

# **ANNUAL REPORT**

JULY 1, 2016 - JUNE 30, 2017



# OUR BEST ASSETS ARE OUR PEOPLE







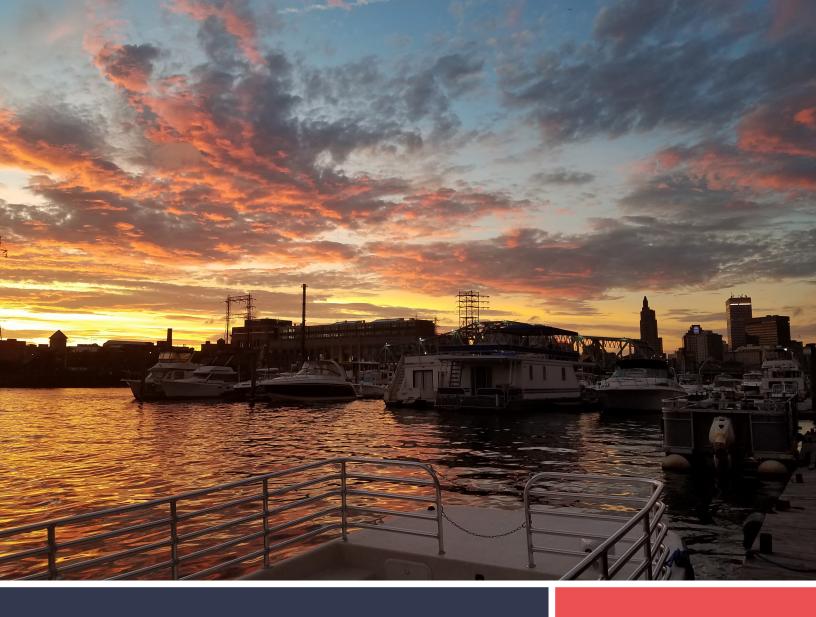


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# WE'RE HERE FOR YOU

At the Rhode Island Commerce Corporation, our economic development mission is to act as a resource to everyone invested in making Rhode Island a premier place to live, work, and do business. We build relationships with business owners, entrepreneurs, educators, land developers, industry leaders, and government officials. We use strategic planning and proactive insight to prepare our workforce for success, and we offer business assistance, access to funding, and red tape reduction for companies of all sizes.

We're accessible, committed, and proud to support our community.

Dedicated to creating opportunity for companies large and small that have been here for generations or are just settling in.



# THE LIVELY EXPERIMENT

Our economy is expanding rapidly after years of decline, with the highest GDP growth in New England in 2017. Rhode Island is jumping from an old industrial economy to a high-tech, collaborative future where designers sit next to engineers next to food innovators next to customers. Infosys moved here because they saw the access to talent and design-rich environment they needed. Virgin Pulse headquartered here because they could avoid the talent war happening elsewhere and draw upon our high density of eager college graduates. We established the first offshore windfarm in the United States because of our ability to collaborate and make regulatory changes in record time. Our industry strengths in marine, cyber, defense, manufacturing, biomedical innovation, and the industrial internet prove we aren't one thing – we're the convergence of it all.

Rhode Island is an innovation economy platform that is set to take off. We are built to promote flexibility and innovation, from our workforce training programs to our regulatory processes.

Rhode Island, undaunted by challenges, has achieved long term fiscal stability by tackling pension and Medicaid reform. Not only do we have some of the lowest tax rates in the Northeast, but we also offer competitive incentives to help companies thrive in Rhode Island, supporting real estate development, talent development, transportation needs, and more.



# RHODE ISLAND: OPPORTUNITY

Resourcefulness, commitment, creativity – these are the characteristics that drive Rhode Island's culture. We work furiously, we love our neighborhoods fiercely, and we don't believe in giving up. That's what shapes our culture of designers, innovators, and makers, and that's how we attract some of the best thinkers in the world.

# **STATE HIGHLIGHTS:**

- Reached an all-time record number of jobs in R.I. (more than 502,000).
- More than 25 companies have chosen to expand or relocate to Rhode Island thanks to our Qualified Jobs Tax Credit Program.
- More than 5 million square feet of new development is underway thanks to the Rebuild Rhode Island Tax Credit program.
- From Q1 to Q4 of 2017, Rhode Island's economy was the fastest growing in the Northeast.
- The largest decrease in unemployment rate percentage point decrease from 2014-2017.
- Fastest growth in average weekly earnings in 2017.
- Achieved more than 1 billion consumer impressions due to marketing efforts.





Representing the top corporate and community leadership in Rhode Island, this passionate and dedicated group serves as our primary governing body. Thanks to their generous support, the Commerce Corporation is able to fulfill its mission and make significant strides in enhancing the economic competitiveness of the state.

# BOARD OF DIRECTORS

## The Honorable Gina M. Raimondo

Governor, State of Rhode Island Commerce Corporation Chair of the Board

## Ronald P. O'Hanley

President & COO, State Street Corporation

#### Karl Wadensten

President/CEO, VIBCO Vibrators

## **Dr. Nancy Carriuolo**

Vice President for Advancement,
New England Institute of Technology

#### Bernard V. Buonanno III

Managing Director, Nautic Partners

# **Tim Hebert** CEO & Founder.

Trilix
Chief Managed Services Officer,
Carousel Industries

## Mary Jo Kaplan

Partner at The Ready

## **George Nee**

President, AFL-CIO of Rhode Island

## Jason Kelly

Executive Vice President, Moran Shipping Agencies, Inc.

#### Donna M. Sams

Partner/Principal,
AWE & Spencer Consulting Group

## Vanessa Toledo-Vickers

Director of Operations,
Academy for Career Exploration

## Michael F. McNally

Former President & CEO, Skanska USA

## Mary Lovejoy

Former Vice President & Treasurer, Textron, Inc.

# **COMMERCE CORPORATION SUBSIDIARIES**

# Industrial Recreational Building Authority (IRBA)

Scott A. Gibbs John R. Gowell, Jr. Laurence W. Ehrhardt

# Rhode Island Industrial Facilities Corporation (RIIFC)

John Ward Marcel Valois Joseph Confessore Melissa DuBose

# Small Business Loan Fund Corporation (SBLFC)

Raymond Fogarty Richard DeMerchant John "JR" Pagliarini Antonieta Falconi Lee W. Mercer

# **LEADERSHIP**

# Stefan Pryor

Secretary of Commerce

# Jesse Saglio

President & Chief Operating Officer

# Lisa Lasky

**Chief Financial Officer** 

## Lara Salamano

**Chief Marketing Officer** 

# **Jeff Miller**

**EVP of Investments** 

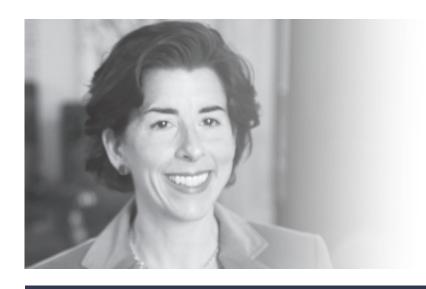
### Bill Ash

Managing Director of Financial Services

# Hilary Fagan

**EVP Business Development** 





# LETTER FROM THE GOVERNOR

Rhode Island is on the move. While we were once faced with one of the highest unemployment rates in the country, today we are in line with the national average. Our economy has more jobs than at nearly any other time in our State's history. Thanks to the hard work and resilience of Rhode Islanders and our many small businesses, we have cut the deficit in half and recorded the highest number of jobs in a single year.

You can see it all around us. Cranes are in the sky over Providence, Johnston, and Kingston. Construction crews are fixing roads across the state. We have built upon a solid foundation, and with cooperation across my administration and the private sector this progress shows no signs of stopping.

Our growth didn't just happen. It wasn't an accident. And it wouldn't have happened had we kept doing things the same old way. We've made a real commitment to strengthen our economy and create a better future for our children.

We have taken strides to make the state more business friendly, including cutting the corporate minimum tax by 20%, eliminating the sales tax on energy use for companies, lowering unemployment insurance, and cutting thousands of pages of unnecessary and burdensome rules and regulations.

People are taking notice. We've moved from No. 50 to No. 23 in unemployment taxes. Four years ago, the Gallup Jobs Index ranked our economy dead last. Today, we come in at Number 29. And we're not stopping until we're at the top of the list.

Our economic development toolkit is creating thousands of new jobs and adding additional tax revenue to our state. Real estate investment has resulted in millions of square feet of new development and added more than 1.500 new residential units to Rhode Island.

