



Rhode Island Commerce Annual Report

Fiscal Year 2020

RHODE
ISLAND
COMMERCE



In Fiscal Year 2020, Rhode Island reached an all-time high number of jobs, peaking at a record high in February. Soon, the COVID-19 crisis followed, and our state suffered meaningful losses of not just jobs but neighbors. It was a dire, trying time in our state's – and our world's – history, but Rhode Island is not one to shy away from a challenge.

Rhode Island quickly rose to meet this difficult situation head on. Rhode Island led the nation in coronavirus testing per capita and is leading the Northeast in a safe re-opening process. The manufacturing and construction industry, bedrocks of our economic progress, remained open and working throughout the pandemic, operating under industry-initiated guidelines. Investments in infrastructure and innovation made prior to the pandemic have the state well-positioned for a brighter future and helped fuel a rebound already in progress.

Throughout the pandemic, Rhode Islanders were asked to sacrifice, pivot, and adapt. They successfully learned new regulations, developed new products, and even opened new businesses. For the fifth year in a row, the state formed a record number of new businesses.

Our work is nowhere near finished to building a better, more resilient, more equitable Rhode Island, but tremendous progress has been made and the future is beginning to look very bright.

- 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 citizens.

FY2020 Overview

A Strong Economy Pre-COVID: Prior to the onset of the global pandemic, Rhode Island boasted one of the strongest economies in state history. In February 2020, the number of Rhode Island-based jobs stood at 507,200—an all-time jobs high, and well above the pre-Great Recession peak of 498,600 in January 2007. Rhode Island’s 2019 annual average unemployment rate of 3.6% was also the lowest on record, and below the national unemployment rate of 3.7%.

The Pandemic’s Negative Economic Impacts: Rhode Island was not immune from the effects of the global pandemic. Between February 2020 and April 2020 (a span of only two months), Rhode Island lost 108,000 jobs, and the state’s unemployment rate increased from 4.0% to 17.4%. The pandemic’s negative economic impacts were especially severe in the retail, hospitality, arts, entertainment, and recreation industries.

Rhode Island’s Economic Recovery: On account of the state’s swift and strategic response to the global pandemic’s dual economic and public health crises, Rhode Island’s economy quickly turned the corner on the path to recovery. Between April 2020 and June 2020, Rhode Island recovered 36,800 jobs, and the state’s unemployment rate fell from 17.4% to 10.9%. This economic turnaround was especially strong in Rhode Island’s manufacturing and construction sectors, which were never shut down during the pandemic.



COVID-19 Response

Commerce immediately and nimbly responded to the
COVID-19 pandemic

PARTNERING TO SUPPORT PANDEMIC RESPONSE

Commerce partnered with private sector leaders and public health officials to address the COVID crisis



Innovating to meet ventilator supply needs. To meet the urgent ventilator needs of the state, Commerce moved rapidly and overcame several challenges. Partnering with URI and the R.I. Emergency Management Agency (EMA), Commerce innovatively and successfully reworked Bi- and CPAP machines gathered from around the globe to drastically boost supply.

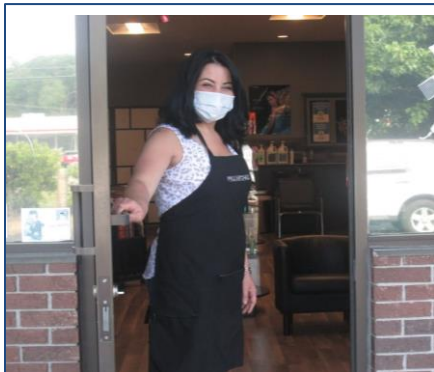
Supplying small businesses with PPE. Facing limited supply and availability, Commerce partnered with R.I. EMA to help 19 Chambers of Commerce throughout the state distribute PPE to small businesses. In total, this initiative distributed approximately 400,000 masks, 40,000 bottles of hand sanitizer, and 3,000 gallons of disinfectant solution. This is estimated to have assisted more than 40,000 employees at 3,600 small businesses.



