



RHODE ISLAND  
**Economic Development**  
CORPORATION

# **FY 2008 PERFORMANCE REPORT**

**July 1, 2007 – June 30, 2008**

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## **EXECUTIVE SUMMARY**

During FY 2008 (July 1, 2007-June 30, 2008), the Rhode Island Economic Development Corporation (RIEDC) assisted over 3,800 new and expanding companies that are adding jobs in Rhode Island, improving the skills of the local workforce, and making critical investments in the business infrastructure and climate of the state.

RIEDC staff played a crucial role in assisting established businesses to add and retain jobs throughout the state, and in supporting entrepreneurs as they build new and expanding small businesses. During FY 2008, RIEDC estimates that client companies invested over \$300 million in new capital projects in the state of Rhode Island, and created or retained some 4,200 jobs in the state.

### **FY 2008 Highlights**

- Approximately 3,800 firms assisted with retention, expansion or relocation
- Over 6,300 jobs created throughout Rhode Island communities.
- More than \$300 million invested in new capital projects by new and expanding companies
- Assistance in obtaining over \$160 million in Federal, state and local government contracts
- Technical assistance, training and trade mission assistance with foreign market entry and export promotion for Rhode Island companies
- Continued marketing, advocacy, funding and administrative support to Rhode Island's growing tourism industry; and
- Ongoing policy, referral and research support that helps Rhode Island companies find the data, resources and other support they need to maintain and expand business relationships

## PURPOSE

The primary mission of the Rhode Island Economic Development Corporation (RIEDC) is to create jobs, attract and retain businesses to the state, and provide professional consultation and related services to encourage and enhance the business climate in the state. As required by RIGL 42-64-28, the RIEDC has completed this Performance Report to describe its operations and accomplishments during Fiscal Year 2008, which covers July 1, 2007 – June 30, 2008. Separate audited Financial Statements describe the financial operations and position of the Corporation and subsidiaries.

## Summary of Performance Results

During FY 2008, the RIEDC provided assistance to over 3,824 companies—using an array of business and workforce development programs, financial assistance and other support tools. Of the companies assisted, the overwhelming majority were companies already located in Rhode Island. As a result of RIEDC team effort, 6,385 new jobs were created and 4,286 jobs were retained.

**Table 1: Summary of RIEDC Activity & Impact, FY 2008**

<b>Programs</b>	<b>New jobs created</b>	<b>Job retention/expansions</b>	<b>Companies Assisted</b>
Government Procurement	3624		526
Project Status	505		9
DBLF Loans	84	379	15
Bond Program	166	193	5
Enterprise Zone	1130		96
Export Assistance			410
Every Company Counts			941
Workforce Expansion	457		10
Attractions (Business Development)	419	3714	1812
<b>Total</b>	<b>6385</b>	<b>4286</b>	<b>3824</b>

It is important to note that the programs administered by the RIEDC provide recurring benefits to the state beyond the first year—the jobs created today continue to pay taxes to the state long after any business incentives are provided.

## **Detail of Financial Assistance Activities**

The RIEDC directly administers five (5) separate tax-related incentive programs that are available to private (and in some cases non-profit) applicants under state authorizing legislation. These incentives are designed to spur private investment, new employment, capital investment and tax revenue, thereby improving the quality of life for all citizens.

- a. Status as a designated “Project” of the RI Economic Development Corp. Project Status enables firms to receive a rebate of state sales tax on construction materials, furniture, fixtures and equipment in proportion to the net new tax revenue by projects having at least 100 new jobs.
- b. The RI Job Development Act provides companies with a proportional reduction in their corporate income tax rate based on the number of new jobs to be created in the state.
- c. The RI Job Growth Act enables companies to offer a 50% reduction of income tax on performance-based income in exchange for payment of a 5% tax to the state; companies must add at least 100 jobs and \$10 million in payroll.
- d. The State Enterprise Zone program has designated geographic areas around the state that provide for tax credits to firms which grow their local workforce by at least 5% each year; and the
- e. The RI Innovation Tax Credit designed to encourage investment in high-growth, high-wage industries by providing up to a 50% tax credit for qualified investments in target industries.

