

# RHODE ISLAND

## COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

### *2007 Annual Report*



Statewide Planning Program  
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#### **ACKNOWLEDGMENTS**

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The Annual Report was presented to the Rhode Island Comprehensive Economic Development Strategy (CEDS) Committee (see Attachment 1 for membership) and approved by the State Planning Council on December 13, 2007.

*(Graphic art courtesy of Apple Computer.)*



## TABLE OF CONTENTS

Acknowledgments	i
List of Tables	iii
List of Figures	iv
Introduction	1
Organizing and Staffing for Economic Development: the CEDS Committee	1
The CEDS Committee	1
Membership of the CEDS Committee in 2007	2
Economic Conditions: Where Are We Now?	3
Rhode Island's Economy	3
Major Employers	4
Production Wages	9
Unemployment and Per Capita Income	9
Migration and Household Income	14
Economic Development Activities in 2007	16
This Year's CEDS	16
"Planning by Design" Workshops	18
Enterprise Zones	21
Partnering for Economic Development	21
CEDS Evaluation	24
The Action Plan	24
Evaluating the CEDS Planning Process	25
Evaluating the CEDS Implementation Process	27
Conclusions	33
Goals for the Coming Year	37
References	39
Attachment 1: CEDS Committee Membership and Representation	A-1
Attachment 2: CEDS Priority Project List – FFY 2008	B-1
Attachment 3: EDA Priority Program – FFY 2008	C-1
Attachment 4: Rhode Island CEDS Objectives and Policies	D-1
Attachment 5: Minutes of CEDS Committee Meetings	E-1
Attachment 6: 2007 CEDS Project Application Forms	F-1
Attachment 7: Scoring Formula for CEDS Project Application Forms	G-1

## LIST OF TABLES

Table 1: Rhode Island's Top Private Employers	7
Table 2: Average Hourly Earnings, Manufacturing Production Workers	9
Table 3: Unemployment Rate (%)	10
Table 4: April 2007 Employment Growth (% Change from April 2006)	11
Table 5: Unemployment Rates in CEDS Project Municipalities	12

Table 6: Per Capita Income Less than or Equal to 80% National Average By Rhode Island Census Tract (2000 Census)	13
Table 7: Rhode Island Net Migration (000), 1999-2010 (Est.)	14
Table 8: Migration Flows – into and from Rhode Island (2004)	15
Table 9: Priority Project List – Rhode Island CEDS, 2007	18
Table 10: Rhode Island Comprehensive Economic Development Strategy: Priority-listed Projects Keyed to State “Needs”	19
Table 11: 2007 Priority-listed Projects Linked to Industrial Clusters	23
Table 12: 2006-2007 Priority Project List Comparison	34
Table 13: EDA Investments in New England Subject to Local CEDS Review, FFY 2005-2006	36

### **LIST OF FIGURES**

Figure 1: Comparison of U.S., New England, and Rhode Island Unemployment Rates	5
Figure 2: NAICS Establishment Employment: Manufacturing vs. Services	6
Figure 3: EDA Investments in Rhode Island Subject to the CEDS, 1995-2005	36

## **INTRODUCTION**

This document is the *2007 Comprehensive Economic Development Strategy (CEDS) Annual Report* for the State of Rhode Island. It was prepared in accordance with the guidelines issued by the U.S. Economic Development Administration (EDA). The *Annual Report* includes the Rhode Island Priority Project List for 2007, and draws upon what was initially reported in the most recent *CEDS Update*, which is scheduled to be updated next year.

Rhode Island's CEDS is based on State Guide Plan Element 99, the *Economic Development Policies and Plan*. The *Plan* is considered the program's core document, setting forth objectives and policies consistent with the EDA's Investment Guidelines and with the state's economic, social and environmental goals. Revisions to the *Plan* must be approved by the State Planning Council which, in addition to heading the Rhode Island CEDS Committee (see below), is responsible for developing and maintaining other elements of the State Guide Plan related to land use, water use, transportation, housing and human services, and energy.

## **ORGANIZING AND STAFFING FOR ECONOMIC DEVELOPMENT: THE CEDS COMMITTEE**

### The CEDS Committee

Rhode Island is a statewide Economic Development District and prepares a statewide CEDS every year. Our CEDS Committee is composed of three tiers. In descending order, they are the State Planning Council, the Planning Council's Technical Committee, and the CEDS Subcommittee. Membership on the CEDS Subcommittee is voluntary but must be approved by the Technical Committee and the Planning Council. It includes members of the Technical Committee with an interest in economic development and practitioners invited from outside.

The State Planning Council was designated the Overall Economic Development Program (OEDP) Committee on April 29, 1971. When the Comprehensive Economic Development Strategy replaced the OEDP, the Planning Council formally became the CEDS Committee for Rhode Island, with advice and other support from the Technical Committee and the CEDS Subcommittee.

The Statewide Planning Program provides staff support to all three tiers of the CEDS Committee. Statewide Planning is part of the Division of Planning in the R.I. Department of Administration and is composed of five major sections: Economic Development, Land Use, Transportation, Comprehensive Planning, and Planning Information and Support.

Primary responsibility for the CEDS resides within the Economic Development Planning Section, which solicits and scores project proposals and

drafts updates and amendments to the CEDS whenever necessary. Project proposals considered for inclusion in the CEDS are reviewed for consistency with the State Guide Plan by all sections of Statewide Planning before they are forwarded for action to the CEDS Committee. This *Annual Report* was submitted electronically to the CEDS Subcommittee, inviting comment, and then presented formally to the Technical Committee and the State Planning Council for their endorsement.

#### Membership of the CEDS Committee in 2007

State Planning Council members are appointed in a manner consistent with Subsection 42-11-10(d) of the Rhode Island General Laws of 1956, as amended. The Council is comprised of the Governor, five state officials (one from the Governor's staff, three from the Department of Administration, and the Chair of the Housing Resources Commission); three local officials; the executive director of the R.I. League of Cities and Towns; three public members; a representative of a local community development corporation; and an advisory member from the federal government.

Section 42-11-10(e)(5) of the R.I. General Laws requires the State Planning Council to appoint a permanent advisory committee comprised of officials of all levels of government and public members from different geographic areas of the state who represent diverse interests. The Technical Committee performs this function. Like the Planning Council, the Technical Committee meets monthly and is advised by Statewide Planning staff on all aspects of its work, including technical studies, rulemaking, and amendments or additions to the State Guide Plan. With respect to the CEDS, it is the responsibility of the Technical Committee to review the priority project rating system annually and approve new projects as candidates for EDA funding, subject to final action by the Planning Council: the Priority Project List.

Every year, the CEDS staff recruit individuals representing different interest groups from within and outside the Technical Committee for a CEDS Subcommittee to help score current CEDS project proposals and to revise scoring criteria, if necessary, for the following year's solicitation. The CEDS Subcommittee is not authorized by statute, but was created specially for the CEDS as a means of involving economic development specialists who were not represented on either the Planning Council or the Technical Committee.

The interests represented by members of the Planning Council, Technical Committee, and CEDS Subcommittee are wide and diverse. They include public leadership, economic and business development organizations, the employment and training sector, community organizations and minority enterprise, academia, and professional associations. Individuals serving respectively represent state agencies and municipalities, and the following organizations: the R.I. League of Cities and Towns; the Economic Policy Council, a public-private partnership for economic development; the R.I. Economic Development Corporation; the Greater Providence Chamber of Commerce; the Washington County Regional

Planning Council; New England Economic Development Services, a major player in matching businesses, developers, and real estate; Grow Smart Rhode Island, one of the first organizations in the state to champion sustainable, place-based development; the Small Business Development Center; the R.I. Manufacturing Extension Service; the Urban League; Progreso Latino, which provides educational and economic opportunities to the growing Hispanic population; Brown University and Johnson & Wales University; and the American Planning Association.

Membership on the Planning Council, Technical Committee and CEDS Subcommittee is given in the listing in Attachment 1.

## **ECONOMIC CONDITIONS: WHERE ARE WE NOW?**

### Rhode Island's Economy

For a complete analysis of the Rhode Island economy, refer to the *5 Year Update, Rhode Island Comprehensive Economic Development Strategy*, December 2002. This Annual Report summarizes the trends evident since the *Update* was published.

The economy in 2006 was a mixed picture: high relative increases in jobs and personal income, but growth in wages and salaries lagging that of the nation (Langlois, in DeCoff *et al.*, 2007). Rhode Island's personal income grew 5.8% between the fourth quarters of 2005 and 2006, the highest rate in New England except for New Hampshire, and identical to the national rate. However, manufacturing workers' wages posted the smallest net increase in New England, and remained the lowest in the region, continuing to lose ground to neighboring states.

The state enjoyed employment growth in health care and social assistance (+1,661), construction (+1,079), educational services (+716), professional and technical services (+592), management of companies and enterprises (+585), and finance and insurance (+578). Declines were recorded in manufacturing (-2,286), retail trade (-753), other services (-160), accommodation and food services (-132), and agriculture, forestry, fishing and hunting (-7). Utilities remained unchanged (R.I. Dept. of Labor and Training, 2007b).

Health care and social assistance was the largest employment sector in 2006, with 74,436 workers – representing 17.8% of private sector employment in Rhode Island. Second largest was manufacturing (despite a long-term trend downward), with 52,726 workers. Following manufacturing were retail trade, with 51,753 workers, accommodation and food services, with 42,561, and finance and insurance, with 26,492 (R.I. Dept. of Labor and Training, 2007b).

Unemployment in Rhode Island averaged 5.1% in 2006, unchanged from 2005. This compared to a national average of 4.6%, and a New England average of 4.6%. Connecticut and Massachusetts unemployment averaged 4.3% and 5.0%, respectively (Federal Reserve Bank of Boston, 2007). Figure 1 compares unemployment figures for Rhode Island, New England, and the nation as a whole in the period 1994-2005.

While Rhode Island had the highest unemployment rate in the region, total nonfarm employment averaged 493,466 in 2006, an increase from the previous year's 491,600 (R.I. Dept. of Labor and Training, 2007b).

The latest decline in Rhode Island manufacturing jobs continues a very long trend, with about 27,600 lost since 1995 (Figure 2, second page following) – a 34.4% decline in total. The services sector continues to grow and absorb some of these losses, though the services sector often does not provide a high-wage alternative to manufacturing for blue-collar workers.

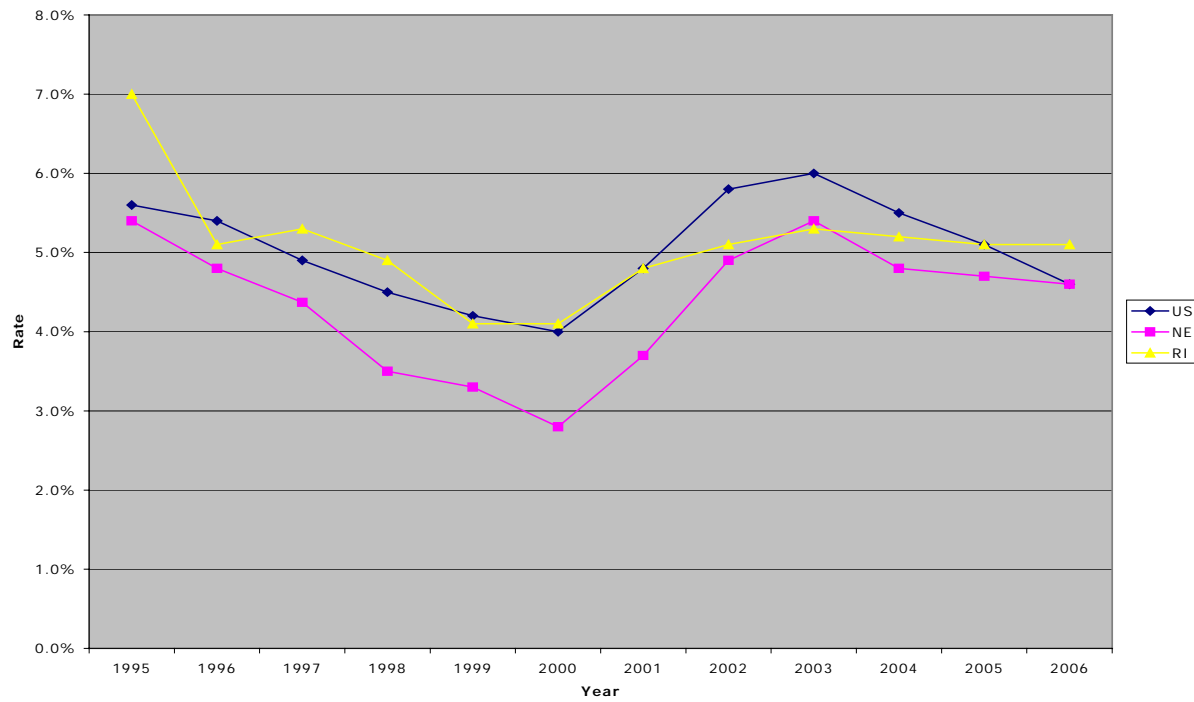
*(Note: To allow comparison of 2003, 2004 and 2005 to historical data based on Standard Industrial Classification codes and groups, the following industrial sectors, although now considered in the “service-providing” group, have been excluded from the Figure 2 data as “services”: wholesale trade, retail trade, transportation/warehousing/utilities, financial activities, and government.)*

### Major Employers

Health care, financial activities, and retail trade dominate the list of the top non-government employers in Rhode Island (Table 1, third page following). The largest private employer in the state is Lifespan, a hospital corporation, with 10,935 jobs (up 368 from 2005). The largest manufacturing concerns in the state are General Dynamics Corporation's Electric Boat (EB) Division, with 2,200 jobs (unchanged from 2005), and Raytheon Electronic Systems, with 1,636 jobs (down 143 from 2005) (R.I. Economic Development Corp., 2007). These numbers underscore the continuing importance of health services and the defense industry to Rhode Island.

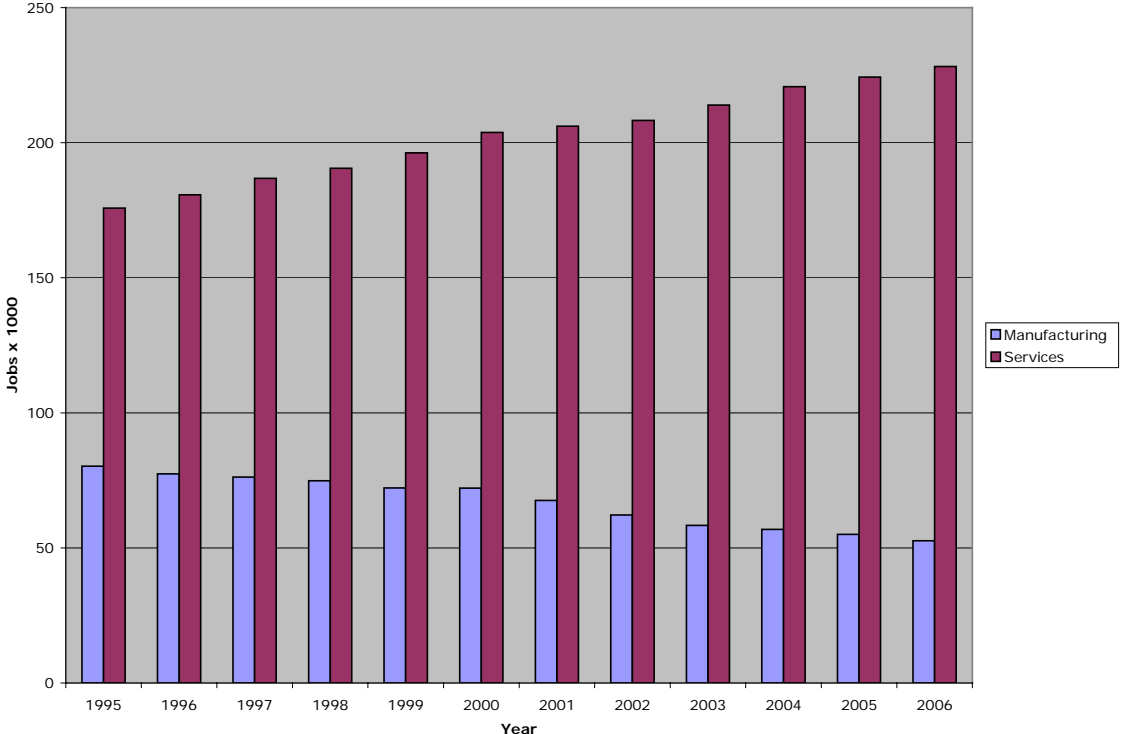
The defense/homeland security cluster includes nearly 7,400 military and civilian personnel employed by the U.S. Department of Defense and more

**Figure 1**  
**COMPARISON OF U.S., NEW ENGLAND, AND RHODE ISLAND UNEMPLOYMENT RATES**



Source: Federal Reserve Bank of Boston (2007)

**Figure 2**  
**NAICS ESTABLISHMENT EMPLOYMENT: MANUFACTURING vs. SERVICES**



Source: RI Dept. of Labor and Training (2007a)

**Table 1**  
**RHODE ISLAND'S TOP PRIVATE EMPLOYERS**

Lifespan Corporation	10,935
Care New England	6,611
Diocese of Providence	6,200
CVS Corporation	5,683
Citizens Financial Group, Inc.	5,500
Stop & Shop, Inc.	4,455
Brown University	3,943
Bank of America	3,000
Rhode Island ARC (Assn. for Retarded Citizens)	2,383
Shaw's Supermarkets, Inc.	2,240
General Dynamics Corp. (Electric Boat)	2,200
Jan Companies	2,115
MetLife, Inc.	2,104
St. Joseph Health Services of Rhode Island	2,079
Fidelity Investments	2,050
Wal-Mart Stores, Inc.	1,875
Brooks Pharmacy, Inc.	1,828
Raytheon Electronic Systems	1,636
Memorial Hospital of Rhode Island	1,603
Amgen, Inc.	1,600

**Source:** RI Economic Development Corp. (2007). As a list of private employers, this excludes units of government, including the U.S. Navy, and the University of Rhode Island, which are also major employers.

than 8,500 people by defense contractors. The defense industry is 3% of the state's employment base, and 6% of its wage base. In 2004, defense contract spending in Rhode Island totaled \$340 million – with two-thirds going to the manufacturing sector, primarily electronics and telecommunications. Defense spending in Rhode Island in total (payrolls and purchases) generated nearly \$1 billion in spin-off economic activity (Ninigret Partners, LLC, 2006).

