



Comprehensive Economic Development Strategy

DELAWARE
ECONOMIC DEVELOPMENT OFFICE

Right Place. Right Size.

Annual Report

September 1, 2016



September 1, 2016

Background

On July 15, 2015, Governor Jack Markell signed SB112 (<https://legiscan.com/DE/text/SB112/2015>) requiring that the Delaware Economic Development Office develop a comprehensive state plan for economic development every five years. In addition, DEDO must submit annual reports detailing the office's status in meeting its vision, goals, objectives, and strategies. Annual reports for the years 2015 through 2019 are based on the office's most recent Comprehensive Economic Development Strategy (CEDS). The first annual report required by SB112 was submitted on September 1, 2015. This FY16 annual report covers the period from July 1, 2015 through June 30, 2016.

The following annual report is based on the CEDS that was finalized and posted on the Delaware Economic Development website in December 2014. The document can be found here:
http://inde.delaware.gov/dedo_pdf/NewsEvents_pdf/publications/CEDS_FinalRevised12-20-2014.pdf

The CEDS provides Delaware the opportunity to review the economy, evaluate where probabilities for growth exist and combine them into a focused, proactive strategy. It is intended to support the state's efforts to grow its economic base and to position itself for future sustainable private sector growth in both jobs and income. Additionally, updating the CEDS is a required step in maintaining eligibility to obtain federal assistance for key projects that will enhance the growth of commerce and industry in the state.

DEDO continues to foster business relationships while collaborating with state agencies and governments to improve and streamline processes. This collaborative effort has led to business expansions and job growth throughout the state. In order to keep businesses competitive, DEDO analyzes and updates its customized training courses to reflect the current needs of Delaware's businesses. Our state's skilled workforce is one of the reasons companies regularly explore Delaware when considering locations for expansion.

This report highlights the state's progress as it continues to work towards the goals, objectives, actions, and activities set forth in the CEDS.

Strategy 1: Enhance Business Resources: Create initiatives that focus on providing the critical educational, legal, and infrastructure resources necessary to attract and retain growing, sustainable businesses and the workers they require.

Goal I. Increase economic development collaboration among public and private partners.

This goal encourages private sector engagement and updates. It clarifies and aligns the responsibilities of DEDO and local economic developers. This goal promotes interagency collaboration for comprehensive economic development.

Progress:

The Delaware Business Roundtable's recently commissioned report, *The Delaware Growth Agenda*, provides suggestions on how to improve the state's economic development efforts. The recommendations include a new approach to economic development through the creation of a public-private economic development organization. **Delaware Growth Agenda:**

[http://php.delawareonline.com/news/assets/2016/07/2016-07-14 Delaware Growth Agenda FINAL.pdf](http://php.delawareonline.com/news/assets/2016/07/2016-07-14_Delaware_Growth_Agenda_FINAL.pdf)

DEDO regularly collaborates with other state agencies, local entities, universities/colleges, and the private sector on economic development initiatives.

The agency continues to engage representatives of core business sectors when planning educational events such as conferences, summits, and training. These representatives advise DEDO on issues impacting entrepreneurs, and small and existing businesses. Information gathered in these planning sessions is used to create event agendas, speaker/panel topics, and presentation material to address the business issues identified. Planning meetings are held in preparation for events such as the Governor's Entrepreneurial and Small Business Conference, Impress the Press, Revitalize! Conference, and eCommerce/social media training.

Goal II. Upgrade the workforce of Delaware through enhanced education and training driven by and focused on the needs of Delaware's core business sectors.

This goal fosters increased collaboration among the state's business community and education system for more aligned workforce development strategies.

Progress:

In 2015, Delaware Pathways evolved from a pilot program in advanced manufacturing to include the development of 10 different career pathways aligned with middle- and high-skill jobs. Each pathway includes opportunities for eligible high school seniors to obtain early college credit, industry recognized credentials, and meaningful work-experience. These instructional models are now being scaled across the state in key industry sectors like: agriculture, education, finance, health care, hospitality and tourism, engineering and science, information technology, and manufacturing. Delaware's approach to scaling career pathways builds on a regional model of deployment to meet employer demand and collectively source talent across school systems. During the 2015-16 school year, 18 local education agencies and 25 high schools participated in the Delaware Pathways program, serving more than 2,500 students.

The following partners work together to support Delaware Pathways' mission to better preparing Delaware's future workforce for success: Governor Jack Markell, Delaware Business Roundtable Education Committee, Delaware Department of Education, Delaware Department of Labor, Delaware Economic Development Office, Delaware Works, Delaware Technical & Community College, The Rodel Foundation, and the United Way of Delaware.

In February 2016, the partners presented the 2nd Annual Delaware Pathways Conference. The purpose of the conference was to discuss the work underway across the state to equip young Delawareans with the knowledge, skills, and experience to successfully transition to high-growth, high-demand occupations.

In August 2016, Governor Markell signed Executive Order 61, establishing a permanent steering committee for the Governor's Pathways to Prosperity program. The committee will support the continued expansion and improvements of the Pathways initiative.