## a. Project Status

**Table 2. RIEDC Project Status recipients FYE 2008:**

RI EDC Project Status recipient	Sales and Use (S&U) tax refund FYE 2008 (provided by Tax Div):	Base year:	Base year jobs:	Full-time jobs added FYE 2008:	Part-time jobs added FYE 2008:	New jobs required to receive benefit (3 year period total):	Total employment FYE 2008:
Citizens	0.00	8/26/1999	2665	100	0	500	5,727
Cox Communications Inc.	\$ 157,411	4/23/2001	972	28	0	350	1500
CVS Pharmacy, Inc.	\$3,337,397	12/16/1997	3623	110	19	744	5491
Factory Mutual Insurance Company	\$ 350,000	11/15/1998	175	106	3	325	887
FMR Corp & Subs	\$9,963,026	5/28/1996	0	19	0	1000	2510
G Tech Corporation	\$ 251,165	1/1/2005	1000	116	0	0	1286
Hexagon Metrology Inc.	\$ 312,087	5/23/2005	228	12	0	0	262
Reeb Millwork	0.00	9/26/2005	1	14	0	104	96
UTGR Inc. (BLB Investors LLC)	\$2,406,595	7/25/2005	525	0	0	326	1260
<b>Total full time jobs added FY2008</b>				<b>505</b>	<b>22</b>		

In FY 2008, two applicants were approved for "Project" status. HTP Med, a Connecticut-based manufacturer of specialized plastic tubing for the medical industry, proposes to create 109 jobs in a new \$10.1 million facility in Hopkinton (approved in House and Senate); the One Ten Providence Owner LLC (W Providence Hotel), a proposed \$155 million, 191-room hotel and condominium tower in downtown Providence; and later, modifications to that same agreement, allowing for the substitution of another hotel brand should the project parameters change. Ocean State Job Lot (165 anticipated jobs in the first round and 330 in the second round, and \$83.4 million in expansion, sales take abatement capped at \$968,402) analysis was conducted, approved by the board and submitted to the legislature for approval.

## b. RI Job Development Act

Two applicants were approved under the RI Job Development Act. Rite-Solutions, a software company based in Middletown, RI which will be adding approximately 100 jobs to its existing RI workforce; and Fedex Ground, which proposes to expand an existing facility in Johnston and add 100 full-time employees and another 34 independent contractors. Two applicants also received approval under the RI Job Growth Act: FMR Corporation (Fidelity Investments); and Aspen Holdings Inc. (First Comp Insurance). Another private company which made a major investment in Rhode Island in FY 2008 was Alexion Pharmaceuticals of Connecticut. The company, which did not use business tax incentives, announced plans to spend \$50 million to acquire and retro-fit an existing manufacturing facility in Smithfield and bring 100 high-wage jobs to the state. Richline Group Inc (71 full time jobs anticipated in the first round and 182 FT jobs in the second

round) analysis was conducted, approved by the board and submitted to the legislature for approval.

### **c. Job Growth Act: Income Tax Reduction on Performance-Based Income**

The Jobs Growth Act (RIGL 42-64.11-1) allows eligible businesses in any industry to offer their employees an exclusion of 50% of performance-based compensation from their Rhode Island gross income. In return, the company pays a 5% tax each year on the performance-based income paid that year. An application for certification would be filed with the Rhode Island Economic Development Corporation.

- In order to qualify, a company must hire 100 new employees in the state and add at least \$10 million to its state payroll. Those new workers must earn at least 125% of the state's average annual compensation.
- Employees must be hired or relocated after June 1, 2005 and cannot have been previously employed by the company. The tax cut applies only to bonus or incentive income, not base salary.

### **d. State Enterprise Zone program**

The state **Enterprise Zone Program**, managed by the RIEDC, has been a major catalyst to business growth and job development in some of the state's most economically depressed areas. During FY 2008, Enterprise Zone Program certified 96 enterprise zone member businesses, which in turn created 1,130 new full time jobs for Rhode Islanders, 40% of which were filled by enterprise zone residents.

### **e. The RI Innovation Tax Credit**

Rhode Island now offers a new tax credit to encourage investment in high-growth, high-wage innovation industries and support the state's entrepreneurs. The Rhode Island Innovation Tax Credit offers investors up to a 50% credit on eligible investments, with a maximum tax credit of \$100,000. To be eligible to apply for the credit, an investor must invest in a Rhode Island business that produces traded goods or services and has annual gross revenues of less than \$1 million in the prior two calendar years. Companies must be categorized as one of the following innovation industries: Biotechnology and Life Sciences; Communication and Information Technology; Financial Services; Marine and Defense Manufacturing; Professional, Technical and Educational Services; Industrial and Consumer Product Manufacturing and Design.