Manufacturing employment in Rhode Island, though its numbers are declining, is still slightly above the national average, accounting for 10.7% of total employment in the state compared to 10.4% nationally (Moody's Economy.com, 2007). The greatest concentration was in durable goods, such as miscellaneous manufacturing, fabricated metal products, and electronic products.

Analyst Patrick McPherron recently commented, "Rhode Island will be a below average performer in the near term, as the state is slowly turning from a manufacturing hub into a finance and biotech center. Once the transition is fairly complete, the state could become a model of innovation and implementation, making it a solid bet over the longer forecast horizon" (McPherron, 2007).

According to Moody's Economy.com, biotechnology – part of what the state has identified as its “health and life sciences” cluster – presents “a significant opportunity” for the future. While most of Rhode Island's biotech talent is concentrated in research, and mostly in small startup companies, the pharmaceutical manufacturer Amgen presently accounts for 1,600 jobs. Amgen has two Rhode Island plants operating 24 hours a day producing Enbrel, a drug used to treat rheumatoid arthritis (Gedan, 2007). With the contribution from Amgen, Rhode Island now derives 9.5% of its employment from high technology and the hospital and medical lab industries, which is nearly triple the national average (Moody's Economy.com, 2007).

However, the prospect of sustaining and expanding the biotech sector and its high-paying manufacturing jobs dimmed in late September when Amgen announced that it would lay off 450 employees and “mothball” its West Greenwich plant as part of a strategy nationwide to cut capital expenses. *The Providence Journal* commented on September 25, 2007:

That decision means Rhode Island is bearing a disproportionate burden in the cost-cutting. Though Amgen's 1,600 employees in Rhode Island make up 8% of its global workforce of more than 20,000, the state is accounting for 30% of all layoffs announced yesterday (Gedan, 2007).

Construction continued to grow in 2006, adding 1,079 jobs – at +5.0%, the second largest increase in private sector employment. More than 90% of this growth was concentrated in the specialty trade contractors sub-sector (983 jobs), with modest growth in construction of buildings and heavy and civil engineering construction (54 and 42 jobs, respectively) (R.I. Dept. of Labor and Training, 2007b).

The Rhode Island economy still relies heavily on tourism, with accommodation and food services in fourth place among employment sectors. This sector is vulnerable to regional economic downturns and high gasoline prices and is generally characterized by seasonal, low-wage jobs. The state experienced a loss of 132 jobs in this sector in 2006, foretold perhaps by lower hotel occupancy rates earlier in the year (Statewide Planning Program, 2006). Moody's assessment at the time was that “Rhode Island's leisure/hospitality industry [is] weakening” and “high energy prices are underlying causes” (Carey, 2006).

An Economic Monitoring Collaborative established in 2004 to assess the recreational, commercial and industrial potential of Narragansett Bay recently contracted with Ninigret Partners to examine trends in demand and capacity along what is arguably the most clearly defining natural feature in Rhode Island and the state's strongest magnet for tourism. Interestingly, preliminary findings suggest that capacity is the limiting factor (parking, circulation, access on high-demand days), even at times of high gasoline prices like those experienced this

summer. Leisure and hospitality recorded a modest gain in the early months of 2007 – *before* the season of highest demand.

### Production Wages

Rhode Island’s manufacturing sector in 2006 presented two seeming contradictions: it continued to contract, as merchandise exports increased dramatically (by more than 20% from 2005 to 2006, compared to 11.8% for the region and 15% nationally); production wages nominally increased, while they fell further behind the other New England states (Table 2). In 2005, the Rhode Island rate was \$4.19 lower than the New England average, and \$4.55 and \$5.84 lower, respectively, than its neighbors, Massachusetts and Connecticut. In 2006, these workers received \$4.62 less per hour in Rhode Island than their regional counterparts, \$4.84 less per hour than those in Massachusetts, and \$6.36 less per hour than those in Connecticut (Federal Reserve Bank of Boston, 2007).

**Table 2**  
**AVERAGE HOURLY EARNINGS, MANUFACTURING PRODUCTION WORKERS**

Year	U.S.	New England	CT	ME	MA	NH	RI	VT
2002	15.29	15.87	17.24	15.55	16.25	14.21	<b>12.75</b>	14.34
2003	15.74	16.27	17.75	16.28	16.53	14.85	<b>12.88</b>	14.54
2004	16.14	16.72	18.35	16.96	16.89	15.48	<b>13.03</b>	14.60
2005	16.56	17.31	18.96	17.27	17.67	15.87	<b>13.12</b>	15.06
2006	16.80	18.04	19.78	18.56	18.26	16.57	<b>13.42</b>	15.79

**Source:** Federal Reserve Bank of Boston (2007)

### Unemployment and Per Capita Income

Rhode Island’s unemployment rate reached its 2006 average, 5.1%, by late summer and settled at 4.9% in September. This rate was higher than the New England average (4.4%), and slightly higher than the national rate (4.7%), but a modest improvement in what was reported last year. Unemployment in Rhode Island followed a trend observed in most of the other states in the region, with decreases from January to March, and increases in spring and summer. Nationally, the unemployment rate was essentially flat. This is shown in Table 3 (Federal Reserve Bank of Boston, 2007).

**Table 3**  
**UNEMPLOYMENT RATE (%)**  
**(Seasonally Adjusted)**

	U.S.	New England	CT	ME	MA	NH	RI	VT
2004	5.5	4.9	4.9	4.6	5.2	3.9	<b>5.2</b>	3.7
2005	5.1	4.7	4.9	4.8	4.8	3.6	<b>5.0</b>	3.5
2006	4.6	4.6	4.3	4.6	5.0	3.4	<b>5.1</b>	3.6
Jan07	4.6	4.7	4.4	4.4	5.3	3.7	<b>4.7</b>	4.0
Feb07	4.5	4.7	4.2	4.4	5.3	3.7	<b>4.4</b>	3.9
Mar07	4.4	4.2	4.1	4.3	4.4	3.8	<b>4.2</b>	3.8
Apr07	4.5	4.4	4.2	4.3	4.6	4.0	<b>4.5</b>	3.9
May07	4.5	4.7	4.5	4.5	5.1	3.9	<b>4.8</b>	3.8
Jun07	4.5	4.6	4.3	4.4	4.9	4.0	<b>4.7</b>	3.8
Jul07	4.6	4.8	4.5	4.8	5.1	3.9	<b>5.0</b>	4.1
Aug07	4.6	4.5	4.6	4.8	4.5	3.6	<b>5.1</b>	4.0
Sep07	4.7	4.4	4.5	4.8	4.4	3.5	<b>4.9</b>	4.2

**Source:** Federal Reserve Bank of Boston (2007)

Table 4 shows Rhode Island's expansions and contractions in the major industry groups from 2006 to 2007. These are compared to other states in the region. All the states experienced declines in the manufacturing sector, except Connecticut, which was unchanged, but posted gains in trade, professional and business services, education and health services, and leisure and hospitality. Other positives for Rhode Island were construction (with the highest rate of growth in the region), information, financial activities (again with the highest rate of growth in the region), and government. Other services declined, and growth was flat in transportation and utilities (Moody's Economy.com, 2007).

Unemployment figures from the five cities and towns represented on this year's CEDS Priority Project List are given in Table 5, second page following, which covers the most recent 24-month period for which data are available (November 2005 to October 2007). One of these communities – Central Falls – had an average unemployment rate nearly two and a quarter percentage points greater than the national average for the same period.

**Table 4**  
**AUGUST 2007 EMPLOYMENT GROWTH (% Change from August 2006)**

	CT	ME	MA	NH	RI	VT
Total	+1.1	+0.6	+1.2	+1.8	<b>+1.2</b>	+0.7
Construction	+2.2	+0.5	-0.5	-1.7	<b>+5.8</b>	+0.6
Manufacturing	-0.7	-1.1	-0.9	-0.8	<b>-3.0</b>	-0.6
Trade	+0.4	+0.2	+0.7	+2.1	<b>0.0</b>	+0.5
Transp./Utilities	+1.0	+2.8	+3.1	+2.8	<b>+2.1</b>	+0.4
Information	-0.1	+0.9	+1.7	+1.0	<b>+0.6</b>	+1.6
Financial Activities	+0.6	-1.4	+0.7	+0.6	<b>+2.5</b>	+1.0
Prof. & Business Svcs.	+2.3	+1.9	+2.2	+2.5	<b>+4.3</b>	+1.0
Edu. & Health Svcs.	+2.2	+2.1	+2.6	+3.1	<b>+1.7</b>	+1.7
Leisure & Hospitality	+2.3	+0.6	+1.3	+1.5	<b>+2.1</b>	+0.5
Other Services	+1.1	-0.5	+0.8	+1.1	<b>+0.7</b>	+0.3
Government	+0.5	+0.1	+0.3	+3.4	<b>-0.3</b>	+0.2

**Source:** Moody's Economy.com, Inc. (2007)

Another economic indicator worth watching is per capita income, particularly when it falls below the national average. Sixty-eight U.S. Census tracts in Rhode Island, located in 14 communities, have a per capita income 80% or less than the U.S. PCI (2000), \$22,199 (U.S. Census Bureau, 2002). As Table 6 (second page following) indicates, both urban and suburban communities are affected, including those that did not experience high unemployment in the last 24 months relative to the state or national average.

**Table 5**  
**UNEMPLOYMENT RATES IN CEDS PROJECT MUNICIPALITIES**  
**(Not Seasonally Adjusted)**

	Nov06	Dec06	Jan07	Feb07	Mar07	Apr07	May07	Jun07	Jul07	Aug07	Sep07	Oct07	24-mo. avg.
Central Falls	6.2	6.4	7.1	6.7	6.1	6.5	6.4	6.3	7.2	6.2	5.8	5.9	<b>6.8</b>
N. Kingstown	3.6	3.7	4.4	4.2	3.7	3.6	3.5	3.7	4.0	3.9	3.6	3.8	<b>4.0</b>
Pawtucket	5.6	5.5	6.1	5.7	5.3	5.4	5.4	5.6	6.4	5.8	5.1	5.3	<b>5.9</b>
Providence	5.6	5.5	6.4	5.7	5.3	5.6	5.7	6.1	7.2	6.7	5.7	5.6	<b>6.2</b>
Woonsocket	5.0	5.3	6.0	6.0	5.3	5.6	5.4	5.2	5.8	5.6	4.9	5.1	<b>5.5</b>
Rhode Island	4.6	4.6	5.5	5.1	4.6	4.6	4.5	4.7	5.0	5.1	4.9	4.9	<b>4.9</b>
U.S.	4.3	4.3	5.0	4.9	4.5	4.3	4.3	4.7	5.0	4.6	4.5	4.4	<b>4.6</b>
	Nov05	Dec05	Jan06	Feb06	Mar06	Apr06	May06	Jun06	Jul06	Aug06	Sep06	Oct06	
Central Falls	6.4	7.4	8.3	8.3	7.9	7.2	7.2	7.3	7.3	6.7	6.2	6.3	
N. Kingstown	3.3	3.9	4.9	5.0	4.8	4.3	4.1	4.1	4.2	4.2	3.5	3.3	
Pawtucket	5.3	5.8	6.5	6.7	6.6	6.3	6.3	6.4	6.4	6.1	5.5	5.4	
Providence	5.8	6.0	7.0	7.0	6.8	6.4	6.5	6.9	7.3	6.8	5.7	5.4	
Woonsocket	5.0	5.6	6.4	6.7	6.2	5.8	5.4	5.6	5.7	5.6	4.8	4.8	
Rhode Island	4.5	4.9	5.9	6.0	5.7	5.2	5.0	5.2	5.5	5.3	4.5	4.3	
U.S.	4.8	4.6	5.1	5.1	4.8	4.5	4.4	4.8	5.0	4.6	4.4	4.1	

Source: RI Dept. of Labor and Training (2007a)

**Table 6**  
**PER CAPITA INCOME LESS THAN OR EQUAL TO 80% NATIONAL**  
**AVERAGE BY RHODE ISLAND CENSUS TRACT**  
**(2000 Census)**

MCD	Tract	\$PCI	% U.S. PCI		MCD	Tract	\$PCI	% U.S. PCI
Providence	1.01	10,098	45		Smithfield	126.01	16,363	74
Providence	1.02	15,448	70		Cranston	136	17,497	79
Providence	3	11,727	53		Cranston	141	15,927	72
Providence	4	10,173	46		Cranston	142	11,843	53
Providence	5	11,022	50		Cranston	147	16,805	76
Providence	6	8,498	38		Pawtucket	150	17,303	78
Providence	7	8,957	40		Pawtucket	151	9,291	42
Providence	8	6,875	31		Pawtucket	152	12,560	57
Providence	10	10,480	47		Pawtucket	153	11,915	54
Providence	11	11,938	54		Pawtucket	154	14,013	63
Providence	12	15,506	70		Pawtucket	155	15,289	69
Providence	13	9,169	41		Pawtucket	156	15,700	71
Providence	14	11,118	50		Pawtucket	159	17,036	77
Providence	15	7,926	36		Pawtucket	160	17,300	78
Providence	16	15,839	71		Pawtucket	161	13,155	59
Providence	17	10,470	47		Pawtucket	164	13,169	59
Providence	18	12,194	55		Pawtucket	166	14,597	66
Providence	19	12,356	56		Pawtucket	167	14,940	67
Providence	20	9,226	42		Pawtucket	171	16,812	76
Providence	21	12,001	54		Woonsocket	174	11,695	53
Providence	22	14,150	64		Woonsocket	176	13,405	60
Providence	23	10,392	47		Woonsocket	178	15,390	69
Providence	26	10,269	46		Woonsocket	179	17,291	78
Providence	27	10,479	47		Woonsocket	180	13,421	60
Providence	28	9,191	41		Woonsocket	181	13,420	60
Providence	29	13,537	61		Woonsocket	182	14,440	65
Providence	30	14,328	65		Woonsocket	183	13,055	59
Providence	36.02	14,949	67		W. Warwick	203	16,339	74
Central Falls	108	9,948	45		Warwick	217	17,694	80
Central Falls	109	11,243	51		Bristol	307	15,987	72
Central Falls	110	11,401	51		Bristol	308	16,396	74
Central Falls	111	10,485	47		Middletown	402	15,892	72
Cumberland	112	16,655	75		Newport	405	14,790	67
Johnston	125	17,649	80		S. Kingstown	514	5,052	23

**Source:** US Census Bureau (2002), based on a national per capita income of \$22,199

## Migration and Household Income

Estimates of net migration over recent years and into the future continue to be revised and show a dramatic downward trend, tending negative and flattening before the end of the decade (Table 7).

**Table 7**  
**RHODE ISLAND NET MIGRATION (000), 2000-2011 (Est.)**

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6.8	7.0	6.6	3.4	-3.2	-10.2	-5.9	-1.6	0.1	0.1	-0.2	-0.4

**Source:** Moody's Economy.com, Inc. (2007)

Migration flows into Rhode Island from within the U.S. turned negative in 2004. Inmigration from all states accounted for 22,451 persons, and outmigration for 30,930. The median incomes of those moving into Rhode Island were on average lower than those moving out (\$25,762 vs. \$27,174; Table 8), the opposite from last year (Internal Revenue Service (2005) and Census Bureau (2006) data, in Moody's Economy.com, 2007).

Median household income grew from 2004 to 2005, but not as much as the U.S. average, according to Census figures. Median household income was \$49,484 in Rhode Island vs. \$46,326 in the U.S., compared to \$48,129 and \$44,389, respectively, in 2004 (Moody's Economy.com, 2006, 2005). As a percentage of the national average, Rhode Island household income declined from 108.4% to 106.8%, or 1.6%.

The figures in Table 8 are snapshots covering only one year, and should not be taken to indicate a trend. Previous *Annual Reports* have found net migration of individuals and incomes positive, essentially flat, or negative, depending on the year. A recent Statewide Planning Program Technical Paper, *Destination: Rhode Island*, cited Census Bureau data covering the five-year period 1995-2000 and found net migration positive, with inmigration totaling 96,980 and outmigration 93,744 (Statewide Planning Program, 2007).

For 2005, the Census Bureau's inmigration figure varied only slightly from that of the IRS: 23,896, a difference of about 6% and within the survey's margin of error. Comparable outmigration data were not available (Mark Brown, pers. comm.).