Partnering on top-rated testing system. The Commerce team partnered with EMA, RI Department of Health (RIDOH), and our life sciences partners to stand up the top-rated testing system in the nation. As part of this effort, Commerce partnered with CVS to implement free, drive-through testing. According to *The New York Times*, Rhode Island was frequently ranked first in the nation in testing per capita.

Mask Up RI. Polaris MEP, DesignxRI, and Commerce worked to form Masks RI, an online platform to connect Rhode Island designers, makers and manufacturers of non-medical masks and cloth face covers with potential buyers. This culminated in the launch of "Mask Up RI," a social media campaign stressing the importance of making and wearing masks to limit the spread of COVID-19.

Partnering with the Private Sector and the Department of Public Health. Commerce played a lead role in appropriately balancing the state's public health and economic priorities. This involved an extensive, broad-based, and ongoing dialogue with the business community and public health officials. Commerce hosted frequent webinars with RIDOH and community partners to help connect businesses with needed resources.



LEADING THE WAY IN OPENING AND ADAPTATION

Rhode Island had a strong, fast, and proactive approach to the COVID crisis

A Collaborative Approach, A Safe Reopening: Throughout the pandemic, Rhode Island partnered and collaborated with industry leaders and the business community to develop a comprehensive strategy to reopen the state's economy. At the onset of the COVID crisis, the state conducted more than a dozen virtual listening sessions and held dozens of stakeholder calls with a broad range of industries.

Upholding Public Health Standards: To help businesses implement the latest in public health protocols, the Department of Business Regulation (DBR) conducted 1,000+ safety and compliance inspections. DBR and Commerce served as vital resources for answering businesses' COVID-related questions. Additionally, Commerce led continuous direct outreach to cities and towns throughout the state to provide critical resources and planned financial support programs to provide direct support to the state's small business community.

Leading the Region in Reopening: These efforts were key ingredients for mitigating the pandemic's negative public health impacts and moving Rhode Island along the path of economic reopening. On account of the state's strong public health response and partnership with the business community, Rhode Island was the first state in New England to reopen.



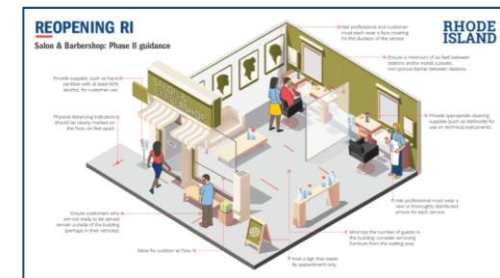
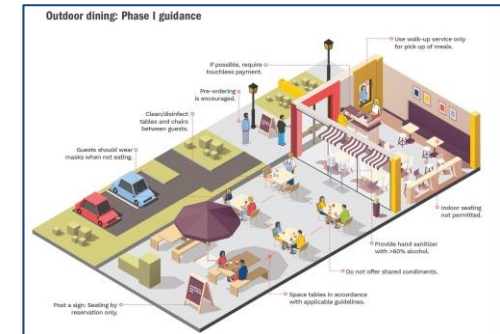
HELPING THOUSANDS OF SMALL BUSINESSES

Throughout the COVID-19 pandemic, Rhode Island Commerce staff served our state's small business community by connecting them to resources and helping them navigate the public health crisis.

521-HELP: Commerce's helpline became a reliable and consistent source of information and assistance during an uncertain time. From March to June of 2020, Commerce responded directly to 3,755 calls and 1,160 email requests from businesses seeking information about state restrictions and state and federal grant and support programs.

Individualized Business Support: Commerce team members provided additional individualized support for hundreds of businesses. Examples include conducting real estate searches, addressing business planning challenges, and assisting organizations with the shift to remote work.

