

1 DEPARTMENT OF ECONOMIC &
2 COMMUNITY DEVELOPMENT
3 STATE ECONOMIC STRATEGIC PLAN
4 ECONOMIC STRATEGIC PLAN FORUM
5 UCONN AVERY POINT - ACADEMIC BUILDING,
6 ROOM 308 - GROTON
7 Thursday, December 6, 2007

8
9 Joan McDonald, Commissioner

10

11 Before: Sarah J. Miner, LSR

12

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1 MR. MCMILLEN: Good evening,
2 ladies and gentlemen. I would like to
3 begin. Welcome to our third public forum
4 as we build a vision for a better
5 Connecticut, as part of building a
6 strategic plan. My name is Stan McMillen.
7 I am the chief economist.

8 A VOICE: We can't hear you.

9 MR. MCMILLEN: Is that better?
10 That even scared me. Okay. My name is
11 Stan McMillen. I work for the Department
12 of Economic and Community Development.
13 Joining me shortly will be Commissioner
14 Joan McDonald. I am going to present a
15 brief slide presentation about what we are
16 doing. And so first of all, this all came
17 about in the last session of the
18 legislature with the passage of Public Act
19 07-039, which I will review briefly in a
20 second.

21 The purpose of these forums is
22 to collect public input to build a vision
23 for a different Connecticut, hopefully a
24 better Connecticut. I will describe the
25 ground rules for the public comment

1 process. And we are fortunate tonight to
Page 2

2 have a regional planning agency with us to
3 present their comprehensive economic
4 development strategy. We certainly
5 appreciate, and recognize the work that 15
6 regional planning agencies have done to
7 create these strategies, and I believe
8 they set a context for this more
9 comprehensive plan.

10 Next slide. Rick. Next slide.
11 Public Act 07-229 Section 4 requires that
12 the Department of Economic and Community
13 Development produce by July 1, 2009, a
14 strategic economic plan and every five
15 years thereafter update that plan for the
16 state. As part of the development of this
17 plan, DECD is hosting these regional
18 forums, there are actually 10 of them
19 around the State, to involve the public in
20 the planning process. The plan will serve
21 as a road map for the next five, 10, 15,
22 and 20 years.

23 The law requires that the plan
24 establish clear and measurable goals and
25 objectives for the state, and its many

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1 regions it requires that the plan
2 establish relative performance measures,
3 and report annually on the progress.

4 The purpose of the forums is to
Page 3

5 engage the public in an open dialogue. We
6 want you to specify the issues and
7 concerns. And we want to identify
8 strategies to move Connecticut's economy
9 forward. We want you to think big. We
10 want you to think about the future. We
11 want you to imagine, vision, envision, a
12 different future than we have today. For
13 example, suppose we were to envision
14 Connecticut as having the best education
15 system in the country. We don't
16 necessarily have to imagine what that
17 might cost or how we would achieve it.
18 But that is the kind of vision I am
19 talking about. What would it be like to
20 have the best transportation system in the
21 country? That is the vision that we need
22 to collect from you.

23 The factors that affect
24 Connecticut growth today, growth and
25 development, they are related, but

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1 different concepts, certainly our
2 competitiveness, the cost of doing
3 business in the state, which involves a
4 regulatory environment, energy costs, the
5 tax structure. Housing is an issue.
6 Transportation, as I said, work force,
7 education, early childhood education,

8 higher education, and responsible growth
9 and development.

10 I have this conceptual diagram
11 of how this plan might evolve. First of
12 all, we need to establish a baseline,
13 where we are today, how we got here, why
14 we are here. That involves collecting
15 lots of data. There is lots of research
16 out. I have done some, CERC has done
17 some. There is lots of research out there
18 that paints a picture where we are today.
19 We establish this baseline.

20 The next step, which is what we
21 are doing now, the next step, to build a
22 vision. Where do we want to be in five
23 years, 10 years, 15 years down the road,
24 as clearly, and specifically as we can
25 articulate that vision. And the third

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1 step is to somehow figure out how to get
2 there from where we are. Build the
3 strategies, and tactics, the road map, and
4 create clear, measurable performance
5 methods as we go along so we know if we
6 are making progress. I can imagine the
7 governor saying as we go along to me, how
8 are we doing? And we better be able to
9 say how we are doing.

10 As you can tell, the forum is
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11 being transcribed. The transcription of
12 the first public forum is on our web site.
13 Night before last we were at Middlesex
14 Community College. That transcript should
15 be up on our web site in a week or so. We
16 will start off each forum with a
17 five-minute presentation, up to
18 five-minute presentation by the regional
19 planning agency. Mr. Butler will do that
20 tonight. Speakers who sign up are limited
21 to three minutes. And I will time them,
22 and I will ding this little dinger up
23 here, and indicate that your time is
24 rapidly closing.

25 We want you to be specific in

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1 sort of the subject area that you are
2 talking about, and the time frame, whether
3 it is five, 10, 15 year time frame you are
4 talking about. Think big, focus on the
5 future. If you have ideas beyond what you
6 hear tonight, and you want to respond,
7 that is an E mail address, I respond to
8 that E mail. Any suggestions you have,
9 any ideas you have, people who couldn't
10 make it tonight, ask them to respond to
11 that E mail address.

12 So with this conceptual
13 framework, I would like to call Mr.

14 Butler. One thing, because we have only
15 one microphone, Jim Watson and Dave
16 Treadwell will bring a mic to you when you
17 raise your hand to speak. And I will call
18 people in the order that they signed up.

19 MR. BUTLER: Excuse my back,
20 but I have been asked so sit down. My
21 name is Jim Butler, and I am Executive
22 Director of the Southeastern Connecticut
23 Council of Governments, which is this
24 region's planning organization. And I
25 have been asked tonight to present to you

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1 a summary of the region's comprehensive
2 economic development strategy for
3 Southeastern Connecticut, which was
4 prepared, and adopted by the Council of
5 Governments, and its sister regional
6 agent, the Southeastern Connecticut
7 Enterprise Region for 2004, 2005.

8 This document was funded by the
9 Federal Economic Development
10 Administration, local, private, and public
11 monies, and was approved by the Economic
12 Development Administration in February of
13 2005. I have a copy with me tonight. It
14 is available on both Sector and SCCOG's
15 web sites.

16 A companion set project ranking
Page 7

17 report was completed and forwarded to the
18 Economic Development Administration in
19 April of 2006. And it DCED's update
20 report was forwarded to EDA in June 2006.
21 The implementation was put on hold during
22 the preparation of a report of the
23 Governor's Commission on the Economic
24 diversification of Southeastern
25 Connecticut during 2006, and I mention

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1 that report, because it was built on the
2 foundation of our comprehensive economic
3 development strategy.

4 The region DCED's identified a
5 number of economic challenges facing the
6 region, including growing economic
7 disparities; increasing diversity of
8 population; the need to import workers
9 from the outside; structural shift from
10 defense to tourism; shift from higher to
11 lower wage jobs; dependency on a handful
12 of employers; and continued vulnerability
13 in defense. Economic development barriers
14 identified in DCED's identified in
15 Connecticut included the shortage of
16 housing, limited infrastructure at
17 development sites, periodic traffic
18 gridlock. We would love to have that best
19 transportation system in the country.

20 Older infrastructure, fragmented civic
21 infrastructure, environmental challenges,
22 and municipal fiscal challenges.

23 The plan sets forth five goals.
24 One, create a more effective and efficient
25 civic infrastructure. Two, strengthen

10

1 existing economic clusters while also
2 seeking to diversify the economy. Three,
3 build a physical infrastructure needed to
4 support the region's economic
5 transformation. Four, promote career
6 opportunities that can move low wage
7 workers into careers providing a family
8 wage. And, five, enhance the regional
9 quality of life, balancing vibrant urban
10 centers, rural areas with open space, and
11 sound serving suburban communities.

12 The DCED's project ranking I
13 mentioned was developed by a DCED's
14 implementation committee, which measured
15 projects submitted by individual
16 municipalities for consistency with
17 regional plans, direct economic impacts,
18 and feasibility. The project ranking was
19 then approved by the DCED's Strategy
20 Committee, and then endorsed by the
21 Council of Governments. The result in
22 ranking of projects established in a

23 hierarchy of candidate projects considered
24 eligible for EDA, and other funding
25 applications. The highest of the eight

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1 regional priority projects submitted were
2 the Thames Basin Regional Water Connection
3 Project, the Council of Governments
4 Proposed Tourist Transit System, and the
5 region's initiative to see more affordable
6 and work force housing built in
7 Southeastern Connecticut.

8 The highest rank of the 51
9 municipal projects submitted were funding
10 for infrastructure associated with New
11 London's Fort Trumbull Municipal
12 Development Plan; the Griswold Triangle
13 Wire; and People Ground Field Remediation
14 and Redevelopment Project; Ledyard's
15 development of a New Village Center at
16 Ledyard Center Project; and East Lyme's
17 Realignment and Access Road at Exit 74 off
18 of I-95.

19 The DCED's update report made
20 several adjustments to recommended
21 strategies and action steps. The most
22 significant of which were to add as action
23 steps the purchase of Union Station in New
24 London, to sustain that facility as an
25 intermodal transportation center, and the

1 support for the Governor's Commission on
2 Economic Development of Southeastern
3 Connecticut.

