

Connecting the Dots:

A Brief Survey of Where We Are, How We Got Here, and the Need to Make

Sustainability the Cornerstone of
Our Economic Renewal Strategy



Adapted from the CTLCV 2008 Environmental Summit

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Where to From Here?

Preface

◆ Purpose of this paper

- Backgrounder for Speakers:
 - **Enviro Panelists** from CCEF, TPL, 1000 Friends, CFE
 - **Policy Panelists** Joe McGee, Bob Santy, Albert Martin, Joan McDonald, Amey Marrella

◆ Audience

- Environmental Advocates
- Legislators
- Agency Reps

◆ Timing: December 2008



Sustainability

◆ Sustainability:

- Meeting the needs of current & future generations by integrating
 - Environmental protection
 - Social advancement
 - Economic prosperity.

From *The Brundtland Commission*, formally the *World Commission on Environment and Development*, convened by the United Nations in 1983 to address concern about the accelerating deterioration of the human environment and natural resources and the consequences for economic and social development.



**Sustainable Development: Linking the Environment,
Economic Development & Investment**

ECONOMIC LANDSCAPE

Economic Landscape

◆ Comptroller Reports Current Year Deficit at \$338 Million and Climbing

- Income tax revenues ↓ **\$131** million below projected
- SUT revenues ↓ **\$207** million below projected
- ↓ in PPGET revenue reported as well



◆ Deficit Mitigation

- If deficit $>$ 1% of total appropriations, then Gov to produce deficit mitigation plan
- Rell was on her 2nd deficit mitigation plan as of 12/2008
- Rell pushes for more fed funding from Stimulus 2

Economic Landscape

◆ The Inside View: OPM's Take

◆ November 2008 *Fiscal Accountability Report*

- Energy Costs Up
 - 135% increase from 2000 to 2008 = ↑ \$70MM
- Bond Ratings Not So Good
 - CT the lowest, or nearly so, of New England states
 - Quite low among the other 39 rated states

Economic Landscape

Fiscal Accountability Report

CONNECTICUT'S BOND RATING

CURRENT GENERAL OBLIGATION BOND RATING

<u>Moody's</u>	<u>Standard & Poor's</u>	<u>Fitch</u>
Aa3	AA	AA



- Prior to 1975, Connecticut's General Obligation (GO) bonds had the highest rating possible: Aaa by Moody's and AAA by Standard & Poor's (S&P)
- The most recent change in Connecticut's bond rating was a downgrade by Moody's in July 2003

<u>Rating</u>	<u>Number of States Rated</u>		
	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
Better than CT	26	18	15
Equal to CT	10	15	13
Lower than CT	<u>2</u>	<u>5</u>	<u>8</u>
Total*	38	38	36



* 39 states issue GO bonds. All 39 states are rated by Moody's and Standard and Poor's. Fitch does not rate Arkansas and New Mexico

Economic Landscape

◆ Fiscal Accountability Report: Debt Burden Eating Up the Budget

- Connecticut's "debt service expenditures" have doubled since 1997 – eleven years
- Unfunded pension liability projected at \$57 Billion
- CT Debt Burden – How bad depends on what you measure
 - CT Ranks 4th when state debt measured per capita basis \$6876/ person
 - CT ranks 7th if debt measured as a % of personal income
 - CT ranks 27th if debt considers income and other debt of *counties & political subdivisions*

