in the State of Connecticut. The inner cities also have an average median household income of \$22,331 compared to \$52,415 for the state, as well as a combined poverty rate of 47.5 percent.³

**Unemployment Rates
Inner City, City & State 1998**



Research teams interviewed over 50 businesses in each city (a total of 250 statewide) to better understand the competitive advantages and disadvantages of individual inner-city business environments. This approach produced primary research and first-hand knowledge about the most critical inner-city business issues, as well as a series of customized strategies to enhance existing competitive advantages and alleviate competitive disadvantages.

² A census tract was considered part of the inner city if it met two or more of the following criteria: 1998 median household income was less than 50 percent of the labor market area (LMA) median household income; 1998 unemployment rate was greater than 150 percent of the LMA unemployment rate; and 1998 poverty rate was greater than 150 percent of the LMA poverty rate. Local experts were also consulted to confirm the validity of the results.

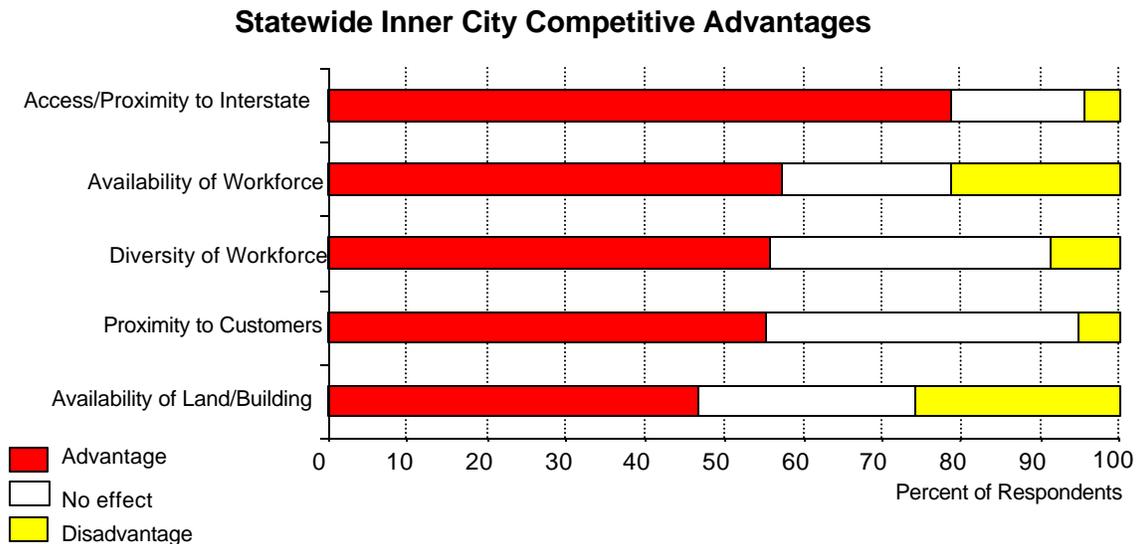
³ Percentage of households with annual income under \$20,000.

Inner-City Competitive Advantages

Each inner city offers strong competitive advantages, including strategic location near major transportation nodes, a large, diverse and available pool of labor, and untapped local markets with substantial purchasing power.

For businesses that are heavily dependent on transportation, the inner city provides a competitive edge in the form of strategic proximity to intersections of major highways. For example, Hartford is located at the junction of 91 and 84, New Haven is located at the junction of 91 and 95, and Waterbury is located at the junction of 8 and 84. For other businesses, the strategic proximity to available workers provides a critical advantage, given low unemployment rates in non-urban areas.

By understanding these competitive advantages, the five cities were able to uncover genuine business opportunities and develop strategies for sustainable business growth.

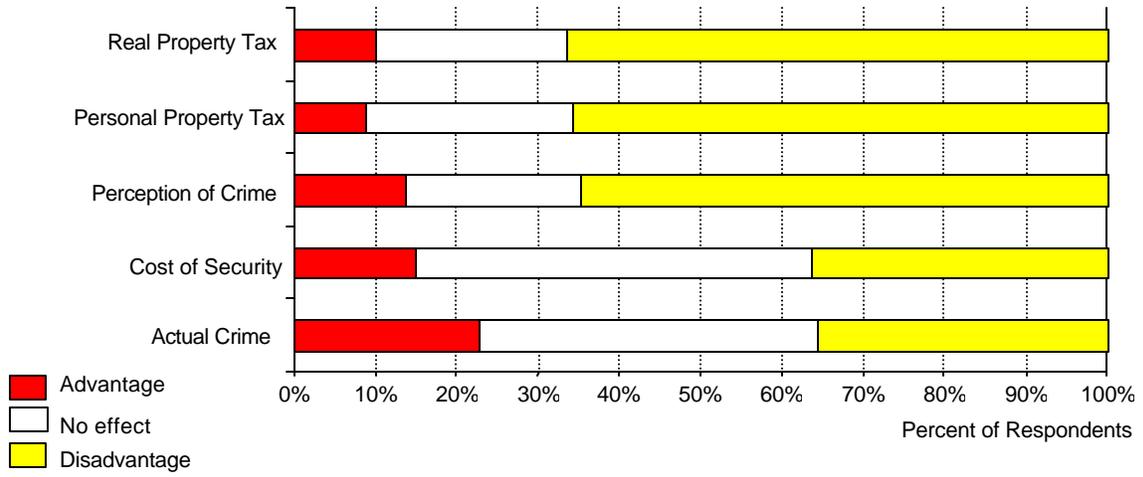


Inner-City Competitive Disadvantages

Like most places, Connecticut's inner cities also have a number of competitive disadvantages. It is only by recognizing these disadvantages and working steadily to address them, that the state and each of the cities can successfully promote business growth in the inner city.

Inner-city businesses identified two primary disadvantages of their location: the high cost of doing business in the city relative to the suburbs and the general perception of the inner city as a high crime area. The *perception* of crime had a much greater negative impact on businesses than *actual* crime. Despite improvements in crime rates over the past five years, many customers and investors maintain negative perceptions of the inner city.

Statewide Inner City Competitive Disadvantages



IV. THE STATE'S ROLE IN PROMOTING URBAN COMPETITIVENESS

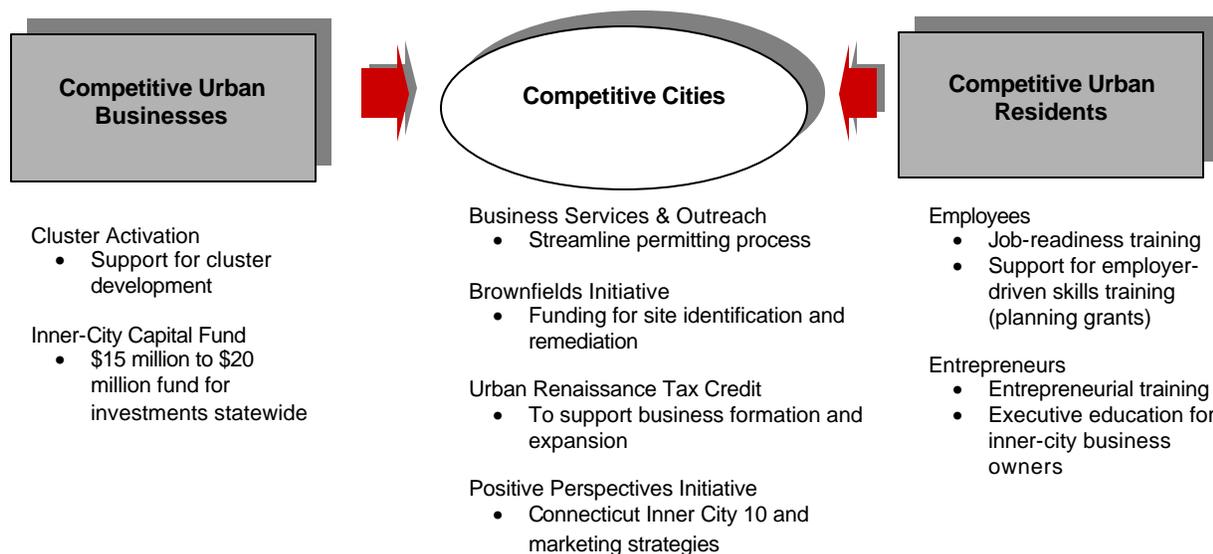
Each of the five cities has developed a detailed action strategy for inner-city business growth. The strategies focus on strengthening linkages between the inner city and regional economies, promoting entrepreneurship, accelerating business growth, and developing specific market opportunities identified through the project. The five city strategies, summarized later in this report, harness the resources and expertise of private businesses, government agencies, and community organizations to create action and results. These local resources, combined with strong support from the State, can achieve unprecedented success in revitalizing Connecticut's urban centers.