<http://news.delaware.gov/2016/08/11/governor-markell-announces-initiative-to-expand-pathways-to-prosperity-program/>

In May 2016, the Delaware Financial Education Alliance and the Lerner College of Business and Economics at the University of Delaware established the first accredited trust and wealth management minor in the nation. With a focus on taxation and estate planning, the program's curriculum aims to establish a pipeline of experienced candidates for employment by trust companies and law firms in Delaware. DEDO is one of the programs many founding partners.

<http://www.udel.edu/udaily/2016/june/trust-minor/>

DEDO continues to keep Delaware businesses and industries competitive by assisting with funding for customized training for the workforce. The Blue Collar Grant Program offers matching training grants to eligible Delaware businesses. Businesses that are currently existing in Delaware and companies relocating or expanding in the state, may qualify for financial assistance for customized, flexible, and industry-driven skills training. All training is industry-specific to meet the needs of the company and its employees. The funds can be used in multiple ways and for various types of training programs such as: basic skills, industry skills, pre-employment and on-the-job training. Various methods of training are available: on-line instruction, classroom instruction and hybrid instruction.

In FY15, DEDO updated its internal policy to meet the needs of growing industry sectors by allowing employers with reimbursable unemployment insurance status to apply for Blue Collar grants. Nonprofits are eligible if new jobs are being creating or if the organization is experiencing technological changes that directly impact the way they conduct business. Eligible industries include: healthcare and life sciences (pharmaceuticals, biotechnology, medical devices). Requirements include: job creation, demonstration of a direct industry need, shortages of skilled trained workforce (critical skill gap in a particular industry and/or high demand occupations) and new technology requiring upgraded training.

Working adult students who meet the enrollment, employment, and income eligibility requirements may be eligible for a financial grant through the Governor's Education Grant for Working Adults. Every school year, DEDO meets with the educational institutions that participate in this program to ensure that curriculum and course offerings are updated to reflect the current needs of Delaware's businesses and workforce.

In November 2014, Delaware launched the Success Pathways and Road to Careers (SPARC) initiative, designed to help students, youth and adults connect with local employers, gain first-hand knowledge of the workplace and develop career and college readiness skills. The goal of SPARC is to help bridge the gap between the career aspirations of students and adults in Delaware by providing a free platform for career guidance/discovery that helps them connect with professionals in their career(s) of interest to provide real life perspectives of the world of work. SPARC, a public-private partnership, is a collaborative workforce development initiative co-led by the Delaware Business Roundtable Education Committee, Delaware Department of Education, United Way of Delaware, and the Junior Achievement of Delaware.

<http://sparcdelaware.org/>

In 2016, SPARC launched an online resource center to make work-based learning activities as easy as possible for employers and schools. The resource center offers information, resources, and templated materials to make the process of engaging in a work-based learning activity simple. <http://sparcdelaware.org/sparc-launches-online-resource-center/>

The Delaware Department of Labor continues its work on designing and developing Career Lattices to enable jobseekers to make informed career decisions and prepare for the job they seek. This goal provides a web-based, interactive career planning map, housed in Delaware JobLink (DJL) <https://joblink.delaware.gov>. The site provides job progression opportunities within growth industries or across sectors based on knowledge, skills, and abilities; informs jobseekers about training, education, and developmental experiences that enables them to accomplish career objectives; and helps jobseekers identify opportunities, short and long term employment goals, and encourage a path of lifelong learning and career development. The program has focused on IT, Welding, Certified Nursing Assistants, and a Gateway Lattice heavily weighted in favor of retail and customer service.

Through a joint partnership with Polytech Adult Education, the Delaware Workforce Investment Board, Scientific Management Techniques (SMT), and DEDO, a Delaware Manufacturing Development Center (DMDC) was created in 2014.

The DMDC continues to address the manufacturing skill shortage impacting local industrial performance by offering training solutions in the adult division at the Polytech campus in Woodside; as well as, onsite with area manufacturing facilities. The focus of the DMDC is twofold: identifying specific skill gaps through precision assessment and closing those gaps through the implementation of comprehensive and/or customized training solutions. Since inception, the Delaware Manufacturing Development Center served over 340 participants from 16 companies throughout the state. Following are the stats for FY16:

Companies: 15

Participants: 166

Assessments: 42

Enrolled in DMDC courses: 120

Computer Base Training: 4

The following companies have hired the DMDC graduates:

Baltimore Air Coil

Bloom Energy/Aerotek

Capitol Linens

Dover Air Force Base

Eagle Group

Edgewell Personal Care

Hanover Foods and

Hirsh Industries

Integrated Wiring Solutions

Mountaire Farms

Penn Fibre

Perdue Foods

FY17 Scheduled Enrollment

| Company | Participants | Type of Training | Facility |
|---------------------------|--------------|----------------------------------|----------|
| Edgewell Personal Care | 50 | SMT* | Off-site |
| Perdue | 4 | SMT | On-site |
| Eagle Group | 2 | SMT | On-site |
| Gardner-Gibson | 2 | SMT | On-site |
| Allen Harim Foods | 1 | SMT | On-site |
| ILC Dover | 1 | SMT | On-site |
| Dentsply | 3 | SMT | On-site |
| Hirsh Industries | 40 | Customized | -- |
| Crystal Steel Fabricators | 1 | Amatrol - Computer Base Training | -- |