Economic Landscape

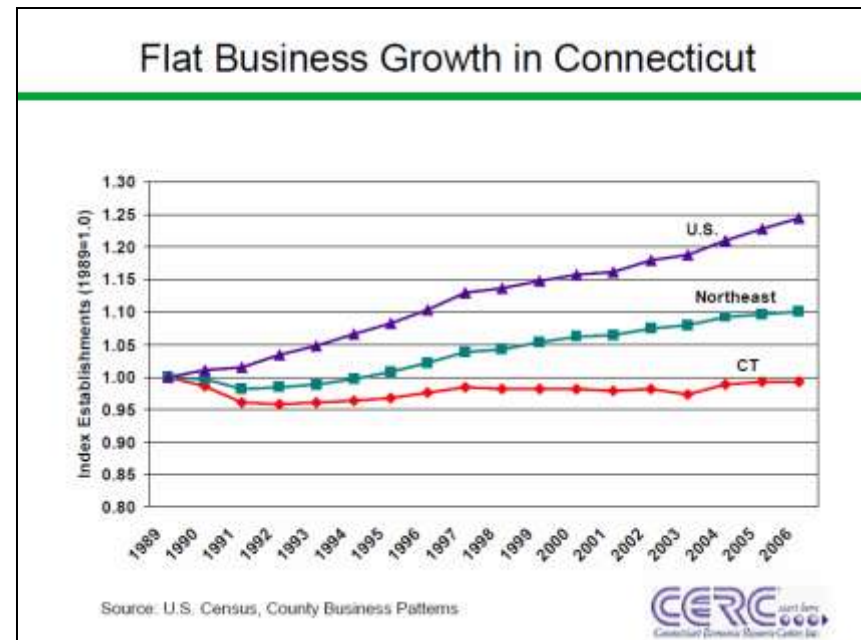
◆ View from the Outside: CERC

- Annual Benchmarks Reports for State of CT
- Annual Research & Policy Conference
- 2008 Conference: **Connecticut in 2020** based on economic and demographic changes
- 5 policy areas that most impact economic growth:
 - **Transportation and Infrastructure**
 - **Human Capital**
 - **Urban Investment**
 - **Business Investment**
 - **Housing**

Economic Landscape

◆ CERC : CT 2020—Business Investments

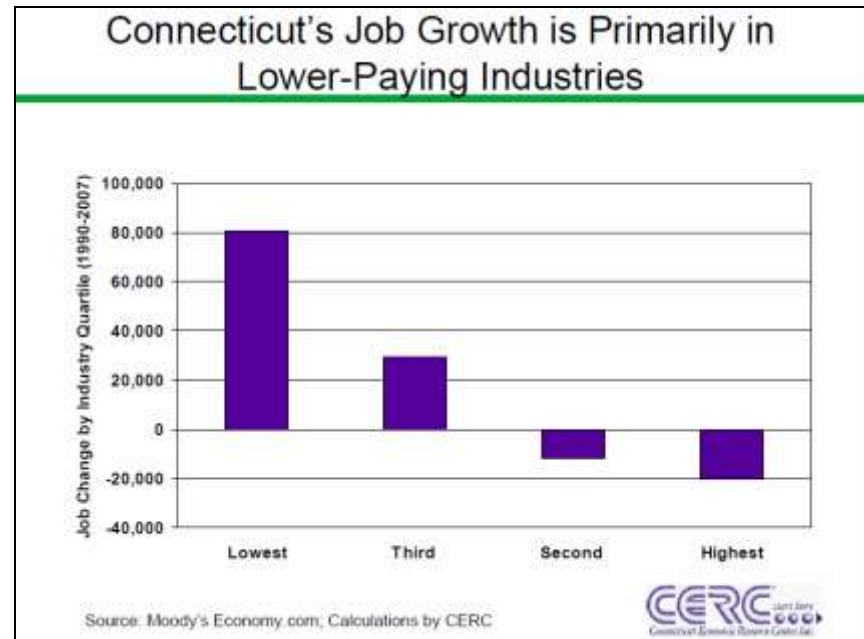
- CT the only state to have fewer businesses in 2006 than in 1989
- Business establishments in US & Northeast have risen



Economic Landscape

◆ CERC: CT 2020

- CT's job growth mostly in low-paying industries
- CERC projects wages ↓ by 4% by 2020
- Expect out migration because of limited economic opportunity



