



2022

ANNUAL REPORT

July 1, 2021–June 30, 2022



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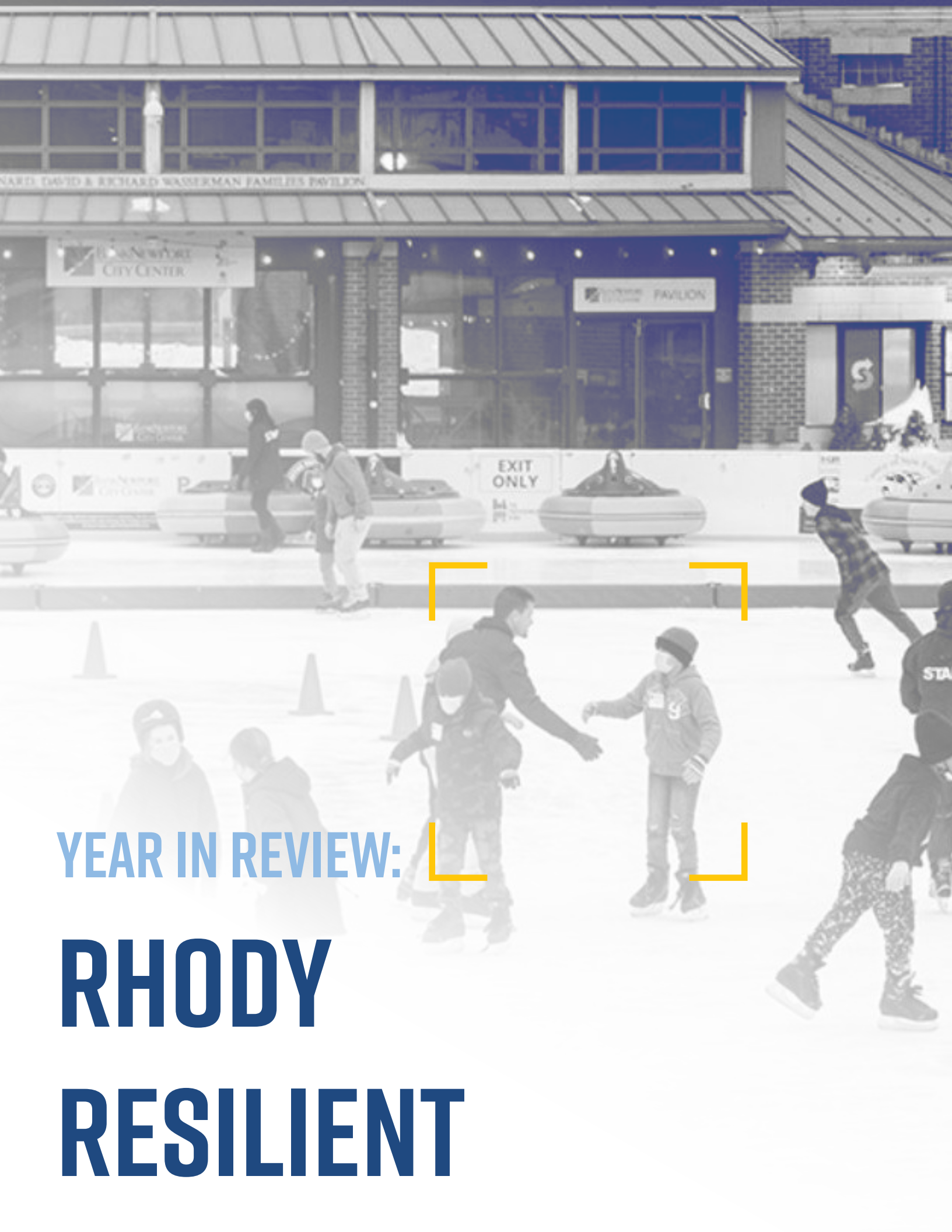
Keeping the momentum in FY 23

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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 offer business assistance, access to funding and red tape reduction for companies of all sizes.

www.CommerceRI.com | info@commerceri.com



YEAR IN REVIEW:

RHODY RESILIENT



LETTER FROM THE COMMERCE SECRETARY

Despite continuing economic volatility and uncertainty created by the COVID-19 pandemic, Rhode Island Commerce was able to leverage its diverse suite of economic development tools to solve problems and make great progress on large-scale, potentially generational projects, from the rehabilitation of the iconic Superman Building in downtown Providence, to the early stages of the effort to bring professional sports back to downtown Pawtucket. These projects are laying the foundation for a stronger, more sustainable future, and we are excited to see them through.

