

# The Business Perspective



ECONOMIC DEVELOPMENT IN CONNECTICUT FROM THE UNITED ILLUMINATING COMPANY

## Connecticut Innovations Makes \$1 Million+ Investment in 2 New Haven Based Companies

December 2010



Connecticut Innovations (CI), the state's quasi-public authority responsible for technology investing and innovation development, announced investments made in October of 2010 of over 1 million dollars through its Eli Whitney Fund. The investments are part of a Series A round also involving LaunchCapital.

The first investment, \$850,000, was made on October 12th, 2010, in Affinimark Technologies Inc. of New Haven, Connecticut. With these funds, Affinimark plans to complete the clinical and regulatory development of Cerebrostrip™, the first point-of-care diagnostic test enabling immediate identification and treatment of cerebrospinal fluid (CSF) leaks, whether caused by surgery or injury. Affinimark is confident Cerebrostrip™ will enable health care professionals to provide appropriate treatments more quickly and to save on the costs and potential harm associated with unnecessary treatments. With Cerebrostrip™, medical professionals, sports teams, police, military personnel and others alike will have at their disposal a fast, accurate, straightforward tool to establish definitively the existence of a CSF leak. CSF lines the brain and spinal cord and serves to nurture and protect the central nervous system from impact

## Yale New Haven Hospital Plans Medical Center in North Haven

First Selectman Michael J. Freda announced early November that Yale New Haven Hospital wants to take over the office building on Devine Street, and the former Northeast Graphics building will be sold. The acquisitions expect to generate more than 400 jobs.

The hospital plans to buy the Crossroads office building at 6 Devine Street and, if the state approves, will open a full-service emergency center at the end of 2011.

Upon approval of the hospital's submission of a certificate of need to the state for an "ambulatory center", which will include a full-service emergency department, the hospital will buy the building. The building will have imaging, radiology and laboratory services necessary for the emergency department. Also, the building will have a geriatric primary care center that will be an extension of the Adler Center in New Haven, as well as other imaging services, such as X-ray, bone density, ultrasound, MRI, CT scan and mammography.

The goal is to have the medical facility up and running by the end of 2011. The expectation is that 200 white collar jobs could be available as a result of the opening of the emergency center. Those people will create "spending"

and infection. Hundreds of thousands of CSF leaks occur each year in the United States alone.

Connecticut Innovations second investment, \$250,000, made on October 19th, 2010, in New Haven-based Continuity Control Inc. (formerly Continuity Engine, Inc.). This investment also involved Club Circle Partners, LaunchCapital and individual investors.

Continuity Control provides community financial institutions with the cost efficiencies of the megabanks they compete with through its "Compliance-in-the-Cloud" services. Using the company's software-as-a-service (SaaSO applications), institutions can capture, track and report vital information about their operations; the applications allow customers to readily meet growing federal regulatory and management requirements. As regulations change, Continuity Control updates the applications at no additional cost. Continuity Control has established several partnerships with technology solutions providers and has begun selling its integrated solution to small and mid-sized financial institutions that currently lack the resources they need to effectively manage policies, procedures and audits. This product offering helps customers save time and money while staying competitive in the marketplace.

power in North Haven and help stimulate economic growth.

Freda also announced that a buyer has been found for 297 State Street, the former Quebecor Northeast Graphic building. The new owner plans to subdivide the 372,000-square-foot building and expects to move four tenants in over a year. Two tenants have already committed, one is coming, and the fourth is being sought. It is expected that there will be 240 wholesale and industrial jobs in the building.



## Highlights

YALE NEW HAVEN HOSPITAL PLANS MEDICAL CENTER IN NORTH HAVEN

THE CONNECTICUT ENERGY EFFICIENCY FUND RECEIVES AWARD

CITY ACCEPTS \$16M GRANT TO REDO CONNECTOR

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### Rell Pledges \$5.5M for Winchester Redo

Governor M. Jodi Rell has pledged \$5.5 million in state aid towards rehabbing Tract A of Science Park, the abandoned Winchester Repeating Arms Company building at the corner of Munson Street and Winchester Avenue in New Haven.