◆ CERC: CT 2020 - Transportation & Infrastructure

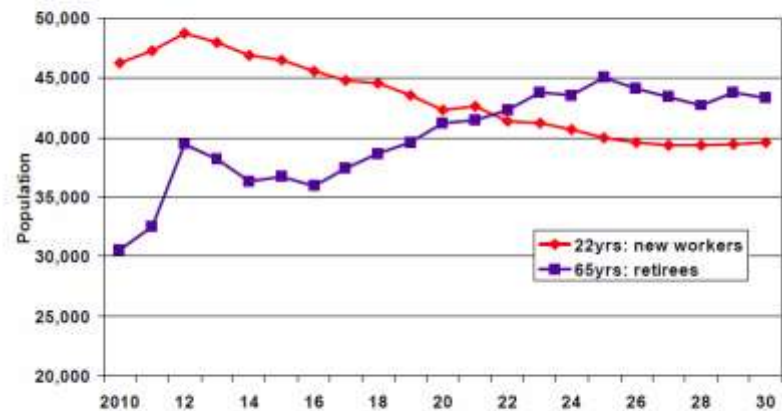
- By 2008 CT's transportation investment was < the 50-state average
- 48% of CT roads in poor or mediocre condition
- 30% of bridges are structurally deficient or functionally obsolete
- Trucking to increase 48% by 2020
- \$3.1 billion shortfall through 2017
- ...And we've identified \$7 billion worth of new projects.

Economic Landscape

◆ CERC : CT 2020 – Human Capital

- Aging population
- Shrinking population of income earners (and taxpayers)
- Out migration from urban centers: People, Businesses, Jobs
- Out-migration from state
- Workforce a top factor in competitiveness

Trends in New and Retiring Workers in Connecticut



Source: CT State Data Center



Economic Landscape

◆ CERC : CT 2020 — Urban Revitalization

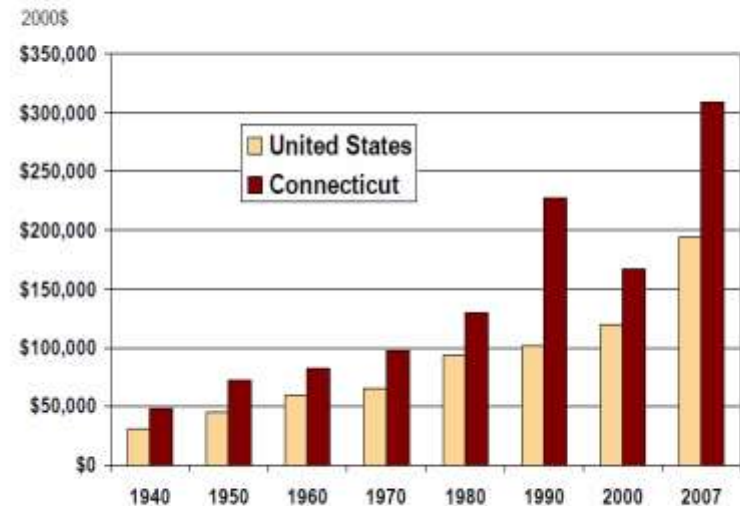
- In 2008, no state office in CT for urban policy
- **Good News!** Malloy created an **Urban Initiatives Counsel** in DECD (former Rep Caruso from Bridgeport)

Economic Landscape

◆ CERC : CT 2020 – Housing

- To buy a median-priced house (\$278K) house, you need an annual HH income of \$80-90K to get a mortgage
- *But* by 2014, **72%** of the new jobs in CT will pay < **40K/year**
- Property tax reliance a related, but separate, problem unto itself.

Median Housing Values in U.S. and Connecticut



Source: U.S Census, American Community Survey





**Sustainable Development: Linking the Environment,
Economic Development & Investment**

LEGISLATIVE & PLANNING LANDSCAPE

Legislative + Planning Landscape

◆ Land Use Planning

- Office of Responsible Growth
- State Plan of Conservation & Development
- Blue Ribbon Report on Property Tax Reform & Smart Growth

◆ Connecticut Climate Action Plan

◆ Transportation Planning

- DOT
- OPM Office of Transportation Planning
- Transportation Strategy Board: Moving Forward