At Rhode Island Commerce, we see ourselves as problem solvers. Whether it's our investment strategy or the development and implementation of various supports and services we offer to business owners in every sector of the economy, everything we do at Rhode Island Commerce aims to strengthen our statewide business community and make Rhode Island an easier place to launch and grow a company. That's the goal that drives every member of our team to work every day, and it's a goal we're proud to have advanced during FY 22.

To echo Governor Dan McKee, Rhode Island has a great deal of well-earned momentum. We're moving in the right direction, and our progress is being noticed on a global stage. By conducting data-driven analysis, by continuing to make evidence-based investments in our state's proven assets, and by reaffirming our commitment to actively listening to the hard-working Rhode Islanders who make our economy tick, we are ready to keep this momentum going for years to come.

Sincerely,



Elizabeth M. Tanner, Esq.
Rhode Island Secretary of Commerce



SUPPORTING SMALL BUSINESS

Year after year, Rhode Island's small business community proves itself as the backbone of our economy and our state's greatest asset. Our team at Rhode Island Commerce is as committed as ever to ensuring our small business owners can easily access the tools, resources and funding programs available to them.

Between our staff of business advisors and our diverse suite of incentive programs, workforce development initiatives and more, Rhode Island Commerce offers personalized, always-on support to local business across the state. We know it's impossible to address and solve for problems we don't know exist. That's why our team at Rhode Island Commerce is committed to staying in constant touch with the state's business community, and to doing the hard work of understanding and addressing the major issues real Rhode Islanders are facing.



YEAR IN REVIEW:
**CONTINUING
POST-COVID
RECOVERY**

RI REBOUNDS

CONTINUING POST-COVID RECOVERY

While the crisis stage of the pandemic appears to be behind us, we understand many business owners are still struggling to get back to normal. Proposed by Governor McKee and unanimously approved by the General Assembly in early 2022, the Rhode Island Rebounds initiative was funded through American Rescue Plan State Fiscal Recovery Funds and assisted small businesses and hard-hit tourism, hospitality and event industries impacted by the COVID-19 pandemic.

Hospitality, Tourism and Events Grant Program

\$8m

Aimed at supporting the state's critical hospitality sector, this program provided payments to businesses and organizations that reported at least 35% revenue loss comparing 2021 to 2019.

Small Business Grant Program

\$12.5m

This program provided direct financial relief of up to \$5,000 to qualifying small businesses who met eligibility and need criteria.

Take it Outside

\$4.8m

A continuation of the successful program launched in 2020, Take It Outside grants helped businesses increase outdoor activity and capacity in an effort to reduce the transmission rate of COVID-19.

Placemaking Initiative

\$3m

Placemaking, event programming, and outdoor and public space capital improvements under this initiative include activities designed to draw visitors to impacted districts and support businesses in the tourism and hospitality industries which have been negatively impacted by the COVID-19 pandemic. Examples of projects include public art installations, public or co-shared outdoor space and maintenance/improvements to public outdoor performances/event venues.



YEAR IN REVIEW:

SUPPORTING SMALL BUSINESS

SMALL BUSINESSES INNOVATIVE LOAN PROGRAMS

Rhode Island Commerce remained committed to helping members of our state's small business community access innovative loan programs to help them grow and thrive during a difficult period of economic uncertainty.



Loan programs included:

Small Business Assistance Program (SBAP)

Originally capitalized with \$5.45 million, SBAP provides much-needed capital to Rhode Island's small business community. The program is designed to support businesses with 200 employees or less that are experiencing difficulty obtaining financing from traditional lenders.