**Table 8**  
**MIGRATION FLOWS INTO AND FROM RHODE ISLAND,**  
**FROM AND TO OTHER STATES (2004)**

<b>Into Rhode Island from</b>	<b>No. migrants</b>	<b>Median income (\$)</b>
Massachusetts	7,286	30,945
New York	1,964	19,197
Florida	1,571	21,167
Connecticut	1,534	28,447
California	1,191	30,832
Virginia	823	36,428
New Jersey	689	24,285
Pennsylvania	553	23,099
New Hampshire	498	24,731
Texas	496	25,191
All other states	5,846	19,060
<b>Total immigration/Median income</b>	<b>22,451</b>	<b>25,762</b>
<b>From Rhode Island into</b>		
Massachusetts	7,235	30,693
Florida	5,509	25,265
Connecticut	2,807	33,813
New York	1,747	19,143
Virginia	1,370	37,646
California	1,189	21,476
North Carolina	992	30,095
Texas	757	27,651
Pennsylvania	699	21,110
Georgia	649	24,218
All other states	7,976	27,804
<b>Total outmigration/Median income</b>	<b>30,930</b>	<b>27,174</b>
<b>Net</b>	<b>-8,479</b>	<b>-1,412</b>

**Source:** Moody's Economy.com (2007), from 2005 IRS data

## ECONOMIC DEVELOPMENT ACTIVITIES IN 2007

Since they were first identified in Statewide Planning's *Economic Development Strategy* (1986), four of Rhode Island's critical needs have been cited repeatedly in our strategy *Updates* and *Annual Reports*:

- Fully serviced industrial sites
- Reuse of industrial facilities in the central cities
- Major pollution abatement capital improvement, and
- Expansion of resource-based industries, particularly tourism, marine shipping, and fishing

These needs have been addressed with policies under the three objectives set forth in the *Economic Development Policies and Plan*:

- *Employment*: Provide at least 34,200 new employment opportunities for Rhode Island residents by the year 2020, achieving and maintaining full employment and reducing underemployment.

- *Facilities*: Work with economic development practitioners to encourage sustainable industrial and commercial development that advances the long-term economic and environmental well-being of the state, and is consistent with the *State Land Use Policies and Plan*, the *Industrial Land Use Plan*, and other applicable elements of the State Guide Plan.

- *Climate*: Maintain a business environment conducive to the birth, sustenance, and growth of suitable industry and commerce.

Support of economic development activities requires sensitivity to these objectives to avoid apparent inconsistencies and outright conflicts, particularly where these activities are publicly funded.

### This Year's CEDS

The Rhode Island Comprehensive Economic Development Strategy provides the opportunity to implement the policies of the *Economic Development Policies and Plan* and local (municipal) comprehensive plans with specific, directed development proposals. Project proponents are required as part of the application process to cite at least one specific objective and policy from the *Economic Development Policies and Plan* that each of their projects fulfills. With their CEDS application, they receive a list of all the objectives and policies in the *Plan*. Most applicants are able to cite more than one policy, often several policies, that their projects will help implement. (See Attachment 3, "EDA Priority Program – FFY 2008.")

The project solicitation was preceded by a revisiting of the CEDS scoring criteria by the CEDS Subcommittee, newly reconstituted to meet one of the goals

we set forth last year. (See the “CEDS Evaluation” following this section.) A number of significant changes were suggested and later approved by the State Planning Council and its Technical Committee. They included:

- A requirement that the project be located within the urban services boundary (an area already served by sewer and water) or in an area designated as a development “center” in the host municipality’s land use plan
- A higher wage standard, with an 11% credit toward wages given for health care benefits (based on the average cost of providing individual coverage relative to the average private sector wage in Rhode Island)
- Changes in wording to eliminate confusion and to make CEDS objectives clearer
- Stronger links with the newly revised state land use plan, *Land Use 2025*, with bonus points given for identifying specific policies or objectives implemented by the project

The CEDS staff launched the project solicitation, as usual, in March. Applicants were instructed to provide a brief project narrative answering questions related to job generation, wages, funding sources, partnering, and so on.

To ensure they were clear on our requirements, Statewide Planning hosted a CEDS workshop April 18. Invitees included the more than 100 contacts on our mailing list of eligible applicants. Eighteen (18) people attended, including state and local planners, consultants, local and regional economic development practitioners and staff from quasi-publics and local nonprofits – a 50% increase in interest from last year.

The workshop provided an opportunity to explain the CEDS and EDA application processes and to answer any questions. The CEDS staff gave a presentation outlining the changes in the scoring criteria. This was followed by a scoring exercise with two mock CEDS proposals, similar to the one conducted at last year’s workshop. This was well received by the attendees as it allowed them to apply the new scoring criteria and see how more favorable outcomes could be achieved.

The project solicitation period ended May 4. Eleven project proposals were received from a total of 18 applicants (seven municipalities, three academic institutions, two quasi-publics, a regional economic development organization, and four private nonprofits). This was a slightly better response than last year. Statewide Planning staff scored and ranked the projects, recommending eight of the 11 to the CEDS Subcommittee as candidates for this year’s Priority Project List.

The CEDS Subcommittee convened on May 25 to review the project narratives and the proposed priority list. The Subcommittee approved all eight candidates and forwarded them to the Technical Committee for action, which in turn endorsed them and sent them to the State Planning Council. The Planning Council approved the eight projects as the 2007 CEDS Priority Project List on June 14.

The projects that made this year's Priority Project List are given in Table 9. The projects are listed alphabetically by applicant, and no "priority" within the priority list should be inferred by the order in which they appear in the table.

**Table 9**  
**PRIORITY PROJECT LIST – RHODE ISLAND CEDS, 2007**

Applicant/Community	Project Title
Narr. Bay Comm./State Energy Ofc./RWU	Renewable Energy Wind Turbine Demo
Pawtucket/Central Falls	Pawtucket/Central Falls Train Station
Pawtucket/Pawtucket Armory Assn.	Arts Exchange at Pawtucket Armory
Providence/Community College of RI	Capco Steel Expansion
Providence/Urban League	Infrastructure Improvements (Providence Piers)
Providence Comm. Health Ctrs./Providence	Federated Lithographers Dev. & Pres. Project
Quonset Development Corp./NEIT	Maritime Way & Bulkhead Replacement
Woonsocket/Main St. Riverfront Initiative Grp.	Truman Bypass Improvements

**Source:** Statewide Planning Program

Table 10 shows how the projects on this year's CEDS list fit with the four critical needs described above. Attachments 2 and 3 of this *Annual Report* review the priority list, with the latter keying each project to objectives and policies in the *Economic Development Policies and Plan*.

#### "Planning by Design" Workshops

This year's work plan included revision of the *Economic Development Policies and Plan*, which was last updated in 2000. Toward this end, the CEDS staff contracted with New Commons, a Providence-based group of facilitators who are expert at engaging stakeholders and helping build networks to tackle projects and solve problems. New Commons staff conducted workshops and briefing sessions that involved the entire staff of Statewide Planning, selected staff from the Office of Housing and Community Development, and a number of

**Table 10**  
**RHODE ISLAND COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY:**  
**PRIORITY-LISTED PROJECTS KEYED TO STATE “NEEDS”**

*Need 1. Fully serviced industrial sites*

- Infrastructure Improvements (Providence Piers) (City of Providence, Urban League)
- Maritime Way and Bulkhead Replacement (Quonset Development Corp./New England Institute of Technology)

*Need 2. Reuse of facilities (industrial and otherwise)*

- Pawtucket/Central Falls Train Station (City of Pawtucket/City of Central Falls)
- Arts Exchange at Pawtucket Armory (City of Pawtucket/ Pawtucket Armory Association)
- Capco Steel Expansion (City of Providence/Community College of R.I.)
- Federated Lithographers Development & Preservation Project (City of Providence/Providence Community Health Centers)
- Truman Bypass Improvements (City of Woonsocket/Main Street Initiative Corp.)

*Need 3. Major pollution abatement capital improvements, including infrastructure improvements to improve water quality in Narragansett Bay, solid waste management, and air quality (particularly through renewable energy and energy efficiency projects)*

- Arts Exchange at Pawtucket Armory (brownfields remediation)
- Capco Steel Expansion (brownfields remediation)
- Federated Lithographers Development & Preservation Project (brownfields remediation and renewable energy)
- Renewable Energy Wind Turbine Demonstration (renewable energy project)

*Need 4. Expansion of resource-based industries (tourism, marine shipping, fishing)*

- Infrastructure Improvements (Providence Piers) (City of Providence, Urban League)
- Maritime Way and Bulkhead Replacement (Quonset Development Corp./New England Institute of Technology)

**Source:** Statewide Planning Program

outside economic development resource people, including staff from the Economic Policy Council, EDC, Local Initiatives Support Corporation (LISC), Northeastern Economic Developers Association (NEDA), and Progreso Latino. The process brought together a number of different disciplines, including transportation, housing, land use and neighborhood development, to identify present and emerging conditions impacting the Rhode Island economy, outcomes we desire, and the capabilities needed to achieve them. Many of the people “at the table” were individuals with whom the CEDS staff had no previous contact, and the fresh perspectives they offered were very welcome.

The series of workshops was dubbed “Planning by Design” because the facilitators coached us to approach the project – the writing of a new statewide economic development plan – as a group of designers might approach the engineering, assembly and launch of a new product. This means being constantly aware of market conditions that can rapidly change, the capabilities (talent and production capacity) resident in the corporation, the capabilities needed for production that are *not* resident in the corporation but may be sourced outside, the product desired, and how full production can be achieved. In our case, the corporation is the Division of Planning; capabilities are research capacity, outreach, and engagement; outside sources are based on the networks we build with cities and towns, academic institutions, quasi-publics, local and regional non-profits, and businesses; the product desired is an informed, flexible and dynamic plan; and full production is wealth and value creation through the effective implementation of the plan.

From a public policy perspective, the workshops also encouraged us to engage in a multiple bottom line approach, and learn how a change in economic policy can impact a community’s culture, shared knowledge, social interactions, ecology, and the built environment, as all are interrelated. Similarly, a change in ecological conditions (e.g., global warming and sea level rise), can have a profound effect on the economy and the built environment; the change in shared knowledge caused by a “brain drain” (or a “brain gain”) impacts social interactions, culture and the economy; and so on. Each condition we identified as affecting the health of the Rhode Island economy was categorized under the particular “bottom line(s)” where it was likely to have the *most* impact, while we remained mindful that it would affect *all* the “bottom lines” to some degree.

The written record of the workshops and briefing sessions has been developed into a dynamic on-line publishing forum (wiki) in which the CEDS staff and about a dozen volunteers who have attended the workshops are participating. The output is being organized according to the six “bottom lines” described above, producing a source document from which the plan will be written. The plan eventually will be developed according to the accepted format for a State Guide Plan element, with drafts going through the customary review process by the Technical Committee and the State Planning Council. The first draft is expected by the end of this year.

The new *Economic Development Policies and Plan*, like the current version, will be the basis of the Rhode Island CEDS. Maintenance of the wiki as a dynamic publishing and review tool beyond the initial production of the plan will ensure that as conditions change and people become aware of them, appropriate changes can be made quickly to the plan. This will occur as conditions warrant, rather than at a set schedule of five years, ten years, or whenever “convenient.” If the plan stays relevant to prevailing conditions, the CEDS will, too.

We view the New Commons process as a major step forward for the CEDS. It has strengthened our partnership with the Economic Policy Council, built networks that can be the basis of future partnerships with other practitioners,

and involved more disciplines and individuals in the program than at any time previous. The level of engagement in the process from Planning staff not usually involved in economic development is exciting and perhaps unprecedented in state government.

### Enterprise Zones

There are presently ten (10) state-sponsored enterprise zones in Rhode Island. Altogether, the enterprise zones occupy 49 Census tracts in whole or in part, in some of the poorest neighborhoods in Rhode Island. Tax benefits flow to businesses locating in enterprise zones, with additional benefits for hiring residents of the zones. The program is managed by an Enterprise Zone Council that meets once a month and is advised by local planners, the state Division of Taxation, and the Statewide Planning Program. The R.I. Economic Development Corporation provides staff support. The advisory/liason role played by Statewide Planning staff on the Enterprise Zone Council stems from the agency's advocacy of policies for urban and industrial redevelopment in the State Guide Plan, particularly the *Economic Development Policies and Plan* and the *Industrial Land Use Plan*.

The RIEDC encourages companies in enterprise zones to apply for certification to qualify them for the tax modifications and, in effect, lower their cost of doing business. These incentives have contributed significantly to economic development in Rhode Island. The RIEDC reported that, as of September 2007, 106 enterprise zone businesses had been certified for Tax Year 2006. These firms generated 1,270 new jobs and hired 523 enterprise zone residents. While the numbers on businesses and jobs are down from the previous year's report, the proportion of new hires that are enterprise zone residents has increased substantially – from 29% to 41%.

### Partnering for Economic Development

Efforts of the CEDS staff to involve stakeholders in the revision of the *Economic Development Policies and Plan* have led to a solid and strengthened partnership with the Economic Policy Council and the Economic Development Corporation (EDC). The Policy Council and the EDC were recruited for the workshops at New Commons, and have played a leading role there. In other work with New Commons, the Division of Planning and the Policy Council are both advising two locally led initiatives, the Tri-Communities Coalition involving community groups in Pawtucket, Central Falls and Cumberland, and the Cranston Economic Development Forum. The Tri-Communities and Cranston projects are strengthening links between local practitioners and the state, and increasing the potential of regional network building as the communities become aware of issues affecting them beyond the borders of their cities.

Also, for the first time in the history of the CEDS, a staff member of the Policy Council is serving on the CEDS Subcommittee. She joins a planner from the EDC who has been on the Subcommittee for several years. As the

Subcommittee is responsible for drafting scoring criteria and other rules of engagement for the annual project solicitations, and conducts the initial project review, this means that the Policy Council and the EDC are now both intimately involved in the program that most directly implements the *Economic Development Policies and Plan*.

Of course, the CEDS staff continues to encourage partnering among potential CEDS applicants as well. This intentionally reflects the EDA's Investment Policy Guidelines, but also comes from a longstanding policy to encourage projects of a regional or statewide nature as opposed to those that are strictly local. Collaborations between and among all eligible applicants are strongly encouraged, and partnerships are awarded with bonus points during project review.

Nine of the 11 projects submitted during this year's solicitation involved some sort of partnership between two or more co-applicants. All of the projects making this year's Priority Project List were partnerships.

The Priority List offers a substantial opportunity to use public funds from the EDA to leverage investment from private sector partners in some of the poorest neighborhoods in Rhode Island. Half of the priority-listed projects already have committed private funding totaling nearly \$17.5 million. Two of these are seeking an additional \$28 million in private funds. Both are being conducted in phases and have their earliest phases complete, with sufficient progress to suggest their prospects for attracting and securing additional funding are excellent.

The CEDS Committee and staff see the promotion of industrial clusters through the CEDS as another means of encouraging partnering among the firms participating in each cluster and possibly among CEDS applicants. This year, as last, all of the projects on the priority list promoted one or more clusters identified by the RIEDC as critically important to Rhode Island. These are shown in Table 11. The clusters included health and life sciences, creative, advertising and media, education, financial services, manufacturing and industrial products, hospitality, consumer goods, and marine and environmental science and industry.

**Table 11**  
**2007 PRIORITY-LISTED PROJECTS LINKED TO INDUSTRIAL CLUSTERS**

Applicant/Project	Cluster(s)
Narr. Bay Commission, State Energy Office, Roger Williams Univ./Renewable Energy Wind Turbine Demonstration	Education, Marine/Environmental
Pawtucket, Central Falls/Pawtucket-Central Falls Train Station	Hospitality
Pawtucket, Pawtucket Armory Association/ Arts Exchange at Pawtucket Armory	Creative, Advertising & Media, Education
Providence, CCRI/Capco Steel Expansion	Manufacturing & Industrial Products
Providence, Urban League/Infrastructure Improvements (Providence Piers)	Hospitality, Marine/Environmental
Providence Community Health Centers, Providence/Federated Lithographers Development & Preservation Project	Health & Life Sciences
Quonset Dev. Corp., New England Inst. of Technology/Maritime Way & Bulkhead Replacement	Marine/Environmental, Education
Woonsocket, Main St. Riverfront Initiative Group/Truman Bypass Improvements	Health & Life Sciences, Financial Services, Consumer Goods

**Source:** Statewide Planning Program

Cluster development has been part of Rhode Island’s economic development strategy for more than ten years, marked by the collaborative efforts of the RIEDC, the Economic Policy Council, and the Division of Planning. The first working groups of industry leaders were convened in 1996 around specific disciplines that are still recognized as clusters. “Research Centers of Excellence” were proposed, and this led to the establishment of the Slater Technology Fund.

Slater oversees four focus areas that correspond to the clusters identified above: manufacturing and design, biomedical technology, marine and environmental technologies, and interactive technology, all of which have strong potential for providing high-wage employment opportunities. The Fund provides money and mentoring for projects and start-up companies. In SFY07 (the fiscal year ending June 30, 2007), Slater completed or approved a total of \$3.1 million in funding commitments to 11 new Rhode Island-based ventures. At the same time returns on previous investments yielded more than \$930,000 – more than twice as much as the previous year’s total, and making SFY07 the strongest in Slater’s history for capital recovery. Slater got \$3 million in supplemental funding from the state (Slater Technology Fund, 2007).

Slater’s focus has shifted to a more limited number of investee companies, but with larger funding commitments to each. This strategy, according to Slater,

is intended to increase follow-on funding from other sources in the near term, and to generate more high-value, high-wage jobs over the intermediate and long term. Higher rates of success are anticipated, along with assured returns on investment that will ultimately enable the Fund to be self-sustaining (Slater Technology Fund, 2007).

Other organizations supporting cluster-based economic development include the R.I. Manufacturing Extension Service (RIMES), which in 2003 partnered with the Town of Smithfield on a CEDS/EDA project to provide technical assistance to local precision metalworking firms to enhance company competitiveness. RIMES is now partnering with the Community College of Rhode Island in a lean manufacturing certificate program, where enrollees get their certificates after completing a 15-credit course covering basic business and technical skills, value stream mapping, setup reduction, and other elements of lean manufacturing.

Another important RIMES partner is the EDC, a partnership solidified by the collocation of RIMES' and EDC's offices in Providence. The two organizations will work closely on business development, supply chain services, and other support activities for the state's manufacturing sector. Leslie Taito, Chief Executive Officer of RIMES, and the EDC's Mike Walker are both members of the CEDS Subcommittee.