◆ Economic Competitiveness Planning

- DECD: Statewide Strategic Economic Plan
- Governor's Competitiveness Council: Partnership for Growth I, II

Legislative & Planning Landscape

◆ Land Use Planning

- Rell Exec Order 15 in 2006 created **Office of Responsible Growth** in OPM (but new Urban Initiatives office to also include smart growth and housing)
- PA 07-239 created Responsible Growth Task Force
- Task Force issues 9 recommendations, including that the Gov and GA formally adopt definition of “responsible growth” and principles. Do they?
- **State Plan of Conservation & Development** – update every 5 years
- **Blue Ribbon Report on Property Tax Reform & Smart Growth** – excellent recommendations, never implemented

◆ Connecticut Climate Action Plan

- Initially good on time-limited goals, measurable objectives, but much has been weakened, not being rigorously implemented

Legislative & Planning Landscape

◆ Transportation Planning

- DOT
- OPM Office of Transportation Planning
- Transportation Strategy Board: **Moving Forward**

◆ Fast Forward

- Transit champion DOT Commissioner Marie off the map
- 2011 legislation proposes abolishing TSB

◆ Meanwhile

- Roads and bridges not fixing themselves
- \$3.1 B transportation funding shortfall through 2017
- + \$7 B in new projects

◆ Economic Competitiveness Planning

- DECD: Statewide Strategic Economic Plan, 541 pp, 2009. Status?
- DECD: Office of Strategic Competitiveness
- DECD: Office of Responsible Development
- DECD: Office of Brownfield Remediation & Development

Legislative & Planning Landscape

◆ Governor's Competitiveness Council

- Created in 1998 by Rowland Exec Order, to last through 2001
- Originally known as Gov's Council on Economic Competitiveness & Technology
- Public/Private effort on industry clusters
- Issues **Partnership for Growth: CT's Economic Competitiveness Strategy** - edition 1 (1998) and edition 2, (2004)

◆ Mystery: What happened to Gov's Competitiveness Council?

- Last mention was a Rell 2006 press release

But Wait, There's More!

- Connecticut Strategic Economic Framework (**Gallis Report**), 1999
- **10 Principles of Smart Growth in Connecticut** by CCM (2001)
- **Promoting Smart Growth in Connecticut** by the Harvard Design School (2002)
- **Is Connecticut Sprawling**, by RPA (2002)
- **Connecticut Metropatterns: A Regional Agenda for Community and Prosperity in Connecticut**, by Myron Orfield et al., (2003)
- **Connecticut: Economic Vitality and Land Use** , from the Connecticut Regional Institute for the 21st Century (2003)

Wanted:

◆ Does Connecticut have too many cooks in the kitchen?

◆ Wanted:

- One Vision
- One Plan for Competitiveness
- Agency Assignments
- Then *Deployment*



**Sustainable Development: Linking the Environment,
Economic Development & Investment**

BEST PRACTICES

Best Practices

- 1. Ohio: Home of Innovation and Opportunity**
- 2. State Sustainability Strategy for Western Australia**

Best Practices

Crisp Vision

Concise Mission

5 Strategic Goals

Share the Ohio Story – Excite the world about Ohio.

Strengthen our Strengths - Link and leverage our inventive past with our innovative future.

Cultivate Top Talent - Retain, advance, and attract the best workforce and talent in the world.

Invest in our Regional Assets- Invigorate our cities and regions as centers of commerce and community.

Focus on our Customers- Operate government at the speed of business.

15 Strategies

5 Guiding Principles

5 Strategic Outcomes

Baseline Measures

Progress Checks in Annual Scorecard

Ohio, Home of Innovation & Opportunity

hi

A Strategic Plan for the Ohio Department of Development
Executive Summary

- Share the Ohio Story
- Strengthen our Strengths
- Cultivate Top Talent
- Invest in our Regional Assets
- Focus on our Customers

Ohio Department of Development

Ted Strickland, Governor
Lee Fisher, Lt. Governor
Director, Ohio Department of Development

Best Practices

Goal 3: Cultivate Top Talent

Retain, advance, and attract the best workforce and talent in the world.