The credit may be carried forward for a period not to exceed three years and may be issued in the name of the eligible company, an executive employee or employees of the company, an investor in the company or a combination thereof not to exceed a maximum of 10 executive employees. Investors must apply for the credit prior to

making an investment. Once an application is approved, the investor has up to 12 months to make the investment and provide proof of investment back to the EDC board of directors. Upon completion of this process, EDC will certify the investor's eligibility for the credit with the Rhode Island Division of Taxation.

**Table 3.  
Innovation Tax Credits Job Creation Tracking – Employees Added 7/1/07-6/30/08**

Company	Full Time Jobs	Part Time Jobs	\$ Investment	# of Investors
Providence Health Solutions	6	0	\$237,500	14
Public Display, Inc.	3	5	\$200,000	1
mPay USA	0	0	\$10,000	5
Lighthouse Security Group, LLC	6	0	\$200,000	1
<b>Total:</b>	<b>15</b>	<b>5</b>	<b>647,500</b>	<b>21</b>

#### f. Financing

In addition to tax-related incentives, the RIEDC has the ability to offer companies favorable financing for new capital investment in plant and equipment. During FY 2008, the RIEDC issued 15 loans through the Small Business Loan Fund (SBLF), totaling \$2.85 million. The 15 DBLF loans are expected to create or retain a total of 463 jobs.

**Table 4: RIEDC Small Business Loan Fund Activity, FY 2008**

SBLFC CLOSED LOANS	AMOUNT	DATE	COMMUNITY	JOBS CREATED	JOBS RETAINED	JOBS TOTAL
<b>Fiscal Year 2008</b>						
Green Grocer (Micro)	\$35,000	6/27/2007	Portsmouth	4	0	4
New England Syrup Co., Inc.(Micro)	\$35,000	7/17/2007	Smithfield	1	2	3
CoreSmart Interactive, LLC (Micro)	\$35,000	7/31/2007	Providence	1	1	2
KC Enterprises LLC	\$250,000	9/27/2007	North Kingstown	1	24	25
E.B. Thomsen Inc.	\$250,000	12/13/2007	East Providence	4	37	41
Jungle Jim Preschool(Micro)	\$35,000	11/13/2007	Warwick	8	0	8
Court Drive LLC	\$130,000	1/17/2008	Smithfield	5	120	125
American Partners, Inc.	\$250,000	1/29/2008	Pawtucket	25	0	25
Precision Source	\$500,000	2/1/2008	Smithfield	5	14	19
Malco Saw Co., Inc.	\$125,000	3/18/2008	Cranston	6	6	12
Concordia Manufacturing, LLC	\$500,000	4/11/2008	Warwick	5	57	62
Greene Plastics	\$500,000	4/17/2008	Hopkinton	10	109	119
Narragansett Brewing Company	\$125,000	5/29/2008	Providence	4	4	8
Exchange City	\$50,000	6/4/2008	Cranston	1	3	4
A Family Tree School Age Enrichment Program, LLC	\$30,000	6/12/2008	Warwick	4	2	6
<b>Total (15 loans)</b>	<b>\$2,850,000</b>			<b>84</b>	<b>379</b>	<b>463</b>

As of 6/30/08

The RIEDC and affiliates also issued or insured \$76.1 million in bonds through the RI Industrial Facilities Corporation or RI Industrial/Recreational Building Authority that are expected to create or retain a total of 359 jobs.

**Table 5: Bond Applications & Issuances, FY 2008**

Bond Project	RIEDC	Issue Amount	Community	Jobs Created	Jobs Retained	Jobs Total	Industry Description
<b><u>FY 2008</u></b>							
RI Philharmonic	RIEDC	\$7,000,000	E.Prov	9	187	196	New facility at former Meeting Street School
New England Expedition		675,000	Providence	0	0	0	Expanded parking facility
Providence Art Club	RIEDC	3,000,000	Providence	25	6	31	upgrade and expansion of existing facility
Masonic Temple (Sage Development)	RIEDC	14,280,000	Providence	132	0	132	256 room full service hotel. EDC Bond issuance of \$14.280MM covers debt of \$21MM "historic tax credits" due Sage Development from the State of RI. Savings to state realized is \$6MM
RI Airport Corporation	RIEDC	51,165,000					
<b>Total Fiscal Year 2008:</b>		<b>\$76,120,000</b>		<b>166</b>	<b>193</b>	<b>359</b>	

