

# Economic Growth Plan 2009

*Rhode Island, Working Again*

**RIEDC**

Rhode Island  
Economic Development Corporation

## **Our Mission**

*Job creation, job retention, job attraction.*

RIEDC's mission is to create jobs, help companies expand and develop their workforce, and identify opportunities to bring new companies into our state.

We offer a host of programs, both in-house and in collaboration with partner organizations, to support the businesses of Rhode Island and to achieve the goals of job retention and sustainable job growth.

Our immediate focus is to preserve and retain jobs in an economic climate of high unemployment and unprecedented uncertainty. Our strategy for Rhode Island's long-term economic vitality is to enrich Rhode Island's economy with knowledge-based and innovation industries that will provide more high-wage job opportunities, and be competitive in the global economy.

RIEDC is on the ground, offering immediate help to Rhode Island's employers, within a clear long-term strategy to build for a prosperous future.



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# Economic Growth Plan 2009

## *Rhode Island, Working Again*

Rhode Island has been hit hard by the sub-prime mortgage crisis, the credit crunch triggered by the collapse of major financial institutions, and the resulting national recession. The economic crisis presents enormous challenges to our state and to the work of the Rhode Island Economic Development Corporation, but it also presents a rare opportunity to identify what works and what doesn't and to take effective actions to rebuild and reinvigorate our economy.

RIEDC has already realigned its core job retention, creation and attraction programs in response to changing conditions. It has adopted a client-facing approach, reaching out to companies to discover what they need to create good jobs. It has streamlined its operations to focus on providing financing tools and workforce development, and expanded its role as a connector between businesses and the resources available to them.

RIEDC's 2009 Economic Growth plan builds upon this realignment, proposing 10 concrete action items to accelerate the pace of job growth in our state. The plan places a high priority on the following principles:

**Help for Small Business.** In 2009, the small business sector — which represents more than 90 percent of the businesses in Rhode Island and employs approximately 55 percent of the state's workforce — will be critical to our efforts to turn our economy around. We need to harness the inherent agility of small businesses to add jobs to the economy and increase demand for goods and services.

**Workforce Development.** The predominance of lower-wage jobs in our state's economy has made us especially vulnerable to job loss. The jobs that result from our job creation efforts will not be the same as the jobs that were lost in the downturn. We need vigorous training, retooling and education programs to ensure that today's workers have the skills to fill the high-skill, high-wage jobs that the knowledge economy creates.

**Partnerships.** At RIEDC we have learned from our outreach to companies that strong partnerships result in the best job-growth outcomes. Throughout the Economic Growth Plan there is an emphasis on new and robust partnerships with the business community, regional and local economic development entities, other state agencies, and the federal government as the means to ensure the success of our work.

**Responsiveness.** In this economy, more than ever before, we need to be able to turn on a dime. We need to provide struggling companies with capital when they need it, take strategic advantage of the coming infusion of federal stimulus dollars, be able to pounce when an out-of-state company is looking to relocate, and be ready with the perfect site, expedited permitting, and a workforce with the right skills to step into those new jobs.

In all our job creation efforts we will continue to give particular attention to the potential for job growth in innovation-economy industries, which hold the greatest promise for high-paying, sustainable employment for our citizens.

## Rhode Island, Working Again

***RIEDC's Economic Growth Plan for 2009 lays out 10 concrete actions the agency will take this year to confront our economic challenges and begin to put Rhode Island back to work:***

1. Help Small Business Gain Access to Capital
2. Equip Workers with Skills for High-Wage, Innovation Jobs
3. Foster New Company Creation and Entrepreneurship
4. Create a Public-Private Business Attraction Center
5. Develop Robust Regional and Local Partnerships
6. Establish Expedited Permitting Procedures
7. Accelerate Science and Technology Research
8. Expand Renewable Energy Capabilities
9. Maximize Economic Impact of Federal Stimulus Dollars
10. Reinvigorate RIEDC's Programs and Initiatives

### Action 1: Help Small Business Gain Access to Capital

#### ***Implement the Governor's Small Business Stimulus Package***

If Rhode Island's struggling economy were a company, best business practices would dictate ensuring that its greatest asset is as productive as possible. The small business sector represents more than 90 percent of the businesses in Rhode Island, and employs approximately 55 percent of our workforce. There is no doubt that it is our economy's greatest asset.