These efforts are taking place in every corner of the state, and impacting businesses of all sizes. Most of the economic development initiatives affect small businesses, which make up a significant portion of our state's economy. The Small Business Assistance Program provides crucial funding for small businesses through community lenders, and we're working to make sure the business community comes together so our largest employers can leverage their spending power to support small businesses.

We've come a long way, but our economic comeback is not finished. We cannot afford to slide backwards, and we cannot stop until every Rhode Islander is part of our state's incredible story of economic recovery. Let's keep going.

Sincerely,

Gina M. Raimondo Governor

State of Rhode Island

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# LETTER FROM COMMERCE SECRETARY

Over the past year, the economic development programs under Governor Raimondo have helped grow Rhode Island's economy. Throughout the state, from Woonsocket to Westerly, projects have come to fruition, buildings are being constructed, and businesses are expanding.

As of publication, Rhode Island is home to more than 500,000 jobs – the highest level on record. From 2014-2017, Rhode Island's average annual unemployment rate fell by 3.3 percentage points, the largest decrease in the nation. In 2017, from January to December, Rhode Island was first in the nation in terms of growth in average weekly earnings.

The Rebuild Rhode Island program has helped catalyze 34 development projects supporting 11,000 construction jobs. This has led to more than 5 million new square feet of private development, leveraging more than \$2 billion of private investment. The Qualified Jobs program is helping more than 25 companies expand or relocate to Rhode Island. Collectively, the economic development programs are helping to create more than 10,000 new jobs in our state.

Increasingly, others are taking notice. In this year's issue of Chief Executive magazine, CEOs were asked their opinion on the best and worst states to do business and R.I. showed the largest improvement of any state. The Tax Foundation raised Rhode Island's ranking in large part due to Governor Raimondo's multiple reductions of the unemployment insurance tax.

There is terrific momentum, but our work is far from complete. We look forward to continued progress and sharing even more positive news in next year's annual report.

Sincerely,

Stefan Pryor Commerce Secretary

State of Rhode Island



It is an honor to write to you as the new President and Chief Operating Officer of the Rhode Island Commerce Corporation.

In FY 2017, the organization continued its strong forward momentum, continuing to perform against all of our metrics and exceeding all of our established goals and benchmarks.

Our primary incentive tax programs, the Qualified Jobs Incentive and the Rebuild Rhode Island Tax credit were key catalysts to an improving statewide economy.

As of the publication date of this report, these programs are creating more than 3,200 qualified jobs and over \$2 billion in real estate development. Other CommerceRI programs, such as the Innovation Voucher program, linked in-state businesses to crucial research and development. The Small Business Assistance program helped entrepreneurs access modest amounts of funding to help make their dreams of owning their own business a reality. To that end, we also launched a Small Business Hotline, establishing a "one-stop shop" to connect residents and business people to our myriad services.

We also continued to make strong inroads with community partners, businesses, municipalities and the state's prestigious colleges and universities, making collaboration on projects large and small not just a possibility but a reality.

We have made tremendous progress. I look forward to an even more prosperous year ahead for all Rhode Islanders.

Sincerely,

Jesse Saglio President

**Rhode Island Commerce Corporation** 



The Commerce Corporation works with public and private sector partners across the state to support economic development in Rhode Island. Our efforts include deploying economic development incentives, managing capital funding programs for small businesses, advocating for Rhode Island's established and burgeoning industries, providing export assistance, and promoting travel and tourism.

# Here are some of the key successes from the Commerce Corporation's collective efforts:

# VIRGIN PULSE MOVES HEADQUARTERS AND BRINGS 300 JOBS TO RI

Virgin Pulse is the leading provider of software and technology solutions that increase employee productivity and business performance by improving employee health, wellbeing, and engagement. In 2016, Virgin Pulse acquired Rhode Island-based start-up Shape Up. Rumored to be moving to Boston, Virgin Pulse worked with Governor Raimondo and Commerce officials and in 2017 announced plans to establish a new headquarters in Providence, leveraging Commerce Corporation programs.

# \$200M INVESTMENT IN NEXT-GEN FACILITY

Amgen is a global, biotechnology company that focuses on innovative medicines, transformative research, and world-class biomanufacturing. With an existing footprint in West Greenwich, this new plant is the first-of-its-kind in the U.S. and will use Amgen's proven next-generation biomanufacturing capabilities to manufacture products for the U.S. and global markets. The plant is anticipated to create approximately 150 new highly-skilled manufacturing positions.

# **VITAE INDUSTRIES, INC.**

# REVOLUTIONIZES DRUG DEVELOPMENT

Vitae Industries, Inc. is a Providence-based early-stage biotech startup that develops hardware, chemical formulations and software to efficiently produce precise personalized oral medication dosages. In 2016, Vitae was awarded a \$50,000 Innovation Voucher with which they were able to develop and enhance an innovative automated compounding platform that enables pharmacies to provide cost-effective, tailored medication doses for each patient. With resources from Brown University, Vitae completed the critical project of chemical formula development necessary to produce pharmaceutical grade tablets. In September 2017, Vitae was awarded a second \$50,000 Innovation Voucher funding research to enable testing and delivery of personalized doses of Ambien in patients to reduce dangerous side-effects. In collaboration with Rhode Island Hospital, they will demonstrate the patient medical benefits of taking individually tailored doses of Ambien produced with the Vitae platform. Vitae Industries has added several jobs during this time and obtained federal funding to support the ongoing work.

# JOHNSON & JOHNSON CHOOSES RI

Global healthcare company Johnson & Johnson opened its new health technology center in Rhode Island. The center specializes in optimizing information technology and data analytics to create software applications that will serve to improve health outcomes. Johnson & Johnson employs approximately 126,900 people worldwide and is the world's largest healthcare company. The Providence location specializes in advanced information technology. With assistance from the Commerce Corporation, Johnson & Johnson has been working with local colleges and universities to fill these open roles with top-tier candidates.

"Rhode Island has a strong network of educators, employers, and decision makers that are advancing the integration of different health-related technologies," said Steve Wrenn, Global VP - Chief Applications Officer for Johnson & Johnson. "As a company with locations and options worldwide, we are very pleased with the opportunity the Ocean State provides for this new center."

# PROTOCOL NETWORKS

# AWARDED HANSCOM AFB CONTRACT

The Rhode Island Procurement Technical Assistance Center (RIPTAC) at the Rhode Island Commerce Corporation assisted local company Protocol Networks navigate defense purchasing requirements and helped them secure a large contract, valued at close to \$475,000.

# INFOSYS CREATING A DESIGN & INNOVATION HUB

In 2017, Infosys, a global leader in consulting, technology and next-generation services, announced a multi-year partnership with the State of Rhode Island to establish an Infosys Design and Innovation Hub. Infosys is expected to hire 500 workers to work in the Rhode Island hub, making use of the state's Qualified Jobs, Rebuild RI, and First Wave Closing Fund programs.

"Today's partnership with Rhode Island marks another important step forward for Infosys in the United States. The state's educational institutions, designrich environment, and economic development tools positioned Rhode Island competitively for this type of specialized partnership. This will enhance our ability to provide design-driven, digital technologies across the country and enable breakthrough innovations at the intersection of industry and design for our clients."

- Ravi Kumar, President, Infosys



FY 2017 marked the continued implementation of the powerful economic development toolkit proposed in 2015 by Governor Raimondo and enacted by the General Assembly. These programs are catalyzing economic activity that will create at least 4,500 new qualified jobs and approximately 11,000 direct and indirect construction jobs. Our economic incentives are safeguarded so that we protect taxpayers. Our economic incentives are built with the premise that, until the company does what they agreed to do, no funding flows to the company. For the Qualified Jobs Incentive, no payment is made until the job is created, and the funds come directly from the personal income taxes generated by that new job. For the Rebuild Rhode Island tax credit, no payment is made until the building is built and the developer has a certificate of occupancy.