Our ability to retain, advance, and attract top talent in Ohio is a key driver in our ability to grow Ohio's economy. Our Department will work with business and industry to develop the nation's best demand-driven workforce and talent development system. We will work to ensure that Ohio businesses and industries have reliable access to a highly skilled, highly competitive 21st century workforce. We will continue to work closely with the University System of Ohio to develop, attract, and retain talent, and we will strengthen our partnership with the Ohio Department of Job and Family Services to provide opportunities for all Ohioans.

Key Strategies and Major Initiatives to Attract and Cultivate Top Talent:

Retain and Attract Top Talent. Increase Ohio's competitiveness with innovative programs and policies designed to attract and retain top talent in industries where the likelihood of job growth and job creation is highest.

- **Ohio Means Home** will reintroduce the benefits of living and working in Ohio to former residents and students, encouraging them to return to Ohio to advance their careers or start a new business while also enjoying the balance of personal fulfillment found in Ohio's diverse and dynamic regions.
- **Ohio Young Talent Network** will bring together Ohio's brightest young talent to create and implement programs to attract and keep young professionals in our state.
- **The Ohio Center for Workforce Excellence** will serve as both a laboratory and a knowledge repository for identifying, promoting, and teaching best practices in workforce training and development.
- We will form a **Task Force on Population, Growth, Diversity, and Talent Attraction** to develop strategies and tactics for increasing Ohio's population, with a special focus on attracting new talent to Ohio from around the world.

Provide Customized Training Solutions to Ohio Companies.

Develop processes to deliver customized training solutions to Ohio's employers to align Ohio's workforce skills and knowledge with employer needs in targeted industries.

- We are delivering the **Ohio Workforce Guarantee** by consolidating various new and existing workforce development programs into a seamless, demand-driven, customized training system that meets the demands of Ohio's businesses and industries. We will guarantee Ohio employers a flexible, responsive source of employee training, ensuring a partner in workforce investment.

- We are launching the **Ohio ASAP (Available Skills Alert Postings)** program to connect businesses seeking skilled workers with available talented people across Ohio who have been displaced or are at risk of displacement.
- We are opening **Regional Workforce Development Offices** with Workforce Directors in each of Ohio's 12 Economic Development Regions to reach out and respond locally to businesses' short- and long-term workforce needs.

Create a Demand-driven Workforce and Talent System.

Create a world-class, demand-driven workforce and talent development system that is agile and responsive, increasing the effectiveness and efficiency of our state's business development, attraction, and recruiting services.

- **Expanded Cooperative Education and Internships** will be created by the University System of Ohio in partnership with our Department to build connections between businesses and students of all ages to gain work experience and begin to build their careers in Ohio.
- We will strengthen our **Workforce Development Partnerships and Redesign our Service Delivery** to ensure we are moving rapidly toward a system that meets the current and future demands of Ohio's employers. We will continue to build successful partnerships with the Ohio Board of Regents and the Ohio Department of Job and Family Services on projects like the **Ohio Skills Bank**, and we will establish stronger partnerships between local workforce investment boards and the Governor's Workforce Policy Advisory Board.



Ohio Department of Development

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Goal 4: Invest in our Regional Assets

Invigorate our cities and regions as centers for commerce and community.



Ohio enjoys a portfolio of diverse regional economies each with its own unique strengths and assets. We will reinvigorate our cities and regions as centers of commerce and community.

There are no better or wiser strategic investments than those made at the places where our strongest physical and human capital assets intersect. Both place and knowledge matter, and focusing our resources on where they converge will generate the best returns on our investments.

Economic development blends products, talent, knowledge, and management within the context of a regional economy. A regional economy is the geography where people live and work, encompassing both labor and housing markets. Our regions also encompass pools of knowledge that become the seeds for new products and services.

We will lift up our historic communities by drawing upon best practices to increase economic opportunity and improve the quality of life in each of our regions.