In reviewing our small business outreach this year, we found that access to capital is a perennial challenge for small businesses. The recession, especially the tightening credit market, has made it more difficult than ever for small businesses to gain access to the capital they need. Governor Carcieri's Small Business Stimulus Package is a key component of this Economic Growth Plan. The Small Business Stimulus Package includes:

- » An infusion of capital into the state-backed Small Business Loan Fund to encourage lending to small business

- » Pledges from the local banks to invest more than \$165 million into small- and mid-sized Rhode Island businesses over the next two years
- » An additional pledge of \$5 million in gap financing from the Business Development Company of Rhode Island
- » A \$25 million state-backed Small Business Guaranty Program

This initiative will have the dual benefit of easing the credit crunch for small business and serving as a catalyst for job growth.

The RIEDC will align its existing capital assistance programs with the Stimulus Package, collaborate with federally backed sources of assistance to ensure that federal and state programs are complementary and easy to use, and work with private-sector entities and financial institutions to increase the availability of business capital in Rhode Island.

Together, these efforts will provide a full continuum of capital for small businesses, and augment RIEDC's full menu of small business outreach and support services.

## Action 2: Equip Workers with Skills for High-Wage, Innovation Jobs

### *Develop a 21st Century Workforce Action Plan for CCRI*

Despite the current economic conditions, there are some companies that are growing and hiring in this economy — and even tell us they can't fill those job openings. As RIEDC has long forecasted, these growth companies are largely knowledge-based industries that need highly skilled workers — the very companies that will lead us out of this recession. Rhode Island needs to prepare our workers for these high-paying jobs. We must take action now.

The logical place to turn is the Community College of Rhode Island (CCRI), whose mission is to prepare individuals for their first jobs, and retrain them for new jobs as skill requirements evolve. With 16,000 students and four campuses throughout the state, CCRI is a key feeder for Rhode Island's economy, sending more than 80 percent of its graduates to jobs in Rhode Island companies. CCRI already is doing an exemplary job responding to the changing needs of our state's employers — for example, establishing its PharmTech program to prepare students for jobs at CVS.

The CCRI Workforce Commission, recommended in the RIEDC's 2008 Economic Growth Plan, will develop an action plan to realize CCRI's central role in producing a 21st-century workforce in our state. The Workforce Strategy Center (WSC), a national leader in developing strategies to help students and workers succeed and regional economies grow, has been hired to staff and assist the CCRI Commission.

WSC is conducting an analysis of the gap between worker preparation and the needs of the high-wage knowledge-based industries, which have been identified by the RIEDC as requiring postsecondary credentials, and will conduct a series of discussions with commission members concerning CCRI policies, programs, and potential legislative issues. WSC's final report will offer recommendations based on the results of the gap analysis and the commission's deliberations.

The U.S. Department of Labor projects that two-thirds of all jobs in the future will require advanced education, bearing out a trend that RIEDC is already observing in

our day-to-day work with Rhode Island companies. It is imperative that CCRI is positioned to play a key role in creating a 21st-century workforce in Rhode Island.

RIEDC will supplement its capacity-building measures at CCRI with three additional activities:

- » RIEDC will work with the Governor's Workforce Board to secure funding for workforce training at existing and new companies
- » RIEDC will work with its contacts in the major economic sectors to identify and assess employment opportunities
- » RIEDC will join with the Science and Technology Advisory Council in advancing STEM (science, technology, engineering and math) education at all levels and in linking students with opportunities for innovation

## Action 3: Foster New Company Creation

### *Form the Rhode Island Center for Innovation and Entrepreneurship*

Rhode Island attracts significant federal research funding and boasts one of the highest R&D tax credits in the nation, yet it trails national averages in commercializing research. Start-up company formation and small company growth remain well below the state's potential, especially given the region's strong research base and increasing share of federal research dollars.

