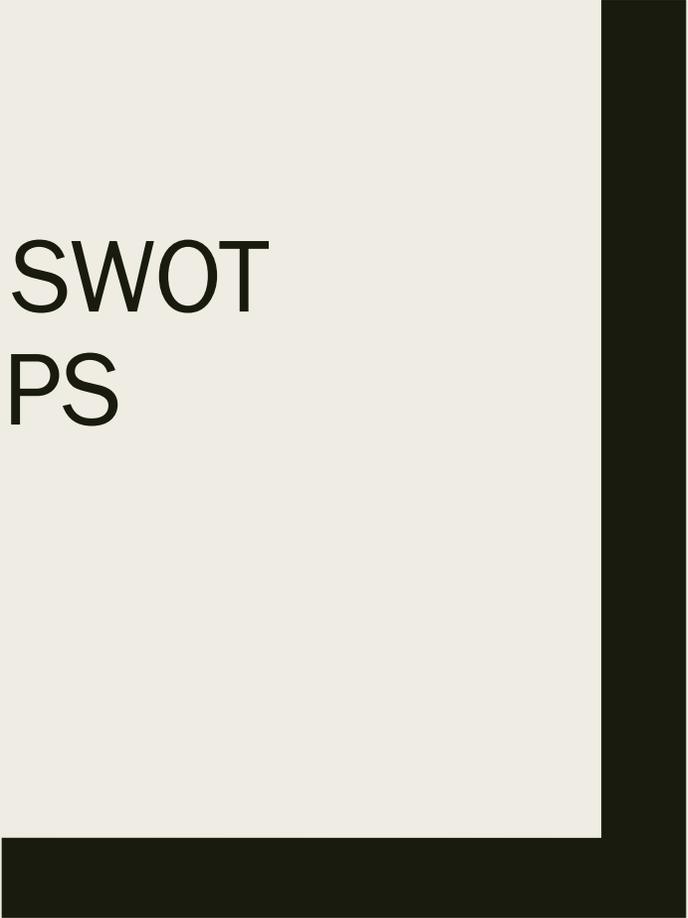




WESTERN CT ECONOMIC SWOT
ANALYSIS & NEXT STEPS

3/28/17



Average Respondent

- In which of these Western Connecticut communities does your business have facilities?
 - Danbury 15%
 - Norwalk: 14%
 - Stamford: 16%
- How long have you had one or more facilities in any of the 18 Western CT communities?
 - 10 or more years: 66%
 - 3 - 9 years: 20%
 - Less than 3 years: 12%
- What is your current employee count in the 18 Western CT communities?
 - Zero (self-employed): 26%
 - Less than 5: 22%
 - 10 - 24: 21%



