

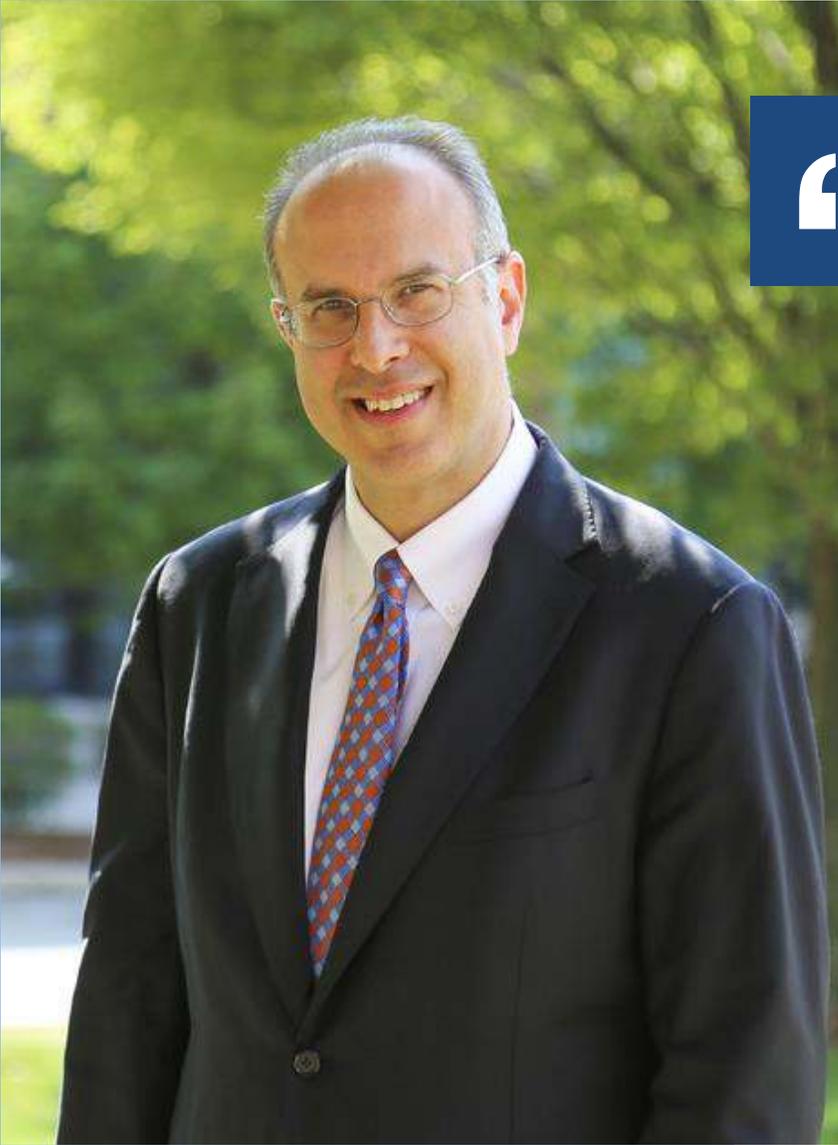


Rhode Island Commerce Annual Report

Fiscal Year 2019

**RHODE
ISLAND**
COMMERCE





“Led by Governor Gina M. Raimondo, Rhode Island saw a record-high number of jobs, and near record-low unemployment in 2019. Between 2015 and 2019, with thanks to the economic development programs instituted under Governor Raimondo and the General Assembly, Rhode Island led the nation with the largest drop in unemployment rate. Rhode Islanders started new businesses in record numbers, while new companies landed and existing R.I. companies grew even stronger. Challenges persist – and we are committed to ensuring Rhode Island’s economic growth reaches every Rhode Islander – but we turn towards the future proud of the work accomplished to date and hopeful for continued success ahead.”

- Stefan Pryor

Secretary of Commerce, State of Rhode Island

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OUR MISSION

The Rhode Island Commerce Corporation works with public, private, and nonprofit partners to create the conditions for businesses in all sectors to thrive and to improve the quality-of-life for our residents by promoting the state's long-term economic health and prosperity. We are a team of people who care deeply about the health, wealth, and quality-of-life of our state and all of its residents.



SUPPORTING SMALL BUSINESSES

We are proud to help our state's small businesses by building connections, funding innovation and growth, and fostering new business opportunities.

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SMALL BUSINESS ASSISTANCE PROGRAM (SBAP)

SBAP helps entrepreneurs and small businesses that are having difficulty obtaining adequate credit from traditional lending organizations. The program focuses on women- and minority-owned enterprises as well as those in underserved communities.