We need more effective programs to foster entrepreneurship and to build communities of entrepreneurs. These programs should be supplemented by initiatives to encourage the adoption of new technologies and innovative business solutions by mature companies. Together, such efforts would be an effective recruitment tool for Rhode Island to attract innovative companies and people.

The RIEDC and Brown University have partnered to form the Rhode Island Center for Innovation and Entrepreneurship (RICIE), which aims to accelerate new company creation and establish a statewide hub for entrepreneurs. The center will focus on the training and development of entrepreneurs, and host programs that support the state's effort to stimulate new company creation and produce new high-wage jobs in Rhode Island.

RICIE is a partnership of academic institutions, public agencies and private industry that will provide a physical space located at One Davol Square, a property owned by Brown University, where entrepreneurs from across industries, and at all stages of development, can interact and collaborate.

The center will support the commercialization of new ideas, encourage technology transfer out of our state's universities, combat the "brain drain" of talented college graduates who now leave Rhode Island in droves once they earn their degrees, and facilitate the emergence of more mature entrepreneurs. The good ideas that are sparked by this collaboration will attract capital into the market.

Brown and the RIEDC are the founding members of the RICIE, and the Slater Technology Fund and the Rhode Island Science and Technology Advisory Council have pledged the initial funding. The City of Providence (through the Providence Economic Development Partnership), the University of Rhode Island, Lifespan, the Rhode Island School of Design and the Greater Providence Chamber of Commerce have also committed their support. The partnership marks an important convergence of public and private sector support for Rhode Island's efforts to attract and retain entrepreneurs and stimulate new company creation.

The RIEDC will help get the RICIE up and running, work with STAC and the Research Alliance as primary vehicle for user/company-friendly research collaboration, engage with the Business Innovation Factory and other entities to build communities of entrepreneurship and an entrepreneurial culture in Rhode Island, and support broadening the investment activities of the Slater funds.

## Action 4: Enhance Company Attraction Efforts

### *Create a Public-Private Business Attraction Center*

Public-sector economic development agencies such as the RIEDC can administer business assistance programs and provide follow-through, but local business leaders are best at attracting new businesses

to a jurisdiction. Peer-to-peer interactions in the business community reveal opportunities and potential, and open doors. Other jurisdictions such as North Carolina harness the good will and knowledge of local businesses to build their economy. It is time for Rhode Island to do the same.

The responsibility for marketing Rhode Island as an appealing destination to out-of-state companies should be housed in a new private-public partnership, or Attraction Center, that combines the expertise of the public sector with the contacts and up-to-date industry knowledge of the private sector. An Attraction Center completely focused on bringing new jobs to Rhode Island would complement the RIEDC's strong client-service capabilities and allow the RIEDC to focus its energy on job retention, entrepreneurship and business starts, company expansion, and workforce development.

To succeed, the Attraction Center must be a statewide organization with a strong "qualitative" and "quantitative" commitment from both the private sector and the state. It should be governed by a board of directors that represents both private-sector expertise and the RIEDC Board of Directors, and be funded equally by the private sector and a new appropriation from the General Assembly. Given proper resources, the Attraction Center will:

- » Execute attraction strategies that cannot be performed by a public agency with a state appropriation
- » Leverage business community involvement and investment
- » Have staffing flexibility
- » Benefit from continued access to top elected officials through an integrated relationship with the RIEDC

Fortuitously, the Greater Providence Chamber of Commerce's knowledge-based economy study revealed a strong interest on behalf of the private sector to participate in Rhode Island's attraction initiatives. The moment is right for the RIEDC and many other public and private entities to establish a statewide, collaborative Attraction Center.