#### **Economic Incentive Tools:**

- Qualified Jobs Incentive Tax Credit: Promotes new jobs in Rhode Island by rebating personal income taxes withheld for new employees back to the businesses hiring them
- **Rebuild Rhode Island Tax Credit:** Provides capital to qualified real estate projects that demonstrate a "financing gap" and have a catalytic benefit to the state
- **Tax Increment Financing:** Provides capital to eligible projects that demonstrate a "financing gap" by rebating new state tax revenue generated by a project
- **First Wave Closing Fund:** A discretionary gap-filling incentive program that provides financing for attraction, expansion, or retention of jobs
- Main Street Rhode Island Streetscape Improvement Fund: Awards grants on a competitive basis for improvements
  to local commercial districts
- **Tax Stabilization Incentive:** Provides an incentive for Rhode Island municipalities to enter into tax stabilization agreements by reimbursing municipalities for a portion of forgone revenue from qualifying tax stabilization agreements

# OUR

# **ACHIEVEMENTS**

- In FY 2017, the Qualified Jobs Incentive Tax Credit Program attracted eight companies to Rhode Island and helped four companies expand in Rhode Island, facilitating the creation of an estimated 1,220 new full-time jobs.
- The Rebuild Rhode Island program financed 10 real estate investments in FY 2017, representing a \$39.3 million state investment and stimulating \$388.2 million in project investment. These projects will help create **2,581 direct and indirect construction jobs**.
- In FY 2017, the Main Street Streetscape Improvement Fund awarded \$1 million across nine projects in nine municipalities for upgrades to commercial districts that contain and sustain many small Rhode Island businesses.

# **INVESTMENTS APPROVED JULY 2016 - JUNE 2017**

	PROJECTS Approved	AWARD AMOUNT	TOTAL PROJECT Costs	PLANNED DIRECT CONSTRUCTION JOBS	PLANNED DIRECT ONGOING JOBS
TOTAL - ALL INVESTMENT PROGRAMS (1)	33	82,341,877	479,479,704	2,097	2,254
QUALIFIED JOBS INCENTIVE TAX CREDITS (2)	12	24,901,270	70,950,000	239	1,220
REBUILD RHODE ISLAND TAX CREDITS (3), (4), (5)	13	43,893,107	458,376,154	2,021	1,554
TAX STABILIZATION INCENTIVE	3	10,850,000	88,550,569	401	138
FIRST WAVE CLOSING FUND	4	1,697,500	1,750,000	4	275
MAIN STREET STREETSCAPE IMPROVEMENT FUND	9	1,000,000	Est. \$10,000,000	Not Yet Knowable	N/A

# **CUMULATIVE INVESTMENTS APPROVED JUNE 2015 - JUNE 2018**

TOTAL - ALL INVESTMENT PROGRAMS (1)	70	192,742,989	2,156,535,331	8,722	6,336
QUALIFIED JOBS INCENTIVE TAX CREDITS (2)	28	65,063,278	606,241,101	2,193	3,210
REBUILD RHODE ISLAND TAX CREDITS (3), (4), (5)	31	100,110,385	2,063,645,643	8,303	5,181
TAX STABILIZATION INCENTIVE	3	606,426	412,905,703	1,563	365
FIRST WAVE CLOSING FUND	6	2,397,500	12,365,000	47	810
MAIN STREET STREETSCAPE IMPROVEMENT FUND	16	1,915,400	N/A	Not Yet Knowable	N/A

#### **FOOTNOTES**

- 1. Because projects may have received incentives from more than one program, program subtotals are not additive.
- 2. Permanent job creation data reflects only eligible new full-time jobs created through the Qualified Jobs Incentive Tax Credit Program.
- 3. Rebuild Rhode Island Tax Credit amounts shown represent gross credit amount excluding any sales and use tax rebate. These tax credits may be redeemed for 90 percent of their value. The estimated Rebuild Rhode Island Sales & Use Tax for FY17 is \$7,062,361. The Rebuild Rhode Island Sales & Use Tax cumulatively through June 2018 is approximately \$37,604,119.
- 4. Excludes 95 Chestnut Street Project which withdrew from the program. Chestnut Commons and DownCity II were approved in FY 2017, but amended in FY 2018.
- 5. Reflects amended award amounts for Case Mead.
- 6. There were no Tax Increment Financing Deals approved during this timeframe.

# **2017 MAIN STREET**

# STREETSCAPE IMPROVEMENT AWARDS

The Main Street Rhode Island Streetscape Improvement Fund supports projects that improve our commercial districts. Through a competitive application process, up to \$300,000 of funding is available for streetscape projects such as enhanced sidewalks, new street furniture, new way-finding signage, upgraded building facades, or improved street lighting. Applicants must have matching funds of at least 30% of the total project cost. In FY 2017, a total of \$1 million was designated for the following nine projects.

**Applicant:** Bristol **Funding:** \$42,855

Use of Funds: Wood Street improvements.

**Applicant:** Jamestown **Funding:** \$65,000

Use of Funds: East Ferry landscaping, crosswalks,

paving, and stone seating walls.

**Applicant:** North Kingstown

**Funding:** \$204,000

Use of Funds: Wickford Waterfront vision.

**Applicant:** Providence **Funding:** \$189,145

Use of Funds: Decorative lighting in Downtown and

improvements along Broad Street.

**Applicant:** East Providence

**Funding:** \$75,000

Use of Funds: Landscaping, lighting, and façade

upgrades in Watchemoket Square.

**Applicant:** Smithfield **Funding:** \$11,075

Use of Funds: Bus shelters and signage.

**Applicant:** Westerly **Funding:** \$140,210

Use of Funds: Downtown sidewalks, crosswalks, and

pedestrian signage.

Applicant: Warren Funding: \$203,315

Use of Funds: Water Street lighting and street trees.

**Applicant:** Warwick **Funding:** \$69,000

Use of Funds: West Shore road and crosswalks.



In FY 2018, the Main Street program announced another round of awards, with \$500k in available funding. As of June 2018, nearly \$2 million has been awarded across 16 projects in 13 municipalities.

# INNOVATION CAMPUS



In November 2016, Rhode Island voters approved a \$20 million bond issue to create an Innovation Campus (or Campuses) affiliated with the University of Rhode Island that will work to bridge the gap between the world-class research occurring at Rhode Island's universities and the opportunity for new startups and job creation that will come with turning that research into commercial activity.

An Invitation for Expressions of Interest and subsequent RFP called for parties in academia and industry to come together to create a transformative Innovation Campus or campuses in Rhode Island that would turn academic research into new commercial products, businesses, and jobs. The Rhode Island Executive Office of Commerce in partnership with URI fostered great participation and received 16 unique responses to the Innovation Campus Request for Proposals.

A committee made up of representatives of the Executive Office of Commerce and URI is holding interviews and will make recommendations to the Executive Office of Commerce. It is expected that one or more successful applicants will be chosen and announced in 2018. Selected projects will be required to exceed the state's investment from the bond proceeds.

"The University of Rhode Island has been confident that its research capabilities, intellectual talent, and economic development initiatives would compel many companies to consider submitting an innovation campus proposal," stated David M. Dooley, president of the University of Rhode Island. "We are delighted that 16 proposals were submitted. These proposals showcase the value of partnering with research institutions like the University of Rhode Island to fuel innovation and job creation. The university is grateful that the Governor, General Assembly, and Rhode Island voters supported the vision of developing an Innovation Campus and the university looks forward to identifying the proposal or proposals that can contribute the greatest economic and research opportunities to Rhode Island."

"Rhode Island is in the game and on the move. The strong response to the Innovation Campus competition confirms that Rhode Island has the talent, institutions, and resources to be a truly great hub of innovation. The ultimate winners of this competition will expand our ability to help Rhode Island businesses grow and create jobs."

- Governor Gina M. Raimondo



Rhode Island government is a partner to business, facilitating day-to-day needs, creating a sustainable fiscal environment, and providing business solutions to help Rhode Island companies thrive. We believe that government needs to make life easier, not harder, for business. Rhode Island offers companies a streamlined government experience, with professionals in our Business Advisory Group and workforce development teams acting as navigators for businesses, helping with all needs such as getting set up, building the workforce, recruiting talent, and engaging business and community partners.

#### **ACCESS TO FUNDING**

Our Small Business Assistance Program gained momentum in the past year:  $\ln FY 2017$ , 20 companies received loans totaling more than \$600,000 to help grow their business.  $\ln FY 2018$ , we were excited to see this number triple, celebrating the fact that more than 60 companies had received loans through this program.  $\ln FY 2018$  to date more than \$2.4 million in assistance from Commerce Corporation has facilitated \$10.2 million of total loans to small businesses through the Small Business Assistance Program.

#### **BUSINESS ASSISTANCE**

The Client Services Team continued to educate business owners and prospective entrepreneurs on the programs and services available to help their business succeed. One example was our "Business Friendly" postcard campaign that was sent to 1,300 new small business owners throughout the state, letting them know that the Commerce Corporation is here to help them succeed. In total, our team educated thousands of businesses about Rhode Island's incentive programs, the best way to navigate state government for a particular business need, and the initiatives state government is undertaking to improve its processes.

