

Assessment:
REGIONAL ASSESSMENT



Presented to:
METROHARTFORD ALLIANCE

REPORT: Metro Hartford Regional Assessment

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*This assessment is the first of three reports the MetroHartford Alliance will receive.
For more information, go to <http://www.angelouconomics.com/growMetroHartford/>*

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Prepared by:



This Regional Assessment is the first part of the development of a Comprehensive Economic Development Strategy (CEDS), an effort to restore the health of the Metro Hartford region's economy, and strengthen the ability of the region to attract the types of businesses and workers that will secure its economic future.

The Metro Hartford region, a 35-town area in North Central Connecticut, has recently experienced the type of economic decline experienced at one time or another over the past two or three decades in industrial urban centers of the Northeast: a loss of population in the City of Hartford, the core community of the region; a loss of manufacturing jobs and jobs in other key industries; a deterioration in the infrastructure in Hartford; a decline in downtown Hartford, with a loss of population and tax base and an increase in poverty and crime; and a general loss of confidence in the region's ability to rebound economically.

Despite these challenges, leaders in the region have fought to address these issues. These efforts have included the development of over 50 studies, reports, and plans to tackle various challenges, as well as the launch of various initiatives to restore the economy of the city and the region.

This CEDS is the latest initiative designed to rebuild the economy by developing a comprehensive strategy for the region. The CEDS process was initiated by the MetroHartford Alliance, a regional nonprofit organization formed by the merger of the Capitol Region Growth Council and the Greater Hartford Chamber of Commerce in 2001. The MetroHartford Alliance developed a Request for Proposals "seeking proposals from qualified consultants to assist in the preparation of a regional Comprehensive Economic Development Strategy (CEDS) in accordance with U.S. Department of Commerce Economic Development Administration (EDA) requirements." After an extensive process and review of proposals from various consultants, the MetroHartford Alliance selected AngelouEconomics, a nationally recognized economic development consultant from Austin, Texas, to conduct the CEDS.

The CEDS will recommend improvements in the region's business climate, workforce and development system, infrastructure, quality of life, and economic development and marketing efforts that will help the region maximize its success in economic growth. The strategy will also review the region's target industries, recommend ways the region can increase its effectiveness in attracting target industries, and recommend any niche industries the region should pursue within its target industry categories.

In addition to providing the Metro Hartford region with a blueprint for future economic growth, the CEDS will be submitted to the EDA for its approval, which will open an avenue for funding of future projects undertaken as part of this strategy.

It has been prepared to replace the CEDS that the City of Hartford prepared and approved in 2001. The vision of that plan was the "create a vibrant cultural and economic center of the region – a city where all residents are able to work, learn, play, and contribute to their community." That vision will still be an important goal of this CEDS, but the focus is now on a regional approach that will ensure regional economic stability.

The Regional Assessment begins the CEDS process by providing an economic and demographic profile of the Metro Hartford region, a review of the studies, plans, and reports that have been undertaken in the 1990's and this decade to solve economic, social, and infrastructure problems affecting the region, and an identification of the key issues facing the region that will need to be addressed in the final CEDS. The

assessment will conclude by laying out the next steps in this process and how the information in this report will be incorporated into the CEDS strategies.

Our Approach to the Regional Assessment

The Metro Hartford regional assessment is comprised of both quantitative and qualitative information.

The exercise of comparing statistics to public perception is important to economic development planning. Too often, communities fail to remedy local problems because residents are unaware of the severity of the issues. Likewise, they fail to promote their strengths because locals are unaware their community compares favorably to other places.

This report evaluates the Metro Hartford region's performance in areas that are most critical to business and industry growth. Using data that was either provided by the MetroHartford Alliance or collected independently by AngelouEconomics, this report allows us to evaluate trends, data, and local residents' perceptions of the community. This analysis will provide the necessary framework for the next phase of this strategic planning process in which we select target industries and recommend improvements that will make the region more attractive to its target industries. The final Comprehensive Economic Development Strategy will articulate an economic development vision and position the community for healthy economic growth.

This report assesses the impact of various other economic development plans and reports on actions taken by the member jurisdictions in the region. Most notably, it evaluates the strengths, weaknesses, and implementation success of the groundbreaking Millennium Report of 1998. In the first section of the report, we also analyze the region in a range of economic and demographic variables. We evaluate the region against a group of comparable communities to gain an understanding of how the Metro Hartford region compares.

In the second part of this report, we discuss the main issues (both positive and negative) that surfaced from a reading of previous economic development reports, interviews, and focus groups with local residents, and an analysis of the demographic and economic variables affecting the region. These issues are arranged in five key areas that are critical to economic development:

1. **Business Climate**
2. **Workforce and Education**
3. **Infrastructure and Sites**
4. **Quality of Life**
5. **Economic Development and Marketing**

These factors are highly important to both prospective and existing businesses. In each of these areas, the region's strengths and weaknesses will be outlined so that we can identify the most appropriate set of target businesses for any future programming efforts. Understanding these factors will enable AE and Metro Hartford to answer two important questions: "Which target businesses match the values of our region?" and "Can Metro Hartford attract and retain the industries that will support the region's long-term quality and prosperity?" This Regional Assessment is the first step on the path to enhancing the region's competitiveness.

Our Methodology

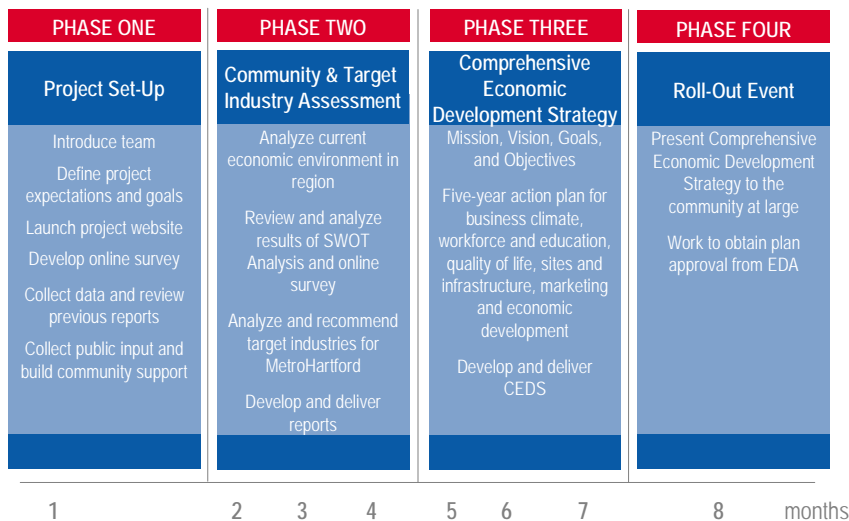
AngelouEconomics used a variety of sources to collect the quantitative and qualitative information that aided our analysis. To begin, the consulting team collected numerous studies and plans developed for the Metro Hartford region and the state of Connecticut by both government and private parties.

Quantitative data was collected from national and state sources, including the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, the American Chamber of Commerce Researchers' Association (ACCRA), and the State of Connecticut. **AngelouEconomics also gathered qualitative data** through previous reports, focus groups, interviews, and community tours. AngelouEconomics met with individuals representing the following groups: local economic development officials, city and town elected officials and staff, town planners and managers, civic leaders, major employers, developers, representatives of both public and higher education institutions in the area, and many other concerned citizens.

AngelouEconomics also performed **online resident and business surveys**. The surveys focused on the perceptions of Metro Hartford residents, people who work in the town, and those who own or operate businesses in the town. The surveys sampled opinions and perceptions from residents, workers, and business managers about growth and development, business climate, infrastructure, livability, education, working environment, and the general economy. In all, 326 citizens participated in the surveys.

The crux of this report focuses on data that is related to specific issues affecting economic development in the Metro Hartford region. Data tables are used in the report to solidify the discussion on those specific issues. Each issue has been identified and evaluated from information that was gathered using one on one interviews, focus groups, reports, and data. The format used in this Regional Assessment will be useful to policy makers to help them understand and prioritize the issues facing the region. However, it is important to note that this profile only provides the foundation for the second and third reports, the Target Industry Study and Comprehensive Economic Development Strategy.

This Regional Assessment marks the mid-point of Phase Two in a four-phase project. The summary and analysis of the information in this report will be used to develop recommendations in the Target Industry Study and Comprehensive Economic Development Strategy. These recommendations will address the issues raised in this Regional Assessment and ensure that Metro Hartford is prepared for the future. The chart below provides an overview of the strategic plan process for Metro Hartford.

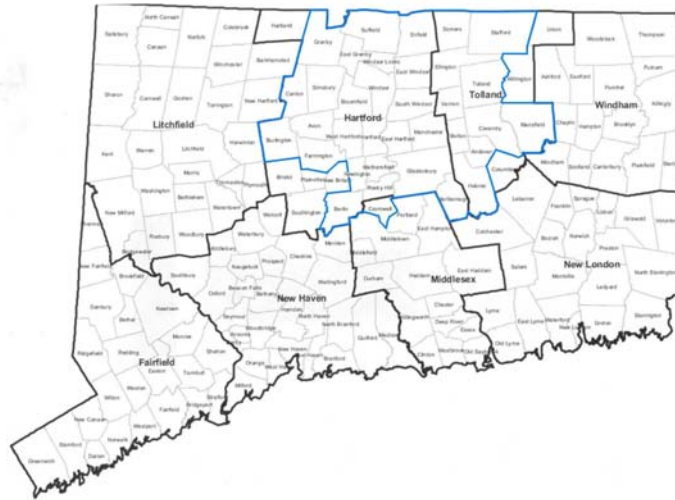


Welcome to Metro Hartford

In this section, we outline the economic and demographic trends shaping the Metro Hartford region.

We have also benchmarked the region against representative metropolitan areas to gain an understanding of how the region compares with its neighbors and primary competitors. These comparative communities were chosen for a variety of reasons: proximity to Hartford, capital city status in New England, strong industry similarities, and metropolitan area size.

The geographic coverage area for this economic development strategy is a 35-town region in North Central Connecticut and includes: Andover, Avon, Berlin, Bloomfield, Bolton, Burlington, Canton, Coventry, Cromwell, East Granby, East Hartford, East Windsor, Ellington, Enfield, Farmington, Glastonbury, Granby, Hartford, Hebron, Manchester, Mansfield, Marlborough, Newington, Rocky Hill, Simsbury, Somers, South Windsor, Stafford, Suffield, Tolland, Vernon, West Hartford, Wethersfield, Windsor, and Windsor Locks.



Information is presented at the MSA level unless otherwise noted. Although the Hartford MSA does not exactly mirror the 35-town region, all 35 towns are included within the MSA. For data reliability and ease of use, MSA level data has been used to approximate the Metro Hartford region and it has been compared to MSA level data for comparative cities. This is consistent with the manner in which data is presented in other reviewed reports.

Introduction

The Metro Hartford region is a dynamic and growing region located in North Central Connecticut. The City of Hartford is Connecticut's capital city and has historically been referred to as the "Insurance Capital of the U.S."

Hartford was settled in 1623 as a Dutch trading post at the end of the navigable portion of the Connecticut River. The city was an important trading center, and merchants became concerned about risks to their thriving trade, with the always-present threat of fires, pirates, storms and accidents.

This was the impetus for the creation of the insurance industry. Groups of merchants joined together to share these risks. In 1810, the practice was formalized with the creation of the Hartford Fire Insurance. The nation's oldest insurance company still operates in the city as The Hartford.

Today, the city of Hartford is just one entity within a larger, diverse, and affluent region. The Hartford MSA is home to 1.2 million people (35% of the entire state of Connecticut's population) and is the 44th largest metropolitan area in the nation. The smaller 35-town study region is home to 771,447 people and is over 760 square miles in total area.

Although the region's economy has diversified since the 19th century, the insurance and financial services cluster is still the dominant industry. Other major clusters include aerospace/defense, utilities, industrial manufacturing, health services, and transportation services. Hartford is part of the "Knowledge Corridor", an integrated economic area stretching along I-91 between Hartford and Springfield, MA that is home to 32 colleges and universities and a high concentration of "knowledge-based jobs."

MAJOR PRIVATE EMPLOYERS

United Technologies Corporation
The Hartford Financial Group
Aetna, Inc
CIGNA
Northeast Utilities
Hartford Hospital
St. Paul Travelers
Fleet
Advo
St. Francis Hospital

Like most Northeastern metropolitan areas, Metro Hartford is facing its share of problems: shrinking population and tax base in its urban core, loss of labor force to Southern states, and difficulty recruiting young professionals to the region despite recent investments in the downtown area. On the other hand, like the rest of New England, Metro Hartford has significant advantages it can build upon in this new economy: a highly educated population, great quality of life, and significant educational and technological resources.

The challenge for Metro Hartford will be to function regionally. Because of heavy reliance on property taxes, officials from each town compete for development opportunities. There is a belief that the suburbs "don't need Hartford." But, as many local officials admit, "You can't be a suburb of nowhere." Metro Hartford must develop a **comprehensive regional economic development strategy** that builds upon the diverse assets of each individual town and strengthens its historical heart - the city of Hartford.

Town Profiles

Andover

Andover Connecticut is a small town of 3,370 residents, nestled in the hills of Tolland County. Several small rivers and streams flow through the town. Andover's rural character remains unspoiled with farmlands, stone walls and historic homes dotting the landscape.

Avon

Avon was settled in 1645 along the wooded banks and meadow plains of the Farmington River. Today, it is a picturesque New England village of 16,567.

Berlin

Berlin, Connecticut is located at the geographic center of the state, 11 miles south of Hartford. Today, it is home to 18,831 residents and offers rural and suburban character. It has an historical industrial economic base.

Bloomfield

Bloomfield covers 26.4 miles and is one of the fastest growing suburbs in the Hartford region, with a population of 19,769. It was formed on land from Simsbury, Farmington, and Windsor, northwest of the capital city.

Bolton

Bolton is located about 15 miles east of Hartford, along the western edge of the rolling eastern Connecticut upland. With a population of 5,370, Bolton is aiming to maintain its rural charm as it quickly suburbanizes.

Burlington

Burlington is charming hill town, situated at the foot of the Berkshires and bordering the Farmington River. It has a rural nature and is 20 miles west of Hartford. Current population stands at 8,536.

Canton

Located 14 miles west of Hartford on the Farmington River, Canton is a suburban town of 9,335. It is composed of 4 sections: the rural North Canton, the village of Collinsville, Canton Center, and Canton.

Coventry

Coventry is known as "the gateway to Northeastern Connecticut's Quiet Corner." This semi-rural town of 12,307 is spread out over 37 square miles and includes recreational opportunities on Coventry Lake.

Cromwell

Cromwell is 14 miles south of Hartford and 28 miles north of New Haven, sited on I-91. The Connecticut River forms the town's eastern border. This suburban community has a current population of 13,422.

East Granby

East Granby is a town of 4,968 located between Springfield and Hartford, along the "Knowledge Corridor." The area that is today East Granby boomed in the early eighteenth century due to the discovery of large copper deposits.

East Hartford

East Hartford is a large community of 49,758 and is home to over 100 diversified manufacturing plants. It is located across the Connecticut River from Hartford and is home to the Rentschler Field, the University of Connecticut's football stadium. Recently, ING announced the decision to move its headquarters from Hartford to East Hartford.

East Windsor

East Windsor is located between Springfield and Hartford, along I-91. It has a population of 10,239 and is composed of 5 villages that retain unique identities: Broad Brook, Melrose, Scantic, Warehouse Point, and Windsorville. The character of the town remains agricultural.

Ellington

Ellington is one of the largest agricultural production towns in Connecticut, with over 3,000 acres in cultivation. It is set against the backdrop of the Shenipsit State Forest. Current population sits at 14,571.

Enfield

Enfield is a suburban community of 45,889, 18 miles north of Hartford and 8 miles south of Springfield. It is located along I-91 and is home to Lego's U.S. headquarters, among others.

Farmington

Farmington is a residential suburb of 24,560 along the Farmington River that has carefully maintained its historic character. It has been called the "mother of towns" because its area has been divided to produce nine central Connecticut towns.

Glastonbury

Glastonbury is a town of 32,876 located along the eastern edge of Connecticut River. It has deep roots in industry and agriculture. The world's first commercial soap manufacturing company, the J.B. Williams Soap Factory, was founded in Glastonbury in the mid-19th century. The town is also well known for its agricultural endeavors, especially the peach orchards of J.H. Hale, where the well-known strain of Hale peaches was developed.

Granby

Granby is located along the Connecticut-Massachusetts border and has retained its rural character. It is home to 11,104 people and covers 41.3 square miles.

Hartford

Hartford is the capital of Connecticut and is located midway between New York City and Boston. It was founded along the Connecticut River and has been called "The Insurance Capital of the U.S." The Hartford, the nation's first insurance company, was founded here in 1810. Today, the city is home to 123,411 and is struggling with a declining population base.

Hebron

Hebron is a quiet agricultural town situated on hills that provided excellent views of the surrounding areas. It covers 37.5 sq. miles in Tolland County and has a population of 9,361.

Manchester

Manchester is a suburban town of 57,167 that prides itself on its vast recreational opportunities. It was built along the banks of the Hop Brook River. The town has its economic roots in industry, and today the town's largest employer is Smiths Aerospace Components.

Mansfield

Mansfield was founded as an industrial town, and for many years, led the nation in silk production. Today, it is home to 22,791 and the University of Connecticut, one of the largest employers in the state. It is a regional cultural center in Tolland County and is also referred to as Storrs/Mansfield.

Marlborough

With a population of 5,818, Marlborough has always retained its rural character. Even still, it developed a reputation as a seat of Yankee ingenuity. Among its inventor-sons are Henry Dickinson, inventor of the washing machine, and Joseph Carter, who designed a patented bread knife. Today, Marlborough's economy is based on small local business and family-run restaurants.

Newington

Newington is a suburban town of 29,834. Its principal industries include milk processing, and manufacture of airplane parts, ball bearings, dies, gauges, tools, and plumbing supplies.

Rocky Hill

Rocky Hill is a suburban town situated on the west banks of the Connecticut River and I-91, 8 miles south of Hartford. The town's population is 19,201.

Simsbury

The town of Simsbury is located on hills strikingly intersected by the Farmington River. With a growing population of 23,602, the town is working to maintain its rural character in the face of development pressures.

Somers

Somers sits on the Connecticut-Massachusetts border and is home to 11,280. It has always been an agricultural community with potato, tobacco, and dairy farms.

South Windsor

South Windsor is a growing suburban community northeast of Hartford. It has a population of 24,822 and is home to the Connecticut Light and Power Company.

Stafford

Stafford is located on the Connecticut-Massachusetts border and is home to 11,916. The community has a rural and suburban character. Major employers are the Warren Corporation and Tyco International.

Suffield

The town of Suffield is in the center of Connecticut's border with Massachusetts. It has a population of 14,144 and is also rural and suburban in character.

Tolland

Tolland covers a wide geographic area of 40.4 square miles. It is a rural town with a population of 14,382 whose main industries are agriculture and manufacturing

Vernon

The Town of Vernon is a residential community of 29,938 located east of Hartford on I-84. The convenient access provided by the interstate highway system has contributed to Vernon's development as a suburban community and a commercial center for neighboring towns. The former Rockville mills section is now the site of local government, education, and State of Connecticut administrative offices.

West Hartford

West Hartford, rural for much of its history, began to develop its present population of 64,225 only after the trend toward suburban living made it an attractive locale for people employed in the capital. Today it is the eighth largest town in the state with an active industrial capacity located in the south end. Its major employer is the University of Hartford.

Wethersfield

Wethersfield is suburban community of 26,721 located on the Connecticut River, immediately south of Hartford. Its largest employer is the State of Connecticut.

Windsor

Windsor is nestled along the banks of the Connecticut and Farmington rivers, immediately north of Hartford. It has a population of 28,743 and is home to United Technologies Corporation, Aetna, and Alstom Power Systems.

Windsor Locks

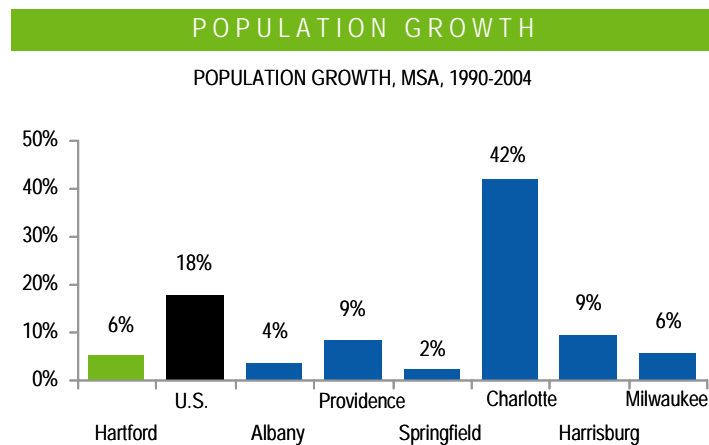
Windsor Locks is a suburban community of 12,278 and home to Bradley International Airport. Its major employer is Hamilton Sundstrand, a supplier of advanced aerospace and industrial products.