The support will help transform the old factory building into a new headquarters for New Haven's own Higher One, a financial services company started by three Yale undergraduates 10 years ago. Higher One handles financial services for students at 650 colleges and universities. It employs 170 people across the street at 25 Science Park and plans to move into the new space to accommodate a growing workforce.

Rell hailed Higher One a "success story" for New Haven and the state.

She expects the state Bond Commission to approve a \$2 million grant to pay for the construction. The state will pay another \$3.5 million for environmental cleanup. The \$5.5 million will be part of a larger package including \$1 million in sales and use tax exemptions and up to \$18.5 million in tax credits in the next 10 years. Those tax credits are contingent on how many jobs Higher One creates.

The company plans to add 200 new positions in New Haven by January 2015.

Building Higher One's new offices should take 12 months. Plans include a rooftop terrace, lots of offices and a second floor cafeteria inside a 140,000-square-foot-place.

### City to accept \$16M Grant to Rework Route 34 Connector

On December 14th, the Board of Aldermen gave the green light for the city to accept a \$16 million federal TIGER II grant to revamp the Route 34 corridor.

The grant will pay for infrastructure projects that will pave the way for a proposed \$140 million biotech research building to be built by developer Carter Winstanley. Winstanley has agreed to contribute \$500,000 to the project.

In addition to the \$16 million and the \$500,000 developer contribution, the state has agreed to contribute \$7.9 million.

A city-prepared fiscal analysis shows the future Winstanley development generating about \$1.5 million in tax revenue annually. The analysis also predicts the creation of 2,000 construction jobs and 960 permanent jobs related to the total project.

The fiscal analysis also suggests that the city will see \$8 million in profits from tax revenue over debt service, assuming a 10 year bond period, and 23.3 million in profits over a 20 year bond period. The analysis assumes the city borrows \$6.5 million for the project.

The project will be as much about improving safety as it is about anything else. There have been 600 accidents on the Route 34 connector over the past two years.

The project will convert the eastern portion of the Route 34 connector to two bicycle- and pedestrian-friendly urban boulevards. It also involves the city reclaiming 10 acres that could be further developed.

The project is expected to take three years to complete once construction begins in 2011.



### The Connecticut Energy Efficiency Fund Receives Leadership Award

The Connecticut Energy Efficiency Fund (CEEF) received the Association of Energy Engineers—Connecticut Chapter's (AEE-CT) Leadership Award in Energy Efficiency. The Energy Efficiency Fund is being recognized for its work in helping Connecticut organizations advance the efficient use of energy, reduce air pollution and negative environmental impacts, and promote energy security, resulting in cost savings and greener, more sustainable organizations.

The AEE-CT, an organization that promotes energy education and fosters action for sustainable energy efficient development, presented the award to the Energy Efficiency Fund at a ceremony at the Mark Twain House Museum in Hartford on November 30th.

The Fund was chosen for this leadership award because of its involvement in award-winning energy efficiency projects. Typically involved in all of AEE-CT projects, the Energy Efficiency Fund is supported by utility customers with a small charge on their monthly bills and is used for qualified projects that have a major impact on energy usage of businesses and residences in Connecticut. Additional benefits created by the fund include; creating jobs, stimulating local businesses, saving fresh water from the mechanical cooling process, and reducing emissions.

In 2010 alone, approximately 2,500 business in Connecticut participated in a Fund program along with nearly 25,000 residents who received in-home services and thousands more who purchased compact fluorescent lamps at a discount provided by the Fund or redeemed a rebate from a new ENERGY STAR® appliance.

Connecticut businesses, families and municipalities are projected to save nearly \$51 million in energy costs in 2010 as a result of energy saved through Fund programs. The programs are administered by CL&P, UI and the natural gas utilities with guidance from the Energy Efficiency Board.



Connecticut's Energy Efficiency Programs are funded by a Charge on Customer energy bills. The Programs are designed to help customers manage their energy usage and cost.

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