



State & Commerce Committee - Board of Representatives

Paul Esposito, Chair

Eileen Heaphy, Vice Chair

REPORT OF MEETING

Date: Wednesday, August 27, 2008
Time: 7:00 p.m.
Place: Democratic Caucus Room, 4th Floor, Government Center,
888 Washington Boulevard

The State & Commerce Committee met as indicated above. Present were Vice Chair Heaphy and Committee Member Reps. Rauh, Diamond, Day and Deluca. A quorum was not present; however discussions were held as discussed below. Also present was Michael Freimuth, Economic Development Director.

The following items were on the agenda:

Item No.	Description	Committee Action
1. SC27.028	RESOLUTION; extending the City's Enterprise Zone program for five years.	NO ACTION TAKEN

Because of the lack of a quorum, the Committee Members present held this item until next month Mr. Freimuth stated that in the first week of September State meetings will be held on the Enterprise Zone; he will return next month to update the Committee. Mr. Freimuth distributed a memo (attached) on the Enterprise Zone Renewal.

2. SC27.027	REVIEW; Semi-annual Economic Development Report. (Enterprise Zone)	Mike Freimuth
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Mr. Freimuth discussed the memo mentioned above at length (attached). He stated:

- They are seeing a larger number of smaller companies participating;
- 20% of the taxes are paid by the company and 80% of the taxes are split between the City and State;
- UBS dropped out of the program and Purdue's contract ended;
- There are presently 12 applications outstanding. Two have been denied; 8 are being reviewed by either the City or the State (included in the10 is RBS).

- There are 50+ jobs associated with the new contracts (not including RBS).
- He acknowledged that the Board of Representatives has been concerned with tracking the success of this program. In 2006 the Connecticut General Assembly passed a series of amendments to the Enterprise Zone legislation increasing reporting and monitoring requirements, effective with new applications only.

Committee members were worried about the geographic areas as new applications were being considered that fell outside targeted neighborhoods. Mr. Freimuth explained that the city and state can award to another part of the city based on a large threshold, such as the amount of investment and employees.

Vice Chair Heaphy asked about the State funds and whether they were vulnerable with the present condition of the economy. Mr. Freimuth responded that the State has contractual agreements with 17 participating communities, but the State would like to put a cap on the funds. This is one of the reasons the CGA implemented the new reporting/monitoring provisions. The CGA wants a detailed report from the participating companies to see if this program is worth continuing.

The meeting adjourned at 7:50 p.m.

Respectfully submitted,

Eileen Heaphy, Vice Chair