In reviewing economic and demographic data and trends on the Metro Hartford region, we have provided comparisons to other communities around the country that share similarities with Metro Hartford. Five of the six comparison communities were used as comparisons of the region in the landmark Metro Hartford Millennium Project, the first regional attempt to establish an economic development strategy that would benefit all 35 towns. The sixth community, Springfield, was chosen for its position as Hartford's companion community in the Springfield-Hartford Knowledge Corridor. We have selected the following comparison communities for the following reasons:

- Albany, New York, a capital city in the Northeast with economic similarities to Hartford in its concentration of government employment;
- Providence, Rhode Island, a capital city in New England with a comparable population and economic similarities to Hartford in its concentration of manufacturing and services;
- Harrisburg, Pennsylvania; a capital city with economic similarities to Hartford in its concentration of government and financial services;
- Charlotte, North Carolina, a city with a comparable population and economic concentrations in manufacturing and financial services;
- Milwaukee, Wisconsin, a city with a comparable population and economic concentrations in manufacturing, aerospace/defense, financial services, and service industries; and
- Springfield, Massachusetts, the city at the other end of the I-91 Knowledge Corridor, and therefore a logical comparison community.

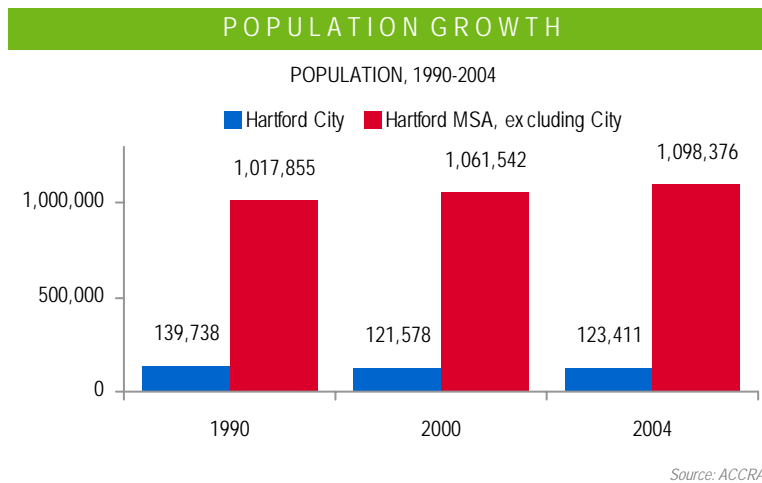
Population

The Metro Hartford region has experienced slow, but steady population growth over the past decade. Regional population is now over 1.2 million residents. This steady growth is expected to continue, with regional population nearing 1.3 million residents by 2009.



Source: ACCRA

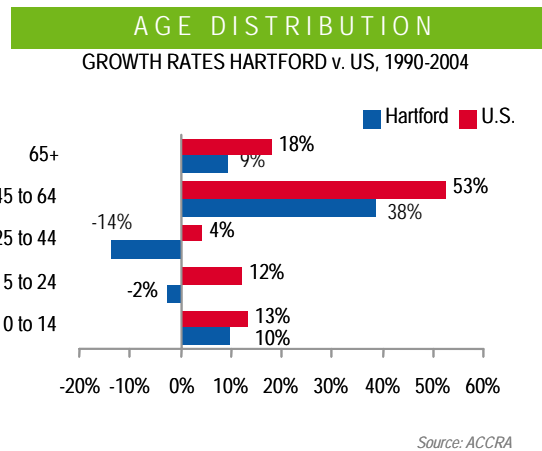
- When compared with its six similar communities, the Metro Hartford region is on pace with its New England and Mid-West counterparts. However, the growth rate of 6% between 1990 and 2004 significantly lags the national average of 18%. Most of the national growth is occurring in communities further south, including Charlotte.
- Steady population growth is confined to the suburbs of Hartford and has not been experienced by the city itself. Like many New England urban centers, the city of Hartford is losing its population base. **Between 1990 and 2004, the city lost 12% of its population.**
- In contrast, the non-city portion of the Hartford MSA grew by 8%.



Age Levels

One of Hartford's greatest challenges is its' rapidly aging population. Not only is the region aging rapidly, but it is also losing its young professional population - the future of its workforce.

- The median age level in the Hartford MSA is 38.2 and projected to be 39.5 by 2009.
- The 25 - 44 age category represents 27.5% of the population in the Hartford MSA and 27.0% in the city of Hartford. Of the comparable communities, only Harrisburg has a lower percentage of residents in this category.
- Many technology companies develop and locate in communities that have at least 33% of their population between 25 and 44 because they represent future labor supply, tend to be tech-savvy, work hard, and are easily motivated.

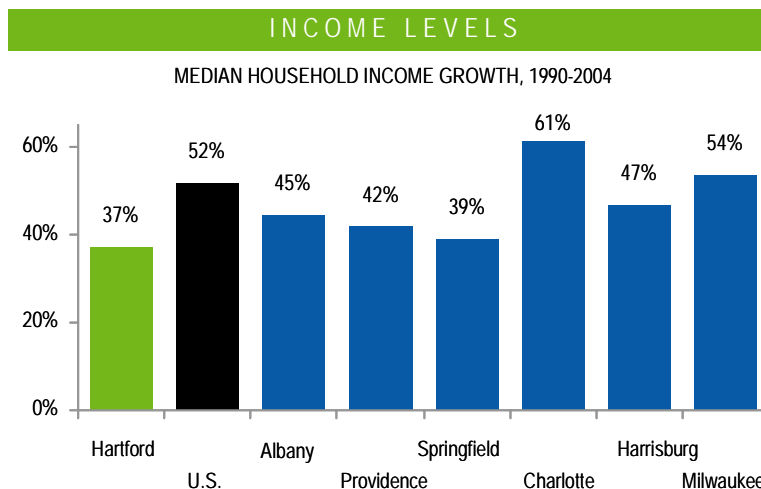


- Between 1990 and 2004, the % of residents 25-44 in the Metro Hartford region declined by 14%, while the U.S. saw a 4% increase in this age group. This dramatic demographic shift is worrisome to local businesses.
- The region is also experiencing declines in the 20 - 34 age category, which indicates a lack of potential for future population growth and childbearing opportunities. This is also an important demographic to study because it represents the early stage workforce, and many business owners and entrepreneurs are found within this age group.

Income & Wages

The Metro Hartford region has experienced steady, but lagging, income growth since 1990. Although it has the highest median income of any benchmarked region, it had the slowest income growth. There is also a disparity in the income levels between the city of Hartford and the entire region.

- The region's median household income is \$56,658, which represents a 37% increase since 1990. Although the income is high compared to the U.S. median of \$45,660, the growth rate lags the United States growth rate of 52%.
- Despite an above average income level for the Metro Hartford region, Hartford city, with an average income of \$26,126, has a large number of residents living in poverty.
- **31% of all city residents live in poverty**, compared to 13% nationwide and 9% in the Hartford MSA.
- These poverty statistics may be understated due to the high cost of living in the region.



Source: ACCRA

Education

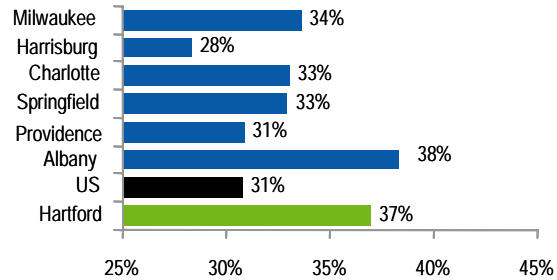
In general, educational attainment in Connecticut, and specifically Metro Hartford, exceeds the national average. **On average, there are more college-educated residents in Metro Hartford than in comparable**

regions. But educational attainment within the city of Hartford is considerably lower than the region as a whole.

- Within the region, 37% of residents have a college degree (including associates' degrees) versus just 31% for the U.S.
- The percentage of residents without a high school diploma decreased from 21% in 1990 to 16% in 2004. This also compares favorably with the U.S. average of 20%.
- However, there is significant disparity in the educational attainment of the region versus the city. In fact, **40% of city residents do not have a high school diploma** and only 16% have a college degree of any sort.
- There is a perception that the city's public schools do not adequately prepare students to enter the workforce or go to college. The chart at the right compares a small sampling of area high schools. The average SAT score for Hartford High School's Class of 2003 was 837, well behind the U.S. average of 1026 and the Connecticut average of 1012.
- Performance on SAT tests is important to track because it gives an indication of the number of students that will continue with their education to earn a higher degree.
- Dropout rates at Hartford High are also more than double that of other area high schools, the state average, and the national average.

EDUCATIONAL ATTAINMENT

% OF ADULTS 25+ WITH COLLEGE DEGREE, 2004



Source: ACCRA

SAT SCORES, 2003

1. U.S.	1026
2. Connecticut	1012
3. Hartford High	837
4. Bloomfield High.	825
5. East Hartford High	922
6. Enfield High	1031
7. Hall High (West Hartford)	1111

DROPOUT RATES, 2003

1. U.S.	11%
2. Connecticut	10%
3. Hartford High	24%
4. Bloomfield High	8%
5. East Hartford High	12%
6. Enfield High	12%
7. Hall High (West Hartford)	9%

Source: CT Department of Education

Labor Force and Employment

Metro Hartford, like most regions in the Northeast, has not seen the robust employment growth experienced by Southern cities.

Labor force stagnation is a major threat for the region.

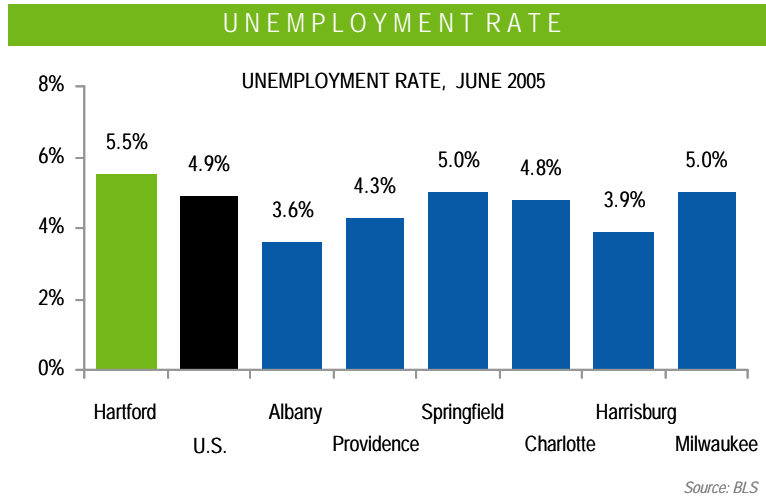
- Unemployment rates are above the national average. Currently, unemployment in the region is 5.5%, above the national (4.9%), and benchmarked averages.
- The region saw little to no labor force growth between 1990 and 2004. Although the MSA labor force grew by 1%, most of the major cities and towns within the study area experienced labor force decline.

CIVILIAN LABOR FORCE

	1990	2004	% Change
Hartford MSA	641,347	644,880	1%
Hartford City	63,582	51,994	-18%
West Hartford	31,246	33,439	7%
East Hartford	29,090	25,092	-14%
Windsor Locks	7,487	6,640	-11%
Manchester	17,767	17,180	-3%
Glastonbury	3,879	3,906	1%

Source: ACCRA

- The labor force growth within the MSA was less than the population growth and the labor force loss within the city of Hartford was greater than the population loss.
- These trends underscore the need for additional workforce development programs to ensure businesses will have the labor supply they need.



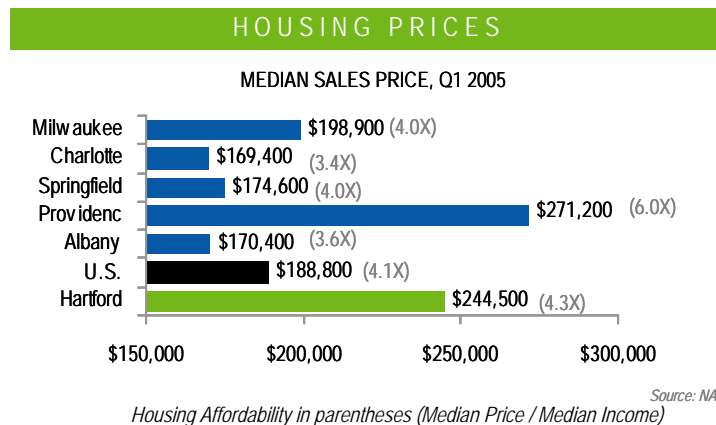
Housing Affordability

Metro Hartford offers a wide range of housing options, although prices are rapidly rising and most homes are unaffordable for low and moderate-income citizens. The latest data available for analysis is the 1st quarter, 2005 data from the National Association of Realtors.

- The median home value in Q1 2005 was \$244,500, which is a 15% increase over the median home value just one year ago. Over the same period, home prices increased by 14% in the northeast, and just 10% in the U.S.

- Even though the region has a high median income, homes are still more expensive relative to income in Metro Hartford than they are in the U.S. and all but one of the comparable communities.

- There is tremendous discrepancy between homeownership rates in the suburbs and the city. In fact, while home ownership rates equal 63% in the MSA, the City of Hartford's homeownership rate is 25%, the second lowest in the country.



- Seventy seven percent of the region's housing is not affordable to low and moderate income households and prices are still rising much faster than wages.

- These trends underscore the necessity for wage levels in the region to grow faster than the current pace so that residents that work in the region are able to live in the region.

Tax Structure and Gross Collections

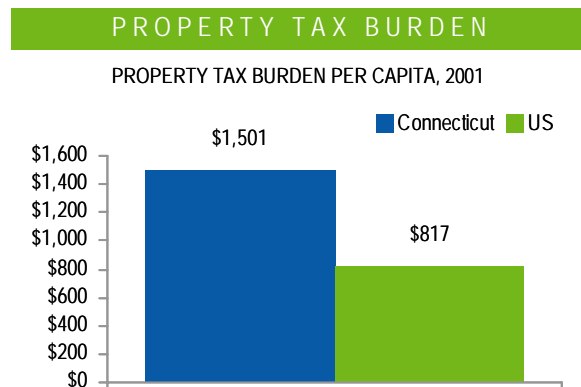
Perhaps the primary impediment to regional economic development is a state tax structure that is heavily reliant on property taxes. On average, 65% of municipal revenues in Connecticut come from the property tax. Other local revenue is provided by the state to the towns on a need-based formula only, so no sales tax, lodging tax, or other locally generated taxes are returned to the towns. The incentive to develop land is based solely on property tax generation.

Annual property tax revenue has continued to increase in Connecticut towns even though tax assessment bases have been stagnant or declining because municipalities have been forced to increase property tax mill rates in order to pay for the increasing cost of providing services. Surging tax rates are a deterrent to business expansion and relocation.

“Over dependence on property taxes...causes municipalities to engage in destructive competition...”

Blue Ribbon Commission
on Property Tax

- Per capita property tax burdens in Connecticut (\$1,501) are almost double the national average (\$817).
- **This property tax reliance leads to competition between towns for development projects and a lack of cooperation in regional economic development efforts.**
- Between 1999 and 2004, property taxes statewide increased by almost \$500 million due to tax rate increases alone.
- According to the 2004 Small Business Survival Index (1=best, 50=worst), Connecticut ranks:
 - 34th overall in small business survival burden
 - 45th in state and local property tax burden
 - 14th in sales tax burden
 - 41st in state gas tax burden
- Retail sales collections for both the city of Hartford and the state of Connecticut declined between 2000 and 2003.
- Connecticut was the only state in New England to see slow growth in state revenues in 2004 (1.1%), driven by a decline in sales tax and business tax revenue. As of 2004, the state of Connecticut had no significant reserve funds to use for a fiscal emergency.



Source: *Governing, State and Local Sourcebook*

Transportation Infrastructure

Hartford sits at the intersection of two major interstates, I-91 and I-84, and is accessible to the major cities of the Northeast. Both I-84 and I-91 link the region to I-90, which extends east to Boston and west through upstate New York. I-91 stretches north into Canada and south to New Haven. I-95 ventures east and west from New Haven, providing access to New York City. Although Hartford is not situated along I-95 as most major Eastern cities are, the Hartford region does not have to contend with the traffic congestion that I-95 brings.

The region is also served by first-class air service. Bradley International Airport, New England's second largest airport, is located just 15 minutes north of downtown Hartford. Ten major passenger airlines, 6 regional airlines and 10 air cargo carriers serve the region. In 2004, almost 7 million passengers traveled out of Bradley. The airport has recently completed a \$200 million expansion project. Opened in March 2003, the new 260,000 square foot terminal and concourse, provides modern communication systems and seamlessly integrates with the original facility.



Amtrak's Regional Line

Although there are international flights to Canada and the Caribbean and European cargo flights, **there are no transatlantic passenger flights in and out of Bradley.**

The region is also perceived as having inadequate rail infrastructure and does not have direct access to either Boston or New York City. The majority of the rail lines in the Northeast follow the I-95 corridor.

The only passenger rail service available is regional Amtrak service on shuttle trains that run between Springfield and New Haven, where they connect with other Amtrak Northeast Corridor trains **only once per day and are cost prohibitive.**

Currently, the state is exploring the

feasibility of a commuter rail line to link Hartford with New Haven, Springfield, and Bradley International Airport. Greyhound provides bus service out of Bradley to Hartford, but does not provide service from Hartford to Bradley.

Commercial rail service is also limited. Freight carriers include CSX, Connecticut Southern, Boston & Maine, and Providence & Worcester. Much of the state's freight railroad infrastructure is below modern vertical clearance and load-carrying standards (22 feet and 315,000 pounds), whereby freight cars cannot be double stacked. Rail freight access to the west and south is limited.

Studies and interviewees both pointed to the need for a north/south commuter rail to link Hartford with other major cities and light rail in and around the city of Hartford. Although the Star Shuttle has recently begun service in downtown Hartford, current funding is only limited to several months. **The lack of adequate inter-rail and intra-transit service could be hindrance to future growth opportunities.**

Our goal is to build on the many past studies and efforts currently underway to create the most momentum for implementation of key recommendations that will be outlined in the Comprehensive Economic Development Strategy.

We recognize that the Metro Hartford region has developed a number of reports, studies, and plans over the previous seven years. The studies have included economic development plans; development plans of specific areas in the region, studies of the workforce in major area industries, statewide economic reports, and transportation studies. Instead of duplicating these efforts, we are striving to identify the key issues that emerge and outline the most important action steps needed to grow Metro Hartford's economic future.

Following is a brief description and an analysis of the implementation success for each study. These studies are listed in chronological order.

Metro Hartford Millennium Project: An Economic Development Action Agenda (*Capitol Region Growth Council, 1998*)

The process associated with development of this Comprehensive Economic Development Strategy is designed to include the entire 35-town region and put together a strategy that will improve the economy for all communities in the region. However, it is not the first such regional effort to try to accomplish this worthy goal. In 1997, a large coalition of private, public, and nonprofit organizations joined forces to develop an economic development action agenda for the Metro Hartford region. The comprehensive effort resulted in a 1998 plan titled *Metro Hartford Millennium Project: An Economic Development Action Agenda*.

Background on the Project and the Process

The Millennium Project began with two important goals. According to the plan [emphasis added]:

The **first goal** of the Metro Hartford Millennium Project is to *develop an inclusive economic plan that affects not simply specific cities and towns, but each and every municipality in the region, and all neighborhoods and the people in them*. The plan must be creative enough and inclusive enough to cause the municipalities to start to feel ownership in regional outcomes and in the regional economic synergy those outcomes will create. The **second goal** of the Millennium Project is *to develop a Strategic Action Agenda complete with specific Action Steps to achieve those goals while at the same time protecting the uniqueness of the cities and towns it aims to include*.

Because the organizations and individuals behind the project wanted to involve the entire region in developing the plan, the steering committee for the project included organizations from throughout the region. Organizations represented on the steering committee were:

Pratt and Whitney	The Aetna Foundation	The Hartford
Hartford Foundation for Public Giving	Hartford Areas Rally Together (H.A.R.T.)	The Wiremold Company
Connecticut State University System	Town of Manchester	CT Capital Region Growth Council
Andersen Consulting, LLP	St. Francis Hospital & Med Center	Phoenix
Town of Simsbury	Bank of Boston Connecticut	Fleet Bank Connecticut
Northeast Utilities	Tony March Buick/GMC	Savings Bank of Manchester
Hartford Hospital	Bingham Dana & Gold, LLP	City of Hartford
Capitol Region Council of Governments	Saint Joseph College	WFSB-TV
Max Restaurant Group	The Hartford Courant	Greater Hartford Realty Mgmt. Corp.
United Auto Workers	Middlesex Chamber of Commerce	Central CT Regional Planning Agency

Source: *Metro Hartford Millennium Project: An Economic Development Action Agenda*. January 19, 1998.