ReopeningRI.com: Commerce developed the comprehensive website, ReopeningRI.com, ensuring timely and accurate information in an ever-changing environment to both businesses and residents. The site has already reached more than 1.7M page views.



CONNECTED BUSINESSES TO INFO, FINANCIAL SUPPORT

Commerce reacted swiftly at the onset of the pandemic to ensure Rhode Island businesses had the bridge capital they needed.



- **State-supported Bridge Loans:** With \$1M from the Small Business Loan Fund Corporation (SBLFC) and \$1M from Bank Newport, Commerce was able to distribute 180-day, interest-free loans to 334 businesses, totaling \$1,652,200. Most loans were for \$5,000 and bridged the gap businesses experienced before the EIDL and PPP programs began. These loans supported businesses from diverse industries, from caterers to fitness centers to construction companies.
- **Accessing federal funding opportunities:** Commerce worked closely with the RI Black Business Association (RIBBA), RI Hispanic Chamber of Commerce (RIHCC), and the United Way to increase awareness of and uptake in the Paycheck Protection Program. Additionally, Commerce hosted webinars and information sessions to help answer questions and provide valuable information. Thanks in part to this work, PPP supported payroll for 200,000 Rhode Island jobs in FY20.

HELPING SMALL BUSINESSES ADAPT

Facing new challenges of converting to e-commerce, remote work, and more, Commerce helped small businesses adapt.



- **Helping businesses work remotely.** Thanks to a donation from Microsoft, Commerce partnered with Social Enterprise Greenhouse (SEG) to distribute 500 laptops to businesses needing to shift quickly to remote work. Laptops were distributed across 36 different cities and towns across the state with more than 72% of businesses assisted being woman-owned or led and approximately 25% of businesses assisted were led by people of color.
- **Connecting businesses to technical help.** In partnership with District Hall/Venture Café, Commerce launched Small Business Tech Help. This service connected 1,050 businesses with 57 technology industry volunteers from 47 different R.I .companies to aid work during the pandemic. Services included enabling search engine optimization, initiating e-commerce, and establishing other digital-related operations and services.



SUPPORTING SMALL BUSINESSES

Throughout an especially challenging year, Commerce remained committed to helping our state's small businesses by building connections, funding innovation and growth, and fostering new business opportunities.

SMALL BUSINESS ASSISTANCE PROGRAM (SBAP)

SBAP helps entrepreneurs and small businesses with access to capital. The program especially helps businesses that have difficulty obtaining adequate credit from traditional lending sources, with a focus on women- and minority-owned enterprises and those in underserved communities.

135

Closed loans through FY20

56%

Women and/or minority owned business

25

Loans in FY20

1,016

Total jobs created

\$3.7M

Total state investment

\$19M

Total loan amount leveraged through lending partners*

2020 Rhode Island & New England Small Business of the Year: Family Cake

Family Cake opened in 2014 out of the kitchen of Juan and Wendy Lantigua in Providence. With help from the state, the business joined the Hope & Main food incubator—and, in 2020, expanded its business to wholesale cakes, gaining a contract with Price Rite. The state's Small Business Assistance Program provided access to capital that allowed Family Cake to move into a brand-new storefront on Manton Avenue. Today, the bakery retail-establishment specializes in producer-to-consumer and producer-to-warehouse-to-consumer customized cakes with tropical flavors and handcrafted designs. Many of their cakes are sold in grocery stores throughout New England, and the company is looking to further expand its distribution network.

*The six lending partners are: BDCRI, BDC-RI Capital Access Program, CIC, SEED, SEG, and RIBBA.

LENDING OPPORTUNITIES

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

In FY20, the Small Business Loan Fund financed:

\$2.25 Million*

*Including \$1.6M in COVID-support bridge loans

337 Projects*

*Including 334 COVID-support bridge loans

In FY20, the RI Commerce Corporation also issued three bonds:

- \$24,450,000 – WinGate Healthcare LLC*
- \$15,700,000 – Quonset Development Corporation
- \$202, 510,298 – DOT Garvee Bond

* The WinGate Health bond was reported as issued in the FY19 annual report. The bond was closed in CY19 but in FY20.