Average Respondent

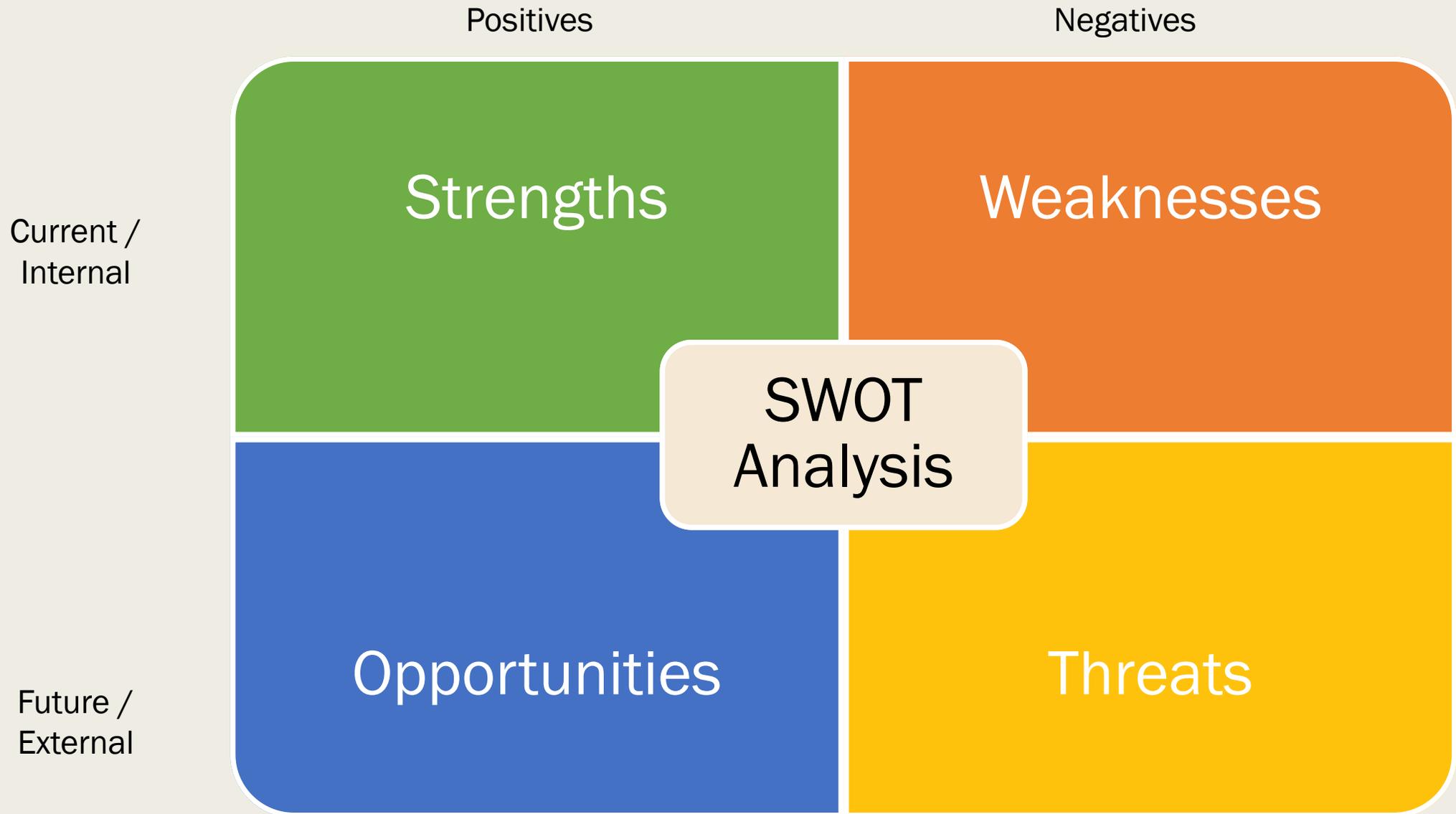
- What sector is your business in?
 - *Professional, Scientific, and Technical Services 17%*
 - *Arts, Entertainment, and Recreation 14%*
 - *Real Estate and Rental and Leasing: 15%*
 - *Other: 19%*
 - EX: Fitness, Photography, Creative & Strategic Brand Development, Healthcare -Med Tech, Attorney, Healthcare, Human Resource Consulting
- Market
 - *Local: 37%*
 - *Regional: 38%*
 - *National: 14%*



Focus Groups

- Real Estate
- Small Business (Greater Stamford & Greater Danbury)
- Manufacturing
- Creative Economy
- Tech





Workforce – Retention & Recruitment

Strengths	Weaknesses
<ul style="list-style-type: none"> • Resident employees are well-educated and creative. • Resident employees are a good value for the skill level they possess. • No accents, good for call-centers and customer service providers. • Stamford is a leader in keeping young talent. • The population is culturally diverse. 	<ul style="list-style-type: none"> • Employees, especially those with niche skills, are becoming harder to find • The “silver tsunami” is already here; large portion of employees are retiring and there are few younger employees to replace them • Younger generations have not been exposed to manufacturing or trade skills at an early age and are unable make informed choices on that career path • Colleges in the Region are not preparing workers with skills needed for many technologies • Retraining programs are no longer available • High cost of living yields higher salary demands; burden for employers
Opportunities	Threats
<ul style="list-style-type: none"> • Businesses are learning to market themselves and recruit talent, especially embracing digital recruitment • Employers see benefit in having internship/apprenticeship programs; many hire those interns on full time • Some municipalities are increasing downtown density and focusing on transit-oriented development. • There is a need for workforce and incentive housing zones. • There is a need for entry level jobs with opportunities for advancement. 	<ul style="list-style-type: none"> • High cost of living, rent, and student loan burdens make it difficult for young professionals to choose jobs in the region • Older residents leaving for states with lower cost of living; specially states with lower income tax burdens. • “Unskilled” jobs may become harder to fill