4 Now, the final report of the
5 Governor's Economic -- the Governor's
6 Commission for the Economic
7 Diversification of Southeastern
8 Connecticut was submitted to Governor Rell
9 in December of 2006. That plan included
10 28 recommendations in the four areas of
11 defense, and homeland security,
12 infrastructure, and utilities, work force
13 development and housing, and marketing and
14 advocacy.

15 That report is also available,
16 not only on the Governor's web page, but
17 also on Sector and SCCOG's web page.

18 That pretty much summarizes the
19 current economic development for
20 Southeastern Connecticut. You will
21 probably hear from other speakers during
22 the evening that will provide a lot more
23 detail.

24 MR. MCMILLEN: My runners are
25 not here.

1 MR. BUTLER: I am a runner.

2 MR. MCMILLEN: It is my
3 pleasure to introduce Commissioner Joan
4 McDonald.

5 MS. MCDONALD: Thank you, Stan.
6 I don't want to take away from the public
7 dialogue going on, but I really want to
8 thank everybody for coming out tonight.
9 It is a little bit chilly out there, and
10 it is the holiday season, and we
11 appreciate all of you attending. And we
12 look forward to hearing the remarks, and
13 the collaborative effort in developing our
14 strategic plan for the next five, 10, 15,
15 20 years. So we look forward to the
16 comments. Thanks so much.

17 MR. MCMILLEN: Our first
18 speaker is Gail Lawson.

19 MS. LAWSON. Good evening. I
20 am Gail Lawson. I am the Executive
21 Director of Sound Community Services.
22 Sound Community Services is a community
23 based nonprofit mental health agency
24 providing services to more than 2,500
25 citizens of New London County annually.

1 On behalf of the persons we serve and the
2 140 members of SCSJ staff, I would like to

3 contribute the following input towards the
4 development of the State of Connecticut's
5 Economic Strategic Plan.

6 Sound Community Services is a
7 501-c-3 charitable organization with a 30
8 year history of service to the citizens of
9 Connecticut. According to 2007 National
10 Center for Charitable Statistics data, we
11 are just one of the nearly 14,000
12 nonprofit organizations here in
13 Connecticut. Our annual operating budget
14 is \$7.9 million dollars and SCS is employs
15 140 individuals. With 140 employees we
16 are one of the largest private employers
17 in the City of New London. Only Pfizer,
18 The Day, and L&M Hospital have more
19 employees. Statewide nonprofits employ
20 165,000 individuals representing close to
21 12% of the State's workforce according to
22 2004 State Department of Labor data. I
23 would suspect that if more current data
24 were available that percentage would show
25 an increase. Needless to say, SCS is a

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1 significant economic force in New London,
2 just as non-profits statewide are a
3 significant economic force - a force that
4 is rarely acknowledged, appreciated or
5 understood.

6 It is important to point out
7 that SCSI, like all nonprofit
8 organizations, is a business. Every two
9 weeks we need to make payroll and pay our
10 bills. The direct and indirect effects of
11 SCSI and other nonprofits on the economy
12 are substantial. We pay wages and
13 benefits to employees who in turn fuel our
14 economy through spending on property,
15 food, housing, transportation, child care,
16 clothing, furniture, dry cleaners,
17 recreation, travel, insurance, healthcare
18 and conferences, etc. SCSI itself spends
19 money with vendors for all the things that
20 a business needs to function and on
21 specialty items related to health and
22 human services. While a lot of this may
23 be obvious, some is less so. For
24 instance, where construction is involved,
25 the involvement of our contractors,

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1 suppliers and other vendors is tremendous.
2 We also contract for plumbers,
3 electricians, legal and accounting
4 services, among others. Also, our
5 employees pay taxes - federal and state
6 income, social security and directly or
7 indirectly (through mortgage or rent)
8 local property taxes. During the past

9 fiscal year SCSI paid \$4.2 million dollars
10 in wages \$425,000 in rent and \$330,000 in
11 contracted services to "for profit"
12 individuals and businesses. Clearly SCSI,
13 like all non-profits, adds to the "bottom
14 line" of Connecticut businesses and to the
15 State as well. Do not confuse our tax
16 classification with the need to maintain a
17 positive bottom line or surplus. The
18 difference is what nonprofits do with
19 their money, something much different from
20 what for-profit businesses do with theirs.

21 I wish to focus a major portion
22 of my remarks on the manner in which we
23 are funded. SCSI's funding was the direct
24 result of State of Connecticut action. We
25 are one of the organizations that the

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1 State of Connecticut turned to when it
2 chose to close its state "mental
3 hospitals." We are one of the
4 organizations that the State of
5 Connecticut turned to assure that the
6 State fulfills its mission and commitments
7 to its citizens. We are one of the
8 organizations that provides the "safety
9 net" to the State's residents. We are one
10 of those organizations which rely on state
11 contracts and are continually subject to

12 the demand that we continually do more
13 with less. And, sadly, we are one of the
14 organizations that is only rarely
15 recognized for the economic and human
16 capital contributions we make to the
17 State's overall economic vitality and
18 success and the quality of life here in
19 Connecticut. May I respectfully remind
20 you that Connecticut is the richest state
21 in the brightest country in the world.

22 If you search the state budgets
23 of the last five years, it is astounding
24 the number of jobs which have resulted in
25 the nonprofit sector from the millions of

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1 dollars appropriated. Just as one
2 example, each of the 40 DCF funded
3 adolescent group homes opened/in the
4 process of opening by nonprofit
5 organizations employs 20 individuals.
6 That is 800 jobs alone. While it would
7 appear that in creating jobs in both the
8 public (state jobs) and private nonprofit
9 sectors, the State of Connecticut itself
10 is part of the economic solution.
11 However, part of my story today also
12 includes that the State of Connecticut is
13 also part of the problem for the employees
14 of non-profits who would like to lead the

15 "middle-class" life style.
16 Many of the jobs in the
17 non-profit sector supported through state
18 contracts and initiatives are lower wage
19 jobs which fail to meet most any
20 self-sufficiency standard that is applied.
21 State policy leaders have heralded an
22 emphasis on 21st Century Jobs in
23 Connecticut. Nonprofit jobs, or the
24 overwhelming number of jobs the
25 Legislature itself has created, are able

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1 to be viewed within that framework. It is
2 truly unfortunate. I will leave the rest
3 of my comments to the written comments.
4 Thank you so much.

5 MR. MCMILLEN: Our next speaker
6 is Norm Krayem.

7 MR. KRAYEM: Good evening, my
8 name is Norm Krayem. I am President of
9 the Connecticut Association of Realtors.
10 I have been a real estate broker for 35
11 years, and operate an office here in
12 Groton, Connecticut. As we all know,
13 housing prices in the last five years has
14 risen approximately 65 percent, and the
15 worker's ability increases in pay have
16 increased between 18 and 20 percent. At
17 some point in time this gap has grown way

18 too wide, and we now have a situation
19 where we see that the housing market is
20 slowing down, which is a necessary part of
21 growth. Very simply, affordable housing
22 is a key to a healthy Connecticut. The
23 high housing costs that we have now are
24 driving workers out of Connecticut,
25 threatening our labor pool, and causing

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1 concerns among businesses throughout the
2 State. The crunch is especially hard in
3 the 25 to 34 year old age bracket, which
4 Connecticut has lost a higher percentage
5 than any other state. If we continue
6 losing our young workers we will have a
7 shortage of workers to take over. In the
8 competitive business economy we find that
9 the high housing cost makes Connecticut a
10 less attractive place to do business, and
11 less attractive for new businesses to come
12 to Connecticut. The new businesses coming
13 in worry about the high cost of housing,
14 and the higher wages that they will have
15 to pay in Connecticut. If businesses
16 leave, Connecticut will lose jobs, and tax
17 revenue, stifling our economy, producing
18 more housing, more affordable housing to
19 provide a place for workers to live, while
20 also generating tax revenues and creating

21 jobs. Transportation and housing are the
22 two largest expenses of the household
23 budget. To find a house they can afford
24 many people move to locations further from
25 where they work, leading to increased

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1 transportation costs, longer commutes,
2 increased traffic, and road congestion.
3 Many of the downtowns in Connecticut
4 cities could use the economic lift that
5 mixed use development would bring. Citing
6 affordable housing in downtown areas would
7 provide customers to retail businesses
8 while using existing infrastructure,
9 making downtowns more lively, and
10 attractive places to live, work, and
11 visit. Many of our Connecticut towns have
12 mills that were old industrial sites that
13 stand empty, and vacant, but could be
14 redeveloped for residential use. Using
15 mills or ground fields for housing
16 Connecticut residents could afford, and
17 would utilize infrastructure that already
18 exists and transform a deteriorated site
19 into a resource for the community.

20 Mixed income housing in
21 Connecticut cities helps struggling
22 communities rebuild their communities,
23 building mixed income housing to take

24 advantage of the existing infrastructure
25 while diversifying the tax base, and

22

1 providing customers with local businesses
2 and bringing stability to challenged
3 neighbors.

4 The overall shortage of housing
5 is compounded by our town's resistance to
6 development of new family housing.

7 Hearing that this housing will attract new
8 children whose education costs would
9 exceed the development's property tax
10 revenues, towns often feel compelled to
11 discourage development of reasonable
12 rental units and starter homes.

