

**TESTIMONY PRESENTED TO THE GENERAL OBLIGATION BONDING
SUBCOMMITTEE OF THE FINANCE, REVENUE AND BONDING COMMITTEE**

Thursday, April 3, 2025

Daniel O'Keefe, Commissioner

Department of Economic and Community Development

Chief Innovation Officer, State of Connecticut

Senator Miller, Representative Napoli, Senator Hwang, Representative Piscopo, and members of the Finance, Revenue and Bonding General Obligation Bonding Subcommittee. My name is Daniel O'Keefe, and I am Commissioner of the Department of Economic and Community Development (DECD) and the state's Chief Innovation Officer. I appreciate the opportunity to submit testimony on [Senate Bill 1247](#), An Act Authorizing And Adjusting Bonds Of The State.

Our mission at DECD is to develop and implement strategies to increase the state's economic competitiveness. We do this by attracting and retaining businesses and jobs, revitalizing neighborhoods and communities, and preserving and promoting Connecticut's arts, cultural, and tourism assets.

Over the past few years, our department has been busy implementing various bond funded programs and are grateful for the Governor and Legislature's continued support of these initiatives. This includes legacy programs, such as our Brownfield Remediation and Revitalization Program, the Connecticut Manufacturing Innovation Fund, the Small Business Boost Program and the Community Investment Fund 2030, among others.

DECD supports the Governor's proposed authorization of \$35 million in bond funding each fiscal year for the Brownfield Remediation and Revitalizations Program to continue the state's unprecedented commitment to remediating contaminated sites and restoring them to productive use. From FY 2014 to 2025, the State of Connecticut has allocated substantial resources to reactivating brownfields, with over \$280 million invested to over 272 projects in 75 municipalities, cleaning up approximately 3,900 acres of impacted property.

These investments have leveraged significant non-DECD funding as well; for every dollar contributed by DECD, non-DECD partners have or will invest an impressive \$13.13.

DECD is thankful for the proposed \$150 million total bond funds in FY 26-27 to recapitalize the Economic Development and Manufacturing Assistance Act (MAA). MAA is a longstanding and essential tool for DECD to react to market driven opportunities to recruit and retain companies in Connecticut. In the face of rising economic uncertainty, it is especially important that DECD have strategic capital in reserve to react to changing economic needs.

DECD appreciates the proposed \$45 million total bond funds in FY 26-27 Connecticut Manufacturing Innovation Fund (MIF) to support the growth, innovation, and progress of the advanced manufacturing sector. Manufacturing Innovation Fund programs focus on emerging needs of the state's small- to medium-sized manufacturers, targeting barriers to business health and growth: workforce training, purchasing capital equipment, adopting cybersecurity standards, and strengthening the state's supply chain.

DECD is also proud to support the new Greyfield Revitalization Program, which would provide grants or loans to facilitate the repurposing of previously developed commercial retail and office space property that is economically nonviable in its current state.

The twin economic revolutions of online shopping and remote/hybrid work have made permanent shifts in the market for commercial real estate. Much like the deindustrialization of the late 20th century motivated the creation of DECD's Brownfields Program to remediate contaminated and abandoned industrial properties, we are now proposing the Greyfields initiative to help Connecticut navigate more recent economic transformations. Returning nonviable commercial properties to productive use will revitalize those sites and the local economies which host them. These disused properties can be repurposed to serve the various economic needs of today – such as Connecticut's great need for new housing.

Of note, projects will only qualify for Greyfield funding if not otherwise eligible for any of DECD's brownfield remediation and development programs. Sections 78-79 delineate that DECD will operate the program in partnership with the Department of Housing, the Capital Region Development Authority and the Connecticut Municipal Regional Development Authority. A competitive application process and evaluation criteria will be developed to select projects for funding. As with other DECD programs, prioritization for community characteristics such as distressed municipality status will be considered when developing the application and associated requirements.

Eligible uses of the grant or loan funds will include architectural and engineering assessments of buildings and of site readiness to determine suitability for conversion to new uses; renovation or conversion construction costs; potential demolition costs; planning studies to assess the viability of potential project sites; and reasonable administrative expenses not to exceed five per cent of any grant awarded.

We are confident that the Governor's proposed bond authorizations will provide DECD with the necessary and sufficient funds to carry out our mission, and to fund some of DECD's most important programs. I respectfully request the committee's support and am happy to answer any questions you may have.