**Scientific Management Techniques (SMT) – Basic Mechatronics Training*

Building on efforts to ensure every Delawarean has access to education and training to thrive in today's economy, Governor Markell announced new opportunities for workers to gain certifications for Information Technology jobs. Delaware TechHire, which was previewed in the Governor's 2015 State of the State address and applauded by the White House, creates a partnership between businesses, primarily in the financial sector, and training partners, which will allow participants to become software developers in months rather than years. Working together we launched a "coding school" in 2015. The non-profit school, ZipCode Wilmington, is a boot camp aimed at providing its students with proficiency in Java and JavaScript coding through 12 weeks of intensive training. In just six months of existence, the program has already trained 40 individuals, and plans to train another 80 before the end of 2016. We are working to replicate the ZipCode model to expand into other areas under the computer programming umbrella, in disciplines like Cisco, .Net, and Python.

Goal III. Preserve critical state assets supporting economic development while enhancing the state's quality of life.

This goal encompasses actions of collaboration with private sector developers and state agencies to provide attractive location options for businesses. Reviewing and analyzing incentives, infrastructure and transportation, innovation zones, import/export issues are key in attracting and retaining businesses and residents.

Progress:

In January 2015, Governor Markell and the Delaware State Housing Authority launched the Downtown Development Districts (DDD) Grant Program. Investors who make qualified real property investments in a Downtown Development District will be entitled to receive grants of up to 20% of the cost of their investments. DDD Grants are designed to spur investment and redevelopment in Downtown Development Districts and are only available in DDDs. The DDD Grant Program is modeled in part after a Virginia program that has been very successful in leveraging significant amounts of private investment in under-served areas. DDD grants are available for a broad range of projects – including residential, mixed-use, commercial, and industrial projects within the boundaries of a DDD. The program is administered at the state level by the Delaware State Housing Authority. The Office of State

Planning Coordination, the Governor's office, and DEDO work together with DSHA and the other state agencies to coordinate this program and the approved districts.

http://destatehousing.com/Developers/dv_ddd.php

Millions of private sector money supported the state's investment into the three Downtown Development Districts of Dover, Seaford, and Wilmington. The investments are revitalizing the downtowns businesses and improving the quality of life for residents. The program has been so successful, that in March 2016 Governor Markell announced its expansion.

<http://news.delaware.gov/2016/03/16/downtown-development-district-program-will-expand/>

In August 2016, Governor Markell announced a statewide expansion of Delaware's Downtown Development Districts program, significantly building on the state's efforts to redevelop Delaware's commercial business districts and drive private investment in towns and cities. Governor Markell officially designated five new Downtown Development Districts - in Georgetown, Harrington, Laurel, Milford, and Smyrna. Investors who make qualified improvements to residential, commercial, or industrial properties in those districts now may qualify for state and local development incentives, including 20 percent state grant rebates.

<http://news.delaware.gov/2016/08/10/downtown-development-districts-ddd-program-expands/>

The Office of State Planning Coordination (OSPC) works to improve the coordination and effectiveness of land use decisions made by state, county, and municipal governments while building and maintaining a high quality of life in the state of Delaware. OSPC's healthy community initiatives include:

NBBF Fund - The Neighborhood Building Blocks Fund is intended to support crime reduction, neighborhood revitalization, and economic development programs statewide, including programs in and around Downtown Development Districts and communities that are part of Delaware's Department of Justice' Building Blocks Initiative. Building and maintaining strong neighborhoods requires thoughtful and coordinated efforts of state and local governments, neighborhood associations, nonprofit and community organizations, and other stakeholders to enhance economic development, reduce crime, and otherwise improve the quality of life of residents in our communities.

Master Planning Activities, which lead to Healthy Communities - Master Planning is a model approach to cooperative planning for smaller areas within large planning areas, which allows for a reduction in cost and prioritization of infrastructure investments and pre-permitting of development projects within the master planned area for economic development. A "master plan" can be defined as a land use plan focused on one or more sites within an area, which identifies access and general improvements and is intended to guide growth and development over a number of years or in phases. Master planning is a tool designed to make government more efficient, promote economic development, and, in general, improve the quality of life for Delaware citizens. Such a plan can do this because of the involvement of a wide range of stakeholders, both public and private. In many cases, the process of master planning can work toward pre-approving an area to be "shovel-ready." "Shovel-ready" permitting gives such areas a distinct advantage in attracting economic-development activities.

Complete Communities Project - A “complete community” promotes healthy lifestyles, economic growth, and sustainability through an integrated approach to transportation, land use, and community design. The University of Delaware’s Institute for Public Administration substantially expanded content on its **Delaware Complete Communities Planning Toolbox** (www.completecommunitiesde.org), which provides information on complete-communities planning approaches, community design tools, and public engagement strategies. New topics include the Americans with Disabilities Act, transit improvement districts, walkable communities, infill and redevelopment, mixed-use development, planning for aging-friendly communities, parks and recreation master planning, placemaking, economic development, downtown development districts, GIS story maps, green building practices, and rural land management.