13 McMansions, as we call them, and elderly
14 housing get built in an effort to bring
15 added property taxes without education
16 costs, leaving Connecticut short on
17 housing for families. Sound planning and
18 the thoughtful use of available land can
19 help Connecticut towns address their many
20 needs. Compact development that
21 encourages towns to develop smaller,
22 affordable housing units on less land can
23 help towns conserve farmland and preserve
24 open space, beautify developments and
25 reduce the need to build and maintain

1 infrastructure.

2 Since housing is the key to
3 economic success in Connecticut, and
4 health, we need to provide more affordable
5 housing where we are able to do so. Thank
6 you.

7 MR. MCMILLEN: Thank you, sir.
8 Peter Orr.

9 MR. ORR: Hello, I would like to
10 address agriculture and the dairy industry
11 are important for Connecticut future.

12 I am Peter Orr. I am a dairy
13 farmer from Thompson, Connecticut. I
14 would like to thank you for the
15 opportunity to share my views on the
16 future course of the state's economy by
17 providing input into this strategic plan.
18 As stated by our governor, "Our goal now
19 is to make sure that we continue on the
20 vital path of growth without jeopardizing
21 some of the things that make life in
22 Connecticut so worthwhile."

23 One of those areas I would like
24 to see considered in the strategic plan
25 for our state is maintaining a vibrant

2 Industry contributes over two billion
3 dollars worth of economic activities to
4 the state's economy. For my comments
5 today, I would like to focus on the dairy
6 industry in the State of Connecticut.

7 I urge DECD to consider the
8 value, and future position of the
9 Connecticut Dairy Industry in its
10 strategic planning. Dairy farms in the
11 State of Connecticut provide approximately
12 one-half of the fluid milk consumed in the
13 state. About 20 years ago, Connecticut
14 Dairy Farmers supplied almost 100 percent
15 of the fluid milk needs. Dairy is a
16 primary manufacturer of food item within
17 the state's borders. Dairy takes many
18 locally derived inputs, including land and
19 produce, a fresh perishable food product
20 within Connecticut. In addition to
21 supplying a fresh local food product,
22 dairy farms contribute substantially to
23 the landscapes of scenic Connecticut.
24 Many of the picturesque hillsides and
25 valley scenes of the Connecticut vistas

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1 are provided by active dairy farms. It is
2 estimated that over 100,000 acres of
3 working land is associated with dairy in
4 the State of Connecticut. In addition to

5 the land we grow our crops on, there is
6 substantial forest, and wetlands that
7 provide significant wildlife, and
8 recreational uses here in Connecticut.
9 This agricultural landscape is maintained
10 by having viable farm enterprises working
11 the land, at no cost to Connecticut's
12 taxpayers.

13 Key areas needed to be studied
14 to maintain a viable Dairy Industry in the
15 State of Connecticut include food security
16 issues, transportation, business
17 regulation, labor force quality and
18 sustainability, cost of doing business,
19 affordable housing, land use policy,
20 taxation, availability of capital and
21 affordable energy.

22 Having an economically viable
23 and sustainable Agriculture and Dairy
24 Industry will pay tremendous dividends for
25 our state in the long-term in many

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1 different ways. Once the Dairy Farms are
2 gone, the last crop grown on the land will
3 be development. Connecticut's Agricultural
4 and Dairy Industry needs to be included in
5 DECD's Strategic Plan for Connecticut's
6 Future. Thank you.

7 My name is Peter Orr. I am
Page 23

8 member of "The Farmers Cow Fresh
9 Connecticut Milk; Cabot and Macadam Cheese
10 Brands; Member of the Connecticut Farm
11 Bureau; and also a member of Very
12 Alive-Agri business Promoting Connecticut
13 Agricultural, and represent these comments
14 are from those groups, as well.

15 MR. MCMILLEN: Thank you,
16 Peter.

17 I would like now to call an
18 elected official Genevieve Cerf to speak.

19 MS. CERF: I am Genevieve Cerf.
20 I am the RTM member of the Town of Groton.
21 I am also the Treasurer of Groton Open
22 Space Association, which is a group which
23 was instrumental in saving the Haley Farm,
24 and also Bluff Point in the Town of
25 Groton. And I am a full time employee of

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1 Horizon Corporation. I am in electrical
2 engineering and computer science. Just to
3 show you that I am not a complete tree
4 hugger, I spend 12 hours a day building
5 event systems for Horizon, and only about
6 one or two on open space. I am highly
7 interested in dealing with complex issues,
8 such as this one.

9 One of the problems with open
10 space, preserving open space was a huge

11 pressure on the towns to produce enough
12 property tax to pay the educational bills,
13 and huge pressure on increasing the grand
14 list on economic development. Therefore,
15 I became involved in some of the
16 commissions, Strategic Commission, Town of
17 Groton for Economic Development, and I am
18 a liaison for the Economic Development
19 Commission there. And so I really very
20 much applaud what you are doing here, but
21 I think from what I observed in my last
22 four or five years working on these
23 issues, you really need a grand plan. I
24 like the idea of having one of the best
25 transportation systems in the Country. I

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1 think that is absolutely critical. I love
2 the idea, I am sorry, I forget this
3 gentleman's name here, housing more in a
4 village mode, building more villages, and
5 leaving more open space, which is the
6 European way. I spend a lot of time in
7 Europe, and in Europe a lot of the local
8 communities have rules that farmland is
9 farmland, which goes to Mr. Orr's
10 statement. And you are not allowed to
11 turn farmland into subdivisions. When you
12 want to increase the growth there is a
13 perimeter around the village, and you can

14 build more densely, higher, whatever you
15 want to do in the village. You see lot of
16 that all over Europe where they build a
17 lot more density around economic clusters.
18 The pastures are left for the cows, and
19 the steers, and the trekkers. I really
20 think that the way the state can help is
21 help us formulate a big vision, strategic
22 plan which will allow the towns to be
23 relieved of some of that pressure, which
24 is let sprawl, and let this kind of
25 housing gobble up all of our open space.

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1 Something like really big tax incentives
2 for smart growth. Something with teeth.
3 A strategic plan that has teeth, and some
4 mandates. Even if you start with some
5 small mandates, and some really
6 interesting tax incentives for developers,
7 and for towns, I think that would help a
8 lot more than talking about what we should
9 do, and people not really being able to
10 take a large approach towards solving
11 these problems. Thank you very much.

12 MR. MCMILLEN: Thank you. Peg
13 Stroup.

14 Do you want to speak?

15 MS. STROUP: No, I hadn't
16 planned on doing it.

17 MR. MCMILLEN: Jane Dauphinal.
18 MS. DAUPHINAL. Perfect. I
19 have been called a lot of things, but that
20 was perfect. I am Jane Dauphinal and I am
21 the Director of the Southeastern
22 Connecticut Housing Alliance here to talk
23 to you about affordable housing because it
24 is an economic issue. We can no longer
25 house our work force. The lack of

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1 affordable housing is a constraint on our
2 economic growth right now. People do not,
3 I think as a matter of policy we need to
4 understand that jobs go home at night. We
5 have documented the need very well. The
6 SCCOG did a study in 2002, and updated it
7 in 2004. It showed a need for a total of
8 8,000 additional housing units between
9 2000 and 2010, with the most severe need
10 being multi family, and affordably priced.

11 In every town in Southeastern
12 Connecticut the median household income
13 cannot afford to qualify by the median
14 sales price home. Since 2002, Connecticut
15 wages have risen an admirable 24 percent,
16 but housing prices are up 72. Even in the
17 current weak real estate market,
18 Southeastern Connecticut home prices have
19 not declined as they have elsewhere.

20 Sales are down, but prices are not. The
21 New London Day has estimated that the
22 livable wage in Southeastern Connecticut
23 is \$14.23 an hour. The Norwich Bulletin
24 says it is 1648. At our point in time
25 count of homeless last January, we found

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1 that 30 percent of our homeless are
2 working. The number of people in
3 Connecticut who spend more than 30 percent
4 of their income on housing, has risen from
5 19 percent in 2004, to 26 percent
6 currently. So we are going in the wrong
7 direction, and we are going fast.

8 In terms of impact on economic
9 development, we have a lot of anecdotal
10 information but CBIA has surveyed their
11 members that says the lack of affordable
12 housing makes it more difficult to attract
13 new employees. Our hospitals, banks,
14 construction trades, school systems,
15 marine trades, very important here, our
16 hospitality industry cannot hire enough
17 workers locally so they commute over
18 longer distances. Even Pfizer has had to
19 pay handsome relocation bonuses to attract
20 700 of the 1,000 scientists they wanted
21 from Ann Arbor, Michigan. If housing is a
22 factor for Pfizer, imagine when it means

23 for employers and lower paid workers. We
24 want those jobs. They were offered to the
25 State on a silver platter, and the State

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1 could not attract them all. The Pfizer
2 experience is a poster child for the
3 nightmare the state will face if there is
4 not sufficient housing options for jobs
5 companies want to bring to the State.
6 Firms simply won't come, won't stay, and
7 won't expand here without housing for
8 their employees.

9 The barriers that we face in
10 solving this are attitudinal, physical,
11 and bureaucratic. The attitudinal changes
12 are up to us to solve, and we work at that
13 daily. A more tangible challenge is the
14 lack of adequate sewer and water
15 infrastructure in many of our towns. We
16 all want well planned smart growth
17 development, but even in community
18 centers, and a long transit many of our
19 rural towns do not have water and sewer
20 lines. Intelligent investments in water
21 and sewer lines could preserve, and
22 revitalize our villages, provide needed
23 housing, and allow a town to protect its
24 undeveloped areas.