Total results for FY 22 include:

\$25.47m

total loan amount leveraged through lending partners*

190

loans closed

51.1%

WBE/MBE

1,380

jobs created/retained

**Lending partners include BDCRI, BDC-RI Capital Access Program, CIC, RIBBA, SEED and SEG*

Small Business Loan Fund (SBLF)

The SBLF provides up to \$500,000 in working capital to existing manufacturing, processing and selected service businesses operating in Rhode Island. With fixed interest rates and flexible repayment terms, the SBLF is a proven job-creator for small- and mid-sized businesses.

Program results through the end of FY 22 include:

\$3.25m

in direct loans

6

projects supported

117

new jobs created

92

jobs saved

\$13m

leveraged through lending partners*



Rhode Island Industrial Facilities Corporation (RIIFC)

RIIFC issues taxable and tax-exempt revenue bonds for companies exploring manufacturing projects as well as businesses that want to branch out into a commercial enterprise, including building tourist-travel facilities. RIIFC bonds can cover up to 100% of project costs including land, new machinery, building costs and other eligible expenditures.

Program results through the end of FY 22 include:

2

bonds issued in FY 22**

\$7.8m

total bond amount

Bond recipients included

Coastal Extreme Brewing and the National Sailing Hall of Fame

***All insured by the Rhode Island Industrial-Recreational Building Authority (RIIRBA)*

SMALL BUSINESSES

STRENGTHENING OUR ECOSYSTEM THROUGH CONNECTIONS

Beyond lending programs, Rhode Island Commerce also works every day to help local small businesses forge connections and partnerships with organizations who need their products and services. Programs include:

SupplyRI

Supply RI connects Rhode Island suppliers with opportunities to help them grow and expand. SupplyRI acts as a conduit between its database of more than 2,200 suppliers and 16 large Rhode Island institutions (Anchors*) across a variety of sectors.

Program results in FY 22 include:

\$85.7m

in contracts awarded throughout FY 22

12

online webinars hosted

285

new touchpoints with local businesses

Mayflower Wind

(Revolution Wind LLC) added as a new Anchor company

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

Procurement Technical Assistance Center (PTAC)

PTAC helps businesses navigate the complexities of contracting with federal agencies, state purchasing departments and local governments.

386

businesses supported during FY 22

\$592m

in federal contracts secured with our assistance

\$32m

in state contracts secured with our assistance





SPOTLIGHT:

EASE OF DOING BUSINESS



BUSINESS DEVELOPMENT

Cutting red tape through investments in digital government

The core function of Rhode Island Commerce is to make the state an easier and more convenient place to do business. That was made clear in FY 22 with the successful execution of a pilot program focused on digital government – one that leveraged the potential of Blockchain technology to retrieve a digital credit.

Using key learnings from a similar model in Estonia, Rhode Island Commerce and the state Department of Business Regulation worked with Infosys in FY 22 to create a Blockchain-led system by which certified public accountants could access their digital credentials.

CASE STUDY: INFOSYS

Per Infosys, obtaining a CPA license requires proof of educational credentials, CPA exam results, work experience, and identity verification. A driver's license verifies identity and residency, the employer verifies credentials, and the Department of Business Regulation confirms all documentation before issuing or renewing the license.