## Action 5: Develop Robust Regional and Local Partnerships

### *Formulate a Systematic Statewide Industrial Site Readiness Plan*

The availability of high-quality commercial sites and infrastructure is critical for economic growth. When companies are ready to grow, they expect to find facilities that meet their requirements — class-A office, research and development or manufacturing space with ready infrastructure access.

RIEDC markets Rhode Island to out-of-state companies, works with industry sectors, provides financing, project development, and business assistance and connections to workforce development programs. But the final piece of a company's move or expansion — site selection and development — is often in local hands. That is why a core element of this Economic Growth Plan is to develop robust regional and local partnerships.

We must work in partnerships to ensure that Rhode Island has a reliable supply of sites suitable for economic growth so that we may respond nimbly when our business attraction efforts succeed. We want to be able to seize what we sense will be spill-over opportunities from neighboring states.

RIEDC will develop a systematic, statewide site strategic plan that will align our assets with market opportunities. We have issued an RFP to contract with a national site consultant to evaluate individual sites as to their readiness and best use, provide an analysis of the diversity of sites available, assess which sites are best aligned to which industries, and develop a process to formally evaluate future sites.

When the site readiness strategy has been generated, RIEDC will work with local and regional entities and stakeholders to recognize realistic uses and the importance of readiness. Importantly, we will integrate the final plan into statewide marketing and attraction efforts.

It is easy to get excited about what Rhode Island has to offer: the Route 116-99 corridor in the northern section of the state with its proximity to Boston metro;

the Providence metropolitan core with its concentration of hospitals and institutions of higher education; the I-95 triangle with T.F.Green Airport, Amgen and Quonset Business Park; Aquidneck Island and the East Bay with the Navy, defense, marine trades and high technology companies. From Woonsocket to Westerly and from Pawtucket to Portsmouth, Rhode Island is alive with opportunity. Strong regional and local partnerships will allow us to build strategically on our tremendous regional economic strengths. Such partnerships are being put to work already on three high-priority economic development projects:

#### **1) I-195 Surplus Property**

The relocation of I-195 will make more than 19 acres of land available for redevelopment adjacent to the area of Providence known as the Jewelry District. This is a premier opportunity to create a new hub of high-wage job growth with significant office and commercial space.

In April 2008, RIEDC, the Department of Transportation and the city of Providence entered into a partnership agreement to take full strategic advantage of this opportunity. The partnership agreed to support an assessment of the development parcels that reflects the community's vision for redevelopment and issued a request for proposals to perform a professional redevelopment and marketing analysis for the surplus property. After careful review, a selection committee chose Cambridge-based Chan Krieger Sieniewicz to perform the analysis.

Outcomes from this assessment will help us realize the full value of the relocation property and achieve the economic development objectives of both the city and the state. Years from now we will look at our capital city's new skyline and see the proof that the relocation plan was a transformative opportunity for Rhode Island's economy.

#### **2) Quonset**

The Quonset Business Park in North Kingstown is unique in Rhode Island, equipped with water and sewer systems and served by air, rail and an existing port. The transportation infrastructure was vastly improved by the completion of highway connections to Route 4. As the park continues to grow and mature, planning for its further development needs to be integrated into broader planning for the Post Road

district, the West Bay region, and the state as a whole. The General Assembly has created a commission to review the future of the park.

### **3) Tourism**

The tourism industry employs roughly 50,000 Rhode Islanders. In 2009, partnerships will be the key to maintaining Rhode Island's tourist economy — and even expanding it. Marketed effectively, Rhode Island could be a prime tourist destination in a year when household and business budgets are constrained, as its exceptional tourist attractions are easily and inexpensively accessible within three hours by car to 50 million people. Rhode Island Tourism will actively pursue this “drive” market with an aggressive integrated public relations and marketing campaign, and promote value packages created by private industry partners. In addition, the Rhode Island tourism industry, in partnership with local media, will support a “Staycations” campaign to market our state's attractions to Rhode Islanders who plan to spend their summer vacation at home.