The steering committee followed a very ambitious but necessary public input process, which included 15 community meetings involving more than 1,400 participants, many other smaller meetings held with community-based, business, and civic organizations, and meetings with political leadership throughout the region. Additionally, the steering committee established and convened five task forces to discuss issues related to the five strategic directions established for this plan and make recommendations in those areas. The steering committee also established two cluster groups to examine issues and develop strategies related to help industries in the two clusters thrive in the region: 1) precision manufacturing and 2) tourism, arts and entertainment.

In the plan, the authors note that the region's history of developing plans only to have them languish on a shelf made getting community leaders to participate in the Millennium Project difficult:

*"Bookshelves in offices throughout the region are lined with the products of past efforts; regret runs deep for the many hours of lost time spent in meetings that resulted in so little action; and patience was very short. The most common question that the Millennium Project has had to deal with from its first day is: *We have been through this all before and nothing ever happens. Why is this project any different?*"*

The answer to this question is that:

- The times are different – the economic imperative is clearer;
- The process is different – broad-based leadership is engaged;
- The commitment is to action – organizing took place to ensure implementation; and
- Many organizations have been assigned responsibilities and will be held accountable."

The effort and atmosphere surrounding the development and completion of the Millennium Project *was* different from past efforts. The ambitious agenda laid out by the Millennium Project generated a great deal of enthusiasm when it was completed in 1998, and leaders in the Metro Hartford region have made great strides in several areas, completing some important components of the plan. The Millennium Project has been responsible for significant progress in several areas. Areas in which some of the most notable progress has occurred are:

- The Precision Manufacturing training program, which forges collaborative relationships between employers and community colleges to create demand-driven training programs to prepare participants for jobs in precision manufacturing, and holds colleges accountable for producing well-qualified graduates who can fill precision manufacturing jobs. The Millennium Project arranged for \$1 million in equipment and funding for the program, with the money paid to participating colleges contingent on students obtaining jobs.
- Establishment of financial services training programs to help fill thousands of jobs available in this sector.
- An urban design strategy for downtown Hartford, a blueprint to revitalize downtown through strategies such as building housing stock, improving streetscapes and transportation, and coordinating many real estate projects under development in the downtown area. The strategy, led by Ken Greenberg and involving hundreds of area stakeholders, has directly influenced construction of the Convention Center, and has resulted in improvement of significant sites such as the Society Block and the Cutter site.
- Developing efforts to attract young professionals to the area, including the creation of ACCESS Hartford, a social and networking organization for young professionals, sponsorship of region-wide networking events for interns working in the region for the summer, and creation of an “Insider’s Guide” welcome kit to be used as a recruitment and orientation tool for companies targeting young professionals.

It is also important to note that, in addition to specific efforts initiated in direct response to Millennium Project recommendations, additional studies have been undertaken since 1998 when the Millennium report was completed, some of them directly related to issues or recommendations in the Millennium Report. Those studies will be briefly summarized later in this section.

Strategic Directions for the Metro Hartford Region

All of the community meetings, task forces, review of issues, and other efforts involved in the Millennium Project yielded the establishment of five strategic directions, on which all recommendations and action steps were based. This discussion of the five strategic directions includes a discussion of some of the efforts that have been initiated to implement the plan. As with any strategic planning effort, the initiatives may not be implemented to the exact letter of a recommendation, but nonetheless fulfill the spirit of the vision and recommendations detailed in the Millennium Report.

Strategic Direction 1: Support and strengthen a renewed civic infrastructure to create and sustain economic development at the neighborhood, city, and regional levels.

When Hartford was the headquarters for the major insurance companies in the United States, the leaders of those companies (known collectively as “the Bishops”) were leaders not only of their companies but also leaders in the community, setting the agenda for civic improvement and spearheading efforts to make Hartford a better place to live and work. Changes in the corporate structure of those companies, including mergers and buyouts, resulted in the relocation of the corporate center of those companies, which in turn meant that the people who had for so long driven civic change and improvement in Hartford were no longer

there. The void in civic leadership has had a profoundly negative effect on the City of Hartford and the entire Metro Hartford region. The Millennium Project recognized the need to fill that void by creating new leadership that can once again make positive change occur in the region. The plan recommended several action steps to fill the leadership void:

- ***Create a Millennium Management Group, structured as a standing committee of the Growth Council, to oversee the implementation of the Millennium Action Agenda and establish an informal Advisory Committee to this group to ensure representation and accountability among a variety of interest groups within Metro Hartford.*** Because the region had been through many such projects involving strategic thinking and bold visions but little follow-through, the community leaders putting together the plan believed that implementation responsibility should be assigned to a group within the Growth Council, the leading economic development organization in the region.
- ***Reorganize city economic development management – include broad-based governance, strong neighborhood representation, and mechanisms to ensure objective, fair consistent, and timely review of development proposals.*** This action step was intended to completely reorganize the city government's economic development operation to make it more effective and energized, and to revamp the city's land development process so it is easier and less time-consuming to navigate for community-based organizations working to improve the city's neighborhoods as well as private developers.
- ***Begin the process of eradicating racial and ethnic prejudice within the region by sponsoring internal, regional, and local "Conversations on Race, Ethnicity, and Culture" in partnership with the national work being undertaken and sponsored by Aetna.*** This action step recognized the economic and social impacts that racial and ethnic divisions have on the region as well as the benefits to the region of capitalizing on the region's racial and ethnic diversity.
- ***Enhance regional economic development capacity through the establishment of a Growth Council subsidiary designed to undertake public purpose real estate development projects that are regional or multi-jurisdictional in scope.*** This action step was designed to create and give authority to a regional organization to undertake major development projects, because such projects are often not attractive to private developers due to their complexity or because they are not profitable enough. Projects that involve two or more municipalities are also too difficult for any individual municipality to undertake, and thus require oversight by a regional entity.
- ***Rebuild the region's image, both internally and externally, through an aggressive education, media, and public relations campaign.*** The Metro Hartford region had a clear image problem at the time the Millennium Project was undertaken, for several reasons. For example, the region consistently ranked at the bottom of national rankings, such as a bottom ranking among "Money Magazine's Best Places to Live." It also received negative press for the state takeover of the city's schools and the racial and income disparities among its residents. The negative image was not only internal, but also external, with residents and local media focusing on negative images and problems in the region.
- ***Increase resources and capacity for neighborhood economic development in Hartford by establishing and strengthening collaborative organizations.*** This action step was designed to help strengthen the abilities of neighborhood-based development organizations to improve neighborhoods. The plan recommended that the organizations establish a formal organization to bring all neighborhoods

in the city together to advance the agenda put forth by the Neighborhood Task Force and to pursue common interests.

The region has moved decisively in this strategic direction by:

- Giving the Capitol Region Growth Council (which merged with the Greater Hartford Chamber of Commerce in 2001 to form the MetroHartford Alliance) the critical responsibility of leading and coordinating efforts on implementing the Millennium Project's recommendations;
- Working with city government to reorganize the economic development efforts of the City of Hartford. The reorganization included the creation of the Hartford Economic Development Commission, a business retention and expansion program that focused its efforts on the City of Hartford. In 2005, the Commission was merged back into the city's Development Services Department;
- Beginning efforts to improve the image of the City of Hartford and the entire region by establishing the Hartford Image Project, a nonprofit consortium of 12 organizations formed to build awareness and project a positive image for Hartford. The Hartford Image Project has put together an aggressive program designed to build local, regional, and national recognition of the City of Hartford and the Metro Hartford region through a promotional campaign that sells Hartford as *New England's Rising Star*, promotes positive perceptions of the city and the region, and increases visitation and economic activity in the city; and
- Establishing and strengthening collaborations between neighborhood and other community organizations to make economic development efforts more efficient and effective.

Strategic Direction 2: Forge a globally competitive regional economic base that generates quality jobs for all residents.

The Millennium Project uses two overall approaches to help create a more competitive regional economic base: 1) supporting and promoting key industry clusters, and 2) creating a more positive business climate that would encourage small business growth, entrepreneurial development, and business investment. The plan recommended several actions steps to achieve these approaches:

- ***Create the Connecticut River Valley Precision Machining Network, designed to strengthen the region's machining and aerospace industry.*** Some 800 companies involved in metalworking and aerospace companies require employees with skills in precision machining. These companies employ approximately 56,000 workers with precision machining skills in high-paying jobs. Yet, these companies had difficulty finding both workers with the required precision machining skills to fill their entry-level and skilled positions. This shortage prevented companies from adding second or third shifts to keep up with production demand, and prevented some companies from introducing new product lines.
- ***Establish an Information Technology Research and Development Center in downtown Hartford.*** The Metro Hartford region has many resources that could be brought to bear to develop industries focused on information technology, but efforts necessary to help the region build upon those resources were not coordinated. This action step put the responsibility for pushing for the establishment of the Center with the Growth Council and the Millennium Management Group.

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- ***Strategically attract distribution-oriented companies to appropriate sites in the region and strengthen existing distribution companies through an industry-led, targeted assistance program.*** More than 500 firms in the Metro Hartford region are directly involved in wholesale trade and distribution of manufactured goods. The region's strategic location between Boston and New York, its abundance of land ideal for wholesale trade and distribution industries, the presence of two major airports (Bradley International and Brainard Airport), and the variety of jobs available in distribution industries makes the focus on these industries very logical for Metro Hartford.
 - ***Increase the number of tourists coming to Metro Hartford through more targeted and coordinated marketing that focuses on the arts and entertainment, strategic investments, and a more tourist-friendly environment.*** This action step recognized the challenges the region needs to overcome to expand. First, the City of Hartford must firmly establish itself as the arts and entertainment center of the region. Second, the cultural assets of the region must be marketed more effectively both within and outside the region. Third, the many organizations promoting tourism, arts, and cultural activities in the region must better coordinate their efforts to make them more effective. Fourth, the region needs a large convention facility and downtown hotels to give it the capacity to capture more convention business and other large events.
 - ***Strengthen the existing entrepreneurial and small business base in the region through increasing access to existing services and filling gaps where services are needed.*** As part of developing the Millennium Plan, regional leaders analyzed venture capital resources and determined that, while traditional venture capital was available for larger investment requirements and for the types of high-growth industries attractive to venture capitalists, there was a shortage of smaller venture capital investments (those ventures undertaken by non-technology companies requiring anywhere from \$1 million to \$1.5 million). Their research also found that while there were many state and local resources available to provide assistance to small businesses, they were not as "user friendly" as they need to be. This action step was intended to address these challenges.
 - ***Support the governor's financial services, technology, and healthcare cluster groups and efforts to improve the state's business climate.*** This action step was designed to take advantage of the governor's efforts to develop key industry clusters in Connecticut, especially the financial services, technology, and healthcare clusters that are particularly important to the region. This action plan was also intended to continue improving the relationship between government and business in Connecticut, which has long been strained. It also recognized the need to focus on tax and regulatory issues faced by companies in these clusters and others either located in Metro Hartford or expressing interest in investing in the region.

The Alliance and other regional partners have initiated several efforts aimed at supporting the region's target industries and improving the business climate, including:

- Designing and organizing entry-level training to assist the region's precision machining industries;
- The efforts being coordinated by the Connecticut Center for Advanced Technology (CCAT) to build the Connecticut Regional Innovation Center, the Advanced Technology Center, the Laser Application Laboratory, and its other efforts. These activities advance the goal of building and strengthening industries focused on information technology in the Metro Hartford region;

- Supporting the state government's efforts to strengthen the financial services, health care, technology clusters, which has resulted in efforts such as establishment of the Insurance and Financial Services Cluster to strengthen that cluster through private and public policy initiatives; the efforts of organizations such as CCAT, the Connecticut Technology Council, and many other key players in the Metro Hartford region to support development of technology industries and stimulate innovation, research and scientific and technical education; and efforts to build the region's expertise and capacity in health care industries such as medical device manufacturing;
- The Edwards and Angell Fast Track Program, an innovation acceleration program established by the Connecticut Technology Council in conjunction with the Connecticut Department of Community and Economic Development to match the most promising technology entrepreneurs with the program's network of industry and business start-up expert mentors and advisors as well as funding connections, is in its second year in 2005. The purpose of the program is to give the most promising companies with the most innovative ideas the best chance to flourish and create jobs in Connecticut;
- Working to improve the region's ability to attract more tourists to the area. Organizations such as the Greater Hartford Arts Council are working to strengthen the region's arts and cultural assets through its support of more than 100 arts and cultural organizations. The Council also commissioned a study completed in April 2005 that showed that the region's arts and cultural organizations generate a direct economic impact of more than \$244 million annually. The completion of building the new Connecticut Convention Center, which opened in downtown Hartford in June 2005, will enhance the region's efforts to attract more significant convention business to the area and at the same time bring more tourists in as well; and
- Working to strengthen businesses in the transportation and distribution industry. One of the most significant public investments to strengthen the transportation industry infrastructure has been the investment in improvements at Bradley International Airport, totaling \$235.6 million. The airport improvements have spurred investments in private transportation businesses, such as the expansion of the Bombardier Company, with an investment of \$16 million and an increase of 300 jobs.

Strategic Direction 3: Challenge the region to build a world-class workforce and educational system – one that prepares all of its residents with the skills needed to succeed in the global economy.

The increasingly competitive global economy has forced companies and their employees to operate at a much higher level of performance and efficiency through team work, the development of critical thinking and problem solving skills, the ability to understand systems used to build products or provide services, and effective oral and written communication skills. Many Metro Hartford region employers are concerned that their workers don't possess these vital skills, and that systems designed to prepare people for the workforce (the K-12 public education system, the higher education system, and the employment and training system) do not do an adequate job of helping prepare workers for the new world of work. The plan recommends several action steps to begin addressing these problems:

- ***Initiate a process aimed at building an integrated education and training system.*** This action step recognized the lack of interaction between the public education, higher education, and the employment and training systems, and the need for coordination and integration of the three systems to ensure that students and workers are prepared with the appropriate higher level of skills needed to fill today's jobs.

- ***Support the efforts of the new trustees of the Hartford public school system through new and more coordinated linkages between the business community and the schools.*** This action step recognized the challenges faced by the Hartford public school system, whose deficiencies presented a major threat to the region's ability to provide a trained and educated workforce needed by businesses. The action step also recognized the important work begun to improve the system, such as the new board of trustees chosen to oversee the school system and the commitments of many corporations in the area to work for system improvement.
- ***Develop workforce skills of youth through effective work-experience programs between small businesses and students.*** Analysis conducted as part of the plan showed that small businesses found it difficult to find workers with appropriate skills and found it difficult to train employees without such skills. This action step was designed to give small businesses assistance with their training needs. Actions included provision of a state tax credit for small businesses that accept and oversee student interns, development of a small business and entrepreneurship curriculum in local schools, and "job shadowing" programs provided for student by school systems that allow students to spend time with small business people to see the types of skills businesses need.
- ***Attract young professionals to the region through cooperative recruitment and marketing, as well as by creating an urban environment more attractive to the target market.*** Like many communities across the country, Metro Hartford has had a difficult time retaining young professionals in the area or attracting young professionals from other areas to live in the Metro Hartford region. Part of this difficulty is tied to the poor image the City of Hartford and the entire region have. The difficulty attracting young professionals affects whether existing companies stay in the region or whether new companies locate in Metro Hartford or a community that has been successful in making itself attractive to young professionals.
- ***Make the proposed Downtown Higher Education Center a centerpiece of urban learning and corporate training.*** The plan recognized the importance and the potential of the proposed Downtown Higher Education Center, so much so that the presidents of all colleges and universities in the Metro Hartford committed to participate in the Center and develop new programs to meet the needs of the region's residents and businesses. The Center was intended to help achieve the goal of improving the responsiveness of higher education institutions in the region to the training and education needs of the region's businesses. The Center was intended to focus on collaborative efforts in health care, the tourism and cultural arts industry, information technology, and financial services. The goal of all of these efforts was not only to improve higher education responsiveness to business needs, but also to make the region more attractive to existing and potential businesses.
- ***Develop a targeted welfare-to-work system to secure employment for the "hardest to serve" welfare population and enhance the current system for the general welfare population through focusing on job-retention issues.*** While the region's welfare to work system was successful in placing welfare recipients with a high school diploma or higher into jobs, the system was not as effective in placing recipients without high school diplomas into jobs. The system also needed attention in the areas of job retention of welfare recipients, career advancement for program participants, and the potential for helping the region's businesses meet their needs for entry-level workers by employing participants in welfare-to-work programs.

The Alliance and other regional partners have initiated several efforts aimed at improving the region's workforce and education system, including:

- The City of Hartford's workforce training efforts, including the "YO Hartford" program, a program to deal with poverty and unemployment among young Hartford residents, many of whom lack skills to find jobs that pay wages adequate to support them;
- The efforts to attract the coveted demographic of young professionals, which includes the age groups between 25 and 44 years old, to the Metro Hartford region. These include the efforts of the MetroHartford Alliance to attract young professionals to live, work, and play in the Metro Hartford region, such as its corporate intern/young professional committee which organizes programs and activities for over 1,000 interns employed in the region during the summer. The Alliance also participates in the Hartford-Springfield Economic Partnership's Graduate Retention Project. This project has been instrumental in developing a website called www.internhere.com, a site designed to students with internship opportunities with throughout Connecticut and western Massachusetts;
- The Hartford Future Workforce Investment System, an effort initiated by the Mayor of Hartford in 2004, brings together the resources of the City of Hartford with Capital Workforce Partners and representatives from surrounding communities to develop and implement strategies to invest in an effective workforce development effort aimed mainly at training and employing young Hartford residents; and
- The efforts of organizations including the Capital Workforce Partners, the Connecticut Office of Workforce Competitiveness, the Connecticut Department of Labor, and the Connecticut Business and Industry Association to improve the overall workforce development system so it provides workers with needed skills and responds more effectively to the changing skill needs of industries.

Strategic Direction 4: Create a vibrant and culturally rich city – with a vital downtown that serves as a regional arts and entertainment center and strong neighborhoods that provide residents with an improved quality of life.

The Metro Hartford region is defined, either positively or negatively, by the City of Hartford. Like many other cities, particularly those in the Northeast, Hartford has lost much of its middle class population to the suburbs, along with the tax base the middle class provides. The result has been a city with a deteriorating downtown, high poverty rates, and a poor reputation throughout the country. The Millennium Project followed three principles in developing action steps to strengthen Hartford:

1. *Creating a healthier city is critical to the success of any regional economic development effort. "The economic well-being of all residents and businesses of Metro Hartford is inexorably linked to the image and vitality of its central city," the report said.*
2. *Turning around the downtown is not sufficient. Attention needs to be paid to the neighborhoods. The report noted that experiences of other cities that had become known for recoveries showed that "while a nice downtown and the development of urban entertainment districts improve a city's image and have positive economic impacts, unless a concerted effort is made, many of these benefits do not accrue to the low-income residents who live in the city's neighborhoods."*
3. *On the other hand, the neighborhoods cannot be revitalized without strengthening the city as a whole – attracting middle-income residents back to live in the city and to spend their money in the city. The report notes that "neighborhood-based efforts alone cannot solve the myriad urban problems and*

barriers that community-based organizations face in their efforts. The overall fiscal condition of the city needs to be improved and this means increasing investment in its downtown.”

The plan recommends two action steps to strengthen the region's core city:

- ***Implement a strategic and comprehensive approach to strengthening downtown Hartford.*** While efforts to promote activity downtown had achieved some success by the time of this study, they had not been able to generate the level of activity needed to change the perception that downtown “shuts down” after 5 PM on weekdays and on weekends. Though several proposed projects showed promise, there was no systematic effort to set priorities around the capital projects that could achieve the greatest economic impact.
- ***Develop initiatives to stimulate greater housing investment and home ownership in downtown Hartford and its neighborhoods.*** Research showed that there was an oversupply of housing in the city of Hartford and a corresponding high vacancy rate (10 to 26 percent depending on the type of housing and its location in Hartford). It also showed that home ownership rate was very low (about 25 percent). The city's housing stock was generally old and poorly maintained, which was especially true of multi-family housing stock. Finally, while there were considerable organizational resources available to address housing problems, those resources had not been organized and directed in a comprehensive way to deal with the problems. This action step recommended improvements that could make it possible to begin having a positive impact on the housing problem.

The Alliance and other regional partners have taken the following steps to revitalize downtown Hartford and strengthen the city and its neighborhoods:

- Participants in the Millennium Project organized an oversight group and developed a RFP for a downtown urban design plan even as the planning process was being conducted to move along downtown revitalization as quickly as possible;
- Retaining Ken Greenberg, an expert in urban revitalization, to develop an action strategy that prepares downtown Hartford for new development. The action strategy encourages small and medium-scale projects that can spur more development and economic activity downtown, and help spur economic investment and activity in Hartford's neighborhoods in connection with revitalization downtown. The central tenet of the plan is the Circuit Line, a set of high-priority activities that centers on Bushnell Park and brings in reinvestment to build new residential development, streetscape and transit improvements (including a shuttle transit line) that begins rebuilding downtown and spurs further investment;
- The completion and opening of the new Connecticut Convention Center which is designed to bring conventions and other events to downtown Hartford and spur tourism not only in Hartford but to other communities in the Metro Hartford region;
- The continued development of arts and culture venues in downtown Hartford, which not only provide high-quality entertainment to Hartford but also draw people and the economic activity they generate to downtown Hartford after 5 PM on weekdays and on weekends; and
- The development of over 1,000 residential units being built downtown that will bring people back to downtown to live, work and shop, spurring further economic growth.