25 Two practical solutions include
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1 adequate funding for subsidy programs to
2 help affordable housing developers, and
3 reduce bureaucracy to access them. The
4 second is at least as important as the
5 first. It takes years to put the
6 financing together from funded programs,
7 even when every aspect of the development
8 is in compliance. Thank you.

9 MR. MCMILLEN: At this time, I
10 would like to call Tony Sheridan.

11 MR. SHERIDAN: Thank you. And
12 thank you for giving us this opportunity
13 to share some thoughts with you. I am
14 Tony Sheridan, President of the Chamber of
15 Commerce of Eastern Connecticut. I
16 represent approximately 1,385 companies in
17 the 20 town region of Eastern Connecticut,
18 and I have a few thoughts I would like to
19 share, and try to throw some issues on the
20 table that might help as the commissioner
21 said think out of the box, and maybe look
22 toward the future.

23 For Connecticut to compete
24 effectively, the state must make a
25 fundamental structural and cultural change

1 in how it organizes its approach to
2 economic development. The Department of
3 Economic and Community Development (DECD),
4 the state agency responsible for economic
5 and community development, has as its core
6 mission, economic, housing and community
7 development along with approximately 28
8 other programs including loan and small
9 city development block grant programs.

10 The present DECD organization
11 with its myriad of other obligations and
12 responsibilities does not allow for the
13 flexible out-of-the box thinking necessary
14 for the state to compete successfully. By
15 design, the existing DECD is too closely
16 tied to the administration that happens to
17 be in office at the time. As a result,
18 economic development efforts tend to take
19 place with an eye on the next election
20 cycle. This too often results in
21 insufficient emphasis on long term
22 strategic planning that is essential for
23 sustainable economic growth.

24 Three essential components
25 needed for sustainable economic growth

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1 are: A progressive and modern higher
2 education system; a modern and flexible

3 transportation infrastructure; and a
4 progressive and efficient government.
5 Connecticut, according to most experts,
6 does not fare well in two of these three
7 categories.

8 Education - here we have
9 partial success. We can rightly brag
10 about our higher education system. The
11 state has invested wisely and the system
12 has benefited from long term strategic
13 planning as well as consistent leadership
14 absent political interference. However,
15 too many young, well-educated people leave
16 the state to seek opportunities elsewhere.
17 In addition, not nearly enough students
18 are studying in the disciplines essential
19 for securing our economic future--such as
20 math, science and engineering. Also, test
21 scores, especially in our inner cities,
22 indicate that school systems are failing
23 far too many young people, leaving them
24 for the work world of the future.

25 Infrastructure-the essential

1 infrastructure for sustainable economic
2 growth in the state is woefully
3 inadequate, so much so that the state is
4 at serious risk of losing our existing
5 manufacturing base and other businesses

6 that require a modern transportation and
7 communication system. For example, broad
8 band accessibility is spotty in many of
9 our 20 towns in the region. And our main
10 highway arteries are frequently clogged
11 for hours at a time.

12 Government--The role government
13 plays in economic development is crucial.
14 Although sincere attempts are under way to
15 prepare the state for the new economy,
16 these attempts, at least in Southeastern
17 Connecticut will be woefully inadequate
18 unless the state improves the way it
19 manages economic development.

20 To successfully compete for
21 sustainable economic growth in the future,
22 Connecticut needs to review the steps that
23 other states are doing or considering. A
24 recent study by the State of Arizona
25 speaks to this point. The research

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1 compares Arizona's economic development
2 strategies to those being implemented in
3 18 competitor states including our
4 neighboring states, Massachusetts, and New
5 Hampshire, New Jersey and New York. Of
6 note is the fact that Connecticut was not
7 one of the states included in the study.

8 To reach its potential,

9 Connecticut should appoint a
10 public/private partnership responsible for
11 economic development policy and planning
12 for sustainable economic growth. The
13 majority of members should be accomplished
14 individuals from the private sector. The
15 board should also include representatives
16 from higher education, the Department of
17 Transportation, the Department of
18 Environmental Protection and a
19 representative from organized labor. The
20 board also must be nonpartisan.

21 A professional economic
22 development expert responsible for
23 developing a long-range economic
24 development strategy and a mechanism for
25 measuring economic development success

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1 should be hired by the partnership. This
2 individual should be held accountable for
3 recommending legislative and government
4 policy adjustments that will allow
5 Connecticut to be more competitive. This
6 executive would be responsible for
7 developing policies designed to foster an
8 aggressive response to changes in the
9 economy, society and technology and for
10 identifying collaborative opportunities
11 between academia, industry and workforce

12 development.

13 Business as usual is no longer
14 working for the state, and no amount of
15 quick fixes for band aid approaches will
16 work. Whether we like it or not, we are
17 in a global economy and our leadership has
18 the very challenging responsibility of
19 designing an economic development system
20 that will allow Connecticut to compete and
21 to avoid a race to the bottom. We have
22 the tools necessary to build a modern
23 economy that will serve us well. What is
24 needed is significant investment in our
25 infrastructure, a modern progressive

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1 government and a public private
2 partnership led by a professional leader
3 in the world of economic development.

4 Thank you for your time.

5 MR. MCMILLEN: I would like to
6 call representative Diane Urban from the
7 43rd District.

8 MS. URBAN: Thank you so much,
9 and thank you Commissioner for coming out
10 here, and holding these hearings. We
11 appreciate it so much. I would just like
12 to begin by saying that Tony Sheridan
13 pretty much went through the gamut here of
14 the issues. But I would like to add

15 something else to the mix here. That
16 would be something called results based
17 accountability. And I am not sure, having
18 not been here quite that long,
19 Commissioner, that you have become
20 familiar with what is going on with that
21 particular foray into performances
22 measurements, and performance budgets.
23 But what this does in essence is we have
24 established a committee off of
25 appropriations. It is the result based

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1 accountability subcommittee. I am the
2 co-chair of that committee. And we have
3 been looking at programs via the sort of
4 lens of accountability.

5 Now, if we are going to talk
6 about some of the things that we have been
7 talking about here tonight, we would say,
8 okay, we need a population result. And
9 that result would be a vibrant and
10 successful small and micro enterprise
11 business environment in the State of
12 Connecticut. That would be the result
13 that we are looking for. And the way this
14 works is that you then work backwards, and
15 say, okay, how do we get there? And what
16 are the trend lines telling us? And in
17 essence the trend lines, which I am sure

18 has been said many times tonight, are
19 showing that we are not doing what we need
20 to do in the State of Connecticut to sort
21 of nurture as well as attract our small
22 businesses and our micro enterprises. I
23 know I am taking a slice, I am not looking
24 across. The curves are going in the wrong
25 direction. How do we, in fact, turn those

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1 curves? And, again, Tony really pointed
2 this out. We need to go across silent.
3 When he is talking about education, math,
4 and science, and then we are talking about
5 small businesses, we are talking about the
6 State Department of Education into the
7 picture, and not saying it is all DECD's
8 fault. They need to be the ones that make
9 this happen. No, these things go across
10 agencies, and the results based
11 accountability model allows us to look
12 across agencies, and to get agencies
13 dialoguing with each other, and with the
14 appropriations committee, and legislators.
15 And the result, not to coin a phrase, has
16 been very successful. At this point in
17 time we have language in the back of the
18 budget that looks at new programs, and we
19 are working with OPM, and OFA, and have
20 chosen programs, but we have also invited

21 our agencies to please dialogue with us.
22 And we have templates we can share. And
23 we have a whole program that is put
24 together. And, as I said before, one of
25 my major concerns is the small business

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1 and the micro enterprise area. And
2 initially, on becoming a legislator, I
3 worked on the micro enterprise area, which
4 we now have a tremendous private-public
5 relationship, which I know you know, the
6 Community Economic Development Fund, which
7 the DECD is involved with. And that has
8 been enormously successful. We did
9 structure that so it is results based.
10 What we were trying to do, we were trying
11 to promote, and make the micro enterprise
12 economic web more creative, more
13 successful, and more available to young
14 entrepreneurs, or old entrepreneurs, we
15 don't care. I know you have heard a ton
16 of information tonight, and the one thing
17 that I would like to leave you with is
18 that we very much, the subcommittee would
19 very much like to be working with DECD,
20 and try to focus on some of this RBA, and
21 see where we could go with it.

22 And, one, just one plug of the
23 other area that I am really concerned

24 about is the farming industry. I would
25 like to be able to look at micro farms as

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1 a tool of economic development, not just
2 from the Department of Agricultural, but
3 that there are other agencies that can
4 participate in making that area a small,
5 vibrant business, because that really is
6 what our small farms are. So I look
7 forward to working with you, and thank
8 you, again, for being here tonight.

9 MR. MCMILLEN: I would like to
10 call State Senator Andrew Maynard from the
11 18th District.

12 MR. MAYNARD: Thank you
13 Commissioner. Great to see you again,
14 twice in one week, it is wonderful to have
15 you here.