Transportation

Strengths	Weaknesses
<ul style="list-style-type: none">• Connection to NYC is vital, rail and highway.• The Northeast Corridor is one of the most used rail lines in the nation.• Established municipal transit• Commuter rail connections (Metro North & Amtrak)• Access to and choice of multiple international airports	<ul style="list-style-type: none">• CT ranked longest commute times compared to other states.• Highway congestion inhibits the flow of goods and raises costs for the seller and the distributor, making the product more expensive overall.• Congestion is a bad impression for incoming clients, as well as businesses looking to come to the area• It is difficult to reach major airports due to traffic.• Insufficient rail station parking• Rail travel is expensive• Perception of bus travel as only for the poor• Lack of bike lanes• Branches on the New Haven Rail Line are slow and unreliable
Opportunities	Threats
<ul style="list-style-type: none">• Danbury and Stamford need to be better connected. → Super 7, electrify Danbury Branch• Improvements to the I-95/New Haven rail line corridor• (Re)synchronize stoplights• Generational shift away from long commutes and towards "walkable" commutes and better public transportation• Stronger connection to Long Island	<ul style="list-style-type: none">• High cost of living, rent, etc. make it difficult for many professionals to live in the region, causing longer commutes and more congestion.• Regions and municipalities with stronger public transit are attracting young talent to leave the Region

Infrastructure

Strengths	Weaknesses
<ul style="list-style-type: none">• High quality aquifers• Telecommunication and utilities are reliable• Stamford has gigabit service• Few cell phone “dead zones”	<ul style="list-style-type: none">• The cost of utilities is too high, especially electric• Not much competition/choice between providers.• Infrastructure is old and needs maintenance.• Stamford’s gigabit service is expensive• There is a need for FINRA and HIPPA compliant broadband
Opportunities	Threats
<ul style="list-style-type: none">• Revenue creation from highway tolls	<ul style="list-style-type: none">• Climate change and increasingly severe weather patterns• Outdated electric grid

Primary (K-12) Education

Strengths	Weaknesses
<ul style="list-style-type: none">• High quality public and private education• Many students are prepared for college• Two vocational high schools	<ul style="list-style-type: none">• K - 12 experience varies by community, some schools, especially in urban areas, are underserved• Vocational training is limited• Required teaching certificates prevent industry professionals from giving instruction in public schools.
Opportunities	Threats
<ul style="list-style-type: none">• Education can start to include education that supports multiple career paths: shop class, auto shop, home economics• More integration with local universities and community colleges	<ul style="list-style-type: none">• State funding cuts•

Secondary (Post-High School) Education

Strengths	Weaknesses
<ul style="list-style-type: none">• Many colleges of different “calibers” and focuses• Variety in options: Norwalk Community College, University of Connecticut - Stamford, Naugatuck Valley Community College - Danbury, Western Connecticut State University, and Sacred Heart University-Stamford.• There is a good relationship between the Video/ Visual industry with NBC, WWE, and the UConn digital media program	<ul style="list-style-type: none">• Cost barrier to students is consistently growing• Not preparing students adequately for the workplace• Colleges in the Region are not preparing workers with skills needed for many technologies• CT has the highest average rate of student debt
Opportunities	Threats
<ul style="list-style-type: none">• Collaborate more with regional industry to train and retrain workforce	<ul style="list-style-type: none">• Funding

Business Climate

Strengths	Weaknesses
<ul style="list-style-type: none">• Low cost for tech businesses• Close to markets in NYC and Boston	<ul style="list-style-type: none">• Self-perpetuated negative image of CT as unfriendly to business• Success stories are buried while failures are over exaggerated• Permitting process timeline is often unpredictable. Businesses cannot afford to sit unopened for months, some businesses don't survive• Rent is high for office space and store fronts. Real estate costs are too high to purchase, despite high vacancy rates as businesses shift to needing less office space per employee• Banks are hesitant to lend without real estate collateral• Internet has created global competition
Opportunities	Threats
<ul style="list-style-type: none">• More aggressively pursue national awards and grants• Create a campaign emphasize success stories• Create an online clearinghouse of business resources, entrepreneurial training, and events• See Business Support Services	<ul style="list-style-type: none">• Not much room for growth for young professionals• “Business friendliness” varies by town• Tax incentive campaigns from other regions to encourage WestCOG companies to move.

