MEETING OF THE
RHODE ISLAND COMMERCE CORPORATION

AGENDA

MONDAY, AUGUST 25, 2014

PUBLIC SESSION

Call to Order: The Chairman Lincoln D. Chafee

1. Welcome by Chairman Lincoln D. Chafee.

2. To consider for approval the Public Session Minutes for the meeting held on July 22, 2014 and the Public and Executive Session Minutes for the meeting held on July 28, 2014 (See **Tab 1**).

3. To consider, as may be appropriate, matters covered in the Executive Director's Report: Marcel Valois.

4. To receive a status update regarding the I-195 Commission: Jan Brodie.

5. To receive a status update regarding RhodeMap RI: Kevin Flynn.

6. To introduce a proposal from the Slater Technology Fund regarding the Early Stage Commercialization Program of the Renewable Energy Fund: William Ash.

7. To consider for approval a tourism investment consulting agreement (See **Tab 2**): Mark Brodeur.

8. To consider for approval the following Renewable Energy Fund matters (See **Tab 3**): Hannah Morini.

    a. A grant to Sol Power, LLC in the amount of $19,450.00;
    b. A grant to RGS Energy in the amount of $103,625.00;
    c. A grant to Newport Renewables in the amount of $9,800.00;
    d. A grant to Weisman Roofing in the amount of $4,125.00;
    e. A grant to Got Sun-Go Solar in the amount of $17,087.00;
    f. A grant to Rexel Energy Solutions in the amount of $10,000.00;
    g. A grant to BCX Energy, Inc. in the amount of $14,725.00;
    h. A grant to Newport Solar in the amount of $116,180.00; and
    i. A grant to US Solar Works, LLC in the amount of $19,218.00.

9. To consider for approval a consulting agreement with SmartPower, Inc. (See **Tab 4**): Marcel Valois.

10. To consider issues related to the litigation pending before the Providence Superior Court known as Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, *et al.**

11. Vote to Adjourn.

* Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws §§ 42-46-5(a)(2) or (4) to discuss this Agenda item.

TAB 1

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

PUBLIC SESSION MINUTES
OF THE MEETING HELD ON
JULY 22, 2014

AND

PUBLIC AND EXECUTIVE SESSION MINUTES
OF THE MEETING HELD ON
JULY 28, 2014

APPROVED

VOTED: To approve the Public Session Minutes for the meeting held on July 22, 2014 and the Public and Executive Session Minutes for the meeting held on July 28, 2014, as submitted to the Board of Directors.

Dated: August 25, 2014

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS
PUBLIC SESSION
JULY 22, 2014

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on Tuesday, July 22, 2014, in Public Session, beginning at 2:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of meeting to all Directors, and the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by the By-Laws of the Corporation and applicable to Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln Chafee, Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Roland Fiore, Ms. Shannon Brawley, Mr. Karl Wadensten, Dr. Nancy Carriuolo, Mr. Tim Hebert, Mr. Jason Kelly, Ms. Elizabeth Francis, and Mr. George Nee.

Directors absent were: Ms. Judith Diaz, Mr. Stanley Weiss.

Also present were: Marcel Valois and Thomas Carlotto.

1. **CALL TO ORDER AND OPENING REMARKS**

Marcel Valois called the meeting to order at 2:04 p.m. indicating that a quorum was present.

2. **TO RECEIVE AND DISCUSS A PRESENTATION REGARDING THE DRAFT LONG TERM ECONOMIC DEVELOPMENT PLAN CONTEMPLATED BY R.I. GEN. LAW § 42-64.17-1**

Mr. Valois introduced Kevin Flynn to provide a presentation regarding the draft Long Term Economic Development Plan (the "Plan") contemplated by R.I. Gen. Laws § 42-64.17-1,and reminded the Board Member's that said Plan must be presented to the Rhode Island General Assembly by October 30, 2014. *See* **Exhibit B.**

Dr. Carriuolo arrived at 2:09 p.m.

Mr. Flynn began his presentation by providing a brief background regarding the Plan and describing the process for how the Plan was developed. He noted that the Plan will become a part of a larger state-level planning framework known as the State Guide Plan. The Plan's development is the result of a Sustainable Communities Grant from the Department of Housing and Urban Development. After providing a summary of the background and development of the Plan, Mr. Flynn introduced Nathan Kelly of Horsley Witten, the lead consultant assisting with development of the Plan, to continue with the presentation.

Mr. Witten noted that he would provide an overview of the bones of the Plan, its structure, and the goals of the Plan. He noted that the Plan is divided into four parts, specifically (i) Part One: A Snapshot of Our Population and Our Economy; (ii) Part Two: Where do we want to be in 20 years; (iii) Part Three: Economic Opportunities and Challenges; and (iv) Part Four: The Full Policy Framework. Upon an inquiry from Mr. Nee regarding the timeframe included in the Plan, Mr. Witten noted that 20 years is the typical time period for the Economic Development Guide Plans. He continued that there is also a fifth, follow-up part of the Plan, namely a series of performance measures to evaluate the performance of the Plan over time.

Moving onto the goals of the Plan, Mr. Witten noted that the first goal of the plan is to provide education and training opportunities to help people build careers. The second goal of the plan is to create a business climate where innovators and entrepreneurs can thrive. He added that the third goal is to create an inclusive economy that targets opportunity to typically underserved populations. Mr. Witten continued that the fourth goal is to support industries and investments that play to Rhode Island's strengths. The fifth goal of the Plan is to create great places by coordinating economic, housing and transportation investments. He then noted that the sixth goal is to develop and maintain world class infrastructure to support the state's economy. The seventh goal of the Plan is to provide new infrastructure and improvements that are resource efficient and resilient to climate change. Mr. Witten noted that the eighth and final goal is to create a climate where our companies, our workers, and the state as a whole can develop a competitive advantage. Throughout the course of his discussions, Mr. Witten discussed in detail, various proposed strategies for effectuating and meeting the goals of the Plan. In addition, Jared Rhodes of Statewide Planning added clarification and details regarding the implementation of the various strategies associated with the goals of the Plan. Throughout the discussion regarding the goals of the Plan, the Board Members engaged with Mr. Witten regarding the proposed strategies for effectuating said goals and provided feedback regarding the same.

Governor Chafee arrived at 2:36 p.m.

The conversation continued on to the various policies associated with each of the eight goals of the Plan. Each of the eight goals of the Plan is supported by a range of policies which are detailed in the Draft Plan included as an Exhibit hereto. The Board Members' engaged Mr. Flynn, Mr. Witten and Mr. Rhodes in a lengthy discussion with regard to the various policies identified. The Board Members gave their feedback with respect to the policies associated with each of the eight goals of the Plan and made various suggestions as to how they could be improved, taking into account the fact that various state funding will ultimately be based upon the Plan following a review of the same by the Rhode Island General Assembly. There was a lengthy discussion with respect to the generality of the identified policies and the potential to make the policies more specific. Suggestions were made by certain Board Members to make policies more directed, for example, specific policies for small businesses, medium businesses, large businesses, educational institutions, etc. Further the Board Members engaged in

a lengthy discussion regarding the best ways to support and target opportunities to small businesses and what policies would best serve the goals to create a business climate where entrepreneurs can thrive.

Finally the Board Members, Mr. Flynn, Mr. Witten and Mr. Rhodes briefly discussed the various ways in which the Plan, in its current draft form, can be improved based upon the feedback provided by the Board Members throughout the course of the presentation prior to being finalized and submitted to the Rhode Island General Assembly in October 2014.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 4:06 p.m., upon motion made by Mr. Adams and seconded by Mr. Nee.

_____
Thomas Carlotto, Secretary

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Tuesday, July 22, 2014**, beginning at **2:00 p.m.** for the following purposes:

PUBLIC SESSION

1. To receive and discuss a presentation regarding the draft Long Term Economic Development Plan contemplated by R.I. Gen. Laws § 42-64.17-1.

This notice shall be posted no later than 2:00 p.m. on Friday July 18, 2014, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: July 14, 2014

EXHIBIT B

EXECUTIVE SUMMARY

This statewide Economic Development Plan is the first of its kind for Rhode Island. Beginning with the RhodeMap RI process, this document draws its strength from research, public discourse, expert opinion, community stories, case study comparison and input from hundreds of residents, business owners, and academics. Among the most important issues identified in the plan are:

- Government agencies, both state and local, must become true partners in the pursuit of a sustainable economy through regulatory reform and deep change in our approach to collaboration.
- The prevalence of universities, arts and science organizations, small business, cultural diversity and international immigration provide conditions within our state for unparalleled innovation.
- Rhode Island's workforce requires strong and continuous investment to prepare workers for opportunities already emerging from demographic and market shifts.
- The statewide economic plan must achieve equitable outcomes with strategies specifically targeted at communities and individuals with the greatest needs.
- Rhode Island's economy is positioned to thrive locally, regionally and globally, and investments in infrastructure should strategically position us to compete at all levels.

The plan's **Introduction** begins with a brief overview of how this document came to be and where it fits in the overall scheme of state-level planning. From there, the plan is divided into five parts:

Part One: A Snapshot of Our Population and Our Economy looks at who we are as a population, where we are headed, and some of the economic implications of current conditions and emerging trends. The diversification of our population, changes being driven by our urban communities, the aging of our workforce, our inventory of economic strengths, and other conditions are summarized in this section.

Part Two: Where do we want to be in 20 years? presents the vision of our economy over a 20-year horizon:

In 2035, Rhode Island will be a state…

- Where the state as a whole is more competitive in the regional, national and global economy, having a business climate that is efficient, consistent and transparent.
- Where individuals, entrepreneurs, and innovators of all backgrounds will want to stay and work, and are supported and encouraged.
- Where urban communities are reinvigorated with new investment bringing new jobs, new housing options and improving the quality of life for our most disadvantaged residents without displacement.
- Where the labor force is one that is strong and diverse, has access to excellent educational and life-long learning opportunities, and can adapt to regular changes in the job market.
- Where all residents can maintain a job that supports their everyday needs, improves access to opportunity, and enriches their quality of life.
- Where the unemployment rate is sustained below the regional average.
- Where a sustainable economy preserves, sustains, and restores the natural environment, protects and nurtures public health, improves the resiliency of our built environment, and creates green collar jobs.

Part Three: Economic Opportunities and Challenges provides a more detailed exploration of the most important challenges and opportunities for our state, setting the stage for the full policy framework.

1. **Workforce Development and Education –** Collaboration between the Department of Labor and Training, the Governor's Workforce Board, private companies, non-profit groups and academic institutions will be required to create an effective system of workforce development. Anticipating trends in population demographics along with emerging industries will provide a strategic plan for workforce development.

2. **New Models – Entrepreneurs, Innovators and Start-Ups –** The value of entrepreneurs, access to capital and technical assistance, barriers to "start ups", the opportunities presented by our immigrant population are some of the issues explored in this section.

3. **Urban Challenges and Opportunities –** A close look at six of our urban communities is provided here to highlight the unique challenges faced by cities that should be serving as the primary economic engines of the state. Redeveloping mills, incentives for reinvestment, updating infrastructure, and engaging anchor institutions represent a sample of the issues identified in our urban areas that help to shape this plan.

4. **Rhode Island's Economy Outside the Urban Core –** Rhode Island has been working for decades to preserve the rural character of many of our towns. Beyond looking to simply preserve scenic landscapes and farms, many of our towns and state agencies are at the forefront nationally for addressing the unique economic conditions in rural New England communities. Issues related to small-scale community infrastructure, village development, regulation of design, and housing diversity in the rural context are examined in this section.

5. **Economic Inclusion Related to Areas of Opportunity** – Led by the Kirwan Institute for the Study of Race and Ethnicity, the mapping of areas of opportunity was performed for the entire state of Rhode Island. This mapping builds on the volumes of study that demonstrate how one's living situation can profoundly affect outcomes related to economic and social well-being throughout life. Visualizations for areas with different levels of opportunity helped to shape policy direction and identify strategies for greater levels of economic inclusion.

6. **Housing and Economic Development** – The link between housing and economic development outcomes is clear. Where people find themselves severely "cost burdened" by their housing situation, they have much higher barriers to pursuing careers that will lead to professional development and financial stability. This issue, as well as economic impacts related to housing development, and our ability to meet the market needs of young talent are examined in this section.

7. **Infrastructure** – Economic development initiatives cannot succeed without sustained investment in hard infrastructure. This section examines the integral role of water supply, wastewater disposal, roads, bridges, and many other critical components of our state's infrastructure.

8. **Economic Development and Climate Change** – Located on the eastern seaboard with 400 miles of coastline, Rhode Islanders are already well acquainted with the impacts of climate change and also understand that these impacts are likely to increase. This section discusses the challenges faced by our residents and government agencies, as well as the opportunities already being seized by our academic institutions and many businesses at the leading edge of climate change adaptation.

9. **Emerging Markets –** As part of any economic development plan, it is essential to identify market opportunities that are either emerging or strengthening. Rhode Island's geographic location, environmental conditions, academic institutions and industrial heritage provide fertile ground for several industry opportunities. The intersection between manufacturing and design, defense, maritime cybersecurity, and life science are some of the opportunities discussed in this section.

10. **Our Regional and Global Economic Strengths** – Rhode Island's ports and our location along the northeast corridor are two examples of opportunities that already connect our state to the larger region and the global economy. Our tourist industry also represents an enormous economic asset that calls for increased investment for immediate economic impact.

11. **State and Local Regulations** – The regulatory climate in Rhode Island can be very complex and Rhode Island is already in the very early phases of examining systemic changes to our state's regulatory structure. Additionally, integrating "best practices" into the standards and processed administered at the local level is discussed in this section.

12. **Data, Information, and Competiveness** – Economic development in the 21st century must look to integrate comprehensive and uniform platforms for managing and disseminating information. Additionally, to foster a competitive environment, tools like "e-government" and integrated performance measures are examined in this section

Part Four: **The Full Policy Framework** provides the goals, policies and strategies that represent the road map to economic success. The variety of perspectives poured into this section created a suite of strategies that is equally diverse, reflecting both the complexity of issues surrounding our state's economy and the spectrum of expertise engaged in the process. Some strategies simply call for the continuance of programs that have already been successful, while others call for initiatives that are completely new to our state. Some strategies are targeted to increasing the competitiveness of our business climate, while others focus specifically on meeting the needs of disadvantaged communities.

Strategies are organized within eight broad goals that answer to the issues raised in Part Three. Within each of these goals, there are "early win" initiatives that could roll out in a matter of months, more forward looking ideas that "set the stage" for suture success, and then there are "big ideas" that may require large systemic shifts or major investment on the part of public, non-profit and private entities.

Part Five: Staying On Track ties a series of performance measures to the plan that will help to evaluate its performance over time and the effectiveness of its strategies.

ACKNOWLEDGEMENTS

PENDING

DRAFT

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Document Appendices

The material within this Economic Development Plan required more intensive investigations of individual issues that were documented in a series of technical papers. These papers serve as appendices to this plan and are available to any readers looking to dig more deeply into some of the background analysis or research. Appendices include:

A. Document Summaries – Over 30 studies completed in advance of this report were reviewed at the early stages of the project. Brief written summaries
B. Opportunity Mapping – A description of the background and methodology used to the develop Opportunity Mapping for the project as well as the actual full inventory of maps.
C. Employment Centers – Analysis of employment centers in the state including location and economic sector.
D. Apprenticeships – A summary of apprenticeship programs from other states that help to illustrate some of key elements for success.
E. Occupational Transfer Analysis – A brief study that looks at issues related to living wages, job availability, and the need to provide transferable skills to Rhode Island's workforce.
F. Urban Focus – An assessment of economic development issues within ten of Rhode Island's urban municipalities.
G. Redevelopment Areas – An analysis of priority redevelopment areas identified by ten Rhode Island municipalities and many of the real estate, infrastructure, and permitting issues that will affect the ability to initiate redevelopment.
H. Commercial, Industrial and Mixed Use Zoning – A summary of the amount of land zoned for commercial, industrial, and mixed use for each municipality based on most recent available data.
I. *The Equity Profile of Rhode Island* – prepared by PolicyLink and the USC Program for Environmental and Regional Equity (PERE).
J. *Economy RI: Economic Development Data Analysis & Assessment* prepared by Fourth Economy Consulting.

DRAFT

INTRODUCTION

Role of the Economic Development Plan

This economic development plan is part of a larger state-level planning framework known as the State Guide Plan. The State Guide Plan is actually a collection of over 20 "elements" that provide policy guidance for state agencies, the state's 39 cities and towns, and the General Assembly. Some of the more notable elements of the State Guide Plan include *Transportation 2030*, *Water 2030*, and *Land Use 2025*. This Economic Development Plan will replace the older Economic Development and the Industrial Land Use Plans, adopted in 2000 and amended in 2001.

In addition to serving as a State Guide Plan Element, this Economic Development Plan will serve to meet a new legislative requirement in Rhode Island. The state legislature passed a bill in 2013 calling for the adoption of a strategic state level economic development plan every four years. Strategies from this document will be presented to the legislature in October 2014 to satisfy that requirements and ensure consistency with the broader State Guide Plan Element.

Finally, this document will also be used as Rhode Island's Comprehensive Economic Development Strategy (CEDS) document. CEDS is a state planning process used to develop a five-year economic strategic that is updated annually. Importantly, Rhode Island is mandated to submit a CEDS to the U. S. Economic Development Administration (EDA) in order to receive funding for economic development projects.

How the Plan Was Developed

The Sustainable Communities Initiative

This Economic Development Plan was prepared as part of RhodeMap RI, a coordinated, long range planning effort led by the Division of Planning to make Rhode Island a better place to live and work for all residents by strengthening our economy, meeting current and future housing needs, and planning for growth in a coordinated, sustainable manner. Other important products from RhodeMap RI include a Housing Plan, a Growth Centers Report and Toolkit, training and capacity building materials, and the final Regional Plan for Sustainable Development (RPSD).

This project was funded under a Sustainable Communities Regional Planning Grant from the U.S. Department of Housing and Urban Development (HUD). The goal of the planning grant program is to help communities and regions foster a more sustainable economy by coordinating planning and investment in housing, job creation, workforce training, and transportation.[1] The regional planning grants are part of the federal Partnership for Sustainable Communities, established by President Obama in 2009 to promote healthier, sustainable communities of opportunity by coordinating federal investments in housing, transportation, water, and other infrastructure. The partners are the U.S. Departments of Housing and Urban Development (HUD), Transportation (DOT) and the Environmental Protection Agency (EPA). These agencies recognize the complex challenges communities face as they try to strengthen their economies, meet changing demands for housing and transportation, and protect the environment and public health; their goal is to meet multiple economic, environmental, and community objectives with every dollar they invest.

[1] Because of Rhode Island's small area, the state as a whole qualifies as a planning "region".

The RhodeMap RI Consortium

The Consortium is the decision-making body of RhodeMap RI. It consists of 35 member organizations that were chosen based on area of expertise, geographic diversity and interest in participating in RhodeMap RI. The lead member is the Rhode Island Division of Planning, representing the State Planning Council, the Metropolitan Planning Organization (MPO) for the region. There are six additional state and quasi-state agencies in the Consortium: Rhode Island Housing, Rhode Island Public Transit Authority, Rhode Island Department of Transportation, Rhode Island Department of Environmental Management, Rhode Island Economic Development Corporation and Rhode Island Department of Health. The Consortium also includes nine municipalities, comprising 52% of the State's population. These municipalities are the cities of Providence, Warwick, Pawtucket, Cranston, East Providence and Newport and the towns of North Kingstown, Westerly and Burrillville.

The Consortium also includes 10 community based organizations and businesses, the Rhode Island Local Initiatives Support Corporation, Grow Smart Rhode Island, Rhode Island Legal Services, AARP-Rhode Island, Association of Independent Colleges and Universities of Rhode Island (AICU), Community Action Partnership of Providence, Housing Works Rhode Island, Newport County Chamber of Commerce, Rhode Island Black Business Association, and Save the Bay who have the capacity to engage a diverse representation of the general population and have the proven ability to work with units of local government and the MPO to advance sustainability in Rhode Island. Additionally, the Consortium has two university members, the University of Rhode Island and Roger Williams University. Finally, five Social Equity Advisory Committee members have seats on the Consortium.
Economic Development Committee

The Economic Development Committee
The Economic Development Committee convened for RhodeMap RI consisted of several members of the Consortium, several members of the SEAC, and an additional membership of approximately 25 business leaders, industry representatives, government officials, advocates, lenders, and academics. This group met on a monthly schedule (with some flexibility) between June of 2013 and July of 2014 to review the development of new materials, provide direction on the development of the plan, and work through the details of technical issues related to economic development. This group essentially represented the primary "work space" for the development of this plan.

Another important function of the committee was to ensure integration of perspectives from all of the different engagement processes as well as the technical materials developed in other parts of RhodeMap RI. For example, membership within the committee not only overlapped with the Consortium and SEAC, but also participated in the Commerce RI Economic Intersections process (described below), development of the Housing Plan, and development of the Growth Centers guidance and toolkit. This crossover helped to create a unified and complementary set of documents across the full RhodeMap RI process.

Social Equity Advisory Committee

RhodeMap RI will affect all Rhode Islanders so all Rhode Islanders must be heard and included in the process. Inequalities are a part of all of the RhodeMap RI focus areas, from racial differences in unemployment to a scarcity of affordable housing in some parts of the state. The Social Equity Advisory Committee (SEAC) includes people from a diversity of organizations and communities. The SEAC meets regularly to advise RhodeMap RI on two major topics – designing an inclusive, diverse *process* and reviewing the development of all goals, strategies and policies to ensure that the *outcomes* of RhodeMap RI widen opportunities for all and reduces disparities.

RhodeMap RI's Equity Focus

Equity and access to opportunity are critical underpinnings of the Sustainable Communities Regional Planning Grant Program. HUD recognized this nexus when HUD Secretary Shaun Donovan, in announcing the first round of Sustainable Communities awards, proclaimed:

> Sustainability [also] means creating "geographies of opportunity," places that effectively connect people to jobs, quality public schools, and other amenities. Today, too many HUD-assisted families are stuck in neighborhoods of concentrated poverty and segregation, where one's zip code predicts poor education, employment, and even health outcomes. These neighborhoods are not sustainable in their present state.
>
> *—Former HUD Secretary Shaun Donovan, February 23, 2010*

RhodeMap RI employed an outreach and engagement process that was significantly different from any state planning process to date (described in more detail in the following section). The state set out to engage individuals and groups that typically do not participate in state planning projects, with a particular focus on populations that may have barriers to participation. At the outset of the process, to assist with the engagement approach and to provide insight into the social equity issues, a Social Equity Advisory Committee (SEAC) was convened and consisted of advocates, state employees, and residents who have a particular interest in issues of social equity.

Discussions with the SEAC were often challenging for everyone involved, tackling issues of discrimination, segregation and racism. In some instances there were fundamental philosophical differences about what it means to create a "sustainable" economy. However, in many instances, it is clear that these discussions led to the development of economic policies that would not have otherwise been incorporated into the plan. Without the work of this committee, many of the deepest challenges facing Rhode Island's workforce, business community, and residents might not have been considered.

Public Outreach and Engagement

RhodeMap RI undertook a year-long comprehensive outreach and engagement process between 2013 and 2014. A variety of high-tech and low-tech approaches were used to engage as many citizens and organizations as possible. Highlights of the engagement campaign include:

Opening Work Session – In May 2013, the RhodeMap RI process kicked off with an "opening work session" where approximately 100 business leaders, community advocates and government officials came together to kick off the project and start discussions related to improving conditions in the state. Participants engaged in a series of small group discussions on equity, values and issues areas, and public engagement. After brainstorming ideas in response to specific questions, each group rated their top ideas for each question. Participants then used keypad polling to rank the common themes that emerged from the top ideas. The outcome of these discussions helped focus the RhodeMap RI engagement strategies moving forward.

Focus Groups – A cornerstone of the RhodeMap RI engagement process was the use of focus group discussions related to each plan. Not only were these discussions integral to the understanding of each plan, but more closely knit exchanges often provided for cross-cutting discussions that combined issues of land use, transportation, social equity, housing and economic development. As part of outreach for the

Economic Development Plan, over two dozen focus groups were convened to help identify the issues that should drive policy decisions in the state and identify potential strategies.

Meeting-in-a-Box – One of the more challenging aspects of community engagement to address in any planning project is how to give a voice to individuals who typically do not have a "seat at the table". Barriers to engagement are numerous and sometimes complex and often discussions need to be taken into the community in order to hear perspectives that might otherwise go unnoticed. To help overcome some of these barriers, a tool called "Meeting-in-a-Box" was applied to RhodeMap RI. This tool includes a highly structured packet of information that builds capacity for residents to host their own focus groups and record discussions in a way that makes it easy to incorporate them into the product. Approximately 15 meetings were held, reaching nearly 200 people.

Great Places Workshops – For the Growth Centers work, four series of small workshops were held across the state to review regional mapping of resources and assets across sectors: social, environmental, and economic. These meetings were used to verify data and add local knowledge to the comprehensive mapping efforts underway. Later workshops were used to explore more complicated issues related to different types of growth centers and where each might be located in the state.

During each series, six workshops were held. By the end of the fourth series, approximately 250 participated. Throughout the entire process, the Map Gallery was linked from the RhodeMap RI project website and showcased all of the working maps online. The gallery provided another opportunity for the public to make comments and offer input.

Public Forums – RhodeMap RI included a series of public forums to solicit feedback at critical points in the project. For each round of forums, locations throughout the state were chosen to maximize access and convenience for residents. Map galleries, breakout sessions, technical presentations, polling, surveys, and posters were used to communicate ideas for RhodeMap RI and to record feedback from participants.

The first round of forums included four formal events in August 2013. Approximately 200 people attended all four forums. The agenda included a gallery viewing and formal presentation followed by small group discussions about problems and possible solutions to the following questions:

- How do we provide housing opportunities for all Rhode Islanders?
- How do we revitalize our villages and cities?
- How do we grow our economy?

The second round of forums were held over two weeks in May 2014 and included six open house events and a virtual open house online. Approximately 80 people attended in person. These events presented informational posters highlighting the components of the RhodeMap RI project, engagement strategies, and common themes around economic development and housing issues from focus groups, Meetings-In-A-Box, public events, online tools, and committee meetings. Through online and paper surveys, participants were asked to gauge proposed goals, policies and strategies to meet housing and economic development needs. It was important to understand what was on the right track, what was missing, and what could be better.

Online Crowd Sourcing – As part of the effort to generate Internet based discussion and provide multiple outlets, the consultant team used the online platform MindMixer. MindMixer allows users to submit ideas in response to questions and to rate and comment on other people's ideas. The platform also includes tools for conducting surveys and inviting users to submit photos. Between June 2013 and February 2014, the RhodeMap RI team posted 18 different discussion topics to MindMixer regarding all

aspects of RhodeMap RI, including economic development. Users generated a total of 96 ideas in response to those discussion topics and another 35 comments on users' ideas. The team also posted two surveys, which generated 61 survey responses and 18 additional comments, and invited users to post pictures of what makes Rhode Island great. Users submitted a total of 40 photos to the site.

Online and Social Media – RhodeMap RI maintained a project website to help communicate with the public, share interim products, deploy online surveys, and serve as a launch pad for MindMixer and the project's Map Gallery. Other social media outlets like Facebook and Twitter were used to provide more "real time" updates on hot discussion topics and public events. By June of 2014, RhodeMap RI had nearly 200 "likes" on Facebook and 370 Twitter followers.

Economic Intersections of Rhode Island

Starting in September 2013, the Rhode Island Foundation and the Rhode Island Commerce Corporation (Commerce RI) sought to engage a wide range of private sector representatives in a process of identifying opportunities and barriers to economic growth in the state. Approximately 300 Rhode Island business leaders and representatives of business-serving organizations participated in a series of working group sessions. Participants offered over 100 ideas and recommendations, and in the process began to identify new opportunities for collaboration and focus. The effort was designed to provide more private sector input into the RhodeMap RI engagement process and to identify some immediate opportunities for economic gains.

The engagement process for Economic Intersections began with the formation of eight working groups. The working groups were organized by what were perceived to be "intersections" between typical industry sectors and represented a new way of considering the interrelatedness that exists in Rhode Island's economy. A guiding question for these working groups was, "What can we do together to positively impact economic development that we can't do alone?" The ideas generated in these working groups were researched and expanded by the project consultant, with the results being vetted by many of the participants before final publication. Many of the strategies and the policy discussions within Economic Intersections are folded directly into this Economic Development plan, providing more depth to this plan than would otherwise be possible. A full copy of Economic Intersections is maintained on Commerce RI's website.

State Planning Council

The State Planning Council (SPC) adopts goals and policies related to planning, most of which are contained within individual plans, such as this one, which are elements of the State Guide Plan. As the Comprehensive Economic Development Strategy (CEDS) Committee for the state, the Council maintains the state's Comprehensive Economic Development Strategy and reviews projects for funding consideration by the U.S. Economic Development Administration. This plan has been designed to serve as the State's CEDS. The body also advises the Governor on strategic planning matters and helps ensure that major project and program proposals are consistent with the State Guide Plan.
The SPC's Technical Committee (TC) is a permanent advisory committee that reviews the Statewide Planning Program staff work on major plans and provides other advice as requested by the SPC. Membership of the TC parallels that of the SPC, with representatives of state agencies, local governments, citizens from different areas of the state, and federal advisory members. The Committee is intended to ensure representation of diverse interests and views in the Statewide Planning Program's activities. Many of the activities of the TC parallel those of the SPC. The Committee holds regular monthly meetings and reviews staff reports throughout the year. State Guide Plan elements and documents are reviewed by the TC before being recommended to the SPC for action.

In order to keep the SPC and TC abreast of progress on the development of this plan, Statewide Planning Program staff provided both with regular updates throughout the planning process. A full draft of the Economic Development Plan was presented to the TC at their July 17, 2014 meeting, and to the SPC at their July 24 meeting. At the close of this SPC meeting, the SPC voted to recommend that the State Planning Council schedule a series of public hearings on the draft Economic Development Plan and approved it for the purpose of conducting these hearings. Notice of the public hearings and opportunity to comment on the draft plan were provided through advertisement in the Providence Journal, posting on the Statewide Planning website, a direct mailing to the over 2,000 planning and transportation contacts in Statewide Planning's database, and an e-blast to the thousands of contacts in the RhodeMap RI database [And whatever other strategies we pursue].

Three informational presentations and public hearings on the Economic Development Plan draft were held on:

XXXX, 2014 at X:X x.m.
Location
City

XXXX, 2014 at X:X x.m.
Location
City

XXXX, 2014 at X:X x.m.
Location
City

The Economic Development Plan draft was then revised by staff based on direction received from the public through the hearing process and presented to the TC on XXX X, 2014 and the SPC on XXX X, 2014. The SPC approved and adopted the final Economic Development Plan on XXXX X, 2014.

How the Plan is Organized

The Plan contains five major sections plus an Executive Summary and a series of appendices. The five major sections include:

Part One: A Snapshot of Our Population and Our Economy. This section presents information related to our overall economy, including population demographics, characteristics of our industries, trends within our workforce, and Rhode Island's place in the regional and national economies. We need to know where we are today, to figure out how to get where we want to be.

Part Two: Where Do We Want To Be In Twenty Years? This section describes where we want the economy to be in the long run, for both the prosperity of all our residents and for our businesses and institutions. It lays out a vision and overarching goals for the future, with the intent of guiding future policies and strategies.

Part Three: Economic Opportunities and Challenges. This section summarizes the major issues that will need to be addressed if we are to achieve the goals of the plan. From training opportunities for our workforce, to assessing our vital infrastructure, to supporting entrepreneurs and small businesses, to developing an inclusive economy that affords opportunities for all Rhode Islanders, these are the issues that can guide which strategies and actions the State and our partners take.

Part Four: The Full Policy Framework. This section provides the complete list of Goals, Policies, and Strategies for the Economic Development Plan, and serves as an action agenda for the short as well as the long term. These strategies are not just for State action, but represent things that private industries, non-profit organizations, and citizen groups can do to improve Rhode Island's economy and the prosperity of our residents and families.

Part Five: Staying On Track. This section sets targets, or performance measures, the State can track to stay the course and ensure that we're achieving the goals of this plan. The State will periodically present a "report card" that tracks our successes and shortcomings related to each goal.

DRAFT

PART ONE:
A SNAPSHOT OF OUR POPULATION AND OUR ECONOMY[2]

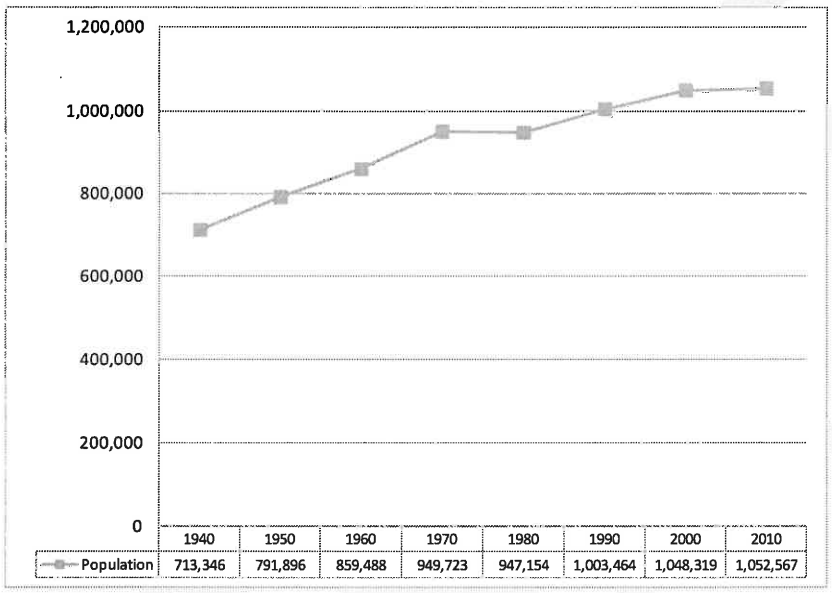
DRAFT

[2] Two reports completed in early 2013 set the stage for discussing Rhode Island's current economic conditions and the demographic make-up of its residents and workforce: *The Equity Profile of Rhode Island*, prepared by PolicyLink and the USC Program for Environmental and Regional Equity (PERE); and *Economy RI: Economic Development Data Analysis & Assessment* prepared by Fourth Economy Consulting. Readers are encouraged to review those documents for more details related to population and business demographics as well as overall economic and business climate conditions.

RHODE ISLAND'S DEMOGRAPHICS

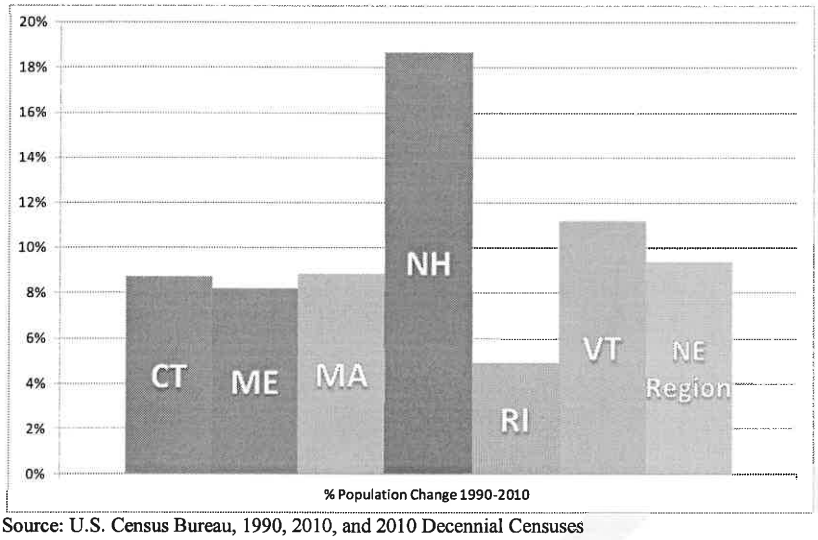
Population Growth

Rhode Island is one of the slowest growing states in the nation. Since 1980, it has maintained a population of just over 1 million and has grown by approximately 100,000 residents since 1970, an increase of less than 11 percent. Between 2000 and 2010, the state gained just 4,200 residents, and, as its economy continues to struggle, lost nearly 2,300 residents since 2010. By July 2012, its estimated population stood at 1,050,292. This rate of growth – just 0.2 percent since 2000 – ranks 49th among all states for this period. Only Michigan, the sole state to have lost population, showed a lower population growth rate.



Source: U.S. Census Bureau

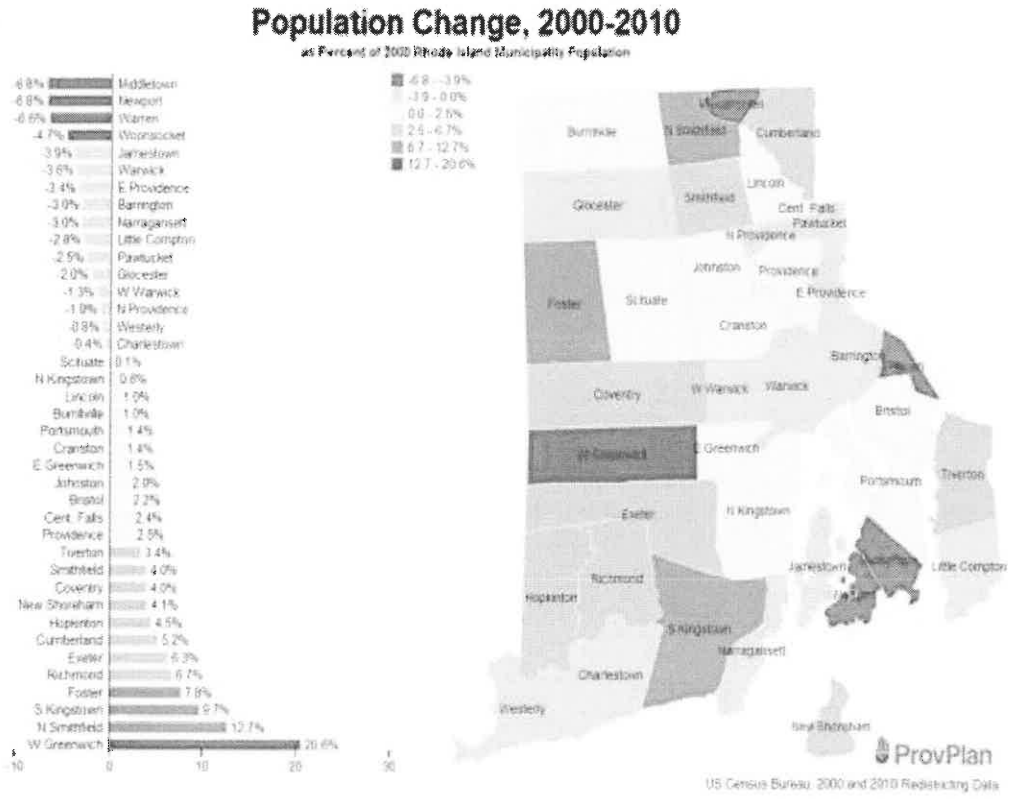
Our New England neighbors have out-paced us in population growth. In the past 30 years, the New England Region population grew as a whole by nine percent. New Hampshire leads with an increase of 19 percent, followed by Vermont (11 percent) and Connecticut and Massachusetts (both nine percent). Rhode Island is at the bottom of the six states at five percent.



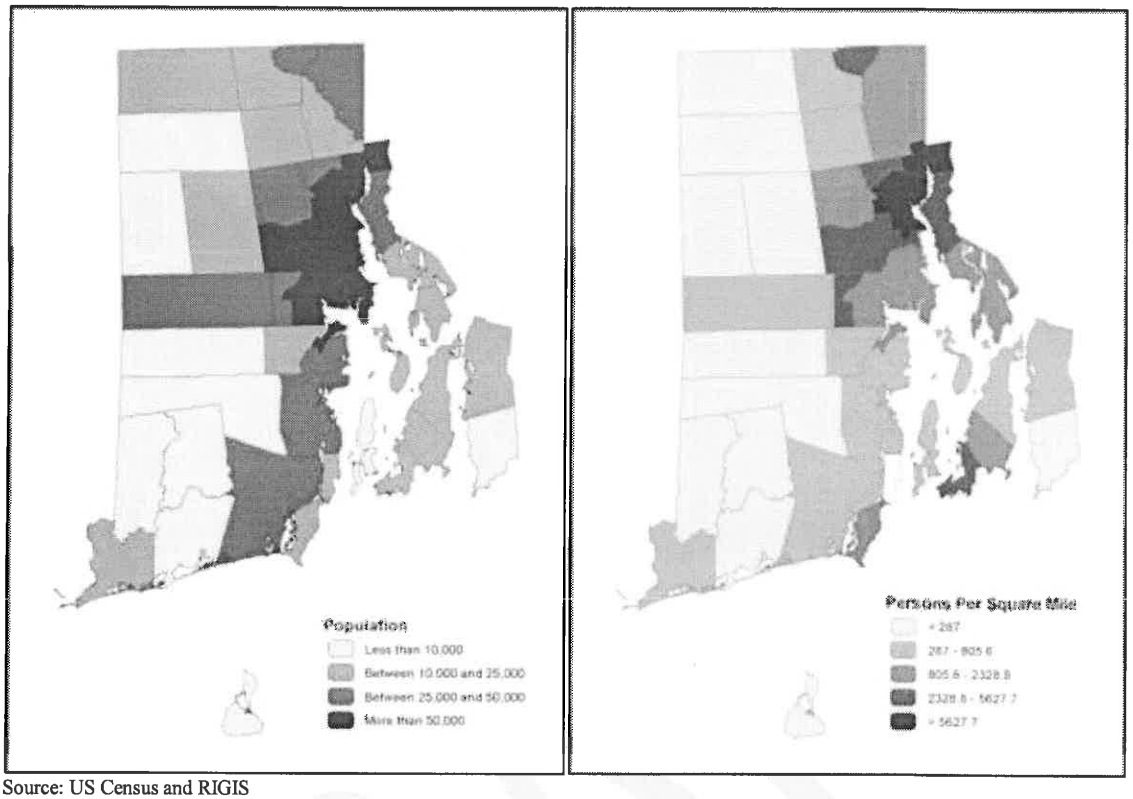
Source: U.S. Census Bureau, 1990, 2010, and 2010 Decennial Censuses

Population Distribution

While the state as a whole saw relatively flat growth from 2000 to 2010, the U.S. Census showed that Rhode Island cities and towns had a mix of growth and decline. West Greenwich, North Smithfield, and South Kingstown, primarily rural and suburban communities, experienced the highest levels of population growth. Middletown, Newport, Warren and Woonsocket, representing urban, suburban and rural communities, experienced the greatest loss of population.



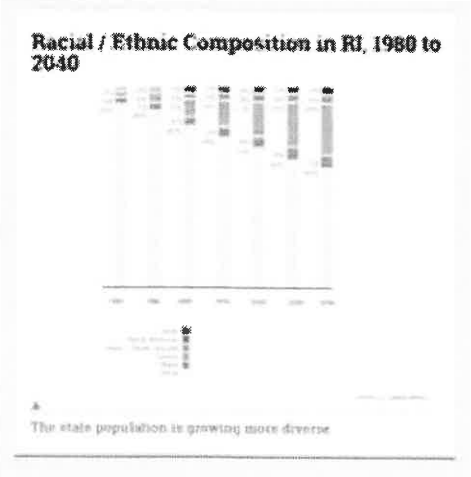
As expected, most of the state's population lives in the more urban communities with infrastructure services like centralized water supply, centralized sewer supply, higher levels of public transportation, and access to major interstate highways like I-95, I-295 and I-195. Providence, Pawtucket, and Central Falls are the most densely populated with more than 5,600 persons per square mile. Municipalities adjacent to these urban core communities (Cranston, East Providence, North Providence, West Warwick) have population densities between 2,300 and 5,600 people per square mile, as do Woonsocket and Newport.



Source: US Census and RIGIS

Population Diversity

Even though the state has experienced slow growth over the past several decades, population growth that is occurring is in the number of people of color. As a result, all of the state's net population growth is attributed to people of color. Currently, Rhode Island is a moderately diverse state, ranking 94th out of the top 150 metropolitan regions nationally, having a diversity score of 0.84.[3] In 2010, people of color represented approximately 24 percent of the total population, an increase from seven percent in 1990.

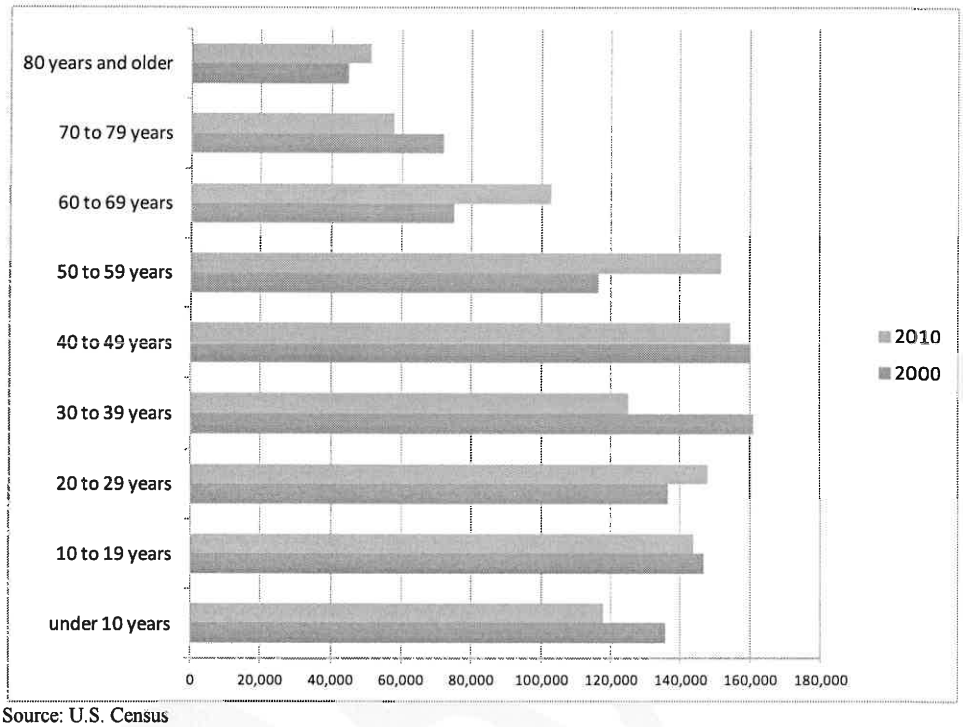


Communities of color – including Latino, Asian and African American populations – experienced the most growth since 2000, while White and Native American populations declined. Between 2000 and 2010, the Latino population exhibited the most growth (44 percent), followed by the Asian/Pacific Islander population (28 percent), the Black (non-Latino) population (22

[3] According to PolicyLink, the diversity score is a measure of racial/ethnic diversity a given area. It measures the representation of the six major racial/ethnic groups (white, black, Latino, API, Native American, and other/mixed race) in the population. The maximum possible diversity score (1.79) would occur if each group were evenly represented in the region – that is, if each group accounted for one-sixth of the total population.

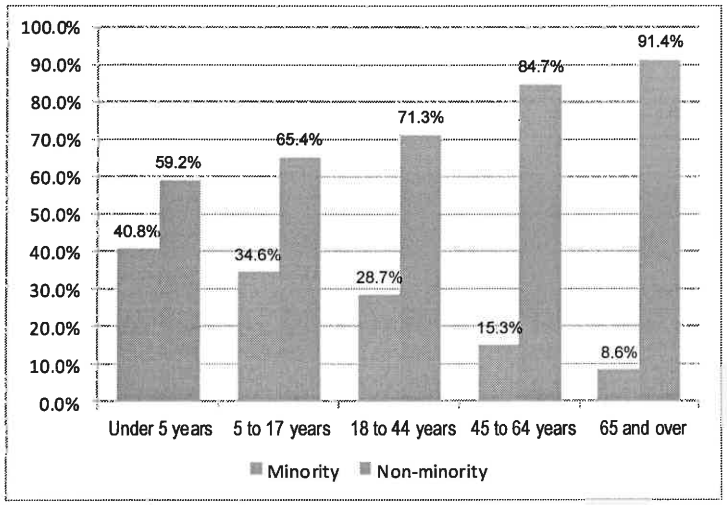
percent). This trend is projected to continue well into the future, as people of color are projected to represent 41 percent of the population by 2040.

The state population is also getting older. In 2010, the median age of Rhode Islanders was 39.4, an increase of 2.7 years from 2000. Representing 37 percent of the state's population, the 60 to 69 age group saw the largest increase, followed by the 50 to 59 age group (30 percent). The 30 to 39 age group saw the largest decrease (22 percent).



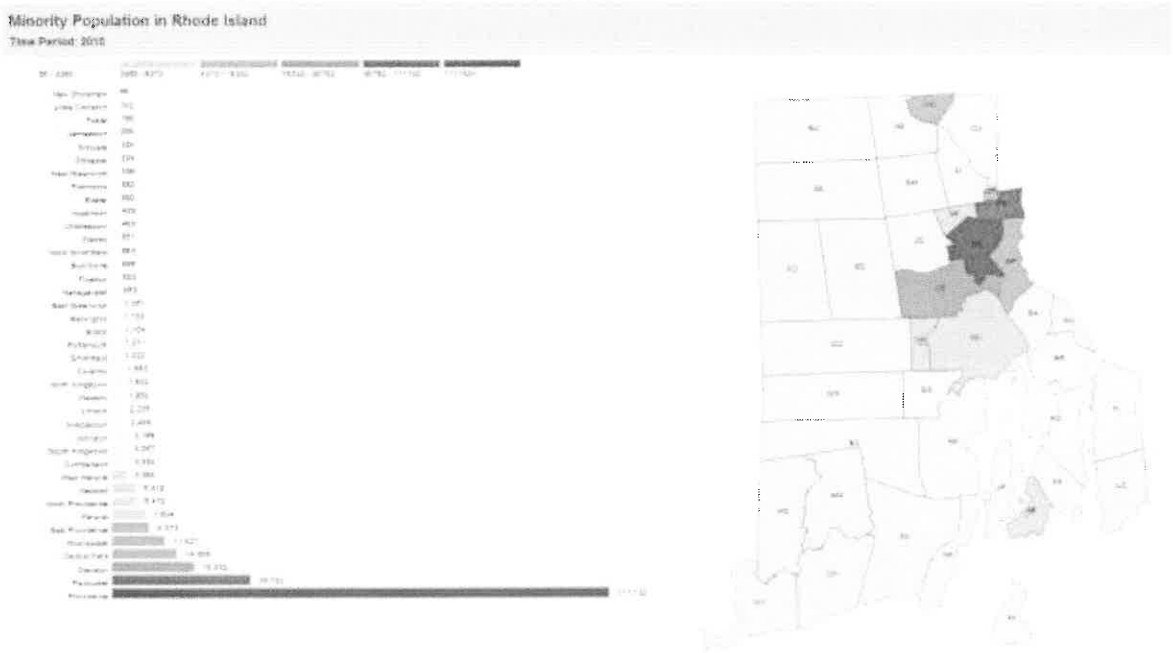
Source: U.S. Census

The under 18 population overall declined by more than eight percent between 2000 and 2010, but the drop among non-Hispanic white youth was nearly 21 percent compared to less than 4 percent among children of color. As Rhode Island's population continues to diversify as a whole, its youth population is diversifying faster than the adult population. Rhode Island's minority households tend to be younger and have more children. They are also more likely to be headed by a single individual, and/or include multiple generations.



Source: 2010 Decennial Census

In 2010 the state's largest communities of color were found in Providence, Pawtucket, Cranston, Central Falls, Woonsocket and East Providence. The size of these populations in other municipalities might be smaller, however, they are increasing. While many of our cities lost population between 2000 and 2010, the increase in people of color in these communities prevented even more detrimental loss. Communities of color are growing fast in the areas west of Providence, as well as around Cranston, Woonsocket and Central Falls. Slower increases are generally seen inside the City of Providence (where the people-of-color population already comprises 62 percent of the total) and in the western and southern areas of the state.

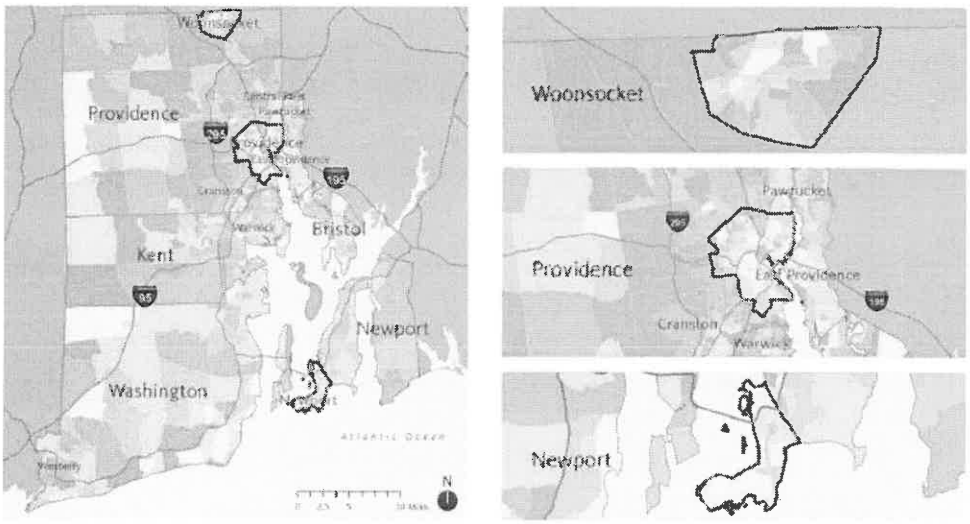


Source: US Census, ProvPlan

Significant growth in communities of color across the state

9. Percent Change in People of Color by Census Block Group, 2000 to 2010

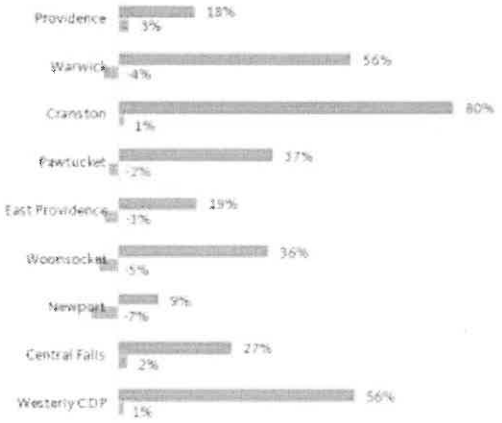
- Decline or no population growth
- Less than 29% increase
- 29% to 55% increase
- 56% to 108% increase
- 109% or more increase



Source: U.S. Census Bureau; Geolytics.
Note: To more accurately visualize change, block groups with a small populations (50 or fewer people in either 2000 or 2010) were excluded from the analysis. Excluded block groups are shaded in white.

Over the past decade, the people of color population increased in Rhode Island's three largest cities

8. Percent Change in Population, 2000 to 2010 (in descending order by 2010 population)



Source: U.S. Census Bureau

Takeaways

The overall population growth in Rhode Island has changed little since 1970 and has been flat since 2000. However, looking more closely at geographic population changes, the municipalities that did experience notable population increases since 2000 were suburban and rural. Communities that experienced the greatest decrease in population were generally urban. Looking more closely at racial demographics, communities of color have accounted for all of the population growth since 1990 and this trend is expected to continue. Growth in populations of color occurred most dramatically in the state's urban areas and in our youth. These trends suggest that investments in education and in our urban communities will be necessary to ensure that our changing workforce is competitive.

RHODE ISLAND'S ECONOMY

Our Assets and Opportunities

Examining changes in our population demographics is an important way to anticipate important goals and strategies for economic development. Another important approach is to look more broadly at the assets and opportunities that are unique or particularly strong for Rhode Island. To be efficient and effective in our recovery, Rhode Island must build upon the assets and opportunities that can be used as a platform for future economic growth.

Quality of Life

More than any other asset, Rhode Island residents indicate they live here because of the high quality of life. Many of the assets that contribute to this are described below, including a diverse population; cultural, historic and natural resources; 400 miles of coastline; world class universities and health care providers; access to Boston and New York; and the state's unique heritage. Housing, from a regional perspective, is more affordable than in our neighboring states and the quality of schools are good in most communities. Most places are only a short drive from each other, providing easy access to resources and amenities throughout the state. A compilation of rankings prepared by the Chafee Center for International Business identified a number of positive rankings for the state. Related to Quality of Life, Rhode Island has ranked among the top ten states for being the healthiest, having the lowest crime rate, being safest for walking and biking, having access to water (in fact, the highest amount of shore access per square mile), and being a peaceful place.

A Small State

Rhode Island's small size – both geographically and in population – relative to other states has been credited as both an asset and a challenge. It is perceived that the small size makes it easier to accomplish things, providing a "one-degree of separation" from state leaders to effect change. The size also makes it easy and quick to access most parts of the state. From Providence, a 20 minute drive can take you to a rural village or at the beach. The size also makes it easier for companies to do business with each other.

Location in the Northeast Corridor

Rhode Island's strategic location in the middle of a wealthy economic region is one asset the state can continue to leverage, particularly relative to the active business centers of New York City and Boston. The Northeast Corridor that stretches from Boston through New York, Philadelphia and Baltimore to Washington, D.C., covers a total of 500 miles and is home to 18 percent of the U.S. population (over 56 million people). According to researchers at the University of Toronto, the region generates $3.75 trillion in economic output, meaning that if it was a separate country, "it would be the fourth largest economy in

the world, behind only the U.S., China, and Japan and ahead of Germany."[4] Rather than attempting to compete with nearby regions, Rhode Island may be better placed to maximize its unique assets relative to its Northeastern counterparts. Furthermore, Rhode Island's lower costs (particularly housing), relative to other first tier cities such as Boston and New York, should be a competitive advantage in terms of attracting talent.

Rhode Island residents have relatively easy access to both Boston and New York via Amtrak's Northeast Corridor regional rail service, as well as to Boston via the Massachusetts Bay Transportation Authority (MBTA). In fact, Rhode Island is one of the few states connected to another state's regional transit network. This access means that Rhode Island residents can live in Providence or surrounding communities and work in Boston (where salaries for comparable jobs are notably higher). However, with the Boston and New York markets being expensive and crowded (especially in Bioscience), there will be more interest for such businesses to start or locate in Rhode Island, and yet remain close to the major markets in the corridor. In addition to employment, the train provides convenient access to other assets in Boston and New York, such as cultural and historical amenities and institutions. But, it also provides convenient access for people to visit Rhode Island's natural and cultural assets.

Creative and Cultural Economy

According to a 2011 New England Foundation for the Arts study, Rhode Island's 1,163 arts and cultural organizations created 5,200 jobs and over $324M in economic activity in 2009. In a May 2012 report by the National Governors Association entitled, "New Engines of Growth: Five Roles for Arts, Culture and Design," authors described significant benefits from embracing the Creative and Cultural Economy. Stated benefits include: helping mature industries become more competitive; providing the critical ingredients for innovative places; catalyzing community revitalization; and delivering a better-prepared workforce.

A History of Manufacturing

As the birthplace of the industrial revolution, the home of the first textile mill, the Jewelry Capital of the World, and a hub for boat building, Rhode Island has manufacturing in its DNA. Today, manufacturing directly employees approximately 10% of the labor force in Rhode Island and in 2013 saw what is hoped to be the beginning of a rebound with an increase of over 1,000 jobs. As the state experiences overarching economic progress, Rhode Island is finding the need for new real estate options including larger footprint manufacturing and wet lab space. The state and local communities may find unique opportunities in many of our historic industrial areas, particularly mill complexes, to meet these needs, simultaneously providing a catalyst for community development.

From a regional perspective, Rhode Island has the opportunity to participate and thrive in a broader geographic trend. Manufacturing contributes 13% of GDP and accounts for nearly 9% of all jobs to the economies of each of the New England states. Advanced manufacturing contributes nearly 9% of total GDP—ranging from 4.5% to 11% in the individual states, and nearly 5% of total jobs.

The most attractive advanced manufacturing subsectors in New England include:

- Signal processing/optics/measurement tools
- Aerospace and defense
- Medical devices
- Semiconductors and related high-end electrical components
- Material sciences (e.g., plastics, nanotechnology, plasma tools, etc.)

[4] Richard Florida, *the Dozen Regional Powerhouses Driving the U.S. Economy*, 2014.

Diversity

As discussed in depth above, Rhode Island is becoming a much more diverse state. While overall population has been flat, the population of people of color has increased rapidly in the State: Latino at 44 percent, Asian/Pacific Islander at 28 percent, and Black at 22 percent. By 2040, 40 percent of the state's population will identify as a race other than White. This shift in racial and ethnic diversity can lead to significant economic growth within the state. For example, Rhode Island's Latino-owned businesses already show high levels of growth within the State's economy. According to figures from the U.S. Census Bureau 2007 Survey of Business Owners, Rhode Island Latino-owned business jumped from 3,415 in 2002 to 5,764 in 2007, an increase of 68.8%. Over the same time period, revenues increased by 115.4%, from $213.7M in 2002 to $460.4M in 2007. Over the past census decade (2000-2010), Rhode Island's Latino population grew 44%, adding almost 40,000 residents. This shift in demographics represents a tremendous opportunity for Rhode Island in the coming decades for increased business diversity and innovation.