## Business Development and Support Programs

The core of the RIEDC's Business Development efforts is a professional team of Sector Leads and support personnel who provide companies with the tools, expert advice and partnerships to expand the state's high-wage innovation industries, including:

- Financial Services
- Information Technology and Digital Media
- Defense and Homeland Security
- Health and Life Sciences
- Marine Trades
- Manufacturing and Industrial Products
- Consumer Products and Design

During FY 2008, the RIEDC Business Development team called on over 1,812 Rhode Island firms (2,709 total face to face meetings and completed 2,512 total calls to a TOTAL ACTIVITY of **5,221**), assessed their development needs and helped them to access business resources. In addition, the Sector Leads and RIEDC Research and Policy staff completed a number of specific business recruitment proposals to out-of-state and foreign companies in the Information Technology, Manufacturing and Life Science industries.

**Table 6. Expansion/Retention  
Expansion/Retention of Existing Companies in RI in FY 2008**

	Retained jobs	Expansion jobs
Fidelity		1000
RiteSolutions		84
Ocean State Job Lot*		165
Richline Group Inc	71	182
Neurotech Pharmaceuticals		133
Concordia Manufacturing		30
American Power Conversion	1000	
FM Global	800	134
Zebra	115	
Total:	1986	1728

\*note: OSJL total expansion is 495 jobs over 3 years

**Table 7. Attraction Successes in FY 2008  
Attraction Successes in FY 2008**

	New jobs
Alexion	80
HTP Medical**	109
InQuest***	20
Duie Pyle****	60
United Natural Foods****	150
Total:	419

\*\*note: HTP Medical planning on adding 109 jobs over 3 years

\*\*\*note: InQuest planning on adding 20 to 50 jobs over 3 years

\*\*\*\*note: Duie Pyle planning on adding 60 to 100 jobs over 3 years

\*\*\*\*\*note: United Natural Foods 150 jobs anticipated

## **The Rhode Island Science and Technology Advisory Council (STAC)**

The Rhode Island Science and Technology Advisory Council (STAC) was created by legislative statute in 2006 to make innovation central to the state's agenda. Council members include leaders in the academic, business and public sectors who work collaboratively. STAC seeks to assist state leadership in developing programs and policies that:

- Increase Rhode Island's research and development capacity;
- Encourage entrepreneurship and new company creation; and
- Enable all organizations to innovate.

In 2008 The Providence Business News has named the Rhode Island Science and Technology Advisory Council (STAC) the 2008 Rhode Island Innovation Champion, as part of the PBN/Rhode Island Economic Development Corporation Innovation Awards.

Launched in 2006, the Innovation Awards, presented by the Providence Business News in partnership with the Rhode Island Economic Development Corporation and Tech Collective, and sponsored by Cox Business, are designed to honor Rhode Island-based companies, organizations and individuals that constantly replace existing methods, models and products with better ones.

Since its formation, STAC has initiated a number of key projects to help meet its goal to make innovation central to the state's leadership agenda including the creation of a URI Commission on Research and Innovation, implementation of an Innovation Tax Credit and the launch of the Rhode Island Research Alliance.

### Rhode Island Research Alliance

STAC created the RI Research Alliance in 2006 to create a statewide platform to promote collaboration across the state's research organizations, increase our competitiveness for federal funding and support efforts such as the EPSCoR, COBRE and INBRE networks.

The alliance's first initiative was the creation of the Collaborative Grants program to support catalytic, inter-organizational collaborative research projects that are well positioned to attract substantial follow-on investment and/or have significant potential for technology development and commercialization.

In 2008, STAC expanded the alliance. With catalytic investments from Brown University and the University of Rhode Island, the Alliance has embarked on a new effort to assess collaborative research opportunities, begin assisting with the preparation of collaborative proposals to major funding agencies such as the NSF and NIH and support the development and marketing of joint and shared laboratory facilities.

### URI Commission for Research and Innovation

In 2006, STAC called for the creation of a blue ribbon commission to propose specific actions to strengthen the University of Rhode Island's position as a nationally competitive public research university and as a key driver in the state's efforts to build an innovation economy. In response to this recommendation, the Rhode Island General Assembly passed, and Governor Donald Carcieri signed into law, legislation creating a commission to recommend specific actions to strengthen URI's research capacity.

