



May Newsletter 2011



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May is national Small Business Month! Join us in acknowledging the success of New Haven's small businesses and strong entrepreneurial spirit. In this issue of the EDC's newsletter learn what small business programs are available to businesses like yours, read the buzz other entrepreneurs are generating and check out professional events happening this month.

EDC was proud to participate in many small business events recently, including the launch of our local community based Start Bank in April! Start has pledged to be a small business champion. The monthly Pecha Kucha provided a dynamic forum for a few of New Haven's best home-grown businesses to highlight their story! Charles Negaro of Chabaso, Marna Wilbur of Assa Abloy, and Matt Feiner of Devil's Gear each participated among many other dynamic and entertaining speakers. Pecha Kucha is a great way to see the variety of dedicated and interesting New Haveners, including businesses, as viewed through their passions/interests. Check our site for details on upcoming Pecha Kucha events or go directly to the new Pecha Kucha New Haven site: <http://pkn-newhaven.org/>

News

New SBA Programs

The Small Business Administration (SBA) has recently announced several new initiatives aimed at increasing access to funds for small businesses:

The SBA's Advantage Loan Initiatives seek to help drive economic growth and job creation by expanding access to capital for small businesses and entrepreneurs in underserved communities. The Small Loan Advantage program is structured to encourage larger, existing SBA lenders to make lower-dollar loans, which often benefit businesses in underserved markets. The Community Advantage program is a pilot initiative aimed at increasing the number of SBA 7(a) lenders who reach underserved communities; targeting community-based, mission focused financial institutions which were previously not able to offer SBA Loans. Both loan programs offer a streamlined application process for SBA-guaranteed 7(a) loans up to \$250,000, an 85% guarantee for loans up to \$150,000 and a 75% guarantee of loans greater than \$150,000. For more information on both programs, click on the following link, or contact us for more information: <http://www.sba.gov/advantage>

Women-owned businesses are one of the fastest growing sectors of the American economy and will play a key role in job creation. The Women-Owned Small Business (WOSB) Federal Contract Program authorizes contracting officers to set aside certain federal contracts for eligible women-owned small businesses. To be eligible, a company must be at least 51% owned and controlled by one or more women, and primarily managed by one or more women. For a quick overview of the program and instructions on how to participate, please visit: <http://www.sba.gov/content/contracting-opportunities-women-owned-small-businesses>



Market research shows that a large percentage of commercial mortgages outstanding are set to mature within the next few years, particularly those held by community banks. As real estate values have declined, however, even small businesses that are performing well and making their payments on time can have a hard time refinancing these loans and may need to restructure their debt.

Under the Small Business Jobs Act, the SBA is implementing a temporary program—authorized until Sept. 27, 2012—allowing small businesses to refinance eligible fixed assets in its 504 program without requirement of an expansion, as is the case with typical 504 loans. This program will provide small businesses the opportunity to lock in long-term, stable financing, as well as protect jobs. For more information including eligibility criteria, see: <http://www.sba.gov/content/504-loan-refinancing-program>

CT Small Business New Employee Tax Credit

Did you know that CT provides tax incentives to hire new employees in small businesses?

Businesses with less than 50 employees are eligible to receive a \$200 per-month tax credit for each new employee hired to fill a new full-time job. Businesses structured as C Corporations that create at least 10 new jobs in Connecticut are also eligible for certain tax credits. EDC has helped many small businesses apply for this program already!

Please see below for program details and contact information from the CT Department of Economic & Community Development (DECD):
<http://www.ct.gov/ecd/cwp/view.asp?a=1097&q=463768>

EDC Partners with NHMA to Showcase New Financing Tools for Business

On Thursday, May 5, the New Haven Manufacturers Association (NHMA) and EDC held a panel discussion on “Financing Options for Manufacturers in Connecticut” at the Graduate Club in downtown New Haven. The EDC was excited to have the opportunity to collaborate with the NHMA while businesses and service providers from New Haven and beyond were in attendance and filled the

venerable Graduate Club dining room to near-capacity.

Representatives from three financial institutions participated in the panel including New Haven’s own Start Community Bank, a new full service commercial bank with two New Haven locations (www.startbank.com), Enhanced Capital Partners Inc-CT Fund-equity and debt financing for small businesses (www.enhancedcapct.com), and Ironwood Capital- Advantage Capital CT Partners I, Limited Partnership Fund-investments in small and medium size businesses (www.ironwoodcap.com). Ably emceed by EDC’s own Jacob Galloza, the panel drew interested and informative questions from many different perspectives and the event was an unqualified success judging from the reactions of the attendees.