DEDO works with the University of Delaware’s Science Technology and Advanced Research Campus (STAR). The STAR Campus is a 272-acre property currently being developed as a space that combines business, research, education and more. A former auto assembly plant, STAR Campus is currently home to UD’s Health Sciences Complex, a California-based fuel cell manufacturing center, and UD’s eV2g project and an IT company founded by two University of Delaware graduates. STAR is located in a community that includes mixed-use facilities and mix-income housing. Future development will establish it as a center of innovation, focused on leading research in areas such as health science, cyber security, and alternative energy. Through partnerships with private businesses and government agencies, UD will provide educational and professional opportunities for students while igniting job and economic growth within the state.

In January 2015, the Council on Development Finance approved a Strategic Fund loan to assist the Delaware Technology Park with the build out of wet lab spaces designed specifically to meet the needs of start-up and early stage firms doing basic research and development. Delaware Technology Park has since completed fitout of 10,000 square feet of laboratory, office and shared services incubation space at STAR Campus in support of scientific entrepreneurs and innovators. In under a year, the facility is fully committed and will operate at capacity with 12 companies conducting research, development, and commercialization activity in agriculture, health sciences, advanced materials, renewable energy, and software. These companies represent an impressive combination of technologies spun-out from large companies and the University of Delaware, as well as relocations from as far as Europe. These organizations have attracted funding from Boston, San Francisco and China. At the formal facility opening in October 2016, DTP will announce over 35 jobs created or retained due to DEDO’s investment in technology-based small business economic development. The incubator will also house SpinIn[®], a novel program that partners interdisciplinary undergraduate student teams with entrepreneurs to solve business challenges and commercialize new products.

DTP’s STAR Campus Incubator Photos:

www.dropbox.com/sh/n87hhvdg6nuc82j/AAC1OMSqcUdoHuu5zDKcfvH4a?dl=0

Delaware Technology Park: www.deltechpark.org

With some assistance from DEDO, Kent and Sussex County innovators continue to have access to Delaware State University’s Optical Science Center for Applied Research (OSCAR) state-of-the-art facility. OSCAR provides laboratories, offices, meeting space, and space dedicated to serve as hubs of innovation for collaboration with industry. The shared laboratories provide advanced technology testing and instrumentation to support a myriad of research needs. The OSCAR Building provides for the full spectrum of research needs including wet chemistry,

nanochemistry, conventional and confocal microscopy, scanning electronic and atomic force microscopy, as well as a complete image analysis suite.

<http://oscar.desu.edu/about/news.html>

DEDO works closely with the Delaware Department of Natural Resources to encourage and assist industries and municipalities through a Brownfield matching grant program. DEDO also serves as an active member of DNREC's Hazardous Substance Control Act Committee (formerly known as DNREC's Brownfield Committee).

DEDO offers the Brownfield Assistance Program which encourages redevelopment of environmentally distressed sites within Delaware by helping reduce capital expenditures. Municipalities, developers, and businesses that own brownfields are eligible for individual grants of up to \$100,000. Additional funds are available from the Department of Natural Resources and Environmental Control. The Brownfield Assistance Program is funded through the Delaware Strategic Fund and offers up to \$1 million annually in matching funds to assist with investigation and remediation of brownfield sites.

DEDO is active on committees with the Delaware Department of Transportation such as the Office of State Planning Coordination's Preliminary Land Use Service committee where DelDOT is a key contributor and DEDO continues to work closely with DelDOT when working on projects that create and/or maintain jobs. In Kent County, DEDO is a member of the Dover/Kent Metropolitan Planning Organization's Technical Advisory Committee.

In order to expand the Port of Wilmington's opportunities to handle larger and heavier exports and imports, Diamond State Port Corporation developed a draft master plan for port expansion. This plan was presented in May 2016 and is currently under review.

<http://portofwilmington.com/images/Draft%20Master%20Plan%20Presentation%2016%20May%202016%20v2.pdf>

DEDO's director is one of 15 members of the Diamond State Port Corporation's board of directors. The director actively supports the Port's policy and purpose as set by the General Assembly. As a board member, the director's responsibilities include overseeing the economic viability of the Port of Wilmington and its related facilities.

DEDO regularly partners with the Delaware River and Bay Authority on projects and employment opportunities including the DRBA/New Castle Airport in RFP/RFI responses, conducting site visits and supporting its marketing efforts, as appropriate.

DEDO, Kent County and DelDOT have focused its collaborative efforts on assuring that parking capacity for the NASCAR aircraft fleet is available over the next three years. A three-year extension of the Letter of Agreement (LOA) between the United States Air Force and DelDOT that establishes policies, responsibilities, and procedures for parking on Dover Air Force Base property for civil aircraft during the two NASCAR race weekends held annually in Dover, has been approved by all parties. Coordination between the USAF, DelDOT, DEDO, Kent County and the Delaware River and Bay Authority continues to determine if there is potential to attract a developer to undertake expansion of the CAT. A company recently updated DelDOT's feasibility study for the CAT. All parties remain committed to the effort to expand this facility.