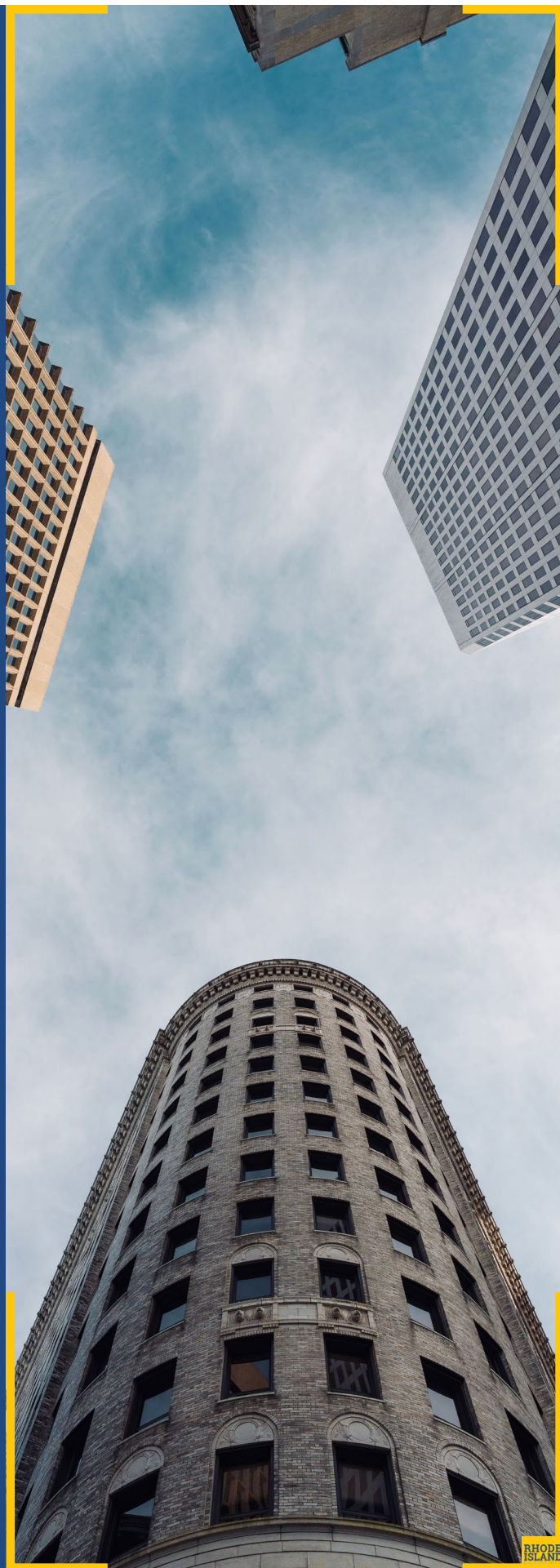
The blockchain based solution establishes an identity blockchain network that digitizes and automates workflows enabling the secure exchange of information among the state agency and citizens. In the future, CPAs will be able to initiate a service request (e.g., a renewal of their CPA license) by simply interacting with any agency they worked with in the past. This 'primary agency' via the identity blockchain network collaborates with the Department of Business Regulation to complete the service request. This solution eliminates the need for the citizen (CPA requesting renewal) to share information multiple times.

“The pilot program was focused around proving that this could work. Moving forward, our goal is to expand this effort to digitize Rhode Island’s governmental system and make life easier for business owners across the state.”

— Liz Tanner, Rhode Island Commerce Secretary

“Rhode Island is the first in the country to implement digital licensing for CPAs. It is clear we are ahead of the curve in innovation.”

— William R. Pirolli, CPA, partner, DiSanto, Priest & Co.



A grayscale photograph of an outdoor pool deck. In the foreground, there are several lounge chairs and a table with chairs. In the background, there is a gazebo and a pool. The image is overlaid with a semi-transparent blue and white filter. There are four yellow L-shaped corner brackets: two on the gazebo and two on the pool area.

BUILDING ON MOMENTUM:

BUSINESS

ATTRACTION

& DEVELOPMENT

BUILDING ON MOMENTUM

HELPING BUSINESS LAUNCH & THRIVE

Rhode Island Commerce continued its commitment to offering innovative, performance-based, tax credit programs to help businesses launch, grow and create jobs across the state.

Qualified Jobs Incentive Program

By offering annual, redeemable tax credits of up to \$7,500 per job per year, the Qualified Jobs Incentive Tax Credit Program helps Rhode Island businesses land in Rhode Island or expand their workforces.