Start Community Bank is located here in New Haven and was chartered as a full service commercial bank in December 2010. They provided an overview of Start’s financing programs including working capital, equipment, corporate real estate, and acquisition financing.

Enhanced Capital provides equity and debt financing to small businesses that exhibit excellent growth prospects in Connecticut. They reiterated that they were actively seeking new investment opportunities across several industries including Manufacturing, IT, Healthcare, Business Services, and Green Technology.

Ironwood Capital is a 25-year old private equity firm which serves as the local manager for the Advantage Capital Connecticut Partners I, Limited Partnership (the “Fund”) is a \$72 million fund focused on investments in small and medium size Connecticut businesses seeking competitive pricing, flexible structuring, and assistance with strategy, tactics, fundraising, and governance.

All three financial groups made a point of letting the audience know they were there to help manufacturers and members of other business sectors alike as they navigate the sometimes confusing world of business financing and spent a great deal of time getting to know the participants in attendance. EDC looks forward to collaborating with the NHMA and these partners again in the not too distant future. For additional contact information for these institutions please contact EDC.



Meet Catherine Smith, DECD's New Commissioner

We welcome Catherine Smith as the newly appointed Commissioner of the Connecticut Department of Economic and Community Development (DECD), the lead state agency responsible for attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, expanding affordable housing opportunities and fostering appropriate development in Connecticut's towns and cities.

Commissioner Smith's top economic development priorities are to strengthen the state's efforts to nurture and drive innovation; effectively promote and market the state's many business advantages within Connecticut and beyond its borders; and place a renewed emphasis on all aspects of customer service in order to make the state more business-friendly and attractive for investment.

Her community and housing development priorities include increasing the supply of affordable housing while also preserving the quality and affordability of existing units, improving the state's ability to redevelop brownfields, and continuing the state's commitment to responsible growth and transit-oriented development. The commissioner will forge new, closer working relationships with other state agencies and private sector partners to realize these objectives and to maximize the return on state investments.

Prior to joining DECD, Commissioner Smith had a distinguished career in the insurance and financial services industry, a graduate of Yale SOM, a board member of many land trust organizations, and is a resident of Northford. She will serve as chair of CT Development Authority, Connecticut Innovations and CT Housing Finance Authority, the state's three quasi-public development agencies that foster financing and job growth for many New Haven businesses.

Source: CT DECD
<http://www.ct.gov/ecd/cwp/view.asp?A=1095&Q=28739&>

EDC Partners with CT Digital Media for "Print to Digital" Panel Networking Event

On Friday, May 20th the EDC and Wiggin and Dana were thrilled to host CT Digital Media's monthly event. Over seventy people attended the event held at The Bourse, one of downtown's co-working spaces. This month's discussion was titled "The Print to Digital Media Transition: Startup and Business Opportunities". Our panelists included Tom Wiley, Senior Publisher of The New Haven Register, Peter Longo, Executive Director of Connecticut Innovations, John Blossom, Founder of Shore Communications and David Schiffman, Director of Digital Publishing at Yale University Press. Three demos from some of the newest print to digital startups growing out of Connecticut were presented; PagerG, QRSYNQ and Tutor Trove.

The lively discussion brought to light current themes in this sector such as seeing an increase in and opportunity for engagement technologies within publishing. Numerous ideas were proffered for future business opportunities such as creating a versatile experience when using digital and media, and businesses/platforms that are building value over time. Some interesting new technologies and ideas were also discussed, such as web sources in print version, or developing hard copy as a service or specialty good. All agreed that this forum and conversation were timely, and New Haven is a good location to bring together this dialogue. Check our site for future events!

New Haven Retail Snapshot

Nationally the number of store and restaurant closure announcements fell to nearly 1,800 in the first quarter, from slightly over 2,800 a year ago, marking a 36 percent drop, according to International Council of Shopping Centers PNC Real Estate Research. This roughly 26.6 million square feet of space represents 0.2 percent of the total U.S. retail space and is up 31 percent from first-quarter 2010.