DEDO works closely with all railroad service providers as it relates to businesses and jobs including advocating for rail spurs, as appropriate, as well as letters of support and research to support expansion of railroad service.

DEDO works with the Delaware Department of Technology and Information as a member of various joint committees where broadband/wireless infrastructure is identified as a key topic, such as the Office of State Planning Coordination's Preliminary Land Use Service committee, Delaware State Chamber of Commerce, local chambers, Sussex County Today & Tomorrow, and DTI's Broadband Grant Review Committee.

The state continues to benefit from the 2013 Wilmington Carrier Hotel Project. By adding this connectivity hub, Delaware gained a highly efficient, reliable and competitive bandwidth interconnection point to the center of Wilmington's business district.
<http://news.delaware.gov/2013/03/08/16-million-ip-network-hub-project-kicks-off-in-wilmington-de/>

Strategy 2: Retain the Critical Core: Programs that focus on the retention and expansion of existing business and industry.

Goal I. Retain and expand Delaware's core business sectors.

Enhance and improve technical and financial approaches in supporting and retaining core business sectors in Delaware in collaboration with state and federal agencies.

Progress:

A key element to DEDO's business retention and expansion program is the relationship that the agency's Business Development Unit (BDU) Leaders build with the business community. Each county in Delaware has a dedicated BDU Leader who embeds themselves in the local community. The BDU Leaders actively participate in monthly business meetings, engage with local chambers, and make regular visits to business throughout the county. Additionally, the Governor and director conduct regular visits to Delaware businesses within Delaware as well as visits to parent companies outside of the state. Delaware's Department of State facilitates meetings for the Governor with parent companies.

The BDU works directly with entrepreneurs, startup businesses, existing small business, mid-size companies, and large corporations; specifically, the county BDU Leaders work daily and meet regularly with existing Delaware businesses. Although the primary external engagement is with the business community, the BDU's strength, and the value brought to Delaware businesses is in the relationships DEDO has with other state agencies, county governments and local municipalities.

Recent examples include assisting a 40-year-old Delaware business in Sussex County as it worked with county government to consider rezoning land it was interested in purchasing as part of an expansion; supporting the Delaware Department of State/International Office's effort to expend federal STEP funds and to develop interest from Delaware businesses to participate in trade missions to Mexico, Canada and Germany; working with the local USDA/Rural Development office to engage small towns in support of further developing a thriving business community in downtown business districts; and, working with the city of Wilmington to ensure a major city and Delaware employer remains in the state's most vital urban environment.

DEDO works with the Office of Management and Budget, the Department of Finance & Banking Commissioner as part of the Budget Review process and in policy review and planning discussions. DEDO serves as an advocate for the business community in these discussions.

Delaware's Workforce Development Board provides guidance to DEDO regarding the state's core business sectors. DEDO also works closely with Delaware's Department of Labor and DEDO's own Internal Research Department to identify high growth firms. DEDO uses the most recent data to target site visits and outreach from DEDO's Business and Workforce Development units.

DEDO works with the Department of Agriculture as a member of various joint committees where issues related to the agricultural sector are identified such as the Office of State Planning Coordination's Preliminary Land Use Service committee, Delaware State Chamber of Commerce, local chambers, Sussex County Today & Tomorrow, and the University of Delaware as well as Delaware State University. DEDO respects and defers the Department of Agriculture's lead role in this objective.

DEDO offers the Delaware Rural Irrigation Program (DRIP) Revolving Loan Fund (no-interest loan fund) to qualified Delaware farmers to add new irrigation systems, including center pivot, linear move, towable systems, span angle systems, corner arm systems, single-phase systems, or wells and filters associated with drip irrigation systems. <http://inde.delaware.gov/DRIP/>

In March 2016 Governor Markell signed the Commitment to Innovation Act. The act ensures each company receives the full research and development tax credit for which it qualifies. It also makes modifications to the New Economy Jobs tax credit which provides an incentive for companies to establish a global corporate headquarters in Delaware.

Delaware continues to address areas to improve and as a result, recent legislation has passed that phase in a single factor corporate income tax in order to encourage businesses to grow in the state. The Delaware Competes Act, which supports a recommendation identified by the DEFAC Revenue Review Task Force which the Governor established through Executive Order 47, changes the way Delaware apportions income tax for corporations to remove elements of the code that are disincentives for new investment and job creation. The Act also modifies filing requirements that were overly burdensome to small businesses.

DEDO collaborates with its resource partners on a monthly basis at Open for Business events in each county. These events provide entrepreneurs and small businesses the opportunity to obtain valuable business advice from experts across the state.

DEDO offers the State Small Business Credit Initiative (SSBCI) in which small businesses in Delaware with fewer than 750 employees are eligible to apply. This loan participation program is designed to enhance access to capital and lower interest rates. Loan proceeds can be used for any business expense — including payroll, inventory, machinery, and equipment — and to supplement general working capital needs. Other financing tools that DEDO offers include: the Delaware Capital Access Program (private-public match program gives banks a flexible, transparent tool to expand small business lending) and Tax-Exempt Bond Financing where new or expanding businesses, governmental units, and certain organizations exempt from federal

income taxation can be eligible for statewide financial assistance in the form of tax-exempt bonds through the Delaware Economic Development Office. <http://inde.delaware.gov/SSBCI/>

Goal II. Enhance Delaware as a visitor destination and expand the economic impact of tourism.