16 I am going to be very brief,
17 much of what I wanted to say really was
18 covered in the sector meeting the other
19 morning. I did want to re-emphasize my
20 concern about the regulatory environment
21 in Connecticut, and we touched on that
22 briefly. Some of this obviously is the
23 purview of other commissioners. But I
24 think the message really does have to get
25 back to the governor fairly clearly, and

1 loudly, and certainly Commissioner
2 McCarthy at DEP. In other words, we have
3 to make Connecticut a more attractive
4 environment in terms of our permitting,
5 and how we work with applicants through
6 that process. It just is too much of a
7 moving target it feels at times, and the
8 people I have taken at BECA probably have
9 more inquiries with respect to the
10 Department of Environmental Protection,
11 and business issues, than any other single
12 department since I have been in office,
13 just one year, but it is an indicator.
14 They do good work. I know that there is,
15 obviously, a necessity to be careful, and
16 in preserving and protecting our
17 environment. I think the process itself
18 can be simplified in a way that doesn't
19 require unanswered curves in the road as
20 the process unfolds.

21 The other point, which I think
22 others have talked about, and I will leave
23 it at that really is our desperate need
24 for significant investments in our
25 transportation infrastructure. I think

1 you will hear that over and over tonight.

2 It is really an area that we in
3 Southeastern Connecticut are particularly
4 concerned about, particularly mass
5 transit, particularly rail accessibility,
6 but an integration of intermodal traffic.
7 And I am pleased that we have in this
8 current budget or bond package the
9 \$750,000 for the study of intermodal,
10 because I think that is really vital for
11 us as we look for the future.

12 I guess lastly, tangentially to
13 that, extremely important is the real need
14 to stress the significance of the tourism
15 industry to this region, and adequate
16 efforts for additional marketing dollars
17 there. It is an area where we are
18 beginning to see some dampening, and I
19 think it is directly related to the
20 state's, you know, somewhat, pardon me for
21 saying so, you are new here like I am, but
22 a little, you know, short sided I think in
23 terms of our commitment to the funding
24 levels there. And I would really like to
25 see a significant focus on making tourism

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1 a more vital part of our economic picture
2 here.

3 So thank you very much for
4 being here.

5 MR. MCMILLEN: I would like to
6 call Representative Wright from the 41st
7 District of Groton.

8 MS. WRIGHT: Thank you, I would
9 just like to yield a minute.

10 MR. MAYNARD: I neglected to say
11 that Senator Stillman called me this
12 evening. She was not feeling well at all,
13 and sent her regrets that she was unable
14 to attend. May I yield to Representative
15 Wright.

16 A VOICE: We just love doing
17 this yield thing. As Senator Maynard
18 started to speak there is one other thing
19 I remember. Last session we were doing a
20 small regs flex bill, and we got it out of
21 appropriations, and then it kind of
22 languished. I am very eager, because I
23 totally agree with Senator Maynard we have
24 to look at this regulation, and this was a
25 regs flex bill that we worked with the

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1 SBA. It is ready to go, Commissioner.
2 Thank you Representative Wright.

3 MS. WRIGHT: You are welcome.
4 Thank you, Commissioner, for visiting our
5 area as you go around the State to the
6 various regions. I would like to just
7 emphasize, and not to restate the obvious

8 as the recent UN Climate Panel Report
9 demonstrated, we are at a critical stage
10 in terms of global warming, and the
11 effects, and we are now in the stage of
12 mitigation, and adaptation, and hopefully
13 to slow down global warming. But I think
14 these present some opportunities to
15 increase income, and stimulate economic
16 growth in the State of Connecticut, to tap
17 into our traditional Yankee ingenuity.
18 And I know we have made some significant
19 starts in the legislature in terms of
20 incentives, in providing direction in
21 areas of renewable and sustainable energy
22 sources, energy conservation, and
23 efficiencies in our buildings, and homes,
24 public buildings, and workplaces and
25 substantial set of transportation, and

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1 land use reforms to improve air quality,
2 and water quality. I would hope in our
3 area we could focus, and build on our
4 assets on the pharmaceutical and defense
5 sectors, and stimulate emergent
6 technologies, and new applications in what
7 I perceive as a new area of green
8 economics. I would like to emphasize that
9 aspect. Thank you.

10 THE CHAIRMAN: I would like to
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11 call Lloyd Beachy.

12 MR. BEACHY: My name is Lloyd
13 Beachy. I presently serve on the Board of
14 Directors, and in the past have had a
15 period of time from 1995 to 2003 when I
16 was City Councilor and the former Mayor.
17 I am not speaking as a representative of
18 anyone but myself here, but I am speaking
19 from personal experience with the economic
20 development issues as carried forward by
21 the State of Connecticut. And while we
22 all have our pet issues, I don't want to
23 talk about them. I want to talk about
24 setting the rules of development. I am
25 glad to see that Mr. Butler was allowed to

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1 present our regional development plan. I
2 would hope that you would recognize, and
3 accept the legitimacy of all our local
4 regional plans.

5 The specific thing I would like
6 to speak to you about is the one
7 over-arching recommendation for the future
8 of economic development by DECD, and that
9 is the State of Connecticut should allow
10 local government and citizens to manage
11 their own affairs. One, do not initiate
12 programs and projects without the intimate
13 knowledge and participation of the elected

14 officials and the professional staff of
15 the municipality involved.

16 Two, do not use the facade of
17 development corporations to go around
18 local officials and their decision making.

19 Three, do not hold the power of
20 the DECD project funding to impose the
21 will of the state officials on the local
22 community.

23 The power of the State of
24 Connecticut through the control of funding
25 for major projects and state ownership of

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1 large parcels of developable land within
2 municipal borders is overwhelming to local
3 decision making. I will never forget
4 March of 1998 when the Commissioner looked
5 me in the eye, and said, Mayor Beachy, you
6 have to understand the money is ours, and
7 we will do with it what we will. And they
8 did.

9 There are four recent state
10 managed projects in Southeastern
11 Connecticut which testify to the need to
12 limit the power of the State in local
13 affairs.

14 One, the total mismanagement of
15 the Norwich Hospital property, which has
16 kept this valuable property from moving

17 forward in a location that is ripe for
18 development.

19 Second, the inability to manage
20 and advertise the Seaside Hospital project
21 successfully in a location that is located
22 on valuable shoreline property that could
23 be used for high-end condominiums by
24 restoring and remodeling existing
25 structures.

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1 The third, takeover of almost
2 100 acres of the New London's State Pier
3 area in such a way that no benefit will
4 ever come to the City either through jobs
5 or taxes.

6 Fourth, the infamous Battle of
7 Fort Trumbull which has destroyed a
8 community within the City, demolished
9 hundreds of square feet of potential
10 office space, placed the most valuable of
11 land in the hands of a Boston-based
12 developer under a development agreement
13 that virtually guarantees that the
14 developer need not satisfy any part of the
15 plan, left undeveloped almost 100 acres of
16 waste land in the heart of the city, at
17 least half of which is still brown fields,
18 and allowed to exist at the gate of the
19 magnificent Fort Trumbull State Park a

20 blighted neighborhood of a dozen boarded
21 up, falling down homes and businesses that
22 will never again provide the tax revenues
23 and jobs promised in the fatally flawed
24 Fort Trumbull Municipal Development Plan.
25 In closing, there is no way

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1 that local authorities in Norwich,
2 Preston, Waterford, and New London could
3 manage these projects with less
4 effectiveness than has the State of
5 Connecticut. The DECD should have as its
6 over-arching goal that of helping instead
7 of hindering the restoration of our cities
8 and towns.

9 MR. MCMILLEN: I would like to
10 call Jack Ringelberg.

11 MR. RINGELBERG: Thank you,
12 Commissioner McMillen. I am Captain Jack
13 Ringelberg, USN ret., currently the
14 President of JMS Naval Architects and
15 Salvage Engineers here on the UConn Avery
16 Point campus. JMS is the parent company
17 of Divers Institute of Technology, a
18 commercial diving school in Seattle,
19 Washington. I am also President of the
20 Ocean Technology Foundation, a nonprofit
21 organization, which is co-located in my
22 JMS offices and is dedicated to the

23 integration of academia, industry,
24 government, and the public in fostering
25 excellence in maritime initiatives. I

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1 also represent the industrial partners on
2 the Avery Point Campus, namely PEL
3 Associates, the Ocean Technology
4 Foundation.

5 Some highlights of a OTF/JMS
6 activities include:

7 Development of the Connecticut
8 Maritime Coalition.

9 Implementation and operation
10 (10 years plus) of the Science, Education,
11 and Marine Archeology Program in Portugal
12 (SEMAPP).

13 Employment of UConn interns.

14 Hiring of UConn graduates.

15 Serving on the Marine Science
16 High School Advisory Committees.

17 Managing the Rhode Island
18 Lobster Restoration Program (5-year
19 fisheries restoration).

20 Spearheading the search for the
21 Bonhomme Richard (marine archeology
22 program in the North Sea).

23 Proposal for Center for Ocean
24 Science Education Excellence - Technology
25 (COSEE-T).

1 Research vessel design and
2 operational specialists.

3 NTSB designated experts for
4 marine disasters.

5 NSF auditors for safety and
6 operation of all research vessels.

7 Creation of a Center for
8 Maritime Excellence.

9 These activities are
10 representative of the breadth and interest
11 of OTF and JMS, and are expanded upon in
12 the attached correspondence, which I will
13 leave with you today.