Key Strategies and Major Initiatives for our Regional Assets:

Create Ohio Hubs of Innovation and Opportunity (OHIO Hubs). Leverage our regional strengths to create targeted geographical intersections of our physical and human capital assets.

- Our **Ohio Hubs of Innovation and Opportunity** program will leverage our regional strengths to facilitate and catalyze the creation of at least 12 regionally designated places where knowledge and place-based assets intersect; places where innovation will flourish and places where opportunity will be generated. We will offer targeted resources to renew physical space and foster new business investment in each **OHIO Hub**.

Revitalize our Physical Assets. Renew our statewide and regional physical assets to improve the quality of life for all Ohioans and to attract and retain a diverse base of business and industry.

- The **Ohio Neighborhood Recovery** program is a new initiative to be developed in collaboration with local and regional partner governments and organizations to tackle the negative aftermaths of foreclosure or long-term tax delinquency. At its heart, Ohio Neighborhood Recovery will be a flexible land bank program, positioned to take a long-term view of recovery.



- **Ohio Green Places** will promote and develop programs and policies that will advance the goal of making Ohio the leading state for sustainable green development. This will include building an advanced energy business sector with a robust supply chain and a green building industry.



Clean Ohio Fund

- We will continue to strengthen and improve our **Development Ready Sites** programs by continuing to prepare property for redevelopment and reuse with the **Clean Ohio Revitalization Fund**, the **Job Ready Sites Program**, the **Industrial Site Improvement Fund**, and the **Ohio Historic Preservation Tax Credit Program**.


Support and Catalyze Regional Collaboration. Support regional collaboration to further statewide and regional economic development goals.

- We will work with each economic development region to establish **Regional Economic Development Teams** that will enhance the competitiveness of existing businesses in Ohio. We will create a seamless retention and expansion network, enabling information to be shared between the state and our regions to better deploy resources, moving over time to a more shared decision-making model for state and local assistance to businesses.
- Our **Local Government Services and Regional Collaboration Grants** provide funding so that collaborating groups of local governments can plan and invest in strengthening regional economies, lowering operating costs, and providing high quality services.

Ohio Department of Development

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Best Practices

Economic Growth Scorecard Ohio, Home of Innovation & Opportunity 			
Goal	Measure	Baseline	Target 2020
Lead Measures <small>3-year average growth rate compared to six state region</small>	Grow the income of Ohioans. Per Capita Income Growth Rate	91%	125%
	Create and retain jobs for Ohioans. Job Growth Rate	80%	125%
	Expand productivity through innovation. Gross State Product Per Job Growth Rate	88%	125%
Share the Ohio Story	Improve the perception of Ohio.		
	1. Announced major private investment projects	1 rank	1 rank
	2. Perception of Ohio among Ohio executives	6.5 / 10	8.0 / 10
Strengthen our Strengths	Build a more globally competitive economy.		
	1. Export growth	74%	10.0%
	2. Targeted industries, percent of Gross State Product	TBD	TBD
Cultivate Top Talent	Grow and attract a highly educated workforce with an entrepreneurial mindset.		
	1. New Business Formation Index	9.6%	14.0%
	2. Population growth rate of 25-64 age group	0.50%	1.00%
Invest in our Regional Assets	Build sustainable, connected, vibrant communities.		
	1. Ohio Connectivity Survey	TBD	TBD
	2. Electricity by advanced energy	10%	25%
Focus on our Customers	Develop a more agile and transparent development culture.		
	1. Customer Experience Survey of Ohio Department of Development clients	TBD	TBD
	2. Speed of customer responses	Identify Industry Standard	Continuous Improvement
	3. Professional Certifications by ODOU University	TBD	TBD

TBD – To be developed as measures are calibrated
 USO – Monitored in partnership with the University System of Ohio
 ODOU – Ohio Department of Development