This goal seeks to improve public-private partnerships and collaborating with state agencies to market and attract new visitor segments and groups to Delaware.

Progress:

DEDO's tourism unit continually develops new programs focusing on the retention and expansion of the tourism industry. In 2016, the Tourism unit held a successful Group Fam (familiarization) Tour with more than two dozen participants, resulting in several bookings of the Fam sites.

The unit produced and released its first fully-branded television ad campaign, which aired in surrounding TV markets.

Social media plays a vital role in Tourism's marketing efforts. Delaware has an extensive presence on social media sites such as Facebook, Twitter, Pinterest, Instagram, and many more:

- **Facebook:** The DTO Facebook page currently has 46,873 likes;
- **Facebook Live:** broadcasts have received 56,679 views since starting in April 2016;
- **Twitter:** The DTO Twitter account has 20,749 followers;
- **YouTube:** The DTO YouTube account has had 231,954 total upload views;
- **Pinterest:** The DTO account has 1,992 followers and averages 27,197 monthly viewers;
- **Instagram:** The DTO Instagram account has 3,455 followers.

In an effort to enhance the "visitor experience" DEDO's tourism unit meets with other state agencies to highlight infrastructure needs from a visitor's perspective including: the need for adequate restrooms, signage and facilities. Additionally, the tourism unit sponsors and participates in many of the Convention and Visitor's Bureau events such as the Delaware Beer and Wine Festival, Amish Country Bike Tour, Old Dover Days, Vintage Atlantic Wine Region, etc. Tourism's popular Delaware Beer, Wine & Spirits Trail recently expanded to include two dozen breweries, wineries, distilleries, cideries and meaderies. The original trail started in 2010 with just 12 locations. Since 2010, there have been more than 6,000 downloads of this trail's passport – an average of about three each day. <http://www.visitdelaware.com/bwst>

The Delaware Sports Commission, responsible for bidding, recruiting, and hosting regional and national sporting events at all levels of competition, continues to enhance the economic development of the state by promoting Delaware as a destination for amateur and professional sports. The DSC assisted in and/or recruited events that have resulted in more than \$50 million in economic impact over the past five years. Additionally, the DSC revived the successful Slam Dunk to the Beach Tournament, which heading into its third year, has been growing in national recognition and stature.

The Tourism unit markets to both a national and international market, including participating in prominent consumer trade shows.

DEDO also participates in or sponsors international events such as the annual BIO International Convention. BIO represents more than 1,100 biotechnology companies, academic institutions,

state biotechnology centers, and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative healthcare, agricultural, industrial, and environmental biotechnology products.

Strategy 3: Recruit the Future: Programs that focus on the attraction of new business and industry compatible with Delaware's future economy and sustainable in the long term.

Goal I. Expand long-term economic growth through focused recruitment of businesses complementary to Delaware's core business sectors.

This goal focuses on targeting external recruitment campaigns to attract businesses with site location advisors, marketing, and familiarization tours and outreach.

Progress:

DEDO works with the Delaware Workforce Development Board to ensure it is kept abreast of industry changes within the state's leading industries. The various units within DEDO work together to identify and target recruitment efforts to attract and retain companies with sustainable growth potential complementary to Delaware's core sectors. Additionally, DEDO communicates routinely with regional, national and international site selectors to continuously market the benefits of doing business in Delaware. Participating in and sponsoring the annual International BIO Conference also provides the opportunity to recruit externally.

DEDO leverages marketing investments whenever possible and seeks partners to engage in marketing projects, as appropriate. As an example, DEDO raised marketing matching funds from partners in support of the 2016 International BIO Conference.

In an effort to maximize Delaware's outreach to potential new markets, DEDO continues to strengthen its relationships with site selection advisors. Working together with site selectors to collectively identify a client's needs, DEDO's Business Development team is prepared to assist a company with its expansion or relocation plans. The team participates in events hosted by the Sussex County Association of Realtors and the Commercial-Industrial Realty Council of New Castle County. In addition, DEDO's director delivers remarks at professional events throughout the state, often targeting the real estate community.

In order to attract and retain businesses, Delaware must remain competitive. In addition to quarterly updates to DEDO's Data Book (<http://dedo.delaware.gov/News/Publications>), DEDO updates data in real time in response to project-specific RFP/RFI's. On a case by case basis, when a company is looking at Delaware and other states, DEDO will run a comparison to the other states that are under consideration. Additionally, DEDO systematically pulls statistics and rankings to allow us to benchmark our competitiveness.