Strategic Direction 5: Support regional land use and infrastructure policies and efficient uses of regional resources by promoting cooperative service delivery and reduced reliance on the property tax.

A problem that had long plagued the region was a haphazard growth pattern in each of its 35 communities, a problem that the Millennium report described as an “ad hoc” growth pattern, “without regard for the impact that one town’s development has on the economic viability of the others.” The report contended that the “current tax structure, transportation infrastructure, and land use regulations promote the development of suburbs and exurbs and erode the tax base of the city.” As in other regions where this type of phenomenon occurs, city services are reduced either in quantity, quality, or both, property taxes rise, and the quality of life declines in individual communities and across the region. In the Metro Hartford region, there is the added tension between the urban communities and rural communities in the region. The report recognizes the conflict that rural communities face in being pressured to develop prime farmland into residential subdivisions, large retail stores, and other projects that result from the pressure to develop land that is in high economic demand. As the report says, “Economic growth in the cities and towns within the region that want it need not be at the expense of agricultural, forested, open land, or wetlands. We need to create incentives to develop in areas that have infrastructure in place, incentives to rural communities to provide infrastructure for appropriately scaled centers of economic activity away from prime agricultural areas, and incentives to avoid conversion of farmland and other rural open areas.”

The plan recommends several action steps to create a more regional approach to development, infrastructure improvements, and service delivery:

- ***Encourage high-density development in the core areas of the region, particularly Hartford, along developing corridors and along corridors that lend themselves to growth in order to maximize energy conservation, provide public services most cost-effectively, minimize sprawl, and balance the region’s environmental and economic needs.*** This action step recognizes the cost of urban sprawl, including expansion of new infrastructure at the expense of existing infrastructure, additional energy costs, and increased costs of service delivery. The report recommends ways to avoid the phenomenon, following a framework developed by a Task Force of the Millennium Project. The framework involves reestablishing Hartford as the economic cultural, entertainment, and sports center of the region; building on infrastructure investments in established industrial and commercial areas; encouraging future infrastructure investment in these same established areas, and encouraging protection of natural resources, including the drinking water supply and recreational opportunities.
- ***Promote increased collaboration at the regional level while preserving the unique character of Metro Hartford communities.*** This action step recognizes several problems resulting from individual economic development actions that can best be carried out in a collaborative manner. 1) Some economic development functions, such as industrial recruitment, can and should be carried at a regional level rather than by individual communities. 2) Some state economic development functions can be better carried out at the regional level. 3) The state’s fiscal structure creates inefficiencies in the cost of service delivery. 4) The municipalities’ heavy reliance on the property tax discourages regional collaboration on economic development and can lead to inefficient use of scarce resources. The action step recommends ways to encourage more collaboration in economic development in Metro Hartford.

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- ***Encourage the development of a regional transportation system that provides for the efficient movement of goods and people and conforms to the land use patterns being promoted.*** This action step recognizes the integral relationship between transportation policies and land use policies and the fact that decisions in one area greatly affect the other. It recommends that transportation improvements not be made in areas where development is deemed undesirable, that alternative forms of transportation be encouraged in areas where higher density development is desirable, that development be concentrated where possible along major existing transportation corridors, and jointly related land use/transportation issues be considered during the environmental review and design phases of individual projects.
 - ***Aggressively support and facilitate a more extensive and comprehensive public transportation system in Metro Hartford.*** This action step recognizes that alternative transportation projects such as rail transit can provide jobs and spur significant economic investment. It also recognizes that a comprehensive and viable transportation system is essential to foster the region's economic development, because it ensures access to the region's job and retail markets by city residents dependent on transit, supports livable communities in the region, and protects the capacity of the region's existing highway network.
 - ***Support major investments in the region's infrastructure.*** This action step recognizes the importance of maintaining the region's highway network, the central role Bradley International Airport play in the region's air travel system and the need to enhance that system, and the importance of "intermodal" connections, both passenger and freight, to the economic vitality of the region and the state."
 - ***Develop a Regional Asset District to provide financial support of priority projects in Metro Hartford and provide property tax relief and equalization in the entire region.*** This action step recommends passage of legislation establishing a Regional Asset District, which would dedicate a small portion of a region's sales tax collections or some other revenue source for investment in civic, recreational, sports, and cultural facilities that enhance the quality of life for everyone in the region. Other regions such as Pittsburg have used such a district to reduce property taxes, eliminate the county's property tax, and help distressed communities in the region.
 - Leaders in the region have taken the following steps to encourage a more regional approach to land development, infrastructure development, and service delivery:
 - The MetroHartford Alliance's leadership in development of this Comprehensive Economic Development Strategy is a regional effort that reflects the vision and intent of the Millennium Project to institutionalize a regional approach to economic growth;
 - The Capitol Region Council of Governments has statutory responsibility for preparing a regional plan for conservation and development in its 29-town service territory, a plan for which the COG involved the MetroHartford Alliance to develop the economic development component of the plan;
 - Northeast Utilities has assigned a senior management staff person to focus 50 percent of his time on interstate economic development efforts, including work with the Hartford-Springfield Economic Partnership, Team New England, and the New England Council;

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- The efforts of the Connecticut Business and Industry Association, which includes its legislative efforts on behalf of 10,000 businesses before the State Legislature and the U.S. Congress, and its surveying efforts that provide information to businesses to be used for planning and management; and
 - The efforts of individual communities in the 35-town Metro Hartford region to share services, increase service efficiency, decrease costs for individual towns, and foster multi-jurisdictional cooperation.

What Implementation Remains for the Millennium Project Recommendations?

As the discussion regarding the five strategic directions and recommendations, the Metro Hartford region has made a great deal of progress in putting initiatives in motion to implement the recommendations made in the Millennium Report. Yet there is still a great deal to do to address the problems the Millennium Project was designed to remedy.

- The need to revitalize the City of Hartford – particularly its downtown – and the attendant problems of population loss, high poverty, high crime, and loss of tax revenues that come from population loss – remain challenges that must be overcome if economic development efforts are to be successful. Though efforts are underway to improve downtown, including construction of downtown housing, completion of the Connecticut Convention Center, and a strategy to implement many other improvements to downtown, a great deal more needs to be improved to change perception that Hartford is a city in decline.
- The Hartford Image Project, the campaign to improve awareness and the image of Hartford, has been well received, and has garnered positive attention. Though the effort is intended to promote a positive image of the Metro Hartford region, there is a perception among other communities in the region (as expressed during focus groups conducted as part of this community assessment) that the effort is focused on the City of Hartford. That is a logical approach, given that improving the image of the central city in the region is a higher priority than establishing a region-wide image. Most regions are best known for their central cities, and it is a significant challenge to change the perception of Hartford to a positive one. However, in the future, other communities in the region should be more involved in promoting Metro Hartford so they have a stake in the success of the region, as well as the success of the City of Hartford.
- Though there are efforts underway to improve support services for entrepreneurs and small businesses, there is still a perception (expressed in focus groups among business leaders) that there needs to be a more significant support system for small businesses and those starting their own businesses. For example, while there is an angel investor network that is in the initial stages, there needs to be more significant development of a venture capital system where businesses can obtain crucial funding needed for their business start up operations.
- There has not been much done to dispel the perception that the Metro Hartford region has a high cost of doing business. High tax rates, high labor costs, high health care costs, and workers' compensation costs are only some of the costs that help continue that image.
- The perception of the workforce development system, according to representatives in the business and human resources focus groups who interact with workforce development programs, is that it is not responsive enough to the needs of businesses in preparing their employees with the necessary skills needed to remain competitive in business.

- Though it is an important component of the Millennium Project and recognition that it is critical to most successful economic development operations, efforts at regional cooperation have been lacking. Focus group and interview participants clearly understand the importance of regional cooperation, particularly in the success of economic development, but actual regional approaches to economic development have been limited. This is partly due to the fact that the current property tax system effectively discourages communities from working together on economic development and other issues. This resistance to regional cooperation will have to be overcome if the region is to successfully implement the Millennium Project or successfully implement this CEDS.
- There was a great deal of skepticism among community and business leaders about involvement in the Millennium Project. Many who had prior experience with these planning efforts stated that they had clearly seen many other plans languish. The skepticism encountered in efforts to involve community and business leaders in this CEDS process demonstrates that not much has changed in that regard. Even with the initiation of many activities resulting from the Millennium Project, there is still a prevalent perception that there has not been adequate progress in actually solving problems. The Millennium Projects cannot be fairly characterized as a failure because many chronic problems have not been solved. However, it does show the challenge any strategy will face without a clear desire for implementation. Without this, any effort to make comprehensive improvements to the region and its economy will be difficult.
- The Millennium Project has resulted in many significant positive initiatives that are beginning to create a critical mass of improvements that will eventually result in economic success. However, a great deal of work remains before the Metro Hartford region can declare full victory from this landmark effort.

Hartford Real Estate Market Recommendation and Findings (*Urban Strategies Inc for Millennium Project, 1998*)

This report presents an overview of the Hartford economy and real estate market and determines the scope of potential market-driven investment that should be planned for the future development of downtown Hartford. It includes key recommendations for the residential, retail, hotel, and office markets.

Key Recommendations:

- Add 1,250 residential units over the next five years, virtually doubling the current downtown inventory
- Add an average of 250 residential units per year over the next fifteen years, to total 3,750 to 5,000 units
- Complete 350 hotel rooms, preferably limited service, within the next two to three years

Economic and Urban Design Action Strategy (*Urban Strategies Inc for Millennium Project, 1998*)

The Action Strategy sprung from the Millennium Project and outlines a vision for Hartford as a regional art and entertainment center, with 24/7 activity and a shuttle transit line ("Circuit Line") to unify neighborhoods with downtown Hartford. The report emphasizes that Hartford should become "the heart" of the region. It also emphasizes that Bushnell Park needs to play a strategic role in the revitalization of downtown Hartford. The strategy outlines a set of initiatives that should be completed over the following 3-5 years.

Key Recommendations:

- Utilize public funds as levers to increase investment in downtown Hartford
- Mold downtown Hartford into a dynamic, connected, mixed-use destination
- Introduce an electric powered shuttle bus that follows the "circuit line" around downtown Hartford

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- The “circuit line” initiatives include:
 - Streetscape improvements along the circuit line
 - Restoration of green spaces
 - Residential development
 - Retail development
 - New parking structures along the circuit line
 - Implementation measures include:
 - The creation of a design center to review and shape downtown projects
 - The creation of a Downtown Development Corporation to serve as catalyst for investment opportunities
 - Consolidation of downtown parking under one management umbrella

Updated Project Evaluation: Metro Hartford Millennium Strategic Action Plan (*Capitol Region Growth Council, 1999*)

This update examines the cost-benefit analysis of capital investment projects consistent with the Millennium plan by ranking projects based on direct economic impact, economic infrastructure, regional and planning impacts, and feasibility. The highest ranked projects are: Higher Education Center, Six Flags, Bushnell Memorial, and the Perishables Center.

Key Recommendations:

- Invest in the implementation of the highly ranked projects

Strengthening Connecticut's Aerospace Cluster (*Aerospace Components Manufacturers, 1999*)

The aerospace cluster in Connecticut is large, but declining. This report establishes the goals, programs, and organization of an Aerospace Components Manufacturers group for the aerospace cluster in Connecticut. Spread over three levels, membership would entitle access to seminars, newsletters, consolidated purchasing, training & expert consultants, mentorship, and networking. The group asks for 20% of the costs to be paid by the state in order to enhance the productivity and competitiveness of the aerospace components manufacturers.

Key Recommendations:

- Create a general awareness program that has three components: a seminar series, company-to-company mentoring, and a web page with a monthly newsletter
- Develop a practitioner's program with two components: a seminar series and a brokering service for consultants
- Create a workforce development program with two curriculums: manufacturing skills and enterprise skills

First Annual Report: Metro Hartford Benchmarking Project (*CCEA, University of Connecticut, 1999*)

This report presents a series of indices and benchmarks that compares that Hartford MSA with 56 comparable MSAs across the country. Overall, Hartford ranked 39th out of 56. There was a severe discrepancy between quality of life rankings (4th) and economic vitality (54th).

Key Recommendations:

- Extend benchmarking efforts back to the 1980s in order to provide historical context for change and growth

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- Widen data collection to include all MSAs, but specifically target New England towns as appropriate benchmarks

Bradley International Airport Improvements: An Economic Impact Analysis (CCEA, University of Connecticut, 2000)

This economic impact analysis considers two scenarios relative to the impact of improvements at the Bradley International Airport on the region's economy. These improvements include a new terminal, renovation of existing terminals, a new parking garage, and an allocation of several million dollars per year between 2000 and 2030 for maintenance.

Estimates of impacts range between conservative and liberal scenarios, but are as follows:

Sales Tax: \$28-\$56 million annually

Gross State Product: \$226-\$429 million annually

Employment Growth: 4,700-9,400 new jobs over the next 30 years

Key Recommendations:

- None

Hartford Inner City Business Strategy Initiative - Creating Jobs, Income, and Wealth for Inner City Residents (ICIC, DCED, City of Hartford, 2000)

The business strategy focuses on increasing wealth, income, and employment opportunities for Hartford inner city residents by capitalizing on the opportunities for inner city growth, alleviating barriers to inner city business growth, and linking inner city residents to jobs in the region. The report proposes Key Recommendations to build competitive urban businesses, develop competitive residents, and create a competitive city. Key industry clusters that drive this growth are identified as financial service/information technology, health service/medical devices, heavy construction, transportation, and retail.

Key Recommendations:

- Create a business development group – the Hartford Enterprise Partnership – that will accelerate the development of new and growing businesses in inner city locations
- Provide additional funding to expand job retention services, and comprehensive work readiness and self sufficiency programs
- Market Hartford's business opportunities
- Improve municipal services
- Increase the stability of the economic development system by providing funding for Hartford 2000 and the Hartford Economic Development Commission

A Tale of Eight Metro Areas: Comparative Policy Analysis of Metro Hartford and Similar MSAs (CCEA, University of Connecticut, 2001)

The purpose of this study is to compare eight MSAs, including Metro Hartford, and identify factors that explain discrepancies in performance. The study finds that Metro Hartford ranks below comparable MSAs and currently has more weaknesses than strengths.

Strengths of the region include a low percentage of people below the poverty line, low motor vehicle death rate, high educational and income attainment in suburbs, high interest in arts and recreation, and strong transportation networks. Weaknesses include a high percentage of female-headed households, significant

reliance on welfare programs, low percentage of people with a high school diploma, high rate of violent crimes, high bankruptcy rate, high unemployment rate, significant residential segregation, low number of enplanements at airports, significant adult deficiency in literacy, low voter turnout, significant income differences between center city and suburbs, low rates of owner-occupied housing, and too many governing units.

Key Recommendations:

- Establish a job training center and credit programs
- Increase distribution and warehouse capacity
- Develop innovative transportation planning programs
- Simplify regulatory environment and coordinate tax incentives
- Reinforce CT Capitol Region Growth Council
- Help small businesses
- Establish connections between government, business, and community leaders
- Diversify economy
- Retain and educate workforce
- Address labor supply and demand mismatch in the area
- Expand school-to-work program
- Support university-high school-business cooperation
- Increase number and quality of vocational schools
- Make the local government business friendly
- Increase capacity of Bradley International Airport and connect it to the city
- Initiate aggressive marketing campaigns to attract businesses
- Establish a convention center immediately
- Improve voter turnout
- Encourage more racial balance in schools
- Utilize community college programs to increase adult literary competence

Regional Transit Strategy (*Capitol Region Council of Governments, 2001*)

The transit strategy outlines a vision for regional transit throughout the Hartford area. The impetus for the strategy is the long-term evolution in commuting patterns as economic activity migrates from downtown Hartford to the outlying suburbs.

Key Recommendations:

- Construction of four new busways: New Britain Hartford, Griffin, Manchester, and Rocky Hill
- Significant new investment in commuter rail to link Hartford with New Haven and Springfield, MA (including new spur to Bradley International Airport)
- Construction of additional transfer stations in Bloomfield, Wethersfield, Manchester, and Farmington
- Next steps to include a 25 year long range transit and land use plan, increasing engagement of public and development community in planning process, and building support for transit development with regional stakeholders

The Creative Economy Initiative: A Blueprint for Investment in New England's Creative Economy (*The New England Council, 2001*)

Research from Carnegie Mellon indicates that a high creative index is the best indicator of a region's ability to attract high-tech workers. In order to successfully attract such "high human capital", this blueprint outlines a series of Key Recommendations to increase economic investment in New England's creative sector, including

art, film, advertising, architecture, and media. The Key Recommendations are not limited to the Metro Hartford region.

Key Recommendations:

- Form a “Creative Economy Council” association to provide coordinated voice, visibility, policy, and actions
- Establish a research program to understand and respond to needs of sector
- Sponsor a series of cluster initiatives designed to expand the creation, financing, production, and consumption of regionally-based creative products
- Promote relationships between technology-based artists and engineers
- Assess financing sources for the creative industry and develop new vehicles, including development funds, to fill funding gaps

The Second Metro Hartford Regional Performance Benchmark *(CCEA, University of Connecticut, 2001)*

An update on the 1999 benchmarking report, this report again compares Hartford to 55 other MSAs on a series of indices and benchmarks. It concludes that Metro Hartford fell behind its competitors over the last few years due to its later recovery from the 1990s recession, lack of new development projects, and the lag of the effects of policy and institutional change.

Key Recommendations:

- Replicate benchmark every 2 to 3 years

Report of the Insurance and Financial Services Taskforce *(MetroHartford Alliance, 2002)*

The task force analyzed the significance of the insurance and financial services cluster to the Metro Hartford region and outlined key recommendations that will help Hartford reclaim the title of “Insurance Capital of the World.” In 2002, 10% of all jobs in Connecticut were insurance and financial services related. Between 2002 and 2007, consolidation, convergence, and outsourcing will characterize the industry. Since Connecticut has a huge base of talent and resources serving this cluster, the task force believes this opportunity should be captured.

Key Recommendations:

- Establish a formalized industry Insurance & Financial Services (IFS) cluster, led by industry and supported by civic, educational, and governmental institutions
- Establish an industry-based collaborative agenda aimed at competitive advantage in recruitment, sourcing/education a trained workforce, improving productivity, and nurturing innovation
- Use Greater Hartford as initial focus of cluster initiative

Report on Workforce Hiring and Training Needs *(MetroHartford Alliance, 2002)*

The Economic Development Council of the MetroHartford Alliance partnered with the Capital Region Workforce Development Board to analyze workforce development trends captured from interviews with 60 area companies. The findings show that companies have difficulties hiring qualified entry-level workers with computer, math, and communication skills as well as specialists such as nurses, pharmacists, and auditors. Common skill deficiencies in work ethic, interpersonal communication, writing, math, and computers hinder recruitment and retention.

Key Recommendations:

- Identify current and future workforce needs and train accordingly

- Identify resources and work with stakeholders
- Resolve issues hindering workers' interest in and access to jobs, including the availability of mass transit and downtown parking
- Increase pool of young workers in area
- Increase the pool of workers by attracting out-of-state talent, targeted at mid-career professionals living in high cost areas

Interstate 84 Corridor Transportation Investment Area - Final Corridor Plan (*I-84 Investment Area Board, 2002*)

The primary strategy proposed in this corridor plan is to improve mobility and enhance connectivity between transportation mechanisms. The I-84 corridor includes seven of the state's 15 regional planning areas and approximately 50% of the state's population.

Key Recommendations:

The top 5 priorities, as outlined by the plan are:

- The implementation of the bus rapid transit-way between downtown New Britain and Downtown Hartford
- The implementation of the "Recommendations for Service Expansions and Transit Facilities" detailed in the 2000 CT DOT Statewide Bus System Study
- Increasing rail passenger service on the Norwalk to Danbury – New Milford branch line
- The implementation of the "Interstate 84 Waterbury to Danbury Area" improvements
- Improving access to cargo facilities at Bradley International Airport

Key policy recommendations include:

- Promoting statewide smart growth policies by re-establishing a state planning office to coordinate and provide technical assistance to local, regional, and state planning agencies
- Providing incentives for higher density commercial and residential development around transit facility locations
- Providing funding for the analysis of the need, feasibility, location, and design of an additional cross-Hudson rail facility
- Revising state policies on sidewalks to do more to encourage bicycle – pedestrian movement
- Requiring that all rail facility improvements be made to meet the 286,000 pound standard for rail cars and that railroad bridges must be required to meet the evolving 315,000 pound car standard

I-91 Transportation Investment Area Corridor Plan – Board Report (*I-91 Investment Area Board, 2002*)

The primary strategy proposed in this corridor plan is to reduce over-reliance on highway transportation through expansion of mass transit for people and barge service for freight. The I-91 corridor, which traverses Metro Hartford, has the potential to develop into a significant transportation and investment network that can provide world-class support to manufacturing, research, information, and finance-based industries.