Rhode Island Tourism will also redouble its efforts to bring in visitors from all over the world. New partnerships have been formed with New York-based international package travel wholesalers to expand market share in the United Kingdom, Germany, China and beyond. Group promotion will concentrate on the less recession-affected niche markets such as educational travel, destination weddings, and reunion tours. A unique ambassador program supported by the Providence/Warwick CVB and Newport CVB will encourage local private industry partners to invite their national trade organizations to meet and convene in Rhode Island.

## **Action 6: Establish Expedited Permitting Procedure**

### ***Develop Statewide Expedited Permitting Legislation***

Businesses expect coordinated and prompt permitting for new facilities at both the state and local level, and will locate elsewhere if they do not find it in Rhode Island. Protracted permitting processes and inconsistent requirements are also hindering the recovery of the recession-ravaged construction industry. It is time to remove this sometimes deal-breaking impediment to job growth in this state.

As a first step, the RIEDC will convene the parties involved — builders, contractors, building trades, architects, engineers and regulators — to begin the discussion on how to simplify, standardize, coordinate, and speed up the process of obtaining construction permits.

For larger economic development projects, the RIEDC is working with the Governor's Office to develop a statewide expedited permitting proposal that includes municipal-level permitting. Among the initiatives being considered are the creation of a permitting ombudsman within the RIEDC, who would be familiar with all of the project's permitting needs and guide projects through to approval and completion, and the establishment of a statewide pending permit review panel composed of regulatory decision-makers to facilitate the prompt review of pending permits for projects with substantial economic development improvements.

It is RIEDC's expectation that this will be an important piece of state legislation that will make Rhode Island highly competitive with neighboring states. A fair, predictable and prompt permitting process will attract new companies to Rhode Island and allow companies within our state that take advantage of the program to grow.

## **Action 7: Accelerate Science and Technology Research**

### ***Support the Science and Technology Advisory Council***

Attracting federal research dollars into the state is an important economic development strategy for Rhode Island, as it capitalizes on our high density of institutions of higher learning, our population's entrepreneurial bent and our exceptional talent pool of 80,000 post-secondary students — at more than 8 percent of our population, among the highest proportions of advanced learners in the 50 states.

The Obama administration has indicated that it will make science and technology enterprise a major component of the rejuvenation of the U.S. economy — an opportunity for Rhode Island to capture a larger share of research and development dollars. While Rhode Island overall fares reasonably well in

comparison with other states, it lags behind its neighbors Connecticut and Massachusetts. Here is an area where we can improve our competitiveness within our region.

RIEDC has a tremendous resource in this endeavor in the Rhode Island Science and Technology Advisory Council (STAC), a coalition of business, academic and government leaders who advise Rhode Island's government leaders on the important role of technology, innovation and entrepreneurship in strengthening the economy. STAC will be called upon to develop a strategy for accelerating science and technology research.

RIEDC will make continued state financial support for the STAC a top economic development priority and will work to strengthen the bonds between STAC and its Research Alliance with private businesses, hospitals and federal laboratories. RIEDC will support STAC's initiatives to address the skills gap and to create opportunities for participation in the 21st-century innovation and knowledge economy in all of the state's communities.

## Action 8: Expand Renewable Energy Capabilities

### *Leverage Renewal Energy Fund and Deepwater Wind Project*

A new national focus on confronting climate change and reducing our nation's dependence on imported oil and expensive fossil fuels have caused renewable energy to emerge as an outstanding innovation-economy job growth opportunity — one that stands out against the prevailing dark economic news. Our coastal location's renewable energy resources, our state's commitment to energy efficiency, and our wealth of "green tech" talent give Rhode Island enormous potential to become the epicenter of the emerging alternative energy market. It is a clear example of how Rhode Island must move quickly and nimbly to seize such opportunities.

In 2008, the Rhode Island General Assembly gave the RIEDC the duty of managing the state's Renewable Energy Fund (REF), which provides grants and loans to renewable energy projects that generate electricity in a cleaner, more sustainable manner. The law requires specific fund allocations for municipal projects and

for non-profit affordable housing projects. The broad range of potential projects includes wind energy, solar energy, ocean energy, geothermal energy, small hydro-energy projects, eligible bio-mass energy, and fuel cells.