Also, DEDO collaborates with Global Delaware, the state's initiative from the Division of Corporate and International Development (residing in the Department of State) to attract foreign direct investment. Global Delaware has launched strategic programs to bring foreign businesses to the state, which is starting to yield results. For example, a Chinese bioscience company has committed to establish its bioscience food company here. Factory Berlin, Europe's largest start-up campus, has selected Delaware for its first U.S. operations and recently signed a lease on Market Street. An example of a great collaborative success is AB Group Packaging, an Irish paper bag manufacturing company that opened the doors of its first U.S. facility in Newark,

Delaware in April 2016. DEDO will continue to work closely with Global Delaware and we anticipate that the year to come will bring new opportunities for growth.

Strategy 4: Rejuvenate the Foundation: Programs that focus on job creation through revitalization of established industries and business centers, innovation, entrepreneurship, research and development, and commercialization of new products and processes.

Goal I. Accelerate the growth of manufacturing.

This goal focuses on accelerating the advanced manufacturing workforce, strengthening the manufacturing sector, and encouraging manufacturing innovation and research.

Progress:

In 2015, Delaware Pathways evolved from a pilot program in advanced manufacturing to include the development of 10 different career pathways aligned with middle- and high-skill jobs. As mentioned earlier in the report, each pathway includes opportunities for eligible high school seniors to obtain early college credit, industry recognized credentials, and meaningful work-experience. These instructional models are now being scaled across the state in key industry sectors like: agriculture, education, finance, health care, hospitality and tourism, engineering and science, information technology, and manufacturing. Delaware's approach to scaling career pathways builds on a regional model of deployment to meet employer demand and collectively source talent across school systems. During the 2015-16 school year, 18 local education agencies and 25 high schools participated in the Delaware Pathways program serving more than 2,500 students.

DEDO continues its support of the Delaware Manufacturing Extension Partnership (DEMPEP). This federally and state-funded non-profit organization, is committed to helping Delaware's manufacturers improve their global competitiveness. DEMPEP provides confidential access to best practices, processes and business improvement methodologies. DEMPEP and the nationwide NIST / MEP network have developed a collection of tools, products, and services customized to meet the unique needs of Delaware's Manufacturers, Financial Institutions, and Health Care and Service Providers. <http://www.demep.org/about-us/>

Goal II. Provide assistance to entrepreneurs and small businesses to grow their business.

Working with stakeholder organizations/partners and state agencies to promote entrepreneurship and small business development through training, formal education, and advisory services, this goal focuses on promoting workforce development and commercialization for new businesses and research concepts.

Progress:

Business First Steps, a website launched by the Department of State in February 2015, helps small businesses find information on business licenses, permits, and other state requirements. The site is an index of almost 200 different industries, professions or products that require state registrations, licenses, certifications, or permits. Business First Steps is the result of many state agencies working together and soliciting feedback from the business community. It is the first state website to centralize information on business licensing and requirements for operating a business in Delaware across state government. It was designed and built by the Government Information Center, an office within the Delaware Department of State. The site is continually reviewed and updated to meet the changing needs of the business community. <http://firststeps.delaware.gov/>

Open for Business meetings, held monthly in each county, are collaborative outreach events designed to encourage and support small businesses throughout the state. These meetings provide entrepreneurs the opportunity to meet the agencies that provide resources to small business, develop key relationships within the small business community, and learn about the programs and services that are available to start-up and existing businesses.

<http://sedac-de.org/current-events/open-for-business-fair/>

<https://www.cdcc.net/pages.cfm?ID=49>

<http://www.eecincubator.com/entrepreneurial-advocacy/open-business/>

In support of our entrepreneurial community, the state continues to assist several Delaware incubators.

The Middletown Business Incubator and Collaborative Workspace (MBI) serves as an enterprise business center that provides resources for businesses and entrepreneurs. By inspiring entrepreneurship through opportunity, the MBI fosters economic growth for the MOT and surrounding areas. The 3,300 square foot incubator facility is designed to accommodate approximately 10 – 15 businesses. It provides space for conference rooms, a break room, storage, retail space, and offices, and offers a meeting room, mail, and copier services.

<http://www.mbide.com/>

The Delaware Emerging Enterprise Center (EEC), housed within the New Castle County Chamber of Commerce is a key initiative of the Economic Development Council, a partnership between the New Castle County Government, private businesses, and the New Castle County Chamber of Commerce. <http://www.eecincubator.com/>

In November 2015, the Council on Development Finance, DEDO's advisory board, approved a Delaware Strategic Fund grant to assist NextFab with its plans to expand into the city of Wilmington. NextFab is partnering with the Wilmington Renaissance Corporation (WRC) to create a new NextFab operation in Wilmington's Creative District. Wilmington's Creative District is part of a national wave of creative placemaking initiatives that seek to transform urban areas.

NextFab, a for-profit, social enterprise organization, is dedicated to promoting innovation and economic development by providing awareness of, access to, competence with, and commerce powered by - advanced manufacturing technology, training and services. NextFab is primarily a business venture incubator and it offers a curriculum of technical as well as business and financial training and consulting services targeted at the specific needs of entrepreneurs; especially as it relates to advanced digital design and manufacturing.