** There were no bonds issued by RIIFC in FY20.

SUPPLYRI

SupplyRI connects small Rhode Island suppliers to procurement opportunities at Rhode Island's larger Anchor institutions. In FY20, SupplyRI helped connect \$55 million worth of PPE to anchors through local vendors.

1,885

Small businesses in database

14

Anchors

19

SupplyRI events, many held virtually

953

Supplier assistance interactions



"We are grateful to SupplyRI for providing many opportunities for small, women-owned businesses like ours to meet and develop business relationships with individuals, organizations and companies that we can partner with by offering our expansive translation, interpretation and voice over services....The folks at SupplyRI really understand the importance of connection and do it right!"

– Drita Protopapa, MA, MPH, President & CEO, MAPA Translations

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

In FY20, Rhode Island's small businesses faced tremendous challenges. To help companies innovate into a "new normal," the state's innovation incentive programs expanded to include COVID-related adaptations.

INNOVATION VOUCHERS

Grants of up to \$50,000 for R&D in collaboration with top research institutions.

- 16 vouchers awarded.
- \$4.2M total awarded, including \$0.7 M in FY20.
- \$.2M awards for COVID-related projects.

INNOVATION NETWORK MATCHING GRANTS

**United Way
New England Medical Innovation Center
Mass Challenge**

- 3 Network Matching Grants totaling \$434,966
- \$73,300 in COVID-response awards

SPOTLIGHT: LOMBARDI UNDERSEA

Lombardi Undersea used Innovation Voucher funding to develop a medical device for COVID-19 patients based on its life support breathing apparatus for divers. Applying its expertise in underwater challenges, the company developed a helmet-based ventilation system that could provide respiratory assistance to COVID-19 patients seeking an alternative to traditional ventilation.

NATIONAL & GLOBAL ENGAGEMENTS

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 FY2020, Rhode Island PTAC helped 341 small businesses secure \$288.6M in federal contracts and \$38.2M in state contracts—an increase of over \$60M from FY2019.

International Trade

The Chafee Center for International Business at Bryant University helps businesses expand their international presence. In FY20, the Chafee Center engaged with more than 330 companies and helped 54 small businesses leading to actual export sales of \$4.338M through the STEP grant program. Before the pandemic, the Chafee Center conducted an in-person trade mission to Toronto and Montreal in October 2019 and had a Rhode Island booth at the Defense, Security, Equipment International (DSEI) trade show in London in September 2019.

SPOTLIGHT

Ambilabs®

A Rhode Island small business, specializing in creating ambient air monitoring solutions participated in the 2019 Chafee Center Canada Trade Mission.

According to Andy Tolley, business manager:

“Resulting partially from the 2019 mission, Ambilabs® has grown sales into Canada of its small sensor AQMesh® air monitoring technology. In addition, the company has been increasing awareness in Canada of our high precision particulate/haze/visibility monitoring sensor solution.”

TOURISM & MARKETING

The tourism industry was hit incredibly hard during the COVID-19 pandemic. Despite these challenges, Rhode Island continued to position itself as a premier destination.

MARKETING 2020 IN REVIEW



Through 138 placements, our public relations efforts reached 792.9M people



RI still hosted 26.2 million visitors in 2019—an increase of 3.2%



\$1.48M of tourism advertising led to 176,570 hotel bookings in 2019 and \$53M in hotel revenue—an over 30% increase YOY



Traveler economy surpassed \$7B in 2019 (a 4% increase YOY)

The COVID-19 pandemic presented many challenges to businesses and tourism in particular throughout FY2020. Despite these challenges, Rhode Island continued to market itself as a premier destination for travelers.