Farms, Food and Fisheries

Farms provide numerous economic assets to the state – from actual production, to land preservation and natural resource protection, to the most recent trend in agritourism. It is estimated that plant-based and agriculture businesses in Rhode Island have a total impact of $1.78 billion per year and 12,372 jobs. Rhode Island ranks among the states with the highest percentage of food sales direct to the public, amounting to more than $6 million in sales in 2007 and the highest sales at farmer's markets, according to What's Right about RI.[5] In total, there are more than 1,200 farms comprising 70,000 acres in total (average of 57 acres per farm). This represents a 42 percent increase in farms since 2002, and rising.

In recent years, the state has recognized the positive economic impacts of agriculture land by providing additional protections. But Rhode Island is also at the forefront of the food movement on the receiving end, with a strong restaurant scene and embracing of the "farm to table" movement in much of the restaurant industry. The recent report, *Economic Intersections of RI,* suggested there is great economic potential in the "Food Value Web," which incorporates all aspects of food-related businesses, from production to manufacturing to distribution to sales.

Additionally, in 2011, total sales of fish landed by Rhode Island home-ported vessels in the commercial fishing sector totaled $201MM; 1,506 vessels had commercial landings. An estimated 6,951 Rhode Island jobs are connected directly to harvesting, processing, distributing, and selling fish landed by Rhode Island home-ported vessels.

Natural, Historic and Cultural Assets

Rhode Island's cultural assets include local arts and design districts, world class historical architecture, the Blackstone Valley National Heritage Corridor and its connection to the American Industrial Revolution, diverse population and strong sense of community, dense concentration of colleges focused on arts, design, humanities, history, hospitality, cuisine; strong and distinctive food culture; and a leader in high quality manufacturing and design.[6] These cultural assets will allow Rhode Island to distinguish itself among its northeast neighbors and open up economic opportunities.

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[5] Chafee Center for International Business, Bryant University, What's Right About RI.

[6] Rhode Island Economic Development Corporation, Strengthening Rhode Island's Creative and Cultural Economy, 2013.

Cultural resources are a multi-pronged element of economic development. They are, first and foremost, resources for the state's residents to use and enjoy, promoting education and a connection to history. Second, these resources draw out-of-state visitors, thus contributing to the positive economic impacts of tourism. Third, they can serve as community anchors and contribute to the revitalization of neighborhoods and cities. Examples of this include the revitalization of historic buildings and the cultural renaissance in Providence or the thriving arts district in Pawtucket, which have improved those cities and the quality of life for those who live and visit there.

Coastline

With 400 miles of shoreline, Rhode Island has the greatest coastal access per square mile of any other state in the United States.[7] According to a report by the U.S. Environmental Protection Agency (EPA), there are over 20 million beach visits per year in the state and access to a saltwater beach was the most frequently desired outdoor recreational facility of Rhode Island households (70 percent). The report indicated the value of these beach visits at over $155 million per year. The coastline, however, is also a critical economic asset for marine-based commercial activity, including recreational tourism, boat building, and commercial fishing. According to Economy RI, the total economic impact of marine-related businesses amounts to $2.2 billion in sales and $118 million in local and state fee and tax revenue.

Tourism

Rhode Island's appeal as a tourist destination is a highly valuable asset for its overall economy. Well known tourist destinations include Newport's mansions, the Blackstone River Valley, quaint New England villages, and the robust arts, entertainment and dining options in Providence; but, there are historic, cultural and natural resources in every town or city throughout the state.

Overall, the economic impact (both direct and indirect) of tourism to the state is significant. A report by IHS Global Insights found that tourism supports nearly 43,000 jobs (9.3 percent of the state's job base in 2012), generates $649 million in state and local tax revenue, and visitors inject $3.82 billion into the state's economy (based on 2012 data).[8] Without proper investment in the tourist industry, Rhode Island risks losing an indispensable economic and job growth opportunity by not effectively competing for visitor dollars. According to the U.S. Bureau of Economic Analysis, the tourism industry is rebounding and many states are looking to improve performance as part of their strategic economic growth plans.

Ports

Rhode Island has three major ports – Davisville/Quonset, Providence (ProvPort), and Newport – which represent significant opportunities for economic growth. The Port of Davisville is ranked 7th nationally in auto imports. Recent reports identify economic growth opportunities at Davisville and ProvPort in auto imports/exports and break bulk imports (perishables), as well as other potential opportunities in offshore wind farms and container feeder operations.[9] One of only two deep-water ports in New England and one of the busiest in the Northeast, ProvPort is a crucial regional hub, generating an estimated $200 million in regional economic impact, more than $60 million in direct business revenues, and $16 million in state and local revenue.[10] Newport is a major recreational port with approximately 65 cruise ship visits per year, according to the City's website.

A fourth smaller port, the Port of Galilee in Narragansett, is a working fishing village and recreational port with ferry service to Block Island. While this port is often overshadowed by the larger ports

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[7] Chafee Center for International Business, Bryant University, What's Right About RI.
[8] IHS Global Insight, Rhode Island and U.S. Tourism, November 2013.
[9] Martin Associates, *Summary of Rhode Island's Ports: Opportunity for Growth,* 2011
[10] According to the Port's website, http://www.provport.com/ last accessed on April 8, 2014.

mentioned above, its contribution to the regional economy should not be underestimated. Galilee is home to approximately 230 commercial fishing vessels, including charter boats. Data from 2009 show there were 179 vessels with federal permits ported in the area. Galilee fishermen have traditionally been highly opportunistic, fishing for a wide variety of species in the waters from Long Island to Georges Bank. In 2008, it was ranked 17th among U.S. fish ports for total value of landings in the country and 21st for weight.[11] Associated with the fishing industry are a number of supporting businesses, including welding and fabricating, electronics, and repair. The Port of Galilee is on state-owned land and under state law and is not subject to local zoning regulations. The Town of Narragansett, however, is interested in working with the State to improve the overall appearance of Galilee and to promote its use as a major fishing port.

Defense and Marine Industries

The presence of Naval Station Newport and the Naval Undersea Warfare Center - Division Newport have generated significant economic benefit for Rhode Island. Defense-related activities occur primarily, but not exclusively, on Aquidneck Island. In 2013, recognizing the industries impact on the state, the Rhode Island Senate President and Speaker of the House established the Rhode Island Defense Economy Planning Commission.

While not a traditionally-defined industry sector, the 400 businesses conducting defense-related activities employ more than 17,000 Rhode Islanders (3.8 percent of the total workforce) in military and civilian positions and generated more than $4 billion in revenue in 2010.[12] An additional 6,500 people are employed in positions indirectly related to defense activities. The Southeastern New England Defense Industry Alliance (SENEDIA) reports that in 2012, 80 percent of federal contracts awarded to Rhode Island were defense-related. Federal funding cuts have led these businesses to identify commercial applications for defense technology. One such effort is the establishment of a Maritime Cybersecurity Center of Excellence, which is being convened by SENEDIA.

Universities and Talent

Rhode Island has eleven colleges and universities, eight of which are located in or near Providence. Visit Rhode Island (http://www.visitrhodeisland.com) summarizes the academic assets these institutions offer: Brown University's science, medical, and engineering programs, the Rhode Island School of Design's art and design programs, and the University of Rhode Island's engineering, pharmacy and oceanographic research programs, enjoy high national rankings. Johnson & Wales University's college of culinary arts is known worldwide for its excellence and famous alumni. These universities are generating the talent that will guide Rhode Island's future.

Universities – as well as other medical and cultural institutions – also have other economic benefits to offer the state. Generally, as place-based institutions they are invested in their community and interested in giving back. Therefore such institutions are often excellent community anchors, providing services and educational opportunities. Universities in particular are research institutions and have contributed to research and new business creation that continues to drive Rhode Island's economy.

Broadband Connectivity and Speed

Broadband internet is a key piece in the state's economic development picture – for business attraction and growth, e-commerce, workforce training and education, among others. Broadband Rhode Island has been a champion of increased broadband capacity and programming in order to support a competitive advantage in the state. They have invested $4.5MM in mapping and broadband adoption and the Ocean

[11] Rhode Island Ocean Special Area Management Plan, adopted October 2010
[12] Southeastern New England Defense Industry Association, 2014.

State Higher Education Economic Development and Administrative Network (OSHEAN) has invested $21.7MM in over 400 miles of above ground fiber throughout the state, connecting over 150 anchor institutions. Wireless broadband is available to 100% of RI residents and fiber service is available to 63.4% of residents, placing it in the top 5 nationally for both speed and coverage. Widespread broadband infrastructure and digital literacy will be critical for Rhode Island's residents over the coming decades as more and more public and private services and opportunities transition to digital-only platforms. Broadband infrastructure will also be necessary for Rhode Island to stay competitive as a location for private industry. Advanced, data-intensive private businesses and research organizations will expect access to state-of-the-art broadband infrastructure in order to support their operations.

Redevelopment Potential

Communities across the state are planning strategically for growth and identifying redevelopment areas where future public investments could be made to entice further private investment. As part of RhodeMap RI, redevelopment areas were examined in ten municipalities (see Appendix for more detailed results). Six were already identified for a discrete analysis as part of the original RhodeMap RI initiative. The remaining four were added during the plan development process. These additions represent the three other cities in Rhode Island and one town expected to have significant redevelopment potential.

Urban Focus Communities	Other Communities
Central Falls	Cranston
Newport	East Providence
Pawtucket	North Kingstown
Providence	Warwick
West Warwick	
Woonsocket	

Fifty (50) potential redevelopment areas were identified in these communities through a review of existing plans and conversations with local management, economic development or planning staff. Some of these sites are single parcels while others represent hundreds of parcels.

Analysis performed on these areas looked to identify both near-term and long-term private redevelopment investment opportunities which will strengthen the tax base and increase employment opportunities for a broad range of workers. The analysis was informed by both qualitative and quantitative data and included an "improvement to land value" (ILV) analysis, which provides an indication of which land parcels may be ripe for development or redevelopment based on real estate and site conditions. Other factors that were examined related to redevelopment potential of an area include site readiness, such as a collaborative site owner or zoning that permits the anticipated build-out; transportation access; and access to other necessary infrastructure (utilities, broadband).

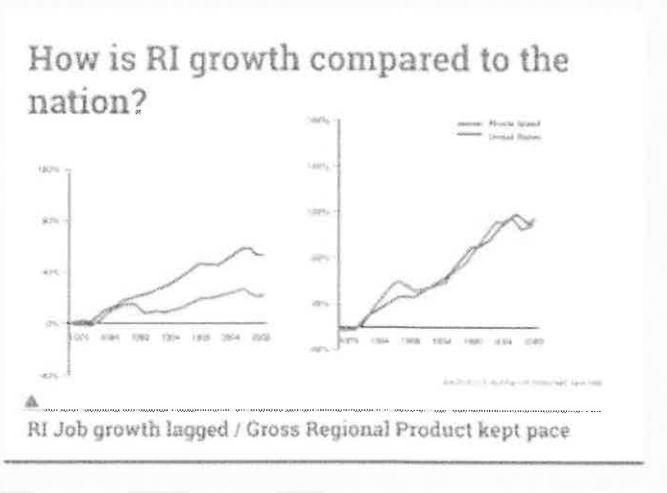
In the ten focus communities, analyses identified nearly 3,500 acres (representing more than 2,300 distinct parcels) as having high redevelopment potential. This prioritization is not a "highest and best use" study for each redevelopment parcel, but provides one perspective on how the state, and local governments, might prioritize assistance and target economic development strategies. In general, this planning effort identifies redevelopment as one of the state's greatest economic opportunities and demonstrates the need for additional housing and redevelopment of existing buildings within the state, and particularly in urban areas.

Our Challenges

Looking at the extensive list of assets and opportunities in isolation, it might be hard to imagine why the state is not currently at a higher level of economic prosperity. But, of course, Rhode Island also has numerous challenges to overcome before our statewide economy thrives once again. This section provides a brief summary of some of the challenges that helped to shape the goals and strategies of this plan.

Emerging from the Recession.

While the growth of Rhode Island's Gross Regional Product (GRP) (the value of all goods and services produced within the State) has kept pace with the Nation, job growth has not – this being partly due to the substitution of technology for labor. At 21 percent job growth between 1979 and 2010, Rhode Island has less than half of the Nation's cumulative job growth rate (54 percent). Prior to the start of the Great Recession in December of 2007, Rhode Island had already entered into an economic recession of its own– starting to lose jobs in December 2006, a full year before the onset of the Great Recession, according to the Rhode Island Department of Labor and Training (DLT). The recessionary effects have lingered longer as well, exhibited by continued high unemployment.



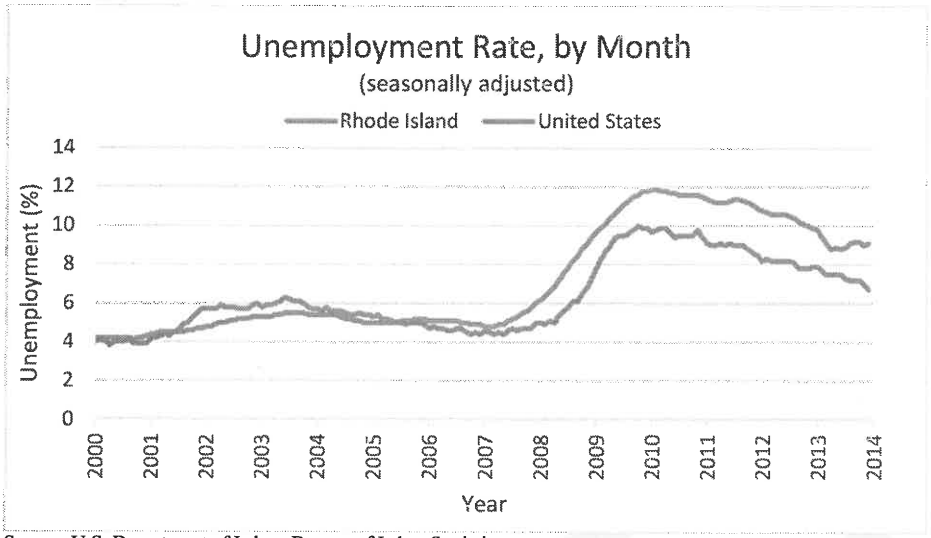
According to the Brookings Institute, and as reported in the *Equity Profile of RI*, as of March 2013, Rhode Island ranked 92nd among the 100 largest regions in its economic recovery, based on measures of employment, unemployment, GRP, and housing prices.[13] While some industries, such as health care, have recovered in terms of job production, a DLT report states that recessionary effects continue to have an impact on the state's Government, Construction, Manufacturing and Information sectors.[14]

Unemployment.

Although Rhode Island's unemployment rate has declined in the last two years, it remains among the highest in New England and the highest in the nation. The state experienced its highest unemployment rate ever, peaking at over 11 percent in 2011 and exceeding the national unemployment rate by two points. An unemployment rate of just over eight percent equates to more than 40,000 people unemployed and actively looking for work.

[13] For the purpose of its data analysis, the *Equity Profile of RI* treated the Rhode Island region as synonymous with the State of Rhode Island. Rhode Island also qualifies as a region according to HUDs definition. Throughout this section of the analysis, the use of "region" may be used interchangeably with state when referencing *Equity Profile of RI* findings.

[14] RI Department of Labor and Training, *Rhode Island's Employment Trends and Workforce Issues*, 2013.



Source: U.S. Department of Labor: Bureau of Labor Statistics

In March 2013, there were 32,069 private businesses in the state employing 384,865 workers.[15] When combined with public sector employment, as of November 2013, the DLT Labor Market Information Unit reported nearly 510,000 people actively employed in the state of Rhode Island. The state added approximately 10,000 jobs in 2013 alone. However, during the same time period, the labor force as a whole (employed and unemployed persons looking for work) decreased by 2,000. This is attributable – in part – to long-term unemployed persons no longer actively searching for employment and dropping out of the labor force entirely (only persons who are either employed or unemployed and actively searching for work are counted among those in the labor force). Those exiting the workforce through retirement are also a factor in the declining labor force, when positions are not refilled. However, overall population change is not a factor, since the state's population change has remained insignificant, at only 0.2 percent since 2000.

Despite the slow recovery, Rhode Island employment is projected to increase by more than 52,000 jobs during 2010-2020[16]. Much of this growth is attributed to the increased demand for the products and services provided by the Health Care & Social Assistance; Accommodation & Food Services; Retail Trade; Professional, Scientific & Technical Services; and Educational Services sectors. Rhode Island added 1,045 manufacturing jobs in 2013 (a 2.78 percent increase over 2012) and the highest such growth since 2000.[17] The professional and business services sector experienced the highest job growth rate in Rhode Island, at 3.64 percent.[18] Employment projections suggest that nearly one-in-three future job openings will require college degrees (associate degree or higher).[19]

Cost of Doing Business

[15] DLT, 2013.
[16] DLT, Labor Market Information: 2020 Industry Outlook for Rhode Island, 2012
[17] Providence Business News, "R.I. ranks 9th for manufacturing-job growth, 28th overall," March 27, 2014.
[18] Ibid.
19 DLT, 2013.

The cost of doing business is often credited as one of the most important indicators of a state's competiveness. Rhode Island's tax structure compares poorly, both to its peers[20] and nationally, and this is an issue that has already received and must continue to receive attention. For example, this year, the General Assembly passed changes to the State's Corporate and Estate Tax policies in an effort to make our rates more competitive with our neighbors, though property taxes remain an issue. However, Rhode Island does have cost advantages, as compared to its peer states. Housing, energy, and high-skilled labor are available at relatively bargain rates, in comparison to Massachusetts and Connecticut. Despite this, many continue to report that housing and energy are prohibitively expensive in the state.

Financial Resources

The availability of a range of financial resources for business expansions is also critical for a state looking to grow jobs. When Rhode Island's public and private financial resources are considered as a whole, Rhode Island faces significant gaps in the availability of funding for early-stage companies. Its programs do, however, provide more competitive funding packages to more mature firms within the state and/or looking to locate in the state. Additional research for this plan indicates that lending constraints are even more pronounced in African American and Latino populations.

Regulatory Environment

Few services provided by governments are more important than regulations that protect the public's health and safety. Unfortunately, as regulatory frameworks grow over time without challenges to their underlying rationale, they can become cumbersome and expensive to follow. It is not uncommon throughout the country for regulatory processes to add significant time, cost and frustration to the creation or expansion of a business or the permitting of a development opportunity. However, Rhode Island is taking huge steps to address this issue through the Office of Regulatory Reform and the Department of Business Regulation.

Connecting People to Jobs

During the RhodeMap RI process, the Department of Labor and Training (DLT) reported, at times, 10,000 available jobs statewide. While this "broad stroke" number does not speak to the quality or permanence of the job openings being reported, it does point to the reality that many jobs are going unfilled in a state with persistently high unemployment. Accessing qualified workers was identified as a significant challenge, by numerous employers during the outreach process for this plan. This challenge is attributable to many factors, including lack of awareness among the unemployed and underemployed regarding career path opportunities, and a statewide educational and training system which is sometimes misaligned with industry needs. The consequences of these challenges, if left unaddressed, are businesses shutting down and/or relocating from the State – actions which will only further exacerbate Rhode Island's high unemployment rate.

Looking to the future, demand for labor is expected to be significant. In addition to the 52,000 new jobs anticipated during the 2010-2020 projection period, it is estimated that employers will need to replace nearly 116,000 workers who will leave their jobs for various reasons, including retirement. Certain industries, such as construction and manufacturing, will be particularly hard hit by retirement, as 50 to 60 percent of their current workforce is over the age of 45. With aggressive workforce development strategies, this situation represents an opportunity for the state to connect thousands of newly trained or already qualified workers for the positions available today and in the future.

[20] The report's author, Fourth Economy Consulting, compared Rhode Island's position to a peer group, which includes the neighboring states of Massachusetts, Connecticut, and New Hampshire, as well as Delaware due to similar state characteristics.

Takeaways

Rhode Island has an impressive list of economic opportunities and assets—far more numerous and diverse than other states that our many times our size. Our natural resources, diverse population, and cultural assets provide a tremendous platform for future success as long as state and local agencies maintain focus on strategies designed to capitalize on our strengths. From the opposite perspective, numerous specific economic challenges have been documented in Rhode Island, some of which will require patient and long-term investment to effectively address. As with our opportunities, it will be important for policy makers to maintain a long-term focus on many of these challenges in order to create deep and positive change in the state's economy.

RHODE ISLAND'S INDUSTRIES

Industry and Employment Location

Employment Centers

The concept of employment centers refers to geographic concentrations of workers in Rhode Island, both where workers are located and the industries which have the greatest presence in those locations. Identifying and mapping employment centers and the industries that drive them can be useful for many reasons, including:

- Helping to convey the economic character and purpose of a geographic area.
- Identifying the services that may exist and/or need to exist due to the employment concentration (e.g. supporting industries, retail, restaurants, etc.).
- Identifying worker skill set similarities.
- Identifying commuting patterns and, in concert with housing availability, showing any mismatch between the presence of jobs and housing in that location.
- Predicting wages and shedding light on whether housing that meets the needs of those wage earners is available nearby.
- Identifying how susceptible a given area is to economic change (e.g. if an industry were to severely contract, would there be a significant "ripple effect"). For example, if the manufacturing industry contracts, that impact may be felt most keenly in the area immediately north of Providence (Central Falls and Pawtucket), where the goods producing sector is clustered.

Employment density maps also help with the analysis of industry clusters and identify the economic assets of the state, helping to target growth centers and prioritize redevelopment opportunities in the state. In Map 1 (following page) census tracts are depicted in three different categories:

- High employment centers have employment density greater than approximately 19,000 workers per square mile.
- Moderate employment centers have an employment density between approximately 8,000 and 12,000 workers per square mile.
- Low employment centers have an employment density between approximately 2,000 and 6,000 workers per square mile.

The results of the mapping are predictable in the sense that our areas of highest employment density focus on the state's more urbanized areas, with the highest employment densities being in the cores of

Providence and Pawtucket. Newport and Woonsocket have census tracts that reach the "moderate" level for employment density[21]. Bristol, Central Falls, Cranston, East Greenwich, East Providence Johnston, Warren, Warwick, and Westerly all have census tracts that reach the low density threshold.

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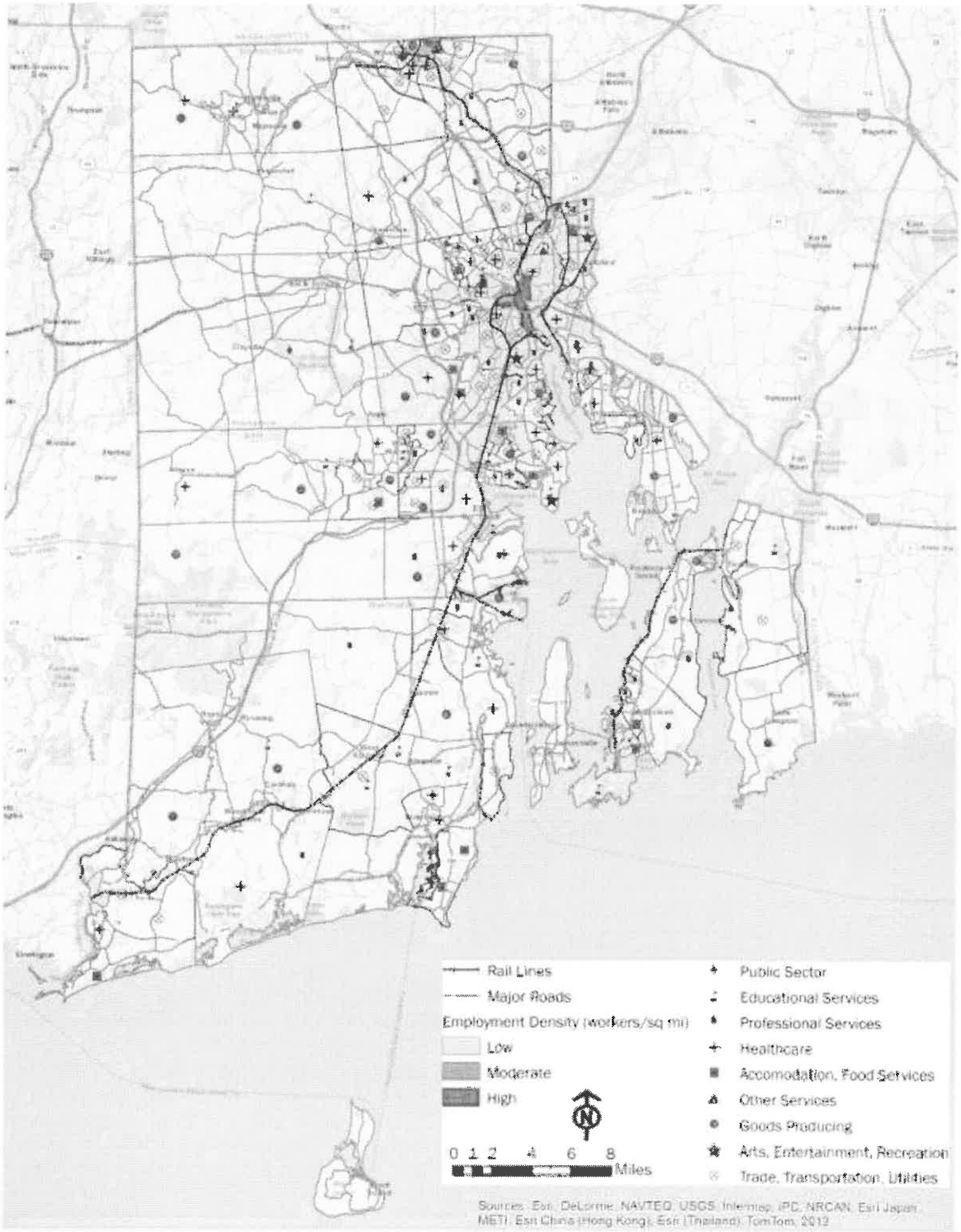
[21] Though part of a larger census tract which is primarily residential (thus diluting its employment density), Quonset Business Park has a concentration of approximately 9,000 workers and would be classified as a moderate employment center if examined outside of the larger census tract. The anticipated doubling of employment at Electric Boat in the next ten years could push Quonset into the high employment center category.


Rail Lines
Major Roads
Employment Density (workers/sq mi)
Low
Moderate
High
0 1 2 4 6 8
Miles
Public Sector
Educational Services
Professional Services
Healthcare
Accomodation, Food Services
Other Services
Goods Producing
Arts, Entertainment, Recreation
Trade, Transportation, Utilities
Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2012

Industry Concentrations

Clusters of industry, by employment, were also mapped as part of early analyses for RhodeMap RI (see map above). A census tract was considered to have an industry sector concentration if at least 25 percent of employment within the census tract was in any individual sector; these are noted with symbols. A collection of census tracts with high employment in a specific industry represents an "industry cluster".

Employment in downtown Providence is largely represented by the healthcare, public sector, professional services and educational services super-sectors. This is a fairly predictable mix of industry for a city that houses state and local government employees and a number of educational institutions such as Brown University, University of Rhode Island, Johnson & Wales, Roger Williams University, and Rhode Island School of Design, as well as a number of hospitals and medical facilities. Trade, transportation and utilities employment is more prevalent along the periphery of Providence, adjacent to Johnston, East Providence, and North Providence.

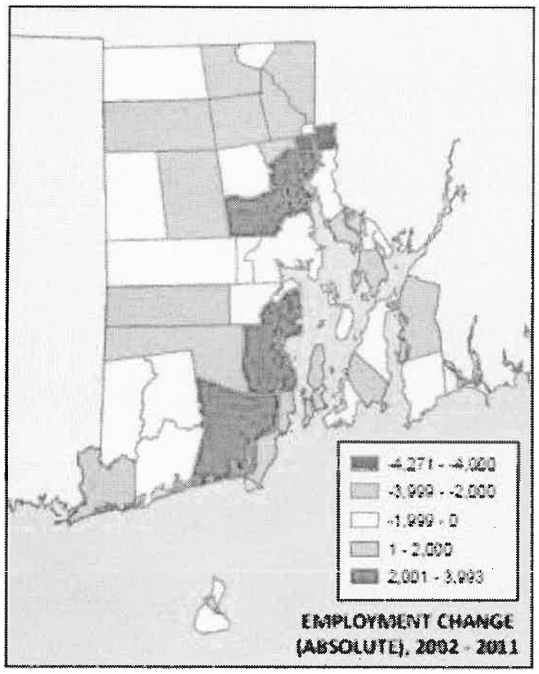
The high density employment center in downtown Pawtucket similarly contains more than 25 percent each of educational and professional service workers. However, the greater Central Falls and Pawtucket area clearly represents a larger concentration of goods producing businesses (e.g. manufacturing). Looking south and west of Providence, into Cranston, there is a concentration of trade, transportation and utilities businesses.

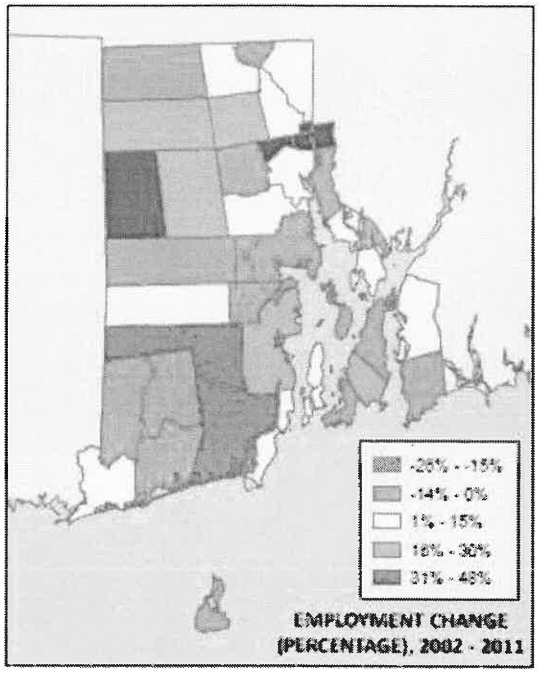
Looking outside the state's urban core, Quonset Business Park is an industry cluster for goods producing / manufacturing industries. Newport's primary industries are accommodation and food services (due largely to the strong tourist industry), professional services, and healthcare.

Employment Change by Municipality

Rhode Island's employment change between 2002 (pre-recession) and 2011 (post-recession) was calculated and mapped, based on the primary jobs provided by the U.S. Census Bureau's On the Map application. Pawtucket experienced the greatest loss of jobs, more than 4,000 (a 15 percent decrease in employment). However employment in Central Falls, North Providence, and Foster declined by a higher percent of the communities total employment, between 20 and 25 percent.

By absolute numbers, Providence, Cranston, and North Kingstown experienced the most job growth, adding between 2,000 and 3,500 jobs during the nine-year period. While large in number, these jobs represented only a three percent increase in jobs in Providence and 12 percent increase in Cranston. However, the percentage increase was much higher in North Kingstown (20 percent), primarily because of growth at the Quonset Business Park. Exeter experienced a 48 percent increase in primary jobs, amounting to approximately 425 new jobs, a significant boost for such a small town based primarily on two significant new employers. Middletown and Scituate also saw job growth of approximately 20 percent during this time period.





Source: U.S. Census Bureau. 2013. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. http://onthemap.ces.census.gov/; map prepared by Mary Hutchinson, 2014

Note: The change reported for South Kingstown (nearly 4,000 jobs and a 48 percent increase) is believed to be an aberration or a result of incorrect reporting. DLT Labor Market Information, which uses a different measure, reported a 17 percent increase in employment (approximately 1,400 employees) for the same time period.

Rhode Island is a small business state.

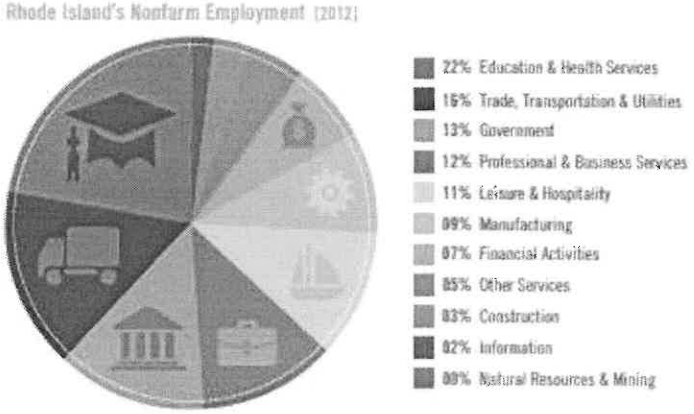
It is well known that the Rhode Island economy is characterized by a large number of small companies, each employing a small number of workers. In 2012, 89 percent of Rhode Island establishments employed fewer than 20 workers (25 percent of the state workforce), ranking the state 17th nationally, in terms of its percentage share of small establishments. Nearly half the employers (49.5 percent) in the state have between one and four employees; however, they employ just 7.8 percent of the workforce. Large employers, with 1,000 or more employees, represent 0.1 percent of the state's businesses and employed 16 percent of the private sector workforce.[22]

[22] DLT, 2013.

Top Industry Sectors

Traditional Sector Opportunities

There are numerous ways to measure a state's "top" industries such as by percentage of employment, job growth, or economic output. At the outset of RhodeMap RI, the Equity Profile of RI and the Economy RI reports examined this issue from different perspectives. The Equity Profile used the "industry strength index", which measures four characteristics: size, concentration, job quality, and growth, while *Economy RI* looked at 2012 total nonfarm employment from the DLT as an indicator of industry strength. The findings of these two different approaches showed significant overlap and provided a platform for further investigation during the RhodeMap RI process.



This graph depicts how *Economy RI* used DLT employment data as a key indicator of industry strength in Rhode Island.

Strong Industries in the State:

Agriculture
Manufacturing
Transportation
Professional Services
Health Care
Food Services
Education

Through additional research and interviews in the RhodeMap RI process, the following six traditional industry sectors were identified as focal points for this economic development plan:

Agriculture: From the RI Agricultural Partnership's 5-year Strategic Plan – "A rough and very conservative estimate of the [agriculture's] contribution to the state's economy is $100 million.[23] Two recent studies indicate that this figure is likely far higher. A 2010 study by the University of Connecticut of the economic contribution of agriculture in CT found that agriculture is a $3.5 billion industry that generates more than 20,000 jobs.[24] Especially relevant to RI is the study's finding that each dollar in sales generated by the agricultural industry creates up to an additional dollar's worth of economic activity statewide."

Manufacturing: Rhode Island's manufacturing sector has taken the brunt of the changing US economy and the Great Recession, losing over 21,000 jobs over the past decade. Today, manufacturing directly employs approximately 9% of the labor force in Rhode Island, and saw what is hoped to be the beginning of a rebound in a 2013 increase of over 1,000 manufacturing jobs. This brings the current labor force count to approximately 40,700 employees. Manufacturing jobs are an important component of the overall job market as the sector creates middle class jobs providing family-sustaining wages, with an average annual salary of over $51,000, and opportunities for career progression.

Transportation: Rhode Island's location along the northeast corridor and our thriving ports help to drive the continued success of this industry sector. Additionally, the increasing need for maintenance and

[23] USDA National Agricultural Statistics Service, *2007 Census of Agriculture*.
[24] Information provided by Gerard Bertrand, with RI Rural Development Council.

repairs to transportation systems may also play a role in elevating the prominence of the transportation sector. The state's continued emphasis in expanding freight rail service as well as operation at T.F. Green Airport will continue to help drive this sector or many years to come.

Professional, Scientific, and Technical Services: While this industry class covers a broad range of services, Rhode Island's nationally recognized scientific and design community help to provide a continued competitive advantage. Continued growth related to climate change research and development, green industry, marine technology are just a few specific industries that will help to keep these industry sectors strong in Rhode Island.

Health Care and Social Assistance: These industry sectors continue to thrive in Rhode Island with strong anchor institutions and clear career path opportunities. Investments from anchor institutions in expanded facilities are continuing with the redevelopment of the former South Street Power Station.

The Social Assistance Sector
The services provided in this sector are delivered by trained professionals and many industries herein are defined by the educational degree required. Social assistance includes child day care providers, social workers, vocational rehabilitation providers, and emergency relief and shelter workers.

Food Services: The quickly rising food and beverage industry is putting Rhode Island on the national stage. Providence was ranked #1 for Food/Drink/Restaurants in Travel + Leisure's "America's Favorite Cities 2012" and was chosen as the site of the nation's first food tourism conference in 2013 called "Taste Trekkers". These industries need to have robust branding and marketing efforts of their own, but they also need to be closely aligned with the State's branding and marketing.

Education: Employment opportunities in education will undoubtedly remain strong for many years. In addition to the needs of our public schools, Rhode Island's colleges and universities continue to innovate and thrive. The recent collaboration between the nursing schools at Rhode Island College and University of Rhode Island is an example of how educational institutions are capturing the opportunities presented by other strong economic sectors in the state.

Cross-Sector Opportunities

In addition to the traditional industry sectors listed above, the RhodeMap RI engagement process (particularly the work under the leadership of Commerce RI and the Rhode Island Foundation) put the spotlight on cross-sector synergies in Rhode Island that may provide more dynamic opportunities for growth in the near future. Examples of some of these cross-sector opportunities include:

Cross-Sector Opportunities:
Defense
Green-Related
Food / Agriculture
Tourism

Defense: Defense is not an industry sector because defense-related work is captured under other sectors, such as engineering (professional services) and information technology. Additionally, most companies that perform defense-related work also perform non-defense work. The Southeastern New England Defense Industry Alliance (SENEDIA) has made significant effort to quantify the presence and impact of defense-related establishments in Rhode Island. Recent analysis provided by SENEDIA identified 400 Rhode Island businesses working with the Department of Defense or Department of Homeland Security and 17,400 defense-related private sector and government direct employees (3.8 percent of total state employment).[25]

[25] 4ward Planning Inc., Governor's Workforce Board Industry Partnership Program Evaluation, March 2014.

Green Industry: So called "green collar" jobs represent a broad range of services and expertise related to improving environmental conditions and increasing resiliency. For example, as Rhode Island continues to be a partner in future offshore wind farm development, the logistics, construction, shipping, safety, storage, engineering, and permitting jobs associated with this activity will be part of Rhode Island's "green industry profile". Where Rhode Island is particularly well-positioned today is in climate change response industries and green infrastructure.

Food Service / Agriculture: Although the Food Service and Agricultural sectors are listed individually as focus industries in Rhode Island, the connection between the two industries is the key to Rhode Island's niche. Local food systems, generally considered to be food produced within a state or within 100 to 400 miles of the place of consumption, represent a growing portion of consumer spending with 70% of consumers indicating that they would be willing to pay up to 10% more for locally produced food.

Tourism: Tourism is a significant component of Rhode Island's economy, generating more than $5 billion in sales (2010).[26] With national consumer spending increasing (travel and tourism spending increased 3.5 percent in 2011[27]), Rhode Island needs to be poised to capture economic value from visitors. The tourism industry is expected to continue to be a generator of significant jobs for the state and attract wealth and spending from out of state.[28] We will continue to rely upon visitor revenue to provide the amenities our resident's require, and the public and social services we need to support our state's important qualities.[29]

According to project interviews, tourism is one area where a regional approach has been effective.[30] Since 1986, the state has operated six distinct tourism development districts. Each district works independently to develop their regions, but collectively with the Rhode Island State Tourism Office for national and international marketing opportunities.[31] However, the state lacks a cohesive statewide approach to tourism. This is primarily because the State Tourism Office has been repeatedly underfunded (see sidebar).

In 1995, the general assembly eliminated the 27% portion of the lodging tax that was dedicated to statewide tourism promotion and directed it to the general fund. Funding for tourism became part of the newly formed Rhode Island Economic Development Corporation budget subject to the executive director's discretion.

Slowly, the $3MM dollar promotional budget eroded to less than $400,000 dollars. In addition, elimination of a dedicated funding source diminished the effectiveness of the division's statewide tourism promotional efforts. Today, there is no opportunity for advanced planning and resources cannot be effectively leveraged, nor promotional efforts implemented. Missed opportunity is costing the state market share and a consistent and dedicated funding source is necessary to reverse the trend.

Considering that the tourism industry supported 43,000 direct and indirect Rhode Island jobs in 2012 (9.3 percent of the state's job base in 2012) and generated $649 million in state and local tax revenue, Rhode Island risks losing an indispensable economic and job growth opportunity by not effectively competing for visitor dollars

[26] Tourism District Managers, RI Tourism Development Goals and Objectives, January 2014
[27] US Department of Interior, Task Force on Tourism and Travel, 2012
[28] Fourth Economy, Economy RI, 2013
[29] Tourism District Managers, RI Tourism Development Goals and Objectives, January 2014
[30] Project interview.
[31] Tourism District Managers, January 2014.

Takeaways

The relative strength and location of Rhode Island's industries shows some patterns and concentrations of jobs and employment that is useful for guiding future policy decisions relative to economic development. Two important findings include:

The Geography of Jobs and Employment: While the employment cluster and employment change mapping shows activity in many different areas of Rhode Island, there is a clear concentration of employment and industry sector concentration within the state's urban areas. Higher levels of activity in suburban areas could generally be attributed to large individual employers or clusters like the Quonset Development Corporation, the University of Rhode Island, South County Hospital, and others. As has historically been the case, Rhode Island's urban areas serve as the state's primary economic engines. When these areas suffer from disinvestment, low market demand, high unemployment, infrastructure challenges, and fiscal strain—the state as a whole feels the negative effects. Further, focusing economic development on urban communities can also have important impacts from a social equity perspective (see sidebar). Mapping of employment change over the past 10-15 years shows decreases in employment within our urban areas, suggesting a need for a policy agenda that aggressively pursues reinvestment in our urban communities. Further, as jobs continue to develop in our suburban communities, place matters. Clustering suburban jobs in growth centers can help improve economic outcomes for suburban municipalities, as well as make it easier for suburban employment centers to be accessible by transit and accommodate different housing types that make it easier for people to live near their work.

Communities of color are growing most rapidly in Rhode Island's urban areas.

Population growth between 2000 and 2010 occurred only in populations of color, and primarily in urban areas ranging from nine-percent in Newport to 80 percent in Cranston. By 2040, Providence County's population is projected to have a majority (greater than 50 percent) people of color.

This increasing concentration of people of color in urban areas exacerbates many of the disproportionate economic impacts clearly documented in these populations. As is observed in many regions of the United States, urban areas have higher rates of unemployment, and higher rates of persons living in poverty or earning subsistence wages. In Rhode Island, the share of people living in high poverty neighborhoods (those with poverty ratios equaling 22 percent or higher) has quadrupled since 1980, rising from two- to eight-percent.

People of color in Rhode Island are therefore suffering disproportionately from high unemployment rates and incidence of poverty. Aggressive place-based urban re-investment policies are needed to help reverse these trends.

Keeping Activity Local: It is important for the State to recognize the full impact of its investment in specific industries if Rhode Island is to capture as much of the investment benefits as possible. Investing in a single industry may foster growth, but the full potential economic gain could "leak" to other states if supporting/complementary industries are not established within Rhode Island. For example, given the small network of existing in-state manufacturing suppliers, potential investment in manufacturing could inadvertently lead companies to look out-of-state to find supporting goods and services—resulting in a prospective loss of economic activity. However, if policies were aimed at expanding supporting industries (and ensuring a trained labor force was available), investment in manufacturing could expand the local capture of economic impacts. While a state as small as Rhode Island cannot be expected to capture all such activity locally, there are certainly opportunities to capture a greater share.

WORKING IN RHODE ISLAND

This section provides some of the key data points and trends associated with employment and workforce in the state. The information reported here builds, in part, on the previous sections which examined patterns of employment across the state by municipality and industry sector as well as issues related to population demographics. Focusing more on our workforce, this section examines issues related to unemployment trends, the aging of our workforce and some of the social inequities faced by our workers.

Employment

Annual Average Employment for 2012	
Total Employment	**451,357**
Private Sector Employment	392,758
Health Care & Social Assistance	78,578
Retail Trade	46,905
Accommodation & Food Services	44,131
Manufacturing	39,622
Administrative & Waste Services	24,102
Finance & Insurance	23,311
Professional & Technical Services	21,472
Educational Services	18,739
Other Services	18,269
Wholesale Trade	16,843
Construction	16,002
Management of Companies & Enterprise	10,513
Information	9,565
Transportation & Warehousing	9,308
Arts, Entertainment & Recreation	7,618
Real Estate, Rental & Leasing	5,782
Utilities	1,055
Agriculture, Forestry, Fishing & Hunting	717
Mining	188
Government Employment	58,599
Federal Government	10,245
State Government	15,938
Local Government	32,416

Primary Employment Sectors. In 2012, most Rhode Islanders working in the private sector were employed in Health Care & Social Assistance (78,578), Retail Trade (46,905), Accommodation & Food Services (44,131) and Manufacturing (39,622). Together, these four sectors employed over half (53.2 percent) of the private sector workers in the state. This pattern is consistent with other New England states. Public sector employment in Rhode Island, particularly at the local government level, accounted for 13 percent of those employed.

Unemployment trends. According to DLT reports, the numbers of both unemployed and employed have decreased from 2012 to 2013. More specifically:

Number of unemployed falling: The number of unemployed individuals has fallen since peaking at 68,100 in February 2010 to 50,100 in August 2013. In comparison with August 2012, unemployment is down 8,200 over the year.

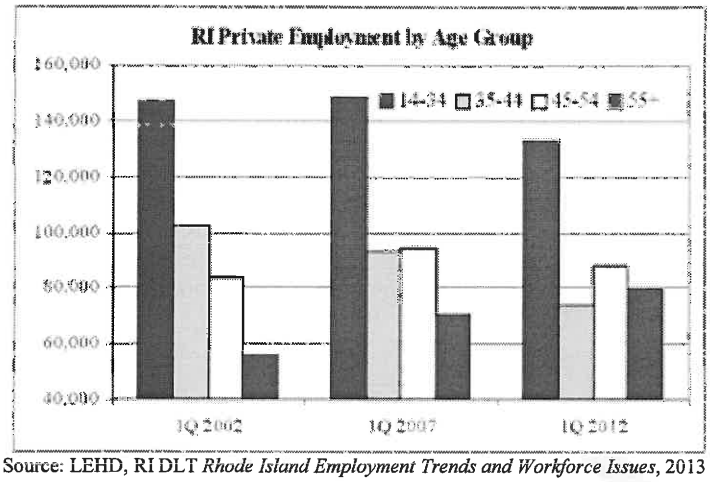
Number of employed also falling: The number of employed individuals had been slowly increasing from the end of 2011 through 2012. However, in 2013, the number of employed has declined five of the first eight months and in August was 5,400 below the start of the year.

Workforce Trends

The Age of Rhode Island's Workforce.
Between 2002 and 2012, private sector employment decreased by 3.5 percent. This loss particularly impacted workers between the ages of 35 and 44 as well as 14 and 35. Combined, these two age categories saw a loss of 41,631 jobs. This accounted for 27.3 percent of the 34 to 44 year-old private sector workforce and 9.4 percent of the 14 to 35 year-old private sector workforce.

For the older Rhode Islanders, however, this same time period saw an increase in the private sector workforce, 42.4 percent for those 55 years and older, and 5.2 percent for those between ages 45 and 54.

Their share of private employment is also increasing. For example, from 2002 to 2012, workers 55 and older grew from 14.4 percent to 21.3 percent. Those 35 to 44 years saw a decline in their share of the workforce from 26.2 percent to 19.7%.



Percent of Private Employment

Age Group	1Q 2002	1Q 2012
14-34	37.8%	35.5%
35-44	26.2%	19.7%
45-54	21.6%	23.5%
55+	14.4%	21.3%

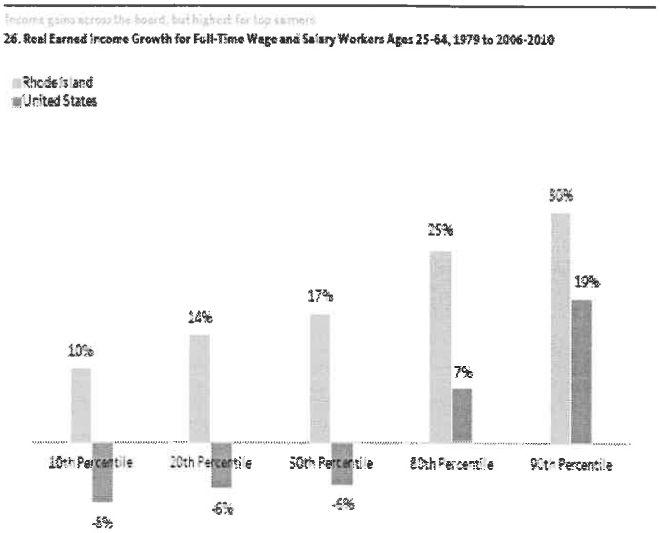
Source: LEHD, RI DLT *Rhode Island Employment Trends and Workforce Issues*, 2013

Regional comparison of wages.

Rhode Island's average annual private sector wage, at just under $45,000 (2012), is ten percent lower than the national average and 25 percent lower than both Massachusetts and Connecticut. This relatively low annual average private wage rate reflects, in part, the loss of higher wage manufacturing and financial services jobs over the past ten years, in particular. However it can also be attributed to the fact that Rhode Island lacks economic drivers like greater Boston and Fairfield County that bolster average wages in Massachusetts and Connecticut, respectively. Many of the occupations that have increased during that same period pay far less in annual wages, which helps to explain the relatively low annual average wage rate.

All wages are increasing, but highest gains to top earners.

Income inequality, as measured by the Gini Coefficient, has increased over the past 30 years, but remains slightly below the national average. Rhode Island ranks 59th in income inequality compared to the largest 150 regions in the Nation. This ranking has changed little over several decades as the state's standing was 61st in 1979.



Wages (adjusted for inflation) have increased in Rhode Island over the last three decades, contrary to national trends of declining or stagnant wages.[32] However, the chart at above shows how higher wage earners are seeing greater increases in earnings, relative to lower wage earners.

Furthermore, Rhode Island's middle class is shrinking. Since 1979, the share of households with middle-class incomes decreased from 40 to 37 percent. The share of upper-income households also declined, from 30 to 28 percent, while the share of lower-income households grew from 30 to 36 percent.

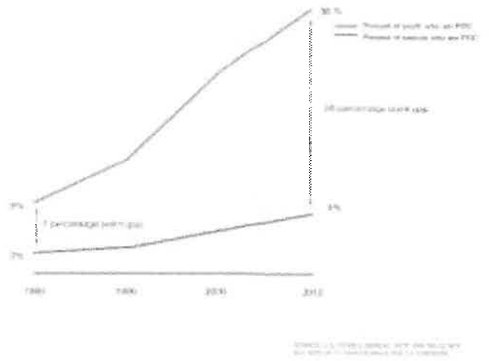
The state is losing middle-wage jobs.

Following the national trend, over the past two decades, Rhode Island added low- and high-wage jobs, while losing middle-wage ones. The loss of middle-wage jobs is a weak point, because these jobs are often accessible to workers without four-year college degrees. This is consistent with the findings, above, that wage growth has been faster for high-wage workers and slower for low-and middle-wage workers. It identifies an area of vulnerability in Rhode Island's economy and an issue on which the state can focus its economic development strategy through supporting middle-wage industries and preparing our workforce for those new job openings.

Rhode Island's future workforce diversity.

Population growth among people of color is driven by the growth in young people - under age 18 (as of 2010). Indeed, persons under the age of 18 in Rhode Island are far more likely to be of color than persons who are 65 years of age or older. More than one-in-three persons younger than 18 were identified as a person of color in 2010, up from nine percent in 1980.

Percent of people of color by age in RI



The youth population has diversified more quickly than the senior population

Importantly, this youth population represents Rhode Island's future workforce. Where they live and the quality of their education and training opportunities will be critical to providing Rhode Island with a future competitive workforce. All of the state's communities of color tend to be younger than its white population. The median age of its fast-growing Latino population, for example, is 26, or 16 years younger than the median age of 42 for the white population.

As the baby boomer generation ages out of the workforce, minority workers will be essential to filling the future workforce needs of local industry. As identified above, too many minorities are not currently in the workforce, today. Further, high school graduates, while accounting for approximately 28 percent of the population (25 and older), made up a much larger share (38 percent) of those collecting state unemployment insurance benefits in June 2012, demonstrating the lingering impact the recession has had on this group.[33]

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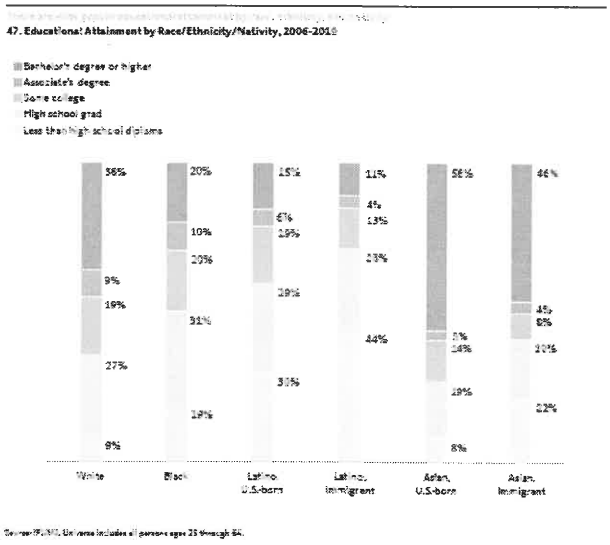
[32] Data examined from the Bureau of Labor statistics for the Providence Journal's series "Middle Class Squeeze" show that examining a shorter record of data, from 2003 to 2013, shows that Rhode Island's wages have not increased significantly.

[33] RI Department of Labor and Training, Labor Market Trends, 2013

Equity Issues for Our Workforce

The education and skills gap.

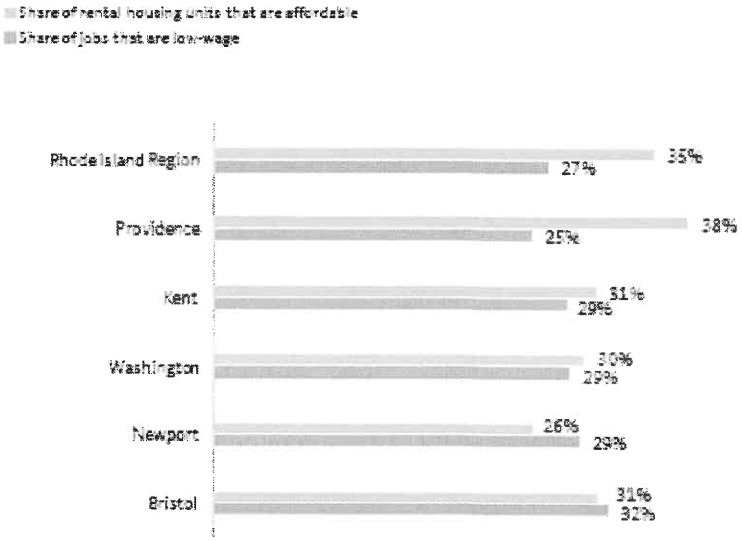
By 2018, 42 percent of jobs in Rhode Island will require an associate's degree or higher, and just over 40 percent of the entire state workforce has an Associate's Degree. However, only 21 percent of U.S.-born Latinos, 15 percent of Latino immigrants, and 30 percent of African Americans had that level of education as of 2010.



The skills gap, however, is not simply educational. The *Equity Profile of RI*, and significant anecdotal findings from the RhodeMap RI process, identified other social and financial barriers to employment for all Rhode Islanders, and, increasingly so, for communities of color. Given the significant role communities of color are expected to play in Rhode Island's future workforce, it is critical that they obtain the necessary education and skill sets to take advantage of career path opportunities.

The location of jobs and housing for low-wage workers.

A low-wage jobs to affordable rental housing ratio in a county with a higher than regional average ratio indicates a lower availability of affordable rental housing for low-wage workers in that county relative to the region overall.

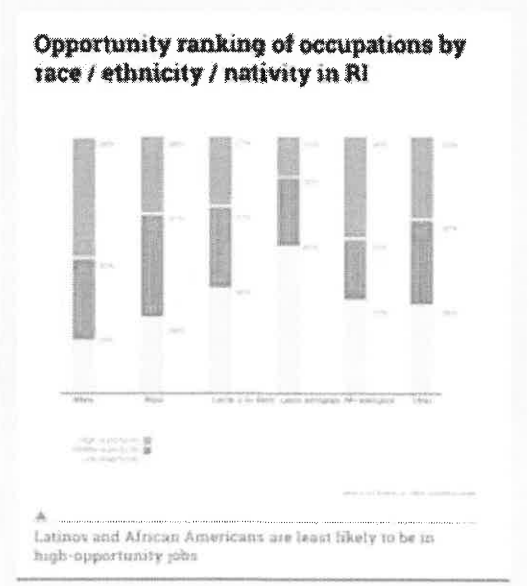


Providence is the only county in Rhode Island with a low-wage jobs to affordable rental housing ratio that is lower than the statewide average (2.2). All other counties in the state have a much higher ratio, indicating a potential shortage of affordable units. Washington County's ratio is the highest, at nearly double the statewide average. Even in Providence County, while the average rents may be less expensive, that does not necessarily mean the homes are safe and healthy, regardless of their proximity to jobs. This mismatch of jobs and housing is

significant, as it decreases employment opportunities for populations who are already economically disadvantaged. While one may not always be able to secure a high wage job, having access to quality affordable housing can help attenuate the high costs of living in urban areas.

Access to high-opportunity jobs.

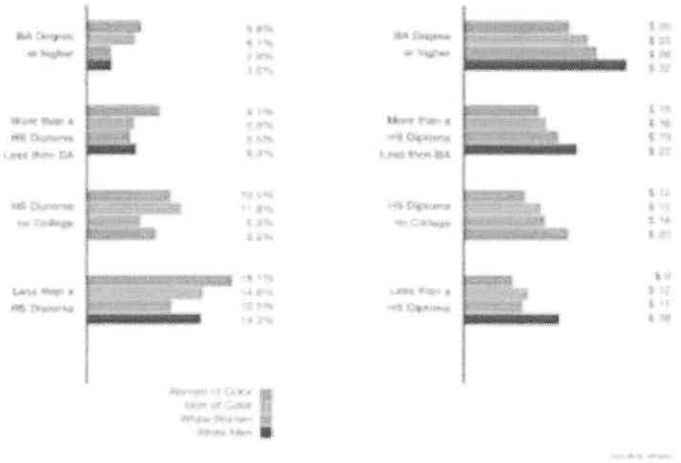
The *Equity Profile of RI* created an Occupation Opportunity Index that looks at job quality and job growth to classify jobs as high, medium, or low opportunity. Latino immigrants are the least likely to be in high-opportunity jobs, with the majority in low-opportunity ones. People of other or mixed racial backgrounds, African Americans, and U.S.-born Latinos are also less likely to be in high-opportunity jobs.



In addition to educational attainment, racial discrimination, work experience, social networks, and, for immigrants, legal status and English-language ability, are also contributing factors to determining access to high opportunity jobs.

Race, gender and wage.

In general, people of color experience disproportionately high levels of unemployment regardless of education level, and are more likely to receive lower pay. While it is expected that employment opportunities and wages will increase with higher educational attainment—at nearly every education level, Rhode Island's communities of color receive lower wages when compared with whites. Similarly, data show that women are consistently paid less than men despite having the same education level.



Unemployment rates for people of color are 3.5 percentage points higher and wages are about $6.50/hour lower for Rhode Island's people of color compared with whites. On a full-time annual basis, that equates to earning an average of $13,520 a year less than white adult workers.

Takeaways

Statistics and information related to employment and wages in Rhode Island today send a series of "mixed messages". While unemployment continues to fall as we emerge from the recession, the size of our workforce has also decreased. Relative to the rest of the region, Rhode Island's cost of living is lower than in other states, but so are our wages and recent data suggests that wage increases are not keeping pace with increases to the cost of living. Furthermore, while job numbers overall are beginning to show increases, the number of middle-wage jobs that might provide higher quality of life for Rhode Islanders is decreasing.

Other important issues facing our workforce are related to demographics. The number of individuals over 45 in the workforce is increasing significantly, leading to a situation where many individuals will begin to vacate their positions for retirement. While this may create opportunity for advancement with younger workers, or perhaps create jobs for new workers, these businesses will require assurance that the workforce is ready to fill these openings.

Finally, consistent with conditions across the country, Rhode Island's communities of color and our women workers experience significant inequities related to the workplace and business development. Wage rates, likelihood of employment and rates of business ownership in these groups demonstrate that Rhode Island is missing opportunities for economic growth. When examined along with the demographic trends in racial diversity, addressing these inequities in order to increase participation of communities of color in our workforce can be viewed as a proactive economic development policy (see inset).

Communities of color are essential to the state's economic success.

Minority populations are underrepresented in the workforce, having greater difficulty accessing middle-wage jobs, attributable to educational performance (language barriers, lack of training, or lack of support in the K-12 educational system). As communities of color continue to grow, greater participation of people of color in the RI workforce will be essential for Rhode Island to remain economically competitive.

Past history and population growth trends suggest that minority-owned small businesses offer great potential to create jobs in Rhode Island. Many of Rhode Island's minority businesses are small, family-run enterprises. However, compared to national and regional performance metrics, minority owned businesses in Rhode Island fare relatively poorly on a number of performance measures, including the share of employer owned small businesses (e.g., firms which create employment for more than just the owner of the business) and average gross receipts of minority owned small businesses.[1] For example, Rhode Island African American and Latino-owned small businesses, in 2012, had average annual gross business receipts which were 56 percent and 38 percent of the national averages (respectively).

