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Identifying Economic Incentive Dollars for Clean Energy and Other Industries

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In April 2009, a newspaper reporter inquired of Laura Grondin, the new chairwoman of the Connecticut Development Authority, as to whether the CDA would prioritize the nurturing of emerging industries like green technologies¹ during her tenure.

It's a simple enough question for the head of a quasi-public corporation charged with providing financial assistance and loan guarantees to businesses. But Grondin's answer was likely not what some might have expected.

CDA doesn't necessarily do the nurturing in Connecticut. That's another department altogether, an understandable misunderstanding, but also a prime example of the sometimes unnerving process of identifying economic incentives and government programs designed to benefit businesses.

"The way that economic development is structured in Connecticut, you have Connecticut Innovations, which does primary investments into high-tech, biotech, green-energy type of companies," Grondin said in a Q&A published by the Hartford Courant. "Then you have CDA, whose role is more traditional — what you would think of as going to a bank and getting a loan. And there is the Department of Economic and Community Development ..."

And then there are the many programs offered by myriad other agencies housed everywhere from city halls on up to the corridors of federal office buildings in Washington, D.C. and elsewhere, not to mention the confusing array of guidelines involved at each stop along the way.

No doubt, many states, including Connecticut, as well as several federal agencies now offer generous incentives intended to promote the growth of clean-energy industries. But figuring out where to go and which benefit applies to what situation can often appear as daunting a task as making sense of alphabet soup. Different abbreviations designate similar agencies in dissimilar states. Responsibilities are divvied up differently. Funds are distributed using different procedures.

For that reason, communities across the country — including such places as the beleaguered Michigan city of Flint² — are looking to hire consultants and grant writers to focus exclusively on

¹ [Five Questions: Connecticut Business' Lending Leader](#); Hartford Courant, 04/10/2009

² [Flint mayor's deficit-reduction plan includes cuts, increase in fees and grants](#); The Flint Journal, 04/18/2009

government programs, including those offered through the federal American Recovery and Reinvestment Act, often referred to simply as “the stimulus package.”

Even some businesses are making similar moves.

Michael Hackman, founder and Chief Executive Officer of Hackman Capital Partners, LLC, says his company is in the process of hiring a consultant who will provide guidance to potential tenants of the Enfield Business Park, a sprawling 115-acre campus formerly owned by LEGO Systems Inc., in Enfield, Connecticut.

HCP is part of a joint venture that recently purchased the Enfield Business Park.

“Connecticut is an excellent example of a state rich in economic development outreach, a place with tremendous potential for a host of industries, particularly advanced technology and clean-energy,” says Hackman. “Nevertheless, as obvious as Connecticut’s potential may be to those already in the state, companies looking to relocate from other states or countries can always benefit from the assistance of a guide as they navigate the process.”

Although it’s likely companies moving to the state would seek such assistance anyway, Hackman says having an expert already on staff could be worth millions to some.

“The time spent finding someone could mean missing an important application deadline,” Hackman says. “Losing out on that potential assistance could force a company to downsize their expansion plans, to create fewer jobs than they otherwise might have. But even if that’s not the case, there’s no harm in being certain that new arrivals, and the locals they will ultimately employ, are all realizing the full benefit of what’s available.”

Many companies have already begun to take advantage of some of those incentives.

Elemental Power Group, LLC, a Maryland-based renewable energy development company, recently announced that it received approval to construct a 3.4 megawatt fuel cell project under the Connecticut Clean Energy Fund’s “Project 150” renewable energy program.

Dubbed “The Cube,” the project is expected to generate enough power for about 2,600 homes for 20 years. During construction, it’s slated to inject approximately \$20 million into the state, and its ongoing operation should contribute an additional \$2 million a year to the local economy in the host city of Danbury.

Another recent project announcement was made by Northeast Utilities, which said in April 2009 that it plans³ to build hundreds of plug-in charging stations for electric vehicles (EVs) in Connecticut and Massachusetts during the next two years — that’s 575 stations at an estimated cost of almost \$1.4 million.

To help finance the endeavor, NU applied for assistance from the US Department of Energy, which could cover as much as half the cost.

³ [Northeast Utilities Initiates Electric Vehicle Charging Infrastructure](#); NU, 04/07/2009

Even the state Legislature has become actively involved in the pursuit of incentives, particularly as regards Connecticut's competition for a share of \$8 billion in federal, high-speed rail dollars — money the state would likely put to use building a 62-mile Springfield-to-Hartford-to-New-Haven line, which would run through the town of Enfield.

The rail project, which has been talked about since the early 1990s, was given priority status by state leaders in 2008 and, if successful, could create 600 jobs during construction and add nearly \$400 million to property values along the route, according to a statement by a representative of the Regional Plan Association, which represents New York, New Jersey and Connecticut.

An important part of making things like this happen is communication between the various agencies and departments that support economic growth.

As Connecticut Development Authority Chairwoman Grondin highlighted in the same Q&A: "What we want to make sure is that if a company comes to any of us, any of these three entities, that we help them if we can. CDA can be the stopgap for that, to make sure that if it's something that makes sense for Connecticut to want to finance, that between the three entities we find a way to make it happen."

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Enfield Business Park (www.enfield-businesspark.com) is a joint venture among entities formed by Hackman Capital Partners (www.hackmancapital.com), Calare Properties (www.calare.com), and KBS Real Estate Investment Trust (www.kbsreit.com). Enfield Business Park has space available for lease at 300 Shaker Road and 555 Taylor Road in Enfield, CT. For leasing information, visit www.enfield-businesspark.com or call Cushman & Wakefield at (860) 249-0900.