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THANH NGUYEN works at CiDRA, a Wallingford manufacturer that has been a beneficiary of four separate venture-capital investments from Connecticut Innovations, starting in 1998 with \$1 million. As the company grew and sold off divisions, it has paid CI back twice.

INVESTING IN JOBS

State's Venture Capital Firm Credited With Boosting Business In Tough Times

**Associated Press
and Courant Staff Report**

Investments by the state's quasi-public venture capital firm have boosted the state's economy, even in two downturns, according to a state report.

Connecticut Innovations Inc. created an average of 563 jobs a year from 1995 through 2008, according to the state Department of Economic and Community Development.

The economists who analyzed the impact said the agency also should get credit for more than 1,000 other jobs, assuming that each of the 563 initial jobs led to the creation of at least two more through indirect spending, as the holders of the initial jobs spent money.

The agency also says Connecticut Innovations' investments attracted an additional \$1 billion in investments from private partners during the 14 years.

Rocky Hill-based Connecticut Innovations invested \$152 million in a portfolio of 84 companies, but only \$106 million was taxpayer money. The rest came from returns on investments.

The study looked at data beginning six years after Connecticut Innovations was founded because it took that long for the venture capital firm to become self-sufficient, said Joan McDonald, commissioner of the Department of Economic and Community Development and chairwoman of CI.

CiDRA, a Wallingford company founded in 1996, has gotten investments from CI four times, starting in 1998 with \$1 million. It has paid back the agency twice as it sold off pieces of itself. The company designs and manufactures fluid-flow measuring devices used in mining, oil extraction, and food and paper processing.

Michael Grillo, CiDRA's executive vice president, said getting an investment from CI in its first round of venture capital funding lent CiDRA credibility.

The company started with just the founder, and now has about 70 Connecticut employees and 10 field technicians around North America, Grillo said.

In 2000, CiDRA had 300 employees, but it sold one division with 110 employees, and spun off another division with about 30

people; all those employees are still in Connecticut. Another sale, of a biotech group of about 20 employees, was a loss for Connecticut, as the California buyer closed the local office.

CiDRA plans to be in Wallingford for the long haul, Grillo said, even though almost none of its sales are in Connecticut. In fact, 70 percent of its sales are exports.

"There's such a wealth of engineering talent and manufacturing expertise in Connecticut," Grillo said.

Investments by Connecticut Innovations more than doubled in 2000, to \$29.8 million, but pulled back nearly 21 percent in 2001 as the recession took hold. Investments jumped from \$1.5 million in 2006 to \$6.5 million in 2007, however, and increased another 15 percent last year.

Peter Longo, president of Connecticut Innovations, said the venture capital firm invests in companies that take five to 10 years to grow in size and value.

"We take a long view of things," he said.

»» Staff writer Mara Lee contributed to this report.