Cultural differences, language barriers, or the business' small size can make accessing capital, meeting regulatory requirements, and acquiring formal business training particularly challenging. These factors limit the ability of minority-owned small business to expand and thrive. While these challenges are not unique to minority-owned businesses, they are particularly prevalent in the Latino, African American and Asian populations and will have adverse consequences for Rhode Island's future economic expansion and health if not addressed in the near term.

PART TWO: WHERE DO WE WANT TO BE IN TWENTY YEARS?

DRAFT

A Vision for Rhode Island's Economy

Creating a thriving and equitable economy in our state begins with a vision that pulls from the ideas and passions shared by hundreds of individuals in the RhodeMap RI process who represent an amazing diversity of interests and ideas. Through all of the research, the stories, and the conversation that occurred during the engagement process—several important themes emerged:

Rhode Islanders are thinking differently about economic development

Participants in the RhodeMap RI process stressed the need for clarity, accountability, innovation and social responsibility at all scales of economic development. Whether looking to redevelop an historic mill complex, properties in downtown Providence, or a new village in Exeter—partnerships between the public and private sector, state of the art permitting, broader community benefits and greater sustainability need to be part of the equation. Participants made it clear that the status quo will not move us forward. The State needs to be able to try new things – even if that means we sometimes fail. If we set our expectations in advance, determine the data we need to track success or failure, and hold ourselves and our partners accountable, we can explore new policies and actions, see whether or not they are doing what we want them to, and change course accordingly.

Rhode Islanders are thinking differently about the way we do business

Our state agencies can facilitate economic growth by playing the role of a convener, providing a hub for information across many topics and a place where different businesses, non-profits, citizens and others can find each other and work together. Continue efforts to better coordinate State government across and within agencies, making it more efficient and customer service oriented. Use data to track the outcomes we want our policies and programs to achieve, so that the State can hold itself accountable. Also, any time we make a public investment in a private entity, establish clear expectations for what we need in return, and then hold the recipient accountable.

Rhode Islanders are thinking differently about our state

Our state is full of talented people ready to build economic success from Rhode Island's extensive list of assets. In the face of continued bad press about economic development in Rhode Island, many participants stood firm on the idea that we are uniquely positioned to take advantage of what we have today and what is coming in the future. Our coastline, historic buildings, manufacturing history, universities, cultural diversity, farms and natural resources are just some of the assets that provide a platform for strategic economic development.

Rhode Islanders are thinking differently about each other

Discussions about unemployment, education, poverty, race, class and acceptance were a part of the broader exploration of economic development that helped to create this plan. Delving into these topics was challenging for all participants and consensus was often difficult to achieve. But the opportunity for people to engage in these discussions was, for many, a "first". These conversations and debates raised levels of awareness and, in some cases, broadened the way participants think about economic issues. It is the hope that RhodeMap RI will serve as the starting point for a higher level of public discussion about the deepest socio-economic challenges that face Rhode Island. More immediately, the focus on social equity has set the expectation that state agencies will continue to look more closely at who will (and will not) benefit from economic policies forward. Wherever possible, the state must look to increase social equity through its investments in economic development.

These themes emerged early in the RhodeMap RI process and provided participants with the opportunity to think about how they would shape the state's approach to economic development. The themes also shaped the way the different participants envisioned the long-term outcomes for the plan. Working with various groups in the early phases of the process a vision statement for the Economic Development Plan was developed. This statement looks forward 20 years and describes where we plan to be:

In 2035, Rhode Island will be a state…

- Where the state as a whole is more competitive in the regional, national and global economy, having a business climate that is efficient, consistent and transparent.
- Where individuals, entrepreneurs, and innovators of all backgrounds will want to stay and work, and are supported and encouraged.
- Where urban communities are reinvigorated with new investment bringing new jobs, new housing options and improving the quality of life for our most disadvantaged residents without displacement.
- Where the labor force is one that is strong and diverse, has access to excellent educational and life-long learning opportunities, and can adapt to regular changes in the job market.
- Where all residents can maintain a job that supports their everyday needs, improves access to opportunity, and enriches their quality of life.
- Where the unemployment rate is sustained below the regional average.
- Where a sustainable economy preserves, sustains, and restores the natural environment, protects and nurtures public health, improves the resiliency of our built environment, and creates green collar jobs.

To achieve the vision articulated in this plan For Rhode Island's economy, a series of goals were developed. These serve to organize the Full Policy Framework provided in Part Four.

Goal 1: Provide educational and training opportunities that help people build careers.

Goal 2: Create a business climate where innovators and entrepreneurs can thrive.

Goal 3: Create an inclusive economy that targets opportunity to typically underserved populations.

Goal 4: Support industries and investments that play to Rhode Island's strengths.

Goal 5: Create great places by coordinating economic, housing and transportation investments.

Goal 6: Develop and maintain a world class infrastructure to support the state's economy.

Goal 7: Provide new infrastructure and improvements that are resource efficient and resilient to climate change.

Goal 8: Create a climate where our companies, our workers, and the state as a whole can develop a competitive advantage.

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PART THREE: ECONOMIC OPPORTUNITIES AND CHALLENGES

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OVERVIEW

The information in Part One: "A Snapshot of Our Population and Our Economy" provides a summary of important data and information that served as a backdrop for the project and helped participants to develop a shared understanding of the basic existing conditions in Rhode Island relative to economic development. As the RhodeMap RI process evolved, a series of "opportunities and challenges" continued to drive policy discussions within groups of diverse interests. Some of these opportunities and challenges built directly on the information provided in Part One and it was always envisioned that they would be examined in more detail. Other opportunities and challenges emerged more organically from the process building on the work of different committees and agencies looking to add a richer perspective on specific issues. The opportunities and challenges examined in this section of the plan include:

1. **Workforce Development and Education**
2. **New Models – Entrepreneurs, Innovators and Start-Ups**
3. **Urban Challenges and Opportunities**
4. **Rhode Island's Economy Outside the Urban Core**
5. **Economic Inclusion Related to Areas of Opportunity**
6. **Housing and Economic Development**
7. **Infrastructure**
8. **Economic Development and Climate Change**
9. **Emerging Markets**
10. **Our Regional and Global Economic Strengths**
11. **State and Local Regulations**
12. **Data, Information, and Competiveness**

GROWTH CENTERS: A COMMON THREAD

The State of Rhode Island provided a comprehensive policy framework for how our land would be developed and protected in its State Guide Plan Element *Land Use 2025*. This document is grounded in several overarching principles, one of which is "Sustaining the Urban-Rural Distinction". As part of this approach, the state identifies an Urban Services Boundary, which is "based upon a detailed land capability and suitability analysis that demonstrates the capacity of this area to accommodate future growth." The document calls for the State and municipalities to concentrate growth inside the Urban Services Boundary and within locally designated centers in rural areas, using the local Comprehensive Plan as one of the primary mechanisms for implementation.

> "The distinction between Rhode Island's historic urban centers and neighborhoods and their rural natural surrounding areas is still strong. It remains the most important feature of the State's land use pattern."
> -Land Use 2025

Recognizing that growth must continue to occur outside of the Urban Services Boundary, *Land Use 2025* goes further to describe "a constellation of centers" in our more rural communities. These centers would be the vehicle for directing growth away from farm and forest areas into historic or new growth centers that are appropriately scaled to the community setting. Villages like Chepachet, Shannock and Kingston all represent villages that can accommodate moderate levels of growth at scales appropriate to the historic setting. In Exeter, where there is no historic village setting to speak of, the Town has developed detailed plans and regulations that provide opportunity for a new village center to emerge.

This concept of compact village development—in part due to the guidance in *Land Use 2025*, RIDEM's *Rhode Island Low Impact Development Site Planning and Design Guidance Manual*, and numerous training modules from GrowSmart RI—is moving forward in many communities across the state. Building on this momentum, Growth Centers guidance continued to develop on more increasingly sophisticated levels in the state during 2013 and 2014. Part of the RhodeMap RI process included the development of detailed technical guidance on the tools needed to establish and regulate these areas. This effort was, in turn, bolstered by the release of RIDEM's *Village Training Manual* and a supporting document entitled *Rhode Island Transfer of Development Rights Manual*. These documents represent one of the most comprehensive suites of technical guidance in the country for implementing Growth Centers at a wide variety of scales and design.

The concept of Growth Centers serves as a "common thread" throughout this Economic Development Plan, touching directly or indirectly on all aspects of the policy framework. While it is recognized that not all economic growth will occur within designated Growth Centers, the investments, incentives and strategies put forth in this plan are meant to reinforce growth patterns that concentrate development in areas with existing and planned infrastructure. Growth Centers are viewed as one of the primary mechanisms for coordinating investment in transportation, housing and job creation in a manner that creates "places" where residents, workers, business owners, and visitors can have access to a variety of services and amenities. As state and local agencies consider the application of incentives or the investment of public dollars in accordance with the strategies provided in this plan, priority should be placed on actions that will create or strengthen Growth Centers. These types of investments will not only yield economic gains, but support the creation of more resilient communities and opportunities for higher quality of life.

WORKFORCE DEVELOPMENT AND EDUCATION

The outcomes of the workforce development system in Rhode Island play a pivotal role in the overall economic well-being of the state. As stated in the Governor's Workforce Board's Strategic Plan, "there exists no greater threat to our collective prosperity in Rhode Island – and no greater opportunity – than our ability to raise the skill level and improve the competitiveness of our workers."[34] Workforce training and development is a critical component of a statewide economic development strategy for the following reasons:

1. Workforce training assists labor force participants by providing better access to jobs for persons who are unemployed or under-employed, as well as improving the wage earning potential for these individuals, based on improved skills.
2. Workforce training assists employers by providing more skilled and productive workers. Incumbent worker (e.g. those already employed) training also provides the opportunity for an employer to increase their skill base and productivity.
3. Workforce training is important to the State of Rhode Island because, ultimately, it reduces the number of unemployed persons in the State and, thus, elevates the overall wealth and health of the state's economy.

Rhode Island has historically invested in many workforce development programs including, but not limited to those within the Department of Labor and Training (DLT) and the Industry Partners Program within the Governor's Workforce Board (GWB). While these programs have achieved some success in cultivating workforce opportunities, there are challenges in Rhode Island that have not yet been met and opportunities that have not been captured.

Aging Workforce

Demographic factors are likely to play a substantial role in Rhode Island's workforce development outcomes over the coming years. The impending retirement of the state's baby boomers could result in the creation of many job vacancies with not nearly enough trained workers to fill those vacancies. While there is little evidence of an existing skills gap today in sectors that currently employ baby boomers, there are strong reasons to believe that a costly skills gap could emerge if the next generation is unprepared to replace retiring workers, especially in skilled trades. A recent report by the Rhode Island Senate Policy Office highlights the fact that approximately 115,000 jobs are forecasted to be replaced between 2010 and 2020.[35] However, interviews with industry representatives pointed out a general lack of workers prepared to fill the openings left by a retiring workforce. Strong public and private sector investment in young workers is required to tackle this issue.

Lack of Awareness of Career Path Opportunities

Many Rhode Islanders who might otherwise be served by the workforce development system currently lack awareness of the available tools and/or face disorganized information regarding career prospects. For example, a number of participants in RhodeMap RI indicated that students and families often lack information or have misconceptions about what careers in certain fields offer. Students do not often see what they are learning in school in a contextualized way, and therefore do not make the connection between what is being presented in the classroom and their own career development. Overall, participants in RhodeMap RI felt strongly that there remains a significant disconnect between the traditional education system - starting in the primary grades – and the needs/expectations of many

[34] Governor's Workforce Board of RI, Strategic Workforce Plan for Rhode Island: 2009-2014.
[35] Rhode to Work, 2014.

employers in the state. Particular issues identified through interviews include: a lack of job preparation and work readiness skills (e.g. how to interview, professional expectations, soft skills, etc.); insufficient or misaligned training at the high-school level and beyond; and a changing business environment, whereby more employers expect job candidates to come trained for a position rather than provide in-house or access to on-the-job training.[36] These information and "job readiness" gaps can be particularly wide in immigrant and low-income communities where exposure to a variety of careers may be more limited, an obstacle that can be exacerbated by family language barriers.

The existing disconnect between industries with talent gaps and the educational system at all levels needs to be addressed if the state is to meet the long-term talent demand of growing industries. On the most sweeping levels, reform of our public educational system is required from the earliest points in education (e.g., early childhood and pre-K) through grade 12. In post-secondary and university environments, direct awareness campaigns and strong alignment between course offerings and industry needs is required so that students and businesses can anticipate the needs of each other in a more seamless way. For example, connecting Science, Technology, Engineering, Arts, and Math (STEAM) professionals directly with the classroom environment can raise awareness simultaneously of teachers, students and business professionals about the expectations and needs of all parties. Other more intensive high school level programs, like the award-winning Worcester, MA Technical High School (see sidebar) could be used to help shape programs in Rhode Island[37].

Worcester Technical High School

Within our region, the accomplishments of a technical high school program have received national attention. In a recent article from the National Association of Secondary School Principals, descriptions of the schools most innovative elements were provided:

- Each student is required to maintain a career plan that involves course selection; career pathways; and guidance from their counselors, cooperative education coordinator, and technical instructors.
- The administration initiated a positive change in the school culture and public perception of vocational/technical education. Expectations for higher student achievement have had to keep pace with the sophisticated knowledge necessary to successfully function in many of today's careers.
- Students and teachers can be observed working together in a variety of activities, such as supporting technology hardware and software through the student help desk; building robots; running the student-operated restaurant; and serving customers in the bank, school stores, and salon.

On a more specific level, greater day-to-day awareness and information access regarding job opportunities would be a relatively low-cost and effective way to improve the outcomes of Rhode Island's workforce development system. Aggressively marketing a multi-lingual database for job opportunities through Internet and social media outlets could increase awareness and create better communication between prospective employees and existing industries.

Data Collection on Workforce Training

To date, collection of data related to workforce development programs in the state has not been as robust and consistent as necessary to truly understand the effectiveness of existing job training programs. In order to measure the performance of workforce training programs moving forward, both in the private and public sectors, a fairly standardized set of measures will be needed to develop indicators that might

[36] Project interview

[37] National Association of Secondary School Principals, PL Vol. 11 Sept. 2010-May 2011, Breakthrough Schools, *Worcester Technical High School Laying the Foundation for Future Success*

include "number of job connections made per dollar spent", "number of students placed within 'x' years of certification", etc. This type of data collection would not only measure the overall effectiveness of individual programs, but may start to point out specific adjustments that are required for better performance.

The Myth of the "Perfect Hire"

Although education systems must surely be improved, it is worth considering in the context of workforce development that the complaints of industry are not necessarily always valid or the most important factor in the way workforce policy should be determined. Generally speaking, the rate at which firms invest in labor training has broadly and significantly declined while hiring practices have simultaneously become more selective. This has resulted in employers waiting for what some observers have called "purple squirrels" or "unicorns," or a candidate with the exact education, enthusiasm, experience, and compensation expectations that the employer is seeking. In current economic conditions, characterized by severely suppressed demand, this tactic has little cost to employers. Rick Brooks, the Executive Director of the Governor's Workforce Board, has stated that "business cannot be expected to replicate the functions of the education system [n]or can education be expected to produce the 'perfect' candidate for every business."[38]

Apprenticeships and Experiential Learning

Though considered traditional by some, apprenticeship and experiential learning opportunities are necessary to workforce development in Rhode Island. Apprenticeships have proven to be extremely successful workforce development tools with strong net impacts on employment and earnings at a very low public cost. They are nearly universally satisfactory for both employers and apprentices alike, providing a positive-sum workforce policy and significant economic benefits. While Rhode Island currently has an existing apprenticeship structure with corresponding financial incentives, there is room for a robust program expansion and additional incentive increases, particularly in growth industries, such as information technology and healthcare.

Targeting Strategies to People with Higher Barriers to Employment

To adopt an Economic Development Plan that is considered "inclusive", the RhodeMap RI process committed to exploring issues related to populations that are often marginalized or excluded from typical economic development strategies. This approach acknowledges that the chronic problems faced by growing numbers of our population affect us all on many levels and it is in the best interest of everyone in the state to target strategies that will increase opportunity for these groups. Some examples of populations in Rhode Island that require aggressive strategies include (but are not limited to):

- Formerly incarcerated individuals: Approximately 14,000 people were released from Rhode Island prisons in 2012, and over 25,000 were on parole or probation.[39] These individuals can face tremendous barriers when trying to re-enter the workforce including unstable living conditions, lack of financial resources, lack of awareness of re-entry programs, and discrimination in hiring practices.

- Homeless individuals and families: Homelessness in Rhode Island generally increased over the course of the foreclosure crisis and affected many individuals that were already in the workforce or expected to become part of the workforce. Young adults, age 18 through age 24, constitute a significant percentage of the total shelter population. Homeless families numbered 688 in 2010,

[38] GWB Director's Blog, 2014.
[39] Economic Progress Institute, 2014.

including over 1,200 children. While the majority of homeless residents live in the major cities, there is a growing population of rural homeless, especially in the southern region of the state. With shelters often at capacity, these homeless find themselves living in camp grounds in the summer and motels in the off-season. From a policy perspective, homelessness is generally viewed as a "housing" or "social service" issue. However, the recent recession and housing crisis showed more clearly than ever that a lack of access to jobs and job training can be the primary factor in creating homelessness for many individuals. Once homeless, individuals and families face a new set of barriers that may require targeted assistance for them to overcome and successfully re-enter the workforce.

- Disabled populations: Overall, approximately 3,250 disabled individuals in Rhode Island can actively participate in the workforce; however, the statistics in Rhode Island related to employment of disabled populations shows a lost opportunity. For example, disabled (non-elderly) adults have a labor force participation rate less than half of adults without disabilities (35.5% v 84.3%), and they are more than twice as likely to be unemployed (19.1% v 8.7%). Opportunities for integrated and competitive jobs are being explored aggressively in Rhode Island in response to a recent landmark settlement decision. The imminent re-instatement of the state Olmstead Commission will play a vital role in ensuring the state can fully capture the workforce capabilities of Rhode Island's disabled population.

Takeaways

There is little doubt that effective workforce development, characterized by strong collaboration between the public and private sectors, is a crucial determinant of long-term growth. Further, carefully targeted programs can increase the economic and social well-being of many underserved and underrepresented populations in the state.

As stated by Thomas Piketty in his recent book *Capital in the Twenty-First Century*, "It is obvious that lack of adequate investment in training can exclude entire social groups from the benefits of economic growth" and that the "main forces for convergence [of wealth and incomes] are the diffusion of knowledge and investment in training and skills."[40] Rhode Island should seek to invest in its labor pool and maximize its human capital through workforce development.

There is no reason to believe that the current landscape of high unemployment and underemployment in Rhode Island will naturally or spontaneously cure itself. Active policy intervention and robust workforce development programs are required to contribute to a meaningful reduction in the unacceptably high rate of unemployment that currently constrains the economic progress of the state. The Governor's Workforce Board has stated that "the talent, ingenuity and work ethic of the people of Rhode Island have traditionally been our greatest competitive advantage. This must remain true if we are to successfully emerge from these recessionary times."[41] It is surely possible to significantly improve the ability of Rhode Island to capitalize on its residents, including those who are unemployed and currently lacking adequate skills, through proactive and effective workforce development.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

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[40] Piketty, 2014.
[41] GWB Strategic Plan, 2009-2014.

Strengthen the state's apprenticeship programs to their full potential.

Rhode Island's apprenticeship programs are an important part of the workforce development toolbox currently used in Rhode Island, but these programs are not reaching their full potential. Building on the foundation in place today, measures that should be taken include:

a. Support and enhance bRIdge.jobs.
b. Expand the number of occupations and industries that qualify for the apprenticeship tax credit.
c. Develop and maintain a statewide apprenticeship website, listing employers and locations.
d. Consider providing preference in letting government contracts to employers that use apprentices.
e. Actively engage with employer organizations and industry partnerships to specifically facilitate the expansion of apprenticeships throughout the state.
f. Make connections between apprenticeship programs, the homeless community, ex-offenders and other groups with unique challenges related to re-entering the workforce.

Advocate for providing universal access to pre-K across the state.

The evidence that access to pre-K programs increases the quality of life of students and decreases costs to society is substantial. Across the country, universal pre-K programs are being pushed by Republicans and Democrats and, where existing programs may not be universal, cities and states are trying to strengthen and expand access. Some of the benefits that are widely accepted include[42]:

- Students who attend pre-K programs are less costly to educate throughout the rest of their K–12 careers.
- Students are less likely than their peers to repeat grades, require special education services, or drop out before graduation. In some cases, they show increased academic achievement throughout their school years.
- Students earn more (taxable) income as adults than their peers who did not participate in pre-K. In many cases, they are less likely to use welfare services or be incarcerated. In some cases, they are less likely to have children out of wedlock.
- Public pre-K makes it easier for mothers and fathers to continue their careers and contribute to economic productivity (and attendant tax revenue).

Access the full potential of CCRI to help prepare our workforce.

CCRI is one of Rhode Island's most important resources for workforce development. Participants in RhodeMap RI from many different perspectives (e.g., social equity, business development, industry representatives, etc.) were enthusiastic about investing in CCRI and targeting strategies to help the college become even stronger in its workforce development role. Strategies that can bolster the capacity of CCRI include:

a. Address the gap that results from CCRI's open enrollment of high school students not ready to enter with targeted academic support.
b. Increase communication between CCRI and the Governor's Workforce Board in order to determine the best credentials for labor market demands.
c. Support a direct partnership between CCRI and the Jobs for the Future: Breaking Through initiative (see inset).

[42] New America Foundation. Pre-K Debates: Access and Equality

From the Jobs for the Future website:

"JFF expands the capacity of a wide range of clients—including school districts, community colleges, employers, nonprofits, workforce boards, and state agencies—to dramatically improve the career prospects of those struggling to succeed in today's economy. Our services build on 30 years of experience in designing, implementing, and supporting accelerated pathways that propel at-risk youth and low-skilled adults to enter college and earn postsecondary credentials with immediate labor market value.

Some of the most popular strategies we employ to serve clients include:

1. **Program Design and Implementation**
   Expert coaching and technical assistance help plan and implement innovative college and career pathways.
2. **Labor Market Information and Training**
   Leveraging real-time labor market data boosts effectiveness of education and training programs by aligning them with employer needs.
3. **Learning Networks**
   Rich peer-learning opportunities build knowledge of proven and promising pathways for college and career success. Valuable field research documents best practices and lessons learned.
4. **Financing Strategy**
   Consultation helps identify and align available funding to support high-quality college and career pathway programs.
5. **Policy Assessment and Alignment**
   Specialized coaching and technical assistance help analyze the state policy climate and identify potential changes to support the development of college and career pathways."

DRAFT

NEW MODELS – ENTREPRENEURS, INNOVATORS AND START-UPS

Entrepreneurship is intimately related to economic development and vital to the progress of any regional economy. Entrepreneurs can help Rhode Island's communities by providing jobs, conducting business locally, creating and participating in entrepreneurial networks, and investing in community projects. Considering both the economic and social impact of entrepreneurship, Rhode Island could potentially experience considerable benefits by improving the conditions for expanding entrepreneurial efforts within the state.

For the purposes of this plan, entrepreneurship refers to the creation of a new firm or business enterprise. Entrepreneurs can generally fall into two categories: "replicative" entrepreneurs, who set up small businesses much like other existing small businesses (for example, a new restaurant or hair salon); and "innovative" entrepreneurs, seeking to test and create new ideas, often in the technology sector. While both types of entrepreneurs play important economic roles, many fall under the first category. It should also be noted that most new businesses will remain small, reflective of the finding that three-quarters of people who start companies say that they want to keep their companies small enough to manage themselves, according to research in The Economist.[43] Regardless of the aforementioned categories, entrepreneurial ventures and small business formation can provide employment, build self-confidence, increase quality of life, generate income, and lead to other economic impacts – all of which are desirable outcomes for the state's economic future.

The Value of Entrepreneurs

The evidence is very clear that business formation and young firms are a crucial component of job creation. A 2010 study by the National Bureau of Economic Research found that since 1980, nearly all net job creation in the United States is attributable to firms less than five years old.[44] Further, a 2009 Kauffmann Foundation study found that of the 12 million jobs created in the United States in 2007, nearly 8 million were created by firms between one and five years old.[45] A key takeaway in the context of economic development policy is that young firms contribute more to net job growth than small or even large firms. In addition to creating businesses that hire people, entrepreneurs also pay taxes and contribute to an increase in demand for products and services that in turn support other jobs and businesses with indirect and induced economic impacts. Finally, entrepreneurs can also bring, according to Economy RI, "fresh new ideas and innovations to the marketplace, replacing those of less innovative incumbents, and thus raising living standards."[46]

Small business ownership and new business creation are two areas in which Rhode Island performs fairly well. The State ranked 14th out of all states in small business ownership rates and as high as 9th in new business creation.[47] However, the same report indicates that Rhode Island ranks 39th in entrepreneurial activity, likely due to the barriers discussed below.

Highlighted below, Rhode Island has experienced post-Great Recession growth in the creation of firms – a positive trend, albeit insufficient, for unemployment reduction and economic growth. While employee per firm and overall job creation from start-ups has declined, particularly since the onset of the economic downturn, businesses less than one-year old created nearly 9,500 jobs in 2012 alone.

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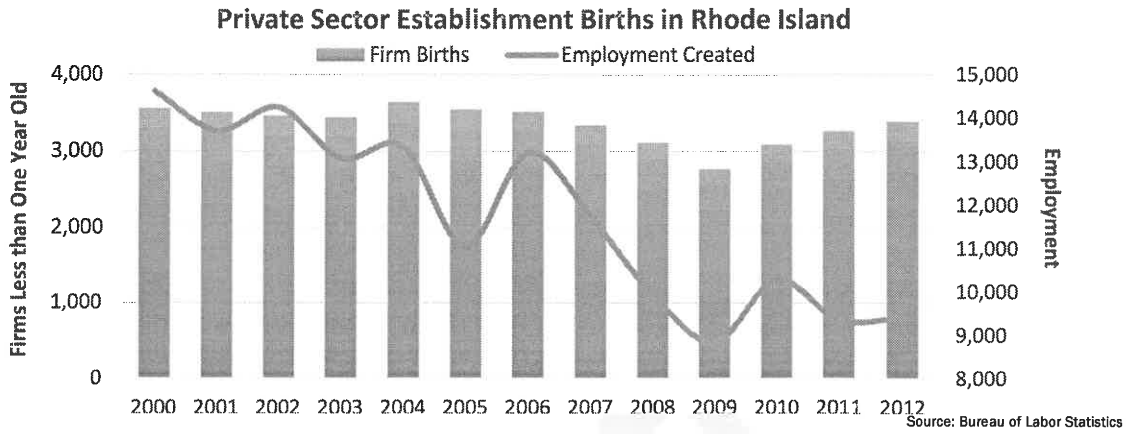
[43] Economist. *What Exactly is an Entrepreneur?* 2014.
[44] Haltiwanger, Jarmin, Miranda. 2010.
[45] Stangler and Litan. 2009.
[46] Fourth Economy Partners, *Economy RI: Economic Development Data Analysis & Assessment*, February 2013.
[47] Fourth Economy Partners, 2013.



Rhode Island has significant assets and opportunities to expand entrepreneurial efforts within the state, including its fast-growing immigrant population. According to the Immigration Policy Center, there were 6,478 new immigrant business owners in Rhode Island between 2006 and 2010. By 2010, 14.4 percent of all businesses in Rhode Island were owned by immigrants, resulting in a total net business income of $360 million, equivalent to 13 percent of the state's net business income.[48] Immigrants also substantially contribute to innovation industries within Rhode Island, as 45 percent of STEM graduates and 68 percent of graduates earning PhDs in engineering were foreign-born as of 2009.

Attracting and keeping entrepreneurial immigrants and native-born residents alike will be crucial to Rhode Island's economy over the coming years and the growing community of color population in Rhode Island should be welcomed and encouraged to pursue entrepreneurial ventures.

What are the Barriers?

Access to Capital

Small business lending activity in Rhode Island fares poorly relative to other states, a trend which the state must improve if the potential benefits of entrepreneurialism are to be realized. If Rhode Island is to improve its rate of business formation, the state must seek to increase access to entrepreneurial finance and address the extent to which collateral constraints restrict entrepreneurial activity.[49]

Regulatory Compliance

Regulation should be simplified and lightened for small and young firms to reduce unnecessary barriers to entry. Current regulatory arrangements can often result in regressive consequences, in that wealthier and larger firms can afford regulatory compliance at a much lower marginal cost. Entrepreneurialism and start-ups throughout Rhode Island would benefit from a reversal of this trend.

Cultural Barriers

Significant institutional and legal barriers to entrepreneurship exist in Rhode Island in relation to the potential impact of economic outcomes. Particular attention should be paid to minority-owned businesses

[48] http://www.immigrationpolicy.org/just-facts/rhode-island-immigrant-entrepreneurs-and-welcoming-initiatives-ocean-state

[49] Based on national research from the National Bureau of Economic Research, *Housing Collateral and Entrepreneurship*.

and immigrant populations. These populations can produce significant entrepreneurial activity but typically experience higher barriers to starting a firm including lower collateral and difficulty accessing business planning assistance due to cultural or language differences.

Data Collection

Facilitating the success of entrepreneurs in Rhode Island will require a more substantial data collection effort by relevant agencies to successfully determine the extent to which favorable entrepreneurial policies are working. This includes an adequate tracking of jobs created by firm, location and industry data, tax and revenue information, and other metrics that could be used to analyze whether or not entrepreneurial incentives have achieved any measure of success.

Technical Assistance

The process of starting a firm should be less burdensome and simplified to those seeking an entrepreneurial venture. Regulatory compliance assistance would be a move in the right direction. Additionally, business incubators that provide space and access to business services such as attorneys and accountants have demonstrated success.

Takeaways

The employment and wages generated by new businesses are surely a vital engine of economic growth. Improving the rate of entrepreneurship through increasing access to capital, measuring success and outcomes, and providing start-ups with technical and regulatory assistance could provide Rhode Island with a much needed economic boost.

Rhode Island policy analysts have remarked that the state would benefit from a climate that allows more ideas to be tested while providing a lower personal risk for entrepreneurs.[50] Seeking ways to ensure a reasonable safety net for entrepreneurs could help minimize personal risk while providing meaningful benefits to the state. A 2014 study found that a full "three-quarters of all the economic development dollars awarded and disclosed by state and local governments have gone to just 965 large corporations" — leaving little toward the small businesses and start-ups that are arguably in greater need of funds and could make better use of them.[51]

Rhode Island's economy has much to gain from supporting the creation of new firms, as well as more generally ensuring an environment favorable for residents to conceive and pursue new ideas and economic opportunities.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Create a policy research network with multiple universities to provide a steady flow of research into Commerce RI, Statewide Planning and other state agencies. Consider the continuation and enhancement of the College and University Research Collaborative (the Collaborative).

During the RhodeMap RI process, there were many important, innovative ideas discussed that could not be fully explored due to lack of time or other resource constraints. Many of these ideas require intensive research and outside expertise to identify how a specific tool might be adapted to Rhode Island or where

[50] Project Interview.
[51] Matera, Phillip, Subsidizing the Corporate One Percent, 2014.

unique opportunities might occur in our state. At the outset of the engagement process for RhodeMap RI, representatives from academia participated in committees and were part of one-on-one interviews that helped to identify strategies and potential future partnerships. Topics that could immediately be taken on by individual universities or the Collaborative include:

- Removing legal or administrative roadblocks to new business models such as co-ops.
- Investigating alternative taxation models (e.g., land value taxation, etc.) or running economic impact scenarios on different potential taxation adjustment.
- Developing a specific "cost of doing business" assessment for typical start-up companies.

Create a network of "one-stop-shop" business community centers where trained personnel can educate business owners about licensing, permitting, taxes and other essential aspects of running a business in Rhode Island.

The idea of centralizing resources and creating "one-stop-shops" was a recurring theme in RhodeMap for many different issues. With regard to entrepreneurship and start-ups, the administrative, permitting and financial intricacies related to getting a business off the ground are particularly important. The state should provide resources to a group like Commerce RI to establish a network of business community centers where potential business owners can seek technical assistance and advice. The exact number and location of these community centers remains to be determined. But piloting a small number of locations in areas of high foot traffic may be an effective way to test the concept. It would also be important to ensure multi-lingual access in as many of the centers as possible. Regardless of the scale and location of the pilot locations, an aggressive and sustained marketing campaign would be necessary to generate as much awareness as possible.

Explore ways to capitalize a Fund for Rhode Island's Future through innovative capitalization tools (e.g., large-scale tax credit sale, sector based TIF, etc.)

Many innovation economy stakeholders have identified availability and/or access to capital to start and grow their business as being a significant impediment to job growth in the State. In addition, there is not enough capital to seed initiatives that will support these businesses and provide business ecosystem services. Tools for capitalization that could be considered include:

Sector Growth TIF

This model was employed by the State of Kansas in 2004 under their Economic Growth Act. The basic premise is that a baseline of taxes paid by wages of an industry sectors workforce is created. An estimate of what growth in that sector will provide in additional tax revenue is created, which is in-turn bonded with the State's general fund serving as the guarantor. In Kansas they used the Bioscience and Health sectors as the base.

For example the following formula would be created:

2013 Tax Revenue from Sector X = $170,000MM.

2014 Tax Revenue from Sector X = $180,000MM, or $10MM more.

Some percentage of the $10MM is pegged to pay off the bond/debt service.

Hypothetically, approximately $5MM of the growth amount per year for 10 years would be targeted, creating a $50MM fund.

This fund would be managed by a board/authority and could further be used to leverage private capital through matched investments vehicles.

Tax Credit Sale Approach to Fund Creation

In recent years this approach is becoming increasingly attractive to states as it can create immediate pools of capital, with credits being utilized over a longer time horizon. Pennsylvania passed legislation in 2013 creating this type of effort, which operates under the name Innovate PA. Their actions were modeled after Maryland and Tennessee, which were program enhancements on models seen in Colorado, Texas, Louisiana, New York, Missouri, and more.

The program sets an amount of tax credits to sell to private institutional taxpayers such as Insurance Companies and Utilities. The pool of credits is then sold at some discount via an auction or brokerage to qualified buyers. Typically states are receiving 75 to 85 cents on the dollar for the credits. The proceeds from the sale are then managed as a fund by a state controlled or sponsored entity.

For example the following formula could be created:

> $100MM in tax credits is offered by the State, with a first tax credit redemption date of 2018 (the total redemption amount can be limited).
>
> Credits would sell for $.80 on the $1, generating $80MM in revenue.
>
> The fund would then be professionally managed, and could be leveraged, by outside investors via the support of other private/ public funds.

DRAFT

URBAN CHALLENGES AND OPPORTUNITIES

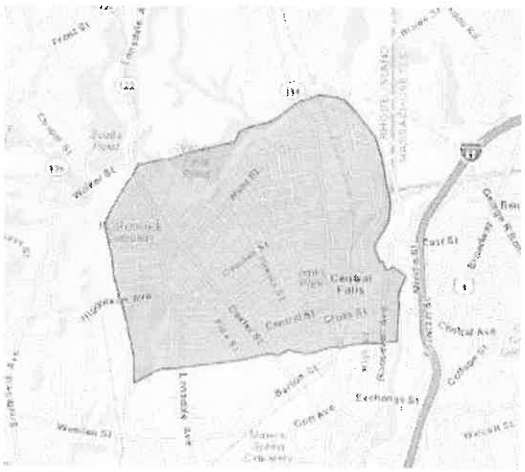
Purpose

Rhode Island's economy as a whole relies on the interconnectivity of all our assets and strengths in every corner of the state, whether urban, rural, or suburban, coastal or inland. Our economy works as a system, and all the parts need to be healthy for Rhode Island to thrive. The health of Rhode Island's urban communities has a particularly direct and profound impact on the overall health of the State. Their socio-economic struggles serve as a drag on limited state resources and prevent greater statewide economic progress. Conversely, as the state's urban communities prosper – socially and economically – Rhode Island, too, will become more prosperous. The RhodeMap RI process clearly showed that a specific focus on restoring the economic vitality of the largest of the state's urban communities, particularly those that are historically underserved and economically distressed, will be a critical element of the overall statewide economic development strategy.

As part of the analyses and assessment performed specifically for urban areas, the RhodeMap RI process examined the opportunities and challenges associated with six of the most densely populated communities in the state: Central Falls, Newport, Pawtucket, Providence, West Warwick, and Woonsocket. These six communities contain most of the state's high and moderate concentration employment centers. They also exhibit higher unemployment, lower incomes and a larger minority population than the state's non-urban communities. For many of these communities, their economic prominence occurred in manufacturing during the early to mid-part of the 20th century and, like many other industrial cities in the northeast and Midwest, they have fallen victim to national and international economic shifts – principally reflected in the loss of manufacturing activity. However, opportunities exist to build on the infrastructure and workforce skills in these communities to develop more modern manufacturing and other industries that build on these strengths and help diversify the local economy.

Community Profiles

Central Falls



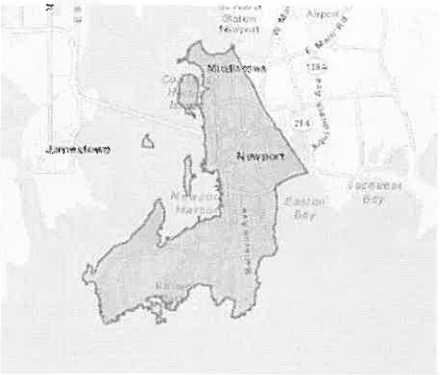
Central Falls is a former mill town that has experienced considerable economic decline, resulting largely from the departure of manufacturing jobs. Notwithstanding the decline in manufacturing, this industry sector still remains Central Falls' largest employer. Central Falls is subject to a strict state-supervised five-year budget plan after a 2011 bankruptcy filing and downsized staffing by one-third.

Since the 1980s, a notable wave of Hispanic migration has occurred with particularly strong ties to Colombia, forming its role as one of two communities (Providence being the other) in Rhode Island that features a majority-minority population (60 percent minority). A city exhibiting high population density, Central Falls has been described as a "location of housing of last resort." While the city has virtually no undeveloped land, adaptive reuse of historic mills along Roosevelt Avenue has recently occurred and many redevelopment opportunities exist. A recent market study prepared for the Central Falls and Pawtucket Riverfront Corridor indicates that a market exists for residential development, primarily rental, in that location.

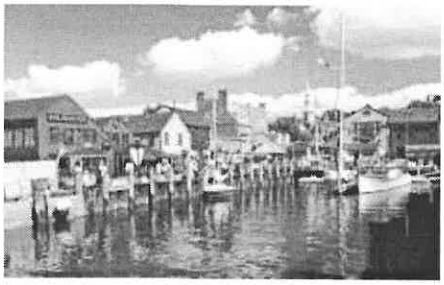
Snapshot: Central Falls		
Population in 1950:	23,550	
Population in 2000:	18,928	
Population in 2013:	19,144	
Median household income:	$30,635	
Median age:	30.2	
Median home value:	$174,840	2013
Percent of owner-occupied housing:	21.3%	
Unemployment rate:	12.1%	
Top industry by employment:	Manufacturing	

Sources: Esri, 4ward Planning Inc, 2013; Jenna Russell, The Boston Globe, *R.I. town looks to crowdfunding to deal with finance woes*, November 15, 2013; Rhode Island Labor Force Statistics Seasonally Adjusted, August 2013 (reported in September 2013 at http://www.dlt.ri.gov/lmi/laus/state/seas.htm

Newport



Established in the 1600s, Newport is one of New England's oldest communities. Its oceanfront location has been an important factor in the economy which includes tourism, sport (sailing), and the marine and defense industries. Newport is somewhat of an anomaly, relative to the other urban communities examined, considering its lower unemployment rate and relatively high median household income. However, local officials have stated that a primary reason for low unemployment is the decline in population and available labor force, which fluctuates considerably due to seasonal tourism. Further, Newport maintains a considerably higher poverty rate relative to other areas of the state, despite a significant number of extremely wealthy households. Some consider Newport's greatest challenge to be how to best serve its economically divided population.

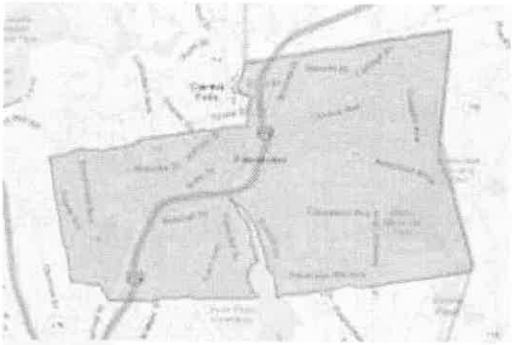


Newport is home to the U.S. Naval Station Newport, which includes the U.S. Naval War College and other services. Newport's other significant employers are Newport Hospital, Salve Regina University and the International Yacht Restoration School (IRYS).

Snapshot: Newport		
Population in 1950:	37,564	
Population in 2000:	26,475	
Population in 2013:	24,645	
Median household income:	$58,621	
Median age:	36.5	
Median home value:	$329,846	2013
Percent of owner-occupied housing:	43%	
Unemployment rate:	8.7%	
Top industry by employment:	Public Administration	

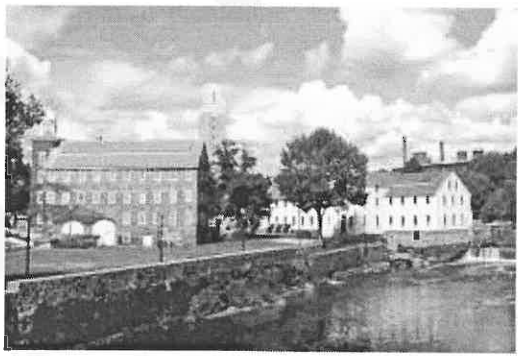
Sources: Esri, 4ward Planning Inc, 2013; Rhode Island Labor Force Statistics Seasonally Adjusted, August 2013 (reported in September 2013 at http://www.dlt.ri.gov/lmi/laus/state/seas.htm.

Pawtucket



Historically, Pawtucket is considered to be the birthplace of the Industrial Revolution, driven by Samuel Slater's mill on the Blackstone River, the first mechanized cotton-spinning mill in the United States. Subsequently, the city has had a strong identity as a manufacturing center, first in cotton and textiles, and later in jewelry production. Pawtucket has experienced a departure of manufacturing jobs since the booming days of the 1940s and 1950s, among other economic circumstances. However, manufacturing that has stayed in Pawtucket, is leaner and smarter, and the City still boasts one of the highest concentrations of manufacturing in the state.

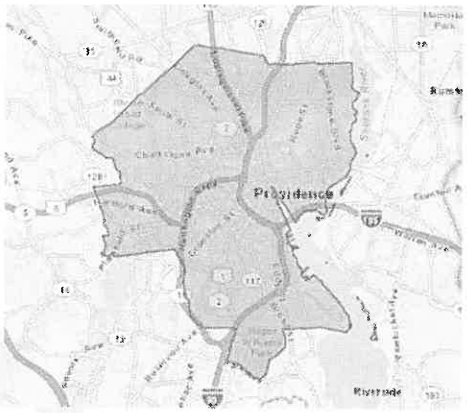
In recent years, Pawtucket has focused on the arts as an important reinvestment strategy. The City has held an arts festival for the past 16 years which brings in people who would ordinarily not come to Pawtucket. In addition to the 307 acre City Arts & Entertainment District (where art was sold tax free, until it became a statewide benefit), the City provides arts grants of up to $10,000 for arts programming, and non-profit arts groups are eligible to apply for funding to pay for operating costs. Meanwhile, the City has a staff person focused on bringing in arts specific entities and people interested in the arts. Additionally, the Pawtucket Arts Collaborative provides programs and support for new and experienced artists. As a result, new businesses in the creative economy have been locating in Pawtucket – particularly in its former mill buildings.



Snapshot: Pawtucket		
Population in 1950:	81,436	
Population in 2000:	72,958	
Population in 2013:	69,357	
Median household income:	$38,333	
Median age:	36.9	
Median home value:	$166,837	
Percent of owner-occupied housing:	44%	2013
Unemployment rate:	11.1%	
Top industry by employment:	Manufacturing	

Sources: Esri, 4ward Planning Inc, 2013; Rhode Island Labor Force Statistics Seasonally Adjusted, August 2013 (reported in September 2013 at http://www.dlt.ri.gov/lmi/laus/state/seas.htm

Providence



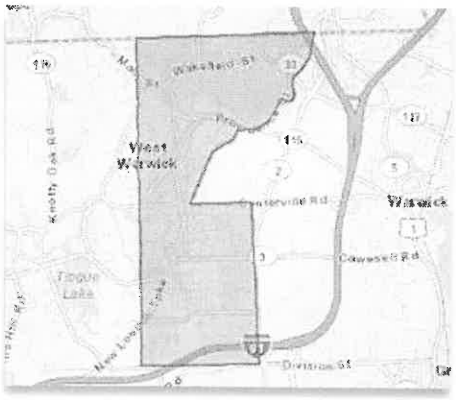
Providence, Rhode Island's capital, is by far the most populous community of the six cities and is the state's largest employment center. The city's influence on the overall state economy is heard in the common refrain, "as goes Providence, so goes Rhode Island." Providence's population declined significantly between the mid-twentieth century and the turn of the new millennium. However, since 2000, the population has grown, supported by new residential development downtown (the DownCity movement) and a generally younger population.

The City has a reputation for its vibrant arts, culture and restaurant scene, buoyed by the presence of universities such as Rhode Island School of Design and Johnson & Wales. There also exists a burgeoning culture of innovation supported by places like BetaSpring, a start-up accelerator program for design and technology entrepreneurs. Given the scale of Providence compared to the other cities, its assets, challenges and objectives are much broader and more difficult to capture in a brief synopsis.

Snapshot: Providence		
Population in 1950:	248,674	
Population in 2000:	173,618	
Population in 2013 (estimate):†	175,106	
Median household income:	$35,318	
Median age:	28.8	
Median home value (w/o Eastside):‡	$162,180	
Median home value (Eastside only):‡	$317,732	2013
Percent of owner-occupied housing:	33.7%	
Unemployment rate:	11.5%	
Top industry by employment:	Health Care and Social Assistance	

Notes: †While Esri estimates the City's 2013 population (175,108) based on 2010 Census Data, the 2012 US Census Bureau reported Providence's population as 178,042, the difference between the two projected population figures represents 1.7 percent; this could suggest the City grew more than expected between 2010 and 2012.
‡The combined median home value for Providence is $184,330.
Sources: Esri, 4ward Planning Inc, 2013; Minnesota Taxpayers Association and Lincoln Institute of Land Policy, *50-State Property Tax Comparison,* April 2012; Rhode Island Labor Force Statistics Seasonally Adjusted, August 2013 (reported in September 2013 at http://www.dlt.ri.gov/lmi/laus/state/seas.htm.

West Warwick



A former mill town, West Warwick contains six separate mill villages, most of which are underutilized. With approximately 90 percent of the land area built-out, local economic activities have been focused on infill redevelopment. Local officials believe each village, starting with the Arctic Village Redevelopment Area, can become a growth center with the potential to meet rising demand. Out of the Arctic Village plan, the City has created a local redevelopment authority, with the ability to buy and sell property, utilize eminent domain, and own and lease property. If successful, they will apply this model to other villages.

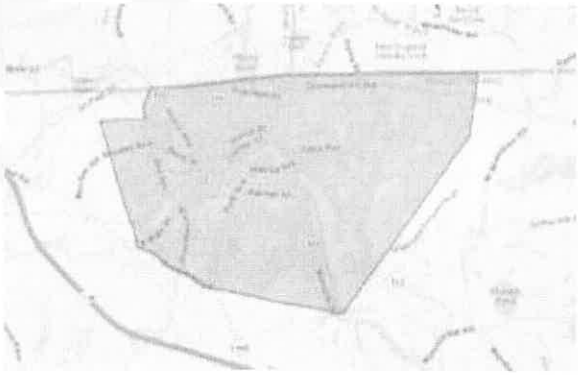
Recent local private land use investment trends are encouraging, supported by relatively low land costs. Despite slowing down in the last few years, private-sector investment has exhibited positive economic impacts for West Warwick. For example, Crimson Rose, a Rhode Island-based jewelry maker that was previously located in Florida and North Providence, decided to consolidate in West Warwick, investing $7 million and employing over 200 workers. Royal Mills, a 200+ unit apartment complex at the restored 110-year old mill complex, is currently fully occupied with a waiting list. The newly-opened Cotton Shed includes a health center employing more than 150 people and a for-profit technical college. Private developers have expressed interest in providing micro-loft apartments, catering to area incomes. Local officials expect residential growth to ultimately generate more restaurant and retail investment in the future.

Snapshot: West Warwick		
Population in 1950:	19,096	
Population in 2000:	29,581	
Population in 2013:	29,172	
Median household income:	$46,771	
Estimated Median age:	39.6	
Estimated Median home value:	$169,841	2013
Percent of owner-occupied housing:	53.1%	
Unemployment rate:	9.5%	
Top industry by employment:	Retail Trade	

Source: Esri, 4ward Planning Inc, 2013; Rhode Island Labor Force Statistics Seasonally Adjusted, August 2013 (reported in September 2013 at http://www.dlt.ri.gov/lmi/laus/state/seas.htm

Woonsocket

Once a significant textile industry hub, Woonsocket has seen its industrial base decline, including the class of industrial workers who once supported it. The City needs to grow its tax base, "with bankruptcy a serious possibility a year ago and a state budget commission now in control of local finances."[52] Relative to other Rhode Island cities and towns, the historic building stock that represented this industrial past has transitioned almost entirely away from its formerly industrial footprint, particularly after urban renewal in the 1970s.



Woonsocket has re-established its Redevelopment Agency, which had been discontinued after the completion of Highland Park (the industrial park). The Agency expects to work on scattered site housing developments, reviving the inactive MED Zones and its tax benefits, site assembly for larger projects, Park Square near Dowling Village Shopping Center, Cumberland Hill Road, and Diamond Hill Road.

The City recently won the outstanding neighborhood planning award from the Rhode Island Chapter of the American Planning Association (APA) for its Main Street initiative, largely guided by the Main Street Livability Plan. Woonsocket's Main Street area goals include increasing the population living and visiting

[52] "Finding Path Back to Prosperity" Providence Business News, December 23, 2013.

downtown Woonsocket; extending the Blackstone River Bikeway into downtown; and reworking confusing traffic patterns in downtown and restoring two-way traffic to many one-way streets.

Snapshot: Woonsocket		
Population in 1950:	50,211	
Population in 2000:	43,224	
Population in 2013:	41,171	
Median household income:	$36,343	
Median age:	36.9	
Median home value:	$166,975	
Percent of owner-occupied housing:	36.8%	2013
Unemployment rate:	11.2%	
Top industry by employment:	Educational Services	

Sources: Esri, 4ward Planning Inc, 2013; Rhode Island Labor Force Statistics Seasonally Adjusted, August 2013 (reported in September 2013 at http://www.dlt.ri.gov/lmi/laus/state/seas.htm

Key Findings

Interviews and secondary research unearthed common themes among what are otherwise quite different communities. A brief snapshot of the communities' socio-economic profile is provided below, followed by a summary of shared concerns or challenges.

Demographics

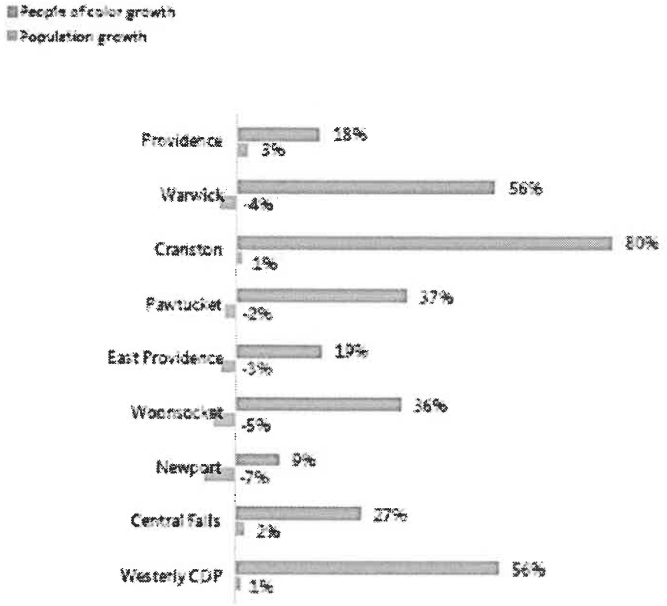
The following is a socio-economic snapshot of the six communities:

- Median household income in the six communities is generally lower than the state average, except for Newport (approximately equal, at an average of $53,000 per household, though this average masks some significant pockets of poverty in the city), where household income is boosted by the hospitality and defense industries.
- Furthermore, more than one in four Newport residents earned a bachelor's degree, which is significantly higher than the college degree attainment rates in the other five communities.
- Newport's relative wealth is also exhibited by a median home value ($330,000) more than twice the nearest community, Providence ($162,180, excluding the East Side neighborhoods) and greater than the state overall ($260,000). However, and similar to Providence, Newport's median home value masks significant housing disparities within its borders – extremely low-income households within poorly maintained housing stock facing a high housing cost burden.
- Providence, and to a lesser extent Central Falls, have notably younger populations - each community has a much lower median age than the state's median age (40).
- Unemployment in these six urban communities consistently exceeds the state's unemployment rate, except in Newport, which exhibits a lower 7.2 percent unemployment rate. West Warwick has made great improvements in its unemployment rate in 2014, down to 8.3% from 11.2% in January 2014.

- While statewide population growth is, and is projected to remain, relatively flat, communities of color have and are projected to experience relatively strong growth in Rhode Island's largest urban areas: from nine percent in Newport to 37 percent in Woonsocket. See chart below.[53]
- Minority persons now represent the majority of population in Providence (62 percent people of color) and Central Falls (60 percent people of color).[54]
- High concentrations of unemployment exist in communities of color in Providence, Pawtucket, Central Falls, and Woonsocket – a dubious indicator for many of the state's urban areas.[55]
- High-poverty neighborhoods (poverty rates of 40 percent or higher) are most prevalent in Providence, but areas of relatively high poverty are also found in Pawtucket, Central Falls, and Woonsocket. Further, people of color are much more likely to live in these neighborhoods than whites: nearly nine-percent of people of color live in high-poverty tracts, as compared with only two-percent of whites.[56]
- Households of color are much less likely to own cars than are white households. High rates of zero-vehicle households (where there is no access to any owned vehicle) are found primarily in and around Providence, Pawtucket, and Central Falls, and some of Woonsocket.[57] Thus, the importance of ensuring that communities of color have access to other modes of transportation.
- The state's so called "food deserts", defined as low-income census tracts where a substantial number or share of residents have limited geographic access to a supermarket or full-service grocery store, are primarily found in communities of color. Most "food deserts" have been identified as being located in Providence and Woonsocket, and nearly one-third of the population in Rhode Island's "food deserts" is either African American or of Latino heritage.[58]

[53] PolicyLink and PERE, An Equity Profile of Rhode Island, 2013
[54] Ibid.
[55] Ibid.
[56] Ibid.
[57] Ibid.
[58] Ibid.

Percent Population Growth, 2000 to 2010 (in descending order of population)



Source: U.S. Census Bureau, in PolicyLink and PERE, *Equity Profile of Rhode Island*, 2013

Assets and Opportunities

Community Assets. Rhode Island's urban communities are one of Rhode Island's great assets. These cities are rich in history and New England character, are home to many institutions of higher learning, contain our most diverse populations, and serve as our largest employment centers. A few urban communities have achieved a degree of success diversifying their local economies. For example, Newport has evolved from its post-industrial past to a more diverse economy based on jobs in defense, oceanic enterprise, and a strong tourism market. Newport reportedly attracts up to 3.5 million visitors annually, with a regional, national and global draw. Providence, Rhode Island's capital city, has also diversified, thanks to its many academic and medical institutions, cultural venues, and a burgeoning food sector. Pawtucket is actively attracting artists and creative sector companies, particularly to former mill buildings throughout the city.

Having noteworthy port and harbor operations, Newport and Providence also represent opportunities in the trade, maritime, and defense industries. ProvPort is one of two deep water ports in New England and, as discussed in the Global Economy section, is a crucial element of the state's shipping enterprises, creates thousands of blue-collar jobs, and generates more than $200 million in economic impacts. In Newport, access to oceanic assets contribute to research and employment in science, technology and defense sectors. That city's relationship with the U.S. Naval Station Newport contributes many permanent and short-term residents.

Small Business Potential. The urban communities also generate business opportunities at a smaller scale. City representatives noted the growth of small businesses in the form of both "mom and pop" establishments and emerging entrepreneurship activities. The state is already a small business state, with 89 percent of businesses employing fewer than 20 workers (25 percent of the state workforce) and nearly half employing fewer than five workers (8 percent of the state workforce). Population growth trends and

cultural patterns suggest that minority-owned small businesses offer great potential to create jobs in Rhode Island. However, compared to national and regional performance metrics, minority-owned businesses in Rhode Island currently fare poorly on a number of performance measures, as discussed in Section One of this Economic Development Plan. Improving access to start-up and small business growth resources in urban communities will go far in supporting the economic health of the region.

Anchor Institutions. Anchor institutions have been key players in the resurgence of some Rhode Island communities, namely Providence, Pawtucket, and Newport as well as other Towns. These community anchors are typically medical and educational, but also include other non-profit, non-governmental entities. Providence has a wealth of community-serving anchor institutions, while the other cities have less. While usually non-profit, large, private enterprises with strong roots in the state (e.g. CVS, Hasbro) can also serve as community anchors for the local investments they make. Indeed, many large corporations, today, are seeking high profile opportunities for giving back.

Anchor Institutions. Place-based institutions that are tied to their location by reasons of mission, invested capital, or relationships to customers or employees and hence have a vested interest in improving the welfare of their surrounding communities.

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Prime Redevelopment Sites. The potential for reinvestment in many of these communities is high from a real estate perspective. An analysis performed for RhodeMap RI identified nearly 3,500 acres (more than 2,300 distinct parcels) within ten Rhode Island communities (the cities and North Kingstown) as having low "improvement to land value" ratios. A low ILV value is a key indicator, suggesting that a parcel may be ready for redevelopment because its current improvement (from buildings, etc.) value is too low for the land cost. The majority of these parcels are industrial or commercially zoned today suggesting there may be fewer barriers to reinvestment.

Areas like Pawtucket and Warwick have seen greater investment in recent years than other smaller Rhode Island cities. Thanks in part to assets such as location - both have good highway access, are served by transit (with anticipated improvements in the future), and are close to Providence. These cities also benefited from state initiatives such as the Armory Arts District in Pawtucket, current or planned future transit investment, and competitive land prices. Private land use investment has picked up in these communities in recent years, particularly for residential and mixed-use. These success stories should serve as examples for Rhode Island's other urban communities.

Challenges

Financial Resources. While the list of challenges to the vitality of urban communities can appear to be deep and complex, at its root is the basic problem of insufficient resources. With some exception, these communities lack financial resources in the form of limited tax revenue (due to having a greater population unemployed or earning low incomes, and lower housing values), limited access to funding programs (perceived or not), state-mandated caps on raising local revenue, and limited private sector investment. The idea of raising taxes to increase resources receives high levels of resistance, as residents and businesses alike criticize the state's tax structure. Providence already has the highest commercial tax rate of like-cities and recently increased its residential tax rate by 25 percent. Some financial incentive programs have become less effective over time. In particular, exclusion of LLC's, LP's, Sole Proprietorships, and Partnership business entities from participating in Enterprise Zone benefits means most of Rhode Island's small businesses are shut out of a major economic development assistance program. This is particularly problematic because (1) Rhode Island is a small business state; (2) most businesses operated by people of color are small businesses; and (3) solo entrepreneurs and small employment businesses will continue to be major contributors to the State's economic growth for the

foreseeable future. Further, as more and more areas of the state have been designated as Enterprise Zones, the ability to target resources where they are needed most has been weakened.

Social Service Resources. The urban communities also lack adequate social service resources in that they have fewer staff due to tight budgets and a residential base without the time or resources to commit to community building. While lacking these economic and social resources is not exclusively an urban problem, it is more pervasive in these communities. The inherent and growing diversity of residents will continue to strain social service outlets and budgets moving forward. However, these services may prove to be the difference for many individuals between struggling for subsistence or becoming a successful member of the workforce.

Redevelopment Barriers. Urban communities generally do not have many opportunities for new development on open parcels, which means redevelopment of existing historic, former industrial buildings and other historic commercial properties, represents a significant portion of future investment. Preserving these buildings is consistent with state and local goals, providing significant adaptive reuse opportunities for housing, small business incubator space, small advance manufacturing businesses, artist lofts, or other economic generators; but they are expensive to redevelop due to building rehabilitation and fire codes which make it difficult for these projects to be economically viable. With rents relatively low in the region compared to construction costs, developers often cannot recoup costs without outside financial incentives. The historic tax credit program was unanimously viewed as a success and a huge factor in major redevelopment projects, in addition to being described by some as "maybe the only program that has ever worked." Among the interviewees, it was universally acknowledged that the tax credit program's absence has made rehabilitation of historic structures – ever present in post-industrial communities - very difficult, if not impossible. The relatively high cost of compliance with the state's building and fire codes – made stricter after the tragic Station Nightclub fire in West Warwick - was widely acknowledged as a significant impediment to development and redevelopment efforts. Another barrier is the variability in how codes are enforced and permitted across municipalities.