Taxes & State Policy

Strengths	Weaknesses
<ul style="list-style-type: none"> • Taxes are a good return on investment, has led to high quality of schools and high quality of life. • Similar rate to surrounding areas • Provides good local services (police, fire, solid waste, recreation, etc.) 	<ul style="list-style-type: none"> • Taxes are too high. • There is a lack of coordination between all levels of government and the private sector. • Spending is not productive. • “Tax policy guides investment policy,” and CT’s is focusing on the wrong things. • State offices do not work in the best interest of WestCOG municipalities. • There is a disconnect between Fairfield County and Hartford • One party rule has led to stagnant ideas • Required teaching certificates prevent industry professionals from giving instruction in public schools • State and local zoning inhibits live music, “boutique manufacturing,” and hybrid businesses like brewpubs. • Sales Tax code is confusing and revenue opportunities are being missed.
Opportunities	Threats
<ul style="list-style-type: none"> • Changing the sources of municipal funding streams, not only property tax • Tax credits for updating and maintaining facades and open spaces • Tax credits for businesses who host STEM training for high school students • Exempt new businesses from paying business entity tax for first year or two • Create procurement policy which prefers local business 	<ul style="list-style-type: none"> • Businesses continue to leave the state for less expensive areas • Other regions are actively contacting and incentivizing businesses in the Region to move

Business Support Services

Strengths	Weaknesses
<ul style="list-style-type: none">• Municipal and regional organizations each offer a wide variety support opportunities• Excellent business loan availability• CORE, CT Innovations, UCONN, CBIA, CEDF, Etc.• DECD is helpful & knowledgeable,• Local business banking services are plentiful & Stamford's DSSD always available.	<ul style="list-style-type: none">• Poor communication of what is available to businesses• Loan applications are difficult to complete• Connecticut has a bad reputation for VC & Angel capital, which isn't entirely deserved
Opportunities	Threats
<ul style="list-style-type: none">• Small business owners are looking for guidance on issues ranging from human resources, payroll, legal, and bureaucratic processes• Parking vouchers for small business employees. Train vouchers to encourage public transportation over driving• Networking and skill sharing events• Training to help businesses grow, i.e. How to be competitive in contract bidding process• There is a need for industry and location-based peer groups in CT with manufacturers can network and strengthen their supply chain.• There is a need for a digital directory of buyers and sellers, goods and services.• CT manufacturers need to aggregate their expertise.• Business owners want the opportunity to meet and network with other manufacturers in the area to learn what imports can be sourced regionally, share experiences and best practices, and to build stronger sense of community.• Workshop and classes are needed in business accounting and financing i.e. QuickBooks and taxes, as well as marketing and new technologies	<ul style="list-style-type: none">• The day to day of running a business (accounting, taxes, payroll) takes away from the core competency

Permits & Regulations

Strengths	Weaknesses
<ul style="list-style-type: none">• Allows municipalities control over businesses' impact on the community• Creates communities with high quality of life	<ul style="list-style-type: none">• Permitting process timeline is often unpredictable. Businesses cannot afford to sit unopened for months, some businesses don't survive• State and local zoning inhibits live music, "boutique manufacturing," and hybrid businesses like brewpubs.• Too much regulation
Opportunities	Threats
<ul style="list-style-type: none">• Create procurement policy which prefers local business• Tax credits for updating and maintaining facades and open spaces• Tax credits for businesses who host STEM training for high school students• Support businesses who hire interns and apprentices• There is a need for the Small Business Administration to lend more with low or no interest• Exempt new businesses from paying business entity tax for first year or two	

Livability

Strengths	Weaknesses
<ul style="list-style-type: none"> • High Quality of Life • Communities people want to live in and maintain • Beautiful landscape • Cultural diversity • Ease of travel • Location between Boston and NYC • Educated population and good schools • Mass transit • Safe • Clean • Strong avenues for business networking and community engagement • Weather is mild, 4-seasons and few severe storms • Some attractive housing for young professionals and retirees is being built. • Healthy towns/state • Ample and varied outdoor recreation 	<ul style="list-style-type: none"> • High Cost of Living • High overhead and cost of doing business • Taxes • Communities not evenly serviced by transit • Traffic and congestion • High housing cost
Opportunities	Threats
<ul style="list-style-type: none"> • There is a need for a large research university • Large wealthy population with disposable income creating a demand for specialty goods • Local teens provide needed (tech) skills at affordable cost • Young People and Retirees want to live in walkable communities. • Employers want employees to use public transit. • The region is missing the opportunity to take the lead on technology, medical, research, science 	<ul style="list-style-type: none"> • Aging population will choose to spend their golden years in a less expensive location. • Young professionals may no longer choose the Region as the suburban alternative to NYC.