State support for the Connecticut Inner City Business Strategy Initiative can take two forms. First, state leaders can support specific initiatives in each of the five cities. Second, the State can promote urban competitiveness throughout Connecticut by launching several statewide initiatives that address crosscutting issues and themes revealed through this project. These statewide initiatives will complement and reinforce local efforts.

The State initiatives focus on bolstering the three building blocks of inner-city economies:

1. **Competitive Urban Businesses:** Developing a base of strong and growing businesses
2. **Competitive Cities:** Developing a business environment that facilitates growth
3. **Competitive Inner-City Residents:** Developing a workforce prepared to compete in the new economy and a pool of entrepreneurs prepared to take advantage of new economic opportunities

A multi-faceted strategy for tapping the potential of Connecticut's inner cities



Competitive Urban Businesses: Developing a base of strong and growing businesses

For-profit business growth based on real market opportunities is the most sustainable way to increase jobs, income, and wealth in the inner city. The Connecticut Inner City Business Strategy Initiative uncovered many profitable businesses and identified strong competitive advantages that can further business development. In order to support existing inner-city businesses and encourage new business formation in inner cities, the state can pursue the following strategies.

Activate and support clusters that contribute to the inner-city economy

Through a rigorous analysis of their economies, the five cities have identified numerous ways to strengthen core business clusters. The formation of active cluster working groups can facilitate the exchange of ideas, accelerate innovation, and provide a vehicle for collaboration.

Specific cluster activities could include:

1. *Cluster-based employee training initiatives:* Engage companies with similar hiring needs in the development of common curricula and training strategies.
2. *Joint purchasing and negotiation:* Achieve economies of scale by pooling large supply orders and aggregating utility costs in the deregulated market.
3. *Shared learning and best practices:* Share expertise on lean manufacturing or new technologies that significantly improve productivity.

Supporting the development of urban business clusters has many additional benefits. By implementing a business cluster strategy, a city builds on its existing business base – often its strongest and most overlooked asset. Cluster development also stimulates private sector participation and leadership in urban revitalization. A thriving business cluster often attracts other companies looking to locate closer to key suppliers, customers, potential partners, or institutions. Strong clusters in the five cities will also complement and enhance the State’s larger cluster initiative, connecting more and more companies throughout the state to key resources and networks that will help their businesses compete.

State Role: The State can support the formation of active cluster working groups, led by the private sector, through seed money. The State can also support ongoing cluster analysis in order to 1) further integrate this approach in city planning efforts and resource allocation decisions; and 2) ensure that economic development strategies leverage local competitive strengths.

In three years:

- Over **200 participating inner-city companies** will significantly improve their operations, adopt new technologies, or cut costs, thereby enhancing their competitiveness, creating more local jobs, and strengthening the tax base.
- As many as **2,500 inner-city employees** will benefit from these advancements.

Create the Connecticut Inner-City Capital Fund

To support the formation and expansion of inner-city businesses, the State can create a targeted capital fund designed to invest solely in businesses located in the inner city. These funds would be raised and managed by private sector organizations. Potential investors for such a targeted fund could include pension funds, banks, the insurance industry and the public market. The fund's investments would be aligned to support the competitive advantages and cluster strengths of the inner city. In addition to capitalizing growth-oriented companies, a successful fund can stimulate further investment in the inner city.

State Role: The State can work in partnership with private sector financial institutions to organize the management of the fund and raise required capital. State funds could serve as the first commitment of dollars and cover operating expenses until the fund closing.

In three years:

With a strong management team, the Inner-City Capital Fund would have **\$15 million to \$20 million** under management and would have made investments in at least **5-10 companies**.

Competitive Cities: Creating a Business Environment that Facilitates Growth

A competitive business environment is one that nurtures and facilitates business growth. The following three recommendations for improving the inner-city business environment surfaced through discussions in all five cities:

1. Improve perceptions of the inner city as a viable business location
2. Reduce the tax disadvantage to locating in the inner city
3. Improve site availability through brownfield remediation and land assembly

While individual initiatives in each of the cities must address these issues directly, the following statewide strategies can facilitate a number of key improvements to the business environment.

Support improvements to business services & outreach

To create a strong, supportive business environment, local governments must respond quickly and effectively to business needs. A cumbersome permitting process, for example, can become a key barrier to business formation and expansion. Improving city services that affect local businesses can significantly enhance the business environment. The State can encourage and facilitate these improvements by supporting the assessment of existing services, the development of new automated processes, and the creation of performance measurement and management systems.

Provide sustained support for brownfields redevelopment and land assembly

All five cities identified limited site availability as a constraint to inner-city business growth. The State can contribute to the cities' efforts to address this issue by augmenting and coordinating existing statewide

programs focused on site preparation, as well as working more closely with the cities to remediate specific sites.

Launch an Urban Renaissance Tax Credit program

To encourage economic vitality in the urban core, the State can provide tax credits to businesses seeking to develop or expand in Connecticut's inner cities. These tax credits will focus on reducing the current tax disadvantage of an inner-city location. Credits could be available for:

- Business expansion and investment
- New construction
- Remediation
- Demolition of existing buildings

Celebrate an annual Connecticut Inner City 10

The Connecticut Inner City 10 would profile 10 of the fastest-growing inner-city companies in Connecticut. Just as the ICIC/Inc. Magazine *Inner City 100* has done on the national level, the annual Connecticut Inner City 10 would showcase the entrepreneurial dynamism that exists in inner-city areas. These profiles of successful companies would help change lingering misperceptions of the inner city and provide role models for future inner-city entrepreneurs.

Inner-city companies identified through this process may also be linked to business mentors and executive education programs, allowing them to further increase their skills and develop contacts with other successful business owners.

State Role: The State can initiate the development of this list and find a newspaper, magazine, business journal, or other media outlet to sponsor and publish the list. The State can also begin to involve Connecticut Inner City 10 CEOs in the State's inner-city strategy.

In three years, the Connecticut Inner City 10 will:

- Inform over **one million people** about inner-city market opportunities and best practices.
- Provide valuable publicity and recognition for **30 inner-city companies**, driving home the message that inner cities are competitive places to do business.

Launch the Positive Perspectives Initiative

The *Positive Perspectives Initiative* would provide small grants to groups of businesses and other organizations for proactive communications efforts aimed at measurably improving perceptions of the inner city. Grants would cover the expenses associated with press releases, public service announcements, photographs, and special events that promote positive features of the inner city, such as successful businesses, improved safety, and family activities.

State Role: As part of the *Positive Perspectives Initiative*, the State can identify a public relations company to provide support to the cities in the development of communications strategies. Resources and expertise from departments of communications and journalism at Connecticut universities can also be leveraged to support the effort.

In three years, the project will:

- Generate at least **150 news stories** in Connecticut media outlets, profiling successful inner-city companies or positive changes to the inner city.
- Create **30 million media impressions**.

Competitive Inner-City Residents: Preparing the Urban Workforce to Take Advantage of New Economic Opportunities

In all five cities, there is a critical need for innovative training programs – ranging from work-readiness training to executive education for inner-city business owners. Connecticut's tight labor market creates a compelling need to draw out the full potential of the labor force. Equally important, a pool of inner-city entrepreneurs must be developed to take full advantage of new market opportunities. State leaders can launch a multi-faceted agenda to strengthen the competitive edge of urban residents.