Key Recommendations:

The top 5 priorities, as outlined by the plan are:

- The implementation of a New Haven-Springfield commuter rail with access to Bradley International
- The establishment of container barge service at the port of New Haven
- The construction of a rapid transit line between Hartford-New Britain
- Upgrading facilities and trains for passenger rail service in the state, especially the MetroNorth line
- Adopting a statewide airport strategy focused on Bradley International

Key policy recommendations include:

- Identifying new revenue sources for transportation funding
- Developing procedures to link transportation, land-use, and economic planning
- Integrating multiple types of transportation facilities
- Working closely with neighboring states to foster regional cooperation

Assessment of Opportunities for Technology-Based Centers of Excellence (*Technology Partnership Practice, Batelle for CCAT, 2003*)

In order to assist in the development of a national center of excellence in science and technology research and development, the Connecticut Center for Advanced Technology (CCAT) engaged the Battelle Memorial Institute to compile an inventory of national centers of excellence in four areas: fuel cells, aerospace, photonics and laser manufacturing, and interface of manufacturing, engineering, and IT. Overall, 83 centers were identified and catalogued.

Key Recommendations:

- None

Transportation: A Strategic Investment (*Connecticut Transportation Strategy Board, 2003*)

The Strategic Plan includes a 20-year vision for transportation in the state of Connecticut. This overall vision is composed of the following elements:

1. Employ modern land use and transportation planning for smart growth
2. Mitigate congestion on highways by increasing transit options
3. Expand tourist access to Southeastern Corridor (I-95) attractions
4. Concentrate development around transit centers to link housing, work, and recreation
5. Develop water sites for freight-related employment and Long Island Sound access
6. Strengthen airport system, especially Bradley International
7. Utilize incentives to link transportation system with targeted economic development

Total capital investments outlined within the plan total \$4.8 billion, in addition to incremental operating costs of \$70-\$80 million. The report outlines key funding recommendations in order to fully implement transportation priorities.

Key Recommendations:

- Increase the state's sales tax by 0.5% every year between 2003 and 2013, with incremental revenues dedicated to transportation capital projects
- DOT should evaluate instituting tolls for the expansion of I-84 and I-95
- Increase the motor fuels tax by \$0.03 every year between 2003 and 2007, with incremental revenues dedicated to transportation capital projects
- Increase transit fares on the Metro-North line, Shoreline East line, and to-be designated bus lines

Trends Shaping Our Region (*Capitol Region Council of Governments, 2003*)

This report outlines major demographic trends and patterns shaping the Metro Hartford region. Regional strengths, compared to 11 nearby MSAs, include high median income, a high percentage of persons with a bachelor's degree, high level of culture and arts, and a low poverty rate. An analysis of population distribution shows an aging trend in suburban and rural areas, while urban areas (Hartford) continue to attract a younger population. These urban areas, however, have high poverty and low educational attainment rates. Overall

population in the city of Hartford declined 30% between 1990 and 2000, leading to concern about loss of open space, negative impacts on center city, and lack of access to jobs spread across the countryside.

Key Recommendations:

- None

Forecast 2000-2010: Our Workplace Now and in the Future (*Connecticut Department of Labor, 2003*)

This report outlines detailed trends in Connecticut employment between 2000 and 2010. Highlights include:

- Total employment is expected to increase at a rate of 8.2% in the next decade, adding a total of 145,000 jobs. This is below the national average of a 15.2% growth rate in employment
- The service sector will be the main generator of jobs, with more than 100,000 new positions. Half of these jobs will be created in business and health care - two major industries creating opportunities for computer and health care workers
- The financial services sector will also expand, adding 11,000 jobs over the decade
- Manufacturing will continue to shed jobs, a total of 10,000 over the decade
- Occupations requiring post-secondary education and training will grow the fastest and create nearly 9,000 new jobs per year
- Almost three out of every four jobs openings will be job replacement, and one out of every four will be the result of job creation. This is due primarily to the fact that Connecticut has an older population than the nation as a whole and thus worker replacement is a more critical issue

Key Recommendations:

- None

Central Connecticut Corridor: Comprehensive Economic Development Strategy (*Central Connecticut Regional Planning Agency, 2003*)

This CEDS document was created for four communities just outside the Metro Hartford region: Bristol, New Britain, Plymouth, and Plainville. All four communities were considered distressed by the Connecticut Department of Economic Development. Job loss has been severe with the closing of many manufacturing firms. The CEDS outlines opportunities and threats within the region, along with recommendations for target industry growth. The four clusters identified as having competitive advantages within the region are metal trades, telecommunications, aging and gerontological services, and medical and healthcare services. However, the report contains very few targeted recommendations for these clusters.

Key Recommendations:

- Links should be explored with the Metal Manufacturer's Educational Training Alliance

Connecticut Insurance and Financial Services Cluster Planning and Design (*MetroHartford Alliance, 2003*)

The insurance and financial services (IFS) industry is a driving force within Connecticut, particularly within the Metro Hartford region. Yet, in spite of this impressive standing within the state, the IFS industry faces critical challenges that threaten its current operations and future growth. These challenges include internal pressure to reduce costs, technological advances that change the way business operates, and changing demographics and behavior in the labor market. These challenges led to the recommendation to establish a statewide IFS cluster. This report outlines the phases and action items need to create this cluster.

Key Recommendations:

- Promote Metro Hartford as an IFS Center of Excellence
- Enhance public opinion
- Broaden business attraction and target business retention
- Improve quality of employees
- Enhance diversity of workforce
- Deliver entrepreneurial spirit
- Enhance business climate, making it easier to do business in Connecticut
- Make Connecticut more competitive regarding tax and regulatory profile
- Apply cluster's leverage to more effectively influence policy
- Address cost and risk pressures
- Increase vendor participation
- Create new employment opportunities and increase jobs

Mayor's Task Force on Hartford's Future Workforce *(City of Hartford, 2003)*

The Mayor's Task Force was convened in order to develop an action plan to build a well-educated and highly skilled workforce by focusing on 18-24 year olds who were not in school or gainfully employed. This was driven by three issues: 1) Many young Hartford residents were unable to enter the workforce successfully, 2) Local employers needed a consistent flow of skilled employees, and 3) There was no coordinated training system designed to address these needs. The task force had a stated goal that "by the year 2005, 92% of Hartford's 18-24 year old population will be actively and effectively engaged in pursuing their educational and career objectives."

Key Recommendations:

- Promote a dual - customer/sector – based philosophy as the framework to guide the development of program and service. Develop specific, practical standards to define this approach, reflecting national and local best practices and effective program models
- Focus on career development strategies and resources
- Adopt the Task Force's employer defined work-place competencies as the standard of entry-level employability
- Expand and/or replicate local programs proven effective in addressing those 18-24 years olds who are not yet job ready
- Expand and/or replicate local programs, such as the Hartford Construction Jobs Initiative, that have successfully implemented the sector-based model to move almost-ready young adults into productive jobs
- Create a seven-step program for 18-24 year olds assessed as being job ready to help them plan career paths and support their work related decision-making
- Establish programs that replicate models proven effective elsewhere in addressing those who are not yet job-ready
- Actively engage local employers, develop and maintain a comprehensive inventory of local company-sponsored partnerships with local educational institutions and community-based organizations to address worker needs
- Enhance the capacity of Hartford's CT Works One-Stop Career Center System to play a key role in the delivery of critical services to Hartford's 18-24 year olds
- Conduct a qualitative assessment of local service providers to:
 - Evaluate their ability to implement dual-customer/sector-based strategies

- Identify effective programs that can be expanded, replicated or improved to maximize limited public/private resources
- Identify gaps and propose strategies to fill those gaps
- Provide technical assistance to build community wide capacity to implement effective dual-customer/sector-based efforts
- Organize a community-wide summit to inform and engage key constituencies, build understanding and support, and align public resources behind the strategy
- Advocate with state and local public leaders to maximize the effective use of limited resources

Insurance & Financial Services Cluster Shared Action for Growth: Accomplishments, Analysis, and Next Steps *(MetroHartford Alliance, 2003)*

This report analyzes the success of IFS Cluster Board's work plan for the previous 6 months. Areas of focus included workforce development, industry promotion, and tax and regulatory analysis. Accomplishments are highlighted as:

- \$1.3 million Department of Labor grant award
- New and revised IFS programs at area colleges
- Business recruitment meetings with seven industry leading firms
- Upcoming IFS symposium
- Identification of regulatory best practices

Key Recommendations:

- Continue workforce developments efforts to ensure that we maintain workforce quality, availability, and productivity. These efforts include establishing a UConn business school in downtown Hartford.
- Focus on education and promotion through media and key leaders in business and government
- Continue the Cluster's proactive business attraction efforts, focused on national and global IFS leaders

The Changing Demographics of Connecticut – 1990 to 2000 *(Center for Population Research, 2003)*

This report uses 1990 and 2000 Census data to analyze demographic and socio-economic changes in Connecticut as compared to national averages. Connecticut, as compared to the national average, has:

- An older population
- Faster growth in school children
- Less diverse population
- Higher educational attainment
- Lower increase in income
- Lower increase in home ownership
- Lower percentage of residents in poverty
- Higher increase in extreme poverty
- Lower population growth
- Lower rate of inflation
- Higher cost of living

Key Recommendations:

- None

Connecticut Economic Performance and Cluster Competitiveness *(Aslan Global, 2003)*

This power point presentation compares Connecticut's economic performance to that of the rest of the nation. It finds that Connecticut lags most states in innovation indicators, export performance, and rate of job creation. However, the state does have higher than average wages (although the cost of living is also high) and a high patent per employee rate. Ten industry clusters account for 60% of all state employment. These clusters require high skills and high wages.

These clusters include:

1. Financial Services
2. Business Services
3. Education
4. Entertainment
5. Distribution Services
6. Metal Manufacturing
7. Heavy Construction
8. Transportation
9. Tourism
10. Biopharmaceuticals

Key Recommendations:

- None

Regional Dimensions of the I-91 Corridor: An Exploration *(Mt. Auburn Associates, CERC, Citistates Group, 2003)*

This report examines the strategic network of transportation corridors from New Haven, CT to Northampton, MA and the evidence that these corridors create an economic region. It finds that Hartford and Springfield have the strongest connectivity along the I-91 corridor, based on supporting evidence:

- Commuting data provide evidence of relative fluidity
- Precision manufacturing and insurance provide strong cluster relationships
- Economic structure in the region is highly correlated
- Private market ties are growing and are crossing the state border
- Connecticut River is a shared resource that has defined much of the region
- Institutional linkages between the communities have been growing
- Region shares important infrastructure, especially Bradley International Airport and I-91

Key Recommendations:

- Pursue selected corridor-wide activities: transportation, clustering (especially biosciences, distribution, arts and tourism)
- Enhance regional cooperation between Springfield and Hartford
- Enhance sub-regional economic development capacity through regional planning organizations
- Address regional equity, urban poverty, and sprawl
- Create a manufacturing initiative to oversee cross-border initiative for precision manufacturing

Report & Key Recommendations - Metro Hartford Regional Economic Alliance *(National Community Development Services, 2003)*

National Community Development Service, Inc was engaged to assess the community's perception of the MetroHartford Alliance and the extent of support for its four-year economic development program. This report

summarizes the opinions of 79 interviewees from a cross section of public and private business and opinion leaders in Metro Hartford. It also includes a \$10.4 million 4-year budget (\$2.6 million annually) for a regional economic development program and a plan for fundraising. Key program components include IFS cluster growth, a regional marketing plan, increasing retention of young professionals, and establishing healthcare and precision machinery clusters.

Eighty-five percent of business leaders perceived the region's economy as "fair to poor" over the last 4 years. The primary perceived obstacles to growth in the area include a high cost of doing business and lengthy permitting process, the poor condition of Hartford's downtown area, disengaged leaders, and over-reliance on insurance and financial services and defense clusters.

Key Recommendations:

- The Alliance should undergo an internal examination of its operations, and clearly define and account for money spent on economic development projects
- Coordinate with other economic development groups in the region in order to avoid duplication and unify the region's economic development goals

Report on the Skill Competency Needs of Companies in the Greater Hartford Region (*Michael Robertson, 2003*)

Retention of graduates from colleges in the Hartford-Springfield region is one of the leading challenges for future economic growth; more than 70% are leaving the region upon graduation to work elsewhere. Graduates preferred to stay in the area but left due to perceived lack of job opportunities. This report surveyed hiring practices for the fields of information technology, insurance and financial services, and actuarial science.

Key comments include:

"We have always had to relocate engineering students because programs at regional schools are not strong enough."

"When we hire outside of Hartford, we tend to lose people after a year."

Key Recommendations:

- Create a Business Skills certificate program with topics on:
 - Business communication and presentation skills
 - Leadership in the work world
 - Introduction to accounting
 - Mandatory internship
 - Career planning, resume and cover letter writing, interview skills, and networking

Connecticut Capital Region Home Sales Price Report (*Capitol Region Council of Governments, 2004*)

This report presents regional Hartford residential sales price data and analysis for fiscal year 2004. Overall, the median sales price for all categories of homes sold reached \$191,000, a 9.1% increase over fiscal year 2003. The City of Hartford saw a 13.6% increase in median sales price, exceeding nearby suburbs. Only 8% of homes in region were affordable for low-income families. Nearly half of the affordable housing stock was located in just five municipalities: Hartford, East Hartford, Manchester, Enfield, and Vernon.

Key Recommendations:

- None

Capital Region Transportation Plan: A Guide for Transportation Investments Through 2030 *(Capitol Region Council of Governments, 2004)*

This report focuses on transportation system networks and broad policy guidance. It outlines the region's greatest transportation needs, identifies which problems are highest priority, and outlines how the region should spend its limited capital funds for transportation projects.

Key Recommendations:

- Support transit oriented development along transit lines
- Maintain and update the regional land use database
- Develop better land use forecasting tools using GIS and the database
- Enhance support of Bradley International
- Add a freight transport system
- Improve efficiency of existing infrastructure rather than building new infrastructure

The Changing Demographics of Connecticut Part II – The Five Connecticut 1990-2000 *(Center for Population, 2004)*

This report separates Connecticut towns into 5 distinct groups, based on socioeconomic factors: Wealthy, Suburban, Rural, Urban Periphery, and Urban Core. Based on census data, the most important socioeconomic issues in Connecticut between 1990 and 2000 were:

- Concentration of income gains among wealthy
- Concentration of minorities in the urban core
- Loss of 28% of rural Connecticut
- Loss of racial diversity in suburban Connecticut
- Increasing poverty and low educational attainment in rural areas
- Increasing poverty in the urban periphery
- Extremely stressed conditions in urban core
- Statewide growth in extreme poverty
- Rapid increase in public school enrollment

Key Recommendations:

- None

Partnership for Growth II: A Competitiveness Agenda for Connecticut *(Governor's Council on Economic Competitiveness and Technology, 2004)*

This report recommends specific steps Connecticut should take to continue to build the globally competitive economy necessary to secure greater prosperity for its residents. It was meant to serve as a basis for legislative changes and encourage participation in industry cluster efforts across all institutions. Five overarching policy goals are:

- Increasing the competitiveness of small and mid size manufacturers
- Capitalizing on technology and innovation assets
- Expanding business growth in inner cities
- Strengthening economic foundations
- Building up private-public collaboration and commitment

Key Recommendations:

- Launch Next Generation manufacturing initiative
- Establish a technology seed capital fund

- Make the R&D tax credit exchange a permanent fix
- Increase training for tech company employees
- Establish a tech committee of the General Assembly
- Level the playing field among corporations by making corporate tax benefits available to all companies
- Create a high-powered Technology Transfer and Commercialization Strategy
- Strengthen community college system by creating an industry cluster resource center linked to the colleges
- Create a major public awareness campaign on Connecticut's entrepreneurial culture
- Establish a \$25 million private equity Connecticut Inner City Investment Fund
- Improve legislation regarding inner city investments

Conservation and Development Policies Plan for Connecticut (*Office of Policy and Management, 2004*)

This 5-year plan outlines statewide principles designed to achieve a balance between conservation and development guidelines. Under Connecticut "home rule" law, only state agencies are required to comply with this plan. Local municipalities have the authority to regulate local land use. The report also tries to encourage regional cooperation and build support for local adoption of policies.

Key Recommendations:

- Redevelop and revitalize regional centers and areas with existing and currently planned infrastructure
- Expand housing opportunities and design choices to accommodate a variety of household types and needs
- Concentrate development around transport nodes and along major transportation corridors to support the viability of transportation options
- Preserve and restore natural environment, cultural and historical resources, and traditional rural lands
- Protect and ensure integrity of environmental assets critical to public health and safety
- Promote integrated planning across all levels of government to address issues on a statewide, regional, and local basis

Griffin Busway Feasibility Study: Final Report (*Capitol Region Council of Governments, Wilbur Smith Associates, 2004*)

This study explores the feasibility of bus rapid transit service from downtown Hartford to Bradley International Airport.

Key Recommendations:

- Although the Griffin corridor is recommended for rapid transit, federal funding is not currently available for the project. Until that happens, transit improvements should be made along the corridor, including park-n-ride facilities and bus shelters

Connecticut's Insurance Regulatory Environment – A Gap Analysis (*MetroHartford Alliance, 2004*)

The gap analysis showed that Connecticut has a favorable regulatory environment for attracting IFS industries, but is not marketing itself as well as its competitors. In fact, there is a perception that Iowa has closed the gap on the title, "Insurance Capital of the U.S." Recommendations for enhancing the marketing environment are outlined.

Key Recommendations:

- Create position of IFS “Ambassador” with responsibility for attracting IFS business
- Encourage state agency support of IFS:
 - Insurance Commissioner: Expedite product approval processes
 - Attorney General: Jointly and proactively explore IFS issues being considered for legal action
 - General Assembly: Understand the economic impact created by IFS industry
 - General Assembly Committees: Act upon health insurance issues including medical malpractice, mandates, certificate of need, and cost shifting
- Partner with trade associations and business groups to remove barriers to business growth

Connecticut's Tax Climate: A Gap Analysis (*MetroHartford Alliance, 2004*)

This report outlines ways to improve the corporate tax climate in Connecticut for Insurance and Financial Services companies. Combining a mixed incentives climate with a heavy tax burden, Connecticut does not rank highly compared to other states. Based on “fiscal balance” – a measurement of the rate at which taxes have grown faster than citizens’ incomes – Connecticut ranks 47th out of 50 states.

Key Recommendations:

- Eliminate sales and use tax on management services
- Explore and implement incentives for both short and long-term growth
- Request external review of state incentive program

Potential For Growth: Medical Device Industry in I-91 Corridor (*BEACON, 2004*)

Fifteen percent of New England’s medical device manufacturing employment is consolidated in three metropolitan areas along the I-91 corridor: New Haven, Hartford, and Springfield. The industry as a whole is poised for growth due to the “graying” of America and rapid advancement in technological innovations. However, between 1994 and 2004, the I-91 corridor lost 2,000 jobs in the industry. The study finds that the region has the qualities essential for support of the industry, including top-ranking hospitals, advanced research facilities, and a highly education population, but is not capitalizing and publicizing these strengths to medical device companies.

Key Recommendations:

- Conduct follow up meetings to flush out recommendations

Medical Device Industry in I-91 Corridor: Follow-Up Meetings Report (*Loren Walker, 2004*)

This report follows up on the previous one and outlines strategies to realize the potential of medical device industry up and down the I-91 corridor. In this corridor, more than 300 businesses are directly involved in the production of medical devices, but they are not effectively being supported. The region cannot afford for these companies to relocate.

Key Recommendations:

- Establish a public/private venture capital fund for start-ups and early stage medical device companies
- Claim regional advantage by bridging the early-stage funding gap
- Map region’s medical device manufacturing supply chain
- Create regional medical device industry directory to help connect firms with suppliers
- Establish a mechanism that connects research community with technology-user community: promote/subsidize regional technology transfer

- Conduct a formal study of other regions' medical device industry support
- Schedule medical device industry-related events throughout corridor to foster regional cohesion
- Establish tailored manufacturing/engineering programs linked to industry needs
- Establish niche-market training programs, e.g. medical technology
- Establish a Medical Device Studies chair at area universities
- Support a climate of entrepreneurialism in education system and workplace
- Educate government officials about I-91 Corridor's medical device industry
- Create and publicize economic incentives for medical device firms
- Define the region's identity and stick with it
- Target eastern MA companies for expansion into I-91 corridor
- Market region's medical device industry at established medical device enclaves
- Build a reputation in market-niche of precision-crafted medical devices

New England's Creative Economy: Employment Update (*Creative Economy Council, 2004*)

The previously reviewed 2001 study of the creative economy is updated in this report. Data shows that, although New England retained its position as a leader in the creative economy, employment in the sector grew at a slower rate than the national average – indicating an erosion of regional strength.