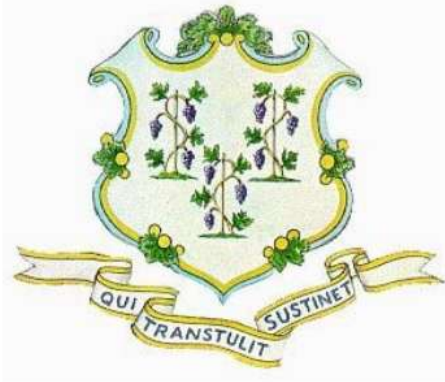
A Strategic Plan for the Ohio Department of Development Ohio, Home of Innovation & Opportunity 		
5 Goals	15 Strategies	Performance Targets
Share the Ohio Story	1. Promote Ohio for new capital investment.	Improve the perception of Ohio. 1. Announced major private investment projects 2. Perception of Ohio among Ohio executives 3. Perception of Ohio among non-Ohio executives and site selection consultants
	Excite the world about Ohio.	
Strengthen our Strengths	2. Promote Ohio's regions.	Build a more globally competitive economy. 1. Export growth 2. Targeted industries, percent of Gross State Product 3. Venture capital investment, percent of Midwest
	3. Promote Ohio as a tourism and residential destination.	
Cultivate Top Talent	1. Establish a targeted industry approach to economic development.	Grow and attract a highly educated workforce with an entrepreneurial mindset. 1. New Business Formation Index 2. Population growth rate of 25-64 age group 3. Educational attainment, Associates Degree or greater, percent of 25-64 population
	2. Invest in technological innovation and commercialization.	
Invest in our Regional Assets	3. Grow and support minority- and women-owned enterprises and small businesses.	Build sustainable, connected, vibrant communities. 1. Ohio Connectivity Survey 2. Electricity by advanced energy 3. Development Ready Sites supported by public investment
	Retain, advance, and attract the best workforce and talent in the world.	
Focus on our Customers	1. Create Ohio Hubs of Innovation and Opportunity.	Develop a more agile and transparent development culture. 1. Customer Experience Survey of Ohio Department of Development clients 2. Speed of customer responses 3. Professional Certifications by ODOU University
	2. Revitalize our physical assets.	
Operate government at the speed of business.	3. Support and catalyze regional collaboration.	
	1. Create a more customer focused organization.	
	2. Strengthen collaboration with our partners.	
	3. Improve the transparency and accountability of economic development investments.	

Five Desired Outcomes: Agility • Sustainability • Innovation • Opportunity • Prosperity

Compare: CT's Economic Strategic Plan



Connecticut Economic Strategic Plan



DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

Joan McDonald, Commissioner

September 2009

Responsible Growth

Transit Oriented Development. Sustainable Communities. Responsible Growth. All are phrases that are currently very much "en vogue." But Connecticut doesn't just talk the talk, it walks the walk when it comes to responsible growth. Our HOMEConnecticut program is the model for the national sustainable communities program now being discussed in Congress. Our Brownfields Pilot program is one of the first in the nation. As a northeast state, Connecticut has one of the best commuter rail systems in the world. But there is much that needs to be done to remain a state where open space abounds, housing opportunities exist for all, and where there is reduced reliance on automobiles consistent with the Council of Northeastern Governors' (CONEG) goal of doubling public transportation ridership by 2030. Responsible Growth initiatives need to capitalize on the past and provide a path to the future.

1. Appoint an Executive Branch Responsible Growth Cabinet with a Secretary who reports directly to the Governor and consists of the Commissioners of Department of Transportation, DECD, DEP, Agriculture, CDA, the Connecticut Housing Finance Authority. The cabinet will recommend the disbursement of responsible growth funds, developing model municipal zoning regulations and developing a joint state/municipal application process.
2. Create a statewide Connecticut Port Authority consisting of the Ports of Bridgeport, New Haven and New London, and Bradley, Tweed and Oxford-Sikorsky Memorial Airports.
3. Modify the State Traffic Commission membership to include DECD as a voting member. The STC mission will be modified as appropriate its policies and mission to promote development consistent with smart growth principles.
4. Allow municipalities to participate in the decision-making process if a development project considered within the municipality has a development cost exceeding \$5 million and the municipality is making a defined investment, for example, property tax abatement, TIF component, cash grant, or local capital improvement.
5. Expand the Metropolitan Transit Authority (MTA) Board of Directors to include Connecticut in a voting capacity.
6. Consolidate all state administered discretionary municipal grant programs into a Responsible Growth for the 21st Century Fund and establish a competitive process for towns to apply for funds. Priority will be given to towns that have adopted model