Link inner-city entrepreneurs with executive training programs

While various types of employee training programs exist, there are seldom opportunities for CEOs and top managers at inner-city companies to receive business training. Increasing access to executive training programs would support growth and competition through skill development and business networking. Rather than creating new executive training programs, efforts should go toward increasing access to existing executive training programs at business schools. Entrepreneurs could apply for scholarships to these programs, with funding contingent upon acceptance to the school's program. Short courses as well as an executive MBA could be offered.

A board of advisors, made up of successful CEOs from Connecticut companies, could provide leadership for the effort. These leaders would ensure that the curriculum was relevant to the changing needs of the business community.

State Role: The State can establish a scholarship fund to send inner-city CEOs to executive training programs at a number of area universities. The State can also support partnerships between the board of advisors and specific business schools to tailor programs to the knowledge gaps and time constraints of business owners (i.e., workshops and special courses).

In three years:

- **150 inner-city business owners** will receive extensive business training.
- **Thousands of employees** would benefit from improvements these CEOs and senior managers bring back to their companies.

Support statewide efforts to offer entrepreneurial training

A pool of inner-city entrepreneurs is needed to take advantage of key market opportunities in inner cities. Inner-city residents who are interested in starting or expanding their own businesses are an excellent source of talent. Each of the cities has identified specific plans to support entrepreneurship. The State can contribute to their efforts by supporting entrepreneurship training and assistance programs that have been successful in Connecticut and elsewhere.

In addition, by partnering with the National Foundation for the Teaching of Entrepreneurship (NFTE), a recognized leader in its field, the State of Connecticut can support entrepreneurial training for high school students and their teachers. NFTE is an international nonprofit organization that introduces low-income teens to the world of business and entrepreneurship by teaching them how to develop and operate their own legitimate small businesses. The organization also certifies teachers to train students in entrepreneurship. Over 18,000 students have received training worldwide.

State Role: The State can support the expansion of programs that have proven successful in training entrepreneurs. In addition, the state can partner with NFTE or similar organizations to further entrepreneurial education for young adults.

In three years, this initiative will:

- Teach **200 inner-city residents** the basics of entrepreneurship.
- Teach **450 inner-city youth** the basics of entrepreneurship.
- Train **45 inner-city high school teachers** how to teach entrepreneurship.

Improve job-readiness training in inner cities

In business interviews throughout the five cities, business owners emphasized the immediate need for increased and improved job-readiness training. To help businesses fill entry-level positions, existing programs must be enhanced or new programs must be created.

STRIVE is one of the most successful models in the country for job-readiness training. First developed by East Harlem Employment Services in 1984, STRIVE programs have placed over 15,200 people in jobs. STRIVE provides pre-employment attitudinal training and post-placement support services to lead people to permanent employment and self-sufficiency. The program has an 80 percent success rate in helping people get jobs and keep them. STRIVE programs are successfully operating in New York, Pittsburgh, Baltimore, Boston, Chicago, Ft. Lauderdale, and Philadelphia.

State Role: To improve job-readiness training throughout Connecticut, the State can support the introduction of proven training models such as STRIVE in several cities. The STRIVE model requires the city's business community to provide the start-up capital for the project. The State could supplement private sector investment by providing partial funding for the programs in several cities.

In three years, Connecticut can:

- Provide job-readiness training to **1,200 inner-city residents**

Strengthen support for employer-driven skills training

Difficulty finding skilled workers is a serious threat for many Connecticut companies, particularly in manufacturing. A retiring workforce and increasing use of technology create a strong need for training programs to enhance the skills of those already in the workplace. Such skilled training programs are often too costly to operate internally and company owners often do not trust outside training providers to adequately teach the skills they need.

An attractive solution for many employers is to collaborate to develop private-sector-led, cluster-based training programs. Through these programs, employers can be directly involved in the development and implementation of training curricula.

Support for cluster-based skills training would also play a critical role in boosting the competitiveness of the inner-city workforce and helping to build income and wealth. While job-readiness training provides a critical path into the workforce for unemployed residents with limited to no work experience, the vast majority of inner-city residents are currently working. For this group, a strong infrastructure of employer-driven training programs is the necessary link to higher-skill jobs and higher income levels.

In three years, cluster-based training initiatives will:

- Develop the skills of **250 inner-city residents**, providing access to higher skilled, higher wage jobs and career advancement.
- Provide advanced skills training for **250 inner-city workers**, allowing them to take on new responsibilities and higher wage positions within their companies.

State Role: Each city has identified industry-specific skills training needs. The State can provide planning grants for groups of businesses or clusters to develop training programs to meet specific skill needs. To encourage effective programs, the State should support and reward private-sector-led strategies in its disbursement of training funds. By furthering support for cluster-based training programs, the State can achieve a two-fold objective: 1) help employers find the skilled workers they need to grow their businesses; and 2) expand opportunities for the inner-city workforce.

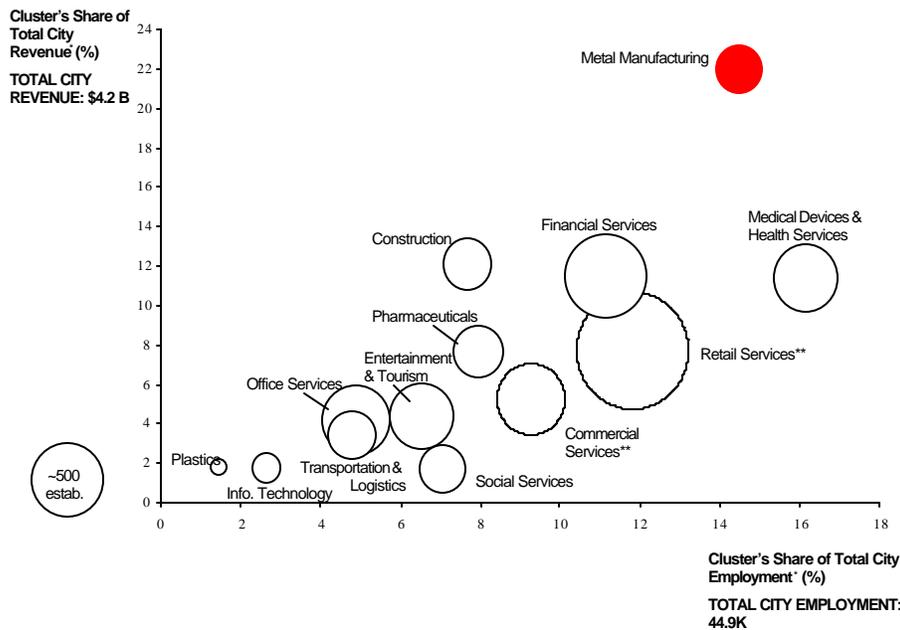
V. BRIDGEPORT'S INNER CITY STRATEGY

Building Competitive Bridgeport Businesses

Create a metal manufacturing cluster network

Nationally, metal manufacturing industries are experiencing growth above national GNP as successful companies adopt innovative approaches to lean manufacturing, technology, and workforce development. In contrast, Bridgeport's metal manufacturing cluster – the city's second largest employer with 6,500 jobs – has remained stagnant in recent years. If stagnation continues, Bridgeport risks losing an essential part of its economic base. However, if Bridgeport companies act to increase competitiveness, there is not only a potential to retain existing companies and jobs, but an opportunity to expand Bridgeport's metal manufacturing cluster to mirror national growth trends.