#### **RED TAPE REDUCTION**

The Commerce Corporation's Client Services Team works to identify and eliminate red tape and other impediments to businesses in Rhode Island.

For example, the Client Services Team collaborated with the Rhode Island Department of Environmental Management to help businesses with underground storage tanks understand and address a regulatory issue for tanks and pipelines installed prior to 1995. These tanks had to be removed and permanently closed prior to December 22, 2017 and our team worked tirelessly to ensure affected businesses understood the issue and were taking the right steps towards compliance.

Government-wide LEAN processing has achieved remarkable results, such as reducing processing wait times for one document at the Department of Labor and Training from two weeks to two minutes. The Client Services Team collaborated with the General Electric experts from AccessGE to host a two-day LEAN class at Bryant University. Twenty-one municipalities have streamlined their business registration and licensing process resulting in:

- Increased and introduced credit card usage
- Reduction of paperwork to a single form
- Creation of more efficient processes
- Reduction of fees and consolidated payments

Additionally, working closely with the Department of Business Regulation, we have seen a 31% reduction in the statewide volume of regulation, removing over 8,000 of the 25,842 pages of regulations that were on the books as of July 2016.

"We have worked hand-in-hand with businesses and municipalities on ways in which we could eliminate barriers to success, and we have accomplished several of our goals. Our work is not complete and we will always be looking for ways to improve our state's business climate, but we are moving in the right direction."

- Liz Tanner, Director of Department of Business Regulation

# **CLIENT SERVICES PERFORMANCE**

ITEM	FY 2018	FY 2017
NUMBER OF CLIENTS	2,427	3,775
NUMBER OF CLIENT INTERACTIONS	7,632	8,982

- The "number of clients" figure depicts the number of RI businesses during the specified time period during which an interaction occurred. The "number of client interactions" figure includes the total of all interactions that occurred during that specified time period. The decrease from FY 17 to FY 18 results from the discontinuation of the Client Service Inside Sales function. That function was primarily responsible for direct outreach (phone calls and emails) to the business community.
- 2 Average ratings are based on returned surveys during fiscal year 2017. Respondents were asked to rate their meeting experience with agency staff.

# **SMALL BUSINESS**

# **ASSISTANCE PROGRAM**

In December of 2016, the Commerce Corporation launched the Small Business Assistance Program. The goal of the program is to assist viable entrepreneurs and small businesses that encounter difficulty obtaining adequate credit from traditional lending organizations. The program works collaboratively with seven lending partners, to fill financing needs for small businesses including women-owned and minority-owned enterprises.

The Commerce Corporation's partnership with lenders provides direct loans to businesses ranging from \$2,000 to \$500,000

### **SBAP BY THE NUMBERS**

ITEM	FY 2018	FY 2017
NUMBER OF CLOSED LOANS	63	27
COMMERCE CORPORATION DISBURSEMENT	\$2.2M	\$1M
TOTAL LOAN VALUE	\$9.2M	\$3.01M
PRIVATE SECTOR LEVERAGE (PER DOLLAR INVESTED)	\$3.2	\$2.0

#### **FY 2018 HIGHLIGHTS**

- Launched Small Business Campaign in March 2018
- Including a new Small Business Hotline and website
- Launched SupplyRI, an initiative designed to increase the amount of goods and services employers procure with Rhode-Island based suppliers





# **CLIENT ENGAGEMENT**

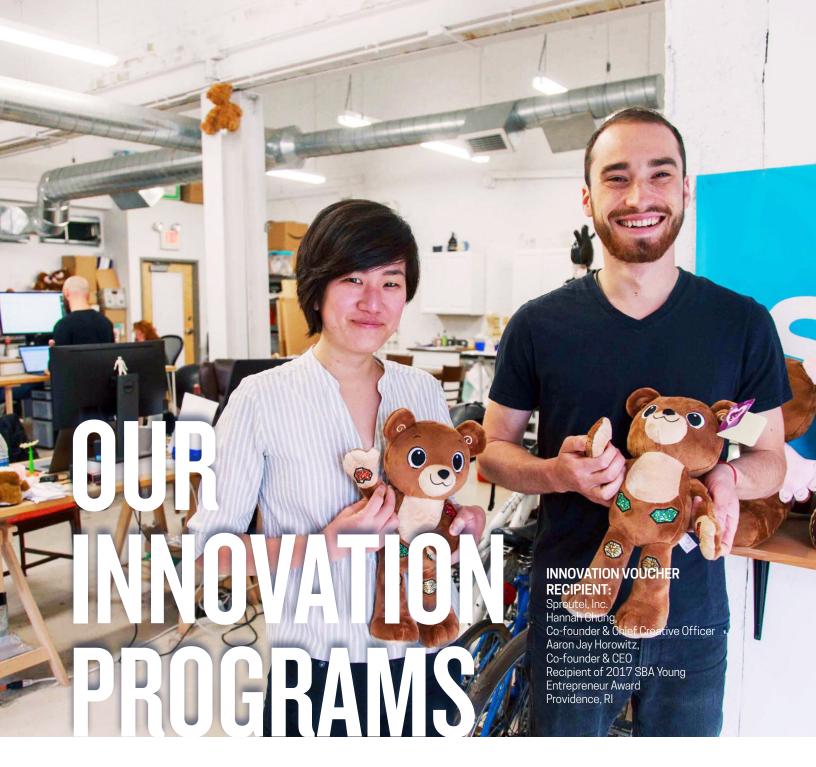
The Commerce Corporation's RI PTAC staff helped 146 new clients begin the government contracting process, far exceeding its FY 2017 goal of 60 new clients. Of these new clients — referred by our staff, resource partners, federal and state agencies and prime contractors — 98 percent were small businesses. The team's services for these clients included bid match profiles, market research, capture management, and compliance with contract requirements.

Clients received 1,631 total counseling hours, exceeding RI PTAC's goal of 1,600 hours. The team efforts include in-person, online, and telephone interactions. Across these communication channels, clients received counseling in bidding assistance, certifications and registrations, debriefings, cost and price analysis, market research, marketing to the government, subcontracting, and post-award contract assistance.

In 2018, RI PTAC set lofty goals including obtaining 65 new clients and providing 1,650 hours of counseling. Actual statistics far exceeded these goals, with a total of 126 new clients, 98% of which were small businesses. Additionally, a total of 1,765 hours of counseling were provided and staff participated in 33 different events.

## **PTAC PERFORMANCE**

ITEM	FY 2018	FY 2017
NUMBER OF PRIME CONTRACTS & SUBCONTRACTS AWARDED BY FEDERAL, STATE, & LOCAL AGENCIES	1,529 government prime contracts and 51 subcontracts for a total of 1,580 contracts	669 government prime contracts and 177 subcontracts for a total of 846 contracts
DOLLAR VALUE OF CONTRACTS AWARDED	\$361,820,190	\$112,314,565
TOTAL NUMBER OF CLIENTS	368	370



#### Homegrown Innovation & Talent Acquisition

Commerce Corporation's Innovation Team works to make Rhode Island a world-class center for innovation and entrepreneurship by leveraging Rhode Island's unique science, technology, engineering and design assets. The portfolio of programs is intended to stimulate innovation, facilitate in-state partnerships, and give Rhode Island a competitive edge that will help the state grow and attract businesses.

Funded projects to date represent a variety of industry sectors important to the state, including medical devices, life sciences, pharmaceutical, design, food, data analytics, and custom manufacturing. In FY 2018, the Commerce Corporation's Innovation Team distributed \$3,725,927 to 59 grant recipients.