Locally New Haven has fared well. According to research conducted by PUMA (Progressive Urban Management Associates, a consultant retained by Town Green Special Services District) in 2007 New Haven was home to 345 retail establishments and Town Green Special Services



District) in 2007 New Haven was home to 345 retail establishments and 318 eating and drinking establishments, generating combined annual sales of \$1.15 billion and an annual payroll of \$143 million. The largest single retail establishment in the city is furnishings and home furniture giant IKEA, which opened adjacent to downtown in 2004. Between 2004 and 2005, retail sales for the home furnishings category in the City of New Haven jumped from \$57.8 to \$104.3 million. Between 2004 and 2009 the number of home furnishings retail businesses in the City declined from 24 to 15. In 2010, downtown New Haven is home to seven of those stores, all of which are locally owned. In 2011 New Haven continues to see new retail establishments despite the economic downturn.

Business Spotlight

Elm City Market

Elm City Market, the full-service cooperative grocery store slated to open in downtown New Haven has signed numerous documents to move the project ahead at full sprint. "We are working at full blast to get the store open and start feeding New Haven, along with building the membership base and recruiting a talented team to operate the store," stated Mark Regni, general manager of Elm City Market.

Elm City Market has assembled more than \$7.4 million of commitments for interior improvements, equipment, and start-up costs. Subject to the issuance of approved guarantees by the USDA and Connecticut Development Authority, the remaining funding will be provided through a \$4 million loan from Webster Bank. A few of the many organizations investing in Elm City Market and increasing access to affordable, healthy, fresh food in downtown New Haven are: Yale University contributing a gift of \$10,000; First Niagara Community Development Corporation investing \$250,000; The Cooperative Fund of New England invested \$10,000 in the market; and many more.

The lease was executed, enabling the market to execute various purchase orders for critical pieces of equipment and driving Elm City Market toward opening by the end of the summer. "This shifts us from a marathon pace to a 100 yard dash," remarked Regni, "We're all very excited to see the finish line."

Amy Christensen-Regni, member and marketing coordinator, commented, "We currently have 536 member-owners of Elm City Market. Our membership is growing daily and we're on track to reach our goal of having 1,000 members by opening day." Benefits of becoming a member-owner include being a part-owner of a business that supports local farmers and producers, having a voice in your store by voting for or being a part of the board of directors, members-only sale flyers and events, and a patronage refund in years when the co-op is profitable. More information about membership in Elm City Market can be found on their website: <http://www.elmcitymarket.coop/membership-benefits/>

Elm City Market plans to hire 100 employees in the next 90 days. There are management and staff positions available. The majority of the positions will be full time and all employees are eligible for benefits. Job postings and applications can be found on their web site (www.elmcitymarket.coop) on their FB page (<http://www.facebook.com/elmcitymarket>), or in the window of the market on Chapel Street. Applications and resumes can be submitted by email, mail, or by fax. More details can be found on their website. <http://www.elmcitymarket.coop/work-here/>

Source: www.elmcitymarket.coop

Ikea

Furniture retailer Ikea is more than just hard surfaces and soft cushions. A team of 15 co-workers from the New Haven Ikea store was one of five teams nationwide to win the Ikea Life Improvement Co-worker Contest, which gave the employees \$10,000 to help improve the lives of others in their community. The team chose to team up with Life Haven, a temporary shelter for homeless pregnant women and children. Life Haven a \$10,000 makeover courtesy of Ikea New Haven.

With the money, the Ikea team worked for two weeks straight to transform the dining room, computer lab and donation area, where families staying at Life Haven can obtain clothing. The finished results were recently unveiled and naturally well received.

A small team of people provided enormous benefit to those in need and made a real difference. Ikea remains the largest retail operation in the City, and a committed partner to supporting the community.



Space-Craft Manufacturing

Space-Craft Manufacturing is an industry-leading New Haven manufacturer of aerospace and aerospace-derivative components that produces parts for corporations like General Electric, Pratt and Whitney, Sikorsky and Volvo as well as the U.S. Air Force and Navy. Started in 1970, this certified Minority Business Enterprise (MBE) opened an expanded New Haven facility in 1993 and has grown from 4 to 50 employees in the ensuing years.

In an industry with no margin for error, Space-Craft utilizes state of the art computer numeric control (CNC) machining including “turning” and “five axis milling” in its manufacturing of aircraft engine and airframe parts. They are a sterling example of the innovation occurring in New Haven everyday as they simultaneously serve to better their community through its multitude of philanthropic efforts.

Also known for the philanthropy of its founder Dr. John Soto and its eagerness to work with local youth and help New Haven residents obtain good-paying jobs, the company has received numerous honors and quality performance awards, including the National Supplier of the Year Award from the U.S. Air Force and the Connecticut Inner-City 10 Entrepreneurship Award.