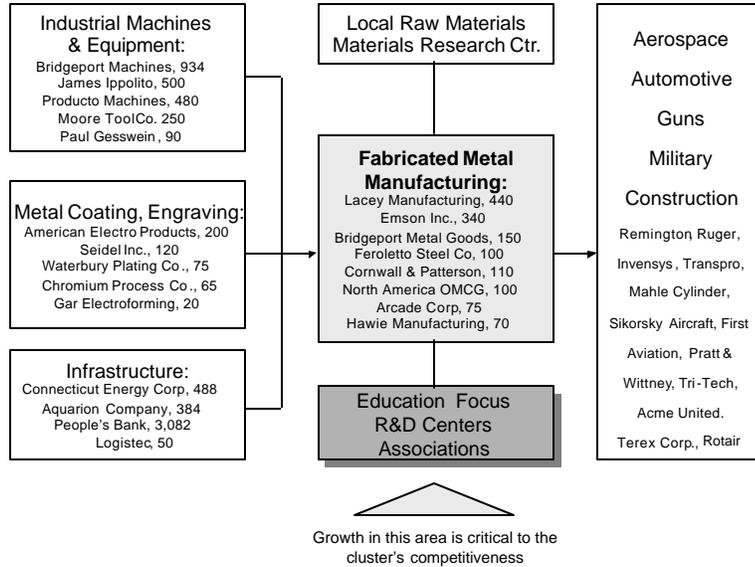
Bridgeport's Core Clusters



As the diagram above shows, the metal manufacturing cluster is one of the largest employers in Bridgeport and has the highest share of revenues of all clusters in the city.

Although the metal manufacturing cluster is made up of many diverse companies and industries, there are clear opportunities for interlinkages among them and with the rest of the economy. The following diagram represents these linkages in the fabricated metals industry. (Bold companies are located in Bridgeport; the numbers following each company represent the number of employees.)

Metal Manufacturing Cluster Linkages



As a result of this Initiative, 10 Bridgeport metal manufacturers have already taken steps to form a cluster network to boost competitiveness. A cluster network is a group of companies that comes together to address common needs, pool resources, and/or develop new business relationships. The cluster network, META (Metal Manufacturing Education and Training Alliance), offers the following potential benefits to member companies:

Individual Business Development

- Improvements in lean manufacturing, technology upgrades, and product diversification through network-sponsored workshops and shared learning among network members
- Stronger marketing through shared Web site, marketing workshops, joint events, and export assistance
- Strong interfirm relationships, which can lead to new business ventures

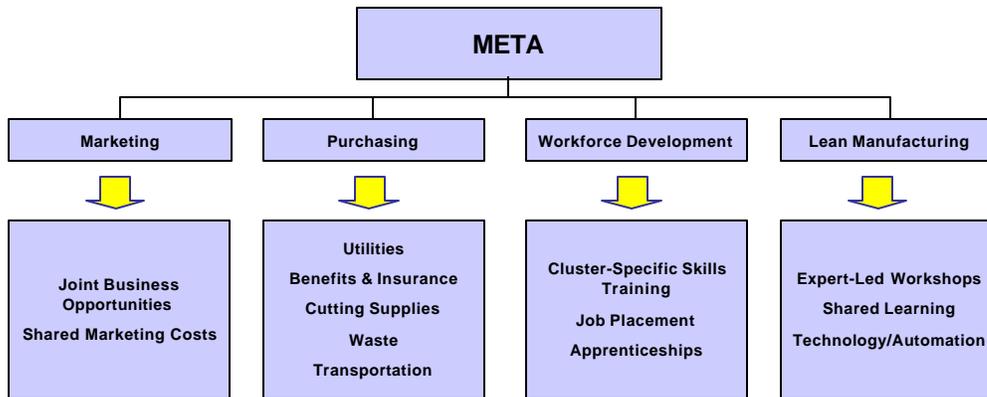
Business Environment

- Lower costs through aggregated purchasing
- A unified, collective voice to communicate business needs and negotiate costs with local and state officials
- Improved workforce performance through demand-driven training programs, job placement programs, shared knowledge about hiring and layoffs within the network, and reduced training costs

Business Outreach / Information

- Access to information on tax incentives, sources of capital, and other opportunities through network-sponsored workshops
- Improved access to capital through collaborative negotiations with banks

The metal manufacturing cluster network has already identified a private sector champion, formed four sub-committees led by CEOs of member companies, and engaged the support of both public agencies and private companies.



Growth in the metal manufacturing cluster will benefit Bridgeport’s inner city in several ways. First, most of the companies are located in economically distressed areas. Their presence provides proximate jobs for inner-city residents. Second, these companies often participate in the revitalization of their neighborhoods and hire locally. Third, the current manufacturing workforce is aging. Unemployed and underemployed inner-city residents can be linked to available jobs through cluster training programs.

- In three years:
- At least **20 Bridgeport companies** will have improved their operations, adopted new technologies, or cut costs as a result of participation in the network.
 - At least **300 inner-city residents** will have received skills training that allows them to take jobs in metal manufacturing companies or advance within their current company.
 - Bridgeport will have worked toward retaining its current metal manufacturing base of **200 companies and 6,500 jobs**

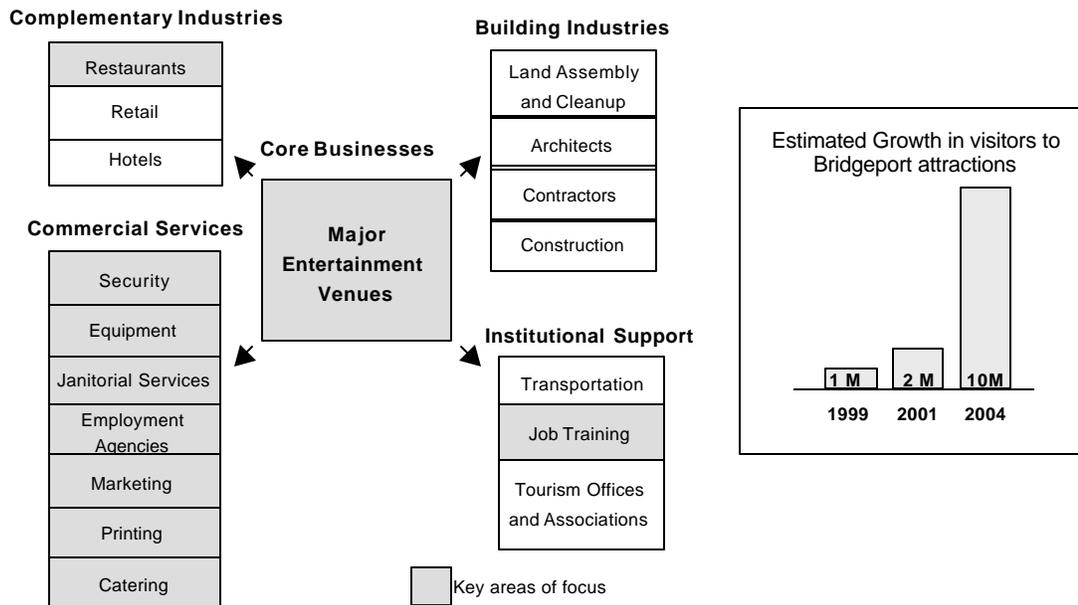
Implement a coordinated business development strategy to leverage current investments in entertainment and tourism

Bridgeport has made a significant investment in becoming a tourism destination in recent years. Through the development of the Arena and Harbor Place, Bridgeport anticipates an increase from one million visitors in 1999 to approximately 10 million in just five years. Growth in the entertainment cluster will create many employment and business opportunities in industries such as restaurants and retail, commercial services, and construction.

To maximize its investment in entertainment and tourism, Bridgeport must actively pursue the business and workforce development opportunities that rapid growth will bring to the city. Without a coordinated

cluster strategy, these job and business development opportunities may be lost for inner-city residents and businesses.

Entertainment & Tourism Cluster



Through an entertainment and tourism cluster strategy, Bridgeport will capture opportunities for local residents by:

- Creating a construction cooperative/incubator to help small inner-city contractors overcome barriers to business growth and take advantage of increased demand for construction services.
- Working with a restaurant consultant to identify and implement successful strategies for restaurant development.
- Developing a strategy to link existing commercial services companies with opportunities in the entertainment cluster, encourage entrepreneurship, and/or attract franchises.

As the following diagram illustrates, Bridgeport can make the most of its investments in major entertainment venues by considering entertainment and tourism as a cluster.

In three years, Bridgeport's entertainment cluster will:

- Help at least **25 inner-city contractors** grow their businesses by providing business assistance and training through a construction cooperative.
- Support the development of **five existing restaurants** and **one to two new restaurants**
- Educate at least **25 potential inner-city entrepreneurs** about opportunities in commercial services and help at least **10 companies grow** to meet new demand.
- Provide training for **over 250 inner-city residents** for jobs in the cluster.