Housing & Cost of Living

Strengths	Weaknesses
<ul style="list-style-type: none">• High quality housing stock that has maintained value (See Figure 29)	<ul style="list-style-type: none">• Housing costs are very high, making it difficult to recruit and retain talent from out of region• Houses are selling slowly
Opportunities	Threats
<ul style="list-style-type: none">• Development of new units for changing market• Changing zoning to increase density of lower cost housing	<ul style="list-style-type: none">• Incoming generations may not want to buy high priced homes

Image & Visibility

Strengths	Weaknesses
<ul style="list-style-type: none">• Reputation as affluent, clean, and safe area• Variety of beautiful landscapes (beaches, mountains, lakes)	<ul style="list-style-type: none">• Negative image of manufacturing as dirty, “lesser” work• False perception that manufacturing is dead and never coming back• Industry is being “zoned out” of towns• Narrative that CT is unfriendly to business• Reputation of Fairfield County as <i>exclusively</i> rich and white.
Opportunities	Threats
<ul style="list-style-type: none">• Power to promote business successes to remedy current narrative	<ul style="list-style-type: none">• Perpetuating anti-business CT image• Campaigns that incentivize companies to relocate out of CT

Where are we in the process?

Process began in July 2016

- Summary Background (Completed)
- SWOT Analysis (Draft to Review - April)
- **Strategic Direction and Action Plan (Beginning Now)**
- Economic Resilience (Ongoing)
- Evaluation Framework (Beginning soon)

Full Draft is expected June 30, 2017

Strategic Direction and Action Plan

Goal

Broad, the “what”

Ex: “We want to be a leader in tech research”

Objective

Specific & measurable, the “how,”
steps taken to complete goal

*Ex: “Recruit a university with a
Computer Science program within
5 years”*

Project

Hyper-specific, the “how to”

*Ex: “Partnering with UConn
to build a CompSci Campus
in Stamford in 2020”*

What has the EDA Funded in CT?

- 2015: \$1 million in Public Works funds to the City of Ansonia to fund construction of utility and road improvements to support development of the Foundation Lake Commerce Center.
- 2014: \$1.3 million in Public Works funding to the Mohegan Tribe of Indians of CT to fund the renovation of an existing facility to create the Mohegan Innovation Center, a business incubator.
- **2013:** \$800,000 to support the rehabilitation and replacement of infrastructure at the Dyke Lane Pumping Station in **Stamford**. (Disaster & Recovery Funding [Non-CEDS])
- 2012: \$367,600 in the Wholesome Wave Foundation's New England Food Hub Initiative in Bridgeport. (Rural Jobs and Innovations Accelerator Challenge)

State Grants

Documenting potential projects in a CEDS makes them more competitive when applying for other grants

- TOD Planning Grant and the Responsible Growth and TOD Grant programs
 - *Give additional consideration to projects that are identified in a region's CEDS*
- Westport – Saugatuck Station Area TOD Master Plan: \$440,000 to fund a detailed master plan of the Saugatuck Station Area. The plan is focused on improving the Saugatuck area in a manner that will benefit local residents, new residents, commuters, and businesses.

State Grants

Documenting potential projects in a CEDS makes them more competitive when applying for other grants

- Economic and Manufacturing Assistance Act (MAA)
 - *Incentive-driven direct loans for projects when there is a strong economic development potential*
- Regional Performance Incentive Program (RPIP)
- Community Economic Development Fund

EDA Grants

- Regional Innovation Strategies

- Spurs innovation capacity-building activities by creating and expanding cluster-focused proof-of-concept and commercialization programs and early-stage seed capital funds.
- \$500,000 to support the American Digital Media Leadership Campus's mission through technology and business education from researchers and industry leaders, helping strengthen the regional and national competition.