Key Recommendations:

- Update annually for further analysis

Business Perceptions of New England (*Center for Survey Research and Analysis at the University of Connecticut, 2004*)

This survey is designed to measure 1) outside opinions of New England from a business and regulatory perspective, 2) ratings of New England as a place to live and work, 3) reasons for and against expanding/locating operations in New England, and 4) New England's performance on a variety of business metrics.

The findings show that there is a discrepancy between a high opinion of New England as a place to live and a low opinion (due to high costs) of New England as a place to do business.

Key Recommendations:

- None

Hartford-Springfield Knowledge Corridor - Medical Device Industry Assessment Survey (*Hartford Springfield Economic Partnership, 2004*)

The purpose of this report is to assess the status and potential of the medical device industry in the Hartford-Springfield region. Competitive advantages for the region include easy access to area universities and hospitals, top-quality precision manufacturing facilities, and skilled labor. The location is suited to serve major northeast markets like New York and Boston, with a lower cost of living and higher quality of life than similar biomedical device areas. Additionally, the transportation network of highways and airports is strong.

Key Recommendations:

- None

A Report on Connecticut's Technology Preparedness (*Technology Partnership Practice, 2004*)

This report examines how well prepared Connecticut is for future economic growth. It outlines 10 key findings:

1. Connecticut competes on the quality and skills of its workforce
2. Connecticut has a mixed record of success in generating technology-based graduates
3. Imbalances remain between the supply of new graduates and job openings across a range of technology-related fields including K-12 teachers
4. Connecticut performs well in K-12 education, but urban pockets are in distress and gender issues exist
5. Demographic shifts threaten Connecticut's ability to ensure an available workforce in years to come
6. Connecticut is a leader in the country in industry-based R&D, but is falling off the national pace
7. Connecticut's university R&D base is small, highly concentrated in life sciences, and falling behind
8. Federal R&D is a key driver of research activity in Connecticut
9. Connecticut is in good standing across innovation measures, but is not keeping pace
10. There is a healthy level of industry presence across a wide base of existing and emerging technology fields in Connecticut

Key Recommendations:

- Institute an "innovation challenge grant" available on a competitive basis for higher education and vocational technical schools
- Create better opportunities for small business by developing centralized assistance at the state level
- Expand the College of Technology program
- Build upon the Connecticut Career Choices effort and scale statewide with additional technology areas
- Develop a "Next Generation" manufacturing initiative to identify funding sources for workforce development

Connecticut Insurance & Financial Services Cluster - Shared Action for Growth (*MetroHartford Alliance, 2005*)

This report focuses on the accomplishments of the IFS Cluster Board in 2003-2004 and outlines the action plan for 2005. Highlights include recruitment of various companies, (North Carolina Mutual Life, ING U.S., and Colonial Supplemental), career seminars at area colleges, and the development of a public policy platform.

Key Recommendations:

- Transform the IFS Cluster into a more prominent entity operating with full authority of Governor and with guidance and wisdom of industry executives. Focus on comprehensive development of state's IFS industry -- marketing, promotion, program development, and enhancement of business climate

Economics and Demographics in Connecticut - A Collision in the Making? (*Connecticut Office of Workforce Competitiveness, 2005*)

Connecticut has a rapidly aging workforce and is not attracting young talent to replace it. The majority of the young workforce in Connecticut does not have the skills necessary for the workplace. In addition, business costs are high in Connecticut and require high productivity levels to remain profitable. In order to eliminate this disparity, attention must be given to attracting and/or training young talent.

Key Recommendations:

- None

Building Upon Connecticut's Core Technology Competencies in the Knowledge Economy (*Connecticut Office of Workforce Competitiveness, 2005*)

This report details and analyzes Connecticut's core technology strengths and competitive position. Currently, Connecticut is a national leader in the knowledge economy, with strengths in precision manufacturing, insurance and financial services, and biomedical research. However, the basic foundations in the industries are lagging and need attention. The study contends that Connecticut can remain a leader in the industry by focusing on four core technology platforms: advanced product development, translational medicine, advanced information systems, and biomedical engineering.

Key Recommendations:

- Focus investments on strategic technology opportunity areas
- Focus investments in four main activities: talent generation, basic research enhancements, applied research, and innovation
- Place a priority on initiatives promoting multi-institutional collaboration and a mix of activities across talent, technology, and innovation
- Ensure matching fund requirements across activities
- Manage as a single comprehensive program under the direction of an industry-government steering council

Building Upon Connecticut's Core Competencies in the Knowledge Economy (*Connecticut Office of Workforce Competitiveness, 2005*)

In order to succeed in the global knowledge economy, states must find their "niche" and build upon their competitive advantage in the technology marketplace. A framework for the succeeding in this endeavor involves 4 rules: 1) Think "Regionally" not Politically, 2) Focus on Clusters, 3) Create Input Advantages, and 4) Collaborate to Compete. This presentation outlines 2 key core competencies found in Connecticut: Physical Sciences and Engineering and Biosciences.

Key Recommendations:

- Create a permanent state Competitive Council Working Group to define and carry out actions that enhance the economy

Sustainable Prosperity – An Agenda for New England (*The New England Council, 2005*)

This report sounds a warning that New England is losing out to many other regions of the country because it's not economically competitive. The key to becoming competitive is collaboration. It brings out that housing costs are high, population is aging, young professionals are leaving, and jobs and industries are going with them. The study compares New England to Greater Atlanta, the Research Triangle in North Carolina, and Northern Virginia and points out that while these regions are seeing economic growth, New England is stagnant. While there are great private universities in the region, the public universities are providing less value than those in competing regions due to limited funding.

High business costs, poor marketing, and inadequate transportation infrastructure all contribute to New England's economic problems. However, several recommendations are suggested to make the region more competitive.

Key Recommendations:

- Develop specialized worker training programs that bolster existing industries such as biotechnology and life sciences.
- Improve rail linkages throughout the region.

-
- Mitigate high costs by implementing a “best-shoring” concept to locate operations in lower cost areas - specifically the I-91 corridor.
 - Promote brand aggressively.
 - Collaborate between states.

International Air Cargo Market Analysis *(The Campbell-Hill Aviation Group, Inc., date unknown)*

This study confirms the viability of international cargo flights to Bradley International Airport, but that is subject to the cost and time competitiveness of air services relative to that available at the regions' other major airports, including JFK International, Newark, and Boston Logan. It finds that the Bradley's primary region would cover nine states in New England and the upper Mid-Atlantic. Regional statistics and interviewees identified Europe as the primary air trade market.

Key Recommendations:

- Attract a European passenger flight with cargo capacity

A Comparative Cost Analysis for Financial Services Call Center Operations *(The Boyd Company, Inc., date unknown)*

This report projects major geographically variable operating costs for occupancy and staffing specifications of a 250-worker financial service industry call center. Hartford is included in the report and is calculated as one of the highest cost locations, at an annual cost of \$12.9mm.

Key Recommendations:

- None

The leadership in the Metro Hartford region has invested a great deal of time, talent, efforts, and funding to improve the region's economy and expand economic opportunity for area residents.

Since enduring an economic downturn in the 1990s when many jobs left the region, various studies have been commissioned regarding a variety of economic development matters. Regardless of the specific purpose of each of these plans, the underlying goal of the recommendations was to build a stronger economy for the Metro Hartford region. Many recommendations and challenges the Metro Hartford region faces should come as no surprise. Assessing the major issues facing the region is an important and necessary part of our process, providing a context to determine appropriate recommendations. However, without the implementation of these recommendations, many problems affecting the community and region will continue. This report will view these challenges strictly from an economic development perspective and will outline how they relate to the creation and attraction of jobs and investment in the Metro Hartford region.

This chapter will provide an inventory of issues facing the Metro Hartford region and assess the degree to which they affect future economic development. This will include issues that we have identified through focus groups, interviews, research, and discussions with staff. It also includes strengths, weaknesses, opportunities, and threats (SWOT) identified in the numerous reports summarized in the previous chapter.

In the following sections, we examine input from community and regional leaders, business leaders, political leaders, and others involved in building the economy of the Metro Hartford region on the strengths, weaknesses, opportunities, and threats in five key areas:

- **Business Climate and Entrepreneurship**, which includes factors such as location, business costs, regulatory environment, and access to capital
- **Workforce and Education**, which includes the overall quality and skills of the workforce, and the education and training system in place to improve their skills
- **Sites and Infrastructure**, which includes the availability of land and buildings compatible with an industry's needs, reliable transportation systems, and high quality water, wastewater and power systems
- **Quality of Life**, the tangible and intangible qualities that attract and keep people in a community
- **Economic Development Efforts**, which examines both the economic development efforts a community undertakes and the overall conditions that help or hinder economic development

We focus on points that will influence location and expansion decisions of businesses and their site selection consultants, such as their ability to attract and retain a qualified workforce, reliable infrastructure, a favorable business climate, and other factors. We do not intend this analysis of issues to be all-inclusive. Rather, we focus on those areas that will have the most direct impact on future economic development efforts of the Metro Hartford region.

While the assessment in the first chapter is a quantitative analysis of the region, this issue analysis is a qualitative analysis that studies opinions and perceptions of the area's stakeholders on conditions in the region. In the initial phase of this project, we conducted focus groups, interviews, and reviewed a number of previous studies to gain insight about the region. By receiving input from a broad base of individuals, business representatives and regional leaders, we are able to better understand how the factors listed below are perceived. It is important to examine the self-perceptions that are prevalent in the Metro Hartford region because they directly relate to workforce development, business retention, and recruitment. Understanding

the region's assets and weaknesses will allow us to form recommendations that accentuate the positive aspects and address the negative perceptions of the region.

In our summary of SWOT identified in past reports on the Metro Hartford region, we define the four aspects of "SWOT" in these terms:

- **Strengths** (Positive, Internal): Local issues or characteristics that can be built upon to advance current and future economic growth opportunities in Metro Hartford.
- **Weaknesses** (Negative, Internal): Local issues or characteristics that, if not addressed effectively, could limit current or future growth opportunities in Metro Hartford.
- **Opportunities** (Positive, External): External events or trends that offer Metro Hartford potential for economic growth and attraction of new industry.
- **Threats** (Negative, External): External events or trends that, if not addressed effectively, could threaten Metro Hartford's future and its ability to attract new industry.

Strengths Positive Internal	Opportunities Positive External
Weaknesses Negative Internal	Threats Negative External

Before we begin a discussion regarding the feedback we received from the community, it is important to make a few comments regarding the issue analysis. The process of honestly assessing the positive and negative aspects of the business and economic climate in Metro Hartford is an important component of this entire economic development planning process. It allows the region to make a clear-eyed appraisal of those characteristics or factors it can use to build the economy and those that it will have to acknowledge or overcome to make economic development efforts successful.

This process is *not* intended in any way to serve as a vehicle to simply criticize, nor does it place blame. That is counter-productive. Rather the process of issue identification and SWOT summary gives us a realistic inventory of assets or limitations that we can use to develop realistic, effective recommendations.

The findings presented in this report reflect the collective effort and input of numerous individuals representing the public and private sectors. We thank them for their time, their valuable insights, and their commitment to this project.

Business Climate

The Metro Hartford region has a number of strengths that would make it attractive to prospective employers:

- Proximity to New York City & Boston
- Recognition as the insurance capital of the country
- High median income & educational attainment
- Bradley International Airport is one of the fastest growing airports in the United States
- Highly productive workforce
- Knowledge Corridor location provides access to area universities and hospitals for research & development support and testing facilities
- New downtown convention center

Despite these positive characteristics, there are issues affecting Metro Hartford's business climate that must be addressed if the economy is to prosper again. These issues include:

ISSUE 1:

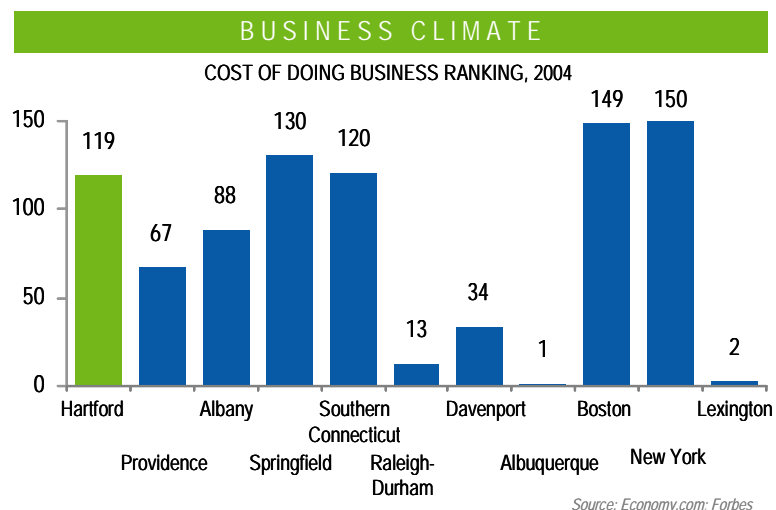
The cost of doing business is high and driven by reliance on the property tax

According to the conducted resident survey, residents felt that changing Connecticut's property tax structure should be the number one economic development goal for the region. Focus groups and interviewees shared the

perception that the Metro Hartford region is an expensive place to do business, and cited high property and sales taxes, high labor, health care, and workers' compensation costs, and the time and expense related to permitting and development.

In Forbes' ranking of the cost to do business in the 150 largest metropolitan areas (1=best, 150=worst), the Hartford MSA was rated the 119th most expensive place to do business.

This index is based on cost of labor, utilities, taxes, and office space.



According to a survey of site selectors on "Business Perceptions of New England", only 18% of site selectors said New England was friendly to business, and 58% cited cost as the primary reason not to expand in New England.

"The Connecticut Economy" rated Connecticut as the 4th highest cost state to do business in 2003.

ISSUE 2:

Little corporate expansion in central city

The deterioration of the City of Hartford has both resulted in, and been the result of, the loss of corporate investment there. According to standard and Poor's, **the city's total tax base declined by 38% between 1990 and 2000.** Vacancy rates with the Central Business District (CBD) are much higher than the national or regional average.

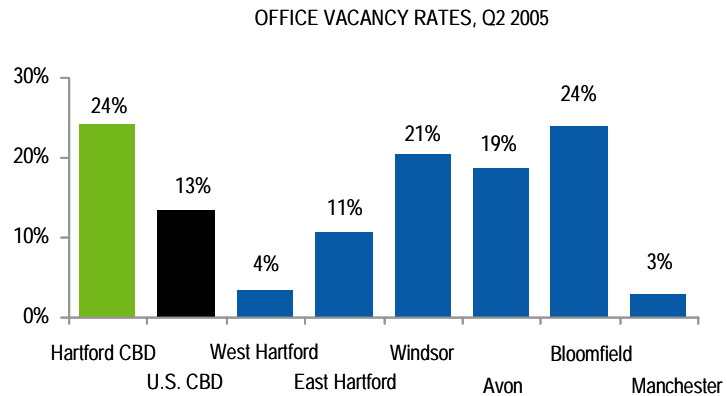
"Corporations do not want to be asked to make a commitment in Hartford.."

Interviewee

While there does appear to be an increase in construction activity downtown, there is very little new commercial space under construction. The convention center has been a major public investment, and developers have begun to build housing units downtown where abandoned and decaying buildings once stood. Exciting development opportunities include Downtown West & North developments, mixed-use developments.

However, there have been few corporate expansions or relocations downtown. In fact, corporations are moving out of the city for surrounding towns due to the lack of appropriate office space. ING recently announced plans to leave downtown for East Hartford.

OFFICE VACANCY RATES



Source: CBRE

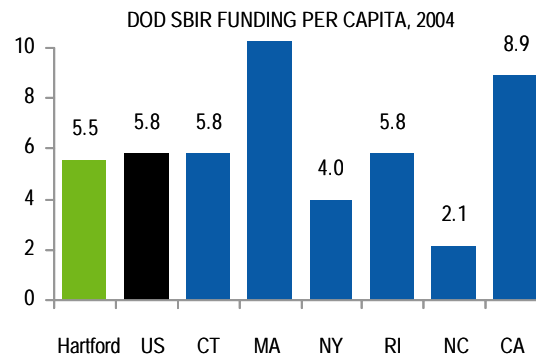
ISSUE 3:

Lack of an entrepreneurial support system

An important way to boost local wage levels and to provide unique opportunities is by empowering area residents to be more entrepreneurially driven. **It is estimated that as much as 70% of future business growth and job development will come from entrepreneurial ventures.**

Though there are several business incubators in the region, there are few other support mechanisms in place for entrepreneurs wanting to start new businesses or support mechanisms for small businesses in operation.

SMALL BUSINESS FUNDING



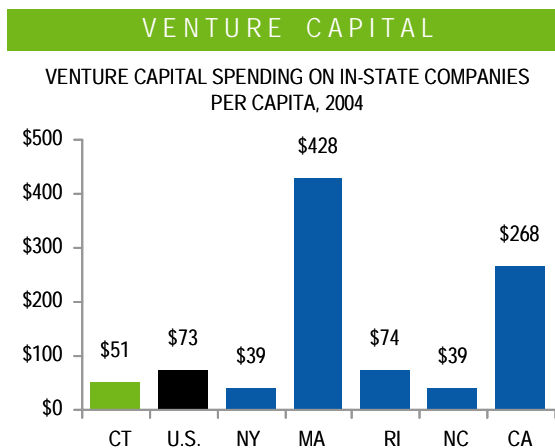
Source: DOD

In NSF's ranking of number of business incubators, Connecticut dropped from 18th in 2000 to 34th in 2002. In 2003, Connecticut ranked 47th in a ranking of new companies as a percentage of total employer firms. Only 8.9% of all firms were new companies, compared to the U.S. average of 10.1%.

Statewide incubators include the Institute of Technology and Business Development at Central Connecticut State University (housing more than 15 companies), the Connecticut Enterprise Center, the Center for Science and Technology Commercialization at the University of Connecticut, and the proposed Innovation Center at the Connecticut Center for Advanced Technology (CCAT).

Venture capital and angel investor networks are a vital part of an entrepreneurial support system. As the local entrepreneurial climate improves, more attention will be paid to the region, first by angel investors, and then by venture capital companies and the region will begin to develop new ventures.

There are very few identifiable sources of early seed venture capital funding. One organization, the Angel Investor Forum, is a relatively new investor network, but it is one of the few operating in the region currently. Comments by current small businesses point to **early stage, seed funding as the number one venture capital issue.**



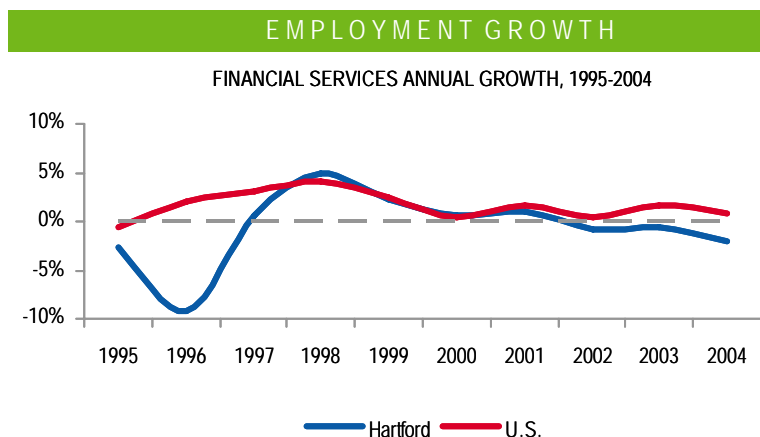
Source: Venture Economics

ISSUE 5: Diminishing presence as “Insurance Capital”

For years, Hartford has been known as the insurance capital of the U.S., if not the world. However, that has changed. **As companies experience mergers and buyouts, the corporate headquarters of the major insurance companies have relocated, resulting in flat employment growth rates within financial services.** Classified within financial services, insurance employment in the region has steadily declined since 1990 and Des Moines, IA now has the highest % of insurance employment of any city in the U.S, 0.4% to Hartford's 0.3%.

This is critical because the average weekly wage of finance jobs in the Metro Hartford region in 2004 was \$1,665, 80% higher than the average weekly wage of \$930.

While insurance and financial services is still a major business cluster, leaders in Hartford have begun realizing that the region



cannot be too dependent on this cluster for economic health. There is a need for a more intense focus on developing additional clusters identified in previous reports and that will be identified in the forthcoming Target Industry Report.

ISSUE 6:

The region has not been highly responsive to the shift to “knowledge-based economy”

Manufacturing has always been a major component of the local economy. However, manufacturing jobs have been leaving the U.S. at a high rate, going to other countries with lower wages and lower cost operating environments. Between 1990 and 2004, manufacturing employment in the United States dropped by 19%, while it dropped by 33% in the Hartford MSA.