Program results in FY 22 include:



Rebuild Rhode Island Tax Credit

The Rebuild Rhode Island Tax Credit Program aims to fill financing gaps with tax credits of up to 30% of eligible project costs. Since its creation in 2015, this program has helped jumpstart more than \$3 billion in construction projects.

Program results in FY 22 include:



Tax Increment Financing

Tax increment financing provides capital for eligible projects by rebating a portion of the new state tax revenue generated by the project. An eligible project must demonstrate need through a “financing gap.” The tax revenue rebate may not exceed 30% of total project costs (there’s an exemption for public infrastructure/utilities) or 75% of incremental revenue generated.



Site Readiness Grant Program

The Site Readiness program partners Rhode Island Commerce with municipalities and/or private parties to spur development activity throughout the state. Site-readiness awards were made in two categories: site specific improvements and municipal assistance.



QUALIFIED JOBS SPOTLIGHT:

WELCOMING REGENT CRAFT TO THE OCEAN STATE

Founded in Boston in 2020, Regent Craft is building a line of first-of-their-kind, high-speed, electric seaglidors that will help passengers get from Providence to Manhattan in just over an hour. Thanks in part to our Qualified Jobs Incentive Program, Regent Craft opened its new headquarters at Quonset Point, right here in Rhode Island, in FY 22.

Why Rhode Island?

“One, we need water access for testing,” he said. “Two, Rhode Island has got a terrific pool of naval architecture talent and a tradition of inventiveness. Three, we needed a place to build where we could scale from a scrappy startup to a mid-sized company to a global manufacturing leader.”

— Billy Thalheimer, CEO, REGENT Craft



SITE READINESS SPOTLIGHT:

CITY OF CENTRAL FALLS

“Small communities desperately need these upfront funds in order to acquire and prepare housing sites and, because of these funds, we are hopeful to have more than 40 units of affordable housing in Central Falls built on these sites.”

— Central Falls Mayor Maria Rivera



REBUILD RI SPOTLIGHTS

JUMPSTARTING LARGE-SCALE PROJECTS

Since its launch, Rebuild Rhode Island has distributed nearly \$202 million across more than 60 projects, bringing roughly \$3 billion in economic activity to communities across the state. In FY 22, this successful initiative was leveraged to jumpstart projects that will revitalize the state's downtown hubs and add a new asset to our thriving Blue Economy.

Industrial Trust Building

\$15m

Long considered the jewel of Providence's skyline, the "Superman Building" has stood vacant in the heart of our capital city for the better part of the last decade. Partially funded through Rebuild RI, there is now a plan in place to breathe new life into this iconic space.

Tidewater Landing

\$14m

Professional sports are coming back to downtown Pawtucket. Tidewater Landing will be home to Rhode Island F.C., a professional soccer team for all Rhode Island.

South Quay Marine Terminal

\$15m

Home to America's first operational offshore wind farm, Rhode Island has established itself as a leader in the nation's fast-growing Blue Economy. Supported with up to \$15 million in Rebuild RI tax credits, the South Quay Marine Terminal – a wind turbine staging area on a 33-acre, waterfront parcel in East Providence – will be the latest addition to this thriving economic engine.



BUSINESS DEVELOPMENT

CREATING JOBS AND OPPORTUNITIES THROUGH INNOVATION

Rhode Island is a place where great ideas come to life. Through a diverse suite of innovation incentive programs, Rhode Island Commerce works to help small businesses grow here in Rhode Island, while enhancing the state's pool of workforce-ready talent.

Innovation Vouchers

\$443,077

total awarded in FY 22

9 vouchers

awarded in FY 22

44%

WBE/MBE

Designed to help Rhode Island small businesses unlock research & development capacity, the Innovation Voucher Program offers funding of up to \$50,000 for eligible companies with 500 employees or less.

Collaborative Research Grants

5 projects

approved

\$399,239

total awarded in FY 22

The Collaborative Research Grant program provides funding to projects that focus on building research capacity across institutions and advancing the competitiveness of RI researchers to secure additional funding.