102

Closed loans through FY19

7

Lending partners

\$14M

Total loans generated

53%

Women- and/or minority-owned business



Universal Cleaning success through SBAP

Universal Cleaning only needed a little bit of funding to take their business to the next level. With a \$10,000 loan through the Small Business Assistance Program to put towards working capital, they were able to secure new contracts with TF Green Airport, the US Coast Guard, and the Department of Defense, enabling them to grow from four to 12 full-time employees, a 200% increase.

Universal Cleaning is also a graduate of the Goldman Sachs 10,000 Small Businesses Program and is an active member of SupplyRI.

LENDING OPPORTUNITIES

We know small businesses often need help with financing beyond the offerings of traditional lenders. Through a variety of resources, we are here to help.

In FY19, the Small Business Loan Fund and Rhode Island Industrial Facilities Corporation financed:

\$11.5 Million

13 Projects

\$19.2 Million total investments leveraged



Urban Greens opened in 2019 thanks in part to a loan from the Small Business Loan Fund. The co-op consumer-owned grocery store is located on Cranston Street in a historically underserved part of Providence. Urban Greens is part of the 93 Cranston Street mixed-use redevelopment, which was also supported by Rhode Island Commerce via Rebuild Rhode Island tax credits.

** The RICC also issued two bonds: Historic Tax Credit bond (\$76,925,000) and the Wingate Healthcare bond (\$24,450,000) during FY19

SUPPLY RI

SupplyRI connects small Rhode Island suppliers to procurement opportunities at Rhode Island's larger Anchor institutions. SupplyRI creates these connections through its database, website, trainings, and events.

1,628

Small businesses in database

14

Anchors

10

SupplyRI events

953

Supplier assistance interactions



Jhonny Heroica (center), Heroica Construction, leveraged SupplyRI's connections to help secure a contract from the Rhode Island School of Design.

"I didn't know who RISD was; they didn't know who I was. Supply Rhode Island was how I met them. It's a good opportunity."

Anchors: Amica, Blue Cross Blue Shield, Brown University, CVS Health, Care New England, Citizens Bank, Delta Dental, General Dynamics Electric Boat, Gilbane, Infosys, Lifespan, Roger Williams University, Rhode Island School of Design, Shawmut Design & Construction.

INVESTING IN SMALL BUSINESS INNOVATION

Our programs help small businesses stay at the forefront of innovation.

INNOVATION VOUCHERS

Helping small businesses in RI with grants of up to \$50,000 for R&D in collaboration with top research institutions.

- 73 vouchers
- \$3.5M total awarded, including \$0.8 M in FY19
- 5x funding match for voucher funds secured

SECURING FEDERAL FUNDS

Helping small businesses participate in SBIR/STTR Phase I and Phase II grants.

- 59 grants totaling \$970,000, leveraging \$5.6 million in federal dollars awarded.

HIRING INTERNS

Helping local firms connect with and hire local students seeking internships.

- In FY19, funded 34 internships offering hands-on laboratory experience for biomedical or engineering endeavors.

SUCCESS STORY

Bradford Soap has been making soap in Rhode Island for over 140 years.

- In 2019, Bradford Soap was awarded an Innovation Voucher. They have been able to access new contracts, add more jobs, and develop a new product for future development.

SMALL STATE, BIG ASPIRATIONS FOR GROWTH

Connecting small businesses to big opportunities in federal contracting and international trade

Rhode Island PTAC

PTAC (the Procurement Technical Assistance Center) helps businesses navigate the complexities of contracting with federal agencies, state purchasing departments, and local governments. In FY19, Rhode Island PTAC helped 323 small businesses secure \$221.7 million in federal contracts.

International Trade

Rhode Island Commerce works with the Chafee Center for International Business at Bryant University to help businesses expand their international presence. In FY19, the collaboration assisted 240 businesses, helped 137 small businesses increase their forecasted export sales by \$25.2 million through the STEP grant program, and conducted trade missions in England, Scotland, and Colombia.



“Partnering with the Chafee Center and PTAC has been an epic win for NVTs. Export sales and new federal contracts have increased. As a small business with limited resources and manpower, going this alone would be a real challenge.”