Manufacturing remains a major employer in the region, but the region has not adequately responded to the changing economic landscape. A report by the Battelle Institute found that Connecticut is not keeping pace with the United States in patent activity, SBIR awards, or venture capital.

The Milken Institute defines this change to a “knowledge based” economy:

“The old engines of economic success were the accumulation of physical assets, proximity to waterways, railways, raw materials and cheap labor. **The new engine of regional economic prosperity is based upon how successful a given location is in attracting and expanding technology and science assets and leveraging them for economic development.**”

ISSUE 7:

Business leaders are somewhat skeptical that this CEDS planning process will yield anything new

After having participated in the development of numerous plans, studies, and reports over the past decade with little perceived follow-through, business leaders are understandably skeptical that this economic development plan will be implemented or

have any positive effect on economic growth. Since most successful economic development efforts are led by the business community with support from government and nonprofit organizations, **it is critical that business leaders be heavily involved in the development and implementation of the recommendations in this plan.**

“There is an inability to execute a regional strategy plan...”

Interviewee

Previous reports, plans, and studies on the Metro Hartford region have identified the following strengths, weaknesses, opportunities, and threats:

BUSINESS CLIMATE SUMMARY	
STRENGTHS	WEAKNESSES
Proximity to New York City & Boston	Lack of champions from private sector to drive change & growth
The area has been recognized as the Insurance Capital of the Country	High cost of doing business
High median income & educational attainment	Reliance on property taxes
Bradley International Airport is one of the fastest growing airports in the United States	Lengthy permitting & licensing process
Highly productive workforce	High crime & poverty rates in Hartford
Knowledge Corridor location provides access to area universities and hospitals for R&D support and testing facilities	Lack of venture capital funds available
New downtown convention center	Neutral image outside of insurance industry
OPPORTUNITIES	THREATS
Continue and expand downtown revitalization	Lower cost to do business in other regions
Lessen reliance on property tax through tax reform	Migration of financial services to other regions
Create Angel/Seed Funds for technology development	Lack of strong relationships between state and municipal governments
Expand the Hartford Image campaign throughout the region	Labor force stagnation
Develop a MetroHartford regional or statewide Business Roundtable	Unaffordable housing
Strengthen efforts behind Fuel Cells/Bio-Science to diversify economy	

Conclusion

Metro Hartford is the heart of a state with significant business climate disadvantages. It has lived too long on its reputation as the Insurance Capital of the U.S. and now must make significant strides to remedy and reform recent employment losses. In economic development, "not moving forward" is, in fact, moving backwards.

The political and business climate must adjust to the reality that it will take **visionaries with implementation skills** to guide and grow these communities to stability and then progress. And it will take leadership willing to work to create unique assets to attract interested companies.

Workforce and Education

The workforce in Metro Hartford has a number of strengths that make it attractive to potential employers:

- High median income and educational attainment
- Large labor pool employed in high-tech and professional occupations
- Business awareness about availability of skilled labor
- Knowledge Corridor location (near many excellent colleges and universities)
- Highly productive workforce

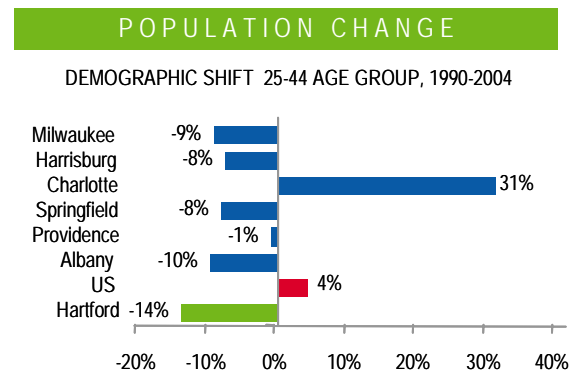
However, Metro Hartford also must face several major challenges that will determine whether the region can maintain the type of workforce that will attract and retain businesses:

ISSUE 1:

Aging workforce and loss of professionals ages 25-44

The current workforce is getting older and nearing retirement. Meanwhile, the region has had difficulty retaining young professionals (those people between 25 and 44 with a bachelors' degree or higher) who have the skills to attract high tech businesses and fill the jobs those businesses offer. **More than 70% of students at the 32 colleges and universities in the region leave after graduation.**

Connecticut is the 7th oldest state in the nation, with a median age of 38.5, and is projected to have a median age of 40 by 2008. Between 1990 and 2004, population within the 25 to 44 age group declined by 14%, compared to 4% growth nationally.



Source: Census

ISSUE 2:

Lack of R&D focus at universities in the region

The lack of ability of colleges and universities in the region to conduct research and development is a major concern. Many companies, particularly high tech companies, are attracted to regions that have colleges and universities with research and development capabilities, which are an important component in turning research into marketable products.

R&D FUNDING, 2002

1. Yale	\$354,243,000
2. UConn	\$172,003,000
3. University of Hartford	\$1,130,000
4. Trinity College	\$464,000

Source: NSF

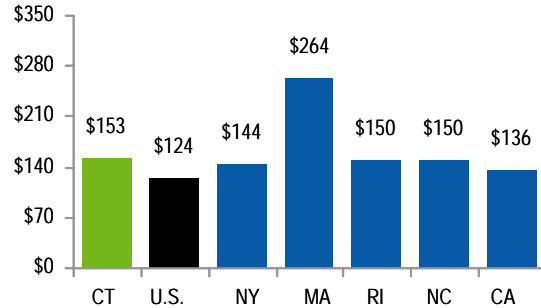
Although the state of Connecticut has higher than average per capita R&D funding, the majority of funding is allocated to Yale University. **These funds do not make their way back to the Metro Hartford region.**

Additionally, 65% of Connecticut's academic R&D is focused on life sciences, not technology or engineering.

Connecticut's ranking for patent activity has declined from 12th in 2000 to 17th in 2002.

UNIVERSITY RESEARCH

R&D FUNDING AT UNIVERSITIES AND COLLEGES PER CAPITA, 2002



Source: NSF

ISSUE 3: Soft skills necessary for today's economy lacking in disadvantaged youth

Employers in the region are concerned that the workforce does not have the necessary skills to fill existing jobs, or attract new companies that require a higher level of skills. Nor is the workforce development system perceived as capable to train the workforce in the type of needed skills (math, computer, communication, and specialized skills such as nursing, auditing, and pharmacy).

In the face of these challenges, the city of Hartford is dedicating resources to youth workforce development.

In 1999, the city of Hartford, with federal funding, launched a five-year intensive effort to develop, "YO Hartford," a comprehensive youth-service strategy to address the poverty and unemployment issues that disproportionately impact urban youth in Hartford. The "YO Hartford" initiative has seen solid results from its collaborative efforts to assist youth in 20 of the poorest census tracts in Hartford, helping 2,000 youth achieve specific educational and employment-related outcomes. The central elements of "YO Hartford" include a state-of-the-art, Web-based case management system and clearly outlined plans that guide youth through the comprehensive set of services and programs. Partners include the Hartford Public Schools, the City of Hartford, and a wide range of public and nonprofit service providers.

Recently, the city updated its youth workforce priorities through the Hartford Future Workforce Investment System and is outlining a blueprint for future strategies.

Additionally, the growing influx of Hispanic residents into the city will require additional resources be dedicated to ESL training and workforce development training for this population.

ISSUE 4:

Poor perception and underutilization of community college education

Business leaders do not view community colleges favorably, because there is a perception that they are not providing the training and education to produce an effective workforce. However, other states have found that effective community college programs can provide great benefit in generating economic growth. In fact, many precision manufacturing and technology intensive companies have found community colleges are better suited than universities to educating the technicians needed to operate and repair machinery.

“Community colleges are treated as second rate institutions.”

Interviewee

A national model worth further investigation is North Carolina’s New and Expanding Industry Training Program (NEIT). NEIT supports free training projects for approximately 200 companies and 20,000 trainees per year. NEIT is not only the oldest customized training program in the United States, it’s also the national pacesetter. Offered through North Carolina’s 58 community colleges, NEIT has been ranked the nation’s number one worker training program. In order to qualify for the program, companies must create 12 or more new jobs in a North Carolina community in a given year that fall into one of the following categories: manufacturing, technology, distribution, customer service, or air courier service.

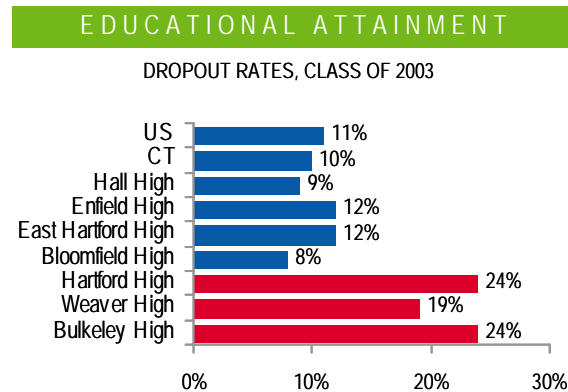
The training services provided through the program are diverse, and may include elements such as customized curriculum and training media development, temporary training facilities, pre-employment orientation and training, technical and performance skills training, and reimbursement for specific company instructional expenses.

ISSUE 5:

Lagging educational attainment in the city of Hartford

The ability of the local public school system to prepare students for college is an important factor when businesses decide where to locate.

Although overall educational attainment is high, the city of Hartford lags the rest of the region. Public schools are not viewed very favorably by business leaders because there is a perception that they are not preparing students to enter either college or the workforce.



Source: CT Dept of Education

Dropout rates at the 3 Hartford high schools significantly exceed regional and national averages. In addition, 40% of all Hartford residents do not have a high school diploma.

ISSUE 6:

Poor perception and underutilization of workforce development system

Highlighted by focus group participants, interviewees, and previous reports, there is a perception that the current regional workforce development system is not responsive enough to the needs of businesses in preparing their employees with the necessary skills needed to remain competitive in business.

According to the business survey, 91% of the respondents have never used workforce development programs. Of the 9% that had used workforce development programs, 25% of them were programs created within their specific company. There exists a greater opportunity to promote workforce development and community college programs that create career pathways targeted at specific industry clusters or specific labor pools, including disadvantaged youth.

One example of this type of collaboration exists in Wisconsin. The Workforce Development Board of South Central Wisconsin, in partnership with Madison Area Technical College (MATC) and area employers, has developed a strategy to integrate Workforce Investment Act (WIA) and post-secondary funding to support a broad-based career pathway. The goal of the bridge is to prepare all participants for the entry-level standards of community college degree and training programs. The Workforce Investment Board (WIB) will use WIA funds to create a program that will be delivered at the college and at participating community organizations. WIA participants enrolled in the program will also become MATC students and will likely be eligible for post-secondary aid. In addition, the WIB will work with employers to create a customized career pathway that will include paid work experience under written by both WIA and work/study resources.

Previous reports, plans, and studies on the Metro Hartford region have identified the following strengths, weaknesses, opportunities, and threats:

WORKFORCE & EDUCATION SUMMARY	
STRENGTHS	WEAKNESSES
<p>High median income and educational attainment</p> <p>Large labor pool employed in management and professional occupations</p> <p>Businesses locating in Hartford noted that the primary draw to the area is the availability of skilled labor</p> <p>Knowledge Corridor location (near many excellent colleges and universities)</p>	<p>Aging workforce</p> <p>Out-migration of young professional population</p> <p>Lagging educational attainment in the City of Hartford</p> <p>Difficulties with interpersonal communication, writing, math and computer skills</p> <p>Poor perception of community colleges</p> <p>Perception of racial divide</p> <p>Poor perception of workforce development system</p>
OPPORTUNITIES	THREATS
<p>Continue to expand opportunities for young professionals</p> <p>Promote retention of college students</p> <p>Strengthen linkages between businesses, community colleges and higher education institutions</p> <p>Service sector will be a major driver of the economy and Hartford workers are well prepared</p>	<p>Stagnant population growth</p> <p>Potential worker shortages</p> <p>Continued loss of younger workers</p> <p>Community Colleges/Universities need to connect with business for future workforce needs</p>

Conclusion

Young, educated professionals form the backbone of future growth in a regional economy. Without an educated and skilled workforce, it is nearly impossible for a company to expand in, or relocate to the area. This point cannot be overemphasized. It is incumbent upon a community to retain and attract young professionals and to work with its public schools, technical schools, and institutions of higher learning to provide the facilities and programs that will work to properly prepare and educate its citizenry for quality jobs.

Metro Hartford must make an effort to make the attraction and retention of a highly skilled labor force a priority.

Sites and Infrastructure

Strategically located between New York City and Boston, with several major highways running through the region, and a host of other valuable features, Metro Hartford is well positioned to offer potential businesses the infrastructure they need to operate a successful business in the region:

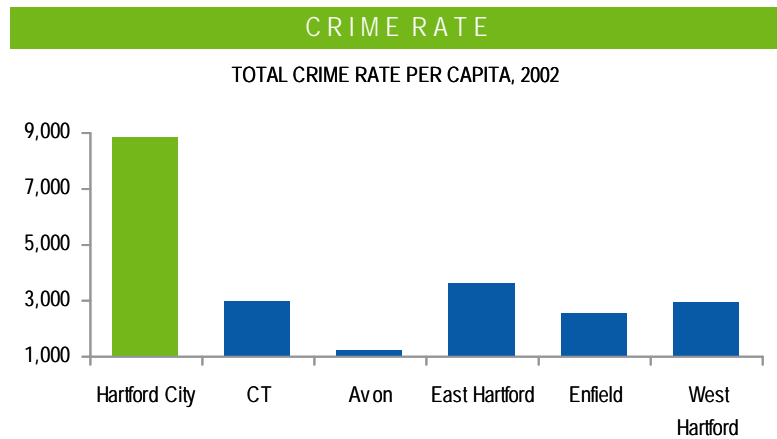
- Location on I-91 corridor
- Accessible to New York City & Boston
- Increase in investment in downtown Hartford
- Presence of Bradley International Airport
- Recognized for wired and wireless infrastructure

However, there are aspects of sites and infrastructure that must be enhanced or corrected, or they could inhibit the community from realizing its desired economic future. These aspects include:

ISSUE 1: Blighted neighborhoods drive away investment

The deterioration of Hartford neighborhoods and the attendant problems of that deterioration (e.g., crime, poverty) are a major concern. **This blight has driven away investment and tax base to the other communities in the region.**

High vacancy rates and abandoned buildings are major drivers of crime. Per capita crime rates within the city far exceed regional averages.



Source: CT Uniform Crime Statistics

ISSUE 2: Limited inter-modal transportation systems, including commercial rail, inter-regional commuter rail, and intra-regional transit

Limited commuter rail services and commercial rail services between Hartford, New York, and Boston are considered major disadvantages to the region. Limited commuter rail service has been decried by residents as one of the foremost impediments to economic growth.

The only passenger rail service available is regional Amtrak service on shuttle trains that run between Springfield and New Haven, where they connect with other Amtrak Northeast Corridor trains only **once per day**



and are cost prohibitive. Currently, the state is exploring the feasibility of a commuter rail line to link Hartford with New Haven, Springfield, and Bradley International Airport.

There are movements to address some of the transit issues. The Connecticut Department of Transportation has proposed to construct the New Britain-Hartford Busway, a 12-station, 9.6-mile exclusive bus rapid transit system operating primarily in an existing and abandoned railroad right-of-way on a new two-way roadway between downtown New Britain and downtown Hartford's Union Station. The busway would run parallel to Interstate 84, the primary transportation link between New Britain, West Hartford, and downtown Hartford. The project's operating plan calls for a number of bus routes to operate on the Busway, including services that enter and exit the facility to reach destinations well outside of the immediate corridor without the need for a transfer. The project scope includes the procurement of 30 new buses and construction of six small park-and-ride lots along the alignment.

Commercial rail service is also limited. Much of the state's freight railroad infrastructure is below modern vertical clearance and load-carrying standards (22 feet and 315,000 pounds) and rail freight access to the west and south is limited.

Additionally, although the region has 2 major interstates (I-91 and I-84), most major cities in the Northeast are located on the I-95 corridor. Although this reduces traffic congestion in the region, it can be an impediment to businesses wanting to locate on the primary Eastern artery.

ISSUE 3:

Need to expand Bradley International Airport's international capabilities to include transatlantic commerce

Bradley International Airport is ranked as one of the top 10 fastest growing airports in the United States. It has over 230 flights per day and is home to 10 major airlines, 6 regional airlines, and 10 air cargo carriers.

The airport is a major regional asset, one that the Connecticut Department of Transportation has recognized through an investment of \$236 million in major infrastructure improvements. This investment has already prompted private companies to expand their operations at the airport and the adjacent area. Communities surrounding the airport have formed an alliance to spur further economic development and investment. This trend should continue.

In addition, transatlantic flight operations should be aggressively recruited. Bradley could be enhanced as a destination for international cargo companies.

TECHNOLOGY INFRASTRUCTURE

MOST WIRED CITIES, 2005

- AUSTIN, TX
- HARTFORD, CT
- SAN JOSE, CA
- WASHINGTON, DC
- SAN DIEGO, CA

Source: The Forrester Group

ISSUE 4:

Need to take advantage of solid telecommunications infrastructure

Hartford has been recognized as the 2nd most wired city in the country and ranks in the top 60 "cyber cities" for high bandwidth. It has also been recognized as one of the top "unwired"

cities in the country – a city with a high concentration of wireless computer service.

A community in which households own computers and are connected at higher rates signals to a potential employer that the residents of the community will be reasonably tech savvy

Both of these distinctions should be capitalized on to promote the region and attract new companies and workers, who find this type of capacity an increasingly important requirement.

ISSUE 5:

Lack of affordable downtown parking

There are more than 20,000 parking spaces in downtown Hartford, although several of the largest parking lots are separated from the CBD by I-84. The Hartford Parking Authority oversees three parking garages with almost 4600 parking spaces. Daily parking rates within these 3 facilities range from \$12/day to \$19.25/day. Average monthly rates within downtown Hartford reach \$100.

Metro Hartford's greatest challenge is "parking! The city is not visitor friendly."

Survey Respondent

These costs are prohibitive to many employees working downtown, as well as cost prohibitive for visitors, and downtown parking was listed a major barrier to business growth by many respondents in the resident survey.

ISSUE 6:

"Ready to build" sites are limited and hindered by a lengthy permitting process

The perception exists within the community that the permitting process in the region is tedious and time-consuming. Businesses have noted that this process seems to be more difficult relative to other regions.

Additionally, there are few available sites for development. Within the city of Hartford, there are many buildings in poor condition that could be utilized; however, many parcels have high remediation costs and many lots are small and oddly configured. The Metro Hartford Alliance's website does include a database of available sites throughout the region, but there is a lack of coordination in ensuring that these sites are "ready to build."

At the time of this report's publication, in MHA's database, there were NO available plots of land for sale or lease. Regional mechanisms for site assembly are needed.

Previous reports, plans, and studies on the Metro Hartford region have identified the following strengths, weaknesses, opportunities, and threats:

SITES & INFRASTRUCTURE SUMMARY	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> Location on I-91 & I-84 corridor Accessible to New York City & Boston Increase in investment in downtown Hartford Presence of Bradley International Airport Recognized for wired and wireless infrastructure 	<ul style="list-style-type: none"> Lack of north/south commuter rail passenger service Lack of east/west commercial rail corridors Poor non-highway freight transportation infrastructure Lack of transatlantic flights at Bradley
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Construction and implementation of new transit systems in City of Hartford Expanded cargo and flight opportunities at Bradley Enhancement of commuter rail to New York City & Boston Expanded freight options Promote "2nd Most Wired City" status - extend to city of Hartford Increased residential opportunities in downtown to limit congestion and cost of sprawl 	<ul style="list-style-type: none"> Continued sprawl outside City of Hartford to challenge road infrastructure & downtown infrastructure Lack of commuter rail could hamper growth Increasing energy costs may only make region more expensive relative to competitors Continued population shift to south may affect federal transportation investment priorities

Conclusion

Metro Hartford's strategic geographical location can serve it well, but location itself is not enough. Strong multi-modal connections to other major cities must be enhanced.

Rail and Bradley International Airport are "critical" assets for the region's future growth. Strengthening rail connections between New York City and Boston and further developing Bradley as an international airport will serve the needs of expanding companies in this global economy.

Quality of Life

New England is well known for its high quality of life. Metro Hartford is no exception, and has many related strengths to build upon, including:

- Significant arts and culture presence
- High quality of life rankings
- Connecticut River riverfront
- Abundance of theaters, museums, and other performing art venues
- Smaller cities in the region give the area a “small town appeal”
- Safe, stable, affluent communities outside of Hartford
- Lower cost of living relative to other Northeastern cities

However, one of the most important factors in evaluating quality of life characteristics is a strong downtown with major amenities. **Currently, downtown Hartford lacks many characteristics that businesses desire.** This issue, along with others highlighted below, must be addressed in order to make the region more attractive for economic growth.