In 2009, the RIEDC will manage the REF to build a competitive "green sector" of the Rhode Island economy, attract green businesses to Rhode Island, create a green workforce, and increase the number of "green collar" jobs in the state. The RIEDC will leverage the REF to get federal stimulus funding to develop the renewable energy sector and projects. RIEDC is committed to supporting both small, community-scale projects and large, utility-scale ones. As an example of the type of projects the REF can fund, on January 2009, the REF awarded \$30,000 in grant funds — to the Town of Jamestown's wind power feasibility study.

RIEDC will also leverage the Deepwater Wind project to create more "green sector" jobs in the state. The Deepwater Wind energy project off the coast of Rhode Island is slated to provide 1.3 million megawatt hours per year of renewable energy — 15 percent of the state's electricity demand — and create more than 800 new jobs at Quonset Business Park. By establishing itself as an early leader in large-scale offshore wind energy production, Rhode Island will gain an important competitive advantage in attracting alternative energy companies to the state and in creating new, high-wage, green energy jobs.

## Action 9: Maximize Economic Impact of Federal Stimulus Dollars

### *Provide Strategic Support to the Office of Economic Recovery and Reinvestment*

The federal government is seeking to rescue the U.S. economy through a series of extraordinary measures. Legislation to rebuild access to capital and credit, restore consumer confidence, invest in infrastructure, protect mortgage-holders, and close state budget gaps will result in the injection of hundreds of millions of dollars into the Rhode Island economy. We have an enormous opportunity — and obligation — to spend this investment strategically, so that it benefits us economically in both the short and long term.

By executive order, RIEDC has been assigned the role of “providing support, assistance and expertise” to Governor Carcieri’s Office of Economic Recovery and Reinvestment on the utilization of federal funds available under the American Recovery and Reinvestment Act of 2009 and other economic stimulus legislation. Multiple rounds of federal legislation are anticipated.

RIEDC will assist in the prioritization of projects for economic development and job creation. In the performance of this responsibility, the RIEDC will work systematically to channel funds to projects that both provide immediate employment opportunities and advance the goals of sustainable job creation. Stimulus dollars will be spent most wisely if their economic impact endures beyond the life of a construction project.

## Action 10: Reinvigorate RIEDC Programs and Initiatives

### *Work with the Governor’s Review Panel*

Governor Carcieri has appointed a review panel made up of experienced business, labor and legislative leaders to study RIEDC’s programs and initiatives, structure and mission. The panel is charged with recommending changes to RIEDC that put it in a stronger position to create jobs.

The formation of the panel, grave economic circumstances, and RIEDC’s internal realignment of its activities have converged to present a watershed opportunity to strengthen the role of economic development in Rhode Island.

RIEDC is deeply engaged in conversations with the panel about what Rhode Island’s economy, businesses and workers need from us to recover and to flourish. We anticipate that the work of the panel will be to elevate economic development in Rhode Island, and we look forward to incorporating the panel’s recommendations in a bold way into our strategy to get Rhode Island Working Again.

## Conclusion

The 10 components of RIEDC’s 2009 Economic Growth Plan will enable our state to take swift, strategic advantage of every job growth opportunity that we can identify. These actions confront our current economic woes head-on but also take the long view and build for the future.

In the weeks to come, we will be working hard with the Governor’s office, the General Assembly, community leaders, and the businesses of Rhode Island to move forward with these initiatives. Implementing them will require us to think creatively, plan strategically and act collaboratively — and we will. We can get Rhode Island Working Again.

## Rhode Island, Working Again

[www.riedc.com](http://www.riedc.com)

The logo for RIEDC, with the letters 'RIEDC' in a bold, sans-serif font. The 'R' and 'I' are blue, while the 'E', 'D', and 'C' are green.

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