## **CEDS EVALUATION**

### The Action Plan

The simple, overarching goal that is the basis of the *Economic Development Policies and Plan* is to "foster and maintain a vigorous economy able to provide an adequate number and variety of activities that generate wealth for the people of the state." This statement encompasses all of the purposes of economic activity: jobs, income, production of goods and services, capital investment, and government revenue. The three objectives that guide Rhode Island in achieving this goal are:

- 1) Provide at least 34,200 new employment opportunities for Rhode Island residents by the year 2020, achieving and maintaining full employment and reducing underemployment.

- 2) Work with economic development practitioners to encourage sustainable industrial and commercial development that advances the long-term economic and environmental well-being of the state, and is consistent with the *State Land Use Policies and Plan*, the *Industrial Land Use Plan*, and other applicable elements of the State Guide Plan.

- 3) Maintain a business environment conducive to the birth, sustenance, and growth of suitable industry and commerce.

In the *Economic Development Policies and Plan*, discrete steps toward the accomplishment of each of these objectives are listed as policies. Taken altogether, the single goal, the three objectives, and the policies that support them constitute Rhode Island's action plan. Implementation comes through the CEDS, as planners and practitioners in the public and private nonprofit sectors – at the state, regional, and local levels – submit creative project proposals that implement their own economic development strategies consistent with the *Plan's* long-term objectives.

Each CEDS applicant is required to key his or her project to a specific objective and policy in the *Economic Development Policies and Plan*. This is a threshold requirement independent of numerical scoring, ensuring that each proposal, regardless of its ultimate score or status as a priority project, would in its own way help implement the action plan. The goals below are derived directly from policies in the *Plan*, allowing us to determine how well we are conducting Rhode Island's CEDS by how well we are implementing the *Economic Development Policies and Plan*.

### Evaluating the CEDS Planning Process

The CEDS Committee is composed of three units: the State Planning Council (SPC), its Technical Committee (TC), and the CEDS Subcommittee. The State Planning Council, as the top unit, provides the direction for CEDS policy development in accordance with elements of the State Guide Plan, including the *Economic Development Policies and Plan*. The SPC also gives final approval to the Priority Project List submitted with each year's CEDS report, and any revision to the priority rating system used to develop that list.

The SPC's standing advisory committee is the Technical Committee, the second unit of the CEDS Committee. Members of the TC include transportation, health, energy and economic development planners from state agencies. Also included are municipal planners, academics, and public policy advocates. The TC reviews the CEDS priority project rating system and results of the project solicitation, and must endorse any action before it is brought to the State Planning Council.

The TC appoints a CEDS Subcommittee, the third unit of the CEDS Committee. The Subcommittee works with the Statewide Planning Program staff to develop and revise the scoring criteria in the rating system, solicit projects, and rate those projects to determine whether they will be included on the Priority Project List.

The CEDS Subcommittee includes members recruited from outside the SPC and TC. The Subcommittee thus provides an opportunity to broaden representation of racial, ethnic and cultural minorities on the CEDS Committee, as well as to involve private-sector economic development groups in distressed communities. Ensuring the diversity of representation on the CEDS Committee

fosters the ability of the CEDS to reflect a balance among state, community and private economic development interests, in accordance with our first CEDS goal:

*Goal 1: To involve as broad a range of economic development practitioners in the CEDS as possible.*

Progress toward attaining this goal and others to follow in this evaluation can be discussed qualitatively or quantitatively.

Qualitative measures of achievement – 1) Recognize local character, cultural diversity and heritage as major assets to be protected and promoted in economic development, and have diverse economic, cultural and ethnic interests represented in the membership of the CEDS Committee.

2) Solicit projects from all eligible applicants, conducting the necessary outreach to do so.

Quantitative measures of achievement – 1) How many economic and business development organizations are represented on the CEDS Committee (the three units in total – Subcommittee, TC and SPC)? How many women and minorities are represented on the CEDS Committee (the three units in total)?

Evaluation criteria –  
Fewer than 10, needs improvement  
10-15, good  
More than 15, excellent

Findings – There were nine economic and business development agencies or organizations represented on the CEDS Committee in 2007. They were the state’s largest Chamber of Commerce (Greater Providence), the Washington County Regional Planning Council, Grow Smart Rhode Island, RIMES, the West Elmwood Housing Corporation, the Economic Policy Council, the Small Business Development Center (SBDC), New England Economic Development Services (NEEDS), and the EDC. The Urban League and Progreso Latino, minority advocacy groups with a strong emphasis on economic development, were also represented, bringing the total to 11. This is an increase of three from last year, owing to the inclusion of the Policy Council, the SBDC, and NEEDS on the CEDS Subcommittee. This measure of performance has moved from *needs improvement* (last year) to *good*.

Twenty individuals on the CEDS Committee (out of a total of 44) were women or members of a minority group. We continue making *excellent* progress toward achieving this objective.

As we noted in last year’s *Annual Report*, the municipal planners sitting on the CEDS Committee have economic development responsibilities in their cities and towns that often extend beyond planning. However, they were not considered in the above finding to be representing an economic or business development agency or organization.

2) How many potential applicants were targeted in the CEDS project solicitation?

Evaluation criteria – Fewer than 70, needs improvement  
70-100, good  
More than 100, excellent

Findings – One hundred and twelve (112) letters were sent to potential applicants in 2007, inviting them to request an application package and submit a project proposal. This is a modest increase since last year. Staff has continued to make *excellent* progress toward achieving the objective.

While the number of potential applicants requesting application packages was the same as last year, 13, the projects that were submitted were, as a group, the highest scoring in the history of Rhode Island's CEDS. This continues a trend noted for several years in the CEDS: fewer, but better applications. Four were resubmissions from last year.

Nineteen applicants completed the packages and submitted, in total, 11 projects. (Most were partnerships, i.e., co-applications.) Eight of those proposals made the Priority Project List. Last year, 15 applicants completed the packages and submitted, in total, nine projects, eight of which were priority-listed.

### Evaluating the CEDS Implementation Process

As part of a continuing process, the CEDS Committee over the years has attempted to keep project requirements ("threshold" criteria) and the Priority Project Rating System (scoring or "discretionary" criteria) in the CEDS consistent with EDA investment guidelines. To build and support partnerships for economic development, points are added to the score of any proposal co-sponsored by two or more eligible applicants. These partnerships may involve two municipalities, a municipality and a nonprofit, a state agency and a nonprofit, etc. Proposals that demonstrate a commitment of non-federal matching funds in excess of the required 50% of total cost win extra points, as do those that have a commitment of private funds. We help advance the EDA's desire to advance productivity, innovation, and entrepreneurship by awarding points to projects that support clusters specifically identified by the RIEDC as innovative, progressive, and with high growth potential. In fact, this year's Priority Project List is associated with a diverse assortment of such clusters: financial services; hospitality; creative, advertising and media; education; health and life sciences; and marine and environmental science and industry.

The CEDS Committee also continuously refines and revises the criteria so that priority-listed projects will effectively implement the state's own economic development, land use and other related objectives. Sometimes discretionary criteria are elevated to threshold criteria, as with the new requirement that each project be located within the urban services boundary (the "built environment"), or

in areas designated in municipal land use plans as future “centers” for development and employment. Formerly, locating a project within the built environment would simply gain points. Setting this forth as a threshold requirement was consistent with policies in Rhode Island’s newly revised state land use plan, *Land Use 2020*.

Criteria may also be dropped from the scoring system if they are no longer useful as discriminators between projects. This was done this year for the “area of influence” criterion, which rewarded projects for having a “regional” or “statewide” as opposed to strictly local impact. Owing to Rhode Island’s compactness and the prevalence of commuting, any project that generates 50 or more jobs (a threshold criterion) is unlikely to draw employees from just one city or town and have only local benefit. Moreover, when economic multipliers are considered, as applicants are requested to do for employment, *all* projects have a statewide impact. Because the distinction is no longer practical between a “local” project and one that is “regional” or “statewide,” the area of influence criterion was withdrawn from this year’s solicitation.

Notwithstanding the changes we make to reflect policy priorities in Rhode Island or improve the program, our goal is to select projects in the CEDS that have an excellent chance of being funded by the EDA. The projects should result in higher-than-average wages in distressed communities and promote regional prosperity. Partnerships are encouraged; these increase the possibility of a project’s success by getting buy-in from local officials and private investors. The projects should be sustainable, support active industrial clusters, and contribute to education and skill development in the workforce.

Ideally, the project solicitation, selection and implementation process will be designed and refined to attract EDA assistance to attain the rest of our program goals:

*Goal 2: To increase the number of permanent employment opportunities for Rhode Island residents, and reduce unemployment and underemployment in the state.*

Qualitative measure of achievement – Attract projects into the CEDS that generate a large number of direct, indirect and induced jobs.

Quantitative measure – How many permanent, non-construction jobs are anticipated from projects on the priority list in total?

Evaluation criteria –  
Fewer than 3,000, needs improvement  
3,001-5,000, good  
More than 5,000, excellent

Findings – The number of new jobs anticipated in total from the Priority Project List, 4,840, is a 49% increase from the total last year. The number of jobs from project to project ranged from a low of 97 for the renovation of an urban

train station on the boundary of Pawtucket and Central Falls to a high of 2,443 for the construction of a maintenance and repair yard for large pleasure boats at Quonset Business Park. We continue to make *good* progress on this measure.

Notes – Some projects that were proposed in the previous solicitation adjusted their anticipated job numbers downward. This was expected as the projects have been completing necessary design (or redesign) work and engineering studies or other reviews have resulted in revised but likely more accurate figures.

It is highly unlikely that all the priority-listed projects will be funded so that the total number is reached; however, this measure of achievement is useful for comparing the *potential* for job generation from year to year.

*Goal 3: To target public economic development assistance to those projects that can increase the average wage rate in their industrial sectors and communities.*

Qualitative measure of achievement – Attract projects into the CEDS that generate jobs that pay well enough to support a family, can improve per capita incomes in distressed communities, and provide a career ladder through education and skills training.

Quantitative measures – How many projects on the priority list offer jobs with wages higher than the state average private sector wage, adding credit for providing health care benefits? How many provide opportunities for workforce development through education and training programs conducted in-house or by partnering with a provider?

Evaluation criteria –                      Fewer than 70%, needs improvement  
    70%-90%, good  
    More than 90%, excellent

Findings – Seven of the eight projects on the priority list, or 88% of the total, anticipated wages in excess of the state average private sector wage, \$37,064 (the most recent figure available during the project solicitation). This is a significant improvement over last year, moving the assessment of progress from *needs improvement* to *good*.

All eight projects provide some opportunity for education and training of likely employees. We continue to make *excellent* progress on this measure.

*Goal 4: To reclaim brownfields and encourage use of the “built environment.”*

Qualitative measure of achievement – Attract projects into the CEDS that will remediate and reuse brownfields and abandoned or underutilized industrial properties with infrastructure, such as mill buildings.

Quantitative measures – How many projects on the priority list are located in a brownfield or a certified mill building? How many projects on the priority list are located in an area of the “built environment” not identified as a brownfield or a certified mill building?

Evaluation criteria – Fewer than 70%, needs improvement  
70%-90%, good  
More than 90%, excellent

Findings – Five projects, 63% of the total, are located in a brownfield or a certified mill building. This is unchanged from last year. This measure of performance *needs improvement* according to the evaluation criteria, but should be considered in light of the following finding.

All of the projects not located in a brownfield or certified mill building are located in areas that were already developed – the “built environment.” Staff therefore continues making *excellent* progress toward achieving the objective.

Note – The “built environment” criterion is intended to discourage the public funding of greenfield development through the CEDS. A new threshold requirement compels applicants to locate their projects “within the urban services boundary, or in areas designated as ‘centers’ (of employment or future development) by municipalities, as described in *Land Use 2025*.” A project within the urban services boundary (an area characterized by utility infrastructure and intensive development) is by definition within the built environment. The “centers” in more rural communities may not yet have the full compliment of public services but may also be within the built environment, as in a small village.

*Goal 5: To encourage investment in deteriorating urban areas or in employment centers that will be accessible to residents of low-income areas.*

Qualitative measure of achievement – Attract projects into the CEDS that will locate within Enterprise Zones and employ Zone residents.

Quantitative measure – How many projects on the priority list are located in an Enterprise Zone? How many projects inside or outside Enterprise Zones will actively recruit Zone residents and/or provide a transportation plan to get them to worksites?

Evaluation criteria – Fewer than 70%, needs improvement  
70%-90%, good  
More than 90%, excellent

Findings – Six projects, 75% of the total, are located in Enterprise Zones. This is a slight decrease from last year, but this measure of performance remains *good*.

Five projects, 63% of the total, expect to recruit Zone residents for employment and/or have a transportation plan (such as carpooling or use of public transportation) to provide access to employment centers. This includes one of the projects located outside an Enterprise Zone, “Maritime Way and Bulkhead Replacement” at Quonset Business Park. This also is a slight decrease from last year, and performance on this measure has slipped to *needs improvement*.

*Goal 6: To encourage investment by the public and private sectors.*

Qualitative measures of achievement – 1) Attract projects into the CEDS that have a significant commitment of private funding.

2) Attract projects into the CEDS that play to Rhode Island’s strengths and promote industrial clusters and partnerships.

Quantitative measures – How many projects on the priority list have funds committed from private sources? How many projects on the priority list promote existing or potential clusters? How many projects on the priority list are partnerships between or among two or more eligible applicants?

Evaluation criteria – Fewer than 70%, needs improvement  
70%-90%, good  
More than 90%, excellent

Findings – Five projects, or 63% of the total, have funds committed from private sources. While this is an increase from last year, this measure of progress still *needs improvement*.

All eight projects promote one or more clusters. These include consumer goods, creative, advertising and media, education, financial services, health and life sciences, hospitality, manufacturing and industrial products, and marine and environmental science and industry. This finding is unchanged from last year. Staff therefore continues to make *excellent* progress toward achieving the objective.

All eight projects also are partnerships: between municipalities, municipalities and nonprofits, municipalities and academic institutions, or academic institutions and public agencies. This is a significant increase from last year, when only 63% the projects were partnerships. This measure of performance now is *excellent*.

*Goal 7: To encourage and promote regionally initiated economic development efforts.*

Qualitative measure of achievement – Attract projects into the CEDS that have a regional or statewide impact.

Quantitative measure – How many projects on the priority list have a regional or statewide area of influence?

Evaluation criteria – Fewer than 70%, needs improvement  
70%-90%, good  
More than 90%, excellent

Findings – All eight projects have a regional or statewide area of influence. The argument is easy to make in a state whose size and ease of commuting encourage people to work in one place (where they earn their wages) and live in another (where they spend them), thereby “regionalizing” the economic impact of their employment – so easy, in fact, that this criterion has ceased being a discriminator among projects. While we can once again claim to be making *excellent* progress toward achieving this goal, it is obvious that we will need to revise the qualitative and quantitative measures of achievement associated with it.

The findings for Goals 2 through 6 are summarized in Table 12. Because the numbers of projects on priority lists usually vary from year to year, the evaluation is reckoned in percentages rather than raw numbers under all categories except jobs anticipated. The comparison between this year’s Priority

Project List and last year's is somewhat easier as the same number of projects qualified for both (eight).

## Conclusions

The evaluation process gives us a means of ensuring what is fundamental to Rhode Island's CEDS: enhancing EDA funding eligibility for priority-listed projects and implementing the policies and objectives of the State Guide Plan. Continuing to make satisfactory progress and improving what needs work will determine which aspects of the priority rating system we will retain or revise, or how outreach to potential applicants can be enhanced.

While the scales for measures of performance are admittedly arbitrary, they are set with the idea of keeping the bar high and striving for *good* or *excellent* in all categories. We continue to do well with encouraging workforce skill development, high-growth clusters, and locating in the built environment. We have regained our footing on partnerships. For the first time, with this solicitation, we awarded an 11% wage credit to projects where the anticipated jobs would offer health insurance. This was based on the average cost of the benefit compared to the average private-sector wage in Rhode Island. While we need to gain more high-paying jobs, consideration of providing this benefit did move the level of performance under the wages measure from *needs improvement* to *good*.

We need to encourage applicants to recruit residents of Enterprise Zones as employees to improve our performance on that measure. The CEDS continues to offer a points bonus for doing so even if the project is located outside an Enterprise Zone. While most of this year's projects (five out of the eight) did have a recruitment plan, there were two projects located in Enterprise Zones that did not.

Additionally, we need to encourage more applicants to seek private sector participation in their projects, and to demonstrate commitment of private funds. This has consistently been one of the weakest links in the program and may be a reflection of an increasingly high rate of competition for foundation and other private non-profit funding in Rhode Island. We will continue to explore opportunities to involve private nonprofits as partners in future project solicitations, being mindful of our outreach to them.

