

# DECD



**Department of Economic and Community Development**



# Economic Development Strategy

- ◆ Responsible Growth
- ◆ Business & Industry Development
- ◆ Innovation and Entrepreneurship
- ◆ Transit Oriented Development
- ◆ Workforce Development





# Office of Business and Industry Development

- ◆ **Business Recruitment**
- ◆ **Business Retention and Expansion**
- ◆ **Help CT businesses compete**



# Our Business Development Managers

- ◆ One-Stop Business Service Providers
- ◆ Business Advocates
- ◆ Project Managers
- ◆ Loan Officers
- ◆ Real Estate Advisors



# How Do We Assist Connecticut Businesses?

- ◆ Financial Assistance
- ◆ Technical Assistance
- ◆ Tax Incentives



# Financial Assistance

- ◆ Connecticut Development Authority
- ◆ Connecticut Innovations
- ◆ Other Partners:
  - Community Economic Development Fund
  - Regional Revolving Loan Funds
  - Banks
  - SBA
  - Federal Grants (SBIR/Economic Stimulus)



# DECD Direct Lending Programs

- ◆ Gap funding and Inducement Loans
- ◆ Small Business Credit Assistance Program
- ◆ Small Manufacturing Competitiveness Fund



# Tax Incentives

- ◆ Corporate Tax Credits
- ◆ Job Creation Tax Credit
- ◆ Urban Reinvestment Tax Credit
- ◆ Enterprise Zone Program



# Technical Assistance

- ◆ Procurement Technical Assistance Program
- ◆ Connecticut Technology Extension Program
- ◆ Small Business Development Centers
- ◆ Turnaround Management Association
- ◆ Department of Labor
- ◆ Trade and Export Assistance

# Measurements of Success

- ◆ Capital Investment in Connecticut
- ◆ Direct and Indirect Tax Revenues
- ◆ Employment



# Success Stories





# Case Study

**Composite Machining Experts (CME)**



# Background

- ◆ Major OEM interested in bringing its major supply chain to Connecticut
- ◆ Relocation of out of state suppliers to Connecticut
- ◆ OEM hosted a supplier conference
- ◆ Initially 20-30 new jobs are expected to be created by the new Connecticut supply chain
- ◆ Over the next three years the jobs will grow to 150



## **An Early Stage Manufacturing Company**

- ◆ **Formally operated as a one-person engineering consulting firm.**
- ◆ **NC programming, tool design, and CMM programming for the aircraft and composites industry - Provide on site machine operator training for its customers.**



# CME's Strategic Plan

- ◆ **Business Plan**
- ◆ **Become a full-service support company for the composites industry**
- ◆ **Lease a building and purchase machinery and equipment to begin operations as a manufacturing facility.**



# DECD Financing

**Loan Amount**

**\$270,000**

**Interest Rate:**

**3%**

**Deferral:**

**Five-year deferral schedule  
as follows:**

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**Year 1**

**Principal and Interest  
Deferred (interest accrues)**

**Years 2 thru 5**

**Principal Deferred  
(Interest Payments only)**

**Years 6 thru 15**

**No Deferral – Applicant  
will make Principal and  
interest payments**

# Deal Structure

## Use of Funds

Machinery and Equipment \$459k

Leasehold Improvement 25k

Working Capital 89k

Inventory 2k

Total Uses \$575k

## Source of Funds

DECD \$270k

SBA Loan 270k

Equity from Owner 35k

Total Sources \$575k

Jobs Retained 2

Jobs Created 9



# Additional Loan Structure Covenants

- ◆ **New Alliance Bank provided a SBA loan**
- ◆ **Second position blanket lien behind New Alliance Bank**
- ◆ **Personal guarantees of owners**
- ◆ **Create and retain 11 full-time positions within 3 years**



## **Other Services & Opportunities Provided**

- ◆ **DECD's Technical Assistance Partner, the Small Business Development Center provided business planning assistance and loan packaging**
- ◆ **The OEM gave CME a contract commitment letter**
- ◆ **The Company has received commitments from other potential OEM customers**



Questions?

# Contact Information



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