#### The portfolio of innovation resources includes:

**Innovation Vouchers -** A tool to bridge research and development gaps

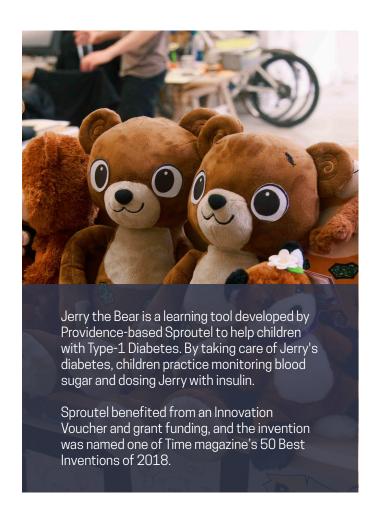
Innovation Network Matching Grants - Grants for projects that offer technical assistance, space on flexible terms, or access to capital for small businesses

**Industry Cluster Grants –** Fund the planning and organization of a cluster in a focused industry

**Innovate Rhode Island Small Business Fund** – A tool for small businesses that need capital to innovate, expand and succeed

**Collaborative Research Grants –** Competitive funds for projects that address state and federal research questions

**Wavemaker Fellowship** – A tool to attract and retain STEM and design talent in Rhode Island



# SUCCESS STORIES



# WAVEMAKER FELLOWSHIP



A TOOL TO ATTRACT AND RETAIN STEM TALENT IN RHODE ISLAND

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



Awarded Wavemaker tax credits to defray costs of student loans

**Robotics Engineering** 

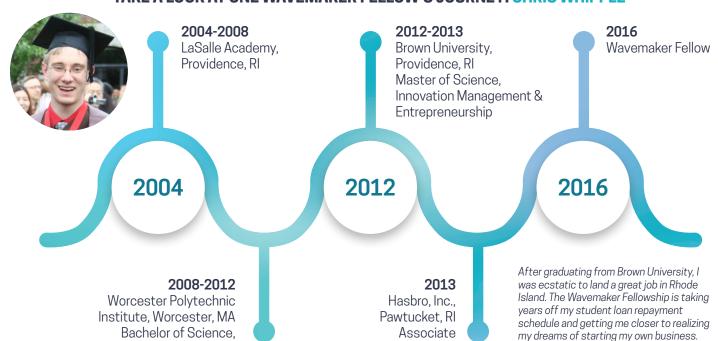


2017

Recipient State Science and Technology Institute's Creating a Better Future Award for Most Promising Initiative: Wavemaker Fellowship

- Chris Whipple, Wavemaker Fellow

### TAKE A LOOK AT ONE WAVEMAKER FELLOW'S JOURNEY: CHRIS WHIPPLE



In FY 2018, we welcomed **219** Fellows to the program, who will receive approximately \$865,000 a year for the next two years to help manage their student loan debt.

Animatronics Engineer





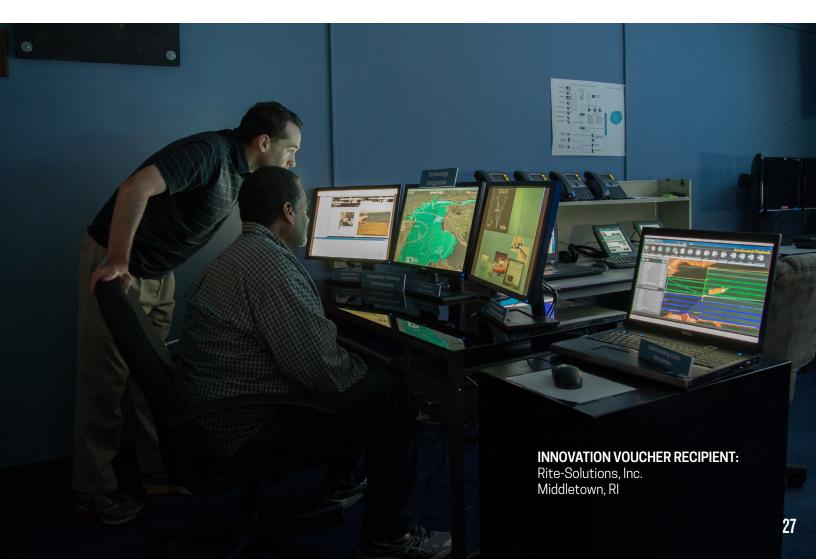
A TOOL TO BRIDGE RESEARCH AND DEVELOPMENT GAPS FOR RHODE ISLAND SMALL BUSINESSES AND MANUFACTURERS



**Innovation Vouchers** provide Rhode Island small businesses up to \$50,000 to fund research and development. Companies can pair with local universities, research centers, or medical centers, and manufacturers can use the grant to support an internal R&D project. To date, 65 projects have been supported, working with 11 knowledge partners.

**Rite-Solutions, Inc.,** a Service-Disabled Veteran-Owned Small Business (SDVOSB) in Middletown, received a \$50,000 Innovation Voucher in 2017 to work with the University of Rhode Island (URI) on a project that provided capability to add state-of-the-art artificial intelligence solutions into existing products for their DoD and commercial customers.

Rite-Solutions' 2018 Technology Plan now includes in-house investment and development of a machine learning system similar to the one used at URI. This will provide Rite-Solutions the ability to more rapidly transition and test future machine learning algorithms developed by URI at their facilities. Rite-Solutions believes the ongoing and future relationship with URI to be essential for growth and development of new, innovative products and services.





# RHODE ISLAND SCIENCE & TECHNOLOGY

# **ADVISORY COUNCIL**

# SUPPORTING ENTREPRENEURS

In 2013, to foster job creation, facilitate small business development, and enhance the workforce pipeline, the Rhode Island General Assembly created the Innovate Rhode Island Small Business Fund (IRISBF). Rhode Island small businesses with 50 or fewer employees may apply for grants to defray the cost of applying for SBIR/STTR awards, match SBIR/STTR Phase I and Phase II awards, and hire interns.

# **FISCAL YEAR 2018**

INNOVATE RHODE ISLAND SMALL BUSINESS FUND

**INVESTMENTS OF** 



\$384,812

to RI bio science and engineering firms





\$84,000

to train 28 college interns in bio science and engineering firms

**LEVERAGED** 



\$3.8 M

in federal funds (Air Force, DoD, NSF, NIH, USDA)



# P-TECH RHODE ISLAND



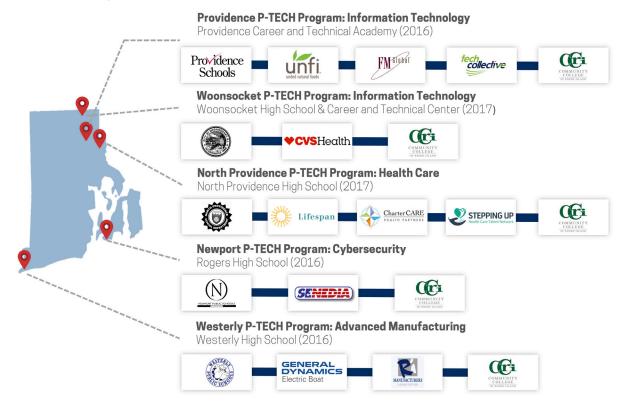
#### **WORKFORCE DEVELOPMENT THROUGH PUBLIC-PRIVATE PARTNERSHIPS**

In FY 2017, three innovative public-private partnerships opened their doors for the first time to hundreds of students from Newport, Providence, Westerly, and other Rhode Island communities. These programs were launched through the Commerce Corporation's P-TECH (Pathways in Technology Early College High School) initiative that forges long-term partnerships between high schools, colleges, industry associations, and businesses. The P-TECH initiative provides students with the education and skills they need to succeed, and employers with a pipeline to the workforce of the future. Students enrolled in P-TECH programs take college-level courses while in high school, benefit from internships and mentoring, and graduate with a high school diploma and an industry-approved associate degree. Business partners have a seat at the table in designing the program and ensure that changing industry needs are addressed in the curriculum. Leading employer partners include Community College of Rhode Island, CVS Health, General Dynamics Electric Boat, FM Global, United Natural Foods, Southeastern New England Defense Industry Alliance.

Through the collaboration of the Commerce Corporation, school districts, the Community College of Rhode Island, and Rhode Island employers, two additional P-TECH programs were announced in FY 2017. North Providence High School and the Woonsocket Area Career and Technical Center began developing P-TECH programs focusing on health care and information technology, respectively. Alongside the Rhode Island Department of Education, the Commerce Corporation also announced the development of a Center for Advanced Manufacturing at the William M. Davies, Jr. Career & Technical High School in Lincoln that will incorporate the key elements of a P-TECH model program.

#### LAUNCHED 2016 - 2018: FIVE P-TECH PROGRAMS & CENTER FOR ADVANCED MANUFACTURING

Students in each program have the opportunity to earn their high shoool diploma and an industry-approved associate degree from CCRI in 4 - 6 years.





Our Financial Services Team's mission is to increase economic growth by being a one-stop financing center for small to medium-sized businesses in Rhode Island. We provide financing through the Small Business Loan Fund, Private Activity Bonds (taxable and tax exempt) via the RIIFC program, the IRBA/bond mortgage insurance program, and the Renewable Energy Fund. Our team works directly with a borrower to arrange site visits, consultations with state and local officials, and meetings with banks, credit unions and non-bank partners.