On the other hand, it is obvious that property acquisition and infrastructure improvements enabled by EDA investments will leverage subsequent private investment in development, and provide the jobs anticipated in our projects. Several of our projects are concerned with property

**Table 12  
2006-2007 PRIORITY PROJECT LIST COMPARISON**

2006 PRIORITY PROJECT LIST											
Applicant/Community	Project Title	Jobs	Wages	Workforce Dev	BF/Mill	Built Env	EZ Loc	EZ Recruit	Private \$	Clusters	Partnership
Coventry/W. Wwk./CRIDCO	Anthony-Washington Sewer Line Extension	283	no	yes	no	yes	yes	yes	no	Health & life sciences, others	yes
Pawtucket/Central Falls	Pawtucket/Central Falls Train Station	169	no	yes	no	yes	yes	no	yes	Hospitality	yes
Pawtucket/Pawtucket Arts Assoc	Pawtucket Armory Arts Exchange	148	no	yes	yes	n/a	no	no	yes	Creative, adv. & media, educ.	yes
Providence/CCRI	Capco Steel Expansion	742	yes	yes	yes	n/a	yes	yes	no	Manufacturing & ind. prod.	yes
Prov. Community Health Center	Federated Lithographers Dev. & Pres. Project	526	yes	yes	yes	n/a	yes	yes	yes	Health & life sciences	no
Roger Williams U./RIFA/NBB	Narr. Bay Workforce Dev. & Enviro. Restoration	225	yes	yes	no	yes	yes	yes	yes	Marine/environmental	yes
Woonsocket	Hamlet Ave. Economic Redevelopment District	1052	yes	yes	yes	n/a	yes	yes	no	Health & life sciences, others	no
Woonsocket	Main St. Small Business/Arts Incubator Space	108	yes	yes	yes	n/a	yes	yes	no	Creative, adv. & media, others	no
<b>TOTAL</b>		<b>3,253</b>	<b>63%</b>	<b>100%</b>	<b>63%</b>	<b>100%</b>	<b>88%</b>	<b>75%</b>	<b>50%</b>	<b>100%</b>	<b>63%</b>
<b>EVALUATION</b>		Good	N.I.	Excellent	N.I.	Excellent	Good	Good	N.I.	Excellent	N.I.
2007 PRIORITY PROJECT LIST											
Narr. Bay Comm./SEO/RWU	Renewable Energy Wind Turbine Demonstration	884	yes	yes	no	yes	yes	no	no	Education, marine/environmental	yes
Pawtucket/Central Falls	Pawtucket/Central Falls Train Station	97	yes*	yes	no	yes	yes	yes	yes	Hospitality	yes
Pawtucket/Pawtucket Arts Assoc	Pawtucket Armory Arts Exchange	128	yes*	yes	yes	n/a	no	no	yes	Creative, adv. & media, educ.	yes
Providence/CCRI	Capco Steel Expansion	522	yes	yes	yes	n/a	yes	yes	no	Manufacturing & ind. prod.	yes
Providence/Urban League	Infrastructure Improvements (Providence Pier)	433	no	yes	yes	n/a	yes	yes	yes	Hospitality, marine/environmental	yes
PCHC/Providence	Federated Lithographers Dev. & Pres. Project	526	yes	yes	yes	n/a	yes	yes	yes	Health & life sciences	yes
Quonset Dev. Corp./NEIT	Maritime Way & Bulkhead Replacement	2,443	yes	yes	yes	n/a	no	yes	yes	Marine/environmental	yes
Woonsocket/Main St. Riv. In	Truman Bypass Improvements	107	yes	yes	no	yes	yes	no	no	Health & life sciences, others	yes
<b>TOTAL</b>		<b>4,840</b>	<b>88%</b>	<b>100%</b>	<b>63%</b>	<b>100%</b>	<b>75%</b>	<b>63%</b>	<b>63%</b>	<b>100%</b>	<b>100%</b>
<b>EVALUATION</b>		Good	Good	Excellent	N.I.	Excellent	Good	N.I.	N.I.	Excellent	Excellent
* With health insurance considered											
N.I. = Needs improvement											

acquisition and/or infrastructure improvements: “Pawtucket/Central Falls Train Station,” “Capco Steel Expansion,” “Infrastructure Improvements (Providence Piers),” “Federated Lithographers Development and Preservation Project,” “Maritime Way and Bulkhead Replacement,” and “Truman Bypass Improvements.”

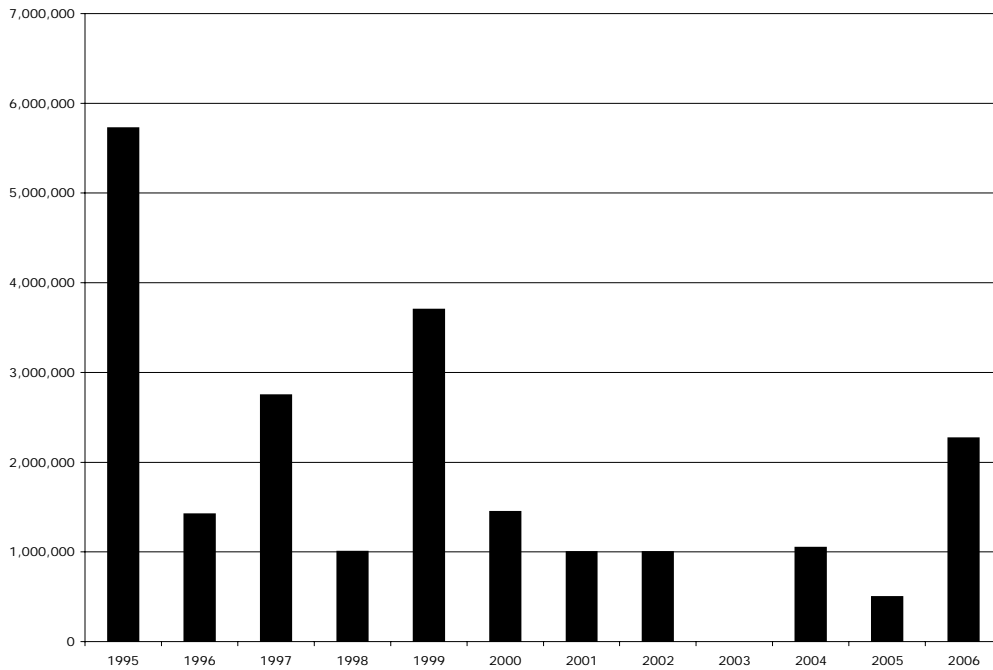
The wind power demonstration project, “Renewable Energy Wind Turbine Demonstration,” is designed both as a practical application of alternative energy at a given site (the Narragansett Bay Commission’s Wastewater Treatment Facility at Fields Point in Providence) and an educational tool about wind energy anticipating a ramp-up to an offshore wind farm off Block Island or in the East Bay in the near future. Such a project would stimulate considerable private investment, including wind turbine component manufacture in Rhode Island by the Warren-based company, TPI Composites.

Finally, any discussion of performance should address what we hope is the ultimate result of the CEDS project solicitation and selection process, the securing of EDA assistance. In response to several queries from members of the CEDS Committee, the staff prepared a graphic showing the levels of EDA funding for CEDS-originated projects from 1995 to 2005 and published it in last year’s *Annual Report*. It is updated below to 2006. While the outlay for several years was on the order of \$1 million, there were occasions where funding levels exceeded twice that amount or more (Figure 3), including the most recent total of \$2,270,000. To the extent that we can, and barring shifts in federal appropriations, we should strive to make this a typical rather than an exceptional occurrence.

We believe we are making progress by attracting higher quality projects into the CEDS, as evidenced by median scores in the Priority Project Rating System trending higher from year to year. That trend was not broken in this solicitation. Through outreach, our CEDS Workshops, site visits from our EDA contacts and follow-up reporting, it is being made clear to CEDS applicants what makes a project attractive to the EDA. Many of the projects funded by the EDA over the years have proven critical to Rhode Island’s economy, and the congruence of state and federal interest in providing that assistance has been noted and appreciated.

The EDA money brought to Rhode Island has been comparable to other states in the region. Table 13 shows EDA assistance to the six New England states in Federal Fiscal Years 2005 and 2006 as Public Works and Development Facilities and Economic Adjustment Implementation grants (U.S. Economic Development Administration, 2007), which would be reviewed by the local CEDS program. Individual Public Works grants in the other states in the period ranged from \$500,000 to \$2,500,000, and Economic Adjustment Implementation grants from \$60,000 to \$1,000,000.

**Figure 3  
EDA INVESTMENTS IN RHODE ISLAND SUBJECT  
TO THE CEDS, 1995-2006**



Source: Statewide Planning Program

**Table 13  
EDA INVESTMENTS IN NEW ENGLAND SUBJECT  
TO LOCAL CEDS REVIEW, FFY 2005-2006**

State	FFY 2005	FFY 2006
Connecticut	2,100,000	0
Maine	1,995,000	957,000
Massachusetts	3,560,000	4,245,000
New Hampshire	272,000	550,000
<b>Rhode Island</b>	<b>500,000</b>	<b>2,270,000</b>
Vermont	2,000,000	3,500,000

Source: Economic Development Administration, 2007

## GOALS FOR THE COMING YEAR

The goals and measures of performance in the previous section incorporated goals we had set forth last year to improve the CEDS. In line with the results of our program evaluation, this coming year we will seek to:

1. *Increase the number of permanent employment opportunities for Rhode Island residents at wages able to support families.* As we stated in the previous *Annual Reports*, the Priority Project Rating System (our project scoring system) should choose projects that, if funded, will provide jobs that pay well enough to have a real impact in distressed communities. Our new policy to give a cash credit to projects that provide health insurance has resulted this year in seven out of eight projects providing compensation higher than the Rhode Island average private sector wage. While this is positive, what is more desirable is to have a mix of employment opportunities with both above-average wages *and* worker benefits. To achieve this we may need to target high-wage clusters a little more purposefully by adjusting the scoring system.

2. *Support workforce development and worker benefits.* Two years ago we instituted a “workforce development” criterion in our project scoring system to reward applicants whose projects offered education and training to employees. Extra points are given if they can document an in-house program or one designed or conducted by a recognized provider of education and training services (e.g., RIMES, the Community College of Rhode Island, or the AFL-CIO’s Institute for Labor Studies and Research). Workforce development is now among the categories by which we measure our progress for the year, as we do with jobs, wages and clusters. This year, as in 2006, all projects on the priority list had some provision for education and training. Partners enabling this included, among others, two institutions of higher learning (Roger Williams University and New England Institute of Technology) and one of the most active community organizations in the state (the Urban League). We need to maintain this excellent record by continuing to emphasize the importance of workforce development to economic development, especially in the revisions now underway to the *Economic Development Policies and Plan*, the core element of the Rhode Island CEDS.

Support has been expressed in the Technical Committee for building on the precedent established this year giving credit to projects that provide worker benefits (health insurance) to consider a similar credit for day care and wellness programs, such as smoking cessation, that promote a healthy workplace. This will be on the agenda for the CEDS Subcommittee next year.

3. *Encourage partnering and private sector investment.* Partnering and private sector involvement increase the credibility of a project, attract investment, and heighten prospects for success. This is recognized by the EDA and reflected in the EDA’s investment guidelines, and is rewarded in the Rhode Island CEDS through our project scoring system. We are greatly encouraged that all of this

year's priority-listed projects are partnerships. We credit that to focused outreach, the emphasis on partnerships in the scoring system and CEDS application materials, and success stories related during CEDS workshops and in conversations with applicants.

On the other hand, some more effort will have to be concentrated on private sector investment. Our performance in securing private funding at the initial stages of a project continues to "need improvement." This might be done through more outreach to the private nonprofits to encourage them to partner with other eligible applicants, and to public and quasi-public agencies and others in a position to leverage private investment. Most of the committed private funding to date has come from nonprofits.

4. *Encourage development of employment centers that will be accessible to residents of low-income areas.* This is done in the Rhode Island CEDS by encouraging investment in Enterprise Zones, which by definition are areas of economic distress, *and* the recruitment of Zone residents to employment centers wherever they exist (such as the Quonset Business Park, which is not located in an Enterprise Zone). These workers will bring money back to their households, and by extension, their communities. In the next project solicitation, we will continue the credit in our project scoring system for making projects accessible to Zone residents through active recruitment and transportation plans to and from worksites.

We were somewhat disheartened that fewer projects this year addressed the recruitment of Zone residents for employment. However, the emphasis of the program on a longstanding public policy in Rhode Island – "smart growth" – should enhance accessibility to worksites despite the shortage of project-specific plans. The Rhode Island CEDS several solicitations ago began directing investment to "the built environment." The intention was to discourage public funding of greenfield development, and instead encourage redevelopment and infill within existing communities. This strategy has been successful, with all priority-listed projects this year and last situated within the built environment and mostly within Rhode Island's older central cities. With such proximity to the urban workforce, location within the most heavily traveled routes within the public transportation system, and options for walking or bicycling to work, we expect such projects to draw heavily from the surrounding community and achieve what the Enterprise Zone criterion in our scoring system intended.

It is now *mandatory* for projects to be located within the urban services boundary or within areas designated as future growth centers, reflecting the state's new land use plan, *Land Use 2025*. In addition, under the project scoring system, the Rhode Island CEDS now rewards projects that cite and implement a specific policy in *Land Use 2025*. These two new aspects of the program – recommended in this section last year – have strengthened the CEDS link to smart growth and, we believe, the urban workforce. They should be continued in next year's project solicitation for comparably favorable results.

5. *Maintain the number of economic development practitioners for the CEDS Subcommittee and their partnership with the CEDS staff.* Last year, we stated our desire to increase the number of economic development professionals on the CEDS Subcommittee. We did so by securing representation from the Economic Policy Council, the Small Business Development Center at Johnson & Wales University, and New England Economic Development Services, and maintaining participation from the EDC, Progreso Latino, and RIMES. With the representation from state agencies and the Greater Providence Chamber of Commerce on the State Planning Council, and municipalities and community organizations on the Technical Committee, we are confident that we have a wide range of perspectives and resources at our disposal for managing the Rhode Island CEDS. We need to be prepared, however, for vacancies that may occur through retirement, transfer, etc., and be able to fill them quickly.

6. *Maintain communication to strengthen the partnership between the EDA and the CEDS staff.* This communication has improved markedly in the past three years, bolstered by annual visits to Rhode Island by representatives of the EDA's Philadelphia regional office, meetings with potential applicants, frank discussions of ongoing and proposed projects, and CEDS workshops. Last year we noted the importance of being notified when funding decisions are made by the EDA or priorities are redirected, and also of notifying the EDA when new projects surface. This has occurred throughout the year. The CEDS staff has encouraged potential applicants to speak directly with EDA representatives about the eligibility of their proposals and likelihood of funding, and the EDA has directed them accordingly. We are satisfied with the progress of communication in both directions. We remain committed to it, and are confident that the EDA is committed to it as well.

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**Attachment 1:  
CEDS COMMITTEE MEMBERSHIP AND REPRESENTATION  
(October 2007)**

<u>Member</u>	<u>Interest represented*</u>
STATE PLANNING COUNCIL	
Beverly Najarian (Chair) Director Department of Administration One Capitol Hill Providence, RI 02908	State government administration 1
Timothy Costa (Vice Chair) Office of the Governor State House, Room 128 Providence, RI 02903	Governor's policy adviser 1
Jared L. Rhodes, II (Secretary) Secretary, State Planning Council Department of Administration One Capitol Hill, 4 <sup>th</sup> Floor Providence, RI 02908	State planning agency 1
Susan Baxter Chair, Housing Resources Commission 44 Washington St. Providence, RI 02903	State housing policy 1
Daniel Beardsley Executive Director RI League of Cities and Towns One State St. Providence, RI 02908	Municipal gov't advocacy 1,6
Jeanne Boyle City Planner East Providence City Hall 145 Taunton Ave. East Providence, RI 02914	Municipal gov't advocacy 1
Stephen Cardi Cardi Corporation 400 Lincoln Ave. Warwick, RI 02888	Construction industry 2
Sharon Conard-Wells West Elmwood Housing Development Corp. 392 Cranston St. Providence, RI 02907	Community development 2,4

<u>Member</u>	<u>Interest represented*</u>
Thomas Deller Director Dept. of Planning and Development 400 Westminster St. Providence, RI 02903	Local planning 1
Rosemary Booth Gallogly Budget Office 1 Capitol Hill Providence, RI 02908	State government finance 1
Peter W. Osborn Federal Highway Administration 380 Westminster Mall Providence, RI 02903	Federal advisory member 1
Anna Prager 57 West Park Ln. Kingston, RI 02881	Public member 6
L. Vincent Murray Planning Director Town of South Kingstown 180 High St. Wakefield, RI 02879	Municipal gov't advocacy 1
Mr. Michael Rauh The Washington Trust Company 23 Broad St. Westerly, RI 02891	Environmental advocate (Washington Co. Regional Planning Council) 2,6
William Sequino, Jr. Town Manager East Greenwich Town Hall 125 Main St./P.O. Box 111 East Greenwich, RI 02818	Local planning 1
Mr. John Trevor 37 Hart St. Providence, RI 02906	Environmental advocate 6
Janet White-Raymond commerce Greater Providence Chamber of Commerce 30 Exchange Terr. Providence, RI 02903	Chamber of 2
Jerome Williams Director RI Dept. of Transportation 2 Capitol Hill Providence, RI 02903	State transportation agency 1

Member

Interest represented\*

TECHNICAL COMMITTEE

Kristine Stuart (Chair)  
406 Stony Lane  
North Kingstown, RI 02852

Environmental community  
4

M. Paul Sams (Vice Chair)  
111 Audubon Rd.  
North Kingstown, RI 02852

Public member  
6

Catherine Ady  
City Planner  
City of Woonsocket  
169 Main St.  
Woonsocket, RI 02895

Local planning  
1

Robert Azar  
Dept. of Planning and Development  
400 Westminster St.  
Providence, RI 02903

Local planning  
1

Walter Combs  
R.I. Department of Health  
3 Capitol Hill  
Providence, RI 02908

State health agency  
1

Timothy Costa  
adviser  
Office of the Governor  
State House, Room 128  
Providence, RI 02903

Governor's policy  
1

Michael DeLuca  
Community Development Director  
Town of Narragansett  
25 Fifth Ave.  
Narragansett, RI 02882

Local planning  
1

Stephen Devine  
RI Dept. of Transportation  
2 Capitol Hill  
Providence, RI 02903

State transportation agency  
1

Diane Feather  
Dept. of Planning  
East Providence City Hall  
145 Taunton Ave.  
East Providence, RI 02914