The commission is specifically charged with making recommendations for how the university can: 1) Grow the size, significance and competitiveness of its R&D programs; 2) Produce a larger, better trained and more science and technology oriented workforce; and 3) Increase the levels of both industry involvement in its research programs and technology transfer/commercialization activities.

### **RIEDC's Export Assistance program**

RIEDC's Export Assistance program, a partnership between the RIEDC and the John H. Chafee Center for International Business at Bryant College, offers a number of specialized services that regularly assist more than 300 Rhode Island companies each year. The Market Entry program offers customized business matches to foreign sales and distribution channels in over 70 countries. Customized Export Training grants of up to \$5,000 are available for companies to learn the nuances and mechanics of international trade. RIEDC Export Assistance also facilitates firms' participation in business development missions to international markets.

- Rhode Island Exports reached a total of \$1.5 Billion through the end of the third Quarter of 2008<sup>1</sup> and this is an increase of 29% over the previous year. This compares favorably with the National Average of 17.6%
- Market Entry and Export Training Programs:  
Summary of results:  
40 Market Entry and Export Training programs to 16 countries ranging from Japan to Uruguay to Canada, China, Brazil and the Hong Kong to name a few.
- Summary of Results:  
Dollar value of potential sales that may result within the next 12-18 months: Total Projected Sales: \$7,784,000  
Rating of the quality of service from the RIEDC: 9.9 (1 lowest 10 highest)

### **The Rhode Island Procurement Technical Assistance Center (PTAC)**

The Rhode Island Procurement Technical Assistance Center (PTAC) helps businesses take advantage of opportunities in federal, state and local government markets. PTAC offers group training and one-on-one counseling sessions on a variety of government

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<sup>1</sup> Latest available numbers.

procurement topics. This enables Rhode Island firms to become a prime or subcontractor with confidential assistance by qualified counselors. PTAC's services are free to any existing commercial company with an active presence in Rhode Island and e-commerce capability. . In FY 2008, PTAC sponsored 32 training and outreach events attended by 1734 and held over 450 counseling sessions with clients. As a result, more than **370 government contracts**, worth over **\$181 million**, were awarded to companies who sought PTAC assistance.

## **The Rhode Island Tourism Division**

The Rhode Island Tourism Division is responsible for promoting domestic and international tourism to Rhode Island. It conducts a comprehensive marketing, communications and research effort to expand the state's tourism industry. The Tourism Division produces the state's official tourism guides and interactive web site, manages the Rhode Island Welcome Center on I-95 North in Richmond and the Rhode Island Building at the Eastern States Exposition, and is a vital resource for hospitality developers.

Tourism is not measured in standard economic accounting terms. Most industries are accounted via the supply-side: firms are categorized into NAICS codes and asked about jobs, revenues, costs. But tourism is a demand-side activity: the focus is on what the traveler buys before and during a trip (hotel, food, transport, retail...).

- ✓ Tourism expenditures\* reached \$6.8B
- ✓ Visitation grew by 3% and visitor expenditures by 2%
- ✓ Avg. spend-per-visitor grew to \$384
- ✓ 1 of every 10 Rhode Islanders owes his/her job to tourism
- ✓ Rhode Island keeps 62¢ of every dollar spent by visitors
- ✓ Tourism is responsible for 5% of total RI Gross State Product
- ✓ Tourism generated 12% of all state & local tax revenue in '06
- ✓ Tourism's tax contribution reached \$1,350 per RI Household
- ✓ Tourism is the 4th largest industry in RI (based upon jobs)
- ✓ Avg. Annual Tourism Wages reached \$31,100 in '07
- ✓ Every 220 visitor/travelers creates a new job in RI
- ✓ Appx. 41% of RI restaurant revenue can be attributed to visitors

In FY 2008, the total economic impact of travel & tourism (direct and indirect) was \$2.63 billion. This represents 6.3% of RI Gross State Product. The ratio of the total impact to total expenditures reveals that 62¢ of each tourism dollar spent in Rhode Island is retained in the state. The remainder represents import leakages. This accounts for 16.3% of total employment in the state. 52,420 jobs – direct and indirect – were created by travel & tourism (Consumers that travel more than 50 miles to the destination) economic activity. This accounts for 10.6% of total employment in the state. Approximately \$1.63 billion in wages & salaries were generated by travel & tourism in

FY 2008. Tourism generated \$930 million in federal, state, and local government taxes in FY 2008, a 4.0% increase over previous year.