SPOTLIGHT: RHODE ISLAND HOTEL WEEK

On January 18-31, 2020, Commerce created the first annual Rhode Island Hotel Week to build awareness of Rhode Island as a year-round destination and drive bookings in the low season, including integrated messaging on all channels about the discounts available in the off-season months.

Hotel Week advertising generated:

- Bookings: 1,955
- Estimated hotel revenue: \$293,250
- Impressions/clicks: 7,517,656
- Visits to microsite: 20,541
- 72 million paid & owned impressions; 12,000 social media engagements
- Earned coverage in *The Boston Globe*, *Thrillist*, *Parade*, and *TravelPulse*
- Earned media coverage reflected 17-fold ROI on paid social media efforts

DIGITAL MEDIA

FY2020 saw continued activity and growth in our digital marketing efforts. Due to the pandemic, Commerce's marketing approach shifted to digital ads targeting customers in the nearby drive market, helping to recapture some share of the tourism economy.

43.8M

Impressions on Visit Rhode Island website
(up 34% from FY19)

636K

Engagements across social media channels

9,103

New followers in FY20 on Facebook, Instagram, and Twitter (up 19% from FY19)

62.4K

Links clicked (up 41% from FY19)



VisitRhodeIsland.com Statistics

- Number of users: 898,231
- New users: 897,371
- Page views: 2,183,135
- Unique pageviews: 1,806,296
- Average session duration: 01:33
- Top markets: **New York, Boston, Hartford**



STRENGTHENING RI – INSIDE AND OUT

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

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BUILDING NEW BUSINESS INTEREST IN RI

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, even throughout the pandemic.

FY20 started off strong for business development in RI, with the Business Development team logging significant outreach with prospect companies, in-state companies, and partner/influencer organizations, despite work being interrupted by the COVID-19 pandemic. The team continued to focus efforts on expanding and developing new partnerships and relationships with local businesses, educational institutions, and out-of-state companies looking to expand. Collaborative efforts with in-state entities like Hope & Main, CIC, Venture Café, and RI institutions of higher education helped enhance RI's value proposition.

Business development highlights include:

- The first RI Offshore Wind Summit, hosted in partnership with NECEC, at Innovate Newport; the summit was oversubscribed with more than 200 global attendees.
- Participation in various conferences including BISNOW, Select USA, and BIO—connecting with top executives in the life sciences, food, defense, technology, and offshore wind industries. Participation in virtual conferences and events.
- Work on site readiness grant programs, supporting RI company projects, including: Blount Boats, RI Waterfront, and Kenyon Industries (now Brookwood Finishing), among others.

When the COVID-19 pandemic hit, the team shifted focus toward supporting the sustainability of in-state companies, as well as direct state response to the pandemic—including directly working with the Department of Labor and Training on the Back to Work RI program.

RENEWABLE ENERGY

Supporting a greener and more resilient Rhode Island economy

Renewable Energy Fund in FY20

- \$4,027,739.48 funded
- 8,941.67 kW generated
- 398 projects
- 74 clean energy companies participated
- 7 interns placed

“The Clean Energy Internship program allowed Newport Electric Construction Solar to expose young professionals to how a solar company operates and benefits Rhode Island. Our interns have been able to build upon what the previous interns have participated in. Without the REF’s internship program, we would not have some of the tools we have created, including multilingual marketing materials and a downloadable guide to going solar.”

– Newport Electric Construction

In 2017, the state announced a strategic goal to increase clean energy ten-fold by the end of 2020 – achieving a total of 1,000 MW of clean energy projects.



TALENT GROWTH & RETENTION

Wavemaker Fellowship

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 four years.

SINCE INCEPTION

893 Fellows

273 Employers

89% Rhode Island Residents

53% Rhode Island Graduates

35% Women Fellows

IN FY2020

226 Fellows

198 Employers

90% Rhode Island Residents

50% Rhode Island Graduates

36% Women Fellows



The Wavemaker Fellowship has helped me see the light at the end of a very long tunnel....This fellowship is helping me to take years off my repayment schedule, getting me even closer to realizing my dream of starting a technology company, something that would be nearly impossible to do with the debt burden I had coming out of school.

