

The Business Perspective



ECONOMIC DEVELOPMENT IN CONNECTICUT FROM THE UNITED ILLUMINATING COMPANY

CT's "First Five" Program Brings 600 New Jobs and Plans for More

September 2011



Gov. Dannel Malloy (D)

Governor Dannel P. Malloy is not waiting for the nation's economy to improve; he is determined jump-start job growth in Connecticut. His first effort has already been a major success. Malloy and Connecticut launched the "First Five" program this year offering a comprehensive package of economic incentives to the first five companies to add 200 jobs. Specifically the plan maxes out existing incentives in the form of state loans, performance-based tax credits and training funds. Companies must commit invest \$25 million and create a minimum of 200 jobs in five years from the time the application is approved.

CIGNA First Recipient of New State Development Program

CIGNA became the first recipient of the new state development "First Five" program. The company has promised to add 200 jobs in two years with incentives to add up to 800 positions, while it invests more than \$100 million in capital improvements and technology infrastructure at its Connecticut facility. CIGNA will also move its corporate headquarters from Philadelphia to Connecticut.

For CIGNA, being in this program translates into some \$47 million in state assistance over the next decade, which could increase to \$71 million if it adds as many as 800 jobs to its 4,000 employee Connecticut payroll, where another 1,000 workers are under contract. CIGNA CEO David Cordani praised Malloy for "engaging business leaders and listening," and said the "unique and innovative" program helped convince him to stay and increase jobs here. Cordani said CIGNA spends \$500 million a year on its payroll, which spins off another \$250 million for vendors, suppliers and local businesses.

TicketNetwork is Second "First Five" Company

On July 21, Governor Malloy announced at the grand opening of TicketNetwork's facility in South Windsor that the company is the second to take advantage of the state's new "First Five" program.

TicketNetwork is the leading online ticket exchange for events and innovative technology solutions provider for both ticket buyers and sellers. With a comprehensive selection of more than \$1 billion in real-time tickets, TicketNetwork's extensive ticket marketplace provides sought-after tickets to concerts, sporting and theater events worldwide.

In consideration of the company's \$15.35 million investment in its facility and commitment to retain 292 jobs and create an additional 200-600 full-time jobs in Connecticut, TicketNetwork will receive up to \$7.75 million in state assistance:

- ◆ A 10 year, \$4.5 million low interest loan from the Department of Economic & Community Development (DECD) for the purchase of equipment, furniture and fixtures, building acquisition, facility improvements.
- ◆ A 5-year, \$1.8 million loan from the Connecticut Development Authority for information technology, furniture, fixtures and other equipment.
- ◆ A software engineer training program grant ranging from \$250,000 for 200 jobs created to \$450,000 for 600 jobs created.
- ◆ A grant up to \$1 million for alternative energy via installation of a fuel cell, wind or solar-powered energy system.



Highlights

- ESPN NAMED THIRD "FIRST FIVE"
- MEET CATHERINE H. SMITH
- HIGHER ONE STARTS CONSTRUCTION IN NEW HAVEN SCIENCE PARK

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ESPN Named Third "First Five" Company

AS ESPN continues its plan of world domination in sports, it will need more video editors, computer programmers, lawyers, human resources, public relations, sales and marketing professionals.

At least 275 more in the next two years, who will join the 3,872 full-timers on the Bristol campus.

Gov. Dannel P. Malloy is rewarding the sports media

company for constructing its 20th building in Bristol and for its plans to hire another 200 people over and above any previous announcements the company has made regarding hiring . The average salary for the new jobs is \$75,000.

The company will receive \$300,000 in training money for the new workers, and a \$17.5 million loan for construction of the new

building at a below-market interest rate.

Some of that loan will be forgivable, depending on how many workers ESPN hires in Connecticut over the next decade. The company will also get a break on sales and use taxes for materials purchased for the construction project, up to \$6 million, depending on how much they spend. If ESPN adds 800 workers over the next 10

years, it can qualify for up to \$1.2 million in training grants. ESPN declined to say how much the new building would cost, but said it was well over \$100 million, which will also mean construction work for about three years for Associated Construction of Hartford and its subcontractors. The four story, 190,000-square foot building is supposed to open in the spring of 2014.

Higher One Starts Construction New Haven Science Park

Higher One Inc., a provider of software and processes for colleges and universities began construction in April of this year on a new headquarters in two vacant buildings in New Haven's Science Park development.

Higher One, founded and headquartered in New Haven will have 350 employees in the \$45 million, 140,000-square foot headquarters. The state is providing \$5.5 million for environmental cleanup, up to \$18.5 million in tax credits and \$1 million in sales tax exemptions, which is subject to approval by the Connecticut Development Authority.

The company is showing a real commitment to Connecticut in taking on a historic brownfield building that used to belong to Winchester Repeating Arms.

Construction is underway on the Winchester Arms factory (below.)



(Above) Artist's rendition of the completed facility.

Malloy Names ING Executive to Oversee Economic Development



Gov. Dannel P. Malloy named a top insurance executive, Catherine H. Smith of ING earlier this year to oversee economic development. Smith, 58,

former chief executive of ING U.S. Retirement Services brings corporate star power to the administration's economic development efforts. Smith had always planned to eventually work in the public sector and is committed to helping the state.

"Under the leadership of the governor, I think we are finally putting the spotlight back on creating jobs in the

state," Smith said. She also stated that the potential market for employers who should be recruited to expand or relocate here must be viewed broadly. Malloy said she will have a free hand in remaking the state's economic development organization.

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