### **Workforce Development programs**

The RIEDC takes an active role in the state's Workforce Development programs. Customized training and matching grants are directed through the Governor's Workforce Investment Board (formerly the Human Resource Investment Council), along with Federal funds. In FY 2008, EDC staff worked with many businesses that received training grants. Virtually all companies provided matching funds for Rhode Island's workforce development. The Workforce Expansion Program, funded by the Governors Workforce Board awarded 10 grants totaling \$777,764 for the training of 457 new positions in 2008.

### **The Every Company Counts (ECC)**

The Every Company Counts (ECC) program helps to create a dynamic and supportive small business environment in Rhode Island. ECC operates through a network of 170 high-quality business development partners who provide comprehensive technical and financial assistance services to small businesses in Rhode Island. The Every Company Counts network assisted over 2,000 (500 new) small businesses through network referrals, seminars and events. ECC also launched a Spanish-language web site in 2007. In 2007 ECC held 35 seminars and had plans for 90 more in 2008.

### **RIEDC's Policy and Research**

During FY 2008, the RIEDC's Policy and Research staff responded to thousands of information requests from Rhode Island businesses, elected officials, state and local agency staff and citizens. From helping locate potential suppliers and customers, to assistance with navigating tax and other regulatory issues, this division provided data and analytical support that helps new and expanding firms to access Rhode Island's business resources, networks and other tools.

## Quonset Development Corporation

The Quonset Development Corporation (QDC) is a special purpose subsidiary of the Rhode Island Economic Development Corporation, and is responsible for the development and management of the 3,000+ acre Quonset Business Park. QDC develops and manages the Park in accordance with an approved Master Plan.

In broad terms the Quonset's development goals are as follows:

- √ Create additional jobs
- √ Stimulate private sector investment
- √ Create additional tax base

### Accomplishments:

- √ Ground leases for the first phase of the Gateway project have been executed with New Boston Development Partners for a 20 acre parcel and 13.4 acre parcel. Kohl's opened in September of 2008. Lowe's will open in January of 2009 and Dave's Market will open in the spring of 2009.
- √ In FY 2008, 18.39 acres of infill parcels were sold to individual users.
- √ A deteriorated wooden bulkhead was replaced with 732 linear feet of a steel bulkhead and 500 linear feet of revetment.
- √ The first phase of Romano Vineyard Way was completed to service the Gateway.
- √ The construction of the 2.5 mile shared use path has commenced and is anticipated to be completed in the Summer of 2009.
- √ RIDOT substantially completed Route 403 and opened the highway for traffic in October of 2008.

**Table 8. Projected Private Investment and Job Growth at the Quonset Business Park based on FY 2008 Transactions**

Project (sale)	Acres	Investment	New SF	New Jobs
PCM Capital of RI, LLC	2.99	\$ 2,000,000	40,000	10
Falvey Cargo Underwriting	3.9	\$ 35,000,000	30,000	40
Ocean State Testing	1.5	\$ 10,000,000	12,000	10
M&D Trucking	1.8	\$ 600,000	8,000	35
Contractor Supply	2.1	\$ 1,700,000	10,000	5
Riggs & Gallagher	4.6	\$ 4,200,000	48,000	120
Annex Plating	1.5	\$ 1,600,000	19,000	35
<b>Total</b>	<b>18.39</b>	<b>\$ 14,600,000</b>	<b>167,000</b>	<b>255</b>
New Boston (lease)	34	\$ 75,000,000	640,700	1445

Please see Quonset Development Corporation Statutory Report 2008 for more indepth information.

## **RIEDC-Sponsored Business Events and Conferences**

### Attraction dinners

RIEDC and Rhode Island Commodores partnered on regional campaign to target expansion and relocation opportunities in Financial Services, Health and Life Sciences and Information Technology and Digital Media Sectors

The Rhode Island Commodores have pledged \$30,000 in support of the campaign. The total budget for the campaign was \$75,000 with the remaining funds coming from the RIEDC marketing budget. Funding from the Commodores was used to support a series of regional industry dinners that will connect RIEDC with business leaders in the Financial Services, Information Technology and Digital Media, and Health and Life Sciences sectors and alert them to expansion and relocation opportunities in Rhode Island.