# FINANCIAL SERVICES PERFORMANCE

ITEM	FY 2018	FY 2017	FY 2016
TOTAL NUMBER OF BONDS ISSUED	2	3	4
TOTAL \$ OF BONDS ISSUED	\$42,500,000	\$258,300,000	\$303,299,108
AVERAGE \$ OF BONDS ISSUED	\$21,250,000	\$86,100,000	\$75,824,777
TOTAL NUMBER OF LOANS ISSUED	6	10	9
TOTAL \$ OF LOANS ISSUED	\$1,910,700	\$2,944,700	\$2,911,000
AVERAGE \$ OF LOANS ISSUED	\$326,064	\$294,470	\$323,444
RIIFC IRBA DEALS APPROVED	1 (\$1,750,000)	1 (\$4,200,000)	1 (\$1,750,000)

# **FINANCIAL SERVICES**

# **GOING GREEN**

In March 2017, Governor Gina Raimondo announced a strategic goal to increase the amount of clean energy in the state by 10 times, a total of 1,000 MW, and to increase the number of clean energy jobs to at least 20,000 by the end of 2020.

Now at 15,800 jobs strong, a 72% increase since 2014, Rhode Island's clean energy economy continues to demonstrate robust economic growth. The state has also increased the number of solar companies that are approved to do business with the sate from just 6 in 2014, to 48.

## **REF PERFORMANCE**

ITEM	FY 2018	FY 2017	FY 2016
RENEWABLE ENERGY PROJECTS	302	186	310
PROJECTS FUNDED (AWARDED)	\$4,146,637	\$7,365,614	\$5,518,901
TOTAL KW	21,882	30,840	13,307

#### **WE ARE #3 FOR ENERGY EFFICIENCY**

Rhode Island is #3 in the United States for energy efficiency programs and policies. – American Council for an Energy Efficient Economy



#### RENEWABLE ENERGY FUND

The Commerce Corporation's Renewable Energy Fund (REF) continued to increase the role of renewable energy throughout the state by providing grants and loans for renewable energy projects to make electricity production cleaner and more sustainable, while stimulating job growth in the green technology and energy sectors of Rhode Island's economy. Using funds from the "system benefit charge" on electric bills and alternative compliance payments, the Commerce Corporation funded renewable energy projects in small-scale solar, commercial development in FY 2017. A total of 186 projects from the Small Scale and Commercial Scale programs received approval for funding amounting to \$7,365,614.

The growth rate of solar activity and installer companies in the Rhode Island market remains positive. In order to expand with the growing demand, REF proactively focused on improving organizational efficiency in FY 2017. The year concluded with the enactment of new renewable energy legislation, extending the Renewable Energy Fund until Dec. 31, 2022.





## MEETING STREET SCHOOL SOLAR PROJECT

Located on the south side of Providence, the Meeting Street School is where infants, preschoolers and children of all ages and abilities receive individualized attention from highly trained, dedicated educators.

The Meeting Street solar project consists of a  $86.19\,\mathrm{kW}$  net metered solar PV installation that produces approximately  $101,757\,\mathrm{kWh}$  and over \$8,853 in annual energy savings. This project was supported by two grants of \$126,750 and \$102,309 from the RGGI Solar on Schools program and the Commerce Commerce Corporation's Renewable Energy Fund, respectively. Combining these two incentives has allowed Meeting Street to have direct ownership of this project, rather than entering into a PPA or alternative financing structure, resulting in the school receiving 100% of the electricity production benefits.

To date, this project has produced approximately 161,816 kWh, saving the school close to \$30,000 in electricity costs. Meeting Street School is just one example of the types of projects that are contributing to the Governor's 1,000 MW clean energy goal.

## THE SOLARIZE RHODE ISLAND CAMPAIGN

FY 2017 marked the fifth round of the Solarize Rhode Island campaign, a partnership between the Rhode Island Office of Energy Resources (OER), Commerce Corporation and SmartPower. The effort maintained focus on increasing the adoption of small-scale solar electricity in participating communities through a competitive tiered pricing structure that increases the savings for residence and business owners. To date, nearly 700 residents and business owners signed contracts for small-scale solar electricity systems with the program. In addition, thousands more were educated about the economic and environmental benefits of solar electricity, energy efficiency and other clean energy technologies. The following municipalities participated in the Campaign FY 2017 through FY 2018:

SOLARIZE Rhode Island

- Barrington
- Jamestown
- South Kingstown
- Narragansett
- Bristol



The International Trade Partnership Agreement of the Rhode Island Commerce Corporation with the John H. Chafee Center for International Business at Bryant University continued to help Rhode Island businesses expand into international markets in FY 2017. The services provided were consistent with our focus on business retention, expansion, and attraction. They also served the mutual goals and objectives of improving the RI economy by increasing the number of RI companies that export, increasing the volume of exports, and increasing foreign direct investment in the state. Global market research, corporate training, strategic consulting, and coordination of trade events helped local companies get their products and services to more customers in more places around the world.

## **WORLD TRADE DAY**

The Chafee Center held its 32nd annual World Trade Day at Bryant University in May 2017. In helping to sponsor this event, we're supporting one of the largest international trade conferences in the Northeast region. World Trade Day brings together business people, government leaders, trade experts, and international diplomats to discuss global trade issues and opportunities. Approximately 600 participants from around New England attended the event to discuss the 2017 theme: Connecting the World through Global Business.

#### TRAINING PROGRAMS

The International Trade Partnership provided programs to help local companies keep up to date on export issues and understand important concepts of international trade, including export compliance, regulatory issues, marketing, banking, and more. As one of the only regional entities to provide such training, we're proud to provide this invaluable service to the local business community. In FY 2017, seventeen international training seminars were held across Rhode Island. Some of the seminars offered included:

- Six sessions of the International Professional Series, covering the major aspects of international trade
  including global business management, global marketing, export/import regulations, global supply chain
  and logistics, and global banking and financing
- Four sessions on export compliance management
- One FoodExport training seminar to promote the export of regional food and agricultural products with assistance from FoodExport USA

#### **EXPORT ASSISTANCE PROGRAM - STEP GRANT**

The Chafee Center officially administered the State Trade Expansion Program (STEP). STEP is a federally funded grant through the U.S. Small Business Administration designed to provide assistance to eligible small businesses to increase their exports. For the grant period ending in September 2016, the Chafee Center received \$373,000; for the grant period ending in September 2017, the Center was awarded \$427,950. These funds are used to assist small businesses with export-related activities and initiatives including participation in foreign trade missions, design of international marketing materials, export trade show exhibits, export training, and more. For the completed grant period which ended in September 2016, the STEP program provided 171 assistance awards to 43 eligible RI companies in a variety of industries. As a result, these companies reported approximately \$3.5 million in actual export sales, with \$14 million more anticipated from projected sales.



# **INTERNATIONAL TRADE FY 2017**

ITEM	FY 2017
STATE TRADE MISSIONS	<ul> <li>Two trade missions completed (UK and Israel)</li> <li>29 companies/organizations participated</li> <li>\$3 million in projected sales</li> </ul>
SUPPORTED TRADE SHOWS	<ul> <li>Attended three large-scale, industry-specific tradeshows: JEC World in Paris, France, DEFSEC Atlantic, in Halifax, Nova Scotia and InfoSecurity in London, England</li> <li>13 companies participated in these trade shows, sharing their business with more than 60,000 combined attendees</li> </ul>
EXPORT TRAINING	<ul> <li>Conducted 17 Export Training Events, with 260 registrations</li> </ul>
WORLD TRADE DAY	<ul> <li>Held 32nd annual World Trade Day with approximately 600 attendees</li> </ul>
COMPANIES ASSISTED	<ul> <li>Assisted 43 Rhode Island companies through the STEP program awards or international trade assistance</li> <li>STEP Award for FY 2016 was \$373,000, for the current grant period ending September 2017 the award was \$427,950.</li> </ul>
TOTAL COMMERCE GENERATED FOR RI	<ul> <li>\$17.05 million in forecasted sales from STEP activity (\$3.5 million through June 2017*)</li> <li>\$18 million in forecasted sales from food export activity (\$8.8 million through June 2017*)</li> </ul>

FOOTNOTE: \*International sales cycles can be longer than domestic, often at least twice the length of time





#### **INTERNATIONAL TRADE FY 2018**

ITEM	FY 2018
STATE TRADE MISSIONS	<ul> <li>Two Trade Missions completed to Ireland and the United Arab Emirates</li> <li>18 companies participated</li> <li>Generated approximately 30 serious business leads, and are projected to produce upwards of \$4 million in sales</li> </ul>
SUPPORTED TRADE SHOWS	<ul> <li>JEC World in Paris included 6 RI companies, with a projected \$450-\$650 thousand in sales over the next 12 to 18 months</li> <li>Four Rhode Island businesses featured in the JEC Innovation Report</li> </ul>
EXPORT TRAINING	<ul> <li>Conducted 10 export training sessions &amp; events</li> <li>Topics covered such as NAFTA and Global Data Protection &amp; Cybersecurity</li> <li>Engaged more than 750 business leaders</li> </ul>





Rhode Island has a great story to tell. It is our job at the Commerce Corporation, to raise the voice of the Ocean State to audiences domestically and globally.