Professional association  
(APA)  
6

Member

Interest represented\*

Grover Fugate  
Executive Director  
Coastal Resources Management Council  
Stedman Government Center  
Wakefield, RI 02879

State coastal zone  
management agency  
1

William R. Haase  
Town Planner  
Westerly Town Hall  
45 Broad St.  
Westerly, RI 02891

Local planning  
1

Janet Keller  
RI Dept. of Environmental Management  
235 Promenade St.  
Providence, RI 02908

State environmental agency  
1

Thomas Kogut  
R.I. Public Utilities Commission  
89 Jefferson Blvd.  
Warwick, RI 02888

Public utilities regulation  
1

Dennis Langley  
Urban League of Rhode Island  
246 Prairie Ave.  
Providence, RI 02905

Economic empowerment  
2,4,5

Patrick Malone  
Urban Studies, Brown University  
P.O. Box 1833  
Providence, RI 02912

Academia  
6

Juan Mariscal  
R.I. Water Resources Board  
100 North Main St.  
Providence, RI 02903

State water management  
1

Eugenia Marks  
community  
Audubon Society of Rhode Island  
12 Sanderson Rd.  
Smithfield, RI 02917

Environmental  
4

Michael Walker  
R.I. Economic Development Corporation  
315 Iron Horse Way  
Providence, RI 02908

State economic development  
(quasi-public)  
2

Member

Interest represented\*

Patricia Reynolds  
City of Warwick  
3275 Post Rd.  
Warwick, RI 02886

Local planning  
1

Ralph Rizzo  
Federal Highway Administration  
380 Westminster St.  
Providence, RI 02903

Federal advisory member  
1

Ronald Wolanski  
Town of Middletown  
350 East Main Rd.  
Middletown, RI 02842

Local planning  
1

CEDS SUBCOMMITTEE

Sheila Brush\*\*  
Grow Smart Rhode Island  
345 South Main St.  
Providence, RI 02903

Community development  
2,4

Beth Ashman Collins  
Economic Policy Council  
17 Gordon Ave.  
Providence, RI 02905

State economic development  
(public-private partnership)  
2

Diane Feather  
Dept. of Planning  
East Providence City Hall  
145 Taunton Ave.  
East Providence, RI 02914

Professional association  
(APA)  
6

Scott Gibbs  
New England Economic Development Services, Inc.  
1300 Highland Corporate Ave.  
Cumberland, RI 02864

Commercial/industrial real  
estate developer  
2,6

Douglas Jobling  
Small Business Development Center  
6 Blackstone Valley Place  
Lincoln, RI 02865

Small business advocacy  
2

Ramon Martinez\*\*  
Progreso Latino  
626 Broad St.  
Central Falls, RI 02863

Community organization  
2,4,5

Member

Interest represented\*

Kristine Stuart  
406 Stony Lane  
North Kingstown, RI 02852

Environmental community  
4

Leslie Taito\*\*  
R.I. Manufacturing Extension Service  
315 Iron Horse Way  
Providence, RI 02908

Employment /training sector  
2,3

Michael Walker\*\*  
R.I. Economic Development Corporation  
315 Iron Horse Way  
Providence, RI 02908

State economic development  
(quasi-public)  
2

\* Interest represented: 1) Public leadership (state and local government); 2) Economic and business development organizations; 3) Employment and training sector; 4) Community organizations; 5) Women, minorities, aged and disabled; 6) Other.

\*\* Invited member of the CEDS Subcommittee.

**Attachment 2:  
STATE OF RHODE ISLAND  
CEDS PRIORITY PROJECT LIST – FFY 2008**

<u>Applicant and Project</u>	<u>Cost, \$*</u>
Narragansett Bay Commission/State Energy Office/Roger Williams University Renewable Energy Wind Turbine Demonstration	3,766,000
Pawtucket, City of/City of Central Falls Pawtucket/Central Falls Train Station	1,350,000
Pawtucket, City of/Pawtucket Armory Assn. Arts Exchange at Pawtucket Armory	8,250,000
Providence, City of/Community College of R.I. Capco Steel Extension	2,500,000
Providence, City of/Urban League Infrastructure Improvements (Providence Piers)	5,418,731
Providence Community Health Centers/Providence, City of Federated Lithographers Development & Preservation Project	46,000,000
Quonset Development Corporation/New England Institute of Technology Maritime Way & Bulkhead Replacement	6,200,000
Woonsocket, City of/Main Street Riverfront Initiative Group Truman Bypass Improvements	1,220,000

\* Cost reflects requested federal and non-federal share.



**Attachment 3:  
EDA PRIORITY PROGRAM — FFY 2008**

<b>PROPOSED PROJECTS Description/Applicant</b>	<b>RHODE ISLAND CEDS OBJECTIVES/POLICIES</b>	<b>FUNDING SOURCE Amount/Total (\$)</b>	<b>START/ STOP DATE</b>	<b>AGENCY RESPONSIBLE</b>	<b>JOBS ANTICIPATED*</b>		
<i>Renewable Energy Wind Turbine Demonstration Project</i> Narr. Bay Comm./SEO/RWU	A	2	EDA	1,000,000	June 2008/ February 2009	Narr. Bay Comm./ State Energy Ofc./RWU	884
	C	13	EPA	35,000			
			State Energy Ofc.	25,000			
			Narr. Bay Comm.	<u>2,706,000</u>			
			Total	3,766,000			
<i>Pawtucket/Central Falls Train Station</i> Pawtucket/Central Falls	A	4	EDA	300,000	2007/ 2017	City of Pawtucket/ City of Central Falls	97
	B	4.8	FTA	233,120			
			FHWA	53,504			
			RIDOT	113,376			
			Local	300,000			
			Private	<u>350,000</u>			
		Total	1,350,000				
<i>Arts Exchange at Pawtucket Armory</i> Pawtucket/Pawt. Armory Assn.	A	2,4	EDA	1,000,000	Initiated 2003/ 2010	City of Pawtucket Dept. of Planning & Re- dev./Pawtucket Armory Assn.	128
	B	1,2,4,6,7,8	NPS	250,000			
	C	12	EPA	75,000			
			HUD-EDI	546,320			
			RIHPHC	200,000			
			RI Gen. Assembly	106,000			
			Local	910,000			
			Private	<u>5,162,680</u>			
			Total	8,250,000			
<i>Capco Steel Expansion</i> Providence/CCRI	A	1,2	EDA	1,000,000	May 2007/ Fall 2007	City of Providence/ Community College of R.I.	522
	B	16	Private	<u>1,500,000</u>			
	C	5	Total	2,500,000			

<b>PROPOSED PROJECTS Description/Applicant</b>	<b>RHODE ISLAND CEDS OBJECTIVES/POLICIES</b>	<b>FUNDING SOURCE Amount/Total (\$)</b>	<b>START/ STOP DATE</b>	<b>AGENCY RESPONSIBLE</b>	<b>JOBS ANTICIPATED*</b>
<i>Infrastructure Improvements (Providence Piers)</i>	B 1,13,15	EDA 1,800,000 RIEDC 500,000 Private <u>3,118,731</u> Total 5,418,731	2008/2009	City of Providence/ RI State Pier Prop., LLC	133
<i>Federated Lithographers Development and Preservation Project</i>	A 1,6,7 B 2,16	EDA 2,000,000 EPA 200,000 Hist. tax credit (F) 2,800,000 RIEDC 100,000 State Energy Ofc. 100,000 Hist. tax credit (S) 3,900,000 Local 250,000 Private <u>36,650,000</u> Total 46,000,000	July 2007/ December 2008	Providence Community Health Centers	526
<i>Maritime Way &amp; Bulkhead Replacement</i>	A 6 B 13	EDA 3,100,000 QDC <u>3,100,000</u> Total 6,200,000	October 2007/ July 2008	Quonset Development Corp.	2,443
<i>Quonset Development Corp./ New England Inst. of Technology</i>					
<i>Truman Bypass Improvements Woonsocket</i>	B 2,4	EDA 600,000 Local <u>620,000</u> Total 1,220,000	2008/2010	City of Woonsocket	107
<b>TOTAL JOBS ANTICIPATED FROM ALL PROJECTS:</b>					<b>4,840</b>

\* Includes multiplier effects

**Attachment 4:  
RHODE ISLAND CEDS OBJECTIVES AND POLICIES**

Objectives that can help achieve Rhode Island's Comprehensive Economic Development Strategy are found in the *Economic Development Policies and Plan*, an element of the State Guide Plan that succeeded the *Economic Development Strategy* when approved by the State Planning Council on April 13, 2000. As in the *Strategy*, the objectives of the *Policies and Plan* are meant to be both attainable and measurable. They address broad topics and provide a basis for organizing the policies that follow each objective.

Policies are discrete steps toward accomplishment of an objective, with each policy representing a single action. Each objective is the end or target of a series of such actions. Those objectives and policies are as follows:

- Objective A: Employment

*Provide at least 34,200 new employment opportunities for Rhode Island residents, by the year 2020, achieving and maintaining full employment and reducing underemployment.*

Policies to achieve Objective A:

1. Improve opportunities for productive employment with highest priority given to those economic development activities that have the potential to upgrade the skill and wage levels of the state's resident labor force. Target public economic development assistance of any type to those applicants that can increase the average wage rate in their industrial sectors.

2. Promote expansion and recruitment of industries that offer career opportunities for both our secondary and post-secondary school graduates.

3. Encourage and expand those social services, both in the public and private sector, that are necessary to facilitate the broadest labor force participation, including training, job placement, child care, health care, and transportation services.

4. Promote and develop the use of mass transit in order to eliminate spatial barriers to employment opportunities. Encourage development in densities high enough to facilitate the economical provision of mass transit.

5. Emphasize diversity of industry toward those sectors that demonstrate a steady employment pattern, avoid seasonal layoffs, and withstand cyclical downturns of the economy.

6. Expand educational and job-training opportunities that have as their primary objective providing the state's labor force with those marketable skills

sought by employers that provide above average wage rates. Provide lifelong training and education opportunities that make the labor force competitive.

7. Eliminate barriers to employment based on race, gender, disability, sexual orientation, or ethnic origin through education and training as well as consistent enforcement of applicable laws.

8. Encourage communities to plan for and accommodate the socioeconomic impacts of industrial and commercial development, such as by providing a variety of housing options to meet the needs of the local labor force.

9. Encourage industry, particularly those that employ urban populations, to locate in urban areas and to take advantage of public and alternative transportation modes where feasible.

- Objective B: Facilities

*Work with economic development practitioners to encourage sustainable industrial and commercial development that advances the long-term economic and environmental well-being of the state, and is consistent with the State Land Use Policies and Plan, the Industrial Land Use Plan, and other applicable elements of the State Guide Plan.*

Policies to achieve Objective B:

1. Reclaim brownfields by environmental remediation and encourage use of the “built environment.”

2. Conserve and enhance desirable existing industrial areas, office complexes, and concentrations of service activities to maximize the investment and utilization of existing infrastructure. New or expanded public sewer and water services and highways should be provided to industrial and commercial development only where such development is appropriate in terms of the natural constraints imposed by the land, air, and water in the immediate vicinity of such development, and where the area is being developed at an intensity that is consistent with state land use policy, and when such development will not promote wasteful use of resources. When possible, an industry’s needs should be matched with the appropriate site in order to maximize the return on the infrastructure investment.

3. Ensure adequate investment to maintain and improve a balanced, intermodal transportation system that meets the needs of the state’s commerce and labor force. Make the transit system and intermodal connections user-friendly for all members of the riding public. Maintain shipping channels and recognize the economic potential of T. F. Green Airport and other state airports.

4. Encourage higher densities, mixed uses, careful design, transit and pedestrian-friendly land use and development patterns, and location near existing

hubs and corridors to avoid “sprawl.” Maximize the use of alternative modes of transportation, such as bicycling, walking, and mass transit.

5. Relate industrial and commercial development to overall land use by promoting the use of development controls and performance standards that mitigate conflicts with other land uses and activities.

6. Encourage investment by the public and private sectors that will stabilize and improve housing and commerce in deteriorating urban areas.

7. Promote the control of land development along arterial highways in order to preserve their functional integrity, capacity, safety, and appearance.

8. Contribute to the stabilization and redevelopment of central business districts through the provision of supporting services such as transportation access, parking, utilities, and police and fire protection, as well as the adaptive reuse of historic buildings that contribute to the commercial and cultural economic base of these areas. Public subsidy enticements to industries other than traded industries should only be considered where they contribute to the stabilization and redevelopment of such areas. Viable economic reuses should be found for historic buildings that can contribute to the economy.

9. Designate sites in developing communities and in or near smaller urban centers in rural communities for industrial or commercial development as needed to meet state and municipal economic objectives. Select locations with natural characteristics favorable for economic development that have or can be supplied with the public facilities and services necessary to support the type of economic activity planned, and that are readily accessible to a labor force. These locations must also be consistent with the general development patterns set forth in the state land use policies and plan element and with all other applicable elements or provisions of the State Guide Plan. Sites selected, and the economic activities that use these sites, should be compatible with the scale, historic character, and other aspects of the surrounding community.

10. Locate industrial development causing other than domestic waste discharges in areas served either by public sewerage systems or by appropriately permitted and maintained private systems.

11. Support agricultural base to include turf, ornamentals, vineyards, forestry, field crops, dairy and livestock. Seek alternative niche markets to support smaller, more diverse farms. Promote the preservation of prime farmland and provide the technical support to keep agriculture environmentally and economically sustainable.

12. Encourage development of sport and commercial fisheries both inshore and offshore up to levels of maximum sustainable yield by supporting the provision of appropriate infrastructure, research and training facilities, aquaculture,

management activities, and enforcement of water quality standards. Reserve suitable port access areas for commercial fishing vessels.

13. Encourage new industrial development in the coastal zone that places a priority on the maximum efficient and appropriate utilization of existing marine infrastructure, such as the Port of Providence and Quonset Davisville.

14. Encourage areas used for commercial development to be selected and configured to make the most efficient use of scarce shoreline locations.

15. Promote tourism as a major industry, and encourage and support the use of the wide range of facilities that make up the industry's infrastructure.

16. Encourage the reuse of industrial land as industrial land to the maximum extent feasible.

17. Note areas most vulnerable to natural hazards and locate development away from these areas whenever possible. Provide appropriate mitigating measures wherever such hazards exist.

- Objective C: Climate

*Maintain a business environment conducive to the birth, sustenance, and growth of suitable industry and commerce.*

Policies to achieve Objective C:

1. Promote the implementation of a growth development strategy giving priority to economic development programs directed at the promotion, maintenance, and expansion of existing firms.

2. Encourage and promote locally and regionally initiated economic development efforts as set forth in the economic development elements of local comprehensive plans.

3. Attract and give assistance to those types of industry that best capitalize on Rhode Island's strengths, and are potentially most beneficial to the state's employment, the needs of firms, resources, fiscal soundness, and related development goals.

4. Expand all markets, in state, national, and international, for the state's products and services, through improved communications and promotion.

5. Encourage reservation of prime industrial sites through protective regulation or acquisition, recognizing the importance of factors such as topography and soil characteristics, availability of water and sewer service, access to transportation facilities, proximity to water bodies, and availability of labor.

6. Maintain public infrastructure, both structural (physical) and non-structural (social). Provide additional infrastructure where it is clearly demonstrated as necessary and in a manner that will protect the long-term health of the state's natural and fiscal resources.

7. Recognize Rhode Island's quality of life as an asset that improves the state's "business climate." Protect and enhance the quality of life by promoting sustainable development.

8. Recognize cultural diversity and heritage as major assets to be protected and promoted.

9. Recognize Narragansett Bay as a major economic resource.

10. Encourage initiatives to ensure a competitive and fair tax environment for all Rhode Island residents and businesses.

11. Work with local government officials to study and better understand the relationship between land use and property tax.

12. Recognize education as an essential component of economic development.

13. Encourage and promote initiatives aimed at creating competitive utility rates.

14. Enhance the affordability and reliability of the state's energy supplies by pursuing energy conservation and supporting wider use of indigenous renewable energy resources where environmentally benign and economically feasible.



**Attachment 5:  
MINUTES OF CEDS COMMITTEE MEETINGS**



**Attachment 6:  
2007  
CEDDS PROJECT APPLICATION FORMS**





**2007  
COMPREHENSIVE ECONOMIC  
DEVELOPMENT STRATEGY  
(CEDDS)  
APPLICATION**

**APPLICANT:** \_\_\_\_\_  
**TITLE OF PROJECT:** \_\_\_\_\_

Form submitted by: \_\_\_\_\_ Date: \_\_\_\_\_  
Organization: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City/Town/Zip: \_\_\_\_\_  
Phone#: \_\_\_\_\_ Fax#: \_\_\_\_\_  
E-mail Address: \_\_\_\_\_

## 2007 CEDS APPLICATION

Applicant: \_\_\_\_\_  
 Title of Project: \_\_\_\_\_  
 Location of Project: \_\_\_\_\_ Census Tract #: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_ Phone/E-mail: \_\_\_\_\_

**Brief Description of Project:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Project Cost and Funding Sources (see Instructions):**

<u>Federal</u>				\$ _____
agency(s)	EDA			
amount(s)				
program#				
application submitted:	Yes__ No__	Yes__ No__	Yes__ No__	
<u>State</u>				\$ _____
department(s)				
amount(s)				
application submitted:	Yes__ No__	Yes__ No__	Yes__ No__	
funds committed:	Yes__ No__	Yes__ No__	Yes__ No__	
<u>Local</u> (city or town)				\$ _____
application submitted			Yes__ No__	
funds committed source:			Yes__ No__	
<u>Private</u>				\$ _____
application process initiated			Yes__ No__	
funds committed source: _____			Yes__ No__	
<b>TOTAL PROJECT COST</b>				<b>\$ _____</b>

## 2007 CEDS Project Narrative (see Instructions)

Prepare a *brief* Project Narrative (three pages maximum, please) that describes your project in terms of the following criteria.