- Julie Janson, NVTs

GROWING SMALL BUSINESS SUPPORT NETWORKS

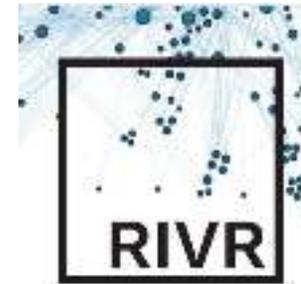
Investments in the support systems that catalyze growth. Network Matching grants expand key programming available to entrepreneurs and Industry Cluster grants build stronger partnerships among companies in key industry sectors.

Innovation Network Matching Grant Recipients



Four Network Matching Grants for \$459,000

Industry Cluster Grant Recipients



One Industry Cluster Grant totaling \$85,000

CONNECTING SMALL BUSINESSES

We work tirelessly to connect small businesses with the resources they need to thrive. Rhode Island is fortunate to have an ever-expanding network that collaborates to help our entrepreneurs and small businesses.

Expanding and Supporting the Small Business Ecosystem



“The Business Advisory team at Rhode Island Commerce is focused on helping businesses flourish in our state. Whether helping to navigate rules and regulations, accessing growth capital, or taking advantage of the many programs and services offered by us and our partners, our team is here to help. We strive to deliver exemplary client service by providing timely and relevant assistance to any businesses with which we interact.”

– Christopher Cannata
Senior Director, Business Services



CREATING NEW OPPORTUNITIES FOR RHODE ISLAND

Investing in job growth,
talent retention, green energy, and
our communities

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BUSINESS DEVELOPMENT

The Business Development Team's strategic focus is to create a pipeline of companies considering landing or expanding in the state, as well as to support the growth of Rhode Island businesses. The Rhode Island story continually "punches above its weight."

Companies growing in Rhode Island thanks to Commerce programs include:

- iXBlue developed an office here
- eMoney grew their presence here
- Custom & Miller Box expanded here

These companies will bring hundreds of jobs and strong economic return to RI.





PROGRESS IN THE INNOVATION & DESIGN DISTRICT

The addition of the Cambridge Innovation Center, called CIC Providence, is well underway. The structure is an anchor of the Interstate 195 Redevelopment District, located at 225 Dyer St.

Other progress includes the sale and commencement of construction on Parcel 30. The project consists of a 92-unit residential development with ground-floor retail.



WIND ENERGY

Rhode Island is uniquely positioned to be a significant contributor in the exploding offshore wind industry due to its geographic location; deep water ports; workforce development programs; coordination between the private, education, and government sectors; and existing ecosystem. Several new offshore wind companies landed in Rhode Island during 2019.

QUALIFIED JOBS

The Qualified Jobs tax credit program helps businesses expand their workforce in Rhode Island or relocate jobs from out of state through annual, redeemable tax credits for up to 10 years. The program has been instrumental in attracting businesses and employment from outside the state across the full spectrum of job skill sets.

Custom & Miller Box

Custom & Miller Box converts paper into corrugated cardboard then converts the board into boxes, die cuts, displays, and much more. They were disbursed in multiple locations in East Providence and had a plan to both expand their capacity and consolidate their operations. The company had identified several sites in Massachusetts (geographically closer to their core customer base) and a site in Pawtucket. The award of the Qualified Jobs tax credits for the commitment of the creation of 42 new jobs convinced the company to remain in Rhode Island and expand to a facility in Pawtucket while improving an existing industrial building.



CATALYTIC INVESTMENTS

Farm Fresh Rhode Island

\$2.2m

Thanks to \$2.2 million in Rebuild Rhode Island Tax Credits, **Farm Fresh Rhode Island** is developing a food hub on a 3.2-acre blighted site. The project will contain a cluster of food and farm-related businesses that will strengthen the local and regional food system.



Innovate Newport

\$2.1m

Thanks in part to \$2.1 million in Rebuild Rhode Island Tax Credits, **Innovate Newport** is transforming a 34,000-SF school into a co-work and office complex targeted to entrepreneurs, innovators, and small businesses. The project is a key component of Newport's economic development strategy to build economic resiliency and has the potential to catalyze economic growth in several target industries including defense, maritime, and technology.



INNOVATION CAMPUS

The State and the University of Rhode Island are partnering with industry to help entrepreneurs and start-ups transform cutting edge research into new products and services.

5

Campuses
designated

\$14.4m

State connected
investment

30+

Partners

RIHub: URI, Brown University, IBM Alpha Zone, and MassChallenge team up to help turn ideas into startups and startups into viable, stand-alone enterprises.

RI Agricultural Technology: Agriculture innovation park campus adjacent to the URI Kingston campus with industry partners RI Mushroom, American Ag Energy, Verinomics, and VoloAgri.