Creating a Competitive Business Environment

Create and implement an office services attraction strategy

The combination of an expanding financial services industry in the Stamford area and an available pool of labor in Bridgeport makes Bridgeport a potential location for office services operations. Attracting office services companies to Bridgeport would have many benefits. Office services companies would provide higher wage job opportunities for underemployed inner-city workers and improve access to entry-level jobs with career paths for unemployed inner-city residents. In addition, a successful strategy could reduce traffic congestion on I-95, generate local retail revenues from increased presence of office employees (up to \$2.6 million per year), and generally improve perceptions of downtown Bridgeport.

In order to position itself as a prime location, Bridgeport will need to build on its locational advantages and address its disadvantages through the following strategies:

- Prepare inner-city residents for office services jobs through tailored training programs.
- Launch a marketing strategy highlighting the commute reduction, productivity increase, and other benefits associated with relocating to Bridgeport.
- Build on current momentum to address the perception of crime.
- Develop a strategy to address the financial barriers to building new Class A office space.

By pursuing an aggressive strategy for office development and attraction, Bridgeport will:

- Create **250,000 square feet** of new or renovated office space, accommodating up to **1,000 workers**.
- Create a strong, employer-driven job-training program that will train at least **100 inner-city residents** for jobs in office services and further attract companies that are actively seeking an abundant labor pool.

Improve perceptions of Bridgeport

Interviews have revealed that the perception of crime is a competitive disadvantage to doing business in Bridgeport and a deterrent to visiting Bridgeport's entertainment venues. A group of leaders can build on the momentum of the Mayor's Clean & Green project by launching a proactive marketing strategy to disseminate positive perspectives of Bridgeport. This can include media profiles of successful Bridgeport businesses, press releases surrounding positive events, etc. The leaders of this effort may engage the support of a public relations firm or consultant to maximize their effectiveness. The initiative would be tied to the State's Positive Perspectives Initiative.

Developing Competitive Bridgeport Residents

Enhance workforce development and job training

Significant job growth is anticipated in Bridgeport's target clusters. In the next five years, as many as 10,000 jobs may be created in the Entertainment & Tourism cluster alone. To be successful, economic development strategies must include efforts to prepare disadvantaged Bridgeport residents for these growing job opportunities. This will require industry-driven recruitment and training efforts, as well as general job-readiness programs.

Through this coordinated effort:

- Employers will develop training curricula and programs that lead directly to placement in available jobs at their companies.
- Over **250 inner-city residents** will receive targeted training and job placement through these programs.

Over the next three years, Bridgeport will develop and implement private-sector-led training strategies for metal manufacturing, office services, and entertainment and tourism.

VI. HARTFORD'S INNER CITY STRATEGY

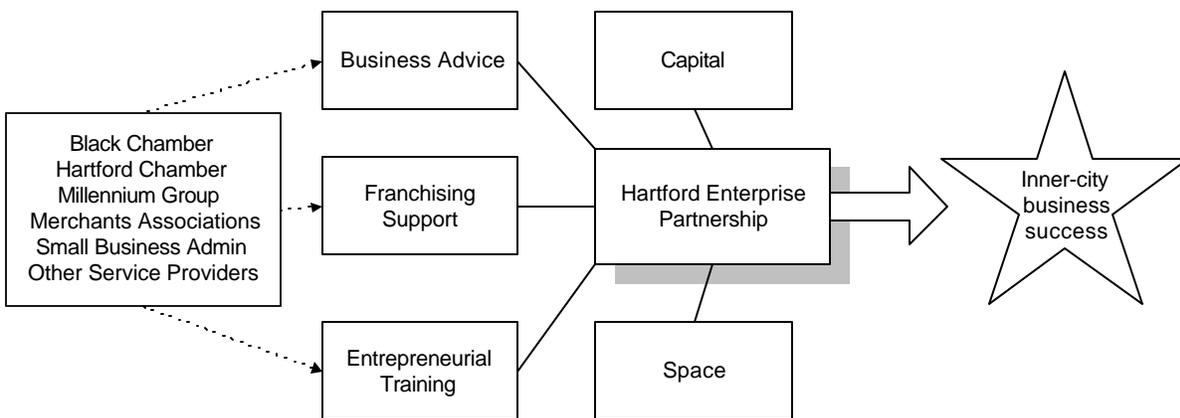
Building Competitive Hartford Businesses

Create Hartford Enterprise Partnership

Hartford's inner-city businesses are poised for growth due to outsourcing trends in financial services and health care. There is an opportunity for new businesses to meet this market as well. By creating Hartford Enterprise Partners, Inc., the Hartford Advisory Board hopes to ensure that inner-city businesses and residents capture these opportunities.

The Hartford Enterprise Partnership (HEP) will accelerate the development of new and/or growing businesses in the inner city that can gain a competitive advantage by drawing on the strengths of their inner-city location. HEP will coordinate and focus existing business resources and provide new services, such as business incubation space. It will leverage services and activities that are already in place and help current providers offer higher levels of customer service than they could achieve individually.

Diagram of Hartford Enterprise Partnership Providers, Services, and Customers



The Hartford Enterprise Partnership will ensure that businesses have access to the following services (either by providing directly or by linking with appropriate providers):

- **Business Advisory Services**

The Hartford Enterprise Partnership will link current providers into a Business Advisory Network that provides high-quality, timely, customer-focused business advice to inner-city businesses. The Business Advisory Network can leverage pro bono advice wherever possible, and would be priced at a low cost for local small businesses. Members of the Business Advisory Network can include current business service providers (such as the Merchants Associations, the Black Chamber of Commerce, SCORE, and the BIC),

as well as pro bono assistance from consulting firms, law firms, technology firms, accounting firms, and business schools.

HEP will also assist retail businesses and commercial services businesses on integrating e-commerce into their operations. E-commerce offers these businesses the opportunity to dramatically expand their markets, provide better service to their current customers, and reduce the cost of marketing and sales.

▪ **Shared Services and Incubator Space**

The Hartford Enterprise Partnership will be responsible for coordinating or providing shared services and incubator space for new and growing businesses. Shared services and equipment provided at a low cost may include reception services, word processing, mailing, copying, and facilities such as fax, computers, copiers, and conference rooms. The incubator can also provide contacts with other entrepreneurs and potential customers. Most importantly, skilled coaching can be delivered on-site to help business owners grow from “mom-and-pop shops” to successful medium-sized firms.

▪ **Access to Capital**

The Hartford Enterprise Partnership will link businesses to sources of equity capital and debt capital. The entity will work to ensure that all inner-city businesses in need of capital are aware of the options available to them in Hartford. HEP will also ensure that the businesses are able to develop successful business plans and loan applications by connecting them to experts in these areas.

▪ **Commercial Services Franchising**

Opportunities to create and expand commercial services businesses will continue to grow rapidly in Hartford, due to continued outsourcing in the financial services/information technology cluster and in the medical devices/health care cluster. The Advisory Board has identified franchising as one way of helping entrepreneurs start and expand commercial services businesses in inner-city locations. In particular, franchising arrangements provide assistance with training, business development, financing, purchasing, and “back office” functions.

The Hartford Enterprise Partnership will stimulate “demand-driven” franchising opportunities. HEP will identify business opportunities present in Hartford’s inner cities for commercial services franchisers, especially those that flow from the anticipated growth in the financial services/information technology cluster and in the medical devices/health care cluster. It will use this information to stimulate franchisers’ interest in these markets and their willingness to commit time and energy to exploring them. If possible, the organization will gain specific commitments from franchisers to provide assistance to franchisees working in inner-city locations. At the same time, HEP will market to entrepreneurs who are interested in starting a franchise and link them with the business advisory services and access to capital they need to get started.

In three years, the Hartford Enterprise Partnership will:

- Provide yearlong consultation to **30-45 businesses** and provide workshops to **300 businesses**.
- Assist **100 businesses** to integrate e-commerce into their businesses.
- Serve **60 businesses** in incubator space.
- Connect **30-45 businesses** to investors and link **20-30 businesses** to franchises
- Train **150 students** in semester-long entrepreneurial education course

▪ **Entrepreneurial Education and Training**

The Hartford Enterprise Partnership will provide entrepreneurial training for adults or link them to other entrepreneurial education programs.