14 Industrial Partnership Program
15 UConn Avery Point. I moved my business
16 from Rhode Island to Connecticut in 1997.
17 This was an early adventure in strategic
18 planning development. At the invitation
19 of U Conn to be part of the Industrial
20 Affiliates Partnership. This partnership
21 was defined in the Battelle Report of
22 1994, and used as justification to
23 construct a Marine Science and Technology
24 Center. Since arriving, we Ocean
25 Technology Foundation, JMS, PEL

1 Associates, and Life Pharms, have extended
2 the invitations to the University to
3 participate in a myriad of joint
4 activities, with little success. A recent
5 article in the Hartford Courant refers to
6 academic isolationism. This is evident by
7 the fact that Bob Ballard who really
8 wanted to come here but went to the
9 University of Rhode Island, the Coast
10 Guard R&D Center is moving across the
11 river, and the presence of the industrial
12 partners on the Avery Point Campus is
13 tenuous.

14 Looking to the future. We are
15 a maritime State, even though we are the
16 Nutmeg State, we are also the Maritime
17 State. The largest concentration of
18 shipping management is in Western
19 Connecticut. This is documented by the
20 1,000 plus ship owners, builders,
21 designers, vendors, students that attend
22 the annual shipping conference in
23 Stamford. With the operation of these
24 major international companies hosted in
25 the state, the logical counterpart would

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1 be to match this with maritime technology.
2 We clearly have naval submarine technology

3 extant at Electric Boat but there are many
4 skilled maritime companies in the area,
5 many of whom do government and commercial
6 work. The technology sector is dwarfed by
7 the shipping component and from where I
8 sit, it is ripe for growth. There are
9 many maritime components located here in
10 Southeastern Connecticut. I have listened
11 to them on the report. And the Maritime
12 Center of Excellence I saw that in the
13 interim report from the Governor's
14 Commission on the Economic Diversification
15 in Southeastern Connecticut, encouraged
16 the building upon the "existing undersea
17 technology Center of Excellence in
18 Southeastern Connecticut." This is an
19 outstanding idea. I have not current
20 knowledge of this Center, but I do know
21 that in 2005 we submitted a proposal to
22 Senator Dodd's office to form such an
23 organization. The final report of the
24 Governor's Commission does not mention
25 this Center of Excellence. At a minimum,

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1 I encourage DECD to reinstate this
2 initiative. To do this, we need to
3 formalize a working group and mandate
4 participation from the academic and
5 government sectors. I can assure you that

6 industry is already here. The Ocean
7 Technology Foundation is at your service
8 to facilitate this endeavor on behalf of
9 DECD. A copy of our original summary
10 proposal to Senator Dodd is attached.

11 To make the Maritime Center of
12 Excellence a reality, close cooperation
13 and presence with the University is
14 required, as well as a broad
15 representation of industry. As stated,
16 the latter is ready. You can appreciate
17 that if the Industrial Partners in
18 Residence could not get anything going
19 with UConn, moving them off campus will be
20 the death of any Center of Maritime
21 Excellence and a continuance of academic
22 isolationism. Thank you.

23 MR. MCMILLEN: Thank you, sir.
24 I would like to call Anne
25 Nalwalk.

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1 MS. NALWALK: I am Ann Nalwalk.
2 I am President of Abalonia Land
3 Conservancy, which is one of about 170
4 land trusts in the state. We have 2,000
5 some acres here. I am amazed you have so
6 many people here, because there was no
7 article in the paper. I guess some people
8 are here because they saw an ad, but there

9 was no newspaper coverage that I was aware
10 of. I am glad you have a fairly good
11 representation of different individuals.
12 It was a chance meeting in the grocery
13 store that got me here.

14 Obviously being a land trust I
15 want to speak about preserving the open
16 space, keeping a rural character. There
17 are things you can do encouraging biking
18 trails, hiking trails. But if you pave us
19 all over, make us so economically
20 successful you will lose the flavor of
21 Connecticut, or at least this part of
22 Connecticut, and that is what some people
23 come here for. That is what keeps the
24 quality of life what it is, and protects
25 our water resources, and I hope you will

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1 keep that in mind. I certainly support
2 Mr. Orr in his defense of farming. We
3 also have incredible agricultural with
4 trees, orchards, little tiny farms that
5 can make something on an acre and a half.
6 We need to keep those going. We need to
7 keep our food local, so we don't have to
8 buy our butternut squash from Arizona. I
9 hope you wouldn't turn this into
10 Disneyland, and keep this sense of place
11 here. Tourism is wonderful, but

12 everything has to be in moderation so we
13 can still continue to live here, and not
14 be looking like Bridgeport or Anywhere
15 USA. This is Connecticut, this is
16 Southeastern Connecticut. I think that is
17 about as much as I want to say. To all
18 development, keep the open space, keep the
19 trees. This is what makes us special.
20 Thank you.

21 MR. MCMILLEN: Thank you for
22 your remarks. The strategic plan that
23 evolves from this effort has to be
24 consistent with the State plan of
25 conservation and development. So it has

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1 to take that into account, as well as the
2 DCED's of each of the regional planning
3 agencies, so it has to be consistent with
4 all existing plans. Hopefully it will
5 satisfy your concern.

6 I would like to call John
7 Markowicz.

8 MR. MARKOWICZ: My name is John
9 Markowicz. Thank you for coming to
10 Southeastern Connecticut, and thank you
11 very much for having this here. Lloyd
12 Beachy and I go back a ways. I know what
13 we told Jeff Benedict. I understand your
14 comments, Stan, about thinking visionary

15 and being a futurist. I am not one of
16 those guys. I am the guy that told Rob
17 Simmons that the place wasn't going to be
18 on a list 20 minutes before they announced
19 the list of closures. That gets me to be
20 a process guy. I like to focus on
21 process, how to get somewhere, and what
22 are the steps to get there. As Jim Butler
23 said earlier, we have a plan. And I
24 really appreciate you saying it is going
25 to be part of the state plan. Because

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1 when we developed a plan we did it in the
2 absence of any support from the state. In
3 fact, we were told specifically by a
4 letter, please keep us informed. With
5 resources by the Feds, \$70,000 of in-kind
6 services we developed a plan. The plans
7 are all the kinds of things you talked
8 about. It has an economic analysis. It
9 has a big appendix, box clusters. Jeff is
10 the guy that did it for us. We have an
11 assessment about barriers to growth. We
12 have the plan itself. And then we have
13 the goals that Jim covered, and the
14 strategies, and the tactics to go with the
15 plan. Then after we did the plan, Jim
16 said something about a project. We had to
17 justify to get EDA approval that we were

18 going to come up with a project, and so we
19 had to put together a report. We
20 canvassed the region, we got all the
21 projects, formed a committee, we ranked
22 them. And then we had EDA. And to my
23 knowledge the only plan that has been
24 proposed to them is a budget plan that is
25 being considered will actually be funded.

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1 When we did that, we updated the plan. I
2 will be quite parochial. I hope that
3 whatever the State plan is it includes
4 economic development districts, because
5 that would give the region \$60,000 of
6 annual funding to maintain the plan.
7 Right now we are doing it on our own.
8 There are a lot of comments about a bunch
9 of different things. I am going to read a
10 couple of things in the plan. These are
11 some of the strategies. Research and
12 design a regional fiscal equity
13 initiative. We talked about that on
14 Monday. Earlier this week. Didn't get
15 very far with that. Design and implement
16 a literature campaign. We are you working
17 on that. Build a more diverse leadership
18 base. Promote small development, and new
19 entrepreneurship. Support the growth of
20 the maritime cluster. Ensure the

21 continued strength of the region's defense
22 related facilities and companies, Save the
23 Sub Base. Promote the regions arts,
24 culture, strength as an economic engine.
25 Support the tourism industry, and ensure

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1 its development provides maximum economic
2 benefit for the businesses of the regions.
3 Support economic opportunities in
4 agriculture, create jobs. Preserve the
5 region's natural landscape. Sustain the
6 labor pool for regional employers by
7 retaining older workers in the work force.
8 Strengthen the region's intermodal
9 transportation system. Provide sites and
10 utilities to provide additional economic
11 development. Support the development of
12 new and affordable housing options.
13 Enhance downtown larger cities in the
14 region. Promote regional sustainable land
15 use models. We have a plan. Please
16 include it in your plan, and please
17 include us in the process as it goes
18 forward to be part of the state plan.
19 Thank you for coming.

20 MR. MCMILLEN: Thank you.
21 John. I would like to call John
22 Beuregard.

23 MR. BEUREGARD: Good evening.

24 Commi ssi oner, thank you for the
25 opportuni ty to address you tonight. My

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1 name is John Beauregard. I am Executive
2 Di rector of the Eastern Connecti cut Work
3 Force Investment Board. I wanted to talk
4 about a visi on for the gl obal ly
5 competi tive workforce in the years to
6 come.

7 My organi zati on is one of five
8 Workforce Investment Boards in the state.
9 We were created under federal law in 1998
10 to work in partnership wi th Chi ef El ected
11 Offi ci als for the purpose of coordi nating
12 mul ti ple publi c programs designed to
13 assi st workers and empl oyers. We provi de
14 thi s service over the 41-town Eastern
15 Connecti cut regi on and support a full
16 range of workers.