### PTAC Matchmaking Event

Dubbed "speed dating" for small businesses, the Department of Defense's Spring 2007 Matchmaking Event, held on Monday, June 11, brought together 63 government agencies and contractors with 577 New England small businesses looking to secure a piece of the billions of dollars the federal government allocates for contracts and subcontracts each year. Partnering with the Rhode Island Procurement Technical Assistance Center (PTAC) and the Rhode Island Chapter of the National Contract Management Association (NCMA), the DoD Northeast Regional Council for Small Business Education and Advocacy hosted the four-day series of training, conferences, workshops and technical presentations at the Crowne Plaza in Warwick from June 10–13 to introduce small businesses to contract opportunities with federal agencies and prime contractors.

### We Mean Business Expo

We Mean Business was established in 2007 by the Every Company Counts initiative of the RI Economic Development Corporation and the Secretary of State's First Stop Business Information Center to make it easier for you to access the answers and make the contacts at every level of government that you need to be successful today.

## **Agency News**

In February 2008, the RIEDC launched Opportunity: Rhode Island, a regional attraction campaign aimed at identifying expansion and relocation opportunities initially focused in the financial services, information technology and digital media, and health and life sciences sectors. The campaign, funded in part by the Rhode Island Commodores, uses direct marketing, industry events and peer outreach to generate new business development leads.

Also in early 2008, the RIEDC re-launched its website, [riedc.com](http://riedc.com), following a strategic in-house redesign of the site to make the agency's business services, data

and publications, mission and strategy, and pertinent business development news more accessible to users. The agency's print marketing collateral, redesigned in 2007, mirrors the clean and accessible design of the website, focusing on information regarding each of the state's industry sectors as well as RIEDC programs and services.

The staff turnover and declining global and national economy in 2008 put stress on all the sectors in economy but EDC continued to alleviate and mitigate the pressures businesses were feeling.

## **Economic Growth Plan 2008**

RIEDC has completed a comprehensive review of its activities and programs and has aligned its entire effort to the vision, goals and strategies of this Economic Growth Plan. Central to this review and repositioning are ongoing efforts to modernize the agency's programs to reflect the current needs of Rhode Island companies and better support companies that are well positioned to grow and create new high-wage, innovation economy jobs.

Our Vision: Create a 21st Century Innovation Economy that Produces Higher Wage Job Opportunities for All Rhode Islanders

Today's changing economy is based more on ideas than on bricks and mortar. Locally, nationally and globally we have seen a shift from a reliance on machinery and equipment to "knowledge workers" who generate ideas and information. Rhode Island's economy has also changed. Like the rest of the nation, Rhode Island must now compete in a global economy where innovation and knowledge are the primary drivers of economic growth. Though daunting, the transition to a knowledge-based innovation economy offers Rhode Island an opportunity to achieve greater prosperity now and in the years to come. This Economic Growth Plan describes our strategy to promote growth, create jobs and accelerate the state's economic transformation.

Our Goal: To provide Rhode Islanders with more high-wage job opportunities by increasing the percentage of Rhode Island jobs paying above the national average wage from 40 to 60 percent

Rhode Island's economy has significant growth potential. More than \$7 billion in new capital has been invested in Rhode Island since 2005. But a slowing national economy has put additional pressures on our state economy that make it essential for us to stay on our strategy for creating jobs and improving our business climate.

Across the nation, the average private-sector wage is \$42,400. In Rhode Island, the average wage is \$38,700. Only 40 percent of the jobs in our state pay more than the national average. Contrast that figure to our neighbors: In Connecticut, 55 percent of workers make more than the national average, and in Massachusetts, that number is 58

percent. Rhode Islanders are employed, but we are making less than our neighbors to the north and south.

Our goal is to create an economy that increases the number of Rhode Island jobs paying above the national average wage from 40 percent to 60 percent over the next 10 years, with measurable increases every year. This transition will create 79,000 new high-wage jobs, produce \$2.5 billion in additional state income and \$83 million in state income tax revenue in today's dollars.