401 Tech Bridge: URI, Polaris MEP, and others create a catalytic center where textile and composite projects are rapidly developed with industry sponsors.

Roger Williams Medical Center: An immunotherapy nursing training program and research collaboration laboratory with URI.

URI & ASU Innovation Hub: URI, Cisco Systems Inc, and Arizona State University are building an interdisciplinary program for education and workforce development.



OPPORTUNITY ZONES

Attracting investment to Rhode Island

The Opportunity Zones program is a federal tool designed to encourage long-term investment in eligible low-income communities. Rhode Island designated its 25 Opportunity Zones in 2018. Many are co-located with the RI Health Equity Zones, which aim to eliminate health disparities and promote healthy communities.

On February 24, 2019, Rhode Island Commerce hosted a conference to educate the community about the opportunity. Commerce also created a searchable [property database](https://bit.ly/3e1DBjx) to identify available properties in these zones and advocated at the federal level for productive changes in policy that would make the federal program better.



BOOSTING OUR COMMUNITIES

The Main Street Streetscape Improvement Fund awards grants to re-energize local commercial districts.

Recognizing that vibrant downtown commercial districts are a key component to healthy local economies, Rhode Island Commerce awarded nine total projects in FY19 for a total of \$1.03 million:

- **Barrington:** \$58,450 for wayfinding signage in the "Village Center" section of the East Bay Bike Path
- **East Providence:** \$69,969 for flags, banners, wayfinding signs, landscaping, and public art and design elements in the Riverside area
- **New Shoreham:** \$39,935 for improvements to Nicholas Ball Park
- **North Providence:** \$150,000 for landscaping; signage; and traffic circle, curb, and sidewalk upgrades in Route 44/Smith St. Corridor
- **Pawtucket:** \$300,000 for street trees, lighting, bike lanes, street painting, and sidewalk improvements around Dexter Street's commercial corridor
- **Providence:** \$47,114 for storefront improvements on Broad Street
- **Warren:** \$59,500 for bike path improvements on the Main and Water Street corridor
- **Westerly:** \$233,000 for restoring and upgrading two building facades, with a historic theatre restoration
- **Woonsocket:** \$80,000 for enhancing waterfront access at the Market Square riverfront



RENEWABLE ENERGY

Strengthening our communities from the ground up

Renewable Energy Fund in FY19

- \$5.7 million funded
- 18,833 kW
- 622 projects
- Six clean energy companies participated; placement of seven interns

Legends Creek Farm Success Story:

Legends Creek Farm (pictured) is a greenhouse, apiary, and farm in Foster, Rhode Island. REF helped to fund \$14,381 for their 19.175kW solar panels, providing a 22.8% savings. In addition, they received grants from the RI Agricultural Energy program & USDA Rural Development Grant – all together providing the farm with a 72% savings.

In 2019, Governor Raimondo announced a strategic goal to increase the state's clean energy ten-fold by the end of 2020 – achieving a total of 1,000 MW of clean energy projects.



TALENT RETENTION

Wavemaker Fellowship

Every year, talented graduates are faced with the decision of where to start their careers. The Wavemaker Fellowship provides a financial incentive for graduates pursuing a career or starting a business in Rhode Island in technology, engineering, design, and other key sectors by defraying student loan payments for up to 4 years.

Since inception

893 Fellows

312 Employers

87% Rhode Island Residents

60% Rhode Island Graduates

36% Women Fellows

In FY19

240 Fellows

111 Employers

88% Rhode Island Residents

62% Rhode Island Graduates

"I think that this program is extremely helpful in helping pay off student debt. It has also given me a sense of pride in the career path I decided to take here in Rhode Island."

– *Wavemaker Fellow*



EDUCATION IN RHODE ISLAND

At the core of our continued growth is the investment in our education system at all levels. Here are a few noteworthy programs.



Secondary Education – PTECH by the numbers

- Six schools' (five full-time, one lite) corporate partners: RIMA, UNFI, FM Global, Tech Collective, CVS, Charter Care, Brookdale, SENEDIA, General Dynamics
- 520 students in program at five full-time schools; 250 at PTECH lite
- Approximately 90% retention rate
- Approximately 400 mentors involved

Higher Education – Rhode Island Promise

We were especially proud of the Rhode Island Promise program, providing a tuition-free associate's degree to qualifying individuals at the Community College of Rhode Island.

Early analysis is promising. For example, the state is seeing a 62% increase in first-time, full-time student enrollment straight from high school for students of color.