17 While it is true that almost
18 all work force development programs that
19 prepare our ci ti zens wi th the 21st Century
20 ski lls wi ll be a key driver in
21 Connecti cut's economi c success, tonight I
22 am here to focus on one parti cul ar
23 program. We call it Incumbent Worker
24 Trai ni ng. Thi s empl oyer and worker
25 wi n-wi n program matches cash put up by the

1 employer for worker upgrading with state
2 grant dollars designed to increase our
3 state's workforce competitiveness.
4 Tonight's Forum focuses on strategic
5 economic development planning, and I
6 believe this program may have the most
7 significant impact and role in our future
8 planning.

9 Simply described, Incumbent
10 Worker Training provides grant funding for
11 existing businesses to offer customized
12 training to targeted groups of their
13 workforce to ensure their worker skills
14 remain globally competitive. For workers,
15 the benefits of training are obvious: The
16 program promotes greater job retention and
17 increases opportunities for advancement,
18 higher wages, and future employability.
19 Employers benefit equally as the training
20 promotes skill development for their
21 workforce allowing the company to become
22 stronger and more competitive from a
23 productivity standpoint, and thus increase
24 the chances of the employer both staying
25 and growing in Connecticut. It is worth

1 noting at this point that experts claim
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2 that 80% of new job growth traditionally
3 comes from existing employers. This
4 program helps our employers to grow and
5 add jobs.

6 There are dozens of reasons why
7 investing in Incumbent Worker Training is
8 not more important than ever but in the
9 interest of brevity I would like to
10 highlight for this Forum:

11 First and most obvious, is that
12 the world economy has become much smaller
13 due to advances in communications. The
14 shrinking of the world means that we now
15 compete directly with emerging economies
16 that simply outnumber us or can pay much
17 lower wages than American employers. (The
18 local impact of this was recently driven
19 home for us when in preparation for a
20 Federal grant, we examined 2004 Trade
21 Adjustment Assistance data from CT and
22 southern Rhode Island and found 44
23 companies who were forced to displace
24 workers due to increased foreign
25 competition - that's a 210% increase from

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1 3 years earlier and 50% above the national
2 rate. Understanding that our economy
3 cannot compete on the basis of size or
4 wages, it becomes clear that we must

5 develop a workforce with superior skills
6 and knowledge to compete successfully in
7 the new global economy. Incumbent Worker
8 Training is a crucial tool to developing
9 the skills and knowledge of our workers.

10 Rapid technological advances
11 require a constant upgrading of skills
12 just to keep pace and virtually no sector
13 of our economy seems spared. Whether
14 you're a specialty auto mechanic facing
15 new electronic components and fuel cell
16 technology, or an advanced manufacturing
17 worker required to use new high-tech
18 equipment, the growth of technology spares
19 no one.

20 Developing the skills of our
21 Incumbent Workers helps to address the
22 growing issue of underemployment in the
23 area which is illustrated by the
24 increasing number of workers forced to
25 hold down two jobs to keep pace with the

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1 rising cost of living. (We cannot ignore
2 that our regional shifts towards low-wage
3 jobs has placed our area's annual average
4 wage at \$12,000 below the statewide
5 average - and this gap has widened every
6 year since 2002.) I will leave my points
7 in the box for later.

8 MR. MCMILLEN: Thank you.

9 I would like to call Mr.

10 O'Toole.

11 MR. O'TOOLE: Thank you.

12 The anxiety is trying to get
13 the points in three minutes. First of
14 all, I would like to applaud what the
15 Department is doing here tonight. I am a
16 business development manager for Northeast
17 Utilities. Prior to that I served three
18 terms as a First Selectman in Seymour, and
19 served on the Executive Board of the
20 Connecticut Economic Development
21 Association; Policy Chair for the
22 Connecticut Economic Resource Center,
23 Inc., CERC, and the Connecticut Chapter of
24 National Brown Fields.

25 What I would like to promote is

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1 the idea of infrastructure oriented
2 development. And my comments will be
3 confined tonight to infrastructure, and
4 emphasize the importance of
5 transportation, air, road, rail, and
6 utilities, electric, gas, and
7 telecommunications as they remain
8 pivotable enablers of growth. We can be
9 smart to develop in any place across the
10 state that is in urban, Suburban, and

11 rural settings where such infrastructure
12 exists or can be easily accessible. There
13 has been a lot of conversation around the
14 state about smart growth, responsible
15 growth, and transit oriented development.
16 I think these ideas have their benefits, I
17 am concerned, we are concerned at
18 Northeast Utilities that they can have an
19 unintended consequence driving up the
20 cost, and uncertainty of doing business in
21 our state. And further stagnant the
22 relative sluggish growth we see in our
23 state. More recently, between the
24 proponents of smart growth, and policy
25 maker is beginning to get tangled up that

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1 definition. It is safe to say any man or
2 woman brings a project forward thinks
3 their projects is smart. We would suggest
4 that the State embrace any development
5 built in proximity to existing
6 infrastructure, largely driven by the
7 marketplace, requires minimal additional
8 investment to make this site viable, and
9 is welcomed by the host community after a
10 thought full open planning process. In
11 short, and I mentioned it at the
12 beginning, we are trying to emphasize the
13 importance of infrastructure oriented

14 development where the state can maximize
15 its own investment in highways, railroad
16 systems, seaports, airports, brown field.
17 Investments by the municipality, waste
18 water, would also be leveraged, and
19 investments by the private company. Gas
20 main, cable, and telecommunications. What
21 you would see is that you would have an
22 improved investment made by taxpayers,
23 ratepayers, and companies, and look at it
24 as an investment model, whereas you are
25 trying to prime the opportunities that

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1 will return, give you the highest return
2 on your cost, by coordinating efforts
3 across state agencies, stem the cost of
4 doing business in our state, limit the
5 possibility of duplicating efforts, and
6 avoid unnecessary expenses in making
7 nonperforming investments. You will see
8 it in my written testimony is that the
9 State really take a look at this
10 infrastructure, and I think it would come
11 together like a bull's-eye, and you would
12 see where the investments are made, and
13 apply it to your standard models.

14 But I will jump ahead. I think
15 where we are is critical to the point I am
16 making, and critical to the issue of

17 energy. This is an area that has a
18 historic involvement in nuclear energy.
19 And the state is having an increased
20 reliance on gas fired plant, and we should
21 look at the incumbent workers we have
22 here, the knowledge we have here, the
23 cluster, and we should put the energy we
24 put into any cluster times 10 into what we
25 enjoy here in Southeastern Connecticut.

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1 Thank you.

2 MR. MCMILLEN: I would like to
3 call Bruce Hyde.

4 MR. HYDE: Thank you for an
5 opportunity to be here to speak today.
6 One of the risks that you run into when
7 you sign up for these things everybody is
8 going to say, I am going to be very brief.
9 As far as a vision is concerned, and where
10 I would like to see Connecticut look is to
11 thriving urban centers, not only in
12 Southeastern Connecticut, New London and
13 Norwich, but all across the state we
14 really need to address the needs of our
15 cities, and address them quickly. We have
16 some deteriorating communities. What
17 would a driving urban center be? It would
18 be a community built around a responsible
19 growth. I think the new term now is

20 responsible growth instead of smart
21 growth. What would a thriving urban
22 center be? Have a strong residential
23 base, accessible convenient public
24 transit, brown field, and underutilized
25 or what we call challenged buildings,

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1 ample employment opportunities, sanitary
2 and supportive services for all residents,
3 a first class educational system,
4 replacement of antiquated infrastructure
5 systems. The regional plan notes a lot of
6 what it is going to take to get there.
7 And I think that is important as John
8 Markowicz said to incorporate our regional
9 plan into the State strategic plan.

10 I would also like to support
11 what Representative Urban said relative to
12 coordinating state agencies. The
13 Department of Transportation has come up
14 with a good initiative relative to transit
15 oriented development. Can that transit
16 oriented development initiative be
17 strengthened by something that DECD is
18 doing to combine the two? I think there
19 are opportunities there that we may have
20 missed in the past that we really need to
21 look to in the future. Cruise ships.
22 Senator Maynard mentioned cruise ships.

23 We are real big on cruise ships in New
24 London. We want to see more of them
25 coming in. We would like to see as far as

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1 the strategic plan, 20 to 25 cruise ships
2 coming in. It was asked we mention time
3 frames what we were talking about. Next
4 year would be fine for the 20, to 25
5 cruise ships to come in. With that said,
6 I will be quiet, and let somebody else
7 speak.