Our Economic Growth Plan:      Implement Six Strategies for Creating a 21st Century Innovation Economy

Our plan consists of six strategies for creating a 21st century innovation economy that provides higher wage job opportunities for all Rhode Islanders:

1. Increase the Number of High-wage Jobs in Target Sectors
2. Increase the Availability of Growth Capital to Rhode Island Businesses
3. Increase the Availability of Office and Commercial Space
4. Increase the Skills and Experience of the Rhode Island Workforce
5. Increase Research Activity and New Company Creation
6. Decrease the Tax and Regulatory Burden Facing Rhode Island Businesses

Many factors will affect our success at repositioning Rhode Island's economy to grow more high-wage jobs. It is essential that Rhode Island continues to improve its business and tax climate. We must not lose ground on the progress we have made. We must make it easier to do business and reduce the regulatory burden facing businesses in Rhode Island. We must protect the gains we have made in improving our business climate and identifying new actions to strengthen our competitiveness. These measures are central to the success of this—and any—economic growth plan.

## **R.I.G.L. §42-64-28(c)(2) SUMMARY OF BOARD MEETINGS**

For FY 2008 (July 1, 2007 thru June 30, 2008) the RIEDC took the following actions:

1. Approval of the FY '07 Financial Audit Report.
2. Approval of new authorized signatories for financial accounts of the corporation.
3. Approval and adoption of strategic initiatives.
4. Approval of innovation tax credit applications for Bionica Corporation; Lighthouse Security Group; Ocean State Solutions, LLC; Providence Health Solutions; Public Display, Inc.; and Tizra, Inc.
5. Approval of inducement resolution for financing for Rhode Island Philharmonic Orchestra.
6. Approval of project status for expansion of corporate and distribution facilities for Ocean State Job Lot corporate headquarters in North Kingstown, Rhode Island.
9. Approval of Jobs Development Act tax incentive for Richline Group, Inc.
10. Approval of tax exempt bonds for Providence Art Club historic restoration.
11. Final approval of innovation and growth tax credits for Lighthouse Security Group; Ocean State Solutions; Providence Health Solutions; and Public Display, Inc.
12. Approval of underwriters for Rhode Island Airport Corporation airport improvement bonds.
13. Final approval of innovation and growth tax credits for Providence Health Solutions.
14. Final approval of issuance of tax exempt bonds for Rhode Island Philharmonic Orchestra building restoration.
15. Appointment of R. Thomas Stocker, Jr. to Board of Directors of Small Business Loan Fund Corporation.
16. Preliminary approval of innovation tax credit applications for Isis Biopolymer, Inc.; EvoCare Infusion Services; and ER Card, Inc.

17. Final approval airport revenue bonds.

18. Discussion and adoption of revised rules and regulations for expedited permit process.

19. Final approval of innovation and growth tax credits for Creative Circle Advertising Solutions, Inc.

In addition to the specifically announced agenda items and actions taken, at each Board meeting the Executive Director provided a report to the Board on activities of the corporation staff, public information including press regarding the RIEDC, and upcoming economic development items for the Board's attention.

## **SUMMARY OF TRAINING COURSES HELD PURSUANT TO R.I.G.L. §42-64-8(a)(4).**

In accordance with the reporting requirements of R.I.G.L. §42-64-28(c)(5), the RIEDC conducted training courses to comply with R.I.G.L. §42-64-8(a)(4) through the use of training modules during regularly scheduled Board meetings. The RIEDC forwarded copies of the training modules to the Governor's office, the Rhode Island Senate and the Rhode Island House of Representatives.

The training modules were prepared at the direction of the Executive Director by the Secretary of the Board and corporate counsel.

Training occurred in the following areas:

1. A review of the provisions of Chapter 64 of Title 42 of the Rhode Island General Laws, the enabling legislation that creates and governs the powers and authority of the Rhode Island Economic Development Corporation.
2. Chapter 14 of Title 36, the Rhode Island Code of Ethics. This module included a summary memorandum from counsel, a review of the Rhode Island Code of Ethics, the Ethics Commission regulations, the annual financial disclosure report, the gift disclosure statement and the Recusal form. Additionally, the Board reviewed the Ethics Commission "user's guide" and the preceding years' annual report from the Ethics Commission.
3. Chapter 46 of Title 42, Open Meetings. The third module, although not required by statute, included a review of the Open Meetings Act including posting of notices, compliance with open meetings and access issues, and permitted topics for executive session.
4. Chapter 2 of Title 38 of the Rhode Island General Laws, Access to Public Records. The fourth training module included a review of the Access to Public Records Act, recent cases involving the definition and nuances of public records keeping, the RIEDC's policies and procedures regarding public records requests and responses thereto.