**Job Development:** Describe the project's job potential for stimulating long-range (non-construction) jobs, multiplier effects, and wages at or above the statewide average. Is employer-subsidized health insurance offered? What industry and cluster are most likely to be supported by this project?

**Workforce Development:** Describe opportunities, if any, arising from your project for education and training of likely employees to improve skill levels and sustain career paths.

**Partnering:** Indicate all partners in the project, including co-applicants, educational institutions and training agencies providing services such as workforce development.

**Environmental Objectives:** Does your project revitalize a former brownfield or satisfy any of the other environmental and land use objectives listed in the *Summary of CEDS Priority System for Ranking Projects* under "Environmental Factors"? If yes, explain, using the *Summary* as your guide.

**Planning Objectives:** Relate your project to economic development, land use and other planning being done at the state and local levels. In your discussion cite the specific goal, objective and/or policy of the State Guide Plan's *Economic Development Policies and Plan* that is implemented by your project. Also establish that the project is located within the urban services boundary or within a center designated by the host community. Indicate any goal, objective and/or policy of the local Comprehensive Plan that is implemented by your project.

**Investment Objectives:** Explain how your project will use federal assistance to encourage and enhance non-federal investment in the city, town or region, particularly private sector investment, if applicable.

**Targeting Distressed Communities:** Is the project located in an Enterprise Zone and/or a low per-capita income community? Will the project directly benefit residents of Enterprise Zones and low per-capita income communities?

**Project Status:** What are the anticipated start and end dates of your project? Indicate whether all studies required for project implementation have been completed, and whether all state and federal permits (if necessary) have been granted. Have you contacted EDA about your project, and if so, what was the outcome of that discussion?

RISPP-07



## INSTRUCTIONS FOR COMPLETING YOUR 2007 CEDS APPLICATION FORM

### General:

All applicants are required to use the Statewide Planning Program's application forms in this package, or which may be downloaded from Statewide Planning's website, [www.planning.ri.gov](http://www.planning.ri.gov). No in-house facsimiles will be accepted. Applications must be received by mail or hand delivery no later than 4:00 p.m. on Friday, May 4, 2007. Faxes will not be accepted. A ten-point penalty will be assessed projects that are received after deadline unless the project is specifically exempted from the penalty by the CEDS Committee.

Applications should be sent to the attention of or delivered to Bruce Vild, Supervising Planner, Statewide Planning Program, William E. Powers (Dept. of Administration) Building, One Capitol Hill, Providence, RI 02908.

You will note that this year's CEDS Application is in a narrative format. You are required to provide information about your project as you have in previous years, and, also as in previous years, your project will be assigned a numerical score based on criteria described in the *Summary of CEDS Priority System for Ranking Projects* included in your application package. However, your score will be determined from your narrative's descriptions rather than from filled-in blanks on a questionnaire. Those projects that attain or exceed this year's median score will be candidates for the Priority Project List and will be forwarded to the CEDS Committee. Final selection among the candidates for the Priority List will be determined after the CEDS Committee's review. Attainment of the median score will not guarantee a place on the Priority List as in previous years.

The narrative format is intended to allow you to provide a level of detail and explanation that was not possible in the old-style application. Many of you recognized this problem in previous project solicitations and appended project narratives to the applications. The new format will now allow you to write one narrative to cover the questions we ask and add any additional information in support of your project. We ask that you limit your narrative to three pages in length. An "Application Worksheet" is included in the application package that may help you to organize your narrative.

*All projects submitted for consideration must meet the following minimum (threshold) criteria:* 1) provide a non-federal match no less than fifty percent (50%) of total project cost; 2) are located in a municipality with a state-approved Comprehensive Plan or an update pending state approval; 3) are generally consistent with all elements of the State Guide Plan; 4) are located within the urban services boundary, or in areas designated as "centers" by municipalities, as described in *Land Use 2025*, the state land use policies and plan, and delineated on the map included in the Application Package, *Future Land Use 2025*; 5) implement at least one objective and policy of the primary economic development element of the State Guide Plan, the *Economic Development Policies and Plan*; and 6) anticipate generating at least 50 direct jobs (see "Job Development" section below). *Applications that do not meet all these criteria will be returned to the applicants.*

Please submit three copies in total of your application to facilitate our review.

### Number of Projects Allotted:

To ensure the highest quality projects are included in the CEDS, the State Planning Council has adopted a formula based on the 2000 Census of Population to allot a maximum number of projects that can be submitted by each community.

The following formula applies:

<u>Population</u>	<u>Allotted Projects</u>
<10,000	1
10,000-20,000	2
20,001-40,000	3
40,001-100,000	4
100,001-160,000	5
>160,000	6

State agencies and quasi-public corporations will be allotted a maximum of four (4) projects each. Regional agencies will be allotted projects based on the communities they represent and the number of projects allotted each of those communities

in total, for a maximum of four (4) projects. Educational institutions and private non-profit development organizations shall be allotted one (1) project.

Please do not submit more projects than your community or agency is permitted. (See the enclosed Project Allotment by City & Town sheet.) Municipalities with Enterprise Zones may submit one more project than the number otherwise allotted if that project is located in an Enterprise Zone.

**Applicant:**

Eligibility is limited to municipalities, regional agencies, colleges and universities, state agencies, quasi-public corporations, and private non-profit development organizations. If the project is the product of a partnership between two or more eligible applicants, be sure to name all partners here.

**Location of Project/Census Tract #:**

Give the city or town along with the U.S. Census tract in which the project is located. Providing this information will confirm Enterprise Zone status, if applicable, and per capita income level (see “Enterprise Zone” and “Income,” below).

**Brief Description of Project:**

Provide your description in 25 words or less. Do not answer “See attached.”

**Project Costs and Funding Sources:**

List *all* sources of funding and amounts, including any required matching funds, whether already committed or pending. This form is designed to show multiple sources of funding for each project wherever it is anticipated and to indicate the level of committed federal and non-federal funds. (See the enclosed sample submission form, where an imaginary municipality has requested federal funding from EDA and FHWA, state funding from RIEDC and RIDOT, etc. Your own funding sources, of course, may differ.) Community Development Block Grant (CDBG) funds may be counted as part of the non-federal portion. *The non-federal portion must equal at least 50 percent of the total project cost* or the application will be returned and not reviewed.

Federal Program #: This is the specific federal program to which the community is applying. The programs and numbers are listed in the *Catalog of Federal Domestic Assistance*. Please note that a box is already marked for EDA funding.

**Job Development:**

In your narrative, discuss the long-range jobs anticipated from the project: the total of jobs generated directly (i.e., at the project site, not counting jobs during construction) plus those expected by multiplier effects (“indirect” and “induced” jobs). Use the table of multipliers included with this package, choosing the industry group the project most likely will affect. Specifically, use the “Direct-Effect Multipliers” for “Employment (number of jobs).” These multipliers are found in the last column on the right in the table.

*No projects will be accepted for review that are not expected to generate at least 50 direct jobs. Projects exceeding that threshold will get points under this criterion if the amount of EDA funds requested is equal to or less than \$10,000 per job, based on the total number of jobs stimulated – direct, indirect and induced).*

Example: The project is a new train station. It is estimated that 52 jobs in the transportation sector will result. *This project would meet the threshold requirement of 50 direct jobs.* The direct effect multiplier in employment (number of jobs) for transportation is 1.7528. Total long range jobs stimulated = 52 x 1.7528 = 90 jobs. The applicants are requesting \$500,000 from EDA for construction. The EDA investment would be \$500,000 ÷ 90 jobs = \$5,556 per job. *This project also would be eligible for the credit connected to EDA investment as the investment is less than \$10,000 per job.*

Example: The project is a small shopping plaza in a city neighborhood. It is expected that 37 direct jobs will result. The direct effect multiplier in employment for retail trade is 1.4900. Total long range jobs stimulated = 37 x 1.4900 = 55 jobs. *However, this project would not meet the threshold requirement of 50 direct jobs. It would not qualify for the Priority Project List because it would not be accepted for review.*

Be sure to cite any studies or other documentation from which your job numbers are derived. If your estimates are not supported in the narrative by such documentation, we will deduct five (5) points from your score.

Under the Jobs Development criterion, we emphasize the quality of the jobs stimulated (i.e., how well they pay) as well as the quantity (number of jobs). Our yardstick will be the Rhode Island average private-sector annual wage, \$37,065 (2005 data), with points being awarded according to how well the direct jobs likely to result from the project will pay relative to that average. Consult the enclosed table from the R.I. Department of Labor and Training, *Rhode Island Covered Employment and Wages 2005 – Statewide Employment by NAICS*, for average wages in the major industrial groups. Identify the industry or industries most likely to benefit from the project, and determine the average wage based on this table.

*Example:* The project is the aforementioned train station. Jobs to be generated long-term will most likely be in the “Rail Transportation” group, NAICS Code 482. The average wage for that group from the RIDLT table is not given, most likely due to confidentiality issues (one employer). In such cases, use the more general category under which the jobs are likely to be grouped. Here it would be “Transportation & Warehousing,” which gives an average annual wage of \$32,007 (about 86% of the Rhode Island average private-sector wage).

*Example:* The project is a financial services complex to be located in a renovated mill building. Jobs to be generated long-term will be concentrated in the “Securities, Commodity Contracts, Investments” group, NAICS Code 523. The average annual wage for that group from the RIDLT table is \$82,265 (about 222% of the Rhode Island average private-sector wage).

*Example:* The project is an airport expansion that would accommodate an air charter service and a maintenance and repair facility. Jobs will be generated in the “Air Transportation” group, NAICS Code 481, and the “Support Activities for Transportation” group, NAICS Code 488. The charter service is expected to account for 22 jobs, the repair facility for 30. To determine the average wage for the project, both groups’ average wages and the number of jobs for which they are responsible must be considered:

22 @ \$35,813 = \$787,886

30 @ \$35,670 = \$1,070,100

Total wages equal \$1,882,818; total jobs equal 52; average wage for project = \$1,882,818 ÷ 52 = \$35,731 (about 96% of the Rhode Island average private-sector wage).

When assessing the “quality” of jobs being generated we also consider the value of employee benefits – in particular, whether the employer(s) operating within a completed project will offer health insurance coverage. If they will and the applicant demonstrates this, the equivalent of an eleven percent (11%) cash credit will be given when the project is scored under this criterion. This is based on a broad average of health insurance costs compared to the average private-sector wage. *Please note that this credit will be applied by those who score your project. Do not make the 11% adjustment to the anticipated wages yourself.* Refer to the “Summary of CEDS Priority System for Ranking Projects” included with this application to see how this adjustment will be applied.

Industries are further aggregated into clusters. The R.I. Economic Development Corporation (RIEDC) recognizes the following clusters in Rhode Island:

- Health and life sciences
- Financial services
- Manufacturing and industrial products
- Hospitality
- Consumer goods
- Education
- Creative, advertising and media
- Communications and information technology
- Marine/environmental
- Defense/homeland security

As the building of industry clusters is a priority of both the State and EDA, you should identify any of the above clusters supported by your project. For more information on clusters and how companies are included within them, go to the RIEDC website, [www.riedc.com/riedc/industry\\_clusters](http://www.riedc.com/riedc/industry_clusters).

### **Workforce Development:**

Both the State of Rhode Island and EDA have recognized the importance of education and training in improving and honing workers’ skills. This keeps Rhode Island industries competitive nationally and globally, and provides the opportunity for workers to grow professionally and follow career paths that lead to higher wages. If your project includes an education and training element for likely employees, describe it here. Be sure to mention any of the following connections or partnerships:

- Connected (or partnered) with a provider of recruitment and pre-employment training services, including Workplace Literacy providers (such as CCRI, Genesis Center, Institute for Labor Studies, Adult Learning Centers)
- Connected (or partnered) with an industry consulting organization such as the R.I. Manufacturing Extension Service (RIMES)
- Connected (or partnered) with a grant-making organization that will match investment in training employees (such as the Human Resources Investment Council)
- Connected (or partnered) with educational institutions, from local school systems to higher education

**Partnering:**

Include only those partners who are eligible applicants (see above, under “Applicant”). Partnerships should include parties contributing funds, staff time or in-kind costs, but a project that implements part of an articulated regional plan may be considered a partnership as well, provided the partners in the plan are listed.

**Environmental Objectives:**

Be sure to mention if your project:

- Results in the rehabilitation of brownfield sites, non-residential reuse of state-certified mill buildings, and/or is located in a state-designated growth center
- Uses a technology or practice that reduces existing consumption of natural resources, air or water pollution, and/or waste streams in the production of a good or service
- Contributes to meeting a specific objective or implements a policy listed in *Land Use 2025*
- Results in use and/or revitalization of employment centers or existing infrastructure other than brownfields or certified mill buildings

*Brownfields* are defined as industrial and commercial properties where expansion, redevelopment or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant. *State-certified mill buildings* are structures certified under the terms of the Rhode Island Mill Building and Economic Revitalization Act. A listing of these mill buildings can be found on the RIEDC website at [www.riedc.com/riedc/business\\_services/11/186](http://www.riedc.com/riedc/business_services/11/186).

If credit is claimed under the brownfields, mill buildings, or historic properties category, it cannot also be claimed under the “built environment” category. If credit is sought for fulfilling an objective or policy in *Land Use 2025*, the specific objective or policy must be cited. For more information, consult the “Summary of CEDS Priority System for Ranking Projects” included with this application package. For a copy of *Land Use 2025*, please go to the Division of Planning website, [www.planning.ri.gov](http://www.planning.ri.gov), and “Statewide Planning Program.”

**Planning Objectives:**

Use this portion of your narrative to show how your project implements economic development planning locally and statewide. You are required to cite the specific objective and policy related to your project in the *Economic Development Policies and Plan* element of the State Guide Plan; those objectives and policies are included with this application package. This is one of the threshold requirements for any project submitted. You should also indicate any goal, objective or policy from your local Comprehensive Plan that is implemented by your project to demonstrate its consistency with the Comprehensive Plan. Finally, in your description of the location of the project, be sure to establish whether it is in the urban services boundary or a municipally designated center that may not currently be fully serviced with utilities.

**Investment Objectives:**

The EDA has always been interested in how well its grants are leveraging local investment, particularly private-sector investment. Matching funds indicated on the *2007 CEDS Application* cover sheet must be equal to or greater than the amount of money being requested of EDA. This is also a threshold requirement. Whether your match comes from the state, from a local entity, from private-sector sources or some combination of the three, explain the non-federal share in terms of the local or regional investment it will stimulate.

**Targeting Distressed Communities:**

Two indicators of “distress” in a community are the presence of an Enterprise Zone and a low per capita income (PCI). A table is included with Enterprise Zones and PCIs indicated for each of Rhode Island’s Census tracts. Points will be given for

locating a project in an Enterprise Zone and in a Census tract with a PCI equal to or less than 80% of the national average. The national average PCI is \$22,199 (2000 Census).

We will also give points to those projects that recruit Enterprise Zone residents. To qualify for the recruitment credit, the project does not have to be located in an Enterprise Zone; however, if it is, it will be awarded additional points.

Credit under this criterion will be supplemented if the project description includes a transportation plan for moving Enterprise Zone residents to the worksite and back home. This is especially important when it involves a “reverse commute” that is not served conveniently by regular transit. Meeting this need with dedicated van pools, RIPTA Riptiks, or other means could make jobs at the site available to Zone residents who, lacking other options for transportation, might not be able to fill them. It can also help solve chronic traffic congestion problems, for example in urban or downtown areas.

You must demonstrate that recruitment and transportation plans will be an active part of the project, and are not merely “being considered,” in order to get credit for them.

**Project Status:**

First, indicate the proposed start and end dates for your project. Then, briefly discuss whether you have obtained all the necessary state and federal permits, and completed all the essential studies. If you have not, indicate their present status: applied or not applied for, or initiated but not completed or not yet initiated. Indicate any contacts you have made with EDA concerning your project. While reporting those contacts is discretionary, though strongly recommended, for new projects, it is required of all applicants who are re-submitting a project proposal that was priority-listed in a previous year.

RISPP-07



**SAMPLE  
2007 CEDS APPLICATION**

Applicant: City of Sylvania, Huxley University  
 Title of Project: Photovoltaic Cell Design and Testing Laboratory and Manufacturing Facility  
 Location of Project: 444 Main St., Sylvania Census Tract #: 513  
 Contact Person: Arthur Marx Phone/E-mail: 987-6543/amarx@sylvaniari.com

**Brief Description of Project:** Clean up site of former tire factory, renovate existing buildings and develop into a state-of-the-art laboratory for developing, testing, and manufacturing new photovoltaic cell designs by students and technicians.

**Project Cost and Funding Sources (see Instructions):**

<u>Federal</u>			<u>\$ 1,000,000</u>
agency(s)	EDA		
amount(s)	\$1,000,000		
program#	#11.300		
application submitted:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<u>State</u>			<u>\$ 1,450,000</u>
department(s)	State Energy Ofc.	Slater Fund	DEM
amount(s)	\$ 400,000	\$ 300,000	\$ 750,000
application submitted:	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
funds committed:	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
<u>Local</u> (city or town)			<u>\$ 200,000</u>
application submitted			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
funds committed			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
source:			
<u>Private</u>			<u>\$26,500,000</u>
application process initiated			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
funds committed			Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
source: <u>Huxley University</u>			
<b>TOTAL PROJECT COST</b>			<u>\$29,150,000</u>

**PHOTOVOLTAIC CELL DESIGN & TESTING LABORATORY  
AND MANUFACTURING FACILITY**  
City of Sylvania, RI and Huxley University

The City of Sylvania, in partnership with Huxley University, is seeking EDA assistance to construct a new facility affiliated with the Department of Engineering at Huxley for designing and testing photovoltaic cells and developing them for the commercial market. The cells, once tested, will then be manufactured on site, under the laboratory's strict quality control. The partners intend to renovate the former Supertread Tire Factory complex, which has been vacant for more than twenty years, using brownfields remediation funds to prepare the site for the rehab work. The building is currently owned by the City and will be leased to Huxley University. The site is fully serviced with sewer and water, and is located in an Enterprise Zone within the urban services boundary.