EDA Grants

- Public Works
 - Empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.
- \$1,073,594 in Public Works funds to the City of Ansonia, Connecticut, to fund construction of utility and road improvements for development of the Foundation Lake Commerce Center. Will allow better access to the Center's developable land (2015)
- \$1,546,396 in Public Works funds to the Hamden Economic Development Corporation and the Town of Hamden, Connecticut, to fund the redevelopment of an existing building in Hamden for use as the Hamden Business Incubator, (2014)

EDA Grants

- Economic Adjustment

- Assists state and local interests in designing and implementing strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. Under Economic Adjustment, EDA administers its Revolving Loan Fund (RLF) Program, which supplies small businesses and entrepreneurs with the gap financing needed to start or expand their business.
- \$239,337 in Economic Adjustment funds to the University of Massachusetts-Boston, Suffolk County, Massachusetts, to support development of the Venture Development. Project includes converting underutilized common space into wet laboratory units to accommodate new start-ups in the life sciences industry. When completed, the expanded Center will be a hub for microbusiness incubation, business acceleration, and supportive business services that will create jobs and attract private investment to the region. (2015)

EDA Grants

- Partnership Planning
 - Supports local organizations (Economic Development Districts, Indian Tribes, and other eligible areas) with long-term planning efforts. The Comprehensive Economic Development Strategy (CEDS) Content Guidelines, provides suggestions, tools, and resources for developing comprehensive economic development strategies.
- \$286,151 in Short-Term Planning funds to the University of Connecticut, Storrs, to support the development and implementation of a regional economic development analysis and determination of opportunities associated with the 2015 opening of the University of Connecticut's Technology Park, which will promote economic growth opportunities statewide.(2013)
- \$116,667 in Technical Assistance funds to the University of Connecticut, Storrs, Connecticut, to support the Connecticut Manufacturing Simulation Center which will provide training, education, and foster workforce partnerships to meet the current and future industry needs. The program will provide small and medium sized companies in the region technical assistance resources for computer-based design, testing, and validation that supports new product development, innovation and improving their competitiveness in the global economy. (2016)

EDA Grants

- Trade Adjustment Assistance for Firms
 - A national network of 11 Trade Adjustment Assistance Centers to help strengthen the competitiveness of American companies that have lost domestic sales and employment because of increased imports of similar goods and services.
 - \$871,628.35 in Trade Adjustment Assistance for Firms funds to the New England Trade Adjustment Assistance Center, Inc., to fund the activities of the N.E. Trade Adjustment Assistance Center, which serves import-impacted firms in N.E., strengthening worldwide competitiveness.

EDA Grants

- University Centers
 - A partnership of the federal government and academia that makes the varied and vast resources of universities available to the economic development community.
- \$240,000 to Kansas State University to fund the third year of a three-year University Center Economic Development Program at the Advanced Manufacturing Institute at Kansas State University. The University Center provides technical assistance and applied research to help increase productivity, spur innovation and entrepreneurship, increase long-term regional competitiveness and economic diversification. (2012)

EDA Grants

- Research and National Technical Assistance
 - Supports research of leading edge, world class economic development practices and information dissemination efforts.
 - \$400,613 in Technical Assistance funds to the Foundation for the American South Washington, D.C., to bring together private, public, and academic experts to develop regional strategies that will support and accelerate the growth of advanced manufacturing in the South. In addition, it will increase connectivity between economic development leaders, policy experts, and innovation-generating businesses and labs and broaden regional economic diversification efforts that lead to innovation and job creation. (2013)

EDA Grants

- Local Technical Assistance
 - Helps fill the knowledge and information gaps that may prevent leaders in the public and nonprofit sectors in distressed areas from making optimal decisions on local economic development issues.
- \$144,000 in Local Technical Assistance funds to the Vermont sustainable Jobs Fund, Inc., Montpelier, Vermont, to support Vermont's forest products industries to create and retain quality jobs by providing business technical assistance, market development expertise, and workforce development along strategic points in multiple value chains. The Vermont Forest Products Value Chain Investment Strategy will support firms within forest based industries by establishing and nurturing product value chains through the creation and retention of jobs and formalization of networks of private sector firms. (2016)