Infrastructure. These urban communities are challenged by infrastructure – both quality and access. Minimal state infrastructure investments are not unique to Rhode Island's urban communities, but the issue is exacerbated when urban communities have an insufficient tax base to support necessary infrastructure maintenance and improvements on their own. The provision of adequate infrastructure – particularly transit related – is a key element in attracting the private investment which has been absent in urban communities. Cities like Providence and West Warwick have good highway and transit access, while others – such as Woonsocket and Newport are isolated from major routes and have limited transit service. While Newport's location on Aquidneck Island is a great asset, it is also one of the city's greatest challenges for transportation and transit access. Newport is also striving to improve broadband infrastructure on Aquidneck Island – a necessity for successful business today.

Suburban vs. Urban Perceptions. Interviews and focus group findings indicate that urban communities, generally, perceive the majority of statewide investment and resources as being directed to suburban communities, or an urban community other than theirs. A review of the past several Rhode Island State budgets, however, demonstrates that this view may not be entirely accurate. A review of state budget expenditures suggests that urban communities receive the largest percentage of state resources, principally via the educational State Aid program. Regardless, a perception of preferential public investment exists and must be addressed, as a first measure towards urban

> "In a sense, we (the urban communities) feel a little bit like a Prius in a car dealership that only runs ads for SUVs. Just as the consumer who is looking to buy a Prius is different from the consumer looking to buy an SUV, businesses that are looking to locate in an urban setting are different from those who would want to locate elsewhere..."
> Project interview

revitalization. Another common refrain heard, concerning urban communities and suburban municipalities, related to the varying land-use policies of cities and suburban towns that serve to confuse real estate developers. Some interviewees advocated for the regionalization of local governments, in order to efficiently utilize local resources and improve service delivery.

Takeaways

As past and current employment centers and residential hubs, urban communities are central to Rhode Island's future economy. By virtue of their location, demographics, industrial past, and unique socio-economic challenges, they will require more targeted and patient investment before significant social and economic improvement is realized. Rather than competing against each other for limited resources, the emphasis should be on working together and learning from each other to help those most in need and establish a more interconnected economic system.

A number of tools have already been helpful to these communities – including the arts tax free district, the historic rehabilitation tax credit, and the use of enterprise zones. However, in each case, either further funding has not been approved, or the areas of eligibility have been expanded, meaning a less targeted impact for these communities. A promising state-level strategy for raising the profile of Rhode Island's cities includes an entity providing targeted resources for urban communities – such as an Urban Redevelopment Office (discussed in more detail in the following section of the plan). Private and institutional investment in cities will be critical. Community anchors, such as medical and educational institutions, have resources, interest, and often a mission, to give back to their host community. These institutions are certainly not the panacea, but they are an essential piece of the solution.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Restore the Historic Preservation Investment Tax Credit with adequate funding to spur targeted development, including residential development.

Between 2002 and 2006, more than $900 million in rehabilitation projects happened largely because of the tax credit, reportedly the most generous in the country, which was halted in 2011.[59] According to local staff, the program helped to create 1,000 new residential units in Pawtucket and Central Falls, alone. The program – which provides tax incentives for historic rehabilitation – was reintroduced in 2013, with a lottery to allocate the $34 million remaining tax credits. Those funds have been entirely allocated to projects approved in the first round as well as others on the waitlist. The termination of the project, in 2011, significantly curtailed the new investment in Rhode Island's cities and, as a result, the flow of new business and residents, as well.

While tax credit opponents argue that it is primarily an investment in a private entity, the ripple effects associated with the redevelopment of neighborhoods and job creation, particularly within the construction industry, provide opportunity to both improve distressed neighborhoods and employ workers with lower educational attainment. Recommendations for re-instating the program include:

- The program should remain available to commercial, residential, and mixed-use projects. Mixed-use and residential, in particular, will benefit the urban communities that need both jobs and affordable housing.

[59] Ibid.

- The program could be modified by adding evaluation criteria to increase transparency and an analysis of the economic impact of providing the tax credit.[60]
- Incorporate apprenticeship programs or other community benefits as a requirement for participation.[61]

Enable the establishment of targeted tax free zones to spur redevelopment of particularly challenging sites.

An aggressive, incentive-based program to lure private investment to the urban core is much needed and would be very well-received by the state's urban communities. Staff in Pawtucket and Central Falls envision a highly targeted tax free incentive (corporate, sales and property), such as an identified redevelopment area smaller than an enterprise zone, as the kind of aggressive economic development incentive program required. Commerce RI championed legislation to enable the establishment of targeted tax-free zones, however the legislation did not pass in the first attempt. Such an incentive would be one piece of a toolkit attracting the private sector to redevelop older industrial buildings and attract new investment in the State's most disadvantaged communities.

Create a state level urban redevelopment office, potentially within Commerce RI, designed to reduce bureaucracy and increase capacity in urban communities.

As discussed in numerous areas of this plan, urban communities need additional resources and investment, as their economic success will bolster the economic prosperity of the entire state. A new statewide Urban Redevelopment Office would be the advocate for Rhode Island's urban communities and, if adequately funded, could provide significant capacity building and technical support. A dedicated urban focused agency will provide the mechanism for the state to pool resources, including marketing, financial and real estate analysis, and technical business assistance, for the benefit of underserved urban communities. Implementation of this strategy could include:

a. Establishing the agency through special legislation and granting specific powers and resources (human and financial).
b. Charging the agency with assisting Rhode Island's urban communities with blight studies, property assemblage, market and financial feasibility analysis, developer negotiations and deal structuring.
c. Hiring a dedicated, highly qualified team of professionals to serve the needs of urban areas, with expertise in real estate development, incentives, finance, etc.
d. Assigning two or three loan development specialists to the ten most urbanized areas of the state, where small business lending capital is in most need.
e. Hiring staff with significant expertise in crafting Community Benefit Agreements (CBAs) in other jurisdictions and leveraging community improvements from anchor institutions.
f. Providing basic support services to communities such as event planning, convening space, training sessions, and GIS data development and maintenance.
g. Providing access to technical assistance for site related issues like environmental remediation or pre-permitting at the state level.
h. Increasing awareness and coordination of programs like the Volunteer Income Tax Assistance (VITA) program.

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[60] Rhode Island Senate Policy Office and Rhode Island Public Expenditure Council (RIPEC), *Moving the Needle: RI's Economic Competitiveness Rankings*, 2013.
[61] Focus Group with Rhode Island State Council on the Arts (RISCA) and Rhode Island Council for the Humanities (RICH).

Engage anchor institutions to support specific community economic development initiatives.

The investment by anchor institutions into their host communities is not uncommon – many universities and hospitals have been giving time and money to support community efforts for years. Anchor and community-based institutions are an important resource for communities, because – unlike most private institutions – they are place-based and less likely to relocate to another neighborhood. Additionally, anchor institutions typically have community investment as part of their mission and, particularly hospitals and universities, have significant economic power. Nationally, "hospitals and universities are responsible for more than $1 trillion of our nation's $15 trillion economy, or more than 6 percent of GDP, and employ roughly 8 percent of the national workforce."[62]

Anchor Institutions. Place-based institutions that are tied to their location by reasons of mission, invested capital, or relationships to customers or employees and hence have a vested interest in improving the welfare of their surrounding communities.

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According to research conducted by The Democracy Collaborative, anchor institutions - with the proper incentives and motivation - have the economic potential to leverage their assets and revenues to promote local private sector development through:[63]

- Directing a greater percentage of their purchasing power toward local vendors.
- Hiring a greater percentage of their workforce locally.
- Providing workforce training for people needing assistance in the community.
- Incubating the development of new businesses, including social enterprise among nonprofits.
- Serving as an advisor or network builder.
- Leveraging real estate development to promote local retail, employer-assisted housing, and community land trusts.
- Using pension and endowment funds to invest in local job creation strategies and to provide community venture capital for nonprofits, entrepreneurs, and employee-owned firms.

Continue to Identify and Protect Land for Urban Agriculture

Consumer demand for fresh, local foods has increased markedly, as noted in Rhode Island Agricultural Partnership's Five-Year Strategic Plan. The state has developed a strong reputation for its local food movement, including: more than 50 farmer's markets throughout the state; urban farming programs, such as those run by the Southside Community Land Trust in Providence; and, Farm Fresh RI and the various programs it provides to consumers, businesses, and schools. In addition to providing access to healthy food, urban farming initiatives also provide skill development and jobs and return vacant urban land to the neighborhood. The Strategic Plan notes that, given this high demand, the state protection of land for agricultural purpose should include urban land as well.

[62] Ted Howard, *How Communities Can Make the Most of Their Anchor Institutions*, Governing, January 9, 2014.
[63] The Democracy Collaborative, Overview: Anchor Institutions, last accessed at: http://community-wealth.org/strategies/panel/anchors/index.html, February 14, 2014.

RHODE ISLAND'S ECONOMY OUTSIDE THE URBAN CORE

Introduction

The distinction between the urban and rural parts of Rhode Island is its most important land use pattern, according to Land Use 2025, Rhode Island's guiding policy on land use. A corridor through the middle of the state contains over 75 percent of Rhode Island's population and nearly all of the public infrastructure, major transportation routes, and institutional and cultural centers. Beyond this dense core, referred to as the Urban Services Boundary, there are areas of decidedly lower intensities.[64] Rhode Island's rural areas are less than a 20 minute drive from the state's most dense urban center, Providence. This provides all residents with unique access to the state's natural resources - its shoreline and islands on the east and the bucolic areas and Blackstone River Valley in the west and north. This proximity, however, has also made developing those areas easier. According to Land Use 2025, the past 30 to 40 years have shown a faster rate of development in the state's suburban and rural areas.

These rural areas have economic value both for their natural habitat and their ability to generate economic revenue, particularly through agriculture and other industries that depend on the state's natural assets. Sustaining these distinct and important land use typologies is a critical goal in Land Use 2025, specifically through encouraging rural development to occur in villages and growth centers, or through compatible economic uses on farm and forest land. These place-based goals are carried through to this economic development strategy, here discussing the economic conditions that distinguish Rhode Island's rural areas and highlighting important connections between growth centers, rural economic vitality, and the state's natural assets.

Rhode Island's rural areas are a mix of low density residential, small commercial villages, productive agricultural land and natural resources. The rural nature is both a strength and a challenge. These areas generate economic development through agriculture, marine-dependent industries, recreation and tourism, among other things. Development is still occurring at a relatively high rate in rural areas, according to project interviews, because there are few viable alternatives to sprawl.[65]

Village Development: The Economic Impact of Rural Growth Centers

As noted in Land Use 2025, employment and population have grown away from the urban centers since the 1970s. Rural areas have become more suburban and suburban areas more urban. The unintended consequences of this suburban growth have become clear. **Environmental impacts** include loss of working farm and forest lands, decline in water quality and fragmentation of wildlife habitat. **Economic impacts** include soaring municipal expenses to maintain roads, bridges and infrastructure, not to mention providing police and fire protection and other services to far-flung residential neighborhoods. Since the 1970s dozens of "cost of community services" studies have shown that the typical suburban home costs its community more in services than it generates in taxes. An analysis of commercial activity in Barnstable, Massachusetts found the same problem, with shopping centers, big box stores and restaurants all costing more in town services than they paid in taxes.

Finally, the **social impacts** of the suburban model are widespread. Dependent on the automobile for many daily needs, both young people and older residents are isolated. Ironically, while the neighborhoods themselves change little over time, their residents have to move frequently, especially young people just starting out or older people looking to retire – both of whom have to move away in order to find a smaller or more affordable home or apartment.

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[64] Land Use 2025
[65] Project Interview.

Growth Centers can be part of the solution. Growth Centers are compact, walkable centers with a mix of residential, commercial and community uses with clear economic, social and environmental advantages. Whether in a city, suburb or rural town, the growth center model can capture these advantages for Rhode Island communities. In urban and suburban contexts, growth centers are about reinvesting in our communities, and building on existing infrastructure and other economic assets. In a rural context, growth centers are meant to provide opportunities for economic growth, revitalize existing villages, target new development into traditional village patterns, and protect and conserve the state's vital natural and agricultural resources.

Exeter's recently adopted Village Overlay Ordinance, for example, will direct growth into areas that can best support it. Designed with a diverse mix of single-family homes, townhouses and apartments, the village will meet the needs of residents at every stage of life. With more people within walking distance, there will be increased support for local businesses and new jobs. And because the increase in density within the villages will only be possible through the protection of farmland and other open space, the village will help to protect the environment. In addition to this environmental benefit, an analysis of fiscal impacts of Exeter's potential villages found that each new village home will generate $1,500 more than it requires in town services, compared to a net loss of about $1,000 for the more typical suburban home on a large lot.

Increasingly, villages and growth centers are finding economic success because they meet a critical need for smaller homes and apartments. A recent market study for the Wickford Junction area in North Kingstown found a significant demand for apartments. Allowing them would spur redevelopment on the site, meet a need voiced by local residents, and generate positive net tax revenue for the town. Villages can also be centers for rural-oriented businesses, such as farm-based retail, services, processing, and other light manufacturing, to locate close to one another and to potential employees and customers.
More information on village development strategies can be found in the *Village Training Manual*, a publication of the RI Department of Environmental Management sponsored by a Planning Challenge Grant from the RI Division of Planning.

Working Landscapes: Harnessing Economic Value While Preserving Our Farms and Forests

The vast majority of land in rural Rhode Island is zoned for residential use – even if the current use is in fact agriculture or forestry. While farmers can generate revenue from selling their crops, profits can be modest in the best of years – and when the only other option is to sell the land for residential development it is no wonder that so many farms have been subdivided. On forested land, the available cash flow from sale of timber products is even less likely to sustain landowners. For many landowners, splitting off a few house lots from time to time becomes the only way to keep up with expenses. The economic pressures on landowners, combined with the restrictions of traditional zoning, contribute to a haphazard, sprawling pattern of development that is often at odds with a town's goals to protect rural character and quality of life while encouraging appropriate economic development. It also works against elements of the State Guide Plan, including *Land Use 2025* and the desire for more concentrated growth center development. Rhode Island seeks to help towns provide economic incentives for landowners to preserve their land in agriculture or forestry, by identifying appropriate business uses of farm and forest lands, and exploring how towns might encourage such activities through changes in planning policies, zoning and other regulations. The state seeks to:

- Identify small business uses or commercial operations that will help maintain the viability of our farms and provide incentives to limit the development of working farm and forest lands.

- Develop performance standards for these activities that will allow them to coexist within residential zones with neighboring homes and other uses.
- Craft regulatory guidance that communities can use to shape local ordinances that allow for new businesses, help bring existing operations in residential zones into conformity, and apply reasonable performance standards.

More information on this topic can be found in *Community Guidance to Maintain Working Farms and Forests*, a publication of the Rhode Island Department of Environmental Management.

Agriculture and Food Systems

One of the most obvious places where rural land use, village centers, and economic development connect is in Rhode Island's very active food systems movement. More of Rhode Island's residents are close to farms and food sources than in many other states, which makes direct to consumer sales (such as farmer's markets) much easier. While it's easier to get to the farm, it's also easier to get the food to the City. Fresh food is getting into urban areas through urban farming, urban farmer's markets and restaurants. Programs such as Farm Fresh Rhode Island (see sidebar), are strengthening the state's agriculture and food economy.

Objectives of the food "movement" in Rhode Island include:

- Preserving and increasing productive farmland and natural resources in rural areas.
- Increasing access to fresh, local and healthy food, particularly in traditionally underserved areas.
- Reducing the impact of food production and distribution on the environment.
- Strengthening community-based businesses.
- Creating jobs.

Farm Fresh Rhode Island

The Mission of Farm Fresh Rhode Island is to grow a local food system that values the environment, health and quality of life of RI farmers and eaters. They achieve their mission by building capacity, through programming, in three areas:

- Producers – Growing the local food supply.
- Market Connections - Growing new models for the local food system.
- Eaters (consumers) – Growing local demand for good (and local) food.

Despite the burgeoning fresh food movement and growing agricultural sector in Rhode Island, there are challenges, which have been detailed in the Rhode Island Food Policy Council draft agenda and the RI Agriculture Partnership Strategic Plan.[66] All land in Rhode Island is very expensive, thus making it difficult to start or expand operations if land acquisition is required. There is a lack of training and assistance for new and existing farm operators. Jobs in agriculture are typically physically demanding and low-paying, and affordable, convenient homes are hard for farm employees to find. The supply of fresh food in Rhode Island cannot meet the demand. Low-income areas, particularly urban, are still underserved in regards to fresh food. The state has seen recent success in the passing of bills supporting the Right to Farm and Farmland Preservation.

The economic implications of supporting food systems may be small, in terms of jobs created and revenue generated, compared with other local industries. However, maintaining productive farms serves multiple state goals for land use, job creation, business development, and public health. A recent study by the University of Rhode Island estimated the economic impact of the agricultural sector at approximately $170 million in generated revenue and nearly 1,800 jobs, conservatively.[67] The URI study notes that

[66] RIFPC, October 2013 and Rhode Island Agriculture Partnership, A Vision for RI Agriculture, 2010.
[67] Dr. Thomas W. Sproul and Brandon Elsner, *The 2012 Economic Impact Study of Rhode Island Plant-Based Industries and Agriculture*, Department of Environmental & Natural Resource Economics, University of Rhode

Rhode Island historically had the second highest agricultural sales per acre in the country.[68] Analysis for RhodeMap RI found that Rhode Island's agricultural industry has a very low local purchase rate, meaning that the majority of goods and services required to support this industry are not purchased locally. Therefore, there is potential, albeit limited due to the small size of the industry sector, to increase that local purchase rate by producing and selling even more agricultural products locally, targeting facilities to appropriate rural growth centers.

Takeaways

Focusing growth in urban communities is the primary way to preserve the urban - rural distinction. Land Use 2025 suggests more intensive development in urban areas and growth centers, supported by transit improvements, infrastructure investments, affordable housing, and community-supporting activities and employment. The strategy for rural communities accommodates residential and economic development consistent with preserving the natural resources and retaining the open space character of these areas.[69] The state can both preserve natural resources and generate economic development and jobs in its non-urban communities by supporting in particular the agricultural, tourism and marine industries, and encouraging targeted growth in other industries where it can be supported by infrastructure.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Conduct a statewide, comprehensive needs assessment and feasibility study related to agricultural processing and distribution infrastructure.

In order to capture the full economic potential of the recent growth in agricultural production, other sectors that support agriculture production could be encouraged. In their 5-year Strategic Plan, the Agricultural Partnership identified a lack of processing and distribution facilities as a limitation on expansion of farming in the state. Kitchen facilities, "light processing", slaughtering and other facilities are needed to support both the expansion and diversification of agricultural operations. To begin this process, a detailed needs assessment would be needed to answer basic questions about potential locations.

Reduce barriers to the expansion of home-based rural economic development. Provide technical assistance to local governments for implementing DEM's Community Guidance to Maintain Working Farms and Forests.

DEM recently completed a study called *Community Guidance to Maintain Working Farms and Forests*. One agricultural policy expert in Rhode Island called this study "potentially the most significant public policy treatment of the land use regulation of farmland and forests in the last thirty (30) years"[70]. This study developed a local regulatory framework uniquely suited to the way rural businesses get started…in the home or on the farm. Whether a person is looking to sell baked goods from his or her kitchen, or a vineyard wants to host a 200-person wedding, this regulatory system can be scaled to both encourage local business development and protect the surrounding neighborhoods. Technical assistance will be required to retrofit zoning ordinances in Rhode Island's rural communities with this new system.

Island, January 16, 2013. Note: In addition to food production, these figures include landscaping-related agriculture (e.g. sod, flowers).

[68] Sproul and Elsner, 2013.

[69] Land Use 2025

[70] Personal communication with Kenneth Payne, RI Food Policy Council Chairman

ECONOMIC INCLUSION RELATED TO 'AREAS OF OPPORTUNITY'

Introduction

All projects funded under the Sustainable Communities Planning Grant program call for a strong focus on issues of social equity. With respect to the Economic Development Plan developed under RhodeMap RI, this focus is evidenced in the information taken from the Equity Profile of Rhode Island (see Part One), the guidance provided by the Social Equity Advisory Committee and many of the themes that emerged through focus groups, interviews and other discussions. The findings from these analyses and discussions clearly demonstrate that significant barriers exist for communities of color in Rhode Island. Further, based on demographic trends, these findings also show that the ability of Rhode Island to attract investment and create jobs is inextricably connected with our ability to provide opportunity to these communities. Many of the strategies developed for RhodeMap RI are geared to increasing opportunity for those most in need in our state.

Race, Place, and Opportunity

Decades of social science research have demonstrated that neighborhood conditions and access to opportunity play a significant role in life outcomes.[71] The challenges facing marginalized communities are long-term, multifaceted, and interrelated, and the disparities facing marginalized communities have been widening. These inequalities are further exacerbated by the economic downturn and the fallout from the housing and economic crisis. Sustainable growth that is sensitive to the needs of marginalized populations requires multifaceted solutions.

Many advocates are coming to understand that no single negative factor leads to the creation of a marginalized community. Rather, a range of factors—including high rates of incarceration, neighborhood disinvestment, housing barriers, educational and early childhood challenges, and labor market discrimination—act in combination, restricting marginalized groups from access to opportunities and severely limiting the individual and collective ability to build assets.[72] Lastly, research has consistently demonstrated that these multi-dimensional patterns of structural disinvestment tend to be highly racialized, meaning that people of color are disproportionately concentrated in areas of low opportunity.[73]

- 24% of the state's African Americans and 27% of Latinos live in concentrated areas of poverty.
- These figures are approximately double for African Americans and Latinos living in public housing
- Over 85 percent of African American and Latino school age children live in Rhode Island's seven cities.

Patterns of racial and spatial isolation are often the result of historic policies and practices, some of which were overtly racist. Policies like mortgage redlining and suburban highway investment often created an inequitable and segregated social landscape, resulting in uneven opportunities and burdens that persist in the present day, perpetuating spatial and racial inequality.[74]

One of the more compelling set of analyses related to social inequities in Rhode Island (and elsewhere) is that which explores the geographic dimensions of inequalities and opportunity. The Housing Plan

[71] Sampson, R. J., Morenoff, J. D., & Gannon-Rowley, T. (2002). Assessing "Neighborhood Effects": Social Processes and New Directions in Research. *Annual Review of Sociology, 28*, 443–478.

[72] Sampson, R., & Graif, C. (2009). Neighborhood Social Capital as Differential Social Organization. *American Behavioral Scientist, 52*(11), 1579–1605.

[73] Wilson, W. J. (1987). *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy, Second Edition*. University of Chicago Press.

[74] Briggs, X. de S., Popkin, S. J., & Goering, J. M. (2010). *Moving to Opportunity: the story of an American experiment to fight ghetto poverty*. New York: Oxford University Press.

developed for RhodeMap RI examines many of these aspects of inequity in great detail because of the new requirements related to plans for an Analysis to Impediments and the Fair Housing Equity Assessment. While these analyses were developed as part of the Housing Plan, the findings are equally important to the Economic Development Plan. Among the many documented inequities, it was found that people of color are far more likely to live in Rhode Island's handful of racially/ethnically concentrated areas of poverty and that the state's public school system is highly segregated.

The Concept of Opportunity Mapping

As part of the RhodeMap RI project, the state received technical assistance from the Kirwan Institute for the Study of Race and Ethnicity (Kirwan). Part of this assistance came in the form of developing Opportunity Maps for the entire state. Kirwan originally developed the concept of "Opportunity Mapping" in 2003 as a remediation tool in the Baltimore subsidized housing case, *Thompson v. HUD*. Since then, the Institute has worked with regional partners across the country to develop opportunity maps for a variety of equity and community development applications. Examples of this variety of uses include targeting housing investments in Massachusetts, studying how equitable Recovery Act investments were in Florida, transit-oriented development in Seattle, and targeting strategic housing and neighborhood investments in Austin.

In addition to the prescriptive policy and investment applications of opportunity mapping, it is also a powerful tool for convening challenging dialogue among community leaders and stakeholders. The themes of race, class, and opportunity are challenging to talk about in every region, but using opportunity mapping has proven to be a helpful way of engaging these themes by grounding them in data and explaining the complex *structural* biases at work in communities.

The Approach to Opportunity Mapping

Because of its original application in the courts, opportunity mapping has necessarily been grounded in a body of social science research that identifies specific neighborhood factors that contribute to healthy childhood development and positive life outcomes for adults. The opportunity index includes five broad categories: Education, Health and Environment, Economy, Transportation and Mobility, and Housing and Neighborhoods. Each of these broad categories of opportunity, in turn, is comprised of a series of individual indicators which are scored and aggregated by census tract. The resulting score for each individual category, as well as a composite of all categories, can be mapped in a color coded fashion to display a "gradient" of opportunity across census tracts. A list of research articles corresponding with indicators used in the opportunity index can be found in Appendix B as well as the statewide maps for each category (e.g., Economy, Transportation, etc.).

Opportunity Mapping Results for Rhode Island

The maps developed for Rhode Island reinforce the findings of the housing analyses, previous study (e.g., *Equity Profile of Rhode Island*), and the everyday experience of many residents who contributed to the process. From a statewide perspective, those areas that show the highest access to opportunity are those generally thought of as the more affluent parts of the state. In some cases, these areas of high opportunity cover most or all of an individual municipality. It is interesting to note that some of the most affluent areas of the state do not score the highest as areas of opportunity. This is primarily due to the inclusion of a transportation index in the composite score as well as proximity to jobs. While communities like Little Compton, for example, may score high relative to income and education, the lack of transit access and low numbers of jobs serve to drop the composite opportunity score from the highest level.

At the opposite end of the spectrum, areas of low opportunity are concentrated in more urbanized parts of the state, particularly those where the population has high percentages of people of color. While these

areas may be in close proximity to job centers and often have much higher access to public transit, the educational, housing and health indicators used for opportunity mapping quickly pull these census tracts down to the lowest relative scores.

Takeaways

The Opportunity Mapping analyses highlight the necessity of considering aspects of economic development that are often overlooked in traditional plans. The areas that show the lowest scores in Rhode Island, in particular, highlight the relationship between job creation, housing, education, and environmental health. For example, if populations in our urban core areas are ever going to have ready access to the jobs in nearby employment centers, the housing conditions and educational systems in these neighborhoods need to improve. If residents are "house poor" or subject to the irresponsible practices of absentee landlords, their ability to find time for other commitments like additional job training will be significantly compromised. If school systems in our urban core cannot cultivate an ethic of learning and provide strong basic skills, students will not be ready for career development after graduation. These are real issues for Rhode Island today and must be understood as integral components of our approach to economic development.

As stated elsewhere in this plan, investment in urban areas must be steady and patient if we are going to see real change in the economic conditions of our most stressed neighborhoods. In the years following the adoption of this Economic Development Plan, the state will continue to collect the data used to develop the Opportunity Maps. These indicators and the visual display of data will be one of the many ways in which the state tracks the performance of the strategies in the plan and, specifically, their effectiveness in improving issues related to social equity.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Identify sustainable, permanent funding sources to maintain and expand public transportation.

Rhode Island historically relies on the gas tax to fund its primary means of public transportation: the RIPTA bus system. As revenues from the gas tax continue to fall, RIPTA is faced with ever increasing budget challenges and finds itself in an unsustainable situation. The Transportation and Debt Reduction Act of 2011 created a trust fund that, in its original inception, would be used to alleviate some of the budget pressures faced by RIDOT and RIPTA. But the legislation was amended before it passed and RIPTA was no longer eligible for funding from the trust fund mechanism.

One of the core objectives of mapping Areas of Opportunity is to identify census tracts that have high opportunity scores, then identify strategies that can increase access to those areas for people living in lower opportunity areas. Access could include moving to a different community or simply finding employment in an area of higher opportunity. One of the obvious hurdles with connecting different census tracts deals is the current low levels of service for public transportation outside of the urban core areas. Another core objective of mapping Areas of Opportunity is to identify census tracts with lower opportunity scores and target strategies to improve quality of life in those areas.

Whether looking to connect lower opportunity areas to higher opportunity areas, or improving conditions in lower opportunity areas, public transportation is a key component to either approach. Without

significant increases to RIPTA's funding that can be sustained for the long-term, efforts to improve opportunity mapping scores will be hampered.

Exempt Growth Centers from the state's tax levy cap to remove disincentives for public and private investment.

Update in 2007, the state's property tax levy cap limits the allowable growth in total revenues from property taxes to a fixed rate of four percent each year. Any revenue exceeding this cap must be returned to the taxpayers and absorbed by a municipality through spending reductions. The levy is not a restriction on the growth of the tax rate, but rather on the total revenue collected. Exceptions to the levy are granted for the following situations:

1. Loss of non-property tax revenue;
2. Fiscal emergency;
3. Increase in debt service obligation; or
4. Growth that necessitates increased expenditure for infrastructure or municipal services.

Critics of the policy believe that the levy cap creates a disincentive for local communities to expand their commercial tax base or pursue economic development projects because it caps the potential benefits to the municipality. With some communities already at or over their cap, the benefits of new investment would be limited from a tax revenue perspective. Further, an assessment performed by GrowSmart RI revealed that, while many municipalities have used the first three exemptions listed above, none have used the fourth. The fact that no municipality has ever sought approval to exceed the levy cap based on "growth" underscores the concern about stalled economic development at the municipal level. The statute assumes growth would occur *first* and *then* necessitate infrastructure investment, when in fact substantial growth might not be able to take place *without first* making the public investment in infrastructure to accommodate desired growth.[75]

The recommendation from this economic development plan is to revisit this issue and add designated Growth Centers to the list of exemptions for the tax levy cap. This legislative amendment will not only allow municipalities to realize the fiscal benefits of smart growth, but will also encourage public infrastructure investment in these areas.

Revitalize the state's Enterprise Zone Program to re-establish it as an effective redevelopment tool.

Over the course of the RhodeMap RI process, many participants talked about the possibility of revitalizing the state's Enterprise Zone Program. Most people who were knowledgeable of the program believed that changes to the legislation had weakened it over time and, a once viable economic development tool had become ineffective. In discussions with those most familiar with the program and the changes that were made over time, the following ideas were identified as worthy of consideration:

a. Reducing the geographic area covered by the program to create a more targeted and strategic approach;
b. Removing or revising eligibility restrictions built into the program in order to have a wider variety of corporate structures participate;
c. Create a preference for designated Growth Centers;
d. Increase the benefits to businesses that provide direct local community benefits.

[75] GrowSmart legislative brief.

DRAFT

HOUSING AND ECONOMIC DEVELOPMENT

During the interview and outreach process for this project, the residential construction industry attributed its struggles to regain losses since the recession to the lack of jobs available for young professionals and recent college graduates. According to them, the state economy drives housing demand and without business growth, construction will stagnate. At the same time, employers blamed the lack of housing that is affordable for that same age group, as the reason they couldn't find suitably skilled candidates to fill job vacancies. So, what comes first? The answer is not straightforward. But it is certain that housing and the economy are inextricably linked. This policy brief outlines how housing – and specifically housing that is affordable to a variety of populations – is necessary to support and grow Rhode Island's economy.

Housing Construction and Redevelopment

Housing construction and redevelopment are intricately tied to economic development by providing housing for workers and business owners (at all ranges of affordability) and creating jobs in the construction industry. According to the Rhode Island Builder's Association (RIBA), each new single-family house built creates three new jobs.[76] This is particularly important to an industry that saw its workforce decrease by 35 percent primarily due to the economic recession. RIBA's March 2014 Builder's Report indicates that the construction industry is improving, but remains far below pre-recession levels of activity (based on single-family housing permits).[77]

Continuing to invest in housing, non-residential, and even infrastructure projects will have the secondary effect of creating more jobs. Construction jobs tend to have lower barriers to entry – a college degree is not required and it is one of the few industries that will hire someone with a criminal history. An entry-level construction job pays $16.79 per hour, twice the state-mandated minimum wage.[78] The median hourly wage is $22.49, which is a living wage in Rhode Island for all household types except single parents with more than two children.[79]

In addition to job creation, redevelopment of existing buildings generates economic revenue for local municipalities and the state overall. "Recent history indicates that for every dollar invested in redeveloping historic buildings through the State Historic Tax Credit program, over five dollars of economic activity is generated for the local and state economy."[80] Rhode Island has a number of examples of redevelopment of its historic mill and industrial buildings – whether they be in downtown Providence, North Smithfield, Westerly or Burrillville. These projects have generated economic and neighborhood benefits, by increasing property values, remediating contaminated sites, providing new housing, increasing access to jobs and amenities, and generally improving neighborhood aesthetics. The state's urban communities, in particular, still have a number of these underutilized properties with millions of square feet of unused space.

Ability to Retain Young Talent

The so-called "brain drain" has been reported as one of the significant barriers to growing Rhode Island's economy. According to the Association of Independent Colleges and Universities (AICU), one in three Rhode Island students stay in the state after college (and most of these were not born here), ranking 45th in

[76] Project Interview.
[77] Paul Eno, RIBA, "Single-family permits up 20% in 2013, but look again" The Rhode Island Builder Report, March 2014.
[78] Labor Market Information, Rhode Island Department of Labor and Training (OES wage data as of May 2012).
[79] 4ward Planning Inc., Occupational Transferability Analysis prepared for RhodeMap RI.
[80] http://www.golocalprov.com/business/guest-mindsetter-steve-durkee-why-providence-needs-superman/

the Nation and 5th in New England.[81] Nationally, approximately "seven out of every ten members of the college class of 2008 stayed in the same state as their alma mater after graduation, according to the Federal Reserve Bank of Boston."[82]

Share of Respondents Living in the Same State as BA Institution One Year after Graduation (organized by rank, 2008)

Rank	Institution State	Percent
38	Massachusetts	52.0%
39	Maine	51.7%
41	Connecticut	47.9%
44	New Hampshire	38.4%
45	**Rhode Island**	32.7%
47	Vermont	20.0%

Source: State Data Appendix for New England Public Policy Center's 2013 Policy Brief," Retaining Recent College Graduates in New England: An Update on Current Trends" by Alicia Sasser Modestino

The state graduates approximately 17,000 students per year. Using the AICU's figures, that means more than 11,300 recent graduates leave Rhode Island annually. They may move to other states where there are either more jobs at higher pay (e.g. Boston, New York City) or a lower cost of living. Students choose to leave Rhode Island for many reasons, and no formal survey has been conducted. However, anecdotal evidence suggests that these reasons do include:

- lack of high skilled jobs
- high cost of living
- types of housing available
- high barriers to entrepreneurship
- higher salaries and/or quality of life in adjacent states
- other non-economic factors (e.g. proximity to family, local amenities, educational choice)

There are contrary views on the cause and effect, however. Employers and the state's workforce partners identify the exodus of recent graduates as a large factor for the mid-skill jobs that reportedly go unfilled in the manufacturing, information technology, bioscience, and professional service industries, among others. On the other hand, the AICU argues that the lack of highly skilled jobs offered (approximately one for every ten graduates, according to their figures) is the precise reason recent college graduates leave Rhode Island.

One contributing factor is that Rhode Island has the lowest percentage (20 percent) of enrolled freshmen who are native to Rhode Island (using 2006 data), compared to all other New England states.[83] The next closest state is Vermont (30 percent) and the highest percentage of students staying in their home state to attend college is Maine (60 percent). Assuming this finding holds true today, it suggests the state and its institutions can do more to encourage non-native students to stay in Rhode Island after college by

[81] Project interview and Alicia Sasser Modestino, Boston Federal Reserve, New England Public Policy Center Policy Brief 13-2, "Retaining Recent College Graduates in New England: An Update on Current Trends," May 2013 accessed via http://www.gotoapiary.com/destination-education-the-brain-drain/.
[82] John Perilli, "Brain Drain Should Scare Us," GoLocalProv, December 4, 2013.
[83] Alicia Sasser, Boston Federal Reserve, New England Public Policy Center, Research Report 08 -1, "The Future of the Skilled Labor Force in New England: The Supply of Recent College Graduates," September 2008.

educating them about the benefits of living in Rhode Island and providing strong connections between employers and students (e.g. internships, apprenticeships).

Yet the findings from Economy RI present another important perspective. According to the New Economy Index, Rhode Island ranks third in attracting knowledge workers to the state. Factors that contribute to this positive ranking include a strong higher education system, a large number of high-wage, professional and managerial jobs, and a high quality of outdoor life.[84] Therefore, while many of its younger population may be leaving – before or after college – many other highly-trained professionals are coming from outside the state for employment opportunities.

Regardless of the reason, this segment of the population is vital to the Rhode Island economy. Provided they have opportunities to earn a living, they will pay taxes, spend money, buy housing, generate new ideas and start businesses, and in doing so contribute to economic sustainability. In order to continue to retain and attract the younger, educated population, the state needs to ensure there is: (a) housing that is affordable and desirable (e.g. rental properties with transit access); (b) middle- to high-wage jobs consistent with their education levels; and (c) access to nightlife and outdoor recreation.

Housing Cost and Quality of Life

According to Anna Cano Morales, Director of the Latino Policy Institute at Roger Williams University, "it's simple math. If a household is spending too much of its income for rent, it has less to spend on other necessities such as food and clothing, as well as discretionary purchases that help strengthen the local economy."[85] This highlights another important nexus between housing cost and Rhode Island's economy. Providing housing that is affordable to a variety of Rhode Island residents, but in particular the lower-wage earners, is critical to elevating their quality of life and subsequently improving the overall economy. As reported in Part 1 of this plan, all counties but Providence County have a shortage of affordable housing and specifically housing available for low-wage workers. This mismatch of jobs and housing decreases employment opportunities for populations who are already economically disadvantaged.

Having access to quality affordable housing can help attenuate the high costs of living, even when someone does not have the skill set to acquire a high-wage job. According to *An Equity Profile of RI*, 48 percent of renters and 37 percent of homeowners in Rhode Island spend more than 30 percent of their income on housing, which is the definition for being "cost burdened." This is disproportionally felt by communities of color, particularly Latino and African Americans who have the highest rate of cost burden.

Percent of Housing Cost Burden (2006-2010)

	Renter	Homeowner
Latino	57%	63%
African American	52%	57%
Asian/Pacific Islander	49%	44%
White	45%	35%
Other	47%	56%
All	48%	37%

Source: PolicyLink and PERE, An Equity Profile of RI, 2013

[84] Economy RI, 2013.
[85] Christine Dunn, "High Housing Costs a Heavier Burden for Latinos," Providence Journal, February 27, 2014.

Consumer spending accounts for approximately 70 percent of economic growth.[86] That ability of residents to spend money has significant implications on Rhode Island's economic health. Those with higher incomes and less housing burden have more money to spend (or, discretionary income). If the housing burden is relatively low (closer to 30 percent), a person may be able to spend money on basic necessities such as food, transportation, and utilities. However, for the most part, the housing cost burdened segment of Rhode Island's population generally cannot contribute to the Rhode Island economy through consumer spending.

Takeaways

Policies designed to boost housing construction and redevelopment in Rhode Island will have multiple impacts. First, it will provide a much-needed boost to the construction industry and create jobs for workers with lower skills and lower education levels. Second, targeted construction of many more quality rental units, affordable to low-wage workers will help lower housing cost burdens. With lower housing costs and better quality housing, traditionally disadvantaged communities will have greater opportunity to improve their quality of life. Additionally, the creation of more affordable housing attractive to the recent college graduates (therefore, in urban areas or growth centers with access to transit and amenities), will be one piece of the puzzle to encourage more of Rhode Island's youth to remain in the state. Third, lower housing burdens for low-wage and entry- or mid-level workers may free up resources to purchase more goods and services or even start a business, both of which will stimulate the local economy.

Consistent with state policy related to land use, transportation and housing, the focus on housing development and redevelopment will be in areas served by infrastructure (or planned future infrastructure). Designated Growth Centers will play a vital role in providing high quality housing choices for all of Rhode Island's residents while bolstering connections to jobs and everyday needs.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Build state's capacity to provide growth center visualization techniques (renderings, etc.) for municipalities to help communities better understand the more technical aspects of regulating density and design.

One of the biggest barriers to increasing workforce housing production and economic activity in many Rhode Island communities is local resistance to change. Whether resistance comes from the general public, local officials, or existing business owners, it is generally rooted in fear of words like "urban" or "density". Particularly in rural or suburban bedroom communities, phrases like "housing diversity" or "mixed use" can conjure images of 10-story apartment buildings or giant shopping plazas that would not only be completely out of place, but also misrepresent what would be considered good planning. In these situations, the zoning reform that is required often does not get passed or new zoning gets passed with so many restrictions that development simply is not viable.

One of the most effective tools in easing local anxiety over the concept of growth centers includes computer generated visualizations of what future development could look like. Photo-simulations of "before" and "after" scenarios can clearly show the scale, and design of future development and very clearly communicate the long-term goals for any regulatory reform. Developing these visualizations requires specific training that local planning officials often do not have. Hiring consultants that do have

[86] Hale Stewart, "Consumer Spending and the Economy," New York Times, September 2010.

these skills can also be expensive. Statewide Planning could develop these skills "in house" by investing in intensive training for design software like SketchUp, Adobe Photoshop, and other similar programs. At least two state employees should become adept at these techniques through training programs that would likely last between one and two years. Once trained, state level employees could provide visualization services to any municipality as part of an incremental, but essential, campaign to reform local regulations for growth centers.

Adopt revised legislation for the Transfer of Development Rights (TDR) to facilitate strategic, increased economic activity and housing development. Use RIDEM draft legislation as a starting point.

Implement local and regional Transfer of Development Rights (TDR) to increase housing density while preserving open space.

The two strategies listed above are part of the ongoing push in Rhode Island to implement Transfer of Development Rights (TDR) effectively, particularly to unlock the potential for growth centers in rural communities. In brief, TDR programs allow communities to designate important natural, agricultural, or historic areas they would like to see preserved (sending areas) as well as areas where they would like to see greater development density, such as a downtown, commercial strip, or village center (receiving areas). Developers then purchase credits to preserve portions of the sending areas, which are then "sent" to a receiving area, allowing for greater density where it is most desired. Based on researching TDR programs all over the country, many Rhode Island communities have the right conditions for using this tool. The regulatory tool allows a municipality to simultaneously preserve undeveloped farmland or forest while increasing economic activity in village centers by shifting or "transferring" development rights from one area to another. DEM recently published a TDR Manual that provides a very detailed review of TDR and how it can be applied in Rhode Island.

Rhode Island legislation currently allows municipalities to incorporate TDR into local zoning ordinances, with Exeter and North Kingstown being the only two that have done so thus far. In recent studies commissioned through the state's Planning Challenge Grant program, several improvements to the state legislation were identified and a draft of new legislation was prepared. This replacement legislation would simplify the language and broaden the potential resources that could be preserved (e.g. scenic, environmentally sensitive, agricultural, historic, etc.) Importantly, it would specifically enable the ability to use a "fee-in-lieu" mechanism that would significantly streamline the TDR process and make TDR far more appealing to municipalities and developers.

INFRASTRUCTURE

Introduction

This policy brief identifies the state of valuable infrastructure systems in Rhode Island which, for the purposes of this section, includes transportation, water, and wastewater assets. Individual elements of these systems described in this brief include: highways and roads, bridges, rail and bus transit, ports and airports, as well as drinking water and wastewater infrastructure. Identifying and assessing critical infrastructure needs and challenges will be essential to evaluating the implementation of this economic development strategy.

Snapshot of Existing Transportation Infrastructure

Highways and Roads

Rhode Island is part of the I-95 highway corridor. This highway system and Rhode Island's two adjacent interstate highways, I-195 and I-295, make up 70 miles of highway and serve as connectors for traffic between New York, Boston, and Cape Cod. The Rhode Island Department of Transportation (RIDOT) carries out most highway projects in the state and contracts with the Massachusetts Bay Transportation Authority (MBTA) to provide commuter rail service on the Amtrak main line. The Rhode Island Public Transit Authority (RIPTA) operates a statewide public bus transit system.

In addition to the interstate highways, Rhode Island has more than 6,700 miles of roads, including arterial and collector roads and local streets. Some of these roads are maintained by the state while others are maintained by Rhode Island's 39 cities and towns. Specifically, some of the arterials are locally maintained, while the state maintains lower-level collectors. These mixed maintenance and financial responsibilities for arterial and collector roads and local streets reflect the historical evolution of the highway system in Rhode Island and add a level of complexity to planning, funding and performing maintenance to these roads. Additionally the state runs a pavement management program, which uses a grading system to illustrate road condition. This grading system assigns a 'PSHI' score for road condition, which is arrived at by assessing cracking (eg., alligator, block, transverse and longitudinal) as 40%, rutting as 30%, and International Roughness Index (IRI) – a measurement of ride quality – at 30%.

According to RIDOT, highway capacity has remained relatively static in the state but has experienced increases in the number of registered vehicles and vehicle miles traveled. It is likely that highway and roadway projects will be focused on improvements to existing highways and roads. Prioritized highway and roadway improvements and expansions have historically been derived from projects highlighted in Transportation Improvement Plans (TIPs) and funding is often generated from federal, and to some extent, state sources.[87]

Railways and Buses

RIDOT contracts with the Massachusetts Bay Transportation Authority (MBTA) to provide commuter rail service on the Amtrak main line and the Rhode Island Public Transit Authority (RIPTA) operates a statewide public bus transit system.

MBTA operates weekday and weekend commuter rail service between Boston and Providence, and weekday commuter rail service between Boston and Wickford Junction, while RIDOT contributes capital funding for projects benefitting the Providence line (i.e. Pawtucket layover yard, trainsets, station

[87] http://www.planning.ri.gov/statewideplanning/transportation/tip.php.

improvements, etc). The commuter rail service carries about 2,000 riders/weekday from Providence and 900 riders/weekend day. As of 2012, there were 17 inbound trips/weekday from Providence to Boston and 19 outbound trips/weekday from Boston to Providence. There also are ten inbound and ten outbound trips per weekday south of Providence at the Interlink Station in Warwick and Wickford Junction in North Kingstown to Providence and Boston.

The State of Rhode Island created dedicated sections of a third track along Amtrak's northeast corridor (NEC) to allow freight rail to operate alongside Amtrak's passenger service. As a part of this project, the clearance on the rail line was increased to allow automobile carriers with stacked vehicles access to the Quonset Business Park. With 15 miles of track and numerous sidings connecting to the NEC, the park also continually reinvests to maintain and improve their NEC connection.

RIPTA's five year strategic plan was completed in 2012. The plan outlines major goals for RIPTA including but not limited to: attracting more riders, growing the transit network to expand mobility and support economic growth, and realizing the environmental, economic, and quality of life benefits of transit. To this end, RIPTA offers a variety of programs including: *flex service,* whereby buses do not follow a regular defined route. Instead, they travel directly to the next pick-up/drop-off location or time point. This service links patrons with destinations within the zone and with scheduled stops on fixed route transit lines. RIPTA also offers demand-responsive transportation to low income, elderly and disabled people through the *RIde program*.

Bridges

As of 2012, Rhode Island owned 611 bridges and culverts, and cities and towns owned 149 bridges on the National Bridge Inventory. Two of the largest bridges in the state, the Mt. Hope Bridge, and the Pell Bridge at each end of Aquidneck Island, are operated by the Rhode Island Turnpike and Bridge Authority. Statewide, there are 772 bridges on the National Bridge Inventory which require ongoing maintenance.

The percentage of structurally deficient bridges has slightly increased from approximately 21.4% to 22% from 2012 to 2013, and the percentage of functionally obsolete bridges has experienced a slight decrease from approximately 29% in 2012 to 28% in 2013. Rhode Island's TIP program allocates $39.5-$46 million per year to bridge rehabilitation. However, more funds will likely be needed to accommodate regular bridge maintenance in the coming few years.[88]

Roadway Transportation Funding

Provision of adequate and predictable funding for transportation is an enormous challenge in Rhode Island. Whether investments are made in the construction, repair, and maintenance of Rhode Island's transportation infrastructure or in public transit, including commuter rail managed by the Rhode Island Department of Transportation (RIDOT) and bus and other transit services operated through the Rhode Island Public Transit Authority (RIPTA), the needs are greater than available resources.

While many states rely on Federal transportation funding as a component of their programs, Rhode Island has been exclusively dependent. The state-funded program has been limited to the 20 percent state match for the Federal capital program, and has historically been provided through bonding. Reliance on bonds for the state match created a cycle of increasing debt, while at the same time, the state gas tax has been declining as more fuel-efficient cars gain traction in the market and Americans drive less due to the

[88] http://www.planning.ri.gov/documents/trans/LRTP%202035%20-%20Final.pdf.

increased cost of gas and other demographic factors. RIPTA relies heavily on the state gas tax, fueling 45% of its operating budget. .

Without exception, studies conducted over the last two decades have determined that 1) insufficient revenue is generated from available transportation funding sources (federal funds, State bond funds and the State gas tax) for infrastructure construction, maintenance, and operation of the statewide transportation system, and 2) new revenue sources are needed.

Most recently, the Rhode Island Public Expenditure Council report "Transportation at a Crossroads" (2002), the 2008 Governor's Blue Ribbon Panel on Transportation Funding, the 2011 Senate Special Commission on Sustainable Transportation Funding, Transportation 2035, the State's Long Range Transportation Plan (2012), and the Special Legislative Commission to Study the Funding for East Bay Bridges each recognized that diversification of the revenue sources used to fund transportation is critical to the health of our roads, bridges, and transit systems.

Progress has been made on this issue in recent years. Effective July 1, 2013, Rhode Island licenses and motor vehicle registrations were subject to surcharges, phased in over a three-year period as part of the Transportation Investment and Debt Reduction Act of 2011. The legislation created the Rhode Island Highway Maintenance Account, administered by the director of RIDOT. All funds collected were required to provide a portion of the state match for the federal transportation program, thereby reducing the state's reliance on borrowing to gain access to these funds. In addition, Rhode Island Capital Plan (RICAP) funds, a statewide source of capital project investment, have been dedicated to eliminating future bond borrowing to provide the state match. The last of the previously issued General Obligation bonds for state match will be used by RIDOT in FY2015. However, despite this progressive change, no additional funding was allocated RIDOT and RIPTA: both agencies continue to require increased and more predictable funding sources if the state is going to be able to maintain roads and bridges, along with expansion of public transportation options to meet the increasing demands of our population.

Legislation to establish a state-funded transportation infrastructure program was proposed in both the Rhode Island House and Senate in the spring of 2014. Developed, in part, as the result of legislative study of the issues surrounding transportation funding, the bill was incorporated into the FY2015 Appropriations Act (2014-H-7133) as Article 21 and built on prior efforts of the Governor and General Assembly to restructure transportation funding in Rhode Island.

The FY2015 Budget as Enacted provided future additional revenue for transportation infrastructure and maintenance funding, ranging from $30.0 million in FY2017 to nearly $80 million over current levels in FY2024. Article 21 made a number of specific changes to transportation-related fees and deposited additional revenue into the Highway Maintenance Account (HMA). The FY2015 Budget as Enacted specifically:

- Eliminated the authority of the Rhode Island Turnpike and Bridge Authority (RITBA) to toll the Sakonnet River Bridge, but did not return the Sakonnet and Jamestown to RIDOT;
- Transferred 3.5 pennies of the gas tax (an estimated $14.5 million annually) to the Rhode Island Turnpike and Bridge Authority for maintenance of the four-bridge East Bay Bridge System;
- Transferred various new and increased motor-vehicle associated revenues to the HMA, including an increased vehicle inspection fee;
- Phased-in a transfer of all existing motor vehicle registration and license fees from the General Fund to the HMA, beginning in FY2015;
- Provided for indexing of the motor fuel (gasoline) tax on a biennial basis, beginning in FY2015, using the Consumer Price Index for Urban Consumers (CPI-U);

- Included language allowing for the more flexible use of the HMA (which was initially established in 2011 to provide the non-bonded match to the Federal program) for "programs designed to eliminate structural deficiencies of the state's bridge, road and maintenance systems and infrastructure."; and
- Provided that 5% of available proceeds in the HMA will be allocated to RIPTA for operating costs, beginning in FY2016.

While the passage of Article 21 of the FY2015 Budget is an important step to creating a state-funded program for transportation infrastructure and transit, there are still critical needs which remain unmet. As an example, RIDOT recently estimated transportation infrastructure needs over ten years at more than $2.4 billion, while current resources of $1.4 billion are provided.

Airports and Ports

Rhode Island has six state-owned airports that are operated by the Rhode Island Airport Corporation (RIAC). T.F. Green Airport in Warwick is the primary commercial airport (served by seven airlines). T.F. Green has experienced a fluctuation in passenger activity over the last 10 years. After reaching a high of nearly 6 million annual passengers in 2005, RIAC has seen a slight decline as a result of the economic recession and aircraft seating reductions related to higher fuel costs and airline mergers. Other airports include the Newport and North Central airports which serve general aviation. Quonset serves general aviation and the RI National Guard. Block Island and Westerly also accommodate general aviation with limited commercial service between the two. The Block Island airport is also critical for emergency service.

Rhode Island's Port of Providence is a significant hub for global and regional commerce, providing for goods and services for a population of over a million people. Commercially, the Port of Providence handles liquid, dry, and breakbulk cargoes exceeding 2.7 million tons annually as of 2008. In addition to commercial-cargo, the Port of Providence has an active working waterfront, driving economic development for the state. The Port of Providence is responsible for hundreds of jobs including tradesmen, truck drivers, service technicians, etc. It is considered to be one of the few remaining sources of well-paid blue-collar jobs in Rhode Island with Port-sector workers earn, on average, about $50,000 annually. In addition, Providence's working waterfront is the main source of heating oil for Rhode Island, Southeast Connecticut, and Central and Southeast Massachusetts.

Rhode Island's Quonset Business Park – an economic development hub – is home to more than 175 Rhode Island companies, employs more than 9,500 full and part-time workers, and stretches across 3,207 acres. A driver of economic growth in Rhode Island, the quasi-state agency Quonset Development Corporation (QDC) was created in 2005. In addition to bringing job growth and revenue to this area, QDC is responsible for property development, business park management, utilities, and port operations at Port Davisville, which handles roll-on/roll-off (RO/RO) cargo, processed fish, project cargo, NOAA vessel and future lift-on/lift-off (LO/LO) cargo – break bulk (lumber), containers, and wind components. Port Davisville, Rhode Island's public port, is the in the top 10 auto importers in the U.S. with a record breaking 173,295 autos arriving by sea in 2013. In addition to the economic development associated with the active Port Davisville, several projects are underway at the Quonset Business Park including the *Gateway at Quonset Point,* which is a 72.5-acre mixed use development that will house offices, pedestrian space, restaurants, a hotel and the Shops at Quonset. Future plans for the port include Plans an assembly facility for Deepwater Wind to take advantage of the park's water access and infrastructure.

Existing Wastewater Infrastructure

Out of 39 Rhode Island cities and towns, 30 are fully or partially sewered – leaving nine communities with no public/centralized wastewater treatment. RI has 19 major municipal plants, including seven regional facilities. Thirteen of those plants discharge into tidal waters, while the other six discharge to rivers.[89] The 19 WWTFs have a total average daily flow of 130 million gallons and an average design flow of 213 million gallons per day.

Rhode Island's nine municipalities with no wastewater systems:

1. Glocester
2. Foster
3. Scituate
4. Exeter
5. Hopkinton
6. Richmond
7. Charlestown
8. Portsmouth
9. Little Compton

Rhode Island's wastewater treatment facilities (WWTFs) currently face significant sector-wide challenges including more stringent nutrient limits for discharge waters, facility and collection system impacts from extreme weather and potential changes in climate, and limited options for sludge management.

Many WWTFs are dealing with more stringent nutrient limits for nitrogen and phosphorous. As a result, facility operators and managers struggle to find the funds to implement facility upgrades in order to meet new standards. Facilities can apply for Clean Water State Revolving Fund loans, but those funds will ultimately need to be recovered through rate increases.

In addition, potential capital expenditures are also needed to deal with aging infrastructure and impacts from extreme weather events. Such impacts may include sanitary sewer overflows, combined sewer overflows, inflow and infiltration, inadequate treatment capacity, and cleaning and maintenance of aged infrastructure. To account for extreme events, many RI communities have constructed WWTFs and collection systems to withstand 100-year floods under hurricane conditions (e.g., the East Providence WWTF). However, hurricane storm conditions, combined with projected sea level rise in Rhode Island, may threaten operations at coastal or riparian WWTFs.[90] Most recently, the wastewater treatment facility in Warwick was completely overwhelmed in the Spring of 2010 and significant resources have since been allocated to develop measures t prevent this in the future.

Rhode Island's WWTF sludge is generally transported to one of two in-state privately operated facilities to be incinerated. Some WWTFs have utilized different options such as manufacturing sludge to be used for fertilizer but most WWTFs transport sludge offsite. WWTF operators in Rhode Island have indicated that there is a lack of viable options for sludge disposal. The in-state operators generally operate at capacity and handle considerable quantities from out-of-state sources. This could signify a potential vulnerability for the sector if a contracted facility cannot operate for an extended time..

During heavy rain storms, combined sewer overflows (CSOs) in Providence, Pawtucket and Central Falls contribute to the area's water quality degradation by releasing untreated combined sewage into the Narragansett Bay and its tributaries, namely the Blackstone, Moshassuck, Providence, Seekonk, Woonasquatucket, and West Rivers – causing pollution and posing public health risks. To combat this, beginning in 1993, the Narragansett Bay Commission (NBC) began a comprehensive CSO abatement program. The first two phases of the CSO project are nearing completion in Providence with the final phase of the project to take place in Pawtucket and Central Falls. As of May 2014, the total project cost is approximately $578 million. Many ratepayers have seen a 2 percent annual increase since 2001 and likely cannot bear the financial burden of additional rate increases. Infrastructure investment in these urban areas is needed to continue this project, reduce the amount of overflows, and ensure water quality and public health.

[89] http://www.dem.ri.gov/programs/benviron/water/permits/wtf/potwops.htm#muni
[90] http://www.health.ri.gov/materialbyothers/SafeWaterRIReport.pdf.

While there are some challenges for WWTFs which require attention, significant energy efficiency upgrades have been implemented across the state. Subsidized by funding from National Grid and ARRA funds[91], these upgrades include onsite renewable energy generation (e.g., wind turbines) and energy efficient motors (e.g., variable frequency drives or VFDs). Increased energy efficiency at WWTFs likely leads to lower long term operational costs for power generation, enable plant self sufficiency, and decrease the WWTF carbon footprint.

Water Supply Infrastructure

Providing safe and sufficient drinking water is a major priority in Rhode Island. As Rhode Island's population has increased over the last several decades, the demand and the location of demand for drinking water have changed. The resultant drinking water supplies and distribution systems have attempted to keep pace with this shift with generally good results but not without impacts or growing concerns. Perhaps leading the list of concerns is the fact that much of the infrastructure has been in place for decades and requires major cleaning, costly maintenance, or outright replacement.

As of 2011, Rhode Island had 487 public water systems and 88 community water systems[92]. These systems range in size from large city systems, such as Providence that serve nearly 300,000 residents to small, rural, non-community transient systems, such as restaurants or convenience stores that utilize wells as their drinking water source.

In creating this system of numerous water suppliers/utilities, Rhode Island designed a system whereby many utilities are close to one another. In some cases, such as South Kingstown and Smithfield there are multiple utilities within the same municipality. Funding for improvements to drinking water supplies comes from a mix of federal and state sources, while customers pay utilities for the costs associated with providing water.

Many of these water systems are interconnected for emergency response purposes which can increase system resiliency to natural hazards and extreme weather, impacts related to climate change (e.g., sea level rise), and potential security threats. However, in the future, it may be economically viable, if not necessary, to combine some of these systems to eliminate redundancies, reduce overhead costs, increase long term reliability, and engender the political support for funding much needed system maintenance and rehabilitation.

Of all the public water systems, 28 produce more than 50 million gallons per year and maintain extensive distribution networks. These systems along with Bock Island and Richmond provide 98% of public water. While there have been periodic and system-specific fluctuations in water demand over time, the average statewide water demands are nearly the same as they were 25 years ago. Of special note, since 2005, the average daily demand has decreased 20% from these systems.[93] Water suppliers attribute this change to a number of factors including: changed economic conditions associated with the Great Recession, a decline in high volume industrial water users, improved water efficiency, conservation, and/or, a response to increasing water rates. Not all systems have experienced decline.

Some communities tied to major water suppliers are expanding. During the period 1990 to 2010, Washington County saw an increase in population of 15.4% while the state as a whole increased by only

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[91] American Recovery and Reinvestment Act of 2009.
[92] http://www.health.ri.gov/publications/annualreports/2011DrinkingWaterQualityCompliance.pdf.
[93] Personal communication, K. Crawley, Rhode Island Water Resources Board.

4.9%. Generally population increases and associated residential water use patterns are occurring in groundwater dependent areas in Southern Rhode Island. While the result is an overall increase in demand, the bigger challenge is the marked increase in water use to support tourism, residential lawn watering, agriculture and other outdoor water uses during the summer months when there is less water available in the natural system. In these aquifer systems, drought conditions occur at the same time water suppliers are faced with peak demands and water suppliers are unable to store significant quantities of water to meet this demand. As a consequence, summer withdrawals can severely affect stream flow in the associated rivers, leading to fish kills, habitat loss and severe recreational impacts.