Attract and expand retail activity

The Hartford Research Team's findings show that there is significant untapped retail demand in inner-city Hartford. For example, the research indicated that there is \$25 million to \$75 million in untapped demand for supermarkets and \$50 million to \$60 million in untapped demand for department stores. Residents of Hartford are leaving the inner city to shop, even while inner-city Hartford has many boarded-up and vacant commercial properties.

The Advisory Board recommends that the Hartford Economic Development Commission (HEDC), together with the Neighborhood Revitalization Zones (NRZs), the Hartford Enterprise Partnership (HEP), and representatives from the Advisory Board, deepen and refine the research on unmet retail demand in the neighborhoods. The partner organizations will use this research to develop a strategy to attract and expand retail activity in inner-city Hartford.

In the development of this strategy, the partner organizations will work closely with merchant associations to identify opportunities, and reach out to entrepreneurs who would be qualified to take advantage of these opportunities. They will also leverage the expertise of local business school faculty and utilize pro bono services from consulting firms and business school students.

The inner-city retail strategy can help local retailers build on successful examples of ethnic and specialty retailers and ethnic-identity malls and shopping strips. To assist in this effort, HEP can also develop a joint purchasing cooperative to enable smaller merchants to purchase inventory at significantly reduced prices.

In three years, the neighborhood retail initiative will:

- Develop retail strategies for **2-3 neighborhoods**.
- Attract **one anchor retailer** or improve performance of existing anchor.
- Help **10-15 inner-city retailers** successfully start or expand retail establishments.
- Create **50-100 jobs** in retail.
- Serve **20-40 businesses** through joint purchasing collaborative.

Create the enabling environment for equity investment

The Hartford Advisory Board recommends efforts to demonstrate the attractiveness of investing in the inner city and to increase private sector capital available for investment. Several statewide initiatives -- the Positive Perspectives Initiative, the Connecticut Inner City 10, and the Inner-City Capital Fund -- focus on achieving these goals.

Creating a Competitive Business Environment

Market inner city Hartford

To address negative perceptions of Hartford's inner city, the Hartford Advisory Board recommends that a team of marketing professionals be formed. The group would develop compelling data and examples that demonstrate the competitive advantages of Hartford's inner city. It would also market key business opportunities to industry executives. The professionals would be part of the Hartford Enterprise Partnership.

The marketing process would be integrated with the strategic plans developed by the Neighborhood Revitalization Zones, which outline the needs and opportunities of the neighborhoods, potential sites, and the types of businesses those sites could accommodate.

Improve municipal services that support economic development

Improving government services will be an important step in improving Hartford's overall competitiveness. Approximately half of the inner-city business owners interviewed for this project identified local government's difficulty responding to business needs as a significant disadvantage to locating in Hartford. Specifically, business owners identified difficulties with the permitting process.

Through a sustained effort to improve city services, Hartford can:

- Reduce the length of time involved in permitting by **50 percent**.
- Improve the satisfaction of business owners with government services by **50 percent**.

Nationally, several cities have had considerable success in using technology and a "customer service" focus to facilitate the permitting process. The Advisory Board recommends that the City of Hartford work to improve its delivery of city services, especially its permitting process. Hartford 2000, the Merchants Associations, the Chamber of Commerce, and leading corporations will develop a joint agenda to encourage this improvement.

Specific improvements would include adopting a performance measurement and management system for city agencies, defining accountability for city agencies, developing a one-stop permitting process, and developing a public-private partnership for economic development.

Improve access to transportation system for inner-city residents

The Hartford research team found that the major clusters they examined will create a significant number of job opportunities for Hartford residents in suburban locations. Lack of access to public transportation is a significant problem for inner-city residents who wish to take advantage of these jobs.

To improve access to jobs outside their neighborhoods, the Hartford Advisory Board, Hartford 2000, and All Aboard will take responsibility for ensuring that the needs of low-income communities are considered in all transportation planning processes.

Specific recommendations include:

- Funding for Capital Region Council of Governments (CRCOG) to enable it to double its Jobs Access Program
- Identify “best practices” for the inner city to leverage growth as a result of a successful transportation strategy.

If recommended funding is provided to CRCOG, the Jobs Access Program will:

- Provide transportation for an additional **1,000 inner-city residents** to jobs outside their neighborhoods.

Increase the stability of the economic development system

Hartford needs a strong system for economic development in order to be competitive. While the inner city has many characteristics that create advantages for business clusters, it also has characteristics that create disadvantages. Addressing these disadvantages will take concerted effort by a system of economic development organizations. The economic development system can be thought of as a three-legged stool, represented by business, the community, and the city government. All three legs are present in Hartford, but need to be strengthened.

Hartford 2000, which provides an important channel through which the voice of the community is heard, needs funding for its core staffing and activities. The Hartford Economic Development Commission, which represents the city government, has been established but also needs stable core funding. The corporate community has several important groups working on economic development, such as the Millennium Group, the Growth Council, and the Chamber of Commerce. These groups need to continue to work together closely to ensure that the economic development process is not fragmented.

Developing Competitive Hartford Residents

Expand work-readiness training and job-retention services

Efforts to expand Hartford’s inner-city business base will not improve the status of inner-city residents unless they have the skills, knowledge, and commitment needed to take advantage of business growth.

The Advisory Board determined that the most important opportunities for improvement in the existing system are in job-retention services and job-readiness training. It is very difficult to find funding to improve job-retention rates. However, with low retention rates, jobs skills training and placement will not lead to economic self-sufficiency.

The Advisory Board strongly recommends that the State increase funding to enable proven, comprehensive job-readiness programs with strong job-retention services to expand and enable job-readiness programs without strong job-retention services to add those services. The Advisory Board also notes that the private sector might provide some funding for post-placement services, since retention is a more cost-effective way

of maintaining the appropriate staffing level than is ongoing recruitment and retraining, especially in a tight labor market.

In three years, through expanded public and private support, Hartford could:

- Provide job-retention services to **100-150 additional residents** per year.

Provide education for community residents and community organizations on economic development issues and strategies

To help residents and community-based organizations participate fully in planning and implementing economic development in their communities, Hartford must also invest in educating residents and neighborhood groups in community economic development.

To help community residents become more familiar with the basic concepts of community economic development, the Hartford Enterprise Partnership will coordinate workshops with guest “expert speakers” on such topics as retail merchandising strategy, private equity markets, cash flow management, and brownfield remediation. Local banks, corporations, and economic development organizations could sponsor these events.

In three years:

- **150 residents** will attend a one-and-one-half day workshop.
- **25 residents** will complete a 10-week training course.

VII. NEW BRITAIN'S INNER CITY STRATEGY

Building Competitive New Britain Businesses

Expand New Britain's business incubators

Significant opportunities exist for business development in commercial services, metal manufacturing, and health services in New Britain. In order to connect potential entrepreneurs to these growing opportunities, New Britain can expand existing incubator programs to target inner-city start-ups.

In three years, the incubator can:

- Assist in the start-up of **25 companies**
- Potentially create **\$6 million in revenues** and stimulate the creation of **100 jobs**.

With advice from cluster champions in commercial services, metal manufacturing, and health services, the Institute for Industrial Engineering and Technology (IJET) will begin to expand its incubator program to include companies in each of these areas. Companies will receive additional support through connections to cluster champions.

Another incubator, housed in the Connecticut Enterprise Center (CEC) factory building, also has the potential to expand. The CEC incubator specializes in metal manufacturing, food packaging, and distribution businesses and currently houses 16 companies. Through the addition of a freight elevator, four additional floors can be accessed, allowing the incubator to double in size.