TOURISM & MARKETING

—
Growing our state's presence
inside and outside of our borders

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MARKETING 2019 IN REVIEW



205 placements in publications in the country and abroad



Increase in flight searches = \$607K / 37,000 bookings



Increase in hotel searches = \$8.6m / 134,000 bookings generating more than \$40.7m in hotel revenues



Gold award for "Best Website" HSMAI



Updated logo released



DIGITAL MEDIA

2019 saw significant growth in our web traffic, social media activity, and reach.

32m Impressions

643k Engagements

12,488 New followers in FY19
on FB/IG/Twitter



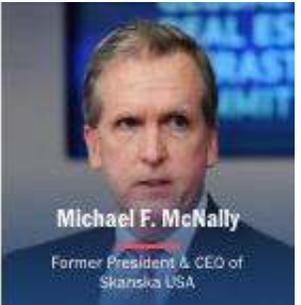
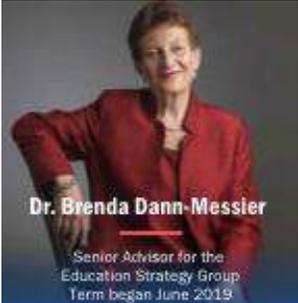
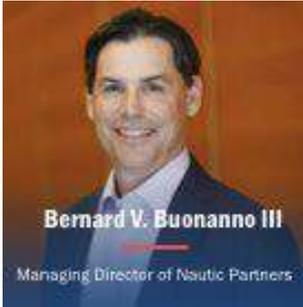
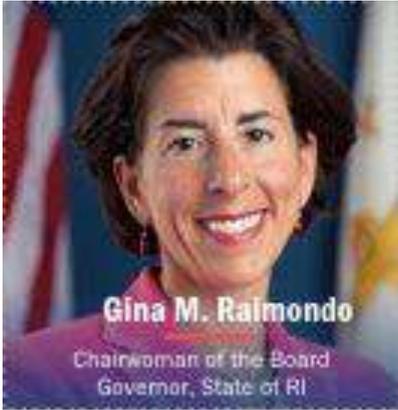
VisitRhodeIsland.com

- 960,970 Unique visitors
- 947,897 New visitors
- 2,807,314 Page views

Honored with gold Hospitality Sales and Marketing Association International Adrian Award for Best Website

BOARD OF DIRECTORS

The Rhode Island Commerce Corporation Board of Directors serves to ensure the prudent use of all assets and to provide strategic guidance to advance our mission: strengthening the economy to benefit the people of Rhode Island.



GOVERNANCE

FY19 BOARD MEETINGS

- July 23, 2018
- October 1, 2018
- November 19, 2018
- December 17, 2018
- January 28, 2019
- February 25, 2019
- March 26, 2019
- May 21, 2019
- June 24, 2019

FY19 LEGAL MATTERS

- During the relevant time-frame, there were no hearings, complaints, suspensions, or other legal matters related to the authority of the board or corporation.

FY19 RULES & REGULATIONS

- Commerce Corporation rules and regulations can be found at:
<https://sos.ri.gov/rules>

FY19 BOARD TRAININGS

- There were no new board members trained in FY19; one new board member was appointed in June 2019, but was trained in July 2019. That training will be reflected in the FY2020 annual report.

OPEN MEETINGS

- All board meeting agendas, minutes, decisions rendered and actions considered are available at:
<https://commerceri.com/about-us/open-government-transparency/> and http://sos.ri.gov/openmeetings/?page=view_entity&id=742

FINANCIAL REPORTS

Financial Reports

Rhode Island Commerce Corporation submitted board-approved, audited financial statements for the year ending June 30, 2019, to the Governor, Senate President, Speaker of the House, and Secretary of State before May 31, 2020, as required by Title 42 Section 64-28, State Affairs and Government. These statements can be found at:

<https://commerceri.com/wp-content/uploads/2020/02/Rhode-Island-Commerce-Corporation-Accountants-Report-and-Financial-Statements.pdf>

Program Principles

The Board of the Commerce Corporation has adopted Principles for each of its program to further program integrity. These principles establish accountability standards, risk analysis standards, and outcome measurement procedures and reporting standards by which the Commerce Corporation's staff and committees undertake the review and granting of awards.

Rules and Regulations promulgated by the Commerce Corporation detail application guidelines and agreement procedures to be followed to further ensure program integrity and transparency. Information on each program can be found in the Annual Incentives Report and on Commerce's website.





Click to add text

This annual report has been completed pursuant to and in compliance with RI General Laws § 42-64-28 and § 42-64-36.