8 Thank you very much for the
9 opportunity.

10 The person that is speaking
11 next is sitting right here.

12 MR. MCMILLEN: Susan Munger.

13 MS. MUNGER: My name is Susan
14 Munger. I am on the board of New London
15 Landmarks, and I also work for U Conn in
16 the Master Gardener Program. Yesterday I
17 happened to be at a seminar on building
18 sustainable communities. Here is
19 something to really think about. It is
20 pretty startling. There are more people
21 on this planet today than the earth could
22 support if everyone consumed at the rate
23 that we consume in this country. What
24 this means is we really need to make
25 profound changes in our life-style, and we

1 need to start doing so now. Here is the
2 thing we need to do or not do. We need to
3 stop reckless consumption of energy. No
4 more highways. We need to build mass
5 transit systems that are affordable, and
6 efficient, and that will take people where
7 they need to go. We need to stop urban
8 sprawl. We need to preserve our existing
9 buildings, not just the ones that are
10 historically significant, like our
11 wonderful railroad station in New London,
12 but also ones that are merely usable.
13 That means stopping tearing down buildings
14 and neighborhoods, such as we have seen in
15 New London. We need to create jobs that
16 are worthwhile where people are really
17 contributing products and services that
18 are needed. I won't define my idea of
19 worthwhile, but everybody should think
20 about what that means. We need to stop
21 random consumption of products that just
22 end up in landfills a few years later.
23 There is a bright side to all of this.
24 While I don't really have time to
25 elaborate on it, believe me, if we do move

1 towards truly sustainable communities we
2 will have more time to spend with family
3 and friends, to enjoy nature. More time
4 to enjoy life, to become more peaceful.
5 We can all go home to change our light
6 bulbs today to energy light bulbs, that is
7 a good bottom up change we can make. We
8 also need top down leadership. You need
9 to be articulate, and persuasive about the
10 profound changes we need to make. These
11 ideas are not going to be popular with
12 everybody. We can't look at quick action,
13 and quick profits. We need to look at
14 things long term.

15 MR. MCMILLEN: I appreciate
16 your comments. I also want to put in a
17 plug for the governor's one thing,
18 Connecticut, and put in changing our light
19 bulbs, and many, many other things are on
20 that web site. There are many one things
21 that add up to a lot of things that can
22 help create sustainable communities.

23 I would like to call Elsie
24 Bisset.

25 MS. BISSET: Thank you so much,

1 Commissioner, for holding this. First of
2 all, I am a resident of New London County.

3 I work for the Town of Killingly. I am
4 the Past President of the Connecticut
5 Economic Development Association.

6 Tonight as we look at
7 strategies to improve the economic climate
8 in Connecticut, I want to mention
9 outreach. There are two aspects that I
10 would like to focus on. They are
11 communication, and coordination. How we
12 implement our outreach. Communication is
13 the transfer of information, however many
14 entities are involved. There are many
15 tiers of interactions that the client goes
16 through in the process. From a municipal
17 perspective I represent that the DECD
18 business development team have office
19 space, and spend a few days each week in a
20 regional setting. I have worked for
21 Killingly for 11 years as Economic
22 Development Coordinator. When DECD had a
23 present and a local representative in the
24 office the line of communication was very
25 direct and very efficient. Many client

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1 visits took place with myself, municipal
2 officials, and the DECD representative.
3 It presented a united front to businesses
4 and immediate recognition, and connection
5 was established immediately, and in a very

6 efficient way. Communication also
7 happened from the DECD representative to
8 the region, to the selectmen, and the town
9 manager, and it worked very well. I know
10 there has been a flipflop. DECD has
11 worked out of Hartford, and sometimes the
12 region. I am recommending from a regional
13 perspective it worked very well.

14 Secondly I would like to speak
15 about coordination. I would like to thank
16 DECD and CEA for their involvement in
17 TIFP, the Tax Incremental Financing
18 Program for the Killingly project in 1993.
19 It is an 80 million dollar project. It
20 was a ground field. And they assisted us
21 with that environmental cleanup. However,
22 what I would like to speak about is the
23 coordination aspect of the project
24 management for this brown field I believe
25 it could have been improved. It could

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1 have been made more efficient. I had to
2 function in this role, and function
3 individual meetings with the various
4 departments of the state, and I felt there
5 was a lag time often in scheduling the
6 meetings. And I feel if there was a DECD
7 project manager who was the liaison that
8 it could have handle more efficiently

9 because they would have known.

10 MR. MCMILLEN: Please
11 continue.

12 MS. MUNGER: I recommend
13 that it is customer service that
14 distinguishes us. We can do a better job
15 of it. We can't change the high cost of
16 our location in the nation, but we can
17 stand out in our customer's mind as
18 excellent when it comes to the way we
19 conduct business. I would like to say
20 that our highest investments would be
21 communication, and coordination.

22 MR. MCMILLEN: I just want
23 to make a comment about the development
24 coordination. And I think as you may be
25 aware, the brown field's legislation

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1 establishes an office of brown field
2 redevelopment within the DECD, and we are
3 this close to signing an MUO between the
4 four affected entities, some of whom you
5 mentioned, and there will be going forward
6 one single point of contact within the
7 DECD to coordinate all of those aspects of
8 the brown field redevelopment. Thanks.

9 I would like to call Dale
10 Tuller to speak. Where are you Dale?

11 MS. TULLER: Thank you very

12 much for listening to me. I have no
13 prepared speech, because I literally fell
14 into this. I work across the hall. Came
15 out into the hall, and said, oh, what is
16 this meeting? And I decided that I would
17 as a private citizen I want to emphasize,
18 not as a representative of the University
19 of Connecticut, that I did have something
20 to say. And that is I think one of the
21 major points that people have probably
22 made in the past is that the cost of doing
23 business is pretty high in Connecticut, in
24 comparison to some other states. And one
25 of the issues that I think companies,

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1 large and small, as well as individuals
2 are having to deal with are issues about
3 health insurance. And I am hoping that
4 the State is going to find a way to make
5 universal health insurance that is at
6 least reasonably affordable available to
7 everybody in the state. I think that will
8 improve the health of the work force. It
9 will make it a lot easier for companies to
10 do business in Connecticut, both large and
11 small. As a state employee I am able to
12 obtain health insurance through the State
13 of Connecticut plan for state employees,
14 and it would seem to me that one of the

15 things that we might want to consider
16 would be opening that health care plan up
17 to the citizens of Connecticut,
18 businesses, and citizens in general, and
19 that that is something to think about, and
20 that is basically my comment. Thank you
21 very much.

22 MR. MCMILLEN: Okay. Are there
23 any other people would like to speak? We
24 have gone through all the folks who have
25 signed up.

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1 MS. MCDONALD: I want to pick up
2 on a few points that we made, particularly
3 on John's point about being short term,
4 and looking in the near term and I think I
5 personally that a combination of John and
6 Stan. I want us to have the bold vision
7 looking out five, 10, 15, 20 years, and we
8 need to do that to preserve what we have
9 both from natural resource, and a human
10 resource standpoint. But I think people
11 are also impatient, and we need to deal
12 with some of these issues in the short
13 term. So what we will be doing is the
14 first phase of the strategic plan as Stan
15 mentioned is these 10 forums around the
16 State, having lots of dialogue, hearing
17 from the public, and really interfacing

18 with the Regional Economic Development
19 entities, and regional planning
20 organizations, and not reinventing the
21 wheel. When there are initiatives in
22 those plans that are workable, just taking
23 them, and seeing what we need to do to
24 make them happen. And we will be back as
25 we digest, and have specific initiatives,

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1 because to the point that was made a
2 minute ago, the only way we won't be
3 popular with everybody, there will be some
4 ideas that will have proponents, and
5 opponents, and that is part of the
6 process. And we will be back to you
7 throughout the process, as we develop
8 these into specific initiatives, and have
9 real implementation plans, because in many
10 instances the initiatives are there, it is
11 just, okay, how to get them off the page,
12 and into action. So this is not, this is
13 the first time you are seeing us, but it
14 won't be the last.

15 And generally what we have
16 done in these forums, as Stan said, we
17 have heard from all of the speakers who
18 signed up. We stay here for a little bit
19 longer to see if anybody else comes, and
20 we will a little bit, and then we adjourn

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at the appropriate time.

I want to thank you all for coming. We will be here for a while, and we can mill. Thank you.

MR. STAGNER: Can I say

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something?

MS. MCDONALD: Sure.

MR. MCMILLEN: State your name when you have the mic.

MR. STAGNER: Matt Stagner, Franklin, Connecticut. My family, and I we own a working dairy farm. And I understand Mr. Orr already illustrated on the private reservation, and small businesses and stuff. We also own a trucking company. And I understand many small business people have already spoken on that. What I would like to recommend to the Connecticut Department of Economic Development, maybe you guys open up agricultural into your economics for full time agricultural. Because a lot of my friends want to get into farming, but they don't have the means and the willpower -- they have the willpower, but they don't have the means, and the economics, and the finances to get into this state, but they want to, because they see the money here.

24 And if I could recommend just one thing it
25 would be that. Because there are a lot of

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1 people that if given the chance, and they
2 can come up with the paperwork, we could
3 really do a lot of good, young farmers to
4 get into the State, and keep feeding our
5 state, our local areas, and also our
6 nation, because there are a lot of things
7 you can produce right here that you can't
8 produce anywhere else. I would like to
9 make you aware of that.

10 MR. MCMILLEN: Thank you. Is
11 there anyone else who would like to speak?
12 We will take a break and mingle.

13 MR. MCDONALD: One last thing
14 that anybody that has written comments,
15 because we know we did limit you to three
16 minutes, but we will put all of your
17 comments into the record. You can either
18 give them to us or put them in the box on
19 the side.

20 (Hearing adjourned at 7:30 p.m.)

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C E R T I F I C A T E
- - - - -

I hereby certify that I am a Notary Public, in and for the State of Connecticut, duly commissioned and qualified to administer oaths.

I further certify that the foregoing hearing was taken by me stenographically and reduced to typewriting under my direction, and the foregoing is a true and accurate transcript of the hearing.

Witness my hand and seal as Notary Public the 27th day of December, 2007.

Notary Public
CSR NO. 00223
My Commission Expires: November 31, 2012