Creating a Competitive Business Environment

Implement a coordinated strategy to improve perceptions of downtown New Britain and encourage more foot traffic for local businesses

New Britain has a number of thriving institutions with the demonstrated potential to draw visitors to the city. These attractions include the New Britain Museum of American Art, the IJET Conference Center, and Veterans Memorial Stadium. To take full advantage of the associated business opportunities these institutions can offer, New Britain needs a coordinated strategy to improve perceptions of its downtown. This strategy might include redesigning key gateways to the city and developing new restaurants and shops to service visitors. There is significant work going on through the Neighborhood Revitalization Zones in façade and streetscape improvement. This work needs to continue.

New Britain will assemble a group of business, government, and nonprofit leaders to lead the development of these strategies.

Developing Competitive New Britain Residents

Create a regional Health Care Training Center

Employing more than 25,000 people, the New Britain health care cluster offers opportunities for entry-level work and upward mobility. A regional health care training center could link inner-city residents to these opportunities by providing job training, certificate training, continuing education, and career path advice. The training center would enhance the city's position as a hub of health services, improve career options for inner-city residents, and provide demand-driven training services to major providers. The fee-for-service center would be client-supported and would not overlap with existing training services in the area.

Create a Vestibule Training Clearing House

Interviews with New Britain companies revealed a need to link area employers with job-ready applicants. To support local companies, New Britain will create a Vestibule Training Clearinghouse co-located with the Mid-Connecticut Workforce Development Board. The Clearinghouse would coordinate the services of area providers and provide a single point of contact for employers. The Mid-Connecticut Workforce Development Board was selected because of its strong relationship with the Connecticut Department of Labor, area services providers, and job applicants. This model has been tested as a pilot in developing a ready workforce for the New Britain Smart Park initiative and has been proven successful. The initiative will strive to serve a wide range of inner-city employees, prevent redundancy of programs, and work in concert with the proposed Regional Health Care Training Facility.

In three years:

The Health Care Training Center and the clearinghouse could train over **200 inner-city residents** and link them to jobs.

VII. NEW HAVEN'S INNER-CITY STRATEGY

Building Competitive New Haven Businesses

Develop regional cluster leadership

To foster on-going business growth in New Haven, the New Haven Advisory Board proposes that the Greater New Haven Chamber of Commerce work to organize key private leaders in each cluster identified in this project (knowledge-based businesses, arts, entertainment and tourism, manufacturing, commercial services, construction and retail/distribution). These cluster advocates would develop focused agendas for each cluster, building on the recommendations in this report. Cluster agendas would have two components: strategies to support the health and growth of the cluster in the region and strategies to ensure that this growth benefits the businesses and residents in the region's inner city. The agenda-setting process creates the scorecard by which the community will assess progress and engages the public and community partners that will be required to implement the strategies.

Regional cluster advocates will coordinate closely with statewide cluster initiatives and existing inner-city economic development initiatives such as the Empowerment Zone. The Chamber of Commerce will provide technical support for each of the six clusters through existing or new structures.

Increase business support services and access to capital

While there are many entities engaged in assisting businesses and providing loans in New Haven, there is no framework or umbrella mechanism for coordinating these efforts. Business interviews revealed that demand for technical assistance exceeds supply. Businesses also cited that access to capital is a major barrier to success.

The New Haven Advisory Board will work to establish a coordinated leadership umbrella consisting of New Haven's many business development organizations. This umbrella will be the responsibility of the private sector leadership structure. It will oversee a neighborhood-focused, coordinated business support structure, which organizes business planning, technical assistance, and access to capital and publishes a comprehensive guide to all programs and services (Web and hard copy).

In three years, by enhancing business support services and access to capital:

- **250 businesses** will receive critical technical and managerial assistance for expansion.
- **Four business schools and corporate partners** will be engaged in delivering business services.
- Loans made to inner-city businesses will increase by **10 percent**.

To support business development efforts, the organization will mobilize the resources of regional business schools; convene financial institutions, business representatives, and nonprofit leaders to assess availability of capital and need for new loan products; and develop a mechanism to monitor capital flow to inner-city businesses and identify issues going forward.

Creating a Competitive Business Environment

Increase availability of clean, buildable sites in the inner city

While New Haven's inner city offers locational advantages due to its central location and access to transportation, many of the available sites are temporarily unusable due to environment liabilities or obsolete structure issues. Investment in remediation of these sites is required for New Haven's inner city to meet its potential as a competitive business location.

A coalition of institutions including the City of New Haven, the Regional Growth Partnership, Empower New Haven, Inc., the Greater New Haven Chamber of Commerce, the State DECD and DEP, Science Park Development Corporation, and key landowners must work together to create a comprehensive site development strategy. These groups will work to:

- Develop a prioritized list of brownfield sites.
- Identify potential assemblages and resolve how to aggregate parcels.
- Analyze cost of returning these sites to market use at competitive rates.
- Seek a combination of state funds and incentives to remediate and assemble specific sites.

If successful, in three years this group can:

- Complete environmental assessments on ***eight sites within the inner-city study area.***
- Develop a detailed, prioritized redevelopment strategy ***for 100 acres of currently unusable land.***
- Increase available land for development by ***40 acres.***
- Initiate the development of ***four sites in the study area.***

Create lab space and smart buildings in the inner city

New Haven is positioned for growth in both the biotechnology and information technology clusters within the larger knowledge-based business cluster. New strategies and incentives are required to create affordable lab space for start-up and early stage biotechnology companies. New Haven's information technology infrastructure is strong, the cluster is growing nationally, and several start-ups have emerged in the Greater New Haven area. New Haven can encourage information technology companies to locate in the inner city by increasing site availability. This can include creating "smart buildings" by bringing high bandwidth (fiber optic) capability to designated buildings.

Enhance actual and perceived security in inner-city areas

According to interviewed businesses owners, perception of crime is the top competitive disadvantage in New Haven. Although crime rates have declined dramatically, serious concerns remain that inhibit business growth and expansion. Both the perception of crime and actual crime must be addressed. Proposed action strategies include the following:

- Deepen community-based policing partnerships with businesses and neighborhoods to address crime issues
- Create a security consultant/ombudsman position within the Department of Police Services to work with businesses and business services
- Create trusted neighborhood scorecards to address perceptions

Developing Competitive New Haven Residents

Implement a three-part strategy to improve workforce skills in six clusters

Despite the substantial resources being devoted to education and training in New Haven, many employers are frustrated with skill levels and job-readiness of applicants. While there is a substantial demand for labor throughout the economy, many unemployed and underemployed inner-city residents do not have the preparation they need to access available jobs. The New Haven Advisory Board recommends a three-part strategy to address the skill deficits and barriers to successful employment of inner-city residents.

In the **short term**, the Advisory Board proposes a comprehensive job-readiness and placement initiative with neighborhood-based outreach to be implemented by Empower New Haven, Inc., the nonprofit charged with implementing New Haven's Empowerment Zone program, and the Regional Workforce Development Board of Greater New Haven. The initiative would include a focus on improving access to regional jobs through the Regional Growth Connection, a transportation-to-work initiative.

The Board also proposes customized training for specific jobs identified by cluster companies, combined with an enhanced Employee Assistance Program to ensure retention. Immediate targets for this initiative are three call centers (SNET, DSL.net, and FreshNex.) Eventually, customized training will be implemented in the six clusters identified for this project (listed above). To enhance career and educational choices for inner-city students, the Board recommends a focused effort by the Higher Education Consortium to assist in college preparation and financing, particularly in the technical and science careers.

In three years, this strategy will:

- Recruit and train **300 inner-city residents** for jobs in New Haven call centers.
- Involve corporate leaders in developing **customized training programs for six clusters.**
- Increase enrollment of inner-city residents at regional higher education institutions by **15 percent.**

In the **intermediate term**, the six clusters will work with the Higher Education Consortium to align curricula with employer needs and to define career pathways, including access to existing and new certificates and Associate's and Bachelor's degree programs. The six clusters will work to enhance the local applicant pool through broader employer engagement in high school counseling and career awareness programs.

In the **longer term**, the Advisory Board seeks to engage broad private sector, cluster, and community leadership in the process of reforming K-12 education systems, including vocational technical schools. The Advisory Board also seeks to engage higher education institutions in literacy initiatives, school-to-career partnerships, teaching of teachers, leadership training, and technology partnerships.