In January 2015, the Council on Development Finance approved a Strategic Fund loan to assist the Delaware Technology Park with the build out of wet lab spaces designed specifically to meet the needs of start-up and early stage firms doing basic research and development. As mentioned earlier, Delaware Technology Park has since completed fit out of 10,000 square feet of laboratory, office and shared services incubation space at STAR Campus in support of scientific entrepreneurs and innovators. In under a year, the facility is fully committed and will operate at capacity with 12 companies conducting research, development and commercialization activity in agriculture, health sciences, advanced materials, renewable energy and software. These companies represent an impressive combination of technologies spun-out from large companies and the University of Delaware, as well as relocations from as far as

Europe. These organizations have attracted funding from Boston, San Francisco and China. At the formal facility opening in October 2016, DTP will announce the creation and retention of over 35 due to DEDO's investment in technology-based small business economic development. The incubator will also house SpinIn®, a novel program that partners interdisciplinary undergraduate student teams with entrepreneurs to solve business challenges and commercialize new products.

DTP's STAR Campus Incubator Photos:

www.dropbox.com/sh/n87hhvdg6nuc82j/AAC1OMSgcUdoHuu5zDKcfvH4a?dl=0

Delaware Technology Park: www.deltechpark.org

Delaware State University's Optical Science Center for Applied Research (OSCAR) provides Kent and Sussex County entrepreneurs with shared laboratories, offices, meeting space, and space dedicated to serve as hubs of innovation. The laboratories provide advanced technology testing and instrumentation to support a myriad of research needs.

Start It Up Delaware, located in The coIN Loft in Wilmington, aims to be the catalyst for creating a vibrant startup community in Delaware. Founded by individuals from all sides of entrepreneurship-education, private equity, co-working, to actual entrepreneurs, SIUD offers entrepreneurs access to education, co-working space at The coIN Loft, and mentorship.

In 2011, DEDO began offering the Kauffman FastTrac program. Today, the program is a collaborative effort as it is now presented through a partnership with Delaware Technical Community College. Through Kauffman, entrepreneurs develop business plans, and small business owners receive guidance for taking their business to the next level.

DEDO's county Business Development Leaders make regular visits to assist small business owners to assess their workforce needs. They help identify all impediments the business may have and work together toward a resolution. Monthly Open for Business events also provides entrepreneurs and small businesses the opportunity to obtain valuable business advice from experts across the state.

DEDO hosts a variety of informational programs designed to educate businesses about available funding resources. DEDO also offers symposiums to educate lenders about DEDO's funding programs. This also helps to strengthen lender partnerships. Examples of 2015 educational events include: the New Castle County Access to Capital Symposium, Sussex County Access to Capital Symposium and the SBA Lender Roundtable. In an effort to keep lenders updated about DEDO's micro programs, this outreach is continuous throughout the year.

GOAL III. Work to create opportunities to boost innovation.

Through public-private partnerships and collaboration with Delaware universities and colleges, this goal is focused on encouraging synergy for new technologies, research, process improvements, and innovative concepts.

Progress:

DEDO continually works to create opportunities to boost innovation through funding and mentoring programs. Qualified applicants may be eligible to obtain funding through the Delaware Strategic Fund. The DSF is the state's primary funding source providing low-interest loans and grants to businesses for job creation, relocation, expansion, and brownfield redevelopment. The DSF also supports business research through funding transition grants that

will bring innovative new products, jobs, and revenue to Delaware. Companies involved in small business innovation—including research-and-development firms looking for the next scientific and technological breakthroughs—can apply for Small Business Innovation Research (SBIR) grants and Small Business Technology Transfer (STTR) grants as a pathway to receiving DTIP grants. These grants help promote the entrepreneurial spirit in Delaware.

DEDO also fosters an environment of innovation through its variety of educational and mentoring programs. DEDO and Downtown Delaware have developed Small Business Mentoring Program (SBMP), an innovative “train the trainer” program to strengthen new, existing and potential business owners and stakeholders in rural Delaware. The goal of this program is to increase the sustainability and provide both an exchange of important business principles and access to a “tool kit of small business strategies for downtowns” utilizing the valuable business resources generated through the successful DEDO Project Pop Up program model, a proven strategy for long term vacancy reduction.

DEDO’s Downtown Delaware Project Pop Up program provides entrepreneurs the opportunity to become the recipient of three months of rent-free commercial space during the holiday season and the assistance of a business advisor from the move-in phase, to the grand opening and beyond. The program also aims to stir economic activity by locating these early-stage businesses in properties that were once vacant, but are now ready for occupants. DEDO as well as with our town partners in the communities, have made significant progress during the program’s four years. These efforts resulted in a reduction in vacancy in several downtowns, 18 business owners have received significant opportunities to launch businesses, and a number of property owners have found qualified tenants for their spaces; 13 businesses are still in place in their original locations and three businesses have expanded.

Through the Delaware Emerging Technology Center, DEDO offers a two-day eCommerce training course designed to educate entrepreneurs, innovators and small business owners about the components of establishing and operating an eCommerce business. The participants will learn the benefits of increasing their visibility on the Internet for marketing and sales of their business services and products.

In September 2015, DEDO launched another new innovative entrepreneurial program. The One Million by One Million