Innovation Network Matching Grants

11 grants

awarded in FY 22

\$1.26m

*funding awarded**

82%

WBE/MBE

Innovation Network Matching Grants are provided to organizations to support existing efforts to offer technical assistance, space on flexible terms and/or access to capital to Rhode Island small businesses in key industries. These grants require at least a 50% match from the applicant.

Wavemaker Fellowship

Administered by Rhode Island Commerce, the Wavemaker Fellowship program provides student loan debt relief to qualified candidates working in STEM (science, technology, engineering, and mathematics) and design fields* in Rhode Island. The program offers qualifying individuals a refundable tax credit certificate equal to the value of their annual student loan burden for up to four years.

**A healthcare cohort will be added to the program in FY 23.*

Small Business Innovation Research (SBIR) & Small Business Technology Transfer (STTR) Matching Grants

6 Phase 0 grants

(Proposal Incentive Grants) \$18,000 awarded

10 Phase I grants

\$371,999 awarded

1 Phase II grants

\$75,000 awarded

Developed through the Rhode Island Science & Technology Advisory Council (STAC), these funding opportunities aim to help small businesses access the capital they need to expand in Rhode Island.



RENEWABLE ENERGY FUND

The REF helps expand the role of renewable energy throughout Rhode Island, so the state and its residents can reap the full benefits of cost-effective renewable energy from diverse sources.

Program results in FY 22 include:

529
projects launched

343
projects completed

484
homes impacted

13.9 MW
of solar capacity
generated

17
interns placed



TOURISM & MARKETING:

MARKETING OVERVIEW

TOURISM & MARKETING

SHARING RHODE ISLAND'S SUCCESS STORIES ON A GLOBAL STAGE

Our goal is to ensure Rhode Island's many economic development success stories are seen by the right audiences. That's how we can set our state up for prolonged, long-term success.

A few key highlights from our marketing efforts in FY 22 included the continuation of the successful Open Rhode campaign; destination marketing support for the Rhode Island Airport Corporation to promote direct flights into T.F. Green International Airport; another successful, statewide Hotel Month; and a Get Gilded promotion to build off the excitement and successful launch of HBO's The Gilded Age, which was partially filmed in Newport.

Investments summary

Advertising & Media

\$761,685 total investment
3.3X return on investment
\$2.52 million hotel revenue generated
7,281 hotel bookings

Earned Media & Public Relations

302 total earned media placements
\$2.94 billion total impressions
\$43.48 million advertising value

VisitRhodeIsland.com

1.39 million unique users (39% YoY increase)
3.92 million pageviews (29% YoY increase)



TOURISM & MARKETING

A FOCUS ON INTERNATIONAL MARKETING

LEISURE CAMPAIGN

As international borders reopened for leisure travel in late November of 2021, Rhode Island Commerce partnered with Discover New England and Brand USA to prepare to engage prospective U.K., Irish and Canadian leisure travelers.

25,856

clicks (Google Display Network)

290

room nights booked (Expedia)

\$89,305

in gross revenue (Expedia)

GROUP TOUR

Rhode Island's group tour industry – which, pre-COVID, drove \$250 million in economic input – is continuing to recover, as tour operators showed strong interest in our state at the American Bus Association Marketplace held in Grapevine, Texas.



CANADIAN EFFORTS

As Canadian borders opened in October, Commerce placed an interactive campaign that delivered strong results.

42m

impressions

UNITED KINGDOM OUTREACH

Commerce focused on earned media outreach to build awareness in the United Kingdom throughout FY 22.

102

media placements

\$2.5m

estimated media value (Irish market)

\$16.2m

estimated media value

666.4m

total audience reach

EUROPEAN TRADE

Through a combination of virtual webinars and in-person events, Rhode Island Commerce stayed in touch with tourism leaders across Europe throughout the fiscal year.

934

frontline sales staff trained

92.3%

increase in web traffic





LOOKING AHEAD TO FY 23:

KEEPING THE MOMENTUM



During the course of FY 23, RI Commerce will be focusing on three core sets of work to drive targeted improvement of the business climate in Rhode Island:

Scanning our current efforts: Coming out of the pandemic, it's time to take stock. What has been working and what do we need to improve to best support the resilience of our state's small business environment? Commerce is engaged in a thorough review of programs to recommend and implement improvements and changes that are needed to best support our businesses in this post-pandemic new normal.