We have a robust and detailed marketing and advertising strategy, including paid search, display advertising, and ongoing public relations, and social media campaigns.

# BUSINESS ATTRACTION

FY 2017 saw the implementation of a strategic, coordinated, and sustained campaign by the Commerce Corporation to attract investment and companies.

#### WE'RE HERE. WHERE ARE YOU? AD CAMPAIGN

In FY 2018, the Rhode Island Commerce Corporation introduced a new business attraction marketing campaign highlighting that some of the savviest companies in the world have started putting down stakes a step or two off the beaten path in Rhode Island.

GE, Virgin, and Johnson & Johnson are a few of the companies who have set up shop in Rhode Island. They're attracted to our deep talent pool, wonderful quality of life, and easy access to major markets — all of it more affordable than almost anywhere else in the corridor.

So why haven't you heard about Rhode Island? Because smart money doesn't tell you where it's going. This is the basis for the ad campaign that is being touted to CEOs, site selectors, and decision makers across multiple outlets such as the NY Times, Chief Executive Magazine, Crain's Business and Site Selector Magazine in both digital and print. The Rhode Island ads performed very well across all outlets — over one million impressions and in some cases, we have seen five times the average click-through rate.

The ad URL, Where Are You.us, directs visitors to a website and video that tells the "Why Rhode Island?" story.



#### **WEBSITE**

CommerceRl.com received an overhaul in early 2018, redesigned to serve up striking imagery and user functionality. Through creative content and design, the site gives users an opportunity to experience the best of Rhode Island, while easily navigating the content they are seeking. To help improve the overall usability and user interface, we use a variety of tools and technology (e.g., HubSpot and Google Analytics) to gather data and insights.

#### **PRESS**

From March 2017 to date, business attraction PR efforts have earned **479 million impressions totaling \$4.4 million in AVE** 

National outlets include *Bloomberg, Inc.*, Fox Business, MSN Money, and Yahoo Finance. Regional press includes highlights in the *Boston Globe, Crain's Boston*, Bostlnno.com and a feature on New England Cable News titled "Rhode Island's Economy Turning Around."

Targeted outreach resulted in stories in Marine Link, Maritime Technology News, Business Facilities, Building Design + Construction, and others.

Social media continues to be an important channel to reach our audience. The Commerce Corporation has nearly 1,300 likes on Facebook, up from 827 in December 2016 (36% increase); and 7,300 followers on Twitter, up from 6,253 in December 2016 (14% increase). We expect these numbers to continue to grow in the future, particularly paired with targeted advertising strategy across all channels.

### **TOURISM**

#### **PRESS**

Earned media for Rhode Island tourism generated more than 311 editorial features across leading publications including the Wall Street Journal.

These features generated \$55 million in advertising equivalency value (AVE) and over 1.3 billion total impressions.

Our public relations efforts have resulted in Rhode Island being included on CNN Travel, Travel Channel, POPSUGAR.com, and in Reader's Digest, Forbes, Travel + Leisure, Condé Nast Traveler, Men's Journal, Food Network, Architectural Digest, The Boston Globe, USA Today, Brides, Time, Domino, In Style and Parenting. Familiarization tours of the state included writers from Oprah Magazine, The Knot, Nylon, Travel + Leisure, and CNN Travel, to name a few.

The State Tourism office participated in a media tour to New York City, where they met with multiple press outlets and hosted a guest chef at Condé Nast offices. They also hosted a media event in New York City in October, where 80 invitation-only guests from top-tier media heard firsthand from our Rhode Island experts about all the state has to offer.

#### **NEW IN FY 2018**

In addition to traditional tracking tools, for the first time the digital ads will feature Adara tracking functionality, to more accurately describe ROI on advertisements.

Since November 2017, our tracking data has calculated our media campaign has resulted in the following:

10,626
hotel bookings (736,265 searches)

flight bookings (189, 704 searches)

#### INTERNATIONAL

The Marketing Team also participated in numerous tourism industry engagements. We hosted Discover New England's 2016 Summit from April 4-6 in Newport, R.I. The event engaged 80 international and regional tour operators and 270 New England travel and tourism businesses. Through this event alone, Rhode Island received 238 appointments with tour operators and 50,000 direct inquires.

Rhode Island is represented for both public relations and trade in Europe's German speaking countries, Scandinavia, the United Kingdom, Ireland, Australia, Japan and China through Discover New England (DNE), a New England wide partnership. DNE offers an integrated marketing effort that includes participation in leading international trade shows such as World Travel Market, Discover New England Summit, ITB, IPW in addition to in-country industry training programs, media outreach, marketing trade missions, and social campaigns.

In 2017, Rhode Island hosted 60 international tour operators and 41 international journalists whose visits will generate millions of dollars in exposure for the state tourism assets. In addition, the marketing team conducted more than 400 sales appointments with tour product developers representing 14 countries.

The Commerce Corporation led an international mission to Ireland and Northern Ireland where the Rhode Island Tourism delegation engaged with airports, tour operators, journalists, suppliers, etc. to promote direct flights from four international gates to T.F. Green aboard Norwegian Airlines.

The Commerce Corporation managed four in-state familiarization tours where German, Irish, Northern Irish, and Scottish groups of industry influencers were in immersed in the destinations.



#### **TOURISM**



#### **PAID MEDIA**

Paid advertising is an important part of telling our story. We have executed paid advertising in 20 of the past 24 months, and the metrics have demonstrated that audiences are responding enthusiastically to the Rhode Island marketing message.

In FY 2017, we continued with the "Make It Yours" campaign and highlighted Rhode Islanders' photos as the ads themselves, with the call to action to "Make Your Own RI Story." We hired a local advertising firm, Nail Communications, in March of 2017 to spearhead our paid efforts and then transitioned to ads that offered iconic Rhode Island images as the main focus of the ads, encouraging people to "Visit Rhode Island."

In early 2018, as part of these ongoing marketing efforts, another round of ads were released in the marketplace. The campaign, called "Fun-Sized," drives visitors to Rhode Island by playing up our small size. Our size has been part of past advertising campaigns, but has not been positioned as being advantageous from a tourism perspective.

The 7.5-second video ads feature the wide variety of fun activities found in all Rhode Island tourism regions. These activities are part of what makes the state special and are an intrinsic part of the campaign.

The ads appear on websites that have a high incidence of our target audience (e.g., national sites like weather.com and lonelyplanet.com, as well as regional sites like Boston.com), aligning with our behavioral and geotargeting parameters. Those parameters include the New England states and destinations that offer direct flight access from Providence, such as Denver, Pittsburgh, and Raleigh.

To date, the ads are being received very well with a **36%** higher than average viewing on the videos and **3.2x** higher than average on the display banners.

#### VISITRHODEISLAND.COM

In October 2016, the Visit Rhode Island tourism site was revamped. The site features a personalized experience through which visitors can customize and plan their trip by persona, area of interest, or simply by using the interactive map to see what's located nearby once a visitor is in market. Our image-rich site features beautiful photography and engaging video from every region in the state and also integrates user-generated content (UGC) from social media. This UGC is used on many pages throughout the site and is categorized by location and theme and showcases what visitors and residents love most about our state by way of stunning photography.

In addition, the popular trip planner feature allows guests to build their itinerary by simply clicking a button on any attraction, accommodation, or event they are interested in. That itinerary can be shared via social media, email or printed, making the planning experience user-friendly and shareable.

The site also features a robust events calendar with more than 900 events per year, searchable by date, category, region, and distance from the visitors' location.

Other site highlights include blogs, the ability to order a Travel Guide and view the digital edition, and a press tab which includes photo assets for members of the media and general public, along with story ideas and our current campaign assets. There is also a Travel Trade page for international tour operators with an educational webinar and suggested itineraries.

In FY 2017, the site welcomed 909,577 users totaling more than 1,073,986 sessions. These visitors are logging on from all over the world, including Canada and the UK, with visible upticks in traffic from Europe, which we believe coincides with the new direct international flights. These visitors hit 2.4 pages per session, on average, and have logged more than 2.5M page views on our site. The site also includes Adara tracking functionality, which provides data on traffic and usage trends, and tracks conversions and hotel and flight bookings.