IX. WATERBURY'S INNER CITY STRATEGY

Building Competitive Waterbury Businesses

Create a Manufacturing Leadership Group

The primary cluster located in the Waterbury region is precision metal manufacturing. This cluster currently employs over 8,000 people, comprising around 10 percent of the regional employment. At a time when manufacturing employment generally has been in decline in the United States, the precision metal manufacturing cluster has been adding jobs in the region, attesting to its continuing strength and importance.

In order to meet common needs of Waterbury manufacturers and boost that cluster's competitiveness, a Manufacturers Leadership Group (MLG) can be formed to promote manufacturing in the region and provide outreach to area firms.

The following strategies will enhance the effectiveness of the MLG:

- Create a full-time staff position to do outreach and organizing.
- Partner with local and state entities such as Naugatuck Valley Community College, CONN/STEP, and the Flexible Manufacturing Networks Center.
- Use the MLG as a forum to address manufacturing training issues.
- Use the MLG as a forum for bolstering the image of manufacturing as an economic engine and a desirable career choice.

In three years, a successful Manufacturing Leadership Group will help to:

- Retain Waterbury's base of **over 100 inner-city manufacturers** and **3,500 manufacturing jobs**.
- Form at least **two industry or cluster specific networks** to foster local collaboration.
- Create **at least two new employer-driven training programs** serving hundreds of inner-city residents.
- Launch a manufacturing career outreach program reaching **200 inner-city high school seniors annually**.

Improve opportunities for entrepreneurship

By promoting and supporting entrepreneurship, Waterbury can increase its small business base and stimulate wealth creation and investment in the inner city.

- **Inner city revolving loan fund.** One area for improvement is in capital availability for small businesses. Currently there is a gap for small businesses seeking small loans of \$5,000 to \$50,000. A revolving loan fund, to be administered by Neighborhood Housing Services in partnership with local banks, would address this need. The loan fund would be coordinated with the State's Inner-City Capital Fund.

- **Bilingual business assistance services.** The Waterbury Small Business Development Center (SBDC) has been conducting a series of very popular small business seminars targeting the region’s Hispanic community. To carry this success forward, a bilingual business counselor must be available in Waterbury to help businesses through their start-up phases. Currently, the closest bilingual counselor is in Bridgeport. The Waterbury SBDC should also continue the small business seminars and target all of Waterbury’s diverse communities.
- **Incubators can support business growth in Waterbury.** An “ITZ incubator,” an incubator that supports start-up companies in Waterbury’s Information Technology Zone, would help attract fledgling start-ups to this tax-advantaged district for technology companies. A retail incubator, located in an underutilized retail property, could also support business growth by providing on-the-job retail training and business counseling.

These efforts to support entrepreneurs could achieve the following results in three years:

 - **50 more businesses** will have access to gap financing.
 - **250 additional people** will be trained in entrepreneurship through expansion of seminar program.
- **Continue and expand the small business seminars, targeting all of Waterbury’s diverse communities.** The highly successful seminars conducted by SBDC and targeting the region’s Spanish-speaking community should be emulated in similar seminars targeting other minority communities in the region.

Creating a Competitive Business Environment

Increase site availability for new business development and business expansion

A critical barrier to business growth in Waterbury is the lack of space available for business expansion. The bulk of industrially zoned land, free of topographic constraints, is either known to be or suspected of harboring contamination. Fear of environmental liabilities has deterred investors from purchasing and remediating land that is available. The following strategies have been suggested to increase the availability of viable commercial and industrial properties throughout the city:

- **Address brownfields issues.** Brownfields limit the redevelopment of much of Waterbury’s industrial land. Working through the Naugatuck Valley Brownfields Pilot, a coalition of local and state actors should continue efforts to redevelop these otherwise valuable development sites, concentrating on those with most development potential.
- **Address liability issues.** The State of Connecticut should continue its ongoing efforts to adopt state-of-the-art legislation removing barriers to private-sector investigations, remediation, and redevelopment.
- **Pursue site acquisition for new office development in the Information Technology Zone (ITZ).** The ITZ is a powerful incentive tool that can be coupled with planning to attract new office development for firms that cannot operate in existing Class B and C space. A new office site would allow ITZ marketing efforts to go forward with a full range of “product” available to interested firms.

Through a three-year intensive strategy, which includes each of these efforts, Waterbury will:

- **Increase available land** for development by **100 percent**.
- Develop a detailed, prioritized redevelopment strategy for **100 acres of currently unusable land**.

Developing Competitive Waterbury Residents

Institute a comprehensive job-readiness program

Almost all firms in Waterbury would benefit by expanding the quantity and quality of available entry-level workers. Moreover, many of Waterbury's poorest residents would benefit from increased access to job opportunities. The following strategies are proposed to develop a more comprehensive job-readiness training program in Waterbury:

- **Job training.** Bring in a proven organization such as STRIVE to provide a fresh, comprehensive approach.
- **Retail training.** Link retail jobs with training efforts through an employment center in the Brass Mill Mall, ongoing dialog with retail businesses, and a retail incubator. The retail sector is the largest source of entry-level jobs in Waterbury.
- **Certificate program.** Implement a certificate program for workers who master basic job skills to assist upward mobility. Through a partnership between employers and Workforce Connection, provide workers who have demonstrated mastery of basic job skills with certificates they can present to future employers.
- **ESL needs.** Emphasize ESL in job-readiness programs to better serve Waterbury's Spanish-speaking population.

Over three years

Approximately **500 inner-city residents** will receive job-readiness training through this initiative.

Create or enhance skilled training in the three clusters selected for this project.

Creating or enhancing training programs in precision metal manufacturing, financial services, and health care can boost the competitiveness of Waterbury's growth industries and provide better job opportunities for inner-city residents. The following strategies are proposed for augmenting skilled training in three clusters:

- **Create training-focused cluster committees.** These committees could be:
 - Precision Manufacturing: Manufacturing Leadership Group
 - Health Care: a new Regional Health Care Collaborative

- Financial Services/ ITZ: Waterbury Opportunities Industrialization Center (WOIC), Naugatuck Valley Development Corporation, business representatives
- **Strengthen existing programs and resources rather than create new ones.** A wide array of training providers in Waterbury already offers a variety of training programs. The major need is to ensure that these programs respond to industry needs and that industry is aware of what is available. A model partnership is the Technical Training Center (TTC), created by Waterbury Adult Education through work with local eyelet manufacturers. While TTC is a true success story, the facility is currently too small to accommodate the full demand for its services and it is located far from many of its customers. With strong private sector involvement, Waterbury Adult Education's Technical Training Center should be relocated to a vacant inner-city site that can accommodate expansion and is capable of housing industrial equipment.

By taking these steps, in the next three years:

- ***Hundreds of unemployed or underemployed inner-city residents*** will receive skills training in one of the three cluster areas.
- ***Hundreds of inner-city workers*** will receive skills training that will allow them to move ahead in their current jobs.

X. CONCLUSION

Through the Connecticut Inner City Business Strategy Initiative, over 200 leaders throughout the State have come together to produce a unique, multi-faceted statewide strategy focused on building healthy inner-city economies and promoting opportunities for inner-city job, income and wealth creation.

By taking decisive action to implement this strategy, the State of Connecticut will achieve dramatic results. The State can:

- Prepare thousands of inner-city residents to compete for higher skill jobs with strong career paths and opportunities for advancement.
- Transform inner cities into competitive business environments, which facilitate and support business growth and attract new business.
- Create a strong base of inner-city businesses with access to the resources and assistance they need to expand and to adapt to competitive pressures.
- Develop a pool of inner-city entrepreneurs poised to take on new business opportunities.
- Solidify ties between business, government, and nonprofit leaderships and build the institutional infrastructure needed to promote and sustain business development in the long term.
- Fundamentally alter the opinions and attitudes of customers, investors, and business professionals regarding viable business opportunities in Connecticut's inner cities.

Success will require sustained commitment across multiple constituencies to harness energy, resources, and leadership. By resolving to support these strategies and stimulate ongoing commitment, the State of Connecticut will go further than any other state has gone in advancing the economic prosperity of its residents.