Finishing what we started: Commerce has launched an important core set of new programs, infrastructure efforts, and new deals during FY 22. Through FY 23, we'll be focused on ensuring these programs and efforts are done well and best serve Rhode Island's businesses and cities and towns.

Preparing for federal funding: We are in a unique historical moment—and work we do in FY 23 will help determine the trajectory of Rhode Island's economy for the next decade and beyond. Unprecedented federal funding is available to our state and we need to be both ready to intake these funds as well as utilize them to ensure we are building the strongest post-pandemic foundation for our state's economy. Commerce will be working with partners from academia, industry and other state agencies to best take advantage of all federal funding available for our state.



APPENDICES

LEGAL, BOARD OF DIRECTORS
AND FINANCIAL INFORMATION

FY 22 BOARD OF DIRECTORS



The Honorable Daniel J. McKee
First meeting as Governor was March 2021
Chair, Governor, State of RI



Karl Wadensten, Treasurer
President, Vibco, Inc.



Bernard V. Buonanno III
Managing Director,
Nautic Partners
resigned 9/30/2022



David M. Chenevert
Executive Director of RIMA
& Chairperson of WeMakeRI



Dr. Brenda Dann-Messier
Senior Advisor for the
Education Strategy Group



Elizabeth Catucci
President, Northern RI
Chamber of Commerce
(appointed 6/15/2022)



Mary Jo Kaplan
Partner, The Ready;
Founder/Principal at Kaplan
Consulting



Jason E. Kelly
Executive Vice President,
Moran Shipping Agencies
(resigned 12/31/2021)



Michael F. McNally
former President & CEO,
Skanska USA



George Nee
President, AFL-CIO
of Rhode Island



Donna Sams
Partner/Principal,
SpencerConsultingGroup



Michael Solomon
Former President,
Providence City Council
(appointed 6/27/2022)



William C. Stone
(Appointed February 2021)
Managing Member, Outside
G LLC; Patent GC LLC



Vanessa Toledo-Vickers
Vice President/Community
Development Market
Manager, Citizens Bank

GOVERNANCE

FY 2022 BOARD MEETINGS

July 26, 2021
September 2, 2021
September 27, 2021
October 25, 2021
December 6, 2021
December 20, 2021
January 14, 2022
January 24, 2022
March 3, 2022
March 28, 2022
May 11, 2022
June 1, 2022
June 6, 2022
June 14, 2022
June 27, 2022

Board training:

There were no board trainings held during FY22. Bill Stone and David Chenevert received a board training, which covered the entirety of chapter 64 of title 42 and of chapters 46 of title 42, 14 of title 36, and 2 of title 38 of the Rhode Island general laws as well as the board's rules and regulations, in April 2021. This was not previously reported in the FY21 Annual Report.

FY 2022 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 2022 RULES & REGULATIONS

Commerce Corporation rules and regulations can be found at: <https://rules.sos.ri.gov/organizations/agency/170>

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, 2021, to the Governor, Senate president, Speaker of the House, and Secretary of State before May 31, 2022, as required by Title 42 Section 64-28, State Affairs and Government. These statements can be found at:

<https://commerceri.com/wp-content/uploads/2022/10/RI-Commerce-Corporation-FY2022-Audited-Financial-Statements.pdf>

Rhode Island Commerce Corporation submitted an Annual Incentives Report for the year ending June 30, 2021 to the Governor, the Senate President, and the Speaker of the House on September 30, 2021, as required by R.I. Gen. Laws § 42-64-36(a) and (b).

This report can be found at: https://commerceri.com/wp-content/uploads/2022/10/RhodeIslandCommerceCorporation_FiscalYear2022_IncentivesAnnualReport-1.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. The Board of the Corporation recommends continuation of all Commerce Corporation programs at this time.

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.