#### SOCIAL

Social media remains an important part of the tourism marketing strategy and has seen steady growth across all platforms. Instagram is the fastest growing of our channels and aligns well with the state's marketing of Rhode Island as a beautiful place to visit year-round. Visit Rhode Island featured numerous contests to increase engagement, including an #OnTheRhode promotion that gave away a free trip to Rhode Island. This content generated 2,886 entries, along with the same number of e-mail addresses for future marketing. Working with PR firm NJF, the destination also hosted a group of social media influencers who produced content across various social media outlets under the hashtag #OnTheRhode, further amplifying the message. Hosted influencers also produced original content for Visit Rhode Island, including photos and video, which may be used for future marketing purposes as well.



#### THE BIG E

The Marketing Team also manages and operates the Rhode Island building at the Big E each year. The Big E is the seventh-largest fair in the country and the largest fair in the Northeast. More than 1.5 million consumers attended the record-breaking event over 17 days from September into October 2017. The Rhode Island building showcases the state's many diverse recreational and cultural assets to this massive crowd.



#### **BRAND TOOLS**

Additionally, brand tools were strategically deployed to meet visitor demand throughout FY 2017/2018. Rhode Island Travel Guides were produced and distributed through AAA offices in the northeast, hotel rooms in market, consumer and trade events, and visitor information centers statewide. Since its publication in March, the Marketing Team has satisfied nearly 100,000 requests for the Rhode Island Travel Guide.



#### **WEBINARS**

In an effort to better educate our tourism and trade show partners, we created our first ever webinar tool. This 11-minute video highlights all regions in an engaging format with notable tourism statistics. The concept is to generate interest for trade groups to keep Rhode Island top of mind when they are selling trips. Results are measurable with viewers served up questions at the conclusion of the video to test their comprehension and knowledge of Rhode Island.



## **ECONOMIC MOMENTUM**

This past year has proven to be one of the most exciting years on record for business development in Rhode Island.

We have focused our energies on expanding and developing new partnerships with local businesses, educational institutions, and community support agencies. Our team continues to build our project pipeline through meetings with prospects and key influencers. We also met with financial and legal experts, and the site selection and corporate real estate communities. Collaborative efforts with strategic state agencies further enhance the value proposition that is Rhode Island.

Continuous outreach has strengthened Rhode Island's reputation as one of the nation's preferred business destinations. During the 2017 fiscal year, companies such as Infosys, Johnson & Johnson, and Virgin Pulse opened operations in Rhode Island.

We kicked off the fiscal year with participation in the CoreNet Global North America Summit and the UK Trade Mission, and we attended Business Facilities LiveXchange; a premier site-selector and real estate professional networking event.

Our team connected with top executives in the life sciences, defense, and security industries at major regional and international conferences. BioInternational 2017 named Governor Gina Raimondo the Governor of the Year. At the SelectUSA conference, we showcased our Innovation Campus opportunity and engaged with leaders of fast-growing local companies to explore ways we can help them thrive in the Ocean State.

The Commerce Corporation also partnered with the City of Providence to showcase how Rhode Island's public and private industries have built economic development momentum. At our exclusive BISNOW, peer-to-peer Industry Executive Roundtable, C-suite executives and commercial real estate leaders shared their expertise and best practices for tackling current development challenges and achieving greater success, while encouraging over 300 of Boston-area commercial real estate executives to consider development in Rhode Island.

# IN GOOD COMPANY

"Virgin Pulse is proud to make a new home in your vibrant city. At Virgin, we believe that healthy societies flourish in cities just like yours. Cities which are diverse, accessible, affordable, social, and committed the arts. With your hip, young culture, and some of the world's best universities, I cannot think of a better city for Virgin Pulse to thrive."

 Sir Richard Branson
 Virgin Group
 Virgin Pulse relocated headquarters to Providence, 2018





"Rhode Island gives us access to the economic development tools and university assets we need to stay competitive in the rapidly growing health tech space. As a company with locations and options worldwide, we are very pleased with the opportunity the Ocean State provides for this new center."

- Steve Wrenn Group CIO, Global Supply Chain, Johnson & Johnson Created new heath technology center to Providence, 2017

"With its strong university base and design and arts culture, Providence already has many of the elements that we look for when considering new cities. Our conversations with the community have shown us how much energy and enthusiasm already exist in Rhode Island, and we're looking forward to supporting and growing the local innovation ecosystem."

- Tim Rowe

Founder & CEO of Cambridge Innovation Center New innovation center to open in Providence, 2019



# FISCAL REPORT

The Commerce Corporation is dependent upon annual appropriations by the General Assembly of the State of Rhode Island to fund its operating expenses. The base operations of the Corporation include a broad assortment of programs to support the mission of promoting economic development in the State. The programs include Financial Services, Client Services, Marketing & Tourism, Business Development and Investments.

# **LEGAL**



#### **FINANCIAL REPORTS**

Rhode Island Commerce Corporation submitted the board-approved, audited financial statements for the year ending June 30, 2017, to the Governor, Senate president, Speaker of the House and Secretary of State before May 31, 2018, as required by Title 42 Section 64-28, State Affairs and Government.

These statements can be found at:

https://commerceri.com/wp-content/uploads/2018/03/RICC-Financial-Statements.pdf

#### **BOARD MEETINGS**

For all board meetings held by the Commerce Corporation including: the subjects addressed; decisions rendered; actions considered and their disposition; the minutes of these meetings can be found at: http://sos.ri.gov/openmeetings/?page=view\_entity&id=742

The Corporation conducted one public hearing for the purpose of satisfying the Tax Equity and Fiscal Responsibility Act of 1982 in relation to the issuance of bonds to support a project by the International Yacht Restoration School. The hearing was held on September 26, 2016 at 10:00 a.m., at the offices of the Corporation.

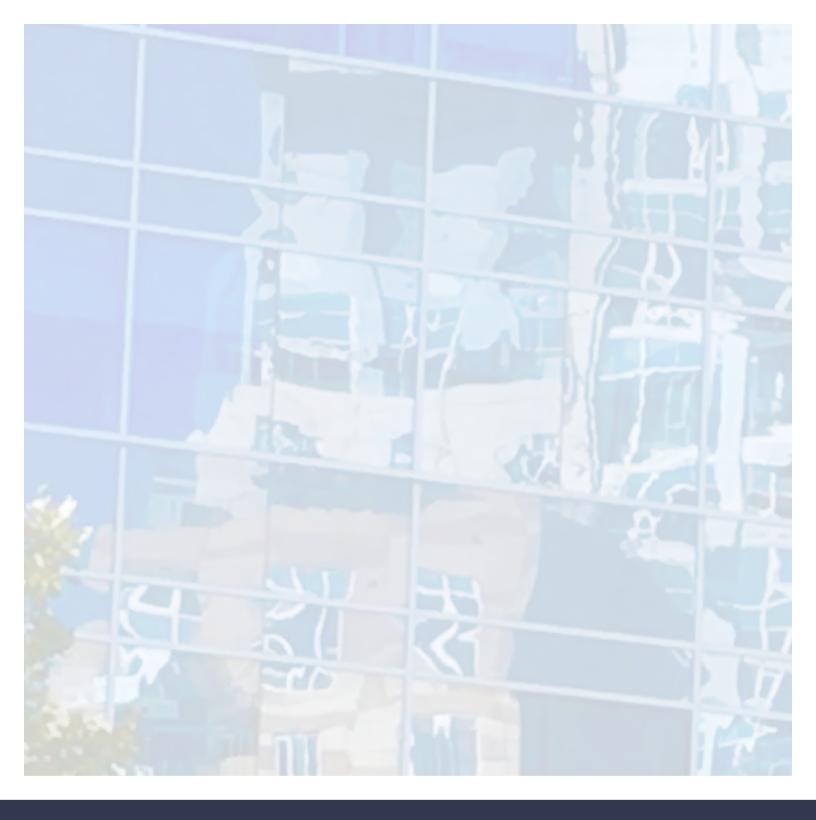
#### LEGAL MATTERS INVOLVING BOARD AUTHORITY

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

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

#### **PHOTO CREDIT**

Pages 5, 10, and 46-Daniel Torres, Instagram: @Artisticgram





COMMERCE CORPORATION

Rhode Island Commerce Corporation 315 Iron Horse Way, Ste. 101, Providence, RI 02908 401.278.9100 CommerceRl.com