– Chris Whipple, Wavemaker Fellow

P-TECH

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

LOOKING AHEAD TO FY21

Growing Rhode Island's resilience while
continuing comprehensive support for small
businesses

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DIRECT SUPPORT TO SMALL BUSINESSES

In the early months of FY21, Commerce continued to support small businesses—with technical assistance, guidance navigating the state's restrictions, and direct financial support through the RestoreRI grant program

RESTORERI

- In August 2020, Commerce began the RestoreRI grant program, deploying direct financial support to small businesses .
 - *Grant amounts ranged from \$1,500 to up to \$30,000.*
- As of December 31, 2020, the RestoreRI program supported more than **4,100** businesses—awarding more than **\$51M** in grants.
 - This included over 900 restaurants; 350 arts, recreation, and fitness businesses; 600 personal service businesses, 460 retail establishments, 200 nonprofits, and 900 sole proprietors.

OVERALL SUPPORT

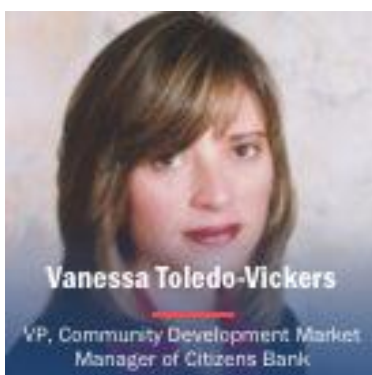
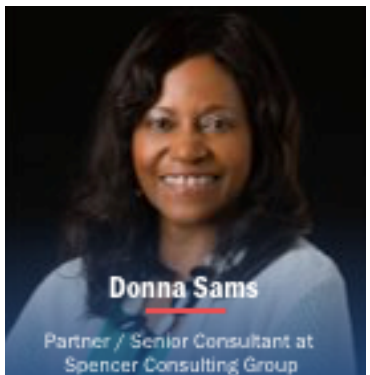
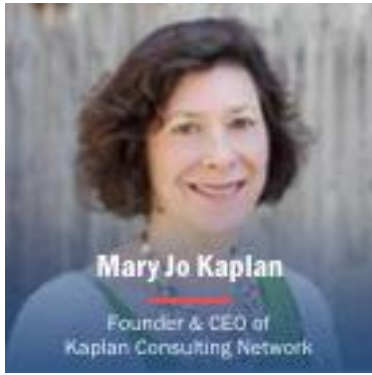
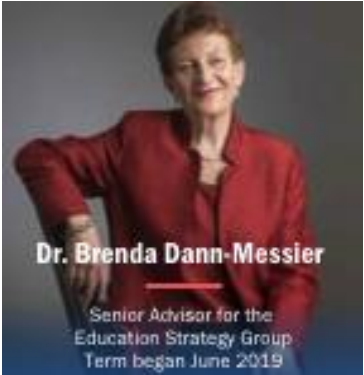
- In total in Calendar Year 2020, Rhode Island provided more than **\$125M** in direct support to small businesses and nonprofits.

APPENDICES

Legal, board of directors, and
financial information

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

FY 2020 BOARD MEETINGS

- July 22, 2019
- August 26, 2019
- September 16, 2019
- September 23, 2019
- November 25, 2019
- December 16, 2019
- January 27, 2020
- February 26, 2020
- April 27, 2020
- May 18, 2020
- June 22, 2020

FY 2020 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.

FY 2020 RULES & REGULATIONS

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

FY 2020 BOARD TRAININGS

- The Corporation conducted one board training in July 2019.

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, 2020, to the Governor, Senate president, Speaker of the House, and Secretary of State before May 31, 2021, as required by Title 42 Section 64-28, State Affairs and Government. These statements can be found at:

<https://commerceri.com/wp-content/uploads/2021/01/Issued-FS-RICC.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.