The City and University anticipate 120 new jobs will be generated directly from this project, to be held by technicians who will be responsible for testing and manufacturing the designs developed by Huxley engineering students as directed by existing staff within the engineering faculty. A multiplier of 2.1524 (under "Electric and Electronic Equipment") was presumed for the technicians, yielding 258 jobs in total (the 120 on-site jobs and 138 spin-off jobs in other sectors of the Rhode Island economy). According to the R.I. Department of Labor and Training, the average wage under the NAICS industrial group "Electrical Equipment and Appliance Manufacturing" is \$52,900, which is 142.7% of the current (2005) state average private sector wage of \$37,064. Wages at the facility will be comparable, depending on education and experience. The technicians will be considered employees of the University. Both the City and the University provide health care coverage for their employees.

Two clusters in which this project participates are education (for the design phase of product development by Huxley students and faculty) and manufacturing and industrial products (for testing and manufacturing by technicians at the facility). Huxley University will be responsible for in-house training at no cost to the facility's employees and classes in engineering and management will be available to them on the Huxley campus at reduced tuition cost.

The two partners in the project are the City of Sylvania and Huxley University, which is located in the neighboring Town of Freedomia. Project management responsibilities will lie solely with the City and the University. The project is expected to have its greatest impact on the two municipalities, Sylvania and Freedomia. Sylvania's Department of Economic Development and Freedomia's Department of Planning and Development have each committed to donate \$100,000 to the Northern R.I. Chamber of Commerce to conduct two regional job fairs to recruit employees for the new facility once the project is approved, with at least one conducted in the Sylvania Enterprise Zone.

If approved, this project will satisfy three environmental objectives: it will remediate and redevelop a brownfield site, a vacant factory building; it will turn the building into a design and manufacturing center for photovoltaic cells that substitute solar energy for polluting fossil fuels; and it will implement the *Land Use 2025* strategies to promote infill and redevelopment with...

**2007 CEDS PROJECT REVIEW AND  
ENVIRONMENTAL SITE CHECKLIST**  
(All Questions Must Be Answered)

Municipality/Agency: \_\_\_\_\_

Project Description: \_\_\_\_\_

Site Description:

Specific Location (Attach map of appropriate scale):

Size (In acres): \_\_\_\_\_

Zoning Classification: \_\_\_\_\_

Current Land Use: \_\_\_\_\_

1. **Groundwater** classification at site: \_\_\_\_\_

2. Is site located in a **Water Supply Watershed**?

\_\_\_ Yes: Name of Watershed \_\_\_\_\_ \_\_\_ No

3. Does site support federal or state **Rare or Endangered Species**?

\_\_\_ Yes: Species \_\_\_\_\_ \_\_\_ No

4. Is site located in the **Coastal Zone**?

\_\_\_ Yes: RICRMC designation \_\_\_\_\_ \_\_\_ No

5. Is the site located in a **Flood Hazard Zone**?

\_\_\_ Yes: \_\_\_ V Zone \_\_\_ A Zone \_\_\_ No

6. What are the predominant **Soils** at the site?

\_\_\_\_\_

7. Does the site contain and/or abut **Wetlands**?

\_\_\_ Yes \_\_\_ No

Has a wetlands determination been requested from either RIDEM and/or RICRMC?

\_\_\_ Yes: Agency: \_\_\_\_\_ \_\_\_ No

Application number: \_\_\_\_\_

8. Narrative description of **potential impacts** (e.g. on water quality, water use, noise, air quality, transportation, etc.): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Are state or federal **environmental permits required**?  Yes  No

Permit: \_\_\_\_\_ Date of Application: \_\_\_\_\_ Status: \_\_\_\_\_

Permit: \_\_\_\_\_ Date of Application: \_\_\_\_\_ Status: \_\_\_\_\_

Permit: \_\_\_\_\_ Date of Application: \_\_\_\_\_ Status: \_\_\_\_\_

Permit: \_\_\_\_\_ Date of Application: \_\_\_\_\_ Status: \_\_\_\_\_

Permit: \_\_\_\_\_ Date of Application: \_\_\_\_\_ Status: \_\_\_\_\_

If yes, and the permit has not yet been obtained, has a **preapplication meeting** been held with permitting agencies?

Yes: Agency(s) \_\_\_\_\_

\_\_\_\_\_  No

10. Was this project on last year's CEDS Priority List?  Yes  No

Have you **initiated contact with EDA**?  Yes  No

## INSTRUCTIONS FOR PROJECT REVIEW & ENVIRONMENTAL SITE CHECKLIST

1. **Groundwater Classification:** May be obtained from RIDEM Division of Groundwater & ISDS mapping or from the local Community Comprehensive Plan.
2. **Water Supply Watershed:** May be obtained from RIDEM Division of Water Supply Management maps or Community Comprehensive Plan.
3. **Rare or Endangered Species:** May be obtained from RIDEM Natural Heritage Program.
4. **Coastal Zone:** May be obtained from the RI Coastal Resources Management Council.
5. **Flood Hazard Area:** May be obtained from the local building official or the RI Emergency Management Agency.
6. **Soils:** May be obtained by consulting the *Soil Survey of Rhode Island* published by the US Soil Conservation Service.
7. **Wetlands:** May be obtained from National Wetland Inventory maps and community Comprehensive Plans. However, applicants should be aware that the only way to make a legal determination of the presence and extent of wetlands is to apply to the appropriate regulatory authority for a determination.
8. **Potential impacts:** Self-explanatory.
9. **Environmental permits:** Should include only state and federal permits, if necessary.
10. **EDA contact:** Self-explanatory.

RISPP-07



**Attachment 7:  
SCORING FORMULA FOR CEDS PROJECT APPLICATION FORMS**



## Summary of CEDS Priority System for Ranking Projects

A. Total System - Maximum Points 200. (Each Project Ranking Criterion is explained in detail beginning on page 3 with specific examples given to guide applicants.)

<u>1. Job Development</u>	<u>Points:</u>	35	maximum
a. EDA funds requested per job stimulated (including multiplier effects):			
1) \$1-\$2,500		10	
2) \$2,501-\$5,000		8	
3) \$5,001-\$7,500		6	
4) \$7,501-\$10,000		4	
5) \$10,001 or more		0	
b. <i>Direct</i> jobs supported by the project pay:			
1) 120% state average private-sector wage or more, <i>or</i> 109% state average private-sector wage or more and provide health insurance		15	
2) 110-119% state average private-sector wage, <i>or</i> 99-108% state average private-sector wage and provide health insurance		10	
3) 100-109% state average private-sector wage, <i>or</i> 89-98% state average private-sector wage and provide health insurance		5	
4) Less than 100% state average private-sector wage, <i>or</i> less than 89% average private-sector wage and provide health insurance		0	
c. Project provides jobs in one or more clusters		10	
If estimate of job stimulation is not backed up by a study or other documentation		<i>Deduct 5</i>	
<u>2. Workforce Development</u>	<u>Points:</u>	10	maximum
a. Project includes education and training of likely employees			
		5	
b. Applicant or industry served has connected or partnered with a provider of education or training services for likely employees, or documents an in-house program in the industry served providing education and training to employees			
		5	

<u>3. Partnering with Other Eligible Applicants</u>	<u>Points:</u>	20	maximum
Project is a partnership between two or more eligible applicants		20	
 <u>4. Environmental Factors</u>	 <u>Points:</u>	 35	 maximum
a. Project results in rehabilitation of brownfield sites, reuse of certified mill buildings, and/or is located in a state designated growth center, in a national or state historic district, or on a property individually listed on the national or state historic register		15	
b. Project uses a technology or practice that conserves water, energy, and other natural resources, reduces air or water pollution, and/or mitigates waste streams in the production of a good or service		10	
c. Project contributes to meeting one or more specific strategies in <i>Land Use 2025</i> , the State Land Use Policies and Plan		10	
d. Project results in use, revitalization, and/or improved capacity of existing employment centers and infrastructure exclusive of properties covered under “a” in this section.		10	
 <u>5. Commitment of Non-Federal Funds</u>	 <u>Points:</u>	 25	 maximum
a. Non-federal funds committed or appropriated		10	
b. Non-federal funds committed from private investment		10	
c. Non-federal funds committed <i>exceed</i> fifty percent of project costs		5	
d. Non-federal funds not yet committed		0	
 <u>6. Enterprise Zone</u>	 <u>Points:</u>	 35	 maximum
a. Project is in a state-designated Enterprise Zone		15	
b. Applicant presents a plan to recruit Enterprise Zone residents for jobs resulting from the project		10	
c. Applicant presents a transportation plan to get Enterprise Zone residents to the project worksite		10	

<u>7. Per Capita Income</u>	<u>Points:</u>	10	maximum
a. Less than 50% the national average		10	
b. 51-60% the national average		8	
c. 61%-70% the national average		6	
d. 71%-80% the national average		4	
e. 81% the national average or more		0	
<u>8. Essential Project Studies, Permits, and EDA Contact</u>	<u>Points:</u>	30	maximum
a. All permits obtained, or confirmation obtained from regulatory agencies that no permits are required		15	
b. Essential project studies completed		10	
c. Applicant has applied for but not yet obtained all necessary permits		5	
d. Applicant has initiated essential project studies		5	
e. Applicant has contacted EDA to discuss the project		5	
f. Applicant has not contacted EDA (new projects only)		0	
g. Applicant has not applied for permits		0	
h. Applicant has not initiated essential project studies		0	
If project will not be initiated within two years			<i>Deduct 5</i>

## B. Explanation of Project Ranking Criteria

### 1. Job Development

The eventual number of jobs resulting from the implementation of a proposal is a prime consideration in priority selection. The figures are used to determine a cost per job. The applicant should base the cost per job *only* on the Economic Development Administration's share. *Do not base this on total project cost*, which would include the applicant's share and other non-federal contributions.

The jobs must be "long range" jobs, i.e., those that are expected once a facility or project begins operation; do *not* count construction jobs, which are only of a temporary nature.

In determining the number of jobs stimulated, direct, indirect, and induced employment should be considered. This is calculated by using the direct-effect employment multipliers listed in the table included in the application package, "Regional Multipliers." These are found in the *far right column* of the table. The industry providing direct jobs as a result of the project would be located in the left column, and the number of direct jobs anticipated is multiplied by the employment multiplier to get total employment – direct, indirect, and induced.

See the examples given in your *Instructions for Completing Your 2007 CEDS Application Form*.

There are other methods of calculating total jobs based on multipliers, such as by accounting for square feet occupied per worker in the industry being considered. However, to ensure that all applicants are using the same frame of reference, only multiplier effects calculated from the enclosed table will be accepted.

We take into account quantity (the number of jobs), quality (how well the direct jobs pay, with credit for providing health insurance) and if the jobs are part of one of our clusters defined below. Note that we use the state average private-sector wage as a yardstick. Projects leading to direct jobs in a high-wage industry will be awarded the most points, with credit allowed for providing employer-subsidized health insurance (see below).

The state average annual private-sector wage is \$37,064. Please consult the table from the R.I. Department of Labor and Training, *Rhode Island Covered Employment and Wages 2005 – Statewide Employment by NAICS*, included with your application package, for average wage rates in the major industrial groups if the wage rates for your project have not yet been determined.

Beginning this solicitation, we are offering an 11% cash credit in the wage criterion if the jobs provide health insurance. Thus, a project will receive 15 points under this criterion whether these jobs pay 120% of the average private-sector wage without health insurance, or 109% of the average wage with health insurance.

*Estimates of job stimulation that are not documented in a study will be penalized by a deduction of five (5) points under this criterion. Projects not expected to be initiated within two years will also incur a five-point penalty.*

We award additional points under this criterion to projects providing jobs in one or more recognized industry clusters. Each cluster represents a collaboration of firms and disciplines. These clusters, as identified by the R.I. Economic Development Corporation, are: health and life sciences, financial services, manufacturing and industrial products, hospitality, consumer goods, education, creative/advertising and media, communications and information technology, marine/environmental, and defense/homeland security.

## 2. Workforce Development

To underscore the importance of worker education and training in today’s world – to assure that our industries remain competitive nationally and globally, and to provide workers with the opportunity to grow professionally and follow career paths leading to higher wages – this criterion will reward projects that include an education and training component for likely employees. Additional credit will be given where the commitment to education and training can be clearly demonstrated by an active program, whether through a provider of such services or in-house through the industry served.

## 3. Partnering with Other Eligible Applicants

This criterion awards points for partnering between or among eligible applicants, such as two or more municipalities, a municipality and a state agency, or a municipality and an academic institution. Partners must jointly submit a single CEDS application and list themselves as co-applicants. Each co-applicant will be “charged” one project against his or her project allocation.

## 4. Environmental Factors

The rating method for this criterion rewards applicants whose projects make use of innovative technologies or management practices that use raw materials more efficiently, and that can reduce the consumption of energy, water, and other natural resources as well as air and water pollution. Examples may include (but are not limited to) alternative energy use; “closed loop” industrial parks; providing incentives to workers to use public transit to reduce air pollution; and the recycling of wastewater in the production process. Also under this criterion are those projects that are located in state designated growth centers, rehabilitate brownfield sites, or lead to the *non-residential* reuse of certified mill buildings and historic properties, whether individually listed on the national or state historic register or within national or historic districts.

Points are also awarded for revitalizing other existing industrial or commercial space and its associated infrastructure, and for implementing a specific goal or strategy in the state’s new land use plan, *Land Use 2025*. Copies of this plan in full and its Executive Summary can be downloaded from the Division of Planning website, [www.planning.ri.gov](http://www.planning.ri.gov), under “Statewide Planning Program.”

If credit is claimed under the brownfields, mill buildings, state-designated growth centers or historic properties criterion, which are referred to as “properties covered under ‘a’ in this

section,” it cannot also be claimed under the employment centers/infrastructure criterion. The employment centers/infrastructure criterion is intended to reward projects that follow the same principle of preserving, using, and improving the built environment instead of developing greenfield sites, though they may not be part of the brownfield or mill building reclamation programs or be sited within an historic district or a state-designated growth center.

If credit is sought for fulfilling strategies in *Land Use 2025*, the specific strategies within the plan must be cited. “Table 121-5(01), Objectives and Strategies” in the full plan is a handy reference for this and may be downloaded separately from the Division of Planning website.

#### 5. Commitment of Non-Federal Funds

This criterion measures the financial commitment to the project, and is an indicator of the applicant’s ability to initiate the project in a timely manner and the ability of the project to leverage additional investment. It will also award additional points to applicants able to commit an amount of non-federal funds *greater* than the required minimum for EDA grants, i.e., greater than fifty percent (50%) of total project costs. *All applications must indicate at least a 50% non-federal match even if those funds have not yet been firmly committed. Those that do not will be returned to the applicant.*

#### 6. Enterprise Zones

In keeping with both federal and state policy to direct resources to areas designated as Enterprise Zones, this criterion gives points to those projects specifically located within an officially designated Rhode Island Enterprise Zone.

This criterion will also give credit for actively recruiting residents of Enterprise Zones regardless of where the project is located. Additional credit will be given applicants with a specific transportation plan for Enterprise Zone or Enterprise Community residents to enable them to commute easily to project sites.

#### 7. Per Capita Income

Per capita income is a criterion the EDA uses for screening applications. For the CEDS, a range of five (5) per capita income levels is considered. These are based on the per capita income of the U.S. Census tract in which the project is located. Projects located in areas where the per capita income is 80% of the national average or less will gain points under this criterion. For this year’s projects, be sure to use *2000 Census data* for your tract. The national average is \$22,199, and we will use this figure as the baseline when computing your score.

#### 8. Essential Project Studies, Permits and EDA Contact

This criterion rewards applicants who have obtained the necessary environmental permits to initiate the project, or who have confirmed from the relevant regulatory agencies that no permits are necessary for the project. In addition, this criterion awards points to those projects with applications supported by essential studies, which are taken to mean planning, engineering, or any other studies prerequisite to implementation, excluding environmental assessments. Those

projects progressing reasonably toward completion of these studies and obtaining of permits are also awarded points in this category.

We also award applicants who have initiated contact with representatives of the Economic Development Administration (EDA) and have discussed the project with them, including such basic issues as whether the project is eligible for funding. Applicants will have to make such contact eventually, of course, because it is EDA (not Statewide Planning) that awards the grants. Awarding an additional five (5) points under this criterion is intended to help expedite this process and to improve the chances (though not necessarily provide a guarantee) of funding by EDA should the project make the Priority Project List.

*Applicants who are resubmitting projects from last year that were placed on the previous Priority Project List must indicate that contact has been made with EDA (even if EDA did not fund their proposals in that round) or we will not consider the projects again.* This requirement is intended to encourage applicants to follow the process to the end, whether successful or not. Higher quality projects, developed with the input of EDA staffers, should result.

This system recognizes that any project having a negative environmental effect that cannot be reasonably mitigated will probably be eliminated from consideration under the State Guide Plan conformance threshold review, which is part of the CEDS process. Nevertheless, this threshold review does not constitute the in-depth regulatory review required for the granting of environmental permits.

Projects not expected to be initiated within two years will incur a five-point penalty.

RISPP-07