Conversely, urban areas in Northern Rhode Island have lost populations and/or large water users. Yet the Northern region hosts the state's major reservoir systems that can handle increased summer demands even in dry summers with available capacity and storage. These systems, most notably Providence Water, have expanded their wholesale customer base and there are opportunities to further support areas like the Hunt aquifer, East Providence and Bristol County. Although short term strategies to access these surface water systems makes good use of the stored water resources, the distance to transport water to these new areas requires special attention to water quality impacts as the water must be blended and many times re-treated to meet current water quality standards.

Stormwater Infrastructure

Stormwater infrastructure is critical for managing rainfall runoff in a safe and environmentally sound manner. The majority of RI stormwater infrastructure was built prior to the period when the cumulative impacts from development were understood. The goal had been to control and convey runoff from and through a property so as to protect and safeguard the project being developed. Floodplain filling and increased runoff volumes were largely ignored. By the 1970's, the cumulative impact of this practice in the state was keenly realized in the form of more frequent and damaging flooding of downstream properties; in some cases whole neighborhoods had to be abandoned permanently.

While new development today is carefully designed to avoid exacerbating downstream flooding, flood hazards along our rivers may be increasing in part due to climate change. The Northeast United States has experienced a 74% increase in the amount of rain falling in heavy rain events.[94] Rhode Island's stormwater structures, as well as some dams and bridges, were not designed to handle the intensity, frequency or runoff volume of some of these event. The 2010 Rhode Island flood washed out many culvert crossings and caused severe channel erosion. Key stormwater infrastructure may be deemed functionally obsolete and be at greater risk of damage in the long term due to the effects of climate change.

Perhaps more daunting is the fact that stormwater has been found to be the major cause of water quality (WQ) impairment of many of Rhode Island's rivers, ponds and embayment's. The Clean Water Act mandates that these impairments be studied and corrected. A key driver to achieve this goal as it relates to stormwater is RIDEM's Municipal Separate Storm Sewer System (MS4) permit. RIDOT and most local communities, and several other urbanized areas such as URI and QPD, are required to comply with its six minimum measures aimed at curtailing WQ impacts in receiving waters.

In recognition of impacts from stormwater, the legislature passed the "Smart Development of a Cleaner Bay Act of 2007". The act required RIDEM and CRMC to update the Rhode Island Stormwater Design and Installation Standards Manual (RISDIS Manual - effective January 1, 2011). The manual mandates use of Low Impact Design (LID) strategies to encourage more sustainable management of rainfall runoff.

[94] Defined as the heaviest 1 percent of all daily rain events from 1958 to 2010, National Climate Assessment 2013

These strategies include compact or cluster development, recharging clean runoff into the ground to replenish groundwater resources, building of green infrastructure, and use of more effective best management practices. It also requires redevelopment projects that meet certain size thresholds comply at least partially with the updated design standards including flood abatement and measures to treat and remove greater amounts of pollutants.

Addressing stormwater needs is not without significant costs. Past appropriations for managing stormwater have been minimal and not nearly adequate to fund even basic maintenance needs. Public officials are reluctant to earmark scare public works dollars to address stormwater concerns when other more tangible, higher priority infrastructure repair needs grow. In that context, some regard improved management of stormwater as too costly, an unnecessary burden on the public, and a barrier to development and redevelopment.

The task of ameliorating the impacts of past development falls largely upon RIDOT and the local DPWs who manage most of the existing paved surfaces and stormwater infrastructure in the state, as well as developers interested in redeveloping existing properties and private property managers with large impervious areas with inadequate stormwater management. These parties, the regulators, and other policy makers should continue to work closely together to ensure mandates and deadlines are workable. Stormwater policies should continue to encourage improved stormwater management as part of any redevelopment or major repairs to transportation infrastructure, but in a manner that is consistent with other development, housing and growth goals.

As of late, several communities along with RIDEM and the Bay, Rivers and Watersheds Restoration Team (BRWCT) have begun studying the concept of stormwater utility districts (SUDs) to raise needed funds. These districts take many forms but commonly involve a fee to property owners based on the amount of stormwater they generate. SUDs more equitably apportion costs of service and often contain incentives to help owners treat and reduce the volume of stormwater they release, thus reducing or eliminating their fee charge.

Stormwater impacts are widespread and cumulative, the result of many alterations of the landscape and the various activities occurring on individual parcels. Green infrastructure reverses the model by aiming to contain stormwater onsite where it is treated and managed so as to avoid offsite impacts. Efforts to mitigate flooding impacts and improved treatment and management of stormwater may be expected to deliver lasting dividends.

Takeaways

The ability of Rhode Island to optimize its role in the regional and global economy depends on the state's ability to maintain and upgrade its infrastructure. The biggest challenge related to our transportation infrastructure is the need to identify predictable and adequate sources of funding. Many agencies, officials and non-governmental groups are intensely engaged in this effort. The ever-changing landscape of federal funding makes this challenge particularly difficult and constant attention from a coordinated group will be required.

Rhode Island's ports continue to prosper and act as one of our primary direct connections to the regional and global economies. These areas also provide a significant percentage of the state's middle class jobs, which is an employment demographic the state is struggling to maintain. As new market opportunities emerge and challenges from climate change and sea-level rise continue to grow, investment in the hard infrastructure that serves these facilities will be essential.

Third, Rhode Island's water supply and wastewater systems face a variety of issues related to aging infrastructure, a changing climate, the need for capital investments, and aquifer sustainability. Providing long term water supply and sustainable wastewater treatment services across Rhode Island will be a critical economic issue for municipalities and rate payers alike.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Develop revolving fund or similar funding mechanism at the state level specifically designated for developing small-scale wastewater treatment facilities and/or small community water supply wells in suburban and rural growth centers.

One of the largest barriers to advancing economic development initiatives in suburban and rural areas is the inability to achieve higher density developments due to infrastructure limitations. Specifically, where development requires on-site wastewater treatment systems (OWTS) and on-site drinking water wells, buffers and other limitations designed to protect public health preclude higher density development. Places like Wickford Village, for example, could never be built if each property required an on-site facility for wastewater disposal and drinking water supply.

To solve this problem, new village centers or similar developments would require some level of centralized utility. Generally speaking if one of these infrastructure elements is addressed (either wastewater or water supply) there is a good chance that higher levels of density can be achieved. Unfortunately, these community systems can be expensive to permit and build and individual property owners are not prepared to shoulder the cost. Developers and planners have both been frustrated in several Rhode Island communities as these infrastructure issues have created seemingly insurmountable roadblocks to incremental reinvestment.

This economic development plan calls for the establishment of a revolving fund that could be used to design and construct these neighborhood scale facilities. Similar to the State Revolving Fund (SRF Loan) operated by RIDEM for large wastewater facilities, these funds would be lent to municipalities for much smaller projects. Unlike the SRF Loan, the criteria for selection for this program would not be primarily environmental benefit, but rather demonstration that the funds will be used to unlock the development potential of a new village or rural growth center.

Identify a predictable and adequate funding source for the continued maintenance of roads and bridges.

The current climate for infrastructure funding is unpredictable due, in large part, to the fact that the U.S. Congress has yet to act on replenishing the federal Highway Trust Fund. On the state level, Rhode Island has secured some funding through the establishment of its own trust fund in 2011 and further dedicated funds in 2014, but more money is required to sustain our bridges and roads. The course that Rhode Island will take cannot yet be determined due to the political uncertainty surrounding this issue. But a combination of funding mechanisms will likely be required that could include general obligation bonds, gas tax revenue, revolving funds, direct state contributions and other similar options. Regardless of the combination of tools used to address the issue, Rhode Island needs to take ownership of the issue and distance itself from relying on federal funding.

Develop a comprehensive assessment of the existing structure of Rhode Island's water utilities with the goal of partial consolidation.

As of 2011, Rhode Island had 487 public water systems and 88 community water systems[95]. Of all the public water systems, 28 produce more than 50 million gallons per year and maintain extensive distribution networks. The number of water suppliers in the state is not only disproportionately large when compared to our size, but it also creates a situation where it is far more difficult to assess environmental impacts from drinking water wells. The state has already documented shortages in the Hunt-Annaquatucket-Pettaquamscutt (HAP) and Chipuxet Aquifers and municipalities like North Kingstown are taking aggressive measures to ensure that their water supply can meet their goals for growth over the next several decades.

The sheer number of different suppliers, coupled with the significant environmental constraints associated with our aquifers calls for the state to consider reorganization of its utilities. This process would begin with a comprehensive resource based assessment of all water utilities. The assessment will evaluate the hydraulic and administrative feasibility of consolidation, but also look to restructure based on future growth goals for the state and issues related to source water and aquifer capacity.

[95] http://www.health.ri.gov/publications/annualreports/2011DrinkingWaterQualityCompliance.pdf.

ECONOMIC DEVELOPMENT AND CLIMATE CHANGE

Introduction

Climate change refers to the large and unnatural changes underway today that are different from natural changes in climate over the course of a decade, century or longer. Climate change affects temperatures, the length and timing of seasons, the annual rain and snowfall totals, sea level, and ocean chemistry.[96] Arguably, climate change will affect everyone. However, these changes have direct impact on some of Rhode Island's greatest assets - the marine, aquaculture and agricultural industries, the built environment, coastal tourism and other natural resources. This policy brief identifies the key challenges climate change poses to economic development in Rhode Island, particularly related to sea-level rise, storm severity, and other weather changes. It also identifies potential economic opportunities resulting from climate change research and innovation.

Challenges

Many of the statistics from this section are derived from the report, *Climate Change in Rhode Island: What's Happening Now and What You Can Do*, prepared by the Climate Change Collaborative at the University of Rhode Island and funded by Rhode Island Sea Grant.

Air Temperature

Average air temperature increased by 1.7 degrees in Rhode Island from 1905 to 2006. This number may not sound like much, but it is significant. Warmer temperatures lead to drought, which impacts the state's ability to grow food and increases water demand for irrigation. Higher temperatures also impact human health by extending the season for disease-bearing insects, decreasing air quality, and increasing energy demands (and subsequently cost) to regulate internal temperatures in warmer seasons. These latter costs are particularly impactful to lower income residents and those on fixed incomes.

Water Temperature

The water temperature in Narragansett Bay increased 3.6°F since the 1960s. While the average beachgoer may welcome such increases, this has significant impact on Rhode Island's marine industries, especially the fishing industry. Warmer waters decrease some populations of fish not suited to those temperatures and attract species not native to this region. The species that will decrease may be more commercially viable (flounder, lobster) than those moving in, which will make it even harder for the already challenged fishing industry. Warmer temperatures also allow for the introduction of invasive plant species and damaging algal blooms, which may further decrease fish populations.

Precipitation

Rain and snow increased one foot total over the last century (0.12 inches per year). This has resulted in a greater risk of flooding, greater stormwater management demands, and the potential for increased pollution in waters from runoff. Further, this pollution can lead to the closure of beaches and shellfishing beds. While seemingly contrary to the concern for drought, noted above, the increased precipitation can also damage certain crops.

Storm Severity

Recent high-impact storms confirm that hurricane intensity has increased as a result of climate change effects. The immediate impacts are obvious – property damage, beach erosion, flooding, road and bridge

[96] Climate Change in Rhode Island, University of Rhode Island, Climate Change Collaborative, 2011.

damage, and interruption of business. While severe storms can cause immediate damage to road infrastructure, increased seasonal rain and snow also accelerates the deterioration of roads and bridges. The impacts of storms and sea level rise on coastal properties is already being felt with higher insurance premiums as the Federal government responds to substantially increased payouts from recent storms. A recent study projected that "climate change is likely to cause an additional $2 to $6 billion in hurricane damages," through the end of the century.[97]

Sea Level Rise

Since 1930, sea level has increased approximately eight inches in Newport. By 2100, Rhode Island's Coastal Resources Management Council (CRMC) is anticipating 3 to 5 feet of sea level rise. Mapping produced by CRMC has been completed for the entirety of the state and inundation maps will prove to be a useful economic policy tool in the years to come. The long-term impacts of sea level rise will undoubtedly change the nature of Rhode Island's 420 miles of coastline and the industries it supports. Some of Rhode Island's greatest economic assets, including our tourist economy and port operations will need to adapt to these changes over time. Other direct impacts of these trends include property loss and diminished public access, including the loss or migration of beaches.

Opportunities

In spite of the many obvious challenges related to climate change, there are many economic opportunities emerging from these issues. According to a recent bill, "industries related to climate adaptation are predicted to double by 2020 to a $2 billion industry globally."[98] Rhode Island is poised to become an innovator in addressing climate change and it has the perfect laboratory to do so, with both its vast coastline and its institutional strength.[99]

> "Rhode Island is particularly vulnerable to climate change, and well-positioned to become a global leader in expertise and technology to help communities and businesses become resilient to the changing world."
>
> Rep. Arthur Handy
> (D-Dist. 18, Cranston)

State Government Taking Action

The state is advancing its efforts to address climate change in a number of ways. In early 2014, Governor Chafee issued an executive order establishing an Executive Climate Change Council ("EC^3"), whose charge was: 1) to coordinate state agency action regarding climate change; and 2) to identify strategies that would increase the state's resiliency to climate change. The final report of the EC^3, "A Resilient Rhode Island: Being Practical About Climate Change," includes a 41 page "Action Plan" that identifies over 100 actions that state agencies can undertake to mitigate climate change, assess vulnerabilities, improve understanding of climate change throughout the state, and reduce risk and losses through adaptation. Many of these actions relate directly to economic development and have been folded into this plan.

During the 2014 legislative session, bills that addressed climate change were introduced in both the Rhode Island House and the Senate. The final version of the "Resilient Rhode Island Act of 2014" statutorily established the Executive Climate Change Council created by Governor Chafee and gave the Council the additional duties of drafting a plan that would reduce greenhouse gas emissions by eighty-percent below 1990 levels by the year 2050, advising the governor and the general assembly on ways to ensure that Rhode Island continues to be a national leader in developing and implementing strategies to address the challenges of climate change, working with other New England states to achieve common goals, and facilitating opportunities to educate the public about climate change.

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[97] Brown University Center for Environmental Studies, Summary: Preliminary Assessment of Rhode Island's Vulnerability to Climate Change and its Options for Adaptation Action, February 2010.
[98] Resilient Rhode Island Act, March 2014
[99] Project Interview.

The Act also provided guidance to state agencies in support of the EC^3, which included a directive to support efforts to expand Rhode Island's green economy and develop green infrastructure. In addition, the Act created a 13-member advisory board and a nine-member science and technical advisory board. The advisory board is tasked with advising and assisting the council in a variety of ways, and must contain individuals with economic policy and/or workforce development expertise. The primary responsibilities of the science and technical advisory board include keeping the EC^3 abreast of important developments in scientific and technical information relating to climate change and resiliency, making recommendations to the EC^3 regarding research needs and priorities, and preparing an annual report that evaluates to what extent the state's policies and programs aimed at mitigating and adapting to climate change are supported by the best available science and technical information.

Economic development policy can integrate with climate change in the following areas:

Resiliency

Resiliency or climate change adaptation is the process by which municipalities develop policies and plans to be more prepared for the impacts of climate change and protect their assets, including buildings, neighborhoods, utilities, roadways and natural resources. Rhode Island already has institutions (such as the Coastal Resources Center and the Sea Grant, both at URI) and municipalities (Newport, North Kingstown) taking the lead on climate change adaptation. The state can, and should, play a greater role in promoting resiliency in its coastal communities by providing analytical and financial tools.

Green Infrastructure

According to the U.S. EPA, green infrastructure refers to the "natural areas that provide habitat, flood protection, cleaner air, and cleaner water."[100] It is most often understood to refer to stormwater management systems that mimic natural processes. However, green infrastructure can include other aspects of infrastructure such as transportation (e.g. transit or bicycle infrastructure to reduce greenhouse gas contributions of automobile use). In addition to the climate impacts, creating sustainable funding mechanisms for the development and maintenance of green infrastructure will create job opportunities and provide a more attractive business environment. In addition to mitigating climate change impacts, decentralized energy "promotes energy independence, creates jobs, and provides a steady supply of power in the event of disruption to electricity service."[101]

Energy

The cost of energy is Rhode Island is frequently identified as hindering economic development. The table below shows one example of energy pricing in our region, with Rhode Island consistently charging more than most of the other New England states for electricity. From a climate perspective, traditional energy sources (fossil fuels such as oil, gas, and coal) contribute to climate change by producing harmful greenhouse gases. Initiatives to diversify and decentralize Rhode Island's energy sources to include more renewable energy providers will have positive climate and economic benefits.

[100] http://water.epa.gov/infrastructure/greeninfrastructure/gi_what.cfm
[101] Brown University Center for Environmental Studies, 2014

Average Retail Price of Electricity to Ultimate Customers by End-Use Sector
(Cents per Kilowatt-hour, April 2014)

Census Division and State	Residential	Commercial	Industrial	Transportation	All Sectors
New England	18.29	14.14	11.23	NM	15.24
Connecticut	19.87	15.16	12.67	12.09	16.87
Maine	15.38	12.11	8.03	--	12.10
Massachusetts	18.19	13.94	12.14	NM	15.15
New Hampshire	17.54	13.92	11.70	--	15.01
Rhode Island	18.26	14.09	12.18	12.58	15.43
Vermont	18.07	14.70	9.84	--	14.73

NM = Not meaningful due to large relative standard error or excessive percentage change.

Green Business / Green Jobs

Across the country, as a general observation, green jobs have not yet materialized as expected, since it is still an emerging industry and the jobs are not well defined.[102] However, in addition to the green infrastructure opportunities listed above, Rhode Island's efforts in wind energy development and potential innovation in the arena of climate change mitigation are two areas where we are uniquely well positioned regionally. Part of the key to capturing these emerging opportunities will be improving Rhode Island's overall business climate and harnessing Rhode Island's institutional strength in this study area. Over time, job growth will follow.

Takeaways

Addressing climate change in Rhode Island requires strategies that are both reactive and proactive. Reactive strategies are necessary to mitigate the direct and immediate impacts of sea level rise, flooding and storms in order to protect property and maintain Rhode Island's natural and cultural assets. Proactive strategies respond to the nature of climate change impacts with research and innovation in the industries and sectors impacted by climate change, including marine, tourism, agriculture and aquaculture, energy and defense. The state can guide municipalities towards climate resiliency and provide the necessary resources to facilitate a more sustainable economy.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Actively pursue federal grant opportunities for the design and installation of green infrastructure (e.g., EPA's Clean Water Act Nonpoint Source Grant (Section 319 Grants) and/or Clean Water State Revolving Fund (CWSRF))

Rhode Island has a growing green infrastructure sector already and a deep talent pool in this type of policy development and physical design. Several federal funding opportunities exist today to address issues related to green infrastructure development and retrofits, and several more may emerge as the federal government looks to provide tools to mitigate impacts from climate change. As with any grant

[102] Resource Guide to Sustainable Economic Development: San Antonio Case Study

opportunity, the applications can be intensive and resources must be dedicated to pulling these documents in a timely manner. Fortunately, these grant cycles are generally very predictable and it should therefore be easy to identify when these resources would be required. In many cases, it is either required or beneficial to have a municipality be the lead applicant for these grants, which can raise issues related to grant writing capacity. Many municipal officials simply do not have the time to add grant writing to the list of existing responsibilities.

But as stated above, Rhode Island has an existing network of professionals that are advanced in their thinking about green infrastructure. Organizations like the RI Nursery & Landscape Association, in cooperation with URI and other more local environmental groups should convene regularly to discuss potential grant projects, identify lead applicants and assemble teams for writing grant applications. These efforts are already underway and non-profit involvement is folding workforce training into the grant applications, furthering yet another core of this economic development plan.

Perform employment center vulnerability mapping to better understand the potential benefits of protecting these areas with infrastructure investment.

With 400 miles of coastline to manage, sea-level rise and increased storm severity, Rhode Island will need to perform numerous hazard related analyses in the very near future to fully understand the potential impacts of climate change. Among those analyses will be vulnerability mapping and potential damage assessment for our existing employment centers. The Village of Matunuck in South Kingstown is one example of how beach erosion over the past several decades is endangering the very existence of a truly unique historic village. While not an employment center per se, the issues being debated in Matunuck will certainly be repeated again as the Town, the State, and property owners debate the feasibility and wisdom of various infrastructure improvements designed to save the only access road from eventually washing away. Assessing the costs, benefits and potential success of these major infrastructure improvements is part of a complex set of analyses that Rhode Island should begin developing for other areas of the state in a more proactive manner.

EMERGING MARKETS

Introduction

During the development of RhodeMap RI, it was widely acknowledged that the State cannot hope to anticipate all of the major market opportunities that will emerge in the coming years. The rate of technological development over the past decade alone has been dizzying, with one participant reminding us that "Most of us didn't have smart phones only five or six years ago, now they practically run our lives."

While Rhode Island's economic policies and agencies will need to be nimble and open to unexpected opportunities, there are emerging opportunities discussed during the Economic Intersections process that deserve attention. As the name suggests, the Economic Intersections process focused less on traditional individual industry sectors, and more on the synergies and intersections between industries that play to Rhode Island's strengths, such as the intersection of Manufacturing and Design – two traditional pillars of the Rhode Island economy. Several of these emerging market opportunities represent a chance for Rhode Island's industries, institutions and state agencies to mobilize toward near-term economic returns.

Knowledge Economy Hubs[103]

In an effort to leverage and further build upon market opportunities, public, private, and non-profit partners should convene around the creation of knowledge economy hubs. Each knowledge economy hub should consist of a few common core elements:

- Aligning research and industry assets toward a market opportunity defined by data
- Providing resources for commercialization and entrepreneurship
- Leveraging other resources in the knowledge economy ecosystem

These elements will allow for the development of a defined path of priority action for each Hub, documenting what success will look like for the Rhode Island economy. The following Hubs are proposed:

LifeScience and MedTech

Rhode Island is home to a diverse set of life sciences and medtech entities, including research institutions, drug and device developers, and manufacturers that are working to bring new therapeutics, instruments, vaccines, software, and textiles to market. To realize the benefits of these assets, the community must focus on areas of strength and niche market opportunities. One such niche is in the area of brain science, where alignment between the research at Brown University's Institute for Brain Science, the University of Rhode Island's Ryan Institute for Neuroscience, and Lifespan's Prince Neurosciences Institute can leverage the entrepreneurial and design community to create new technologies and products.

Maritime Cybersecurity

According to a recent survey by Southeastern New England Defense Alliance (SENEDIA), the Rhode Island Defense sector directly employs 17,400 people, supports 400 companies, and has a $4 billion direct and indirect economic impact. This includes both public and private sector defense organizations. The presence of the NUWC in Rhode Island provides a unique asset that can be leverage by the state. SENEDIA is encouraging Rhode Island leaders to examine opportunities for developing maritime cybersecurity capabilities to support both the defense industry and commercial ports. In October of 2013,

[103] Text in the following subsections is adapted directly from Commerce RI's *Actions for Economic Development in Rhode Island*

they produced a document titled, "Securing the Future: Understanding and Advancing Rhode Island's Defense Industry." This document highlights the opportunity to develop a Maritime Cybersecurity Center of Excellence as a top recommendation and provides greater detail on the proposed approach. A coordinated approach to connect and support all of the State's existing work in this area can advance the State's technology capabilities and provide a platform for pursuing additional projects, funding, and market opportunities for maritime and cybersecurity R&D programs.

This initiative has broad impact beyond the defense sector, providing opportunities to grow and sustain the high-tech workforce in Rhode Island. Furthermore, the state should showcase its capabilities to increase national and international awareness of what the state and its businesses have to offer in the area of marine technology and cybersecurity. This type of promotion can increase the customer base for applications and existing maritime technology companies, as well as help to diversify existing small businesses that rely primarily on defense contracts. Rhode Island's size makes it poised to serve as a test-bed for prototype solutions developed by companies throughout the New England region.

The Defense Industry

As the Department of Defense continues to look at cost reductions through direct operational cuts and contractor cuts, Rhode Island needs to assist in managing cost savings, efficiencies, and overall military value. Recent federal budget cuts of over $1 trillion will necessitate significant decisions by the DOD. Creating a regular standing task force of the various commands that can report to the Governor and identify real-time and longer operational issues prior to having a crisis issue to deal with. The 2013 SENEDIA Rhode Island defense industry plan recommends the creation of a strategic defense industry economic plan. This activity could be stewarded by the task force. Furthermore, in 2005 Rhode Island General Law 30-32-2 entitled Military Affairs and Defense established the creation of the "National Security Infrastructure Support Fund." In 2013, the Rhode Island Defense Economy Planning Commission passed a resolution to provide an appropriation to the National Security Infrastructure Support Fund program "for the purposes of supporting and investing in critical capital and infrastructure projects that help maintain the operational competitiveness of military facilities and support reuse of former military facilities in the state."

A CleanTech economy

The cleantech innovation economy encompasses economic activity measured in terms of establishments and early-stage investments that produce new, innovative, and sustainable technological goods by organizations actively engaged in the commercialization process. One obvious focus for cleantech investment are those that would build on Rhode Island's historical strengths in relation to the marine trades. Technologies such as offshore wind, hydrokinetic energy, and advanced materials (boat building) all trace back to marine related activities. The New England Clean Energy Council has identified seven active early stage cleantech companies and dozens of other companies in Rhode Island, representing over $50MM in GDP. From solar developers to smart grid to advanced materials, Rhode Island has a healthy base of companies including NPTRE, Newport Solar, Utilidata, and Nanosteel. For the entire New England region, The Clean Energy Council identified over 200 early-stage cleantech companies. These companies attracted approximately $100MM in Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) funding from the US Department of Energy between 2005-2013. They additionally received over $1.1 billion in venture capital during that same time period. Over 75% of the early-stage clean technology companies identified are active in four major sectors:

- Energy generation,
- Energy storage and distribution,
- Chemicals and advanced materials, and

- Energy efficiency.

Massachusetts has the largest economy in the region, with a GDP over 1.5 times the size of the next biggest economy in New England (Connecticut). This gives Massachusetts a strong economic base on which to grow the cleantech economy. However, this is based, in part, on the presence of research labs and universities, a robust financial services sector, and a commitment to strong public policy. Even still, as opposed to being a reason for Rhode Island not to pursue advancements in the cleantech economy, Massachusetts' assets in this sector are a market opportunity for Rhode Island and the New England region as a whole if properly leveraged. According to the NECEC report, "increasing awareness of and accessibility to innovation infrastructure, while nurturing a culture of innovation, and helping regional entrepreneurs extend their networks can help spur continuous innovation… New England stakeholders identified potential to drive forward regional cleantech innovation by increasing connectivity between these cleantech support organizations across the states. By doing so, cleantech leaders could help entrepreneurs leverage important cleantech assets and resources available in the region."

Takeaways

The work performed by the Rhode Island Foundation and Commerce RI during the RhodeMap RI process was instrumental in directly engaging business sector leaders and identifying synergies between different sectors and agencies in the state. During those discussions and subsequent research, several cross-sector market opportunities were identified that are either primed for investment or already have new initiatives underway.

As the private sector continues to advance these opportunities, the state will need to provide strategic support to ensure that business leaders can optimize their investment and that the benefits of these efforts are realized by as many Rhode Islanders as possible. As discussed in other areas of the plan, incentives for job training, apprenticeships and other efforts that can increase the connection between new jobs and today's residents can play a key role in reducing unemployment and advancing equity.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Create a Rhode Island Center for Design and Manufacturing.

As the work of manufacturing continues to evolve, the collaboration between the manufacturing and design sectors will be critical to idea generation, rapid development and prototyping, packaging, reinvention of products, and more. Rhode Island will use its capacity to support existing manufacturers and attract partnerships from around the globe interested in taking advantage of a Center for Design and Manufacturing (Center).

In 2013, Rhode Island received a grant award from the U.S. Economic Development Administration to develop a Center for Design and Manufacturing as part of the federal Investment in Manufacturing Communities Partnership program. This grant is currently being used to design and develop an effort that takes advantage of the combined design and manufacturing capacities residing in the state, including the Rhode Island School of Design, one of the world's leading design institutions.

The development of the Center aligns with a recommendation from a recent College and University Research Collaborative report on Advanced Manufacturing. After surveying over 50 STEM executives,

the Collaborative concluded that a central hub for business resources is necessary to offer the coordination and scale needed to support those businesses. According to the Collaborative, "the primary services of this entity are proposed as: technology transfer office, business development office, incubator and accelerator space, flexible manufacturing space and training space."

"Next steps" for developing the Center include:

- **Align existing capacities** of industrial design and advanced manufacturing including public, private, government and higher education resources.
- **Develop a business plan** that creates a sustainable structure and core activity set. Develop a specific milestone-based development plan that augments existing resources utilized in the start-up period with additional resources to grow to scale.
- **Identify existing and seek new funding** to launch the Center.

Establish a Marine and Cybersecurity Center to showcase the cybersecurity capabilities already within the state.

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SENEDIA is encouraging Rhode Island leaders to examine opportunities for developing maritime cybersecurity capabilities to support both the defense industry and commercial ports. In October of 2013, they produced a document titled, "Securing the Future: Understanding and Advancing Rhode Island's Defense Industry." This document highlights the opportunity to develop a Maritime Cybersecurity Center of Excellence as a top recommendation and provides greater detail on the proposed approach. A coordinated approach to connect and support all of the State's existing work in this area can advance the State's technology capabilities and provide a platform for pursuing additional projects, funding, and market opportunities for maritime and cybersecurity R&D programs.

This initiative has broad impact beyond the defense sector, providing opportunities to grow and sustain the high-tech workforce in Rhode Island. Furthermore, the state should showcase its capabilities to increase national and international awareness of what the state and its businesses have to offer in the area of marine technology and cybersecurity. This can increase the customer base for applications and existing maritime technology companies, as well as help to diversify existing small businesses that rely primarily on defense contracts. Rhode Island's size makes it poised to serve as a test-bed for prototype solutions developed by companies throughout the New England region.

Develop a standing Rhode Island defense industry task force to report to the Governor and identify real-time and longer operational challenges in a proactive manner.

As the Department of Defense (DOD) continues to look at cost reductions through direct operational cuts and contractor cuts, Rhode Island needs to assist in managing cost savings, efficiencies, and overall military value. Recent federal budget cuts of over $1 trillion will necessitate significant decisions by the DOD. Creating a regular standing task force of the various commands that can report to the Governor and identify real-time and longer operational issues prior to having a crisis issue to deal with. The 2013 SENEDIA Rhode Island defense industry plan recommends the creation of a strategic defense industry economic plan. This activity could be stewarded by the task force. Furthermore, in 2005 Rhode Island General Law 30-32-2 entitled Military Affairs and Defense established the creation of the "National

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Continue to advance CleanTech economy through procurement efforts, renewable energy fund investment and regional collaboration.

The cleantech innovation economy encompasses economic activity measured in terms of establishments and early-stage investments that produce new, innovative, and sustainable technological goods by organizations actively engaged in the commercialization process. Cleantech investment builds on Rhode Island's historical strengths in relation to the marine trades. Technologies such as offshore wind, hydrokinetic energy, and advanced materials (boat building) all trace back to marine related activities. The New England Clean Energy Council has identified seven active early stage cleantech companies and dozens of other companies in Rhode Island including solar developers, smart grid designers and advanced materials manufacturing. These companies already account for over $50MM in GDP. Examples include NPTRE, Newport Solar, Utilidata, and Nanosteel, Rhode Island has a healthy base of companies. For the entire New England region, they identified over 200 early-stage cleantech companies. These companies attracted approximately $100MM in Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) funding from the US Department of Energy between 2005-2013. They additionally received over $1.1 billion in venture capital during that same time period. Over 75% of the early-stage clean technology companies identified are active in four major sectors: Energy generation, Energy storage and distribution, Chemicals and advanced materials, and Energy efficiency.

In order to further support the development of this emerging sector Rhode Island should pursue the following strategies:

- Continue to expand renewable energy procurement efforts as outlined in the State's energy plan, especially in the area of distributed generation, which will drive growth in cleantech markets.
- Produce an annual or bi-annual report that surveys companies to determine actual job growth. MA and NC have models that are able to demonstrate the impact of the industry.
- Provide funding for ancillary industries, such as storage, which optimizes the flow of renewable energy onto the grid. Investment should also occur in grid modernization to optimize renewable energy resources but also to take advantage of smart grid technologies that are being developed to take advantage of a flexible grid including demand response and smart appliances. Companies in Rhode Island such as Utilidata, cCharge and Voltserver are at the forefront of this activity.
- Promote alternative fuel and electric vehicle adoption and the development of cleantech infrastructure.
- Continue to provide support through the Rhode Island Renewable Energy Fund
- Collaborate with regional partners through the New England Clean Energy Council and its new effort called Cleantech Navigate Northeast. Utilize the network as an advantage for Rhode Island businesses.

RHODE ISLAND IN A REGIONAL AND GLOBAL ECONOMY

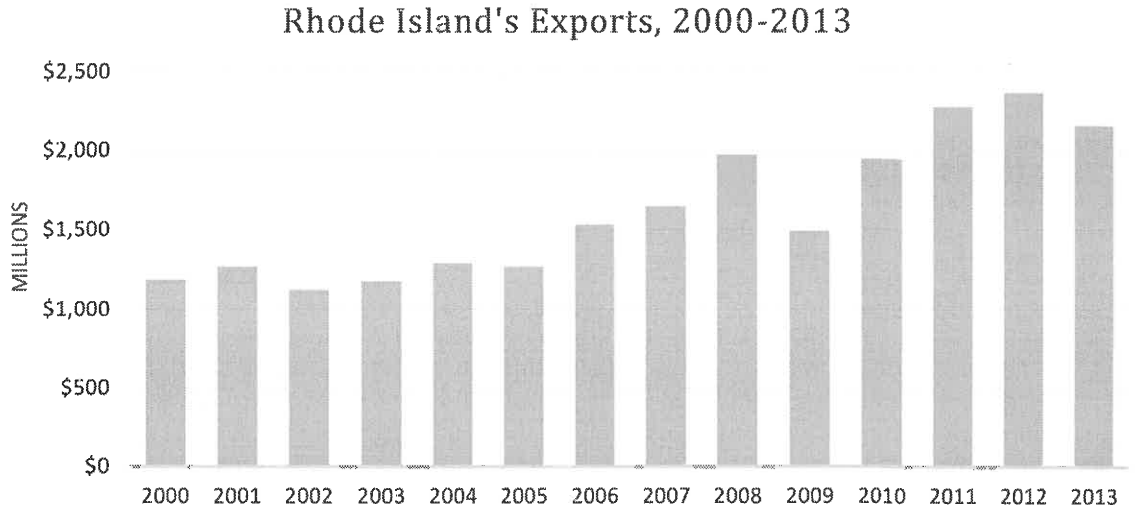
Despite less-than-desirable global macroeconomic conditions at the present—including slowdowns in emerging economies, stagnation and ineffective budget cuts in the West (particularly Europe), the risk of deflation, and unacceptably high unemployment throughout much of the world—international and regional trade is an important component of Rhode Island's economy. While the expansion of the local non-tradable sector must be an important economic development priority for Rhode Island, significant opportunities and assets exist in the tradable sector within the context of the global and regional economy.

The "tradable sector" refers to industries that sell goods and services outside of Rhode Island. In terms of output, it is primarily manufacturing, but not exclusively. The "non-tradable" sector includes industries like government, education, personal services, and retail, in that they are not typically traded.

Rhode Island's Exports

Rhode Island's relationship to international trade is significant to total employment within the state, at approximately 130,000 jobs (equivalent to one-fifth of all workers). Additionally, trade-related employment grew between 2004 and 2011, while overall employment declined during the same time period. Over the last two decades, the share of jobs related to trade more than doubled, suggesting strong employment growth in the tradable sector. Crucially, 91 percent of Rhode Island's exporters are small and medium sized businesses (defined as fewer than 500 employees).

Shown below, Rhode Island's exports have demonstrated substantial growth in recent years, particularly after the downturn between 2008 and 2009. While the total value of exports dipped in 2013, it remains above the pre-financial crisis peak. However, it should be noted that Rhode Island's exports are low compared with other states, including Connecticut and Massachusetts, where exports totaled $16.2 and $27.7 billion in 2012, respectively.



Source: US Census Bureau

In the last few years, there has been a national trend towards "reshoring" or the relocation of manufacturers' operations back to the United States from overseas.[104] These companies subsequently export products elsewhere, contributing to the rise in exports by firms in Rhode Island and other states. As recently as January 2014, a Rhode Island NPR article noted that 200 companies have returned from

[104] Reshoring Manufacturing: Coming Home, The Economist, January 2013

China to the U.S., according to the Boston Consulting Group.[105] This trend may have contributed to Rhode Island's export growth over the last few years, and its continuation may have even greater influence on Rhode Island's economy. However, the *Economic Intersections of Rhode Island* report notes that Rhode Island is the "lowest funded state relative to export support" and there is a "lack of awareness" of the state's assets related to shipping and exports (ports, transport companies, rail infrastructure).[106] Increasing awareness of these resources, making necessary infrastructure improvements, and growing a skilled workforce will all be critical.

Highlighted below, Rhode Island maintains strong, although in recent years declining, export ties to Canada, representing over a fifth of total exports and more than double that of the second-highest export destination. Between 2010 and 2013, by contrast, Rhode Island experienced remarkable export growth to Germany, China, and a near quadrupling of exports to Taiwan.

Rhode Island Top Ten Export Countries, Millions

Country	2010	2011	2012	2013	% Change (2010-2013)
Canada	591.01	647.93	576.18	480	-18.8%
Germany	118.1	234.1	191.53	205.94	74.4%
Mexico	136.36	158.3	150.22	166.26	21.9%
Turkey	85.7	134.15	198.48	160.7	87.5%
China	77.83	75.61	89.75	97.87	25.7%
Italy	56.62	64.81	131.86	92.35	63.1%
Taiwan	20.77	54.52	66.48	81.34	291.6%
Singapore	75.93	74.59	77.37	72.45	-4.6%
France	52.02	67.22	71.35	67.97	30.7%
Egypt	55.25	87.25	14.24	57.52	4.1%

As of 2012, the state's top exports, a large share of which are captured by the above countries, are waste and scrap, accounting for 30.2 percent of total exports, followed by manufactured metals (13.5 percent), chemicals (11.1 percent), miscellaneous manufactured products, including jewelry, medical equipment, sporting goods and office supplies (9.4 percent), machinery (7.3 percent) and electronic equipment (6.5 percent).[107]

However, relative to other states, Rhode Island performs better in service exports (41st in 2011), as opposed to goods exports (48th in 2012), despite higher value in services relative to goods, at $2.4 billion and $1.7 billion, respectively. Top service exports include travel and tourism ($504 million), film and television distribution ($205 million), and education ($91 million).[108]

[105] Jackie Northam, As Overseas Costs Rise, More U.S. Companies Are 'Reshoring', Rhode Island National Public Radio, January 2014.
[106] Fourth Economy Partners, Economic Intersections of Rhode Island, January 2014.
[107] International Trade Administration
[108] David Thomas, Business Roundtable.

Rhode Island's Global and Regional Assets

The following highlights Rhode Island's keys assets in the global and regional marketplace.

Tourism

The appeal of Rhode Island as a tourist destination is a highly valuable asset for its economy. According to Tourism Works for Rhode Island, tourism is the fourth largest private sector employer in the state, with approximately $1.63 billion in wages and salaries generated each year.[109]

Foreign Investment

While the costs of attracting additional foreign investment may exceed the benefits as an economic development strategy, foreign companies do create jobs for tens of thousands of Rhode Islanders. Approximately 9,300 jobs within the state are attributable to companies based in the United Kingdom; 4,100 to companies based in France; 1,200 to companies based in Japan; 1,100 to companies based in Switzerland; and 1,000 to German companies.[110]

Manufacturing Base

The manufacturing industry plays a pivotal role not only in Rhode Island's economy, but also in its economic relationship to the regional and global economy. With nearly 1,700 firms in 2012, Rhode Island's manufacturing sector produced just under $4 billion in output and accounted for 70 percent of total exports.[111] With a pay premium of approximately $22,000 more than other non-farm employers and a systemically important position in the tradable sector, ensuring the growth of the manufacturing sector is a legitimate policy priority.

Quonset Business Park

As a highly successful public-private partnership in Rhode Island that employs over 9,500 workers representing over 175 companies, Quonset Business Park has been described as "a hotbed of activity and a rare economic bright spot in recession-ravaged Rhode Island."[112] Its relationship to the tradable sector is strong, and has become the seventh largest auto-importer in North America.[113] The cars often come from Japan, Germany, and Mexico, and are subsequently transported via rail or road to destinations throughout the Northeast and the rest of the country.

The Port of Providence

One of only two deep-water ports in New England and one of the busiest in the Northeast, the Port of Providence generates an estimated $200 million in economic impacts throughout the larger region, providing more than $60 million in direct business revenues and $16 million in revenue to local and state government.[114] The Port of Providence is a crucial regional hub, particularly of the state's leading export commodity, scrap metal, with supplies coming in from Massachusetts and Connecticut and other nearby states and then sent to Canada, Turkey, China and other countries. Lastly, according to the Providence Working Waterfront Alliance, the port moves over 9 million tons of cargo annually, results in thousands of direct and indirect jobs, and is one of the few remaining sources of well-paid, blue-collar work in Rhode Island.[115]

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[109] Tourism Works for RI
[110] David Thomas, Business Roundtable
[111] National Association of Manufacturers
[112] Ted Nesi. *Booming Quonset park holds lessons for I-195 redevelopment.* 2011.
[113] University of Rhode Island. *King of Quonset.* 2014
[114] ProvPort
[115] Providence Working Waterfront Alliance

Location in Northeast Corridor

The Northeast Corridor that stretches from Boston through New York, Philadelphia and Baltimore to Washington, D.C., covers a total of 500 miles and is home to 18 percent of the U.S. population (over 56 million people). According to researchers at the University of Toronto, the region generates $3.75 trillion in economic output, meaning that if it were a separate country, "it would be the fourth largest economy in the world, behind only the U.S., China, and Japan and ahead of Germany."[116] Rhode Island has good logistical services infrastructure, with port access and rail and highway connections to major northeast population centers with an easy access air travel at T.F. Green Airport. Furthermore, RIDOT is a voting member on the Congressionally-established Northeast Corridor Commission with eight other states between Boston and Washington D.C. who actively plan and promote the future of the NEC rail asset and high-speed rail. The Commission just released a report entitled, "The Northeast Corridor and the American Economy" that describes the economic benefits the NEC has on the Northeast region.

Rather than attempting to compete with other regions, Rhode Island may be better placed to maximize its unique assets relative to its Northeastern counterparts. Rhode Island's strategic location in the middle of a wealthy economic region is one that can continue to be leveraged, particularly relative to the active business centers of New York City and Boston.

Takeaways

Rhode Island currently possesses important assets that could be leveraged in the context of the global and regional economy. While internal growth is better placed to supersede external growth as a public policy priority, Rhode Island can and should seek to ensure that the state is well connected to the global and regional marketplace.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Create a private-public Rhode Island Shipping Association (Ship RI) to provide a platform for collaborating around key opportunities to increase logistics and export support for RI businesses.

Ship RI would be a platform for collaborating around key opportunities to increase logistics and export support for Rhode Island businesses. Among those opportunities are:

- Combining the freight volume of small and medium sized companies and sign contracts directly with ocean shipping lines on their behalves, thereby reducing their costs for international shipping. The Gemini Shippers Group is an example of this type of organization.
- Attracting more imports to Rhode Island, as container ships are looking for balanced trade, which is difficult to achieve without aggregating the volume of exports of Rhode Island's small and medium sized businesses. This would also increase Rhode Island's opportunities to be more of a feeder port for New York and New Jersey, and could be an organization that would help build relationships with other ports including Connecticut, Baltimore, and Miami.
- Promoting collaborative marketing efforts between Rhode Island's ports, especially Quonset and ProvPort.

[116] Richard Florida. *The Dozen Regional Powerhouses Driving the U.S. Economy*. 2014.

- Creating a platform for common advocacy concerns, such as federal infrastructure investment, state air quality mandates, and dredging maintenance.
- Providing education and resources to businesses on how they can save money on shipping.
- Monitoring emerging market opportunities, for example, the ability of ports to service the wind energy industry.
- Attracting additional federal funding, for example, TIGER grants.
- Creating a web/mobile application that would provide a directory of businesses providing logistics and connectivity services.
- Marketing to attract business opportunities, e.g. perishable good imports, as identified in the "Rhode Island's Ports: Opportunities for Growth" plan.

Elevate broadband service throughout the state and prioritize access based on need.

Wireless broadband is available to 100% of RI residents and fiber service is available to 63.4% of residents, placing it in the top 5 nationally for both speed and coverage. Widespread broadband infrastructure and digital literacy will be critical for Rhode Island's residents over the coming decades as more and more public and private services and opportunities transition to digital-only platforms. Broadband infrastructure will also be necessary for Rhode Island to stay competitive as a location for private industry. Advanced, data-intensive private businesses and research organizations will expect access to state-of-the-art broadband infrastructure in order to support their operations. Some of the actions already identified related to broadband include:

- **Improve broadband on Aquidneck Island** to support the defense and marine industries. For the past two years, citizens and business leaders on Aquidneck Island have been deeply engaged in a community conversation to design and operate a localized, island-wide technology network. This network would be operated by a separate not-for-profit organization that would in-turn work with OSHEAN and commercial providers to operate a technology network that businesses can purchase access to. This will require facilitated conversations that lead to clearer roles for the commercial and public good digital technology providers.
- **Identify ongoing investment needs** of the State's broadband infrastructure and promote opportunity to be a Gigabit community. Community-based technology planning teams could be established, with the help of the state, to plan and create locally-owned technology hubs to serve businesses and residents. Communities will need to determine if they have service providers that deliver Internet access at sufficient speeds, capacity, and quality to address their needs as defined by the individuals and businesses in those communities. Such plans will help determine which communities are truly gigabit-ready.
- **Utilize the broadband backbone** in areas of health and safety, urban and rural training, and entrepreneurship. In cooperation with Broadband RI, Commerce RI could market the State's high-speed broadband capacity to the creative and cultural industries in order to attract and retain businesses with high digital demands. Support programs should determine how Rhode Island's existing businesses are using broadband technology and what might be stopping them from using it more effectively. Broadband RI has completed 12 case studies of RI businesses that significantly rely on digital technology to do business. Community anchor institutions, such as libraries, universities, and non-profit centers, often already serve as the only point of access for many communities. This makes them ideally suited for development as hubs for community-wide deployment of fiber or wireless technology for increasing commerce. The state should identify community-owned assets that are already in place, or ready to be developed, which could be aggregated to function as hubs for bringing gigabit access to a community. RIEMA is cataloging the State's existing technology assets for first responders.

- **Pilot two-to-three municipal fast-track plan and permit review projects.** Local municipalities have a role in determining how to make it easier for new companies to enter the local market and increase competition. Ready access to data (forms, regulations, processes, etc.) for permitting and plan review will speed up and simplify the use by business owners, start-ups and developers. The Avalon development in Georgia is an example of how a municipality encouraged developers to install fiber and conduits in the ground.

Provide the state Office of Tourism with the funding and staff resources needed to develop a cohesive and comprehensive approach to tourism that operates statewide, but is also tailored to opportunities in different regions.

As is clearly documented in previous sections of this plan, one of Rhode Island's most powerful industries has experienced significant decreases in state-level resources in the recent past. To increase Rhode Island's market share and put it on par with other state budgets, a recommended tourism promotional budget for FY2015 would be $3MM, with an increase of $1MM for the following two fiscal years. In FY2017 policy makers must revisit the decision. Three possible funding mechanisms have been suggested for consideration by the legislature:

- Applying a state lodging tax to vacation home rentals,
- Implementing a $1 per night assessment on all properties in which bed taxes currently apply, and
- Dedicating the portion of the state lodging tax that is currently appropriated to the general fund.

DRAFT

STATE AND LOCAL REGULATIONS

Few services provided by governments are more important than regulations that protect the public's health and safety. Unfortunately, as regulatory frameworks grow over time without challenges to their underlying rationale, they can become cumbersome and expensive to follow. It is not unusual for regulatory processes to become barriers preventing new and existing businesses trying to enter or expand as well as increasing the cost and time required for development or redevelopment projects.

The regulatory barriers in Rhode Island have been identified and discussed in a number of recent reports, including *Economy RI* and *Moving the Needle* and confirmed repeatedly during the interview and focus group component of the RhodeMap RI plan development. [117] According to *Moving the Needle*, Rhode Island is one of the most heavily regulated states in the nation. While it doesn't make sense to compare states based on the number of regulations and most rankings of regulatory structure are not the best measures, *Economy RI* notes Rhode Island is "in sync or slightly ahead" of other states in the process of overhauling its regulatory structure.

Regulatory Reform

In 2012, the Office of Management and Budget's (OMB) Office of Regulatory Reform (ORR), pursuant to an Executive Order, initiated a comprehensive review and streamlining of state regulations that impact Rhode Island businesses. ORR is looking for regulations that can be repealed or revised to better serve business, with a particular focus on small business. Status reports have been released from ORR, up through the *Period Three Regulatory Look Back Report* in March 2014. ORR also conducted a survey of small businesses, which was updated in early 2014. The *Period Four* report is expected to be released in late spring 2014 and a final report listing the regulations submitted and reviewed, as well as ORR's recommendations, is estimated to be released in fall 2014.

In addition to the comprehensive review, ORR, established in 2010, also has the authority to intervene in regulatory or permitting matters before state agencies and municipal boards, commissions, agencies and subdivisions for the purpose of assuring efficient and consistent implementation of rules and regulations. Finally, ORR has a Regulatory Ombudsman on staff to assist businesses.

Key Findings from the Office of Regulatory Reform

- Rhode Island had over 1,600 state regulations, when ORR's analysis began, administered through 74 entities.
- Nearly 70 percent of the regulations submitted for review have a small business impact. Of these, 40 percent have a direct impact, 13 percent have a decision-based (triggered by a business decision) impact, and 14 percent have an indirect impact.
- Respondents identified 66 regulations for amendment and 29 for repeal (10 of which have already been repealed).
- Half of respondents to a Small Business Survey distributed by the ORR estimated their cost of regulatory compliance at greater than $2,000 annually and one-third of respondents indicated a need to hire an outside consultant just to understand how to comply with state regulations.

Types of Impacts to Small Business	
Direct	To which a small business must adhere
Decision-Based	Triggered by a business decision
Indirect	Impacts reach small business indirectly
None	None of the above impacts on small business

[117] Fourth Economy Partners, Economy RI: Economic Data Analysis and Assessment, 2013 and Senate Policy Office, Moving the Needle, 2013.

- The "Top Five" entities with small business impacts are the Division of Taxation; Department of Environmental Management; Coastal Resources Management Council; Department of Labor and Training; and the Department of Health.
- Health insurance costs were consistently identified as the primary challenge to business, followed by state then federal regulations. Local ordinances ranked low on the concern list for small businesses, but there is often confusion about which ordinances are state-level and which are local.
- Survey data indicates that the construction and utilities industry is the most dissatisfied, followed by health care and social assistance, and wholesale trade.
- The most cited regulations in the Survey were the Department of Labor and Training's (DLT) apprenticeship programs, DLT's Prevailing Wage Law, and the Fire Safety Code.
- As of Period Two, the top impacts on small business are audit, inspection, and enforcement activities. However, ORR is conducting a more comprehensive assessment of impacts to small business in Period Three.
- Small businesses reported needing professional help to navigate the 26,240 pages of regulation. ORR estimates that one-third of state regulation is written at or above a college reading level.[118]

> Encouraging business growth in Rhode Island means that government must strive to work in partnership with small business. ORR recommends that regulatory entities provide accommodations that focus on business-specific performance standards or multi-tier enforcement. This approach, rather than "one-size-fits-all," is the best way to begin partnerships and realize economic improvement.
> – Period Two Regulatory Look Back

Regulatory Barriers

Regulation is, generally, confusing, time consuming, and costly. These challenges are not unique to Rhode Island. They are, however, most keenly felt by small businesses and new businesses. Regulations represent different challenges to different industries. The defense industry is more affected by Federal regulation rather than any state or local regulation. However, the construction industry is susceptible to both state and local regulation, but finds the latter to be particularly challenging due to the variation among municipalities.

The following section identifies the most frequently cited regulatory barriers uncovered during the development of the economic development strategy. It should not be considered an exhaustive list; the ORR Review will provide that level of detail.

State Regulations

Overall, just under half of the respondents to ORR's 2013 small business survey indicated that state regulations have been a critical factor in deciding to grow or invest in their business.

Building Code

The statewide building code applies to all 39 cities and towns, however, local building permitting processes and administration still vary widely from town-to-town.[119] Meeting the building code is further complicated because, anecdotally, its implementation varies among local and state code enforcement officials. While the Senate approved a measure in 2012 to amend the rehabilitation code to be more flexible, local code enforcement generally has not followed suit. The cost and time necessary to comply with these varied, and at times inconsistent, building permit requirements can be a major administrative

[118] Office of Regulatory Reform, *Period Two Regulatory Look Back Report,* October 2013.
[119] Senate Policy Office, Moving the Needle, 2013.

burden on businesses. According to the ORR, one of the challenges in reforming both the building code and the fire code (discussed below) is that the former is based on International Code Council standards and the latter on National Fire Protection Association Standards; the state is making efforts to resolve these conflicts.

Fire Code

Similar to the building code, the statewide fire code has been noted as a significant burden to businesses looking to locate or expand in Rhode Island, and specifically in rehabilitating the state's older building stock. One company in West Warwick spent $1 million of its $6 million rehabilitation budget solely for a fire suppression system. The Fire Code was made significantly stricter in response to the tragic Station Night Club fire in West Warwick. While no one questions the importance of safety, there was widespread belief that the fire code could be more flexible while still maintaining safety. Like the building code, respondents indicate the fire code is inconsistently enforced.

Multiple Agencies with Similar Goals

ORR is expected to uncover and address issues of regulatory overlap. One such example frequently cited is the need for development projects, depending on location, to go through multiple environmental reviews, including those for the Coastal Resources Management Council, Department of Environmental Management, and the Narragansett Bay Commission. While no one questions the importance of protecting the state's environmental and natural resources, applicants contend that it creates a fragmented approach to development review. The parallel review paths increase the time and cost to seek approvals and may also provide different findings, despite having similar objectives.

Procurement

It is very difficult for new businesses, and in particular small businesses, to get involved in state procurement. The level of insurance, bonding and safeguards needed to protect citizens and state funds may be reasonable, but the high cost and high values are perceived to be excessive. Currently, in practice the state requires bonding for any project over $50,000, but can ask for bonds on any project over $5,000 according to the law. This requirement can be prohibitive for small projects that might be a "foot in the door" for smaller businesses obtaining state work. Furthermore, the state turnaround for bond credit is 60 to 90 days, but that can be a barrier to new or small businesses with limited cash flow. In order to grow small business and encourage greater competition among state contracts, the state will need to examine removing these barriers.

Employment Licensing

Staff reductions in key functions at the State level have created a backlog in processing employment licenses or renewals. The healthcare industry, in particular, noted that this affects nurses, who are required to renew annually, all on the same day. This creates unnecessary hiring delays in the State's hospitals and for other health care providers.

Foreign-trained Workers

In addition to language and cultural barriers, many of Rhode Island's foreign-trained workers face certification barriers when immigrating to the U.S. In some cases, the training received in another country is not sufficient to meet U.S. standards or not transferable. As an example, a foreign-trained physician may not be able to work as a physician in the United States. These highly trained individuals are educated and skilled workers who can contribute to Rhode Island's workforce and should be able to earn a wage commensurate with their training.

Local Regulations

As discussed above, local ordinances ranked low on the concern list for small businesses in the ORR survey. However, there was some concern about the administration of local regulations, particularly related to development review affecting the construction industry. Regulations that matter most are those related to zoning and land development.

During the RhodeMap RI engagement process, it was more difficult to narrow down regulatory barriers at the local level. The most prominent concern relates to the oversight by well-meaning people who may not have the technical expertise to effectively administer regulations. Local boards and commissions consist of dedicated volunteers, who often do not have a background in real estate development, planning or finance. As a result, they may not understand the impact of their decisions to either make regulation or implement decisions.

> "The State process is predictable but frustrating; it could be better. However, the local process is unpredictable."
>
> RhodeMap Interview

According to the Rhode Island Builders Association (RIBA), a developer's primary concern is predictability and transparency; local project reviews that can stretch on for months do not provide that certainty. This added time and cost of the regulatory approval contributes to higher housing costs in the state. According to RIBA, approximately 30 to 40 percent of the cost of a new house in Rhode Island is attributed to regulation; nationally, that number ranges from 6 to 35 percent.

A similar observation was made in the Economy RI (2013) report, which acknowledged the largest impediment to all businesses seeking local regulatory compliance to be fees and varying time frames. In a hypothetical scenario in which a hotel/conference center sought to open in a rural Rhode Island community, Economy RI identified the hypothetical applicant would need to review and comply with nearly 300 regulations prior to opening; this number would increase in a more urbanized area.[120]

Impacts to Construction

While the construction industry is certainly not the only industry faced with regulatory barriers in Rhode Island, these issues were a dominant theme as the RhodeMap team investigated place-based strategies for economic development. Construction-related regulations affect the cost and quality of housing; the ability of urban communities to experience economic growth, through rehabilitation of older industrial buildings; and have implications for employing more people in the State. The construction industry represents one of the easier opportunities to employ people with low levels of education or skill by boosting training programs in the trades. Focusing on increasing the construction pipeline in the State as an economic development strategy will create more jobs and, by building more housing, provide more affordable housing in the communities where it's most needed.

Takeaways

Regulatory reform is central to both the short and long-term success of Rhode Island's economy. At the state level, Rhode Island's regulatory structure is large and complex. This is driven in large part by the existing constraints present in much of our landscape. Our natural and rural areas have a significant presence of floodplain and wetland resources, and issues related to water supply and wastewater disposal can be challenging to plan and design. In our urban areas, floodplains, building codes, fire codes, stormwater runoff, and brownfields create complex resource and development issues that require state-

[120] Fourth Economy Consulting, Economy RI, 2013.

level oversight. Reform of state regulations, as reflected by the recent efforts in ORR, is a therefore a major undertaking that will require significant and aggressive investment over a 5-10 year horizon.

At the local level, many of the issues that arise with regulation deal more with consistency of standards and approach as well as incorporating development provisions that actually reflect many of the "smart growth" goals built into local Comprehensive Plans. Continuing to educate and build the capacity of local regulators through technical assistance will be essential to creating local permitting processes that will achieve the goals of this plan.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Complement the statewide inspection services department with a statewide, uniform, electronic building permitting system for cities and towns.

The value of a statewide, electronic building permitting system to the State of Rhode Island would be enormous. Further, due to our small size of our state (smaller than many counties across the country), implementing the system is achievable. The project would begin by identifying a lead agency for the task, which would likely be Commerce RI. As a starting point, the newly formed Urban Redevelopment Office called for in other areas of this plan could pilot the initiative in a handful of Rhode Island's urban communities. Starting with the urban communities would provide the opportunity to get the system running smoothly, "work out the kinks", before deploying statewide. A third party consultant specializing in database design and government e-permitting would likely be required over a multi-year contract to design, activate, and maintain the system early in the project. This entity could also train municipal officials on how to properly use the system for the long-term.

As part of the design of the database, the state could decide which permit applications are tracked and which may not be meaningful. For example, the construction of new residential units, commercial and industrial expansion, and large-scale reoccupation are activities that would be important to track over time. Small renovations, on the other hand, could be screened out of the tracking mechanisms as less meaningful activity. Once data begin to build over time, the state can identify areas where permitting is both increasing in volume and efficiency. This will allow officials to spotlight best practices in zoning and local permit administration and transfer these practices to other local jurisdictions for the purposes of faster and more cost-effective permitting.

Promote the establishment of a statewide building and fire inspection service that can be enlisted at the request of developers.

Rhode Island, like other states, has state-level building and fire codes that are generally enforced at the local level. Throughout the RhodeMap RI process, stakeholders from diverse interests (e.g., state officials, local planners, housing advocates, builders, and small business owners) overwhelmingly agreed that the current system is not functioning well. The recurring observation is that local enforcement officers (sometimes within the same community) are interpreting and enforcing the state codes differently. This leads to delays during construction that can be very costly to developers, who need to have space occupied as soon as possible in order to generate revenue.

The existing enforcement allows conflicts or problems with local enforcement to be "sent up" to the state at the request of local officials. This usually occurs only after considerable time has been lost and

frustrations are high. One approach to partially addressing this problem would be to adjust the statewide process to allow for developers to request state level review at the outset of their project. The ability for developers to make this request would be reserved for projects that meet a series of criteria that have yet to be determined. But factors that could be considered include:

- Location. Is the project within a designated Growth Center?
- Housing. Does the project provide for housing diversity, including subsidized affordable units?
- Scale. Does the project meet a certain size threshold (e.g., 10,000 square feet or more of commercial space)?
- Complexity. Does the project include the use of other tools that add layers of complexity (e.g., TDR, Historic Tax Credits, TIF, etc.)

Encourage mixed-use development zoning which incorporates village-like amenities and services for a mixed-age (intergenerational) residential population, and includes by-right multi-family housing models for rural and suburban centers.

Many broad based economic objectives related to business development, workforce housing, stimulating construction, and efficient use of land converge on a single regulatory issue: local zoning. Older zoning ordinances across the state—in rural, suburban, and urban communities—do not provide a clear path to the type of development that would advance sustainable economic development. Rhode Island has miles of underutilized commercial strips, dozens of vacant historical structures, several underperforming "main streets", and emerging village centers that call for a serious approach to redevelopment across the state. While zoning and land development regulations are not the only potential obstacle to reinvestment in these areas, they represent a piece of the puzzle that is entirely within the control of state and local government to change.