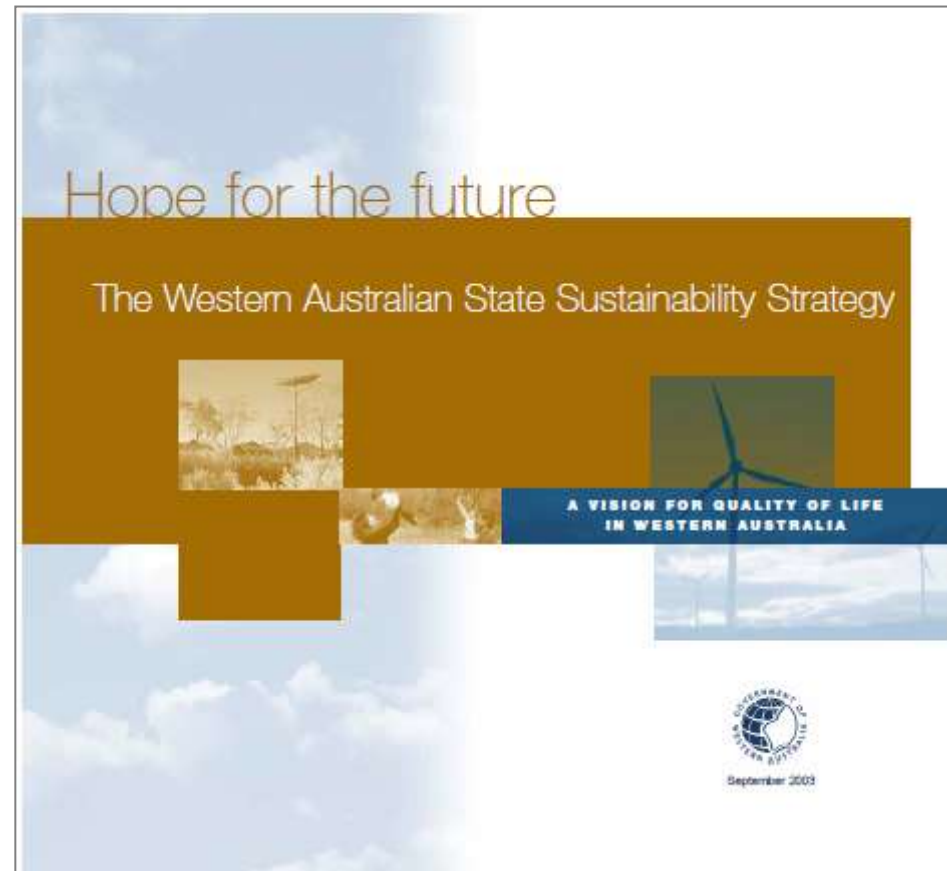
Best Practices

- Adopted in 2003
- Includes an action plan for sustainability and business
- Identifies a *responsible agency* for each of the 336 actions

Western Australia's Strategy/Plan includes:

- sustainability roundtable to advise the government,
- a sustainability code of practice for government agencies,
- a sustainability assessment,
- a sustainability policy unit, and
- regular progress reports for citizens.

State Sustainability Strategy for Western Australia



Where to From Here?

◆ Wanted: One Vision, One Plan, Agency Assignments, then *Deployment*

◆ Adopt a Sustainability Ethic

- **Sustainability:** meeting the needs of current & future generations by integrating environmental protection, social advancement, and economic prosperity

◆ Don't Eat the Seed Corn

- Preserve, invest in, capitalize on our assets

◆ The Climate for Change is [Still!] Now

- If the “age of permanent fiscal crisis” is real, then we need a new game, with everyone pulling in the same direction.



Thank you!