ISSUE 1:

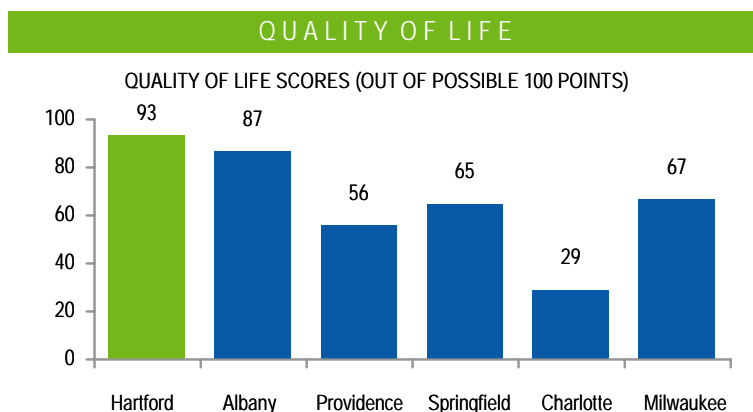
There is a gap between high quality of life and low economic vitality

The Metro Hartford region has a highly desirable quality of life, and has been ranked in the 93rd percentile for quality of life compared to similar MSA's. This index measures Hartford's in terms of medical care facilities, per capita crime, book circulation and libraries, local news sources, cultural arts, sports and recreation, and transportation.

Of these categories, Hartford performed exceptionally well in medical care, library book circulation, cultural arts, and use of public transit.

However, the region also scores very low in economic vitality when compared to similar MSA's, ranking only in the 4th percentile. A recent report found that Connecticut has the worst job growth in the country, but the highest median income.

The great quality of life could be a major attraction for companies and employees if economic growth can be sustained.

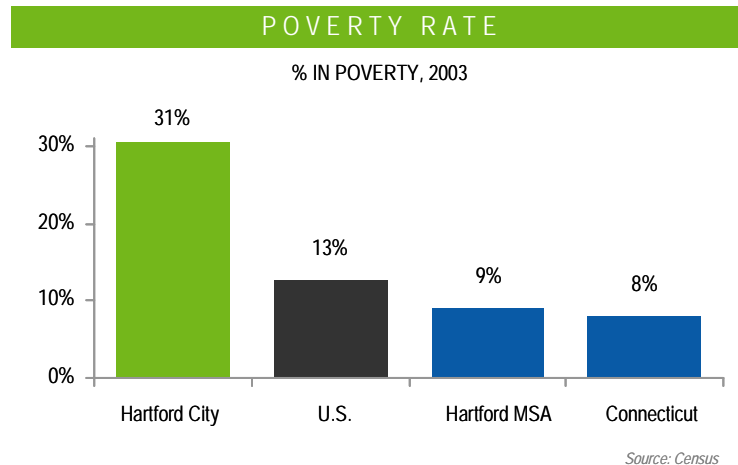


Source: UConn

ISSUE 2: Significant crime and poverty rates in Hartford neighborhoods hinder development

The high crime and poverty rates in Hartford are major issues that will need to be addressed if the region wants to stimulate its economy and attract more companies and employees to the region.

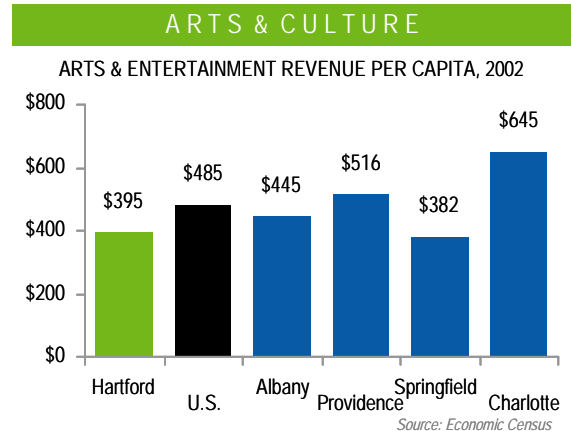
Currently, inner city poverty rates (31%) are more than triple the regional average (9%) and more than double the national average (13%).



ISSUE 3: Growing arts and culture base can be enhanced relative to benchmark communities

The area has a great deal to offer in arts, culture, and recreational activities. There are several highly regarded theaters and museums, the Summerwind Performing Arts Center, Bushnell Park, the Connecticut River, and many other venues that can attract companies and workers.

A recent study conducted by Americans for the Arts for the Greater Hartford Arts Council found that the region's arts and heritage organizations generate a direct economic impact of more than \$244 million each year, **more than three times the national average.**



However, as evidenced by the per capita comparison of arts and entertainment revenue, Hartford residents could still take better advantage of these cultural amenities. Residents of the Hartford MSA only spend \$395 annually on arts and entertainment amenities, compared to the national average of \$485.

ISSUE 4:

Lack of diverse retail, recreational, and entertainment opportunities in downtown Hartford

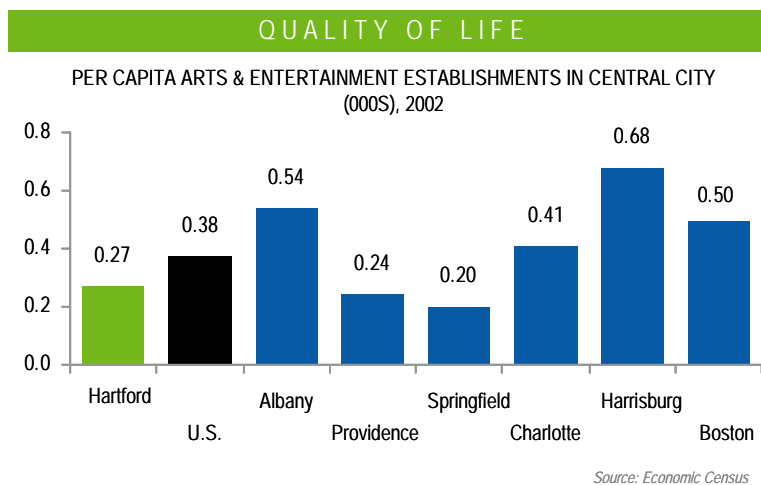
The lack of retail, recreational, and entertainment amenities in Hartford is a significant deterrent to attracting a young professional population and expanding business activity. Developers are clearly expanding residential opportunities for young professionals in the area with the development of downtown lofts and condominiums, but in order to keep them there, **the goal should be a 24/7 downtown.**

There is little retail downtown, including a lack of grocery stores, cafes, bookstores, video stores, and movie theaters.

Compared to other cities, the city of Hartford (0.27) lags the nation in per capita arts & entertainment facilities (0.38).

Downtown Hartford is "just like a movie set –it's got big buildings and sidewalks but no people..."

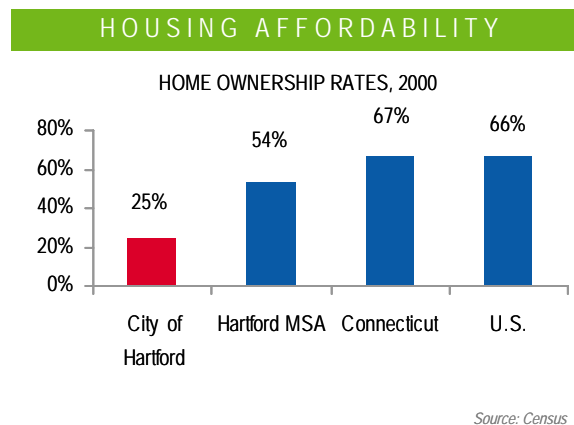
Hartford Advocate



ISSUE 5:

Lack of affordable housing throughout the region and low home ownership rates in the city of Hartford

Seventy seven percent of the region's housing is not affordable to low and moderate income households and prices are still rising much faster than wages. In fact, the City of Hartford has one of the lowest home ownership rates in the country, at 25%. Increases in home ownership rates have been outlined by community development



corporations as the primary means to “stabilize a neighborhood, increase real estate values, stimulate local business development, and reduce crime.”

Although the Metro Hartford region is a wealthy region, the wealth is concentrated in suburban towns surrounding the City of Hartford. As a catalyst to improving the region’s “heart” and enticing activity and investment in the city that will benefit the entire region, home ownership programs must be a focus of regional efforts.

Previous reports, plans, and studies on the Metro Hartford region have identified the following strengths, weaknesses, opportunities, and threats:

QUALITY OF LIFE SUMMARY	
STRENGTHS	WEAKNESSES
Significant arts and culture presence	Poverty and crime in city of Hartford
High quality of life rankings	Lack of affordable homes
Connecticut River riverfront	Lack of major corporate investment in downtown
Abundance of theaters, museums, and other performing art venues	Lack of retail venues in downtown
Smaller cities in the region give the area a “small town appeal”	Out-migration of college students
Safe, stable, affluent communities outside of Hartford	Lack of activities for young professionals
Lower cost of living relative to other Northeastern cities	Perception of public educational systems
	Belief that suburbs don’t need Hartford
OPPORTUNITIES	THREATS
Create a vital downtown with recreational, retail, and entertainment opportunities	Lack of investment in retail and entertainment
Attract and retain young professionals	Lack of funds for improvements
Develop a workforce training program to assist in eradication of poverty	Demand for housing continues to drive up prices
Develop and promote image of entire region	Continued migration to southern and western cities
Promote arts and cultural strengths	

Conclusion

While historically recognized for a high quality of life, Connecticut, and Metro Hartford in particular, are not finding that to be enough to attract residents and employers to the area. There are pervading issues which are hurting the strength of the region’s quality of life: a deteriorated central city, lack of affordable housing relative to other regions, few downtown amenities for young professionals, and a struggling economy.

Quality of Life and all of its many components are very important in recruiting people and business to an area. It is also the primary component of economic development that, if not kept a top priority, *will cause a community to lose its residents and resident businesses the fastest.*

The gap between the historically high quality of life and low economic vitality of the region should not continue. *Quality of life is dependent on economic growth.* However, if a strong economic development plan is implemented well, the high quality of life can be a major attraction for companies seeking to relocate.

Economic Development and Marketing

Metro Hartford has done an extraordinary job of focusing resources and investment in understanding the region's economic development issues. There are also tremendous economic, educational, and technological resources in the region to help drive effective economic development efforts. These include:

- MetroHartford Alliance is a leader throughout region and can facilitate change
- Strong presence of managerial/professional workforce
- Strong “knowledge clusters” base, including IFS, aerospace, medical devices, and biotechnology
- Large research parks through CCAT & UTC
- Bradley International Airport

However, successful implementation of numerous economic development efforts has eluded the region. In order to be successful, future regional strategies must address the following issues.

ISSUE 1:

Need to develop community champions from business, education, and government

At one time, the leaders of the major U.S. insurance companies lived and worked in Hartford, and had a major influence on life in Hartford and the region, from economic development to civic improvements to funding for arts and cultural activities. They were known as “the Bishops.” When mergers and buyouts changed the corporate structure of those companies and the corporate headquarters of those companies left Hartford, the community lost a great base of civic leadership from the corporate community. Though there are clearly individual leaders in the region, there is still a need to build a larger base of community leadership. **The level of leadership within the community is not comparable to that of other regions in the U.S., and such leadership is vital to the success of economic development efforts.**

“If we were a real metropolitan area, we wouldn’t care if jobs moved across the river...but this is Connecticut, where neighborhoods enjoy the legal status of self-governing towns. So the short-range movement of jobs does matter.”

Hartford Business Journal

ISSUE 2:

Unhealthy competition between towns based on property tax structure

Though the 35 communities in the Metro Hartford region recognize the potential benefits of regional cooperation, there is very little cooperation among communities when it comes to economic development. In fact, the competition is fierce for any type of company that can increase a community's economic base. **This competition is driven by Connecticut's tax system, which forces communities to fight for every penny of revenue they can get.** While a certain level of competition is healthy, this type of competition can be destructive to the communities and the region.

ISSUE 3:

Lack of state support and strong incentives hinders economic competitiveness

There is a great deal of concern about the lack of support from the State of Connecticut in economic development. In fact, the state is often viewed as an impediment to economic development rather than a partner. **Leaders in the region have been working to designate the Metro Hartford region as an economic development district, which would give it the flexibility and authority to spur economic development more effectively, an effort the state has actively opposed.** Communities in the region also complain that the state often excludes them from efforts to attract companies, even when a community generated the lead.

There is also a lack of strong economic development incentives that would help the state and communities compete more effectively for new companies. The website for the state's Department of Economic and Community Development lists few business development programs and incentives. Programs listed include manufacturing loans and tax credits, women and minority business loans, CDBG funding, remedial action programs for brownfields and other industrial sites, and other general business assistance. Although the state has many technology incentive programs through Connecticut Innovations, CCAT, and other institutions, they are not easily identified in one central location.

In comparison, the website for the Empire State Development Corporation (New York) highlights multiple and specific programs and incentives for each major business development arena, including high tech business incentives like the Small Business Technology Investment Fund, Semi-Conductor Manufacturing Initiative, Technology Incubators, Biotechnology Centers for Excellence, and Environmental R&D assistance.

The state of Pennsylvania's Department of Community and Economic Development includes a robust "funding finder" and "investment tracker" to allow companies to quickly find applicable incentives and monitor their application's progress. The site lists more than 50 incentives programs, including a variety of technology funding programs.

ISSUE 4:

Poor image of Connecticut and Hartford as a place to do business

In economic development, perception is reality. Perception among economic leaders and site selectors is that Connecticut is not friendly to businesses. A recent AP report highlighting International Paper's decision to relocate from Stamford to Memphis noted that this announcement was part of a pattern of business relocation out of Connecticut, **"striking another blow to Connecticut's economic image."**

"We cannot afford to...suspend our efforts and watch from the sidelines as other states and nations pass us by..."

Partnership for Growth Report

In a recent survey of 50 major site selectors, only 18% of them felt that New England was "friendly to business", 72% felt that New England has more governmental regulations than average, and only 4% felt that the region was a good cost value. These results are in spite of the fact that most felt New England has a good labor pool, a highly educated, technical workforce, and a great quality of life.

Results from the resident survey show that residents feel that only 5% of New York City and Boston residents has a positive image of Hartford and only 12% of all U.S. residents have a positive image of Hartford. More startling, though, is that residents that **only 29% of Hartford residents had a positive image of themselves and their region.**

In a survey of Hartford business leaders, 68% of them felt that the three biggest obstacles to economic growth were 1) negative state and local public policy, 2) **negative perception of the regional core**, and 3) disengaged leaders.

Study after study found that although Connecticut has long been a leader in technology, innovation, and economic stability, the state has failed to keep pushing forward and has become lackadaisical in its approach to economic development.

Previous reports, plans, and studies on the Metro Hartford region have identified the following strengths, weaknesses, opportunities, and threats:

ECONOMIC DEVELOPMENT & MARKETING SUMMARY	
STRENGTHS	WEAKNESSES
<p>MetroHartford Alliance is a leader throughout region and can facilitate change</p> <p>Strong presence of managerial/professional workforce</p> <p>Strong “knowledge clusters” base, including IFS, aerospace, medical devices, and biotechnology</p> <p>Large research parks through CCAT & UTC</p> <p>Bradley International Airport</p>	<p>No unified plan of action for entire region</p> <p>Increased competition among communities in region</p> <p>Lack of buy-in across region in branding effort</p> <p>Poor image of city outside the area</p> <p>Lack of resources for EDOs</p> <p>Change is not always embraced</p> <p>Lack of commuter rail</p> <p>Lack of international flights at Bradley</p> <p>Lack of 24/7 downtown</p> <p>Lack of communication & cooperation between state and regional economic development organizations</p>
OPPORTUNITIES	THREATS
<p>Need cooperative regional effort to fully develop the economy</p> <p>Working together as a region rather than competing with each other can improve status</p> <p>Restructuring tax rates, reducing reliance on property taxes</p> <p>Retention/Attraction of young professionals</p> <p>Develop one brand for the region in entirety and Hartford Image Campaign must continue and become truly regional effort</p> <p>Identify private sector champions</p> <p>Development of MetroHartford Business Roundtable</p> <p>Focus on emerging industries and maintenance of other low growth industries</p> <p>Pairing with area colleges and universities to enhance economic development efforts</p>	<p>Brain drain of young talent could disrupt economic development efforts if not addressed</p> <p>Failure to end fragmentation and parochialism could derail economic efforts</p> <p>Lack of leadership and champions from private sector will result in lack of implementation</p> <p>Failure to embrace change and implement plan of action will continue to cause cynicism</p> <p>Potential for financial services and insurance cluster to move outside region</p> <p>Lack of understanding of educational institutions role in economic development</p>

Conclusion

The region needs a unified plan of action that recognizes the strengths of each town and focuses on redeveloping downtown Hartford. It is a **region** that draws a business, not one city or town. A successful economic development effort also needs support from all major stakeholders: citizens, government officials, business leaders, and educational institutions. Overcoming skepticism will be a major challenge going forward.

Metro Hartford has the opportunity to unite, forge a stronger alliance, work for the creation of an environment that will attract and retain future-focused, high-impact businesses, as well as attract the young professionals needed to keep those companies going and growing. **The creation of this type of environment will bring near-term and long-term gains throughout the region.**

Below is a summary of the top issues that Metro Hartford is currently facing.

These are issues that will need to be addressed if the region hopes to continue to fully realize sustainable economic growth. These issues will be addressed with specific recommendations and lead to several conclusions that we will develop for the Target Industry Report and Comprehensive Economic Development Strategy that is still to come. The conclusions are divided into five sections: Business Climate, Workforce & Education, Sites & Infrastructure, Quality of Life, and Economic Development & Marketing. Please refer to the respective page numbers in the body of the report for a more detailed discussion of each issue.

Business Climate

- The cost of doing business is high and driven by reliance on the property tax (p. 52)
- Little corporate expansion in central city (p. 53)
- Lack of an entrepreneurial support system (p. 53)
- Diminishing presence as “Insurance Capital” (p. 54)
- Loss of manufacturing jobs / region not responsive to technology shifts (p. 55)
- Business leaders are somewhat skeptical that this CEDS planning process will yield anything new (p. 55)

Workforce and Education

- Aging workforce and loss of professionals ages 25-44 (p. 57)
- Lack of R&D focus at universities in the region (p. 57)
- Soft skills necessary for today’s economy lacking in disadvantaged youth(p. 58)
- Poor perception and underutilization of community college system (p. 59)
- Lagging educational attainment in the city of Hartford (p. 59)
- Poor perception and underutilization of workforce development system (p. 60)

Sites and Infrastructure

- Blight in city of Hartford (p. 62)
- Limited inter-modal transportation systems, including commercial rail, inter-regional commuter rail, and intra-regional transit (p. 62)
- Need to expand Bradley International Airport’s international capabilities to include transatlantic commerce (p. 63)
- Need to take advantage of good telecommunications infrastructure (p. 63)
- Lack of affordable downtown parking (p. 64)
- “Ready to build” sites are limited and hindered by a lengthy permitting process (p. 64)

Quality of Life

- There is a gap between high quality of life and low economic vitality (p. 66)
- Significant crime and poverty rates in Hartford (p. 67)
- Growing arts and culture base can be enhanced relative to benchmark communities (p. 67)
- Lack of diverse retail, recreational, and entertainment opportunities in downtown Hartford (p. 68)
- Lack of affordable housing throughout the region and low home ownership rates in the city of Hartford (p. 68)

Economic Development and Marketing

- Need to develop community champions from business, education, and government (p. 71)
- Unhealthy competition between towns based on property tax structure (p. 71)
- Lack of state support and strong incentives (p. 72)
- Poor image of Connecticut and Metro Hartford as a place to do business (p. 72)

This Regional Assessment is only the first step in the process of developing the Comprehensive Economic Development Strategy.

The issues identified in this assessment will play a role in the next two reports we will produce for this process:

- The information in this assessment dealing with industry clusters will be incorporated and expanded upon in the Target Industries Report, which will review target industries identified in past studies and reports, verify that those target industries are still legitimate, identify any additional industry clusters that the Metro Hartford region should pursue, and determine if there are any additional industry niches within those clusters regional leaders should pursue.
- The issues identified and discussed in this assessment will be addressed in the Comprehensive Economic Development Strategy. Those strategies will include specific action steps, organizations or individuals who should be responsible for implementing each strategy, a timeline for implementation, and performance measurements so that leaders in the region will be able to judge whether they are making progress in putting the strategies into action.

Like most regions across the country, the Metro Hartford region faces challenges that it must overcome if its leaders want to restore the region's economic vitality. However, it is important to note that the region also has a wealth of talent and resources that can be brought to bear in restoring the region, and the State of Connecticut, to its former level of economic productivity. If those resources, and the initiatives that have been put into motion by many leaders in the past few years, are all aligned so that they are all pointed toward the same overall goal, this Comprehensive Economic Development Strategy will succeed. The community leadership in the Metro Hartford region is committed to making that success a reality.

AngelouEconomics

2801 Via Fortuna,
Suite 430
Austin, TX 78746

PH: 512-225-9322
FAX: 512-225-9283

www.angeloueconomics.com