Many communities in Rhode Island have seriously engaged in local regulatory reform, from the capital City of Providence to the suburban Town of North Smithfield, to the quiet rural Town of Exeter. While these municipalities (and several others) provide case studies for other communities, there is still considerable work to be done across the state. State government, through agencies like Statewide Planning and RIDEM, have provided some training and capacity building to municipalities over the past 10-20 years. These efforts have also been bolstered by groups like GrowSmart RI who incorporate training of municipal officials into their overall mission. Capacity building for local zoning reform should be significantly increased to meet the economic objectives of this plan and new partners should be drawn into the initiative like the Rhode Island Builder's Association (RIBA), the Rhode Island Nursery and Landscape Association (RINLA), the American Association of Retired Persons (AARP), and others.

DATA, INFORMATION AND COMPETITIVENESS

Introduction

This policy brief identifies the state of important economic data in Rhode Island, which includes land use and real estate data, regulatory data, and the exchange of data through high speed internet service (broadband). When "properly collected and analyzed, data gives organizations or agencies insight into their service, customers, and performance. It provides a critical resource, linking activities and functions to strategic planning, organizational goals, and management."[121] Identifying, tracking and maintaining accurate data will be essential to evaluating the implementation of this economic development strategy and will hold the state accountable for meeting the plans' goals and policy objectives.

Rhode Island's existing data collection resources:

- RI.gov
- Office of Digital Excellence
- RI Geographic Information System (RIGIS)
- ProvPlan (RI Data Hub)
- Broadband RI
- Statewide e-permitting portal (forthcoming)

Economic Data in Rhode Island

Land Use Data

Land use data is integral to establishing a place-based economic development strategy, as it provides the framework for identifying where to target economic development opportunities based on existing and future conditions. This includes zoning, existing and future land use data, and property assessment data. Within Rhode Island there exists a lack of consistency and availability of land use data that would inform such a strategy. A lack of technical and human resources makes it difficult, and for some impossible, to keep this data current. Furthermore, Rhode Island has a state Geographic Information System (GIS) operated through the University of Rhode Island, and ProvPlan has the RI Data Hub and Community Profiles websites, which both serve as clearinghouses for various land use-related data.

Regulatory Data

The Office of Regulatory Reform (ORR) is collecting performance data on all regulations in the state in order to estimate the economic impact of each regulation (e.g. the time and cost to a user). During this review, ORR discovered that the quality of data provided to them varies significantly among agencies.[122] Again, this may be a result of limited resources (staff) and time afforded to collecting and preparing the data for the ORR's review. However, some agencies simply have better data collection methodology. For example, the Department of Labor and Training very effectively collects and tracks data, primarily as a result of its participation in Federal programs. ORR was able to refine their questions in the hopes of getting better quality reporting in the latest round of analysis. However, the collection and analysis of regulatory data will necessarily need to be improved in order to be used as a performance measure and evaluate the economic impact of regulations on business in Rhode Island.

Broadband Data

Today, broadband (high-speed internet) is a ubiquitous utility, like electric and water service. It is also a key piece in the state's economic development picture – for business attraction and growth, e-commerce, workforce training and education, among others. Rhode Island performs well in this area. According to Economy RI, the state ranks in the top ten in internet connectivity (coverage) and internet speed.[123] The

[121] National Partnership for Reinventing Government, Balancing Measures: Best Practices in Performance Management, 1999.
[122] Project Interview
[123] Fourth Economy Partners, Economy RI, 2013

state ranks much lower in broadband adoption (use of the internet) and e-government.[124] Technology is constantly changing and the state needs to ensure it continues to provide coverage, connectivity, and speed to all corners of the state.

The state received nearly $30 million from the federal government (for 2010-2014) to provide "broadband infrastructure, access, digital literacy, and organizational capacity building."[125] A portion of this funding established the Broadband RI (BBRI) initiative, to expand broadband use and digital literacy across Rhode Island. Nationally, 30 percent of residents do not use the internet at all. According to Broadband RI, the challenge is not just providing fast connections, but internet that is accessible to and understood by everyone.[126] The Ocean State Higher Education Economic Development and Administrative Network (OSHEAN) and Ocean State Libraries is using federal funds to provide internet access in community anchor institutions (libraries) throughout the state. The higher the adoption rate and more internet literate its citizens, the easier it will be for Rhode Island to adopt e-government policies and the greater positive impact it will have on Rhode Island's residents.

> The Internet is a powerful unifying technology that can be used to address key public policy areas, including:
> - Better government services within tight budgets
> - Open government and civic engagement
> - Economic and workforce development
> - Effective and affordable healthcare delivery
> - Quality education for every citizen
> - Integrated public safety and disaster response
>
> - Broadband RI

E-Government

E-government brings the expectation that if you build applications the citizens will a) have access and b) know how to use it. As discussed above, that is not always the case. The recent release of healthcare.gov, the national healthcare online marketplace, is a prime example of how many people still have poor access or understanding of the internet.[127] In 2013, Rhode Island established the Office of Digital Excellence within the Department of Administration to: manage all new technology infrastructure projects and upgrades for state agencies; expand and improve the quality of state technology services; promote greater access to government; and improve the State's websites to provide timely information to online users. This office is rolling out a number of web-based resources to collect and disseminate data, including a new e-permitting platform. It will play a key role in collecting data, as a web-based, seamless portal for data will be most effective and efficient.

Importance of Data for Measuring Performance

The success of Rhode Island's economic development strategy will be evaluated based on a set of performance measures aligned with the state's primary goals. Collecting performance data increases accountability of a plan and provides a baseline of information from which trend data and success/failure rates can be derived.[128] Performance measurement will also allow the state to make policy adjustments, in the event certain goals are not met or as a result of changing external factors. In short, performance measures will help the state make policy decisions.

> Not everything that can be counted counts, and not everything that counts can be counted.
>
> Albert Einstein

[124] Community Economic Futures for Broadband Rhode Island, Broadband Policy for Rhode Island, 2012
[125] Broadband Policy for Rhode Island, 2012
[126] Project Interview
[127] Project interview
[128] National Partnership for Reinventing Government, Balancing Measures: Best Practices in Performance Management, 1999.

In order to measure performance effectively, the state will need to collect or have access to the relevant data. According to best practice in performance measurement, the most important criteria in identifying metrics are:[129]

- Focus on outcomes rather than outputs (e.g. jobs created v. people served)
- Use SMART metrics (Specific – Measurable – Achievable – Relevant - Time-based)
- Identify Metrics that Matter, such as quality jobs

As such, it is important that the state is collecting the right data, rather than all data, that align with the major objectives of the economic development strategy.

Takeaways

The state's data infrastructure is important to economic development for many reasons. First, the ability to collect and track data and outcomes is critical for holding the state accountable to the strategies put forth in this plan. The internet makes this much easier to do, but it is impossible to be fully automated and as such there is always room for error and inconsistencies.
Second, data infrastructure, in the form of the state's broadband network, is very important to business development and job growth. Most companies today are connected to the internet and require high processing speeds. Additionally, improving internet access and literacy will contribute to a more robust workforce and provide greater access to jobs.

Moving Forward

The following strategies provide a sample of the larger list of strategies provided in Part Four: The Full Policy Framework.

Require, and fund, all municipalities to have their real property data (parcels, lots and blocks, etc.) collected and geocoded by a single entity in order to establish a uniform, statewide, real property data and mapping system (GIS) which will enable businesses and residents, as well state and local government officials to compare or identify real property values and development/redevelopment opportunities.

The ability to capture economic investment is greatly increased when local and state governments can provide high-quality information quickly. Basic property information such as development constraints (e.g, the presence of wetlands), assessed value, zoning designation, proximity to infrastructure, and other similar features help potential investors identify attractive locations and initiate informed discussions with regulatory agencies. This type of information is most effectively maintained in a Geographic Information System (GIS) that integrates mapping with data storage. At the municipal level, nearly every community in Rhode Island has some form of GIS; however, the structure and quality of these systems varies greatly. In some cases, every parcel in the community is digitized and seamlessly integrated with all of the information in the Assessor's database. In many other cases, the data that some towns have is not used or maintained.

Because of our small size, it is conceivable that Rhode Island could develop and maintain a statewide GIS that integrates local data from every city and town. This type of system could revolutionize our ability to perform regional environmental and economic analyses, and the ability to link this to a statewide permitting mechanism would make Rhode Island a national leader. To begin this process, the state would need to identify a third party technical firm with considerable staff resources to perform the database

[129] EDAC, Performance Measures in Economic Development, 2011.

design and processing. Equally important, the state would need to sustain funding to maintain the data, which would likely take the form of a single highly trained technician who would have periodic access to a couple of staff members who could help process data when necessary.

With every tax incentive provided by the state, require a clear statement of the expected positive outcomes, requirements for collecting information that will demonstrate progress toward those outcomes, and provisions to either correct a lack of progress or reduce/remove incentives.

This action item does not require intensive explanation to convey its meaning. However, what is worth restating is the incredible importance of this action to the success and the reputation of Rhode Island. At both the local and the state level, Rhode Island has seen far too many incentives issued to developers or corporations without a clear understanding of what the outcomes were supposed to be. Further, disputes have occurred between government agencies and beneficiaries as to when the terms of a particular incentive expire. In many cases, these disputes occur due to inadequate record keeping and general mismanagement over the course of different administrations.

Moving forward, at the state and local level, Rhode Island agencies must provide incentives in a manner that makes it clear to everyone involved (including the general public) what the terms of a particular incentive are. Understanding these expectations will allow performance to be measured over time and, if the expected outcomes are not being achieved, all parties can be held accountable.

Provide training to local and state governments on permitting "best practices" that lead to a faster permitting process and higher quality development. Build upon the success of recent state agencies that have trained under programs like LEAN.

Discussions during RhodeMap RI about permitting often brought out anecdotes from business leaders or developers about frustrations they have had with both local and state agencies. In many cases, people who work within the system everyday—both as applicants and regulators—acknowledged that offices across the state would benefit from training on many different levels. On the most basic level, creating a culture of "customer service" was a recurring theme. It is essential to move applicants through the permitting process as efficiently as possible without compromising any compliance issues. From that point, applying and interpreting standards consistently within individual or multiple offices will create a more predictable environment for everyone involved. Finally, learning new permitting "best practices" and applying new technology where possible can greatly enhance the application review process for everyone involved. Recent experiences with RIDEM were cited as very positive since the organization went through an intensive internal training for their own very complex regulatory structure. The agency has significantly increased its own efficiency and internal coordination for a better permitting process.

PART FOUR: THE FULL POLICY FRAMEWORK

DRAFT

Guiding Principles

As the RhodeMap RI process transitioned toward developing Goals, Policies and Strategies, the Economic Development Committee, SEAC, and Consortium worked to develop a set of Guiding Principles that would help to frame the upcoming discussions on implementation. These principles included:

1. Provide opportunities for all Rhode Island residents.
2. Anticipate important current and future trends.
3. Capitalize on Rhode Island's assets.
4. Develop and maintain high quality infrastructure and technical support.
5. Provide affordable, stable and healthy homes as an integral component to the state's economic success.
6. Measure the performance of state investment and hold beneficiaries accountable.
7. Provide a strong and diverse range of educational opportunities.
8. Re-enforce the policies of other State Guide Plan Elements

Goals, Policies, Strategies and Performance Measures

To achieve the Economic Development Vision developed for the plan, a strategic plan was developed that begins with a series of "big picture" goals. These goals capture the full spectrum of aspirations that serve as the ultimate framework for implementation. Within each goal, a series of more specific policies are provided that provide a clearer picture of what types of strategies and initiatives will continue to emerge and evolve over time.

Note: In the final version of this plan, all strategies listed in prior sections of this plan will be cross-referenced with the listings below, for ease of finding information. Further, each strategy below will be assigned a lead and supporting implementers and a time frame.

ED Goal 1: Provide educational and training opportunities that help people build careers.

POLICIES

A. Provide workforce training that creates opportunity for upward mobility.
B. Develop an urban core strategy to encourage job creation in areas with high concentrations of lesser skilled labor.
C. Provide training in skills that cut across a wide range of industries.
D. Make stronger connections between government, the private sector and educational institutions to align training, funding and industry needs.

E. Support reform of the education system to better provide the learning and skills necessary for success.
F. Provide more opportunities for experiential learning, such as apprenticeships and internships.
G. Find sources other than state and federal dollars to do job training through public private partnerships or incentives for privately funded programs.

STRATEGIES

Big Ideas

1. Create a standing working group comprised of representatives from the Governor's Workforce Board (lead entity of the group), State Department of Education, Commerce RI, Industry Associations and higher education. Consistent with the "Rhode to Work" action plan presented by the RI Senate.
2. Strengthen the state's apprenticeship programs to their full potential:
   a. Support and enhance bRIdge.jobs.
   b. Expand the number of occupations and industries that qualify for the apprenticeship tax credit.
   c. Develop and maintain a statewide apprenticeship website, listing employers and locations.
   d. Consider providing preference in letting government contracts to employers that use apprentices.
   e. Actively engage with employer organizations and industry partnerships to specifically facilitate the expansion of apprenticeships throughout the state.
   f. Make connections between apprenticeship programs, the homeless community, ex-offenders and other groups with unique challenges related to re-entering the workforce.
3. Create a new program to seamlessly integrate industry directed workforce training with secondary and post-secondary education. Use Maine's "Many Flags/One Campus" initiative as a starting point for this concept and adapt to Rhode Island as needed.
4. Advocate for providing universal access to pre-K across the state.

Setting the Stage

5. Map all levels of our workforce system to identify areas for increased efficiency and service delivery, with the assumption that there may currently be redundancies and confusion.
6. Expand and increase the number of university-business engagement centers to provide better access to job opportunities and increase direct communication to businesses.
7. Identify funding opportunities to expand the "Providence Talks" program, or something similar, into all of Rhode Island's urban core communities.
8. Support comprehensive transitional services for immigrants.
9. Support and promote the Arts as a viable, nontraditional trade in which trainees learn creative problem solving and are offered a path to career development.
10. Provide job training for disabled people and set them on a career path from the time they enter school.
11. Remove barriers to continuing education for seniors and partner with AARP to increase awareness of educational and career opportunities.
12. Access the full potential of CCRI to help prepare our workforce:
    a. Address the gap that results from CCRI's open enrollment of high school students not ready to enter with targeted academic support.

b. Provide academic support for those students who may have entered CCRI not adequately prepared.
c. Increase communication between CCRI and the Governor's Workforce Board in order to determine the best credentials for labor market demands.
d. Support a direct partnership between CCRI and the Jobs for the Future: Breaking Through initiative.

13. Strengthen Commerce RI's partnerships with the state's Industry Partners through regular coordination and progress reports.
14. Engage Rhode Island's social enterprise experts to identify and scale solutions for employing residents with barriers to employment.
15. Track every dollar spent by the state on job training programs along with post-training performance measures.
16. Identify opportunities to integrate formal soft-skills training into the state's Industry Partners program and other training programs that include the state as a partner.

Early Wins

17. Reform the state's Job Development Fund by exempting the fund from the state's indirect cost recovery and using the Governor's Workforce Board as the central point of contact for administering the fund.
18. Provide voluntary language programs in both the public and private sectors that teach Spanish.
19. Provide incentives for businesses to provide English language learning opportunities.
20. Promote the use of CDBG funds to provide "soft skills" training.
21. Require that adult education resource decisions by the Department of Education give priority to programs that:
    a. Minimize waiting lists by expanding program capacity.
    b. Reflect the state's workforce priorities as identified by the Governor's Workforce Board.
    c. Are most effective at attaching participants to the workforce.
    d. Include a digital literacy component.
    e. Provide enhanced transparency of program expenditures and outcomes.
    f. Provide wrap around services for adult learners who have barriers to sustained participation.

ED Goal 2: Create a business climate where innovators and entrepreneurs can thrive.

POLICIES

A. Provide information and resources to existing and future small business owners to enhance operations and access to capital.
B. Harness the creative and intellectual capital within our universities to support statewide economic activity.
C. Increase the flow of capital into small business development, particularly to benefit low-income communities.
D. Remove regulatory barriers to small businesses at the state and local levels without compromising the health and safety of people or the environment.

E. Identify industry opportunities that may emerge in response to the impacts of climate change to capture emerging market opportunities.
F. Stabilize and revitalize business expansion and retention in low-income communities with efforts directed at businesses owned by women and people of color.
G. Support businesses that provide jobs for local workers.

STRATEGIES

Big Ideas

1. Create a policy research network with multiple universities to provide a steady flow of research into Commerce RI, Statewide Planning and other state agencies. Consider the continuation and enhancement of the College and University Research Collaborative.
2. Create a network of "one-stop-shop" business community centers where trained personnel can educate business owners about licensing, permitting, taxes and other essential aspects of running a business in Rhode Island.
3. Explore ways to capitalize a Fund for Rhode Island's Future through innovative capitalization tools (e.g., large-scale tax credit sale, sector based TIF, etc.)

Setting the Stage

4. Require banks seeking to do business with the State to demonstrate a strong small business lending track record within the state.
5. Integrate entrepreneurship and business education into university and high school curricula.
6. Revise existing investment tax credit programs to be more in tune with market activity, company, and community needs.
7. Develop a network of small business mentors that can serve as a resource for startups.
8. Explore a re-launch of a RI-based Community Development Financial Institution (CDFI). This organization could partner with Commerce RI to administer and increase access to micro-loan funding.
9. Conduct an independent census of entrepreneurs and sole proprietors.
10. Develop a local zoning framework that allows for individual sites to integrate many different uses into a single building over time (e.g., light manufacturing, wet lab, demonstration facilities, R&D, office, education, retail, etc.)

Early Wins

11. Identify sources of capital for local green enterprises like composting and food production.
12. Adopt new legislation to facilitate the use of different small business models like co-ops both for preserving existing and creating new business.
13. Increase the job creation/preservation threshold for public small business lending programs.
14. Require state-level lending programs to document how each agency, where applicable, is reaching out to local credit unions and small banks in order to identify a broader range of loan prospects.
15. Develop monitoring plans for state agencies that lend money with clear performance objectives related to small business lending and lending to low-income or business owners of color.

16. Develop a network of small business support organizations to deliver training modules designed to make small businesses "loan ready".

ED Goal 3: Create an inclusive economy that targets opportunity to typically underserved populations.

POLICIES

A. Create jobs, and a pathway to those jobs, that provide sufficient income for individuals and families to live comfortably.
B. Support investment in urban core neighborhoods that will yield broader improvements for the people who live there.
C. Remove barriers to employment, particularly those barriers that have disproportionately impacted disadvantaged populations.
D. Make infrastructure investments in urban areas, particularly in roads, rail, and broadband, focused on high priority redevelopment areas and growth centers.

STRATEGIES

Big Ideas

1. Create a state level urban redevelopment office, potentially within Commerce RI, designed to reduce bureaucracy and increase capacity in urban communities. Implementation might include:
    a. Establishing the agency through special legislation and granting specific powers and resources (human and financial).
    b. Charging the agency with assisting Rhode Island's urban communities with blight studies, property assemblage, market and financial feasibility analysis, developer negotiations and deal structuring.
    c. Hiring a dedicated, highly qualified team of professionals to serve the needs of urban areas, with expertise in real estate development, incentives, finance, etc.
    d. Assigning two or three loan development specialists to the ten most urbanized areas of the state, where small business lending capital is in most need.
    e. Hiring staff with significant expertise in crafting Community Benefit Agreements (CBAs) in other jurisdictions and leveraging community improvements from anchor institutions.
    f. Providing basic support services to communities such as event planning, convening space, training sessions, and GIS data development and maintenance.
    g. Providing access to technical assistance for site related issues like environmental remediation or pre-permitting at the state level.
    h. Increasing awareness and coordination of programs like the Volunteer Income Tax Assistance (VITA) program.
2. Diversify the state workforce at all levels so that the racial and ethnic composition of staff is reflective of the state as a whole.
3. Engage anchor institutions to support specific community economic development initiatives. Initiatives could include:
    a. Directing a greater percentage of their purchasing power toward local vendors.

b. Hiring a greater percentage of their workforce locally.
c. Providing workforce training for people needing assistance in the community.
d. Incubating the development of new businesses, including social enterprise among nonprofits.
e. Serving as an advisor or network builder.
f. Leveraging real estate development to promote local retail, employer-assisted housing, and community land trusts.
g. Using pension and endowment funds to invest in local job creation strategies and to provide community venture capital for nonprofits, entrepreneurs, and employee-owned firms.

Setting the Stage

4. Support the expansion of LISC's Financial Opportunity Centers beyond Providence, and create strategic partnerships between these initiative and the new Urban Redevelopment Office.
5. Create aggressive incentives to re-develop older industrial buildings and sites to attract new manufacturing investment. Leverage local hiring with these incentives.
6. Create a state-level First Source Hiring program, which connects dislocated workers and economically challenged residents with entry level jobs. These jobs are generated by the investments including, contracts, leases, and public works made by a governmental entity (the State); or by business activity that requires approval by or permits issued by State agencies.
7. Have better coordination between Department of Corrections and the Department of Labor and Training for people coming out of the ACI to help them find a job.
8. Provide educational opportunities for currently or formerly incarcerated individuals to learn to start and own businesses.
9. Find partner agencies that can integrate homeless individuals into job training or vocational programs.
10. Support housing programs that link homeless individuals with opportunities to renovate housing, with the goal of providing residence to those workers.
11. Develop programs that provide some level of relief from student loans in return for a set number of years working in the state.
12. Establish a point of contact for regular communication between Commerce RI, lending institutions and community-based organizations with high immigrant participation.
13. Integrate child care facilities into public service and job training facilities.
14. Identify and remove mechanisms in the hiring process that make it possible to discriminate based on past criminal records without removing reasonable protections.
15. Develop and maintain a fully mirrored website for Commerce RI in Spanish as a first step to providing more multi-lingual access to economic development information.

Early Wins

16. Negotiate Community Benefit Agreements for projects of state significance, to guarantee that a project's positive economic impacts (jobs, neighborhood improvements, etc.) will benefit current residents.
17. Require large construction contractors bidding on state infrastructure and/or roadway projects to identify their efforts to both sub-contract work to minority owned construction firms in Rhode Island, as well as its proposed efforts to directly hire apprentices of color

from a state approved construction apprenticeship program. Use the track record in hiring people of color as a criterion for future job selection.

18. Expand awareness of existing business programs into non-English speaking communities.

ED Goal 4: Support industries and investments that play to Rhode Island's strengths.

POLICIES

A. Continue to preserve rural landscapes and natural areas that contribute to Rhode Island's marketability and tourist economy.
B. Capture opportunities to create commerce in every component of the food system.
C. Invest in arts and culture to build on Rhode Island's identity as a cultural destination.
D. Develop an advanced manufacturing agenda that positions our state for new industry opportunities.
E. Support the continued pursuit of studies and policy reform called for in The Rhode Island Agricultural Partnership's *A Vision for Rhode Island Agriculture: Five-Year Strategic Plan*
F. Balance the competing demands on our shoreline areas for habitat, water quality, recreation, and industry.
G. Strengthen Rhode Island's role in the regional and global economy by supporting businesses and knowledge sectors that provide unique services outside of the state.
H. Pursue collaborations with our universities to continue innovation in the fields of design, ocean science, bioscience, etc.
I. Continue to reinvest in and reinvent our unique built environment, such as mill buildings, historic neighborhoods, and villages.
J. Support geographic proximity or co-location of firms in interrelated industries to promote collaborative exchange, innovation, and networking, and to maximize return on public and private infrastructure investments.

STRATEGIES

<u>Big Ideas</u>

1. Create a Rhode Island Center for Design and Manufacturing.
2. Establish a Marine and Cybersecurity Center to showcase the cybersecurity capabilities already within the state.
3. Develop a standing Rhode Island defense industry task force to report to the Governor and identify real-time and longer operational challenges in a proactive manner.
4. Create a private-public Rhode Island Shipping Association (Ship RI) to provide a platform for collaborating around key opportunities to increase logistics and export support for RI businesses.
5. Provide the state Office of Tourism with the funding and staff resources needed to develop a cohesive and comprehensive approach to tourism that operates statewide, but is also tailored to opportunities in different regions.

<u>Setting the Stage</u>

6. Empower and fund the Rhode Island State Council for the Arts (RISCA) to serve as the central leadership in bringing greater statewide focus and investment in the Arts, treating artists as business people, and their businesses as essential to the Rhode Island economy. Focus should be placed on funding diversity, and partnerships and programming with universities, libraries, businesses and other organizations.
7. Explore the development of a United Cultural Fund that could support a number of functions related to arts preservation and expansion.
8. Support the development of a grassroots arts and culture network across the state, with a database of contact info, non-profits, and resources to increase awareness of cultural opportunities and allow for arts organizations to coordinate their efforts. Have the state be responsible for launching a web-based platform, which is then populated by members of the arts community.
9. Develop a comprehensive statewide map of cultural assets and deploy through a smart phone app similar to RIDEM Parks.
10. Develop a state brand that is widely recognizable to promote and expand tourism, and that can be flexibly used for all regions of the state
11. Develop a state brand that is widely recognizable to promote what is grown and made in Rhode Island.
12. Increase investment in Logistics and Export Assistance to support shipping activity and ports.
13. Accelerate opportunities and collaborations provided by the Bioscience, Neuroscience and Medtech industry sectors.
14. Consider Green Infrastructure or "Green Collar Jobs" as a potential new Industry Partner in the Governor's Workforce Board program.
15. Identify idle manufacturing facilities within the state's urban areas and create a profile of each facility.
16. Create aggressive incentives to re-develop older industrial buildings and sites to attract new manufacturing investment. Consider tools like "tax free zones", but structure these incentives so they provide clear, direct benefits to residents in the host community.
17. Develop and fund a facilitated process whereby community groups, local government officials, developers and residents to develop a site and use plan for old industrial buildings.
18. Conduct a statewide, comprehensive needs assessment and feasibility study related to agricultural processing and distribution infrastructure.
19. Review state policies to reduce/eliminate barriers to increased sales of RI farm products to state institutions and state and municipal agencies.
20. Continue to identify and protect land for urban agriculture.
21. Comprehensively reform existing state regulations related to food safety, production, processing and sales to protect public health, allow for the use of "slow food" techniques, and increase home-based and/or small business licensing.

<u>Early Wins</u>

22. Develop a state-level map of waterfront areas that currently have infrastructure for waterfront industry and provide guidance to host communities on how to retain these industrial areas in the face of market pressures for alternative uses (e.g., resort, hotel, residential, etc.)
23. Reduce barriers to the expansion of home-based rural economic development. Provide technical assistance to local governments for implementing DEM's *Community Guidance to Maintain Working Farms and Forests*.

24. Reduce barriers to home based business throughout the state by revising local regulations and licensing requirements.
25. Provide technical assistance for the identification and implementation of Growth Centers.
26. Develop an Anchor Institution purchasing program that supports existing small businesses in the state.
27. Create a Food & Beverage Industry Partner to work with the Governor's Workforce Board.

ED Goal 5: Create great places by coordinating economic, housing and transportation investments.

POLICIES

A. Connect people to jobs and services through walking, bicycling and public transportation.
B. Use investments in business development and housing density to increase community vitality and local employment. Think about targeted investment in the context of "whole places".
C. Invest in the creation and revitalization of village and growth centers.
D. Support communities in their efforts to identify and develop growth centers.
E. Promote transit oriented development (TOD) through planning and zoning at appropriate transit stop locations that encourage higher density commercial and residential uses clustered around the transit station.

STRATEGIES

Big Ideas

1. Restore the Historic Preservation Investment Tax Credit with adequate funding to spur targeted development, including residential development.
2. Support the connection of bike paths and greenways across the state to create region-wide bike trails, prioritizing investment in bike paths that would serve low-income communities.
3. Revitalize the state's Enterprise Zone Program to re-establish it as an effective redevelopment tool. Consider the following:
   a. Reducing the geographic area covered by the program to create a more targeted and strategic approach;
   b. Removing or revising eligibility restrictions built into the program in order to have a wider variety of corporate structures participate;
   c. Create a preference for designated Growth Centers;
   d. Increase the benefits to businesses that provide direct local community benefits.
4. Identify sustainable, permanent funding sources to maintain and expand public transportation.

Setting the Stage

5. Exempt Growth Centers from the state's tax levy cap to remove disincentives for public and private investment.
6. Tailor incentives or tools to favor application in Growth Centers. Candidates might include:

   a. Project-based Tax Increment Financing (TIF) – limit applicability to or provide a longer potential time horizon within Growth Centers.
   b. Tax stabilization – limit to Growth Centers or limit state reimbursement to Growth Centers.
7. Reform TIF enabling legislation:
   a. Require analyses in TIF applications that clearly demonstrate the project could not proceed "but for" the use of a TIF agreement.
   b. Require applications to identify direct benefits to local residents that will result from the project.
   c. Clarify the "allowable project" definition to focus on the acquisition and improvement of land and existing structures in accordance with the proposed redevelopment plan and the host community's Comprehensive Plan.
8. Implement local and regional Transfer of Development Rights (TDR) to increase housing density while preserving open space.
9. Focus on commuter rail service expansion at the TF Green Interlink facility to avoid adding trip time to the Acela and Regional services.
10. Redevelop outdated suburban retail strips and plazas to improve access for pedestrians and bicyclists, incorporate transit options, and enhance the ability of local businesses to meet community needs.
11. Encourage mixed-use development zoning which incorporates village-like amenities and services for a mixed-age (intergenerational) residential population, and includes by-right multi-family housing models for rural and suburban centers.
12. Provide incentives to rehabilitate foreclosed/vacant properties into rental and homeownership opportunities and explore the use of "sweat equity" programs for local residents to perform the work.
13. Build on recent efforts to create interagency cooperation for permitting and formalize a structure for collaborative permitting within all of RIDEM's divisions (e.g., wetlands, site remediation, wastewater, etc.) as well as with CRMC.
14. Inventory state-owned parcels that are potentially within growth centers or other areas with strong market demand and consider selling or leasing to generate revenue and/or put these properties back on tax roles.

Early Wins

15. Promote the use of parking management and parking design strategies that contribute to more walkable and environmentally friendly mixed use areas.
16. Adopt revised legislation for the Transfer of Development Rights (TDR) to facilitate strategic, increased economic activity and housing development. Use RIDEM draft legislation as a starting point.
17. Incorporate best practices into local zoning and land development standards for access management and automobile circulation.
18. Provide guidance and funding to local communities on incorporating pedestrian, bicycle and transit amenities into new or redevelopment opportunities.
19. Build state's capacity to provide growth center visualization techniques (renderings, etc.) for municipalities to help communities better understand the more technical aspects of regulating density and design.

ED Goal 6: Develop and maintain world class infrastructure to support the state's economy.

POLICIES

A. Provide a comprehensive system of built infrastructure that supports economic development consistent with the State Guide Plan.
B. Strengthen and expand our transit system in a way that supports economic activity, commerce, and benefits to communities.
C. Develop sustainable and innovative funding mechanisms for infrastructure development and maintenance.

STRATEGIES

Big Ideas

1. Create a sustainable, permanent funding mechanism for the repair of Rhode Island's roads and bridges.
2. Diversify and decentralize Rhode Island's energy sources to include more renewable energy providers for positive climate and economic benefits.
3. Investigate the creation of a state-level Infrastructure Bank to fund projects that support critical economic activity.

Setting the Stage

4. Work with RIAC to promote TF Green's "Go Green" initiative.
5. Conduct assessment of known impacts of stormwater from state highways on municipal drainage systems, options to eliminate or mitigate such impacts
6. Develop revolving fund or similar funding mechanism at the state level specifically designated for developing small-scale wastewater treatment facilities or small community water supply wells in suburban and rural growth centers.
7. Implement the State Rail Plan, by expanding intermodal opportunities and connections at all commuter rail stations to accommodate expanded high speed rail, commuter rail, freight rail and bus services.
8. Improve broadband performance and access on Aquidneck Island, potentially through the localized, island-wide technology network.
9. Invest in information technology capacities at libraries and community centers.

Early Wins

10. Aggregate all local GIS based infrastructure data into a separate geodatabase maintained by RIGIS.

ED Goal 7: Provide new infrastructure and improvements that are resource efficient and resilient to climate change.

POLICIES

A. Continue to explore new ways of providing reliable and cost-effective energy to Rhode Island.

B. Provide tools to local municipalities that will help them become more fiscally resilient to impacts from climate change.
C. Improve infrastructure without compromising existing community assets, public access and sensitive environmental resources.
D. Rebuild and repair infrastructure to a standard that is resilient to impacts from climate change and sea level rise.

STRATEGIES

Big Ideas

1. Develop a comprehensive assessment of the existing structure of Rhode Island's water utilities with the goal of partial consolidation. The assessment will evaluate the hydraulic and administrative feasibility of consolidation, but also look to restructure based on future growth goals for the state and issues related to source water and aquifer capacity.
2. Continue to advance CleanTech economy through procurement efforts, renewable energy fund investment and regional collaboration. Efforts could include:
    a. Continue to expand renewable energy procurement efforts as outlined in the State's energy plan.
    b. Use an annual report to track growth.
    c. Coordinate with companies that provide smart-grid solutions
    d. Convene potential partners to provide support uses (e.g., warehousing, etc.)
    e. Maintain support through the Rhode Island Renewable Energy Fund.
    f. Collaborate with regional partners through the New England Clean Energy Council.
3. Create programs that will support high-paying clean technology jobs. Characteristics of these programs would include:
    a. Developing financing mechanisms that account for a longer return on investment for seep energy retrofit projects.
    b. Apprenticeship programs.
    c. Job-training programs that include establishing career pathways to ensure low-income populations have access to these jobs.
    d. Project-based labor agreements for in-state contractors.
4. Convene a Resilient Economy Collaborative to take ownership of RhodeMap RI with special attention to strategies that overlap with the *Economic Intersections of Rhode Island* (Feb. 2014) and *Understanding the Opportunity and Impact of Climate Change* (Draft April 2014). Responsibilities could include, but would not be limited to:
    a. Developing an approach to attracting private capital for long-term, sustainable financing for energy efficiency, renewable energy and alternative transportation programs and projects, as well as non-energy mitigation and adaptation projects.
    b. Develop new, sustainable financial strategies for public utilities, including drinking water, wastewater, stormwater, etc., to cover costs associated with adaptation
    c. Convene small businesses for the purposes of exploring resiliency issues that are unique to this group.

Setting the Stage

5. Ensure the future prosperity of Rhode Island's ports through the development of detailed vulnerability assessments and long-term infrastructure investment plans.

6. Continue to expand our knowledge base of climate trends by coordinating with groups in Rhode Island, and beyond, who are monitoring trends in storm severity, weather pattern variation, and sea level rise.
7. Engage National Grid to identify incentive rates and programs where they have excess distribution capacity (for manufacturing).
8. Actively pursue federal grant opportunities for the design and installation of green infrastructure (e.g., EPA's Clean Water Act Nonpoint Source Grant (Section 319 Grants) and/or Clean Water State Revolving Fund (CWSRF))
9. Expand existing energy programs to add new financing and investment tools (e.g., expand PACE to include commercial properties)
10. Extend Rhode Island's Least-Cost Procurement (LCP) mandate to renew the state's leadership in energy efficiency.
11. Identify test sites, both land and water facilities, to support piloting resiliency-related product innovation.

Early Wins

12. Integrate climate change and sea-level rise analyses into potential economic investment within vulnerable communities.
13. Complete detailed sea-level rise projection mapping for the entire state, make this information readily available to local governments, actively engage in outreach and training to communities, and require incorporation of this information into local comprehensive plans.
14. Actively engage and train local communities regarding:
    a. Neighborhood and site development techniques that create more comfortable and energy efficient designs.
    b. The siting and regulation of wind turbines and include sample ordinance language.
    c. Removing regulatory barriers for solar power facilities at all scales, including sample ordinance language.
15. Actively advocate for amendments to federal policies that would allow infrastructure repair/replacement funds/grants to be used not just to rebuild the way things were, but stronger and more resilient.
16. Integrate climate change and sea-level rise analyses into potential economic investment within vulnerable communities.
17. Perform employment center vulnerability mapping to better understand the potential benefits of protecting these areas with infrastructure investment.
18. Expand availability of business continuity planning and access to different succession models.
19. Revise TIP selection process to include climate change resilience criteria.

ED Goal 8: Create a climate where our companies, our workers, and the state as a whole can develop a competitive advantage.

POLICIES

A. Transition to a knowledge, innovation, and technology driven economy geared to greener, more sustainable outcomes.
B. Create a culture of business-friendly service in state and local government.

C. Use technology to promote greater efficiency, consistency, transparency, commerce and service.
D. Develop research and analysis capacity to make policy and investment decisions based on good information and evidence of positive outcomes.
E. Improve policies and regulations to be more transparent, predictable, and more flexible without compromising important protections.
F. Limit revenue loss from changing tax policies to ensure that effective state programs, such as those that advance goals of this plan, are not weakened.
G. Develop long term strategies to keep utility rates competitive with New England neighbors.
H. Facilitate collaboration and partnerships across economic sectors.

STRATEGIES

Big Ideas

1. Examine different tax structures and strategic reforms to make individual aspects of the tax code more equitable and competitive. (Use the College and University Research Collaborative for assistance).
2. Complement the statewide inspection services department with a state- or region-wide, uniform, electronic building permitting system for cities and towns. Consider using the Urban Redevelopment Office as a pilot for this initiative.
3. Promote the establishment of a statewide building and fire inspection service that can be enlisted at the request of developers.
4. With every tax incentive provided by the state, require a clear statement of the expected positive outcomes, requirements for collecting information that will demonstrate progress toward those outcomes, and provisions to either correct a lack of progress or reduce/remove incentives.

Setting the Stage

5. Convene and educate industry associations about offering group purchasing services to Rhode Island businesses.
6. Create a central database as an in-state resource that can connect suppliers and services through a web-based platform. As part of development, populate the database enough business listings to generate activity and allow the rest of the business community to "sign up" for the service, simultaneously creating a partial business community listserve.
7. Significantly increase the financial and staff support to shorten the ongoing regulatory review process in the Office of Regulatory Reform (ORR).
8. Investigate new governance models and tools including Management Districts, County Government, Revenue Sharing, Functional Regionalization, etc. (Use the College and University Research Collaborative for assistance).
9. Analyze and reform the unemployment insurance system with the goal of returning the State Employment Security fund to solvency.
10. Utilize the movement to a statewide system of e-government, through the Office of Digital Excellence or another appropriate agency, to streamline the regulatory process statewide and locally.
11. Adjust sales tax rate to be competitive within the region. Any reduction in the sales tax rate should include a broadening of the tax base, consistent with other states in the region.

12. Continue to evaluate and update the state Fire Code to reduce the cost and burden of providing fire suppression in new and redeveloped properties, without compromising safety.
13. Elevate broadband service throughout the state and prioritize access according to need.
14. Require, and fund, all municipalities to have their real property data (parcels, lots and blocks, etc.) collected and geocoded by a single entity in order to establish a uniform, statewide, real property data and mapping system (GIS) which will enable businesses and residents, as well state and local government officials to compare or identify real property values and development/redevelopment opportunities.
15. Support and fully implement the statewide Enterprise System currently underway in which all state agencies share the same GIS database.
16. Make the state a vehicle for consolidated and expedited permitting for designated growth centers or other priority development areas. State agencies would guarantee a decision on state-level permits in a set amount of time (e.g., 120 days)
17. Create or enhance existing positions to act as Industry Ombudsmen for the purposes of guiding business owners through the applicable regulatory processes.

Early Wins

18. Provide training to local and state governments on permitting "best practices" that lead to a faster permitting process and higher quality development. Build upon the success of recent state agencies that have trained under programs like LEAN.
19. Continue efforts to provide customer service training modules for government personnel at business touch points.
20. Create a "best practices" clearinghouse for communities on topics such as tax treaties/tax policy, zoning, design guidelines, (pre)permitting/licensing, etc.
21. Modify existing development review legislation to provide municipalities with the option of consolidating some of their development review functions.
22. Develop a project diagram or "map" showing the flow of work and milestones for ORR's regulatory reform work. Publish the map every month to show the state's progress along that timeline.

PART FIVE: STAYING ON TRACK

DRAFT

MEASURING SUCCESS

Tracking Outcomes

In Part Four of this Economic Development Plan, well over 100 strategies are presented that operate at a wide range of scales and specificity. These strategies also vary considerably with regard to their complexity, both in content and administration. When trying to gauge the success of such a diverse set of strategies, it is helpful to "step back" and review the goals they are designed to achieve. This exercise helps to focus on a smaller set of broad ideas and, more importantly, it frames the idea of measuring success in terms of *outcomes*. The importance of developing performance measures in the context of outcomes will ensure that we, as a state, do not lose sight of what we are trying to achieve. For example, tracking the amount of money or hours invested in job training will not be as meaningful as tracking the number of trainees that get connected to jobs. Tracking the number of tax credit deals applied to Growth Center projects will not be as meaningful as tracking the number of multi-family housing units that were produced in response to tax credit investment.

Selecting Performance Measures

When considering performance measures for this Economic Development Plan, several criteria were used to guide the selection:

Availability of Data – As a basic criterion for maintaining performance measures, data that are easy to obtain are preferred over those that would require considerable resources to generate. Identifying measures that may already be tracked by a government agency or that may be easy to cull from reliable sources like the U.S. Census greatly increases the likelihood that these measures will be successfully tracked over time.

Capacity for Data Collection – Similar to issues related to the availability of data, the capacity for data collection and processing needs to be carefully considered. Where performance measures could require considerable staff time or higher levels of analysis to develop, these factors can make sustained data development over time very difficult.

Connection to the Plan Strategies – Where possible, performance measures should be directly connected to strategies that are believed to have significant potential for positive impacts.

Economic Development Plan Performance Measures

The following list of performance measures is organized by the Economic Development Goals first presented in Part Two of the plan, then expanded upon in Part Four. These performance measures will be tracked over time and presented in an annual "report card" by Statewide Planning.[130]

ED Goal 1: Provide educational and training opportunities that help people build careers.

- Number of people placed in jobs through training by GWB Industry Partners.
- Number of people employed as a direct result of training in state tax credit apprenticeship programs.

[130] Some of the selected performance measures may not be available on an annual basis, which would be reflected in the report card document.

- Job placement as a result of CCRI Associate's degrees and Post Associate's degrees.
- Educational attainment by race/ethnicity, and household income.

ED Goal 2: Create a business climate where innovators and entrepreneurs can thrive.

- Number of businesses served through on-site consultation annually by state run assistance centers
- Total loan value for startups and small businesses measured by race and ethnicity.
- Number of business start-ups and failures as a percent of total establishments.
- Patents issued per 1,000 residents.

ED Goal 3: Create an inclusive economy that targets opportunity to typically underserved populations.

- Unemployment by educational attainment, race, ethnicity, and disability status.
- Percent of state employees that are people of color and/or speak more than one language.
- Number of individuals hired through First Source Hiring program.
- Maintenance of all indicators related to Opportunity Mapping.

ED Goal 4: Support industries and investments that play to Rhode Island's strengths.

- Spending, revenue and job creation in the following sectors:
  - Tourism
  - Plant-Based
  - Defense
  - Manufacturing
  - Food and Beverage
  - Arts & Culture
  - Marine Trades
- Number of jobs and housing units created per dollar of state investment (incentives, credits, etc.) in urban redevelopment sites.

ED Goal 5: Create great places by coordinating economic, housing and transportation investments.

- Number of certified Growth Centers.
- Vehicle miles traveled per capita.
- Increase in non-single-family housing units (percentage by municipality).
- Availability of employment (jobs to labor force ratio, number of jobs/workers).
- Proportion of household income spent on housing and transportation cost.

ED Goal 6: Develop and maintain world class infrastructure to support the state's economy.

- Number of bridges considered "functionally obsolete" and/or "structurally deficient".
- Percent of roads in "poor" or "mediocre" condition.
- Number of households outside of urban areas connected to community water or wastewater systems.
- Jobs created and new housing starts in an area as a result of new transportation facilities.

ED Goal 7: Provide new infrastructure and improvements that are resource efficient and resilient to climate change.

- Number of successful federal grant applications (with dollar amounts) for resiliency projects (e.g., green infrastructure, etc.)
- Amount of renewable energy purchased by Rhode Islanders.
- Number of established test sites for resiliency-related product innovation.

ED Goal 8: Create a climate where our companies, our workers, and the state as a whole can develop a competitive advantage.

- Overall job growth statewide.
- Number of census tracts with (or without) full access to broadband.
- Number of municipalities with a fully functioning GIS linked with Assessor's data.

DRAFT

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS
PUBLIC SESSION
JULY 28, 2014

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on Monday, July 28, 2014, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of meeting to all Directors, and the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by the By-Laws of the Corporation and applicable to Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Directors absent were: Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Shannon Brawley.

Also present were: Marcel Valois and Thomas Carlotto.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:04 p.m. indicating that a quorum was present.

2. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETINGS HELD ON MAY 15, 2014 AND JUNE 23, 2014

Upon motion duly made by Mr. Adams and seconded by Ms. Francis, the following vote was adopted:

VOTED: To approve the Public Session Minutes of the meetings of May 15, 2014 and June 23, 2014, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

3. EXECUTIVE DIRECTOR'S REPORT

Governor Chafee introduced Marcel Valois to discuss the Executive Director's Report. *See* **Exhibit B.** Mr. Valois stated that a detailed report was available in the Board Members' packages for review. Mr. Valois then introduced John R. Pagliarini to provide an update on legislation impacting the Corporation and its subsidiary entities. *See* **Exhibit C.** Mr. Pagliarini then went on to review in detail various amendments to (i) the Corporation's governing statute, codified at R.I. Gen. Laws § 42-64-1, *et seq.*; (ii) the Career and Technical Education Act, codified at R.I. Gen. Laws § 16-45.1-1, *et seq.*; (iii) the Military Affairs and Defense - National Security Infrastructure Support Fund, codified at R.I. Gen. Laws §§ 30-32-4 through 30-32-7; (iv) the Quasi-Public Corporations Accountability and Transparency Act, codified at R.I. Gen. Laws § 42-155-1, *et seq.*; (v) the Quonset Development Corporation governing statute, codified at R.I. Gen. Laws § 42-61.10-1, *et seq.*; (vi) the Climate Change Resilient Rhode Island Act of 2014, codified at R.I. Gen. Laws § 42-6.2-1, *et seq.*; and the Labor and Labor Relations Act, codified at R.I. Gen. Laws § 28-43-35. Mr. Pagliarini, along with Mr. Valois and John Riendeau then discussed the Base Realignment and Closure Commission ("BRAC"), which is a process by a United States federal government commission to increase United States Department of Defense efficiency by planning end of the Cold War realignment and closure of military installations. Specifically, the discussion surrounded the effect of BRAC on Rhode Island.

4. TO RECEIVE A STATUS UPDATED REGARDING THE QUONSET DEVELOPMENT CORPORATION

Governor Chafee introduced Steve King to give a presentation regarding the Quonset Development Corporation (the "QDC"). *See* **Exhibit D.** Mr. King thanked the Governor and the Board Members for the opportunity to provide an update regarding the QDC. He started his presentation by noting that the QDC Park is home to more than 175 Rhode Island companies, providing in excess of 9,500 full-time and part-time jobs. Mr. King also noted that the QDC Port is now a top 10 auto importer for all of North America. He then continued on to discuss Cape Wind, LLC. Mr. King stated that the QDC Board of Directors approved a 12 month option-to-lease a 14 acre portion of the QDC Park, which could be used to stage the first two offshore wind farms in the United States. A lease was also negotiated and executed with Edesia, a non-profit organization that provides ready-to-use food. The lease is for a period of 25 years and will result in a new facility being built on a 10 acre parcel, ultimately resulting in an additional 75-100 jobs at the Park. Mr. King then briefly noted that Greencore breaks ground on its 100,000 square foot facility within a 90 day time period. He also mentioned that the second phase of construction of the Gateway Office complex is complete. Finally, Mr. King noted that the Toray Co-Generation Facility is scheduled to be completed by the end of August 2014 and that Electric Boat has commenced construction on a 100,000 square foot facility in the Park.

5. **TO CONSIDER FOR APPROVAL THE FISCAL YEAR 2015 BUDGET FOR THE CORPORATION**

Governor Chafee called on Mr. Valois to give the Board of Directors a presentation with regard to the fiscal year 2015 budget for the Corporation. *See* **Exhibit E.** Mr. Valois noted that earlier in 2014, the Board of Directors adopted a resolution associated with the procedure for approving the Corporation's Budget. Specifically, that the Executive Committee of the Board of Directors would review the proposed budget in detail and make a recommendation to the full Board of Directors regarding the same. Mr. Valois noted that the Executive Committee reviewed the budget in detail on July 9, 2014, and recommend the budget for approval. Before voting with respect to the proposed budget, Mr. Valois gave a brief overview of the budget and various line items contained therein and fielded questions from the Board Members with respect thereto. The Board Members and Mr. Valois then discussed the time frame and process for creation and approval of the fiscal year 2016 budget.

Upon motion duly made by Mr. Adams and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve the fiscal year 2015 budget for the Rhode Island Commerce Corporation.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

6. **TO CONSIDER FOR APPROVAL A LOAN MODIFICATION ASSOCIATED WITH THE PORTSMOUTH WIND TURBINE**

Governor Chafee called on Paul Raducha and Gary Crosby to give the Board of Directors a presentation with regard to Portsmouth Wind Turbine (the "Turbine"). *See* **Exhibit F.** Mr. Crosby introduced himself as the Town Planner for the Town of Portsmouth and discussed his role in the installation of the Turbine and the benefits it provided to the Town of Portsmouth during the time period it operated. Mr. Crosby then introduced Mr. Raducha to continue with the presentation.

Mr. Raducha noted that the Turbine project was conceived in 2003, commissioned in 2009 and ultimately failed in 2012 due to a gearbox malfunction rendering the Turbine inoperative. He continued that there has been a significant amount of due diligence with respect to the re-commissioning of the Turbine. Ultimately, it has been determined that the cost of re-commissioning the Turbine will be approximately $885,000.00. To date, the Rhode Island Attorney General has provided the Town of Portsmouth with a $250,000.00 grant in connection with the re-commissioning of the Turbine. In addition, People's Power and Light has signed a 10

year contract to provide the renewable energy credits to the Town of Portsmouth. He then went on to discuss the creation of a Repair and Maintenance Escrow Fund (the "Fund"). It was noted that the Fund will be funded at a rate of $80,000.00 per year, to enable quick and prudent repairs to the Turbine should any future failure occur following the expiration of the six year warranty associated with the re-commissioning of the Turbine. It is expected that the Town of Portsmouth will contribute approximately $65,000.00 annually towards the Fund; however, the Town of Portsmouth is seeking that the annual debt service payments currently due to the Corporation in connection with the 2009 loan for the Turbine be redirected into the Fund for the nine years following its establishment. The Town of Portsmouth has proposed a plan for payment to the Corporation, based upon funding levels of the Fund, which would result in repayment in full to the corporation in 2024, approximately one year later than initially contemplated pursuant to the documents evidencing the 2009 loan.

Upon motion duly made by Mr. Wadensten and seconded by Mr. Nee, the following vote was adopted:

VOTED: To approve the creation of an escrow account for the maintenance and repair of the Portsmouth Wind Turbine pursuant to the presentation to the Board of Directors and to authorize any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, to negotiate and execute any and all documents in connection therewith.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

7. TO CONSIDER FOR APPROVAL THE FOLLOWING RENEWABLE ENERGY FUND MATTERS

a. A grant to Academy for Little Children in the amount of $66,900.00;
b. A grant to Whole Foods in the amount of $237,501.48;
c. A grant to Daniele, Inc. in the amount of $54,000.00;
d. A grant to National Marker Company in the amount of $232,014.00;
e. A grant to Bouchard Broadcasting in the amount of $15,000.00;
f. A grant to Baby Greens Farm in the amount of $12,600.00; and
g. A grant to Cromwell Ventures, LLC in the amount of $89,164.00.

Governor Chafee introduced Hannah Morini for a presentation on the Renewable Energy Fund ("REF"). *See* **Exhibit G**. Ms. Morini noted that the matters presented for approval represent the second round of Commercial Scale Funding applications for 2014. Ms. Morini noted that for the second quarter of 2014 there were seven applicants for Commercial Scale Funding, each of which met all of the program's requirements.

Ms. Morini then discussed the range of locations and recipients of the proposed second round of Commercial Scale Funding applications for 2014. Ms. Morini concluded her presentation by discussing the remaining REF funding for 2014 and the expected time-frame for the same.

Upon motion duly made by Mr. Nee and seconded by Ms. Donohue, the following vote was adopted:

VOTED: To approve the Renewable Energy Fund matters, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

Mr. Hebert recused himself with respect to the vote concerning the REF matters due to a personal and professional relationship with the principal of one of the applicants.

A copy of the Resolution is attached hereto as **Exhibit H**.

8. TO CONSIDER FOR APPROVAL THE EXECUTIVE SESSION MINUTES FOR THE MEETING HELD ON JUNE 23, 2014

Upon motion duly made by Mr. Wadensten and seconded by Mr. Adams, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Laws Section 42-46-5(a)(2) or (4) to enter into Executive Session to consider the approval of the Executive Session minutes for the meeting held on June 23, 2014.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

Members of the board, counsel and staff entered into closed session at 6:35 p.m.

The public session reconvened at 6:39 p.m.

Mr. Carlotto stated that during the Executive Session there was a unanimous vote of the Board taken to approve the Executive Session minutes for the meeting held on June 23, 2014 and that those minutes remain sealed.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:41 p.m., upon motion made by Mr. Wadensten and seconded by Mr. Adams.

_____
Thomas Carlotto, Secretary

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Monday, July 28, 2014**, beginning at **5:00 p.m.** for the following purposes:

PUBLIC SESSION

1. To consider for approval the Public Session Minutes for the meetings held on May 15, 2014 and June 23, 2014.

2. To consider, as may be appropriate, matters covered in the Executive Director's Report.

3. To receive a status update regarding the Quonset Development Corporation.

4. To consider for approval the fiscal year 2015 budget for the Corporation.

5. To consider for approval a loan modification associated with the Portsmouth Wind Turbine.

6. To consider for approval the following Renewable Energy Fund matters:

    a. A grant to the Academy for Little Children in the amount of $66,900.00;
    b. A grant to Whole Foods in the amount of $237,501.48;
    c. A grant to Daniele, Inc. in the amount of $54,000.00;
    d. A grant to National Marker Company in the amount of $232,014.00;
    e. A grant to Bouchard Broadcasting in the amount of $15,000.00;
    f. A grant to Baby Greens Farm in the amount of $12,600.00; and
    g. A grant to Cromwell Ventures, LLC in the amount of $89,164.00.

7. To consider for approval the Executive Session Minutes for the meeting held on June 23, 2014.*

* Board members may seek to convene in Executive Session to approve minutes previously sealed.

This notice shall be posted no later than 5:00 p.m. on Thursday July 24, 2014, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: July 24, 2014

EXHIBIT B

EXECUTIVE DIRECTOR'S REPORT

R.I. COMMERCE CORPORATION BOARD MEETING

July 28, 2014

The following report highlights Commerce RI activities since the last board meeting on June 23, 2014.

Hot Topics:

- ***Commerce RI Performance Metrics***
- ***RI Invests in Competitive Research Award Program Targeting Collaborative Efforts***
- ***Commerce RI, STAC and Sen. Reed Host Business Innovators Forum and Workshop***

Commerce RI Performance Metrics
Executive Director Valois will present an overview of Commerce RI's performance metrics for Q1 and Q2 established at the beginning of 2014 to measure and evaluate organization activities.

RI Invests in Competitive Research Award Program Targeting Collaborative Efforts
Governor Chafee, Commerce RI and the Rhode Island Science and Technology Advisory Council (STAC) announced the six recipients of Rhode Island Collaborative Research Grants. The awards will provide $445,092 in support to projects, representing 15 scientists from small businesses, research universities and hospitals throughout Rhode Island.

The program is designed to advance research projects that are collaborative across institutions, well positioned to receive follow-on funding, and with significant technology development and commercialization potential. Award recipients include academic and industry scientists pursuing research in medicine, cyber security, engineering, chemistry, and pharmaceutical sciences.

Commerce RI, STAC and Sen. Reed Host Business Innovators Forum and Workshop
In an effort to accelerate innovation in Rhode Island and help local entrepreneurs, startups, and small businesses create jobs and compete for approximately $2.5 billion in available federal funding each year from the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs, U.S. Senator Jack Reed, Commerce RI and STAC hosted a SBIR/STTR Innovators Forum & Workshop.

The goal of the workshop was to help Rhode Island tech companies and innovators successfully apply for federal funds that will help them develop their products and create jobs in Rhode Island.

Additional Economic Development Updates

Business Development

General Business Development:

- RI Manufacturing Renaissance Collaborative (MRC): A www.manufacturing ri.com event is scheduled for August 7, 2014 at the Taco Manufacturing Learning Center in Cranston to inform companies, municipal planners and economic development professionals about the new website.
- City Centre Warwick: The Group met with (add)ventures to finalize a physical signage location plan for placement of CCW banners on light poles, buildings and other structures. A budget is due next week.

Federal Grant Opportunities:

- US EDA Investing in Manufacturing Community Partnerships: On Monday, July 21, we forwarded a DRAFT STEAMengine proposal to the Department of Defense – Office of Economic Adjustment (OEA) for their review and comment. We expect to hear from OEA the week of August 4, 2014. The budget request is for $1,575,000 with a $178,000 match from Commerce RI, for a total planned budget of $1,753,000.

Real Estate and Development Projects included:

- A Rhode Island manufacturing company is assessing flood mitigation measures and their costs that would allow them to address future floods, while minimizing disruption of manufacturing operations.
- Electric Boat (EB): Now that EB has secured its largest Navy contract award ever – more than $17.6 billion – to build 10 new Virginia Class submarines, we are working with EB staff and Congressman Langevin's Office and have identified August 27, 2014 as the date of an event for EB personnel to conduct presentations by its Buying Managers to showcase how to conduct business with the company.
- Commerce RI met with an utility company and ProvPort officials to discuss the company's plans to purchase the existing LPG tank at the Port of Providence that would increase the amount of rail cars to the port as part of a new gas export business.

Initiatives and Special Projects:

- ProvPort Cranes and Barges: A tentative award letter was forwarded to Conrad Shipyard on July 17, 2014. We are currently negotiating with the company on the final contract terms and price, while seeking to identify additional funds to address the budget gap.
- Defense Innovation Days (September 3 – 5, 2014): Staff continues to work with the SENEDIA group and the coordinating committee for the planned event to be held the Newport Marriott Hotel and Conference Center. To date, we have secured the RI Congressional Delegation, members of the CT and MA Congressional Delegation, military leaders, and the Secretary of Defense, Mr. Chuck Hagel.

Staff attended the following events:

- Sea Grant Advisory Committee located at the URI Graduate School of Oceanography
- Conducted a conference call with an European media company seeking to develop a video media center on the U.S. East Coast
- Met with several industrial/office realtors and commercial real estate consultants to discuss projects and market opportunities

Client Services

- *Salesforce CRM*: Rhode Island legislative data is now mapped to all Salesforce accounts. KnowWho Inc. provides a series of governmental and political directories specifically developed to work seamlessly in Salesforce CRM. This app was installed and implemented during the past month.
- *Customer Satisfaction Surveys*: We are currently testing apps and survey functionality and plan to have a client survey process complete by August month-end.
- *Client Services Business Retention Efforts*: Staff continues to outreach to Rhode Island businesses and respond to incoming requests. With each company interaction, our goal is to add value by providing information and assistance with Commerce RI programs and services, as well as those of our partner organizations. All activity is currently being tracked in Salesforce.
- *GreaterRI:* Real Estate Database: Staff continues to update and manage the site selection portion of the greaterri.com portal. As part of this team members engage with commercial real estate brokers to help maintain accurate listings of available property and buildings.
- *Volvo Ocean Race:*
    - Another team from Spain recently announced that the will be competing in the VOR. This brings the number of announced teams to six with the possibility of a seventh team.
    - Staff met with the mayor and the outgoing City manager of Newport to update them on the event, discuss logistics. Also discussed the Mayor's participation in certain VOR events in Newport, at the start of the race in Spain, and possibly Brazil, as well as planning related to certain dignitaries who may be in Newport for the event.
    - Staff met with URI to discuss their participation in the event in regards to being the educational partner and holding a hospitality event for alumni etc. at Ft. Adams.
    - Meetings were held with the Newport police and fire chiefs and their representatives to give them an overview of the event, the timing, crowd sizes and to discuss potential traffic concerns due to the Salve graduation on the same weekend as the final in-port race.
    - Completed the RFP for the Event Security planning. Vetted with the RI State Police, DEM Law enforcement and SailNewport. Plan to have it out for bid this week.
    - Call with engineer and SailNewport project manager of the process for submitting structures to the state building inspector for review and approval. As most of the structures but not all are considered temporary, the review process can be different.

- VOR team will be in Newport in mid- August for 3 days. One area we are meeting to discuss is the logistics for the approx. 90 containers coming from Philadelphia.

Communications

The Communications Department continues media and publicity outreach on behalf of multiple Commerce RI departments and received media coverage in statewide and national media outlets. From June 23, 2014 through July 24, 2014, Commerce RI and related programs received coverage in 301 print, broadcast and online media.

Commerce RI continues to distribute two bi-weekly email newsletters to an audience of 8,400. These are the *Moving Rhode Island Forward* e-newsletter, which highlights the latest Commerce RI news, and *Marcel's Memo*, an e-memo from the executive director. The two emails have an average open rate of 19.2 percent and a click rate of 7.3 percent.

Procurement Technical Assistance Center (PTAC)

- 107 counseling sessions with 51 distinct clients for a total of 118 client counseling hours during this period
- 2 new clients
- 3 participated events with a total of 352 participants. Subjects included GSA Schedules, NCMA/NUWC Industry Day, and the SBIR /STTR workshop. Note: the bulk of participants were at the NCMA/NUWC Industry Day.
- PTAC Counselors received 16.5 hours of technical subject matter training in Neoserra, Veterans Verification, and APTAC Certified Procurement Professional (CPP) Certification.
- June financial reports submitted to Defense Contract Management Agency (DCMA) for reimbursement against the second month of the FY14 Program.

Science and Technology Advisory Council (STAC)

Internal Activities

- Accept and review Innovate RI Small Business Fund internship forms from eligible bioscience and engineering companies (new applications and requests for reimbursements)
- Host 70 attendees at June 27th SBIR/STTR outreach event in cooperation with Senator Reed and SBA
- Hold STAC meeting and announce recipients of Collaborative Research Grant award
- Prepare contracts for grants, draft press release, write and post story on STAC website
- Participate in internal review of first draft of Rhode Map

External Activities

- Serve as a panelist at Tech Collective breakfast on the "Bio Science Skills Gap"
- Serve as judge for Tech Collective Bio Science awards
- Attend Innovation Providence monthly meeting

Tourism

- Commerce RI has posted and RFP solicitation to engage a tourism industry expert to develop a three-year statewide Tourism Marketing and Branding Investment Plan. This plan will serve as a data-driven road map for state decision makers illustrating the correlation between investment in tourism marketing and branding efforts and expected corresponding ROI (economic and state revenue impact, job and industry growth etc…) per dollars invested. Proposals are due by July 30.

Broadband Rhode Island (BBRI)

- Joint Resolution to create Broadband Legislative Commission was signed into law by Governor Chafee on July 8, 2014. BBRI expects to play a role in their research.
- Evaluated proposal received from Aquidneck Island Planning Commission regarding their broadband planning work. Preparing an RFP to develop an analysis on the current state of the communications infrastructure on the island.
- Actively engaged with Fourth Economy in preparing the BBRI project summary and recommendations report.
- Meeting regularly with RI Adult Ed Professional Development Center who are fully engaged in transitioning and sustaining the BBRI Digital Literacy program

# # #

EXHIBIT C

Rhode Island Commerce Corporation

RIGL 42-64 Rhode Island Commerce Corporation (S2008/H7050)

Intent:
This act would provide that a person or entity who resolved its liability to the Rhode Island Commerce Corporation as it relates to the issuance by the Rhode Island economic development corporation of seventy-five million dollars ($75,000,000) in revenue bonds denominated "THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION JOB CREATION GUARANTY PROGRAM TAXABLE REVENUE BOND (38 STUDIOS, LLC 5 PROJECT) SERIES 2010" in a judicially approved good faith settlement would not be liable for claims for contribution or equitable indemnity to other potential joint tortfeasors, in regard to matters addressed in such good faith settlement.

Timeline:
This act shall take effect upon passage and shall apply to all claims pending at the time of passage or asserted thereafter; provided, however, that this act shall not apply to, affect or impair releases executed before the date of passage.

Overview:
42-64-40. Court-approved settlements. – (a) Notwithstanding any provisions of law to the contrary, a person, corporation, or other entity who has resolved its liability to the Rhode Island commerce corporation in a judicially approved good faith settlement is not liable for claims for contribution or equitable indemnity regarding matters addressed in the settlement. The settlement does not discharge any other joint tortfeasors unless its terms provide, but it reduces 7 the potential liability of the joint tortfeasors by the amount of the settlement.

(b) The provisions of this section apply solely and exclusively to settlements of claims asserted or previously asserted by the Rhode Island economic development corporation or the Rhode Island commerce corporation or hereafter asserted by the Rhode Island commerce corporation arising out of or relating to the issuance by the Rhode Island economic development corporation of seventy-five million dollars ($75,000,000) in revenue bonds denominated "THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION JOB CREATION GUARANTY PROGRAM TAXABLE REVENUE BOND (38 STUDIOS, LLC PROJECT) SERIES 2010" and shall not be construed to amend or repeal the provisions of chapter 6 of title 10 relating to contributions among joint tortfeasors, other than as specifically provided in this section.

Rhode Island Commerce Corporation

RIGL 42-64-1.1, 42-64-7.5 and 42-64-8 (S2011/H7059 Sub A)

Intent:
This act would make technical changes to the establishment of the Rhode Island Commerce Corporation, allow it to accept federal grants, and establish a twelve (12) member board of directors, all having three (3) year terms.

Timeline:
This act would take effect upon passage and apply retroactively to January 1, 2014.

Overview:
42-64-1.1. Change of name. [Effective January 1, 2014.] -- (a) The corporation known as the "Rhode Island Economic Development Corporation" shall now be known as the "Rhode Island Commerce Corporation." Whenever in any general law, or public law, rule, regulation and/or bylaw, reference is made to the "department of economic development" or the "Rhode Island port authority and economic development corporation", or the "Rhode Island economic development corporation", the reference shall be deemed to refer to and mean the "Rhode Island commerce corporation," which may also be referred to as the "commerce corporation."

(d) Nothing in this act shall be construed to change or modify the corporate existence of the former Rhode Island economic development corporation, which shall now be known as the "Rhode Island commerce corporation," or to change or modify any contracts or agreements of any kind by, for, between, or to which the economic development corporation is a party or to effect in any way the property or assets of the Rhode Island economic development corporation. The commerce corporation is the successor in interest to the Rhode Island economic development corporation and the secretary of state shall change the name of the corporation on the articles of incorporation on file with the secretary of state from the Rhode Island economic development corporation to the Rhode Island commerce corporation effective as of January 1, 2014.

42-64-8. Directors, officers, and employees. [Effective January 1, 2014.] The terms for the members of the board of directors were established by the appointment of twelve (12) directors in 2010 with the directors' initial terms expiring as follows: three (3) members shall have terms expiring on February 1, 2011; three (3) members shall have terms expiring on February 1, 2012; and one member three (3) members shall have a term terms expiring on February 1, 2013. In January 2010, the governor shall appoint five (5) members to the board with terms expiring as follows: two (2) members shall have terms expiring on February 1, 2013 and three (3) members shall have terms expiring on February 1, 2014.

Rhode Island Commerce Corporation

RIGL 42-64-40 (S2495 Sub A/H8007 Sub A)

Intent:
This act would **require the Rhode Island Commerce Corporation to prepare a report by January 15, 2015**, to identify options regarding the creation of programs to access capital for small businesses in low, moderate and minority communities.

Timeline:
This act would take effect upon passage.

Overview:
42-64-40 Report regarding small business lending. -- (a) **On or before January 15, 5 2015, the Rhode Island Commerce Corporation shall prepare a report that identifies options for the creation of programs to provide access to capital for small businesses in low and moderate income, minority and other underserved communities including women and minority owned businesses.** (b) The report shall include an evaluation of current lending policies and outcomes, as well as suggestions regarding how to increase lending to minority business enterprises. The report shall be provided to the governor, the speaker of the house, the president of the senate, and the chairs of house and senate finance committees.

Career and Technical Education

RIGL 16-45.1-1 and 16-45.1-2 (H8024 Sub A as amended)

Intent:
This act would establish a new permanent Rhode Island board of trustees on career and technical education, which would assume and expand upon the duties of the former Rhode Island state advisory council on vocational education. The board may take control over a career and technical high school at the request of a school board serviced by the school. The act would also create the Rhode Island CTE trust on career and technical education to help raise funds for and to promote partnerships to provide for student learning in career and technical education.

Timeline:
Section 3 of this act would take effect on January 30, 2015. The remainder of this act would take effect upon passage.

Overview:
There is a need to establish a robust student-based system of career and technical education that provides a blend of rigorous academics and the skills, training, and credentials necessary for workplace success. Therefore, effective January 30, 2015, there is hereby established a Rhode Island career and technical board of trustees to be known as the Rhode Island board of trustees on career and technical education. Effective January 15, 2015, there is hereby created a not-for-profit organization known as the CTE trust.

16-53-2. Composition of board of trustees- (a) The board of trustees shall be composed of fifteen (15) members appointed by the governor in staggered terms; all the members shall serve until their successors are appointed and qualified except as otherwise provided for in subsection (b) of this section. In the month of March the governor shall appoint members to succeed the members whose term will then next expire for a term of three (3) years commencing on the first day of July then next following and until the successor is named and qualified. A member shall be eligible to succeed him or herself. A vacancy other than by expiration shall be filled in the same manner as an original appointment but only for the unexpired portion of the term.

(b) The membership of the council shall consist of: fifteen (15) members of the board of trustees shall be limited to nine (9) consecutive years of service and shall consist of:

(3) **The secretary of commerce or his/her designee shall be the fifteenth (15th) member ex officio.**

Military Affairs and Defense - National Security Infrastructure Support Fund

RIGL 30-32-4, 30-32-5, 30-32-6 and 30-32-7

Intent:
This act would create the military facility protection program and the defense economy community reinvestment program and would establish a national security infrastructure support fund advisory commission.

Timeline:
This act would take effect upon passage.

Overview:
30-32-4. Administration of funds – (a) The **commerce corporation is designated as the public corporation to administer the national security infrastructure support fund and may receive annual funding from appropriations made for that purpose**. The funds shall be separately identified with corresponding revenues and expenses within the financial statements of the commerce corporation. **No charges or fees for the operating expenses of the fund, such as legal fees or appraisals related to a specific transaction, shall be allocated from the fund to the commerce corporation.** (b) Within the national security infrastructure support fund, two (2) distinct grant programs shall be established to carry out the legislative intent of the fund. They shall be known as the: (1) Military facility protection program ("MFPP"), and (2) The defense economy community reinvestment program ("DECRP").

30-32-5. Allocation of funds (MFPP) – (a) The purpose of this fund is to address emergent needs relating to mission sustainment, encroachment reduction or prevention, and base retention. All funds appropriated for the purposes of this program are eligible to be used for matching of federal funds.

(b) The specific allocation of **the funds shall be determined by the commerce corporation, after consultation with the fund's advisory board, and within the following program guidelines:**

(a) (1) To provide grants and loans to improve water, sewer, electric, gas, roads, rail systems, runways, navigational or security systems relating to the support of national security infrastructures located within the state;

(b) (2) To secure real estate and tangible property, as well as non-conservation lands that can to be used for expansion or to protect against encroachment around national security installations within the state;

(3) To support best practices in energy efficiency savings initiatives at military facilities including renewable energy applications;

(4) To support innovative public/private partnerships in military facility operations including utility, housing, purchasing, and transportation services; and

(5) To provide grants to increase the mission-related capabilities of the national security infrastructures located within the state.

30-32-6. Priority of funding -- Priority of funding shall be given to allocations that provide at least a twenty percent (20%) match or supplement funds from other sources.

30-32-7. Reports -- **The commerce corporation shall provide the general assembly with a biennial report documenting the allocation and uses of money from this fund.**

30-32-5.1. Defense economy community reinvestment program – (a) The purpose of this fund is to assist defense-dependent municipalities to develop and implement alternative economic diversification strategies that repurpose surplus defense facilities and properties. All funds appropriated for the purposes of this program are eligible to be used for matching of federal funds.

(b) **The specific allocation of the funds shall be determined by the commerce corporation after consultation with the fund's advisory board and within the following program guidelines**:

(1) Eligible applicants include defense-dependent municipalities and regions, and local economic development organizations located within such communities. **The program shall be administered by the commerce corporation and grant awards may be provided to support community-based activities that**:

(i) Assist communities in defense-dependent municipalities and regions to plan, analyze, and develop transitional strategies that maximize uses for surplus defense properties;

(ii) Diversify and further commercialize the local economy of a defense-dependent community; and

(iii) Encourage the development of public/private partnerships focused within the high growth fields of information technology, cyber security, engineering, and advanced manufacturing.

30-32-8. National security infrastructure support fund advisory commission. – (a) There shall be established a permanent advisory board that shall consist of seven (7) members:

(1) One of whom shall be the secretary of commerce or their designee;

(2) Two (2) of whom shall be the co-chairs of the Rhode Island defense economy planning commission;

(3) Four (4) of whom shall be representatives of defense dependent communities, one named by the Speaker of the House, one named by the Senate President, one named by the Minority Leader of the House, and one named by the Minority Leader of the Senate; and

(4) Additionally, the co-chairpersons may designate additional non-voting ad hoc members whose technical expertise may be needed based upon national security infrastructure investment issues pending or projects submitted to the fund.

(b) This board shall be purely advisory, and shall meet whenever a quorum of four (4) shall deem it necessary or at the request of the secretary when grant rounds are contemplated or in process.

(c) The co-chairs of the Rhode Island defense economy planning commission shall chair the advisory commission and its meetings.

(d) The advisory commission shall meet at the call of the chairpersons.

(e) The members of the board shall serve for a period of three (3) years.

(f) **The purpose of this commission shall be to identify potential projects and to assist the secretary of commerce in evaluating projects for funding under the provisions of this chapter.**

Quasi-Public Corporations Accountability and Transparency Act

RIGL 42-155-1 (S2585 Sub A/H7138 Sub A)

Intent:
This act would impose standards of accountability and transparency on quasi-public corporations.

Timeline:
This act would take effect on January 1, 2015/first 5-year audit begins in 2015

Overview:

42-155-3. Definitions -- (a) As used in this chapter, "Quasi-public Corporation" means any body corporate and politic created or to be created pursuant to the general laws, including, but not limited to, the following: (EDITED)

(3) Rhode Island industrial facilities corporation;

(4) Rhode Island industrial-recreational building authority;

(5) Rhode Island Small Business Loan Fund Corporation;

(8) I-195 redevelopment district commission;

(21) Any subsidiary of the Rhode Island commerce corporation.

42-155-4. Role and responsibilities of board members -- (a) Board members of quasi- public corporations shall: (EDITED)

(3) Adopt a code of ethics applicable to each officer, director and employee of the corporation that, at a minimum, includes the standards established in chapter 14 of title 36 ("Code 19 of Ethics");

(4) Adopt a mission statement expressing the purpose and goals of the corporation, a description of the stakeholders of the corporation and their reasonable expectations from the corporation and a list of measurements by which performance of the corporation and the achievement of its goals may be evaluated. Each corporation shall at least once every three (3) years publish a self-evaluation based on the stated measurements;

(5) Adopt and periodically update an indemnification policy which shall be set forth in 26 the bylaws of the corporation: and

(b) Board members of quasi-public corporations shall establish and maintain written policies and procedures for the following:

(1) Internal accounting and administrative controls in accordance with the provisions of chapter 20 of title 35, the "Public Corporation Financial Integrity and Accountability Act of 1995";

(2) Travel, including lodging, meals and incidental expenses; provided, however, that no reimbursement shall exceed the allowable state employee reimbursement amount per day;

(3) Grants, charitable and civic donations and/or contributions; provided, however, that all such grants, donations or contributions shall be voted on by the full board during an open meeting and the vote shall be recorded in the minutes of the meeting, together with:

(i) The citation to the specific state statute authorizing the action

(ii) An explanation of how the grant, donation or contribution relates to the corporation's mission;

(iii) The identity of each board member or employee of the corporation that will receive any benefit from the grant, donation or contribution including without limitation tickets to events, meals, and golf;

(iv) Any disclosure required by chapter 14 of title 36 ("Code of Ethics"); and

(v) Each such grant, donation or contribution shall be clearly identified in the financial statements of the corporation.

(4) Credit card use; provided, however, that pursuant to § 35-20-10, no credit card shall be used for personal use;

(5) Employee reimbursement, including requests by management for business expenses and expenses classified as gifts or entertainment;

(6) Personnel, including hiring, dismissing, promoting and compensating employees of the corporation;

(7) Marketing expenses; and

(8) Lobbyists' expenses.

(c) The written policies and procedures required by this section and any additional written policies and procedures that the board may adopt shall be approved by the board during an open meeting and the vote shall be recorded in the minutes of the meeting.

(d) No board member shall serve in a paid capacity as an employee or consultant of the corporation.

42-155-6. Transparency requirements established. -- The following shall be public and, available to the public upon request and posted directly or via direct link, on the website of each quasi-public corporation:

(1) Job descriptions of the executive director and management;

(2) Compensation comparability studies of the executive;

(3) Quarterly financial statements;

(4) Capital improvement plans;

(5) Operating budgets;

(6) Strategic plan;

(7) Agendas and minutes of the open meetings of the board;

(8) Quarterly contracting reports required by § 42-90-1;

(9) Regulations adopted by the quasi-public corporation;

(10) Enabling legislation;

(11) Mission statement;

(12) Board members;

(13) Organizational chart;

(14) By laws of the quasi-public corporation.

Quonset Development Corporation

RIGL Chapter 42-64.10 (S3139/H7800 Sub A)

Intent:
This act would authorize the Quonset Development Corporation to establish a stormwater management and conveyance system and regulate connections, user fees, charges and assessments.

Timeline:
This act would take effect upon passage.

Overview:
This act would require that any long range storm water management master plans of the Quonset Development Corporation be subject to DEM and CRMC approval and be consistent with Rhode Island Pollutant Discharge Elimination System (RIPDES) Rule 31(e)(3).

Climate Change Resilient Rhode Island Act of 2014

RIGL 42-6.2-1 (S2952 Sub A/H7904 Sub A)

Intent:
This act would repeal the Rhode Island climate change commission and would create a climate change coordinating council advisory board and science and technical advisory board, to advise the executive departments on the impacts of climate change.

Timeline:
This act would take effect upon passage.

Overview:
Climate Change Coordinating Council

42-6.2-1. Creation -- Members-- There is hereby established within the executive branch of state government a Rhode Island executive climate change coordinating council (the "council") comprised of officials from state agencies with responsibility and oversight relating to assessing, integrating and coordinating climate change efforts. The council shall include, but not be limited to, the following members: the director of the department of environmental management; the executive director of the coastal resources management council; the director of the department of administration; the director of the department of transportation; the director of the department of health; the executive director of the emergency management agency; the commissioner of the office of energy resources; the director of the division of planning; and **the executive director of the Rhode Island commerce corporation**.

Labor and Labor Relations

RIGL 28-43-35 (S8206 and H3117)

Intent:
This act would allow new employers to receive the new employer rate with respect to the employment security fund when taking over an existing business in insolvency proceedings if there is no common ownership, management or control of the two (2) employers and would allow existing employers to maintain their current tax rate when taking over an existing business in insolvency proceedings if there is no common ownership, management or control of the two (2) employers.

Timeline:
This act would take effect upon passage.

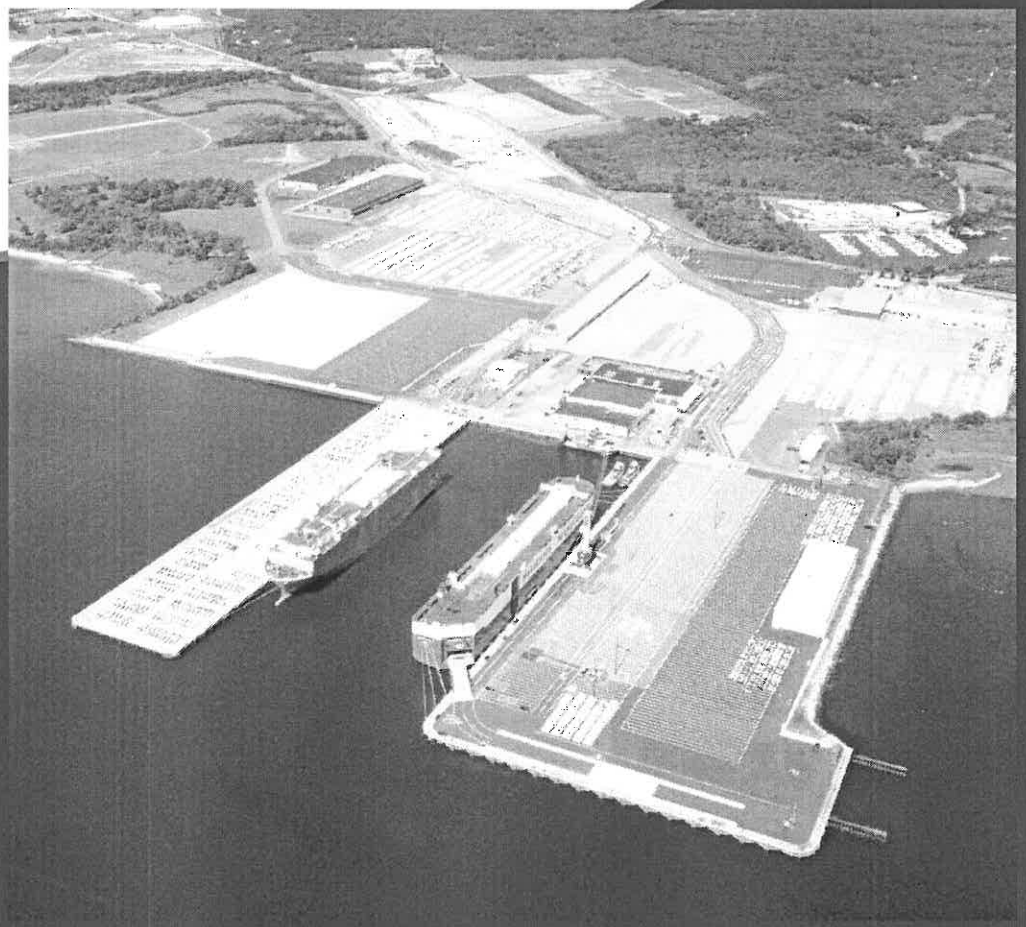
Overview of changes:
28-43-35. Special rules regarding transfers of experience and assignment of rates - In determining whether there is any common ownership, management or control, the department may consider the following factors, which include, but are not limited to: any familial relationships, principals or corporate officers, organizational structure, day-to-day operations, assets and liabilities, and stated business purposes.

(d) Subject to the provisions herein, whenever a person who is not an employer under this chapter at the time that person acquires the trade or business, or a portion thereof, of an employer in insolvency proceedings including federal bankruptcy courts, state receiverships, masterships or other insolvency proceedings, the unemployment experience of the acquired business shall not be transferred to such person. Instead, such person shall be assigned the new employer rate under § 14 28-43-8.3 unless the director finds that, at the time of the acquisition, there is common ownership, management or control of the two (2) employers, and in such case all of the experience will be transferred.

(e) Subject to the provisions herein, whenever a person who is an eligible employer prior to the time that person acquires the trade or business, or a portion thereof, of an employer in solvency proceeding including federal bankruptcy courts, state receiverships, mastership or other insolvency proceedings, the unemployment experience of the acquired business shall not be transferred to such person. Instead, such person shall continue to pay employer contributions at the rate applicable to it prior to the date it made such acquisition unless the director finds that, at the time of the acquisition, there is common ownership, management or control of the two (2) employers, and in such case all of the experience will be transferred and a new rate computed.

EXHIBIT D

QUONSET
DEVELOPMENT CORPORATION



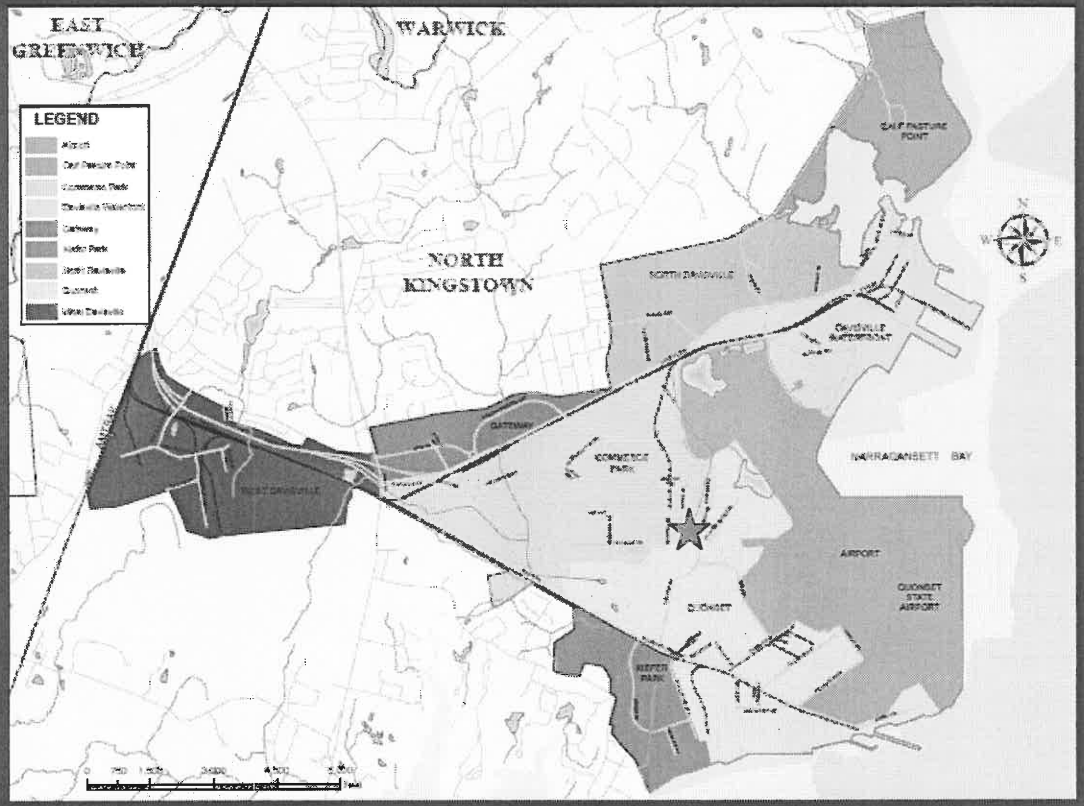
Quonset Business Park Briefing:

Rhode Island Commerce Corporation

July 28, 2014

QUONSET
DEVELOPMENT CORPORATION

Quonset Business Park®



More than 175 Great R.I. Companies

Over 9,500 Full-time and Part-time Jobs

Top 10 Auto Importer in North America

EXHIBIT E

Rhode Island Commerce Corporation
Budget FY2015

	Budget FY2014	Projected FY2014	Budget FY2015 Recommended
Opening Unrestricted Cash Balance [1]:	**855,729**	**838,658**	**1,348,362**
Revenues			
State Appropriations			
Base (RICC) State Appropriation	3,944,514	3,944,514	3,944,514
Partnerships Funded by RICC (excl. leg grants):			
Bryant/Trade Export Assistance	-	-	100,000
SBDC	-	-	-
Total State Appropriations:	**3,944,514**	**3,944,514**	**4,044,514**
Other Revenues			
Finance Program Reimbursements [2]	680,071	543,868	741,609
Grant Reimbursements [2]	823,780	886,383	808,411
Other	1,065,000	1,092,216	75,000
Total Other Revenues:	**2,568,851**	**2,522,469**	**1,625,020**
Total Revenues:	**6,513,365**	**6,466,983**	**5,669,534**
TOTAL SOURCES (Cash, Revenues):	**7,369,094**	**7,305,641**	**7,017,896**
EXPENSES			
Personnel	3,967,185	3,633,317	3,773,928
Operating Expenses	2,322,227	1,996,316	2,148,062
Grant Expenses - RICC Contr./Match	95,435	97,644	75,874
Partnerships Funded by RICC (excl. leg grants):			
Bryant/Trade Export Assistance	150,000	150,000	100,000
SBDC	100,000	80,000	-
Board Special Projects Fund [3]	-	-	400,000
Litigation Contingency	-	-	250,000
TOTAL EXPENSES:	**6,634,847**	**5,957,278**	**6,747,864**
Ending Unrestricted Cash Balance [1]:	**734,247**	**1,348,362**	**270,032**
Restricted Funds & Grants			
State			
STAC Research Alliance (EPScore)	1,150,000	1,150,000	1,150,000
Innovative Matching Grants	500,000	500,000	500,000
Renewable Energy Fund	2,400,000	2,400,000	2,400,000
Legislative Grants	601,058	601,058	723,550
Airport Impact Aid	1,025,000	1,025,000	1,025,000
Slater Centers of Excellence	1,000,000	1,000,000	150,000
Volvo Ocean Race	-	-	775,000
Other	-	264,473	-
Total:	**6,676,058**	**6,940,531**	**6,723,550**
Federal			
Port Security	133,043	133,043	-
MARAD	760,771	-	760,771
EMA/EDA	-	66,000	50,000
PTAC [4]	351,633	351,633	418,930
Broadband Rhode Island	976,054	976,054	620,449
State Small Business Credit Initiative	4,386,212	15,897	4,386,212
Total:	**6,607,713**	**1,542,627**	**6,236,362**

Footnotes:

1 - Approximate balance; variances may exist due to cash budget vs. accrual accounting methods

2 - Personnel and indirect cost reimbursements as allowable

3 - To be used upon board approval for leveraging federal/state funds as part of economic development projects

4 - Net PTAC activity which reflects in-kind contribution

Budget FY2015

Operating Expenses

Expenditures	Budget FY2014	Projected FY2014	Budget FY2015 Recommended
Travel	$137,300	$57,403	$75,000
Supplies	$20,600	$19,243	$21,000
IT Expenses	$260,400	$231,069	$278,400
Contractual/ Consultant Services	$58,500	$146,055	$156,400
Legal Services (Litigation)	$340,000	$201,293	$250,000
Legal Services (General)	$183,000	$202,976	$210,000
Sponsorships & Partnerships	$130,000	$69,000	$10,000
Advertising/ Marketing/ Brand Management	$441,300	$473,962	$527,040
Education & Training	$20,000	$4,933	$14,000
Insurance	$63,000	$68,544	$84,500
Occupancy	$384,627	$386,784	$387,530
Dues & Subscriptions	$99,000	$66,747	$67,282
Other	$184,500	$68,306	$66,910
Total Operating Expenses	**$2,322,227**	**$1,996,316**	**$2,148,062**

Personnel

Personnel (# of FTE's)	40	39	39
Total Costs	**$3,967,185**	**$3,633,317**	**$3,773,928**

EXHIBIT F

PORTSMOUTH, RHODE ISLAND

Commerce RI

PORTSMOUTH WIND TURBINE RE-COMISSIONING PLAN

Commerce Rhode Island
July 28, 2014

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HISTORY

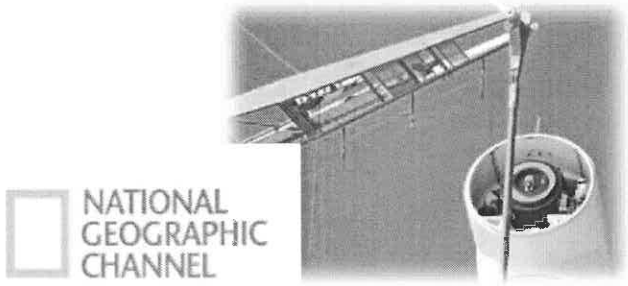
The Project was conceived in 2003 and the feasibility was funded by a state grant of $250,000.

The Project was supported by overwhelming majority of Portsmouth Residents with a $2.6 Million Clean Renewable Energy Bond (CREB) referendum in 2007. (Current balance is $1,560,000)

The project was also supported by the Rhode Island Economic Development Corporation (now Commerce RI) by a low interest loan of $370,000 (Current balance is $237,430) next payment is July 15, 2015 at which point the balance will be $211,050.

The turbine was commissioned in March of 2009 and attracted national media attention including a one-hour feature on National Geographic.

"National Geographic travels to Portsmouth, R.I., where residents are setting up a 115-ton wind turbine that will provide years of clean energy, The constant blowing wind will fuel the turbine"



The Project was the pride of Portsmouth and brought national attention and praise in setting an example for sustainable communities.

The Turbine was supplied by AAER which provided a 2-year full warranty, with a 3-year option.

HISTORY

14 months later AAER filed for bankruptcy, The town secured a 3rd party operator to provide Operation and Maintenance for the turbine.

For 39 months, the Turbine performed better than expectations, produced on average 3,100,000 kWhs per year with a high of 3,834,000 kWhs.

- enough electricity for 280 houses.

Over the 39 months the Turbine was profitable and after debt service provided over $240,000 for the school system and $108,000 for the Town's General Fund.

During this period the Turbine had the following effect on the Rhode Island air shed:

- Elimination of 14,916,000 Lbs. of CO2, or the equivalent of either of the following;
  - Removal of 1,427 passenger vehicles from the local area **or**
    - Elimination of 7,282,570 Lbs. of coal burned **or**
      - Planting 1,600 acres of US forest (11% of Portsmouth)

The Turbine contributes to grid reliability and resilience at a local level (see slide 8).

Project Attributes

Over its lifetime, the Turbine will have the following effect on the Rhode Island and local air shed.

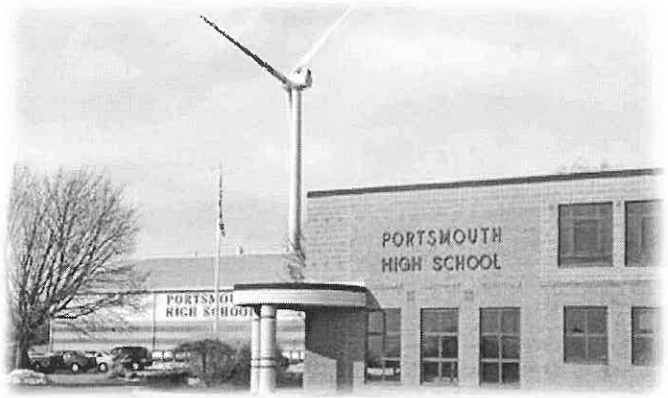
The elimination of 71,431,800 pounds of CO2 **<u>or</u>** the equivalent of:

- The removal of 6,835 Passenger vehicles from the local roads, **<u>or</u>**
- The elimination of 34,874,907 pounds of Coal burned, **<u>or</u>**
- Planting 1,600 acres of US forest (11% of Portsmouth)

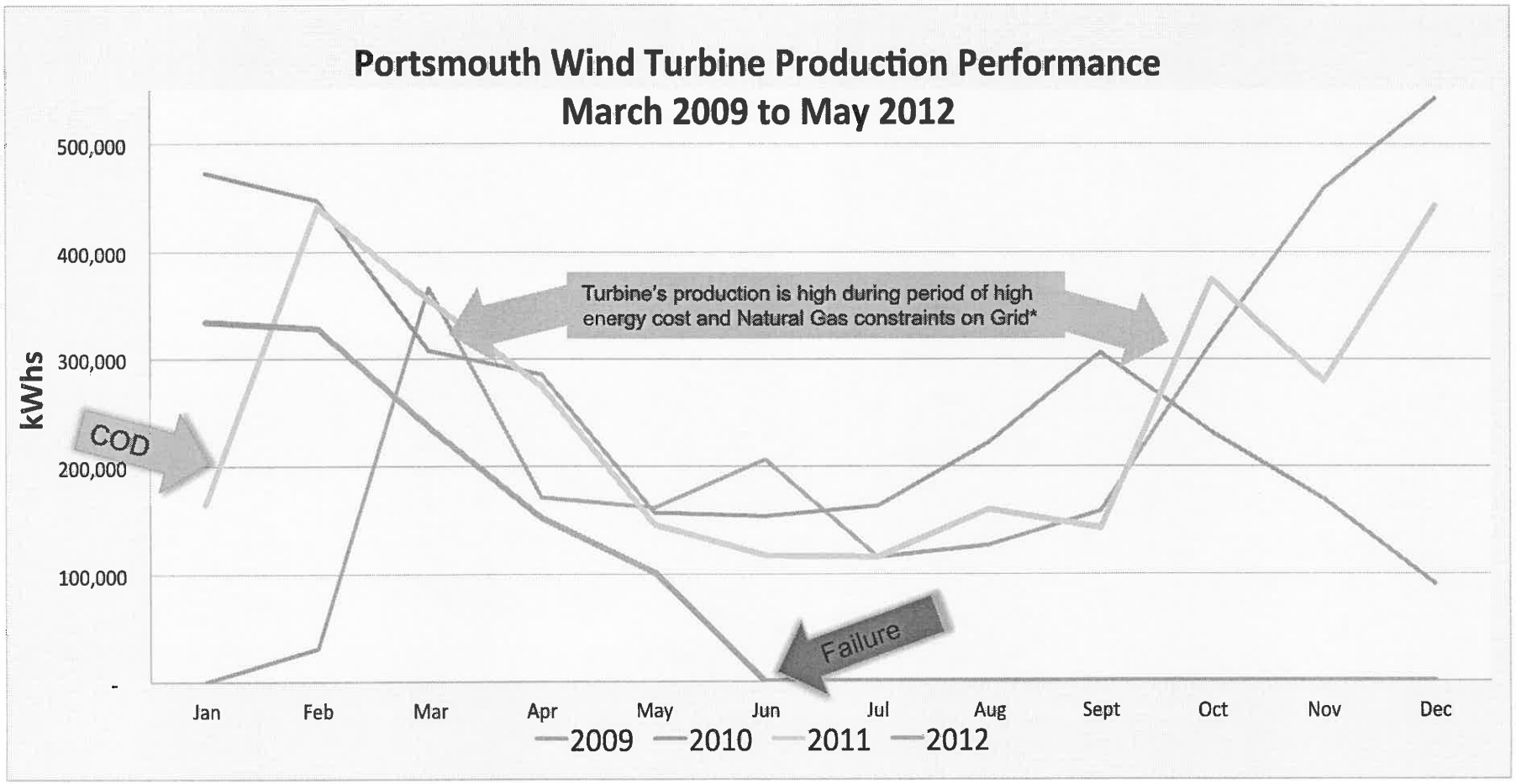
This Turbines output equivalent in a solar project would take approximately 17 acres of solar panels, (9,500 solar panels, nameplate capacity of 2.4 megawatts DC) and would cost of approximately $5.0 to 5.5 Million.

This Turbine's re-commissioning is a cost effective deployment of monies when taking into consideration the attributes produced

The Turbine is directly interconnected to the Grid therefore is a Distributed Generation energy source and contributes to some degree of grid reliability and resilience at a local level.
(See Chart on Page 5)



Project Production and Grid Interaction



- *Note the Turbine is directly interconnected to the Grid therefore is a Distributed Generation energy source and contributes to some degree grid reliability and resilience at a local level.*
- *COD (Commercial operation Date)*

CURRENT STATUS

In May 2012 the Turbine's gearbox failed, rendering the turbine inoperative.

Over the past two years, the Town has performed extensive due diligence in evaluating re-commissioning options including re-commissioning, outright replacement of turbine or de-commissioning.

The town issued three RFP's to attract the various options including a public / private partnership approach.

The Town expended over $200,000 in expenses (internal and external) related to due diligence process for re-commissioning the turbine.

Additionally, the town has expended over $680,000 in debt service during the time that the Turbine has been non-operational.

The Turbine was cash flow positive in the amount of $225,000 while it operated.
During the period the turbine was non-operational, the Town incurred debt service obligations ($680,000) and expenses ($200,000), putting the town in a net cash flow deficit of approximately $657,000. (See slide 9 "Operational" / "Non-operational" period for detail)

RE-COMISSIONING PLAN

<u>The Town has determined that the most prudent and economically feasible solution is:</u>

1) Replace the gear box with a unit that carries a 6 year warranty.
2) Retain ownership, to maintain the favorable bond structure (CREB) currently in place.
3) Engage a reputable 3rd party Operations and Maintenance firm.
4) Create a Repairs and Maintenance escrow Fund, funded by the Town of Portsmouth and Commerce Rhode Island for any future repairs (see slide 9).
5) Implementation of critical detection hardware & software as recommended by DARoberts.
6) Intelligent operation, constant monitoring & preventative maintenance.
7) Conservative operation of turbine (de-rating) and operating above industry standards.
8) Engage trusted advisors with proper experience to ensure the project is executed properly.
9) $250,000 of additional financial support in the form of a Grant from the Attorney General
   - The funds are from Rhode Island's share of 2007 American Electric Power (AEP) settlement to mitigate the effects of past emissions from their coal plants of carbon dioxide (CO2), sulfur dioxide (SO2) and nitrogen oxide (Nox).

<u>Note:</u> *Due diligence and contract negotiations are ongoing and the project proposal/plan may be adjusted when the negotiations are completed.*

RE-COMISSIONING PLAN COST

Project Cost:

Gear Box Replacement	$350,000
Gearbox Removal and Re-installation	247,355
General Repairs and Maintenance	50,000
Inspections	10,000
Owner Representation Trusted Advisors	75,000
Upgrades – Vibration and Gear Box Sensors	25,000
Upgrades – Software Monitoring and controls	50,000
Contingency	77,645
Total	**$885,000**
Less: Grant form AG Office	($250,000)
Net Due from Town	**$635,000**

The Town will issue General Obligation Bond to fund the project cost, less State monies contributed.

The revenue from the generation of electricity and Renewable Energy Credits (less operating cost) will be utilized to meet debt service obligation of the CREB and the Commerce Rhode Island in addition to the Town's Capital Repair General Obligation Bond and fund the Repairs and Maintenance Fund.

Repairs and Maintenance Escrow Fund

The Repairs and Maintenance Fund will be funded at a rate of $80,000 per year for a goal of $400,000 by year five (5) and $800,000 by year ten (10).

The source of these funds will be:

1) Cash Flows from operations after debt service. (Town will fund any shortfalls see 2 below)
2) Town's contributions of $588,427 ($65,000/ year, Avg.),
3) Commerce Rhode Island's debt service payments will be directed to the Repairs and Maintenance Escrow account during years one (1) through nine (9) as per the "Repairs and Maintenance Fund Agreement" *(The contributions will be deposited into a separate and distinct restricted bank account for the Turbine Project use only)*

After year six (6) at which the turbine will be out of warranty, the Repairs and Maintenance Escrow Fund will be utilized for any prudent and logical repairs including properly decommissioning the turbine.

Commerce Rhode Island

Loan Information:

- Loan Date: July 15, 2009
- Due Date: July 15, 2023
- Original Balance: $ 369,333.33
- Interest paid bi-yearly: January 15 and July 15
- Principal Once a Year: July 15th
- Payments Made: 10 (5 principal and interest and 5 interest)
- Balance, July 28, 2014: $ 237,428.58

Repairs and Maintenance Escrow Fund:

Commerce Rhode Island's debt service payments will be directed to the Repairs and Maintenance Escrow account during years one (1) through nine (9) as per the "Repairs and Maintenance Fund Agreement" This will be in addition to the Town's contributions of $588,427 ($65,000/ year, avg.), for a combined cumulative funding of $720,000 at year nine, $800,000 in year 10

Note: *Due diligence and contract negotiations are ongoing and the project proposal/plan may be adjusted when the negotiations are completed.*

Commerce Rhode Island

General Repayment Terms:

- The Town shall be entitled to incur additional indebtedness necessary repairs to the Turbine.
- Town shall be entitled to pay such additional new debt service from the revenues of the Project.
- Net Revenues for purposes of this Agreement is defined as all revenue generated from the operation of the Project, minus the following:
  - Operating and general maintenance costs; and
  - Existing and New Debt Service
- All Net Revenues shall be deposited into the Escrow Account until the Existing and New Debt Service are paid and the balance of the Escrow is not less than $700,000.
- During any year, that the Net Revenues plus Commence RI's contributed Funds deposited into the Escrow Account are less than $80,000, the Town shall pay into the Escrow Account the difference.
- Once Existing and New Debt Service has been paid and the Escrow Account is funded in an amount not less than $700,000, fifty percent (50%) of Net Revenues shall be paid to the Commerce RI up to the amount of $300,000.
- On August 1, 2024, any funds remaining in the Escrow Account up to the amount of $300,000, shall be paid to Commerce RI .
- Any funds remaining in the Escrow Account after payment to Commerce RI shall be paid over to the Town.

NPTRE Newport Renewables

Town of Portsmouth Wind Turbine Analysis of Options

General Proposal	Gear Box Replacement with Operation & Maintenance, Portsmouth Retains Ownership
Terms	5 years for Operational and Maintenance Agreement, with 5 Year Option

Period of Measurement	5 Years	10 Years	15 years	
Current Market Rate of Energy	$ 0.088 / kWh	$ 0.088 / kWh	$ 0.088 / kWh	Based on National Grid Current rate as of March 2014
Assumed Energy Rate Increase	2.25%	2.25%	2.25%	Rhode Island Commercial Rate, 10 yr Avg
Average Energy Rate over term	$ 0.092 / kWh	$ 0.097 / kWh	$ 0.115 / kWh	Current Rate X Yrly Rate Increase
Average REC's Price per kWh	$ 0.0275 / kWh	$ 0.0275 / kWh	$ 0.0000 / kWh	10 year Contract with PPL at 2.75¢
Production Forecast Avg per year in KWhs	2,793,567 kWhs	2,725,111 kWhs	2,658,891 kWhs	Based on historic performance @ 85%

Economics

Period Of Measurement	5 Years - YTD	10 Years - YTD	15 years - YTD	
Sources of Funds - Source / (Use)				
Operations				
Energy off-set	1,285,568	2,651,998	4,104,377	Current rate at 8.8¢ with 2.25% escalation
Renewable Energy Credit	384,115	749,405	749,405	10 year Contract with PPL at 2.75¢
Total Revenue	**1,669,683**	**3,401,403**	**4,853,782**	
Operations and Maintenance	(340,661)	(711,257)	(1,120,425)	Operations & Maintenance and Owners Representative
Net Cash flow from Operations	**1,329,022**	**2,690,146**	**3,733,357**	
Less: Debt Service				
Commerce Rhode Island	(150,630)	(261,504)	(261,504)	Due 2023 / Rate @ 2.03%
CREB Bond	(936,433)	(1,649,700)	(1,649,700)	Due 2023 / Rate @ 1.15%
Town Supplemental Loan	(365,125)	(698,500)	(698,500)	10 year Term @ 2%
Total Debt Service	**(1,452,188)**	**(2,609,704)**	**(2,609,704)**	
Cash flow from Operations less; Debt Service	**(123,165)**	**80,442**	**1,123,653**	
Funds allocated to Repairs and Maint. Fund	-	(84,154)	(100,000)	10 year Term @ 2%
Net Cash flow	**(123,165)**	**(3,712)**	**1,023,653**	
Payments to Repairs and Maintenance Fund				
Net Funds from Operations, less Debt Service	(123,165)	(49,931)	50,069	
Funds from Commerce RI (R & M Fund))	150,630	261,504	261,504	
Funds from Town	372,535	588,427	588,427	Required from Town to meet reserve targets
Capital Expenditures and Repairs	(37,500)	(100,000)	(137,500)	
Fund Balance	**362,500**	**700,000**	**762,500**	
Net Funds required (from) / to Town				
Payments to Repairs and Maintenance Fund	(372,535)	(588,427)	(588,427)	-Max Funds Required by Town $588,427 in Year 9
Excess Funds from Operations	-	80,442	1,023,653	
Net Fund (from) / to Town	**(372,535)**	**(507,985)**	**435,226**	
Turbine Decommission Option Day One				
Debt Obligations - CREB	(1,560,000)	(1,560,000)	(1,560,000)	CREB Bond
Debt Obligations - Commerce RI	(237,429)	(237,429)	(237,429)	Commerce RI Loan
Debt Obligation pay off penalty	(37,000)	(37,000)	(37,000)	Early Payoff of CREB
Decommissioning	(150,000)	(150,000)	(150,000)	Estimate
Total	**(1,984,429)**	**(1,984,429)**	**(1,984,429)**	
Difference in Options	**671,035**	**2,026,444**	**3,032,155**	**Does not include Self Insurance Funds**

Turbine Repair Summary		
Gear Box Replacement	350,000	Gear Box Replacement
Gearbox Removal and Re-installation	247,355	Gemini Energy Services
General Repairs and Maintence	50,000	Gemini Energy Services
Inspections	10,000	Gemini Energy Services / DaRoberts
Owner's Rep / Proj Mgr and Trusted Advisors	75,000	
Upgrades		
Bachmann Vibration System	15,000	Monitor of vibrations in Gearbox and Generator
Compact Debris Filter	5,000	Oil sampling for testing
Hydac filter differential pressure sensor	5,000	Filter pre-clog sensor
Software	50,000	**Control and Performance upgrade**
Contingency	77,645	Aprox 12.5% of Project Cost
Total	**885,000**	
Less Grant	(250,000)	Attorney general's Office - 2007 American Electric Power (AEP) settlement
Town Obligation to Fund	**635,000**	**Supplemental Loan by Town 10 years @ 2%**

NPTRE Newport Renewables

Town of Portsmouth Wind Turbine Analysis of Options

Based on 12 Month period from Turbine commencing operations September 2014 and Full production by end of 2014	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total End of Year		
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	1 - 5	1 - 10	1 - 15
Forecast kWhs	2,850,000	2,821,500	2,793,285	2,765,352	2,737,699	2,710,322	2,683,218	2,656,386	2,629,822	2,603,524	2,577,489	2,551,714	2,526,197	2,500,935	2,475,926	13,967,836	27,251,109	39,883,369
Sources of Funds																		
Energy Offset	250,878	253,958	257,075	260,231	263,425	266,659	269,932	273,245	276,599	279,995	283,432	286,911	290,433	293,998	297,606	1,285,568	2,651,998	4,104,377
Renewable Energy Credits	78,375	77,591	76,815	76,047	75,287	74,534	73,789	73,051	72,320	71,597	-	-	-	-	-	384,115	749,405	749,405
	329,253	331,549	333,891	336,278	338,712	341,193	343,720	346,296	348,920	351,592	283,432	286,911	290,433	293,998	297,606	1,669,683	3,401,403	4,853,782
Operation and Maintenance																		
General Maintenance	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108	3,171	3,234	3,299	13,010	27,374	43,234
Owner's Representative	15,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	12,434	12,682	12,936	13,195	57,040	114,497	177,934
Operations & Maintenance	40,000	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804	48,760	49,735	50,730	51,744	52,779	208,162	437,989	691,737
Bonus (assume 50% of Bonus achieved)	12,000	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	14,920	15,219	15,523	15,834	62,448	131,397	207,521
	69,500	65,790	67,106	68,448	69,817	71,213	72,637	74,090	75,572	77,083	78,625	80,198	81,802	83,438	85,106	340,661	711,257	1,120,425
Cash Flow from Operations	259,753	265,759	266,785	267,830	268,895	269,979	271,083	272,206	273,348	274,508	204,807	206,713	208,631	210,560	212,500	1,329,022	2,690,146	3,733,357
Debt Service (Prin & Int)																		
Commerce RI (1)	31,196	30,661	30,126	29,591	29,056	28,521	27,986	27,451	26,916	(0)	(0)	-	-	-	-	150,630	261,504	261,504
CREB (Bond)	191,273	189,280	187,287	185,293	183,300	181,307	179,313	177,320	175,327	-	-	-	-	-	-	936,433	1,649,700	1,649,700
Town Supplemental Loan	75,565	74,295	73,025	71,755	70,485	69,215	67,945	66,675	65,405	64,135	-	-	-	-	-	365,125	698,500	698,500
	298,034	294,236	290,438	286,639	282,841	279,043	275,244	271,446	267,648	64,135	(0)	-	-	-	-	1,452,188	2,609,704	2,609,704
Cash Flow from Operations less DSC	(38,281)	(28,477)	(23,653)	(18,809)	(13,946)	(9,063)	(4,161)	760	5,699	210,373	204,807	206,713	208,631	210,560	212,500	(123,165)	80,442	1,123,653
Allocation to Self Insurance Fund	-	-	-	-	-	-	-	-	(4,154)	(80,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	-	(84,154)	(184,154)
Net Cash Flow	(38,281)	(28,477)	(23,653)	(18,809)	(13,946)	(9,063)	(4,161)	760	1,545	130,373	184,807	186,713	188,631	190,560	192,500	(123,165)	(3,712)	939,499
Repairs and Maintenance Fund																		
Cash flow in (out) from Operations	(38,281)	(28,477)	(23,653)	(18,809)	(13,946)	(9,063)	(4,161)	760	5,699	80,000	20,000	20,000	20,000	20,000	20,000	(123,165)	(49,931)	50,069
CRI Repairs and Maintenance Escrow	31,196	30,661	30,126	29,591	29,056	28,521	27,986	27,451	26,916	(0)	(0)	-	-	-	-	150,630	261,504	261,504
Funds From Town	87,085	77,816	73,527	69,218	64,890	60,542	56,175	51,789	47,385	0	0	-	-	-	-	372,535	588,427	588,427
Self Insurance Reserve Contribution	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	20,000	20,000	20,000	20,000	20,000	400,000	800,000	900,000
Self Insurance Fund Balance																		
General Repairs and Replacements	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(37,500)	(75,000)	(112,500)
Blade Reconditioning	-	-	-	-	-	-	(25,000)	-	-	-	-	-	-	-	-	-	(25,000)	(25,000)
Total	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(32,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(37,500)	(100,000)	(137,500)
Self Insurance Reserve Balance	72,500	145,000	217,500	290,000	362,500	435,000	482,500	555,000	627,500	700,000	712,500	725,000	737,500	750,000	762,500	362,500	700,000	762,500
Funds Required (from) / to Town									*Max Oblg*									
Net Fund (from) / to Town	(87,085)	(77,816)	(73,527)	(69,218)	(64,890)	(60,542)	(56,175)	(51,789)	(47,385)	67,457	184,807	186,713	188,631	190,560	192,500	(372,535)	(520,970)	422,241
Cumulative, Net (from) / to Town	(87,085)	(164,900)	(238,427)	(307,645)	(372,535)	(433,078)	(489,253)	(541,042)	(588,427)	(520,970)	(336,163)	(149,450)	39,181	229,741	422,241	(372,535)	(520,970)	422,241
Continued Operation - Option																		
Net Funds from Town	(87,085)	(164,900)	(238,427)	(307,645)	(372,535)	(433,078)	(489,253)	(541,042)	(588,427)	(520,970)	(336,163)	(149,450)	39,181	229,741	422,241	(372,535)	(520,970)	422,241
Less:																		
CREB Bond	(1,386,667)	(1,213,334)	(1,040,000)	(866,667)	(693,334)	(520,001)	(346,667)	(173,334)	-	-	-	-	-	-	-	(693,334)	-	-
Debt Obligation pay off penalty	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	-	-	-	-	-	-	-	(37,000)	-	-
Commerce RI loan	(211,048)	(184,667)	(158,286)	(131,905)	(105,524)	(79,143)	(52,762)	(26,381)	0	0	-	-	-	-	-	(105,524)	0	-
Town Supplemental Loan	(571,500)	(508,000)	(444,500)	(381,000)	(317,500)	(254,000)	(190,500)	(127,000)	(63,500)	-	-	-	-	-	-	(317,500)	-	-
Decommissioning	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total	(2,356,215)	(2,093,000)	(1,829,786)	(1,566,572)	(1,303,358)	(1,040,143)	(776,929)	(513,715)	(213,500)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(1,303,358)	(150,000)	(150,000)
Net Cash Position (Value)	(2,443,299)	(2,257,901)	(2,068,213)	(1,874,217)	(1,675,893)	(1,473,221)	(1,266,182)	(1,054,757)	(801,927)	(670,970)	(486,163)	(299,450)	(110,819)	79,741	272,241	(1,675,893)	(670,970)	272,241
Balance of Self Insurance Fund	72,500	145,000	217,500	290,000	362,500	435,000	482,500	555,000	627,500	700,000	712,500	725,000	737,500	750,000	762,500	362,500	700,000	762,500
Decommission Option																		
Debt Obligations - CREB	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)	(1,560,000)
Debt Obligations - CRI	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)	(237,429)
Debt Obligation pay off penalty	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)	(37,000)
Decommissioning	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
Total	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)	(1,984,429)

EXHIBIT G

RI Renewable Energy Development Fund
RI Economic Commerce Corporation
2014 Commercial Scale Grant Program
Round 2 – Application Summaries

Applicant 7-119: Academy for Little Children
10 James P Murphy IND Highway
West Warwick, RI 02893
(401) 823-5000
jrm1113@aol.com

Contact: **James Moretti**

Installer: **RGS Energy**

Grant Request: **$66,900**

Purpose: To install a 54 kW rooftop solar system on the roof of Academy for Little Children school.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	$66,900	38%
Owner Financing	$111,018	62%
Total:	**$177,918**	**100%**
Uses:		
Installation of a 54 kW roof mounted solar photovoltaic system		

Application Summary:

Academy for Little Children is a child development center located in West Warwick. The proposed site in West Warwick is an ideal location for a Solar PV system. The 54kW system will meet nearly 100% of the buildings current electrical needs. Academy for Little Children has been in operation for 24 years and is an established child care center with 25 employees. This installation will help the Academy for Little Children stay competitive by having controllable energy costs. This project has the added benefit of teaching young children about the benefits of renewable energy from an early age.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	Academy for Little Children
Project Address:	10 James P Murphy IND HWY Pole 9-2, West Warwick, RI 02893
Business Sector:	Daycare/Pre-School
Project Size:	54kW
Requested Grant Amount:	$ 66,900.00
Eligible Grant amount:	$ 66,900.00
Total Project Cost:	$ 177,918.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds:12 month financials or other	YES
Electric Bill: Complete Copy **OR** "request for service"	YES
Interconnection Application submitted	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	**N/A**
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**
Renewable Energy Program Manager Signature	
Date: July 2, 2014	

Commerce RI
Renewable Energy Fund

Applicant 7-120: **Whole Foods Market Group Inc.**
Davis Hill Development
151 Sockanosset Cross Rd.
Cranston, RI 02920
(617) 492-5500
Karen.franczyk@wholefoods.com

Developer: **Davis Hill Development**

Installer: **United Solar Associates**

Contact: **Karen Franczyk**

Grant Request: **$237,501**

Purpose: To install a 252.96 kW solar photovoltaic system on the roof of Whole Foods Market Cranston.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	$237,501	38%
Applicant Financing	$394,898	62
Total:	**$632,400**	**100%**
Uses: Installation of a 252.96 solar PV system on the roof of Whole Foods Market Cranston.		

Application Summary:

Whole Foods Markets is dedicated to green initiatives. This installation of 252.96kW of solar PV, is an example of their dedication. Whole Foods is also interested in installing more solar at its other Rhode Island locations in the future. Whole Foods will share information about their solar PV system to their shoppers, creating increased awareness for the Rhode Island solar industry. This system will allow Whole Foods to reduce their energy consumption while decreasing carbon output.

Whole Foods will enter into a Power Purchase Agreement with Davis Hill Development, who will subcontract installation to United Solar Associates. Whole Foods and Davis Hill Development have worked together in the past creating renewable an energy portfolio for Whole Foods throughout New England.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	Whole Foods
Project Address:	151 Sockanosset Cross Rd, Cranston, RI, 02920
Business Sector:	Retail
Project Size:	252.96kW
Requested Grant Amount:	$ 237,501.00
Eligible Grant amount:	$ 238,980.00
Total Project Cost:	$ 632,400.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds:12 month financials or other	YES
Electric Bill: Complete Copy **OR** "request for service"	YES
Interconnection Application submitted	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**
Renewable Energy Program Manager Signature	
Date: July 8, 2014	

Commerce RI
Renewable Energy Fund

Applicant 7-121: **Daniele Foods**
1000 Daniele Drive
Burrillville, RI 02839
(401) 568-6228
Saint@danielefoods.com

Contact: **Richard St. Pierre**

Installer: **E2SOL LLC**

Grant Request: **$54,000**

Purpose: To install solar photovoltaic tracker system with a capacity of 43.2kW.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	$54,000	20%
Applicant financing	$212,468	80%
Total:	**$266,468**	**100%**
Uses: Installation of a 43.2 kW solar system.		

Application Summary:

Daniele Foods recently invested $50 million to double their production of cured meats. The expansion of Daniele Foods created hundreds of jobs in the construction industry, while increasing their full-time workforce of over 300 Rhode Islanders. Daniele Foods produces Del Duca brand Italian cured meats and ships over 100 million packages worldwide. This installation of 6 sun trackers with a capacity of 43.2kW on the front lawn of their new facility will assist with electrical costs and act as a vessel for Daniele to install additional renewable energy projects at the facility.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	Daniele Inc.
Project Address:	1000 Daniele Drive, Burrillville, RI 02839
Business Sector:	Food Manufacturing/Processing
Project Size:	43.2kW
Requested Grant Amount:	$ 54,000.00
Eligible Grant amount:	$ 54,000.00
Total Project Cost:	$ 266,468.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds:12 month financials or other	YES
Electric Bill: Complete Copy **OR** "request for service"	YES
Interconnection Application submitted	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less	YES
Expected remaining Lifespan of Roof:	N/A grountmount
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**
Renewable Energy Program Manager Signature	
Date: June 30, 2014	

Commerce RI
Renewable Energy Fund

Applicant 7-122: **National Marker Company**
100 Providence Pike
North Smithfield, RI 02896
(401) 762-9700
pmadigan@nationalmarker.com

Contact: **Patrick Madigan**

Installer: **RGS Energy**

Grant Request: **$232,014**

Purpose: To install a 241.56 kW solar photovoltaic system on the roof of the National Marker Building.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	$ 232,014	42%
Applicant	$ 318,705	58%
Total:	**$550,719**	**100%**
Uses: Installation of a 241.56kW solar system on the roof of National Marker.		

Application Summary:

National Marker Company (NMC) manufactures and distributes safety and commercial signage and accessories. NMC has been in operation since 1934 and has been investing in new technologies to stay ahead of the competition for 80 years. Recently NMC invested in technologies that allow them to make a superior product in less time, which has led to double digit growth for the last five years. NMC has expanded their workforce to over 70 employees (90% Rhode Islanders) a 30% increase since 2009. NMC competes with companies in the South and Midwest where electricity prices are relatively cheaper. This installation of 241.56 kW will produce close to a third of their energy needs and will allow NMC to stay competitive. National Maker is also investing in resurfacing the roof for the longevity of this project.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	National Marker Company
Project Address:	100 Providence Pike North Smithfield, RI 02896
Business Sector:	Manufacturing
Project Size:	241.56kW
Requested Grant Amount:	$ 232,014.00
Eligible Grant amount:	$ 232,014.00
Total Project Cost:	$ 550,719.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds:12 month financials or other	YES
Electric Bill: Complete Copy **OR** "request for service"	YES
Interconnection Application submitted	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**
Renewable Energy Program Manager Signature	
July 15, 2014	

Commerce RI
Renewable Energy Fund

Applicant 7-123: **Bouchard Broadcasting**
786 Diamond Hill Road
Woonsocket, RI 02895
(401) 769-6925
Bouchard8@aol.com

Contact: **Richard Bouchard**

Installer: **RGS Energy**

Grant Request: **$15,000**

Purpose: To install 12 kW solar PV system on the roof of the radio station.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	$15,000	28%
Owner	$39,000	72%
Total:	**$54,000**	**100%**
Uses: Installation of a 12 kW solar PV system.		

Application Summary:

Bouchard Broadcasting owns and operates radio station News/Talk 1380 WNRI in the City of Woonsocket. Bouchard Broadcasting is proposing to install a 12kW solar PV system on the roof of their building. This installation is commitment of Bouchard Broadcasting to stay in Woonsocket in the face of rising operational costs.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	Bouchard Broadcasting
Project Address:	786 Diamond Hill Road Pole 425, Woonsocket, RI 02895
Business Sector:	Radio
Project Size:	12kW
Requested Grant Amount:	$ 15,000.00
Eligible Grant amount:	$ 15,000.00
Total Project Cost:	$ 54,000.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds:12 month financials or other	YES
Electric Bill: Complete Copy **OR** "request for service"	YES
Interconnection Application submitted	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Expected remaining Lifespan of Roof:	YES
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	**N/A**
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**
Renewable Energy Program Manager Signature	
Date: July 11, 2014	

Commerce RI
Renewable Energy Fund

Applicant 7-124: **Cromwell Ventures LLC**
55 Cromwell St.
Providence, RI 02907
(718) 222-4300
fm@knightandswan.com

Contact: **Federico Manaigo**

Installer: **Sol Power, LLC**

Grant Request: **$89,164.00**

Purpose: To install a 74.24 kW solar photovoltaic system on the roof of the newly renovated multi-use building.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	$ 89,164	33%
Applicant	$185,524	67%
Total:	**$274,688**	**100%**
Uses: Installation of a 74.24 kW solar system.		

Application Summary:

Cromwell Ventures LLC is currently redeveloping the 55 Cromwell street property into a multi-use building consisting of 45 apartments and commercial space. The estimated cost of this redevelopment is over $7.5 million. 55 Cromwell was originally built in 1890 as a factory; Cromwell Ventures has been awarded historic tax credits to assist with project. The 74.24kW solar PV system will be mounted on the newly renovated roof. This installation will cover 30% of the buildings energy usage, increasing the developers return on investment. Cromwell Ventures has already invested over millions of dollars into this development. This project is already underway, with completion of construction expected in spring of 2015 and occupancy by fall 2015. 55 Cromwell is an example that urban renewal can benefit the community and help the environment.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	Cromell Ventures LLC
Project Address:	55 Cromwell St. Providence, RI 02907
Business Sector:	Real Estate
Project Size:	74.24kW
Requested Grant Amount:	$ 89,164.00
Eligible Grant amount:	$ 89,164.00
Total Project Cost:	$ 274,688.00
General Application Requirements	
Proof of Energy Audit	N/A - total rehab of building. Detailed usage projections provided.
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds:12 month financials or other	YES
Electric Bill: Complete Copy **OR** "request for service"	YES
Interconnection Application submitted	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES May 2015
Expected remaining Lifespan of Roof:	brand new roof
Warranty: 3-year workmanship	YES
Detailed System Output:	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES

Inverter Specifications	YES
Photo facing north	YES
Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**
Renewable Energy Program Manager Signature	

Date: June 24, 2014

Commerce RI
Renewable Energy Fund

Applicant 7-125:

Baby Greens Farm
686 Hamilton Allenton Rd.
North Kingstown RI, 02852
(401) 440-9088
babygreensri@gmail.com

Contact: **Jeffery Kamminga**

Installer: **Newport Renewables**

Grant Request: **$12,600**

Purpose: To install a 10.08 kW solar photovoltaic ground mounted system at the Baby Greens Farm in North Kingstown.

Sources & Uses:

Sources:		
RI Renewable Energy Fund	$12,600	25%
Rural Energy for America Program	$12,666	25%
Applicant	$25,398	50%
Total:	**$50,664**	**100%**
Uses: Installation of a 10.08 kW solar system.		

Application Summary:

Jeffery Kamminga is the sole-proprietor of Baby Greens Farm which he founded in 1993. During the summer harvest months Baby Greens Farms provide a delivery service to homes and businesses. Baby Green Farms sustainably produces gourmet salad without the use of chemicals. Mr. Kamminga plans to purchase an electric vehicle to be his delivery vehicle in 2015. The installation of 10.08 kW ground mounted solar PV system will stabilize his energy costs and allow him to maintain a competitive edge in the marketplace. Mr. Kamminga has requested funds from USDA's Rural Energy for America (REAP) grant program to leverage with the Renewable Energy Fund grant.

Commercial Scale: Direct Project Funding Application Check list	
Applicant:	Baby Greens Farm
Project Address:	686 Hamilton Allenton Rd, North Kingstown, RI 02852
Business Sector:	**Agricultural**
Project Size:	10.08kW
Requested Grant Amount:	$ 12,600.00
Eligible Grant amount:	$ 12,600.00
Total Project Cost:	$ 50,664.00
General Application Requirements	
Proof of Energy Audit	YES
Signed Turnkey Contract	YES
One or Three Line Electrical Drawing	YES
ROI/Simple Payback	YES
Proof of Funds:12 month financials or other	YES
Electric Bill: Complete Copy **OR** "request for service"	YES
Interconnection Application submitted	YES
Layout Drawing	YES
Aerial Image	YES
Expected Completion (18 months or less):	YES
Warranty: 3-year workmanship	YES
Expected remaining Lifespan of Roof:	N/A groundmount
Detailed System Output:	YES
W9:	YES
Additional Requirments: Solar Projects	
Shade Analysis demonstrating less than 10%:	YES
Layout drawing shows location of all major equip. and roof obstructions	YES
Panel Specifications	YES
Inverter Specifications	YES
Photo facing north	YES

Additional Requirments: Wind Projects	
Copy of FAA Approval	N/A
Proof project is permissable within jurisdictional authority	N/A
Project location site plan shows location of all major equip., laydown zone, flicker predictions	N/A
Manufacturer's specifications	N/A
Additional Requirements: Hydro Projects	
Layout Drawing of project site showing dam, intake canal, tailrace, powerhouse, sluice gate,	N/A
Manufacturer's specifications	N/A
Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**
Renewable Energy Program Manager Signature	
Date: July 11, 2014	

REF Commerce RI
Renewable Energy Fund

Commercial Scale Funding 2014 Block II

REF Commercial Scale Grant Program

Block	Solicitation Open	Application Due Date	Approval Date
Block 1-Closed	January 17, 2014	March 7, 2014	March 24, 2014
Block 2-Current	May 9, 2014	June 13, 2014	July 28, 2014
Block 3	August 18, 2014	October 3, 2014	November 17, 2014
Block 4	December 1, 2014	TBA	TBA

Funding level

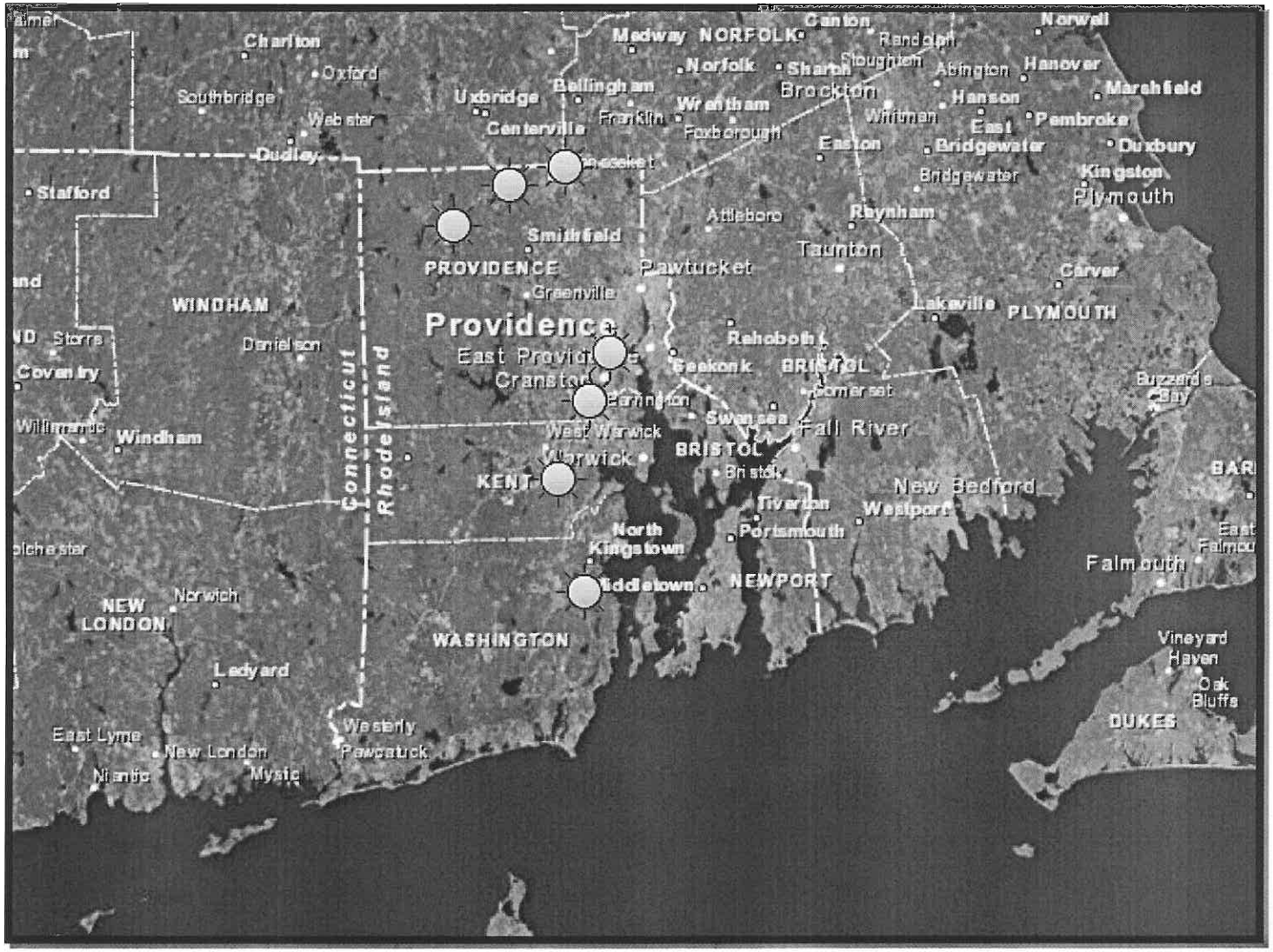
Commerce RI will award grants based on the rated DC capacity of a renewable energy project. Incentive levels for this solicitation are as follows:

$1.25/W	For the first 0-50kW
$1.10/W	For the 2nd 50kW (up to 100kW)
$0.95/W	For the 3rd 50kW (up to 150 kW)
$0.80/W	For the 4th 50kW (up to 200 kW)
$0.65/W	For the 5th 50kW (up to 250 kW)
$0.50/W	For all installed capacity over the first 250 kW
Incentives are capped at $350,000 for a single project	

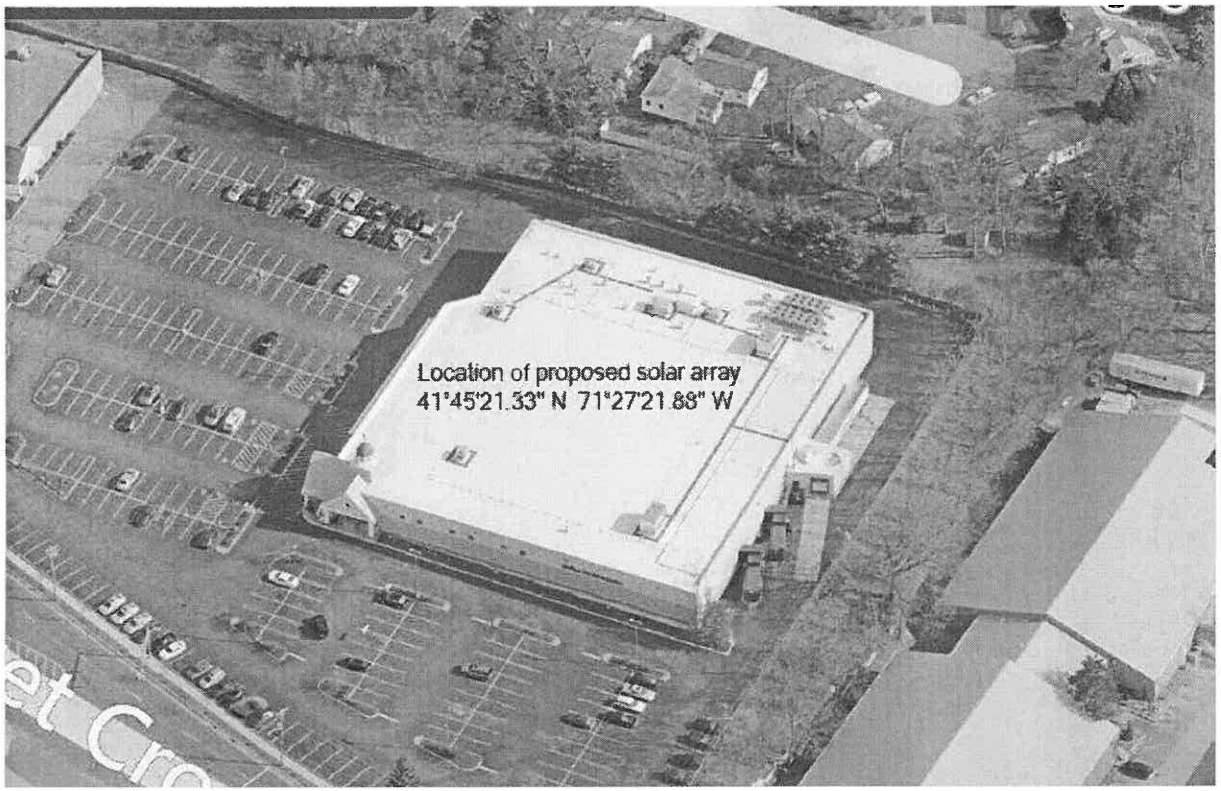
Projects Recommended for Funding

Applicant	Grant Amount	Total Project Cost	Grant as % of total cost	System Size (Kw)	Project Location
Academy for Little Children	$66,900	$177,918	37.6%	54.00	West Warwick
Whole Foods	$237,501	$632,400	37.6%	252.96	Cranston
Daniele Inc.	$54,000	$266,468	20.2%	43.20	Burrillville
National Marker Company	$232,014	$550,719	42.1%	241.56	Smithfield
Bouchard Broadcasting	$15,000	$54,000	27.8%	12.00	Woonsocket
Baby Greens Farm	$12,600	$50,664	24.9%	10.08	North Kingstown
Cromwell Ventures, LLC	$89,164	$274,688	32.4%	74.24	Providence
Total	**$ 707,179**	**2,006,857**	**35.2%**	**688.04**	

Map of projects



Whole Foods Cranston



National Marker Company

Potential Metrics

Metric	
Number of Companies that will directly benefit	20 (installer, applicant and subcontractors)
Number of kW contracted	688.04kW
Other funds leveraged	$1,299,677.52
Cost per Watt	$2.92

REF 2014 Commitments

- **Block 1 Commercial Scale Grants:** $1,091,891 to 11 solar projects
- **Block 1 Small Scale Solar Grants:** $ 173,708 to 30 solar projects
- **Block 2 Commercial Scale Grants: $ 707,179 to 7 solar projects (Recommended for vote)**

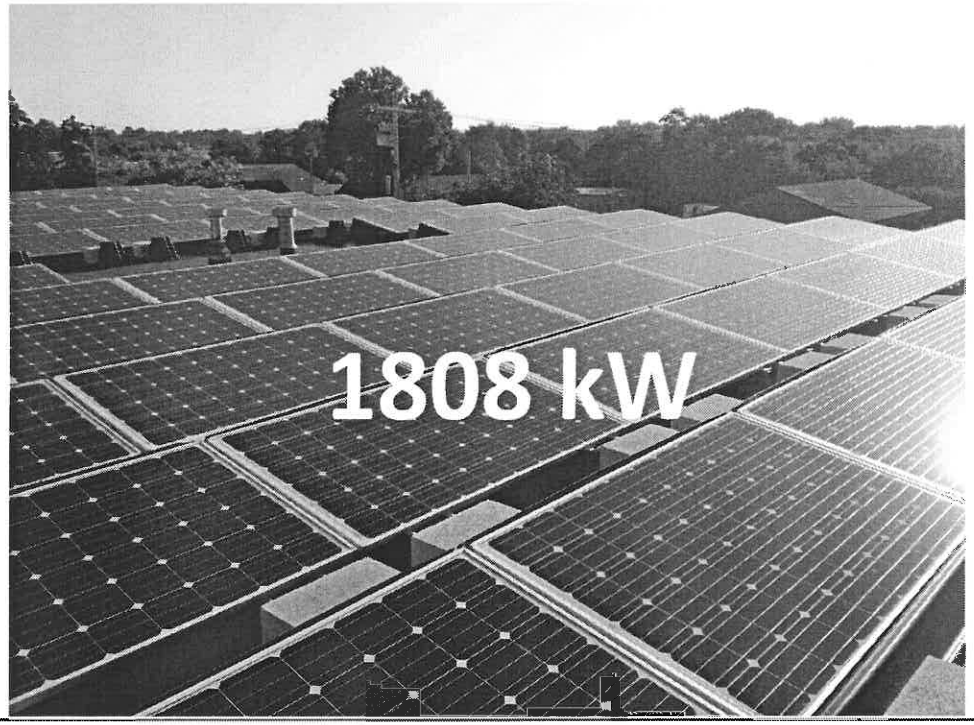


EXHIBIT H

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND COMMERCE CORPORATION

July 28, 2014

(With Respect to Renewable Energy Fund Matters)

WHEREAS, the Board of Directors has received information and a presentation regarding the following Renewable Energy Fund Commercial Scale Funding Program Applications at its meeting held on July 28, 2014.

The request of Academy for Little Children, for a grant from the Renewable Energy Fund in the amount of $66,900.00 in connection with a 54.00 kW Solar Photovoltaic Project;

The request of Whole Foods, for a grant from the Renewable Energy Fund in the amount of $237,501.48 in connection with a 252.96 kW Solar Photovoltaic Project;

The request of Daniele, Inc., for a grant from the Renewable Energy Fund in the amount of $54,000.00 in connection with a 43.20 kW Solar Photovoltaic Project;

The request of National Marker Company, for a grant from the Renewable Energy Fund in the amount of $232,014.00 in connection with a 241.56 kW Solar Photovoltaic Project;

The request of Bouchard Broadcasting, for a grant from the Renewable Energy Fund in the amount of $15,000.00 in connection with a 12.00 kW Solar Photovoltaic Project;

The request of Baby Greens Farm, for a grant from the Renewable Energy Fund in the amount of $12,600.00 in connection with a 10.08 kW Solar Photovoltaic Project; and

The request of Cromwell Ventures, LLC, for a grant from the Renewable Energy Fund in the amount of $89,164.00 in connection with a 74.24 kW Solar Photovoltaic Project.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: The Corporation approves a Renewable Energy Fund grant award to Academy for Little Children in the amount of $66,900.00.

Section 2: The Corporation approves a Renewable Energy Fund grant award to Whole Foods in the amount of $237,501.48.

Section 3: The Corporation approves a Renewable Energy Fund grant award to Daniele, Inc., in the amount of $$54,000.00.

Section 4: The Corporation approves a Renewable Energy Fund grant award to National Marker Company in the amount of $232,014.00.

Section 5: The Corporation approves a Renewable Energy Fund grant award to Bouchard Broadcasting in the amount of $15,000.00.

Section 6: The Corporation approves a Renewable Energy Fund grant award to Baby Greens Farm in the amount of $12,600.00.

Section 7: The Corporation approves a Renewable Energy Fund grant award to Cromwell Ventures, LLC, in the amount of $89,164.00.

Section 8: Any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, shall have the authority to execute any and all documents in connection with the transactions authorized herein.

Section 9: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS
EXECUTIVE SESSION
JULY 28, 2014

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on Monday, July 28, 2014, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of meeting to all Directors, and the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by the By-Laws of the Corporation and applicable to Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Directors absent were: Mr. Jason Kelly, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Shannon Brawley.

Also present were: Marcel Valois and Thomas Carlotto.

Upon motion duly made by Mr. Wadensten and seconded Mr. Adams, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Laws Section 42-46-5(a)(2) or (4) to enter into Executive Session to consider the approval of the Executive Session minutes for the meeting held on March 31, 2014.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Voting against the foregoing were: None

Members of the board, counsel and staff entered into closed session at 6:35 p.m.

1. **TO CONSIDER FOR APPROVAL THE EXECUTIVE SESSION MINUTES FOR THE MEETING HELD ON JUNE 23, 2014**

Upon motion duly made by Mr. Fiore and seconded by Ms. Donohue, the following vote was adopted:

VOTED: To approve the Executive Session Minutes of the meeting held on June 23, 2014, and those minutes remain sealed.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

There being no further business to come before the Board in closed session, upon motion duly made by Mr. Wadensten and seconded by Mr. Adams, the following vote was adopted:

VOTED: To adjourn the closed session.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Ms. Maeve Donohue, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Mr. Roland Fiore, Mr. Tim Hebert, and Ms. Elizabeth Francis.

Voting against the foregoing were: None.

The executive session adjourned at 6:39 p.m.

_____

Thomas Carlotto, Secretary

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Monday, July 28, 2014**, beginning at **5:00 p.m.** for the following purposes:

PUBLIC SESSION

1. To consider for approval the Public Session Minutes for the meetings held on May 15, 2014 and June 23, 2014.

2. To consider, as may be appropriate, matters covered in the Executive Director's Report.

3. To receive a status update regarding the Quonset Development Corporation.

4. To consider for approval the fiscal year 2015 budget for the Corporation.

5. To consider for approval a loan modification associated with the Portsmouth Wind Turbine.

6. To consider for approval the following Renewable Energy Fund matters:

    a. A grant to the Academy for Little Children in the amount of $66,900.00;
    b. A grant to Whole Foods in the amount of $237,501.48;
    c. A grant to Daniele, Inc. in the amount of $54,000.00;
    d. A grant to National Marker Company in the amount of $232,014.00;
    e. A grant to Bouchard Broadcasting in the amount of $15,000.00;
    f. A grant to Baby Greens Farm in the amount of $12,600.00; and
    g. A grant to Cromwell Ventures, LLC in the amount of $89,164.00.

7. To consider for approval the Executive Session Minutes for the meeting held on June 23, 2014.*

* Board members may seek to convene in Executive Session to approve minutes previously sealed.

This notice shall be posted no later than 5:00 p.m. on Thursday July 24, 2014, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: July 24, 2014

TAB 2

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

AUGUST 25, 2014

(With Respect to a Tourism Investment Consulting Agreement)

APPROVED

VOTED: To approve a tourism investment consulting agreement, pursuant to the resolution attached hereto.

Dated: August 25, 2014

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND COMMERCE CORPORATION

August 25, 2014

(With Respect a Tourism Investment Consulting Agreement)

WHEREAS, the Board of Directors has received information and a presentation regarding the retention of a consultant to provide tourism investment services.

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") wishes to retain The Nichols Tourism Group, Inc. and Radcliffe Company to provide such tourism investment services.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: Any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, shall have the authority to negotiate and execute any and all documents necessary to retain The Nichols Tourism Group, Inc. and Radcliffe Company to provide the Corporation with tourism investment services, for an amount not to exceed $30,000.00.

Section 2: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

Tourism Marketing and Branding Investment Plan

Commerce RI, through this RFP, is seeking to engage a tourism industry expert to develop a three-year statewide Tourism Marketing and Branding Investment Plan. This plan will serve as a data-driven road map for state decision makers illustrating the correlation between investment in tourism marketing and branding efforts and expected corresponding ROI (economic and state revenue impact, job and industry growth etc...) per dollars invested.

The RFP was posted and advertised per the state procurement regulation and two completive bids were received. Nichols Tourism Group / Radcliffe Company and Tourism Economics proposals each met the criteria as established within the RFP. Both venders are well respected experts in tourism research field nationally and provide actionable and credible analysis to an impressive list of clients globally.

The Nichols Tourism Group / Radcliffe Company proposed to complete a comprehensive image study in addition to fulfilling the requirements as outlined within the RFP for a cost of $60,000.00. Tourism Economics proposal met the criteria of the RFP for a quoted sum of $67,000.00.

As the lowest bid and well qualified vender The Nichols Tourism Group, Inc. (NTG)/Radcliffe Company is positioned as a national leader in providing strategic planning, marketing and tourism development services to the travel and tourism industry. While many firms bring either a pure marketing or strict analytical focus to tourism consulting, NTG combines both to create innovative, balanced and practical approaches that help its clients capture an increasing share of the billions of dollars that are annually spent by travelers NTG will be working in conjunction with its alliance partner, David Radcliffe.

We believe the team possesses a unique understanding of the critical factors that this assignment requires. Commerce RI asked the vender to eliminate the perception study as part of their proposal and focus on the elements of the criteria as provided in the RFP. An image study will be included in the branding process once a budget is established and available. The vender has provided a scaled down proposal at a reduced cost of $30,000.00.

Radcliff established The Radcliffe Company as a multi-dimensional hospitality-related consulting firm in 2001, after 26 years in convention bureau management. For 14 of those years, Mr. Radcliffe led the nonprofit Greater Phoenix Convention and Visitors Bureau as its President and CEO, earning an international reputation for his innovative leadership and expertise in every aspect of destination marketing and management

Based on their previous work with Commerce RI in developing the tourism development strategy in 2011, the vender demonstrated the importance of identifying a consultancy that not only can interpret the data and demonstrate trend impacts, but also craft resource deployment strategies that maximize the efficiency of the program budgets. At the end of the day, the NTG/TRC team has intimate knowledge of the Rhode Island tourism landscape, its competitive position and other relevant and recent tourism research on a regional and national level.

Commerce RI asks for the Board's approval to engage this vender in the development of a Tourism Marketing and Branding Investment Plan.

Rhode Island Commerce
CORPORATION

REQUEST FOR PROPOSALS

Tourism Marketing and Branding Investment Plan

The following specifications are offered by the Rhode Island Commerce Corporation (Commerce RI).

To be considered, please submit **three (3) copies** of your written bid proposal on or before July 31, 12:00 p.m. local time to:

Rhode Island Commerce Corporation
315 Iron Horse Way, Suite 101
Providence, RI 0290
ATTN: Tourism Marketing and Branding Investment Plan

Proposals (3 copies) must be sealed and packages clearly identified with the following: **Tourism Marketing and Branding Investment Plan.** Proposals received after specified time and date cannot be considered.

Background

Commerce RI's mission is to work with public, private and non-profit partners to create the conditions for businesses in all sectors to thrive and to improve the quality of life for our citizens by promoting the State's long-term economic health and prosperity.

Rhode Island's tourism industry is a major component of the State's economy. As part of our mission, Commerce RI coordinates Rhode Island's statewide tourism promotion efforts.

Unfortunately, national economic trends and increasingly aggressive regional competitors have successfully pulled tourism market share from Rhode Island. The national average state allocation for tourism promotion is approximately $10 million directed to state tourism budgets. Rhode Island's state tourism marketing investment is currently hovering at about $500,000 annually, including personnel costs. Influenced by expanded marketing efforts by other states, Rhode Island experienced a 12 percent decline in market share from 2007 to 2012. Tourism spending remains 5% below the 2007 pre-recession peak.

Rhode Island risks losing an indispensable economic and job growth opportunity by not effectively investing tourism dollars.

Project Overview

Commerce RI, through this RFP, is seeking to engage a tourism industry expert to develop a three-year statewide **Tourism Marketing and Branding Investment Plan**. This plan will serve as a **data-driven road map for state decision makers** illustrating the correlation between investment in tourism marketing and branding efforts and expected corresponding ROI (economic and state revenue impact, job and industry growth etc...) per dollars invested.

Scope of Services

Through this process, the consultant will:

1) Outline the economic development rationale for increased investments in proactive destination promotion initiatives.

2) Analyze current levels of investment in the U.S. market and recommend a Commerce RI funding and implementation strategy to enable Rhode Island to compete with comparable markets. The findings will incorporate relevant research, data and conclusions summarized in a report.

3) Using comparative data, the consultant will provide a projected ROI for the state for every dollar of investment in tourism marketing and branding. ROI projections must include investment impact on sales, tax revenue and job growth based on current IHS Global Insight TSA and State Department of Taxation data.

4) The findings will be primarily conveyed through appealing and easily understandable visuals as well as supporting narrative and references containing further detail.

5) Using examples of states comparable in scale to the Rhode Island market and also those in direct competition for tourism market share (regardless of size or scale), the consultant will provide a comparison of investment efforts and their ROI.

6) The consultant will develop a proactive state response (investment levels and proposed tactics) to be implemented by Commerce RI to grow the state's share of the tourism market. The investment plan will be based on best practices in comparative markets and be broken down by market segment (group tour, international, travel trade etc...)

7) The plan will offer recommendations for state funding and integrated tactical implementation over a three-year period beginning July 1, 2015.

8) The consultant will also outline the projected scenario where inaction is selected as a response and Rhode Island simply maintains current funding levels; where data has shown that level funding has resulted in continued lost market share.

9) The consultant will develop a performance evaluation matrix for annual reporting to the state legislature on the investment plan's effectiveness.

Selection Criterion

Commerce RI seeks proposals from firms or entities that:

1. Have demonstrable tourism strategic planning experience
2. Have demonstrable tourism industry investment plan development and expertise
3. Have demonstrable tourism-related organizational development expertise
3. Have demonstrable destination branding experience and expertise
4. Have demonstrable understanding of the Rhode Island tourism product and industry infrastructure

Proposal Requirements

All proposals must follow the following proposal format and include all required information:

- Business identification
- Contact information (of individual(s) who will be involved in this process)
- Qualification statement of bidder (including description of similar projects).
- Technical approach/proposed process
- Appropriate or related sample of work on a similar project
- A bid covering all costs and compensation. The bid should provide a breakdown of costs for professional services, materials, postage and any other costs
- Designation of all confidential and proprietary information
- References (minimum of three including contact information)
- Any additional information which could aid in your proposal evaluation
- Bios of staff proposed to work on the project

Rejection of Proposals

Commerce RI reserves the right to reject any or all proposals in whole or in part for any reason without incurring any cost or liability whatsoever. All proposals will be reviewed for completeness of the submission requirements. If a proposal fails to meet a material requirement of the RFP, if the submission is incomplete or the proposal contains irregularities, the proposal may be rejected. All proposals may be rejected in any case where it is determined that the proposals are not competitive, or where the cost is not reasonable.

Evaluation Process and Highest Scored Proposal
An evaluation team will review in detail all proposals that are received to determine the highest scored proposal (HSP).

During the evaluation process, Commerce RI may require a perspective vendor to answer questions with regard to the proposal and/or require certain prospective vendor to make a formal presentation to the evaluation team.

The following criteria will be used in reviewing and comparing the proposals and in determining the HSP. The weight to be assigned to each criterion appears following each item:

- Understands the scope of the project through concise description of methods, procedures and personnel vendor intends to employ for management and operation of the project, (25%);
- The ability, capacity, flexibility, financial stability and skill of the perspective vendor to perform the contract, (25%);
- The character, integrity, reputation, judgment, experience and efficiency of the perspective vendor, including the quality of the perspective vendor's performance on previous contracts with the Commerce RI, if any 25%);
- Cost and compensation required. Costs consideration will be reviewed only if a proposal is determined to be otherwise responsive. All figures entered on the proposal must be clearly legible. (25%)

Award and Execution of Contract
Subject to the Commerce RI's right to reject any or all proposals, the HSP will be awarded the Tourism Marketing and Branding Investment Plan contract.

Questions and Answers
Questions must be emailed to Mark Brodeur, Director of Tourism, by July 22, 2014 to: mbrodeur@commerceri.com

Answers will be posted on www.commerceri.com by July 24, 2014.

Schedule of RFP Process and Project Timeline

Advertisement of RFP:	July 18, 2014
Questions deadline:	July 22, 2014
Answers Posted:	July 24, 2014
Proposals due:	by Noon on July 31, 2014 **(3 copies)**

NICHOLS TOURISM GROUP
Advisory services for an evolving tourism industry

Marketing and Branding Investment Plan

Overall Goal

To provide a foundation to pursue new funding from the legislature to launch a state marketing and branding plan, presenting the rational, a recommended deployment plan, the anticipated outcomes and a performance tracking process.

Background Analysis

- Place and evaluate Rhode Island's state tourism budget in a competitive context, both nationally and regionally
- Investigate how current resources are deployed by Rhode Island and contrast these findings to regional competitors, identifying other innovative marketing, public relations and product development initiatives
- Demonstrate how these competitive realities are influencing prospective visitor perceptions using the past Rhode Island Image and Perception Study

Proactive Response

- Identify a targeted level of funding that would position the state more competitively and place this new level in national and regional context
- Provide recommended deployment plan
    - Identify key steps in new tourism branding initiative for the state
    - Identify new branding and marketing targets – visitor segments, thematic areas, geographic focus
    - Identify key marketing channels – print, electronic, public relations, web
    - Identify resource deployments to address previous recommendations

Prospective Implications

- Prospective new demand stimulation – levels of new visitation
- Prospective ROI on expenditures
- Implications if continue current course - "As Is Scenario"

Performance Evaluation Matrix

- Recommended metrics to track in future to evaluate performance and report on progress

TAB 3

VOTE OF THE BOARD OF DIRECTORS OF THE
RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

AUGUST 25, 2014

(With Respect to the Renewable Energy Fund Matters)

APPROVED

VOTED: To approve the Renewable Energy Fund matters presented to the Board, pursuant to the Resolution attached hereto.

Dated: August 25, 2014

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND COMMERCE CORPORATION

August 25, 2014

(With Respect to Renewable Energy Fund Matters)

WHEREAS, the Board of Directors has received information and a presentation regarding the following Renewable Energy Fund Small Scale Solar Funding Program Applications at its meeting held on August 25, 2014.

The request of Sol Power, LLC, for a grant from the Renewable Energy Fund in the amount of $19,450.00 in connection with a 15.68 kW Solar Photovoltaic Project;

The request of Alteris Renewables, Inc. d/b/a RGS Energy, for a grant from the Renewable Energy Fund in the amount of $103,625.00 in connection with a 90.80 kW Solar Photovoltaic Project;

The request of Stateside Precision Group, LLC d/b/a Newport Renewables, for a grant from the Renewable Energy Fund in the amount of $9,800.00 in connection with a 7.80 kW Solar Photovoltaic Project;

The request of Weisman Holding Co., Inc. d/b/a Weisman Roofing, for a grant from the Renewable Energy Fund in the amount of $4,125.00 in connection with a 3.30 kW Solar Photovoltaic Project;

The request of Got Sun-Go Solar, for a grant from the Renewable Energy Fund in the amount of $17,087.00 in connection with a 15.57 kW Solar Photovoltaic Project;

The request of Rexel, Inc. d/b/a Rexel Energy Solutions, for a grant from the Renewable Energy Fund in the amount of $10,000.00 in connection with a 8.80 kW Solar Photovoltaic Project;

The request of BCX Energy, Inc., for a grant from the Renewable Energy Fund in the amount of $14,725.00 in connection with a 13.50 kW Solar Photovoltaic Project;

The request of Sabetti Construction, Inc. d/b/a Newport Solar, for a grant from the Renewable Energy Fund in the amount of $116,180.00 in connection with a 96.70 kW Solar Photovoltaic Project; and

The request of US Solar Works, LLC, for a grant from the Renewable Energy Fund in the amount of $19,218.00 in connection with a 14.835 kW Solar Photovoltaic Project.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: The Corporation approves a Renewable Energy Fund grant award to Sol Power, LLC, in the amount of $19,450.00.

Section 2: The Corporation approves a Renewable Energy Fund grant award to Alteris Renewables, Inc. d/b/a RGS Energy in the amount of $103,625.00.

Section 3: The Corporation approves a Renewable Energy Fund grant award to Stateside Precision Group, LLC d/b/a Newport Renewables in the amount of $9,800.00.

Section 4: The Corporation approves a Renewable Energy Fund grant award to Weisman Holding Co., Inc. d/b/a Weisman Roofing in the amount of $4,125.00.

Section 5: The Corporation approves a Renewable Energy Fund grant award to Got Sun-Go Solar in the amount of $17,087.00.

Section 6: The Corporation approves a Renewable Energy Fund grant award to Rexel, Inc. d/b/a Rexel Energy Solutions in the amount of $10,000.00.

Section 7: The Corporation approves a Renewable Energy Fund grant award to BCX Energy, Inc., in the amount of $14,725.00.

Section 8: The Corporation approves a Renewable Energy Fund grant award to Sabetti Construction, Inc. d/b/a Newport Solar in the amount of $116,180.00.

Section 9: The Corporation approves a Renewable Energy Fund grant award to US Solar Works, LLC, in the amount of $19,218.00.

Section 10: Any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, shall have the authority to execute any and all documents in connection with the transactions authorized herein.

Section 11: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

Rhode Island Renewable Energy Development Fund
RI Commerce Corporation
2014 Small-Scale Solar Program
Round 2 – Application Summaries

Applicant 6-122: Sol Power, LLC
1640 Westminster St. Unit 4
Providence, RI 02909
(401) 680-0765
www.solpowersolar.com

Contact: Eric Beecher

Grant Request: $19,450.00

Purpose: The design and installation of a total of 15.68kW of Solar Photovoltaic on 2 residential properties.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$19,450.00	30 %
Customer Equity - 2 customers	$44,860.00	70%
Total:	**$64,310.00**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$19,450.00	**$1.24**
Customer Equity - 2 customers	$44,860.00	**$2.86**
Total:	**$64,310.00**	**$4.10**
Uses:		
Installation of a total of 15.68 kW of Solar PV on 2 RI homes		

Application Summary:
Sol Power, LLC is an employee owned solar installation workers' cooperative that sells, designs, installs, and manages solar photovoltaic and solar thermal systems. Sol Power's goal is to form an employee owned and democratically run company in which the employees are also equal owners in the business. Through this REF award, Sol Power will be able to subsidize each customer's turnkey contract prices by up to 1.25 per watt. By contracting directly with Sol Power LLC, Commerce RI is able to ensure that this Rhode Island company has a robust pipeline from which to continue growing in scale and profitability.
Sol Power entered into the Rhode Island solar industry last year. An REF award enabled Sol Power to complete three projects. This year Sol Power has been awarded two projects and another two will allow Sol Power to continue its growth in the Rhode Island Solar Market.

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	**Sol Power LLC**
Address:	**1640 Westminister ST Unit 4**
Contact name:	**Eric Beecher**
# projects in group contract:	**2**
total kW applied for	**15.68**
total requested incentive:	**$19,450.00**

Additional Requirments, Solar photovoltaic

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis 80% TSRF	Manufacturer specs of panels	Manufacuturer specs of inverter	One-line electic drawing	Completed in 1 year?
Ali Tural	8.12	$ 10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
David Tirrell	7.56	$ 9,450.00	$ 9,450.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Note:

Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**

Renewable Energy Program Manager Signature

Date: July 31, 2014

Applicant 6-123: RGS Energy
1007 Waterman Ave.
East Providence, RI 02914
(720) 360-1217
www.rgsenergy.com

Contact: Megan Roquemore

Grant Request: $103,625.00

Purpose: To design and install a total of 90.8kW of Solar Photovoltaic on **14** residential properties.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$ 103,625.00	28%
Customer Equity - 14 customers	$264,955.76	72%
Total:	**$368,580.76**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$ 103,625.00	$1.14
Customer Equity - 14 customers	$264,955.76	$2.92
Total:	**$368,580.76**	**$4.06**
Uses:		
Installation of a total of 90.8kW of Solar PV on 14 RI homes		

Application Summary:

RGS Energy, a turn-key solar integrator specializing in residential grid-tied solar photovoltaic installations, proposes to provide and install 14 systems on 14 residential properties in Rhode Island. RGS Energy has been located and operating in Rhode Island for many years, formerly as Alteris Renewables and as SolarWrights and Solar Works prior to those mergers. RGS Energy will subsidize each of their customer's turnkey contract prices by up to $1.25 per watt with the approval of this REF award. By contracting directly with RGS Energy, Commerce RI is able to ensure that this company has a robust pipeline from which to continue maintaining a major regional presence in Rhode Island.

Small-Scale Solar Application Checklist and Approval
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	Real Goods Solar
Address:	**1007 Waterman Ave, East Providence, RI**
Contact name:	**Megan Roquemore**
# projects in group contract:	**14**
total kW applied for	**90.8**
total requested incentive:	**$103,625.00**

Additional Requirments Solar photovoltaic

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis 80% TSRF	Manufacturer specs of panels	Manufacuturer specs of Inverter	One-line electic drawing	Complete in 1 year?
Ronald L. Blain	4.95	$ 6,187.50	Inconsistent	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Justin Boyan	5.775	$ 7,218.75	$ 7,218.75	YES	YES	system is too large for usage	YES	YES	YES	YES	Yes	YES	YES	YES	YES	YES
Margaret T. Carleton	2.2	$ 2,750.00	$ 2,750.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Gary Cotnoir	4.95	$ 6,187.50	$ 6,187.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Gina Demarco	4.5	$ 5,625.00	$ 5,625.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dennis Hallam	5.775	$ 7,218.75	$ 7,218.75	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mary Marra	8.25	$10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mark S. McKee	6.05	$ 7,562.50	$ 7,562.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Katharine J. Merryweather	11.55	$10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Karen Ramos	12.1	$10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Elizabeth Stark	5.5	$ 6,875.00	$ 6,875.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Julius L. Tancinco	6	$ 7,500.00	$ 7,500.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Andrew White	7.15	$ 8,937.50	$ 8,937.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
John Zavala	6.05	$ 7,562.50	$ 7,562.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

Meets all requirements and is eligible for funding.	**YES**	
Recommended for approval by REF Staff:	**YES**	

Renewable Energy Program Manager Signature

Date: August 5, 2014

Commerce RI
Renewable Energy Fund

Applicant 6-125: Newport Renewables
38 Washington Square
Newport, RI 02840
(401) 619-5906
www.nptre.com

Contact: Marc Larue

Grant Request: $9,800.00

Purpose: To design and install a total of 7.8kW of Solar Photovoltaic on 1 residential property.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$ 9,800.00	29 %
Customer Equity - 1 customers	$23,520.00	71%
Total:	**$33,320.00**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$ 9,800.00	$1.25
Customer Equity -1 customers	$23,520.00	$3.00
Total:	**$33,320.00**	**$4.25**
Uses:		
Installation of a total of 7.84kW of Solar PV on 1 RI home		

Application Summary:

Newport Renewables will subsidize their customers' turnkey contract prices by up to $1.25 per Watt with the approval of this REF award. By contracting directly with Newport Renewables, CommerceRI is able to ensure that this Rhode Island company has a robust pipeline from which to continue growing in scale and profitability. Newport Renewables based in Newport Rhode Island has been in business since 2011. The Business is operated by two Rhode Island natives' co-founders Stuart Flanagan and Mike Cabral. As a past applicant of the REF Newport Renewables has successfully installed over a dozen residential and commercial scale renewable energy projects in the state of Rhode Island over the last year. The success of Newport Renewables has allowed them to hire a full-time employee; this project will also create several part-time jobs for the laborers, electricians and engineers.

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	Newport Renewables
Address:	**38 Washington Square, Newport, RI, 02840**
Contact name:	**Marc Larue**
# projects in group contract	**1**
total kW applied for	**7.84**
total requested incentive:	**$9,800.00**

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis TSRF 80%	Manufacturer specs of panels	Manufacuturer specs of inverter	One-line electic drawing
Andrew Potter	7.84	$ 9,800.00	$ 9,800.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**

Renewable Energy Program Manager Signature

Date: August 5, 2014

Commerce RI
Renewable Energy Fund

Applicant 6-126: Weisman Roofing
425 Pavilion Avenue
Warwick, RI 02888
(401) 737-1940
www.weismanroofing.com

Contact: Jordan Botelho

Grant Request: $4,125.00

Purpose: To design and install a total of 3.3kW of Solar Photovoltaic on 1 residential property.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$ 4,125.00	22%
Customer Equity – 1 customer	$14,973.33	78%
Total:	**$19,098.33**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$ 4,125.00	$1.25
Customer Equity 1 PV customer	$14,973.33	$4.54
Total:	**$19,098.33**	**$5.79**
Uses:		
Installation of a total of 3.3kW of Solar PV on 1 RI homes		

Application Summary:

Weissman Roofing has been in business since 1935, roofing commercial and residential buildings. Recently Weisman Roofing became authorized dealer of the DOW Powerhouse PV shingles. This grant will allow Weisman Roofing into a new market segment and expand their business in Rhode Island. Solar PV shingles offer the same carbon reducing, grid supporting benefits as traditional PV with added aesthetically pleasing benefits to the home owner.

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	Weisman Roofing
Address:	**425 Pavilion Ave, Warwick, RI, 02888**
Contact name:	**Jordan Botelho**
# projects in group contract	**1**
total kW applied for	**3.3**
total requested incentive:	**$4,125.00**

Additional Requirments. Solar photovoltaic

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty 3-year	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Minimum TSRF of 80%	Manufacturer specs of panels	Manufacuturer specs of inverter	One-line electic drawing	One-line electic drawing
Christopher Little	3.3	$ 4,125.00	$ 4,125.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**

Renewable Energy Program Manager Signature

Date: August 14, 2014

Commerce RI
Renewable Energy Fund

Applicant 6-127: GotSun–GoSolar
309 Taunton Avenue
Seekonk, MA 02771
(612) 396-8461
www.gotsun-gosolar.com

Contact: Sarah Jane Lapp

Grant Request: $17,087.00

Purpose: To design and install a total of 15.57kW of Solar Photovoltaic on 2 residential properties.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$ 17,087.00	28.8%
Customer Equity - 2 customers	$42,084.00	71.2%
Total:	**$59,171.00**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$ 17,087.00	$1.10
Customer Equity -2 customers	$42,084.00	$2.70
Total:	**$59,171.00**	**$3.80**
Uses:		
Installation of a total of 15.57kW of Solar PV on 2 RI homes		

Application Summary:

GotSun-GoSolar a company just breaking into the Rhode Island market, is offering their customers the ability to substantially reduce their utility electric consumption with Photovoltaics. This grant will allow them to market themselves as past recipient of the Renewable Energy Fund, allowing them to continue their growth in the Rhode Island market. GotSun-GoSolar will subsidize each of their customers' turnkey contract prices by up to $1.25 per Watt with the approval of this REF award. By contracting directly with GotSun-GoSolar, Rhode Island can help achieve a more competitive solar market by attracting installers from other states.

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	GotSun-GoSolar
Address:	**309 Taunton Ave, Seekonk, MA 02771**
Contact name:	**Sarah Jane Lapp**
# projects in group contract:	**2**
total kW applied for	**15.57**
total requested incentive:	**$ 17,087.00**

Additional Requirments: Solar photo-oltaic

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty 3-year min.	ROI/ simple payback	Electricty bill	Layout drawing	Aerial Image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	80% or higher TSRF	Manufacturer specs of panels	Manufacuture r specs of inverter	One-line electic drawing	Complete in one year?
Brian Power	5.67	$ 7,087.00	$ 7,087.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Dennis Piante	9.9	$ 10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	yes	YES

Notes:

Meets all requirements and is eligible for funding. YES

Recommended for approval by REF Staff: YES

Renewable Energy Program Manager Signature

Date: August 13, 2014

Commerce RI
Renewable Energy Fund

Applicant 6-128: Rexel Energy Solutions
350 Myles Standish Blvd
Taunton, MA 02780
(508) 738-5302
www.rexelenergysolutionsusa.com

Contact: Elaine Maher

Grant Request: $10,000.00

Purpose: To design and install a total of 8.8 kW of Solar Photovoltaic on 1 residential property.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$ 10,000.00	54%
Customer Equity - 1 customer	$ 8,468.00	46%
Total:	**$18,468.00**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$10,000.00	$1.13
Customer Equity -1 PV customer	$ 8,468.00	$0.96
Total:	**$18,468.00**	**$2.10**
Uses:		
Installation of a total of 8.8kW of Solar PV on 1 RI homes		

Application Summary:

Rexel Energy Solutions is an established electric supply and renewable energy installation company in Massachusetts with a strong and growing presence in Rhode Island. Rexel has been awarded 6 projects in the commercial program and this will be their first project in the small scale program. Rexel Energy Solutions designs, engineers, procures and provides technical and paperwork services for its customers. Rexel Energy Solutions will subsidize their customers' turnkey contract prices by up to $1.25 per Watt with the approval of this REF award.

Small-Scale Solar Application Checklist
Round one: 02/15/2013

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	Rexel Energy Solutions
Address:	**350 Myles Standish Blvd., Tauton MA, 02870**
Contact name:	**Elaine Maher**
# projects in group contract	**1**
total kW applied for	**8.8**
total requested incentive:	**$10,000.00**

Additional Requirments: Solar photovoltaic

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty 3 year min	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis TSRF 80%	Manufacturer specs of panels	Manufacuturer specs of inverter	One-line electic drawing
Frank Bianco	8.8	$10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**

Renewable Energy Program Manager Signature

Date: August 14, 2014

Commerce RI
Renewable Energy Fund

Applicant 6-129: BCX Energy Inc.
276 Gano St.
Providence, RI 02906
(401) 421-2200
www.bcxenergy.com

Contact: Keith Boivin

Grant Request: $14,725.00

Purpose: To design and install a total of 13.5kW of Solar Photovoltaic on 2 residential properties.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$ 14,725.00	19%
Customer Equity 2 customers	$62,613.00	81%
Total:	**$77,338.00**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$ 14,725.00	$1.09
Customer Equity 2 PV customers	$62,613.00	$4.64
Total:	**$77,338.00**	**$5.73**
Uses:		
Installation of a total of 13.5kW of Solar PV on 2 RI homes		

Application Summary:

BCX Energy is a Rhode Island based renewable energy company, in operation since July 2010. BCX energy develops designs, procures and constructs solar energy projects within the commercial and residential markets. The proposed projects will allow two residential homes to greatly reduce their electric load; a grant from the REF will improve the economics of these projects. These solar projects align with BCX energy's core competency in the RI renewable energy marketplace as well as the customers goals to reduce their carbon footprint and energy dependence.

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	BCX Energy Inc
Address:	**276 Gano St., Providence RI, 02906**
Contact name:	**keith Boivin**
# projects in group contract:	**2**
total kW applied for	**13.5**
total requested incentive:	**$14,725.00**

Additional Requirements: Solar photovoltaic

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty 3-year minimum	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis TSRF 80%	Manufacturer specs of panels	Manufacuturer specs of inverter	One-line electic drawing	Complete in 1 year?
Barbra Heavers	9.72	$ 10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Catherine & Robert Oliveria	3.78	$ 4,725.00	$ 4,725.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**

Renewable Energy Program Manager Signature

Date: August 7, 2014

Applicant 6-130: Newport Solar
14 Vernon Ave
Newport, RI 02840
(401) 787-5682
www.newportsolarri.com

Contact: Doug Sabetti

Grant Request: $116,180.00

Purpose: To design and install a total of 96.7kW of Solar Photovoltaic on 18 residential properties.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$116,180.00	26%
Customer Equity -18 customers	$323,982.00	74%
Total:	**$440,163.00**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$116,180.00	$1.20
Customer Equity -18 customers	$323,982.00	$3.35
Total	**$440,163.25**	**$4.55**
Uses:		
Installation of a total of 96.7W of Solar PV on 18 RI homes.		

Application Summary:

Newport Solar will subsidize each of their customers' turnkey contract prices by up to $1.25 per watt with the approval of this REF award. By contracting directly with Newport Solar, CommerceRI is able to ensure that this Rhode Island company has a robust pipeline from which to continue growing in scale and profitability. The use of these funds to install solar electric systems will significantly reduce or eliminate monthly utility bills for Newport Solar's 18 customers and employ four people. Mr. Sabetti, owner of Newport Solar, applied to the REF grant program in 2013. In his own words he found the program helped to develop his business "This program has helped me grow my business and has allowed me to expand my employment to enthusiastic individuals who otherwise may have had to move out of state to pursue a career in the solar industry". With the REF award Newport Solar will be able to continue to grow its business in Rhode Island.

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	Newport Solar
Address:	**14 Vernon Ave., Newport RI, 02840**
Contact name:	**Doug Sabetti**
# projects in group contract	**18**
total kW applied for	**96.7**
total requested incentive:	**$116,180.00**

Additional Requirments. Solar photovoltaic

Applicant name	kW	requested grant	eligible grant $	Workmanship Warranty 3 year minimum	Signed Turnkey Contract	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis TSRF 80%	Manufacturer specs of panels	Manufacuturer specs of inverter	One-line electic drawing	Complete in 1 year?
Alan Houghton	3.24	$ 4,050.00	$ 4,050.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Pasco Marro	2.75	$ 3,437.50	$ 3,437.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Carol Tacey	9.9	$10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
David Tacey	4.4	$ 5,500.00	$ 5,500.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mary Weyhing	4.4	$ 5,500.00	$ 5,500.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Tom Rowe-Drake 1	8	$10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Tom Rowe-Drake 2	7.6	$ 9,943.25	$ 9,500.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Frank Baker	5.5	$ 6,875.00	$ 6,875.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Christopher Tompsett	3.3	$ 4,125.00	$ 4,125.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Richard Ferris	7.975	$ 9,968.75	$ 9,968.75	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Ian Estephan-Owen	3.03	$ 3,781.25	$ 3,787.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Maria Gomez-Chiarri	4.95	$ 6,187.50	$ 6,187.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Liya Fishman	3.3	$ 4,125.00	$ 4,125.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Catherine Gervelis	10.175	$10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Edward Brady	3	$ 3,781.25	$ 3,781.25	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Linda Phelan	4.125	$ 5,156.25	$ 5,156.25	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Oahn Nguyen	5.5	$ 6,875.00	$ 6,875.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Edward Westrick	5.5	$ 6,875.00	$ 6,875.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes.

Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**

Renewable Energy Program Manager Signature

Date: August 14, 2014

Commerce RI
Renewable Energy Fund

Applicant 6-131: US SolarWorks LLC
7 North Main St.
Attleboro, MA 02703
(508) 226-8001
www.USSolarWorks.com

Contact: Pete Fine

Grant Request: $19,218.00

Purpose: To design and install a total of 14.835kW of Solar Photovoltaic on 2 residential properties and design and install 1 Solar Hot Domestic Hot water system,.

Sources and Uses:

Sources:		
RI Renewable Energy Fund	$ 19,218.00	19%
Customer Equity - 3 customers	$83,500.00	81%
Total:	**$102,719.00**	**100%**
Dollar per Watt:		
RI Renewable Energy Fund	$ $16,468.00	$1.11
Customer Equity – 2 PV customers	$ 75,250.00	$5.07
Total:	**$ 91,719.00**	**$6.18**
Uses:		
Installation of a total of 14.835kW of Solar PV on 2 RI homes and 1 Solar Hot Domestic Hot water installation.		

Application Summary:

US Solarworks is currently based in Massachusetts but is looking to expand and grow their business in the State of Rhode Island. Over the Past five years US SolarWorks has completed five PV installations, 3 of them with Grants from the REF. These new projects will create jobs for the licensed Rhode Island General Contractors and Electricians hired to work on these projects. US Solar Works is an Engineer, Procure, and Construct (EPC) firm, specializing in Solar Photovoltaic and Solar Thermal installations.

Small-Scale Solar Application Requirments Checklist
Solar Domestic Hot Water Projects
BLOCK 2 2014

Company/Entity: US Solar Works
Address: 7 North Main St., Attleboro MA, 02703
Contact name: Pete Fine
 # individuals in group contract: 1
W-9 attached: YES

Additional Requirments: Solar Domestic Hot Water

Applicant name	total contract price	eligible grant $	Signed Turnkey Contract	Workmanship Warranty	ROI/ simple payback	Electricty/ fuel bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	TSRF at least 80%	Manufacturer specs of collectors	Manufacuturer specs of tank	cross-section drawing of roof	Done in 1 year?
Peter Muesert	$ 11,000.00	$2,750.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

Meets all requirements and is eligible for funding.	YES

Recommended for approval by REF Staff:	YES

Renewable Energy Program Manager Signature

Date: August 15, 2014

Small-Scale Solar Application Checklist and Sign-off
Solar Photovoltaic Projects
BLOCK 2 - 2014

Company/Entity:	US SolarWorks LLC
Address:	**7 North Main St., Attleboro MA, 02703**
Contact name:	**Pete Fine**
# projects in group contract:	**2**
total kW applied for	**14.835**
total requested incentive:	**$16,468.75**

Additional Requirments: Solar photovoltaic

Applicant name	kW	requested grant	eligible grant $	Signed Turnkey Contract	Workmanship Warranty	ROI/ simple payback	Electricty bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	TSRF at least 80%	Manufacturer specs of panels	Manufacuturer specs of inverter	One-line electric drawing	Done in 1 year?
Arlen R Dau	5.175	$ 6,469.00	$ 6,468.75	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Christopher & Sarah Spanabel	9.66	$ 10,000.00	$ 10,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:
Hot water aswell

Meets all requirements and is eligible for funding.	**YES**
Recommended for approval by REF Staff:	**YES**

Renewable Energy Program Manager Signature

Date: August 15, 2014

TAB 4

VOTE OF THE BOARD OF DIRECTORS OF THE
RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

AUGUST 25, 2014

(With Respect to a Consulting Agreement with SmartPower, Inc.)

APPROVED

VOTED: To approve a consulting agreement with SmartPower, Inc., pursuant to the Resolution attached hereto.

Dated: August 25, 2014

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RHODE ISLAND COMMERCE CORPORATION

August 25, 2014

(With Respect to a Consulting Agreement with SmartPower, Inc.)

WHEREAS, the Board of Directors has received information and a presentation regarding the retention of a consultant to provide solar energy education and marketing services.

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") wishes to retain SmartPower, Inc. to provide such provide solar energy education and marketing services.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: Any two of the Chairman, Vice Chairman, Executive Director and/or Chief of Staff, acting in concert, shall have the authority to negotiate and execute any and all documents necessary to retain SmartPower, Inc. to provide the Corporation with provide solar energy education and marketing services, for an amount not to exceed $50,000.00.

Section 2: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Monday, August 25, 2014**, beginning at **5:00 p.m.** for the following purposes:

PUBLIC SESSION

1. To consider for approval the Public Session Minutes for the meeting held on July 22, 2014 and the Public and Executive Session Minutes for the meeting held on July 28, 2014.

2. To consider, as may be appropriate, matters covered in the Executive Director's Report.

3. To receive a status update regarding the I-195 Commission.

4. To receive a status update regarding RhodeMap RI.

5. To introduce a proposal from the Slater Technology Fund regarding the Early Stage Commercialization Program of the Renewable Energy Fund.

6. To consider for approval a tourism investment consulting agreement.

7. To consider for approval the following Renewable Energy Fund matters:

    a. A grant to Sol Power, LLC in the amount of $19,450.00;
    b. A grant to RGS Energy in the amount of $103,625.00;
    c. A grant to Newport Renewables in the amount of $9,800.00;
    d. A grant to Weisman Roofing in the amount of $4,125.00;
    e. A grant to Got Sun-Go Solar in the amount of $17,087.00;
    f. A grant to Rexel Energy Solutions in the amount of $10,000.00;
    g. A grant to BCX Energy, Inc. in the amount of $14,725.00;
    h. A grant to Newport Solar in the amount of $116,180.00; and
    i. A grant to US Solar Works, LLC in the amount of $19,218.00.

8. To consider for approval a consulting agreement with SmartPower, Inc.

9. To consider issues related to the litigation pending before the Providence Superior Court known as Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, *et al.**

* Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws §§ 42-46-5(a)(2) or (4) to discuss this Agenda item

This notice shall be posted no later than 5:00 p.m. on Thursday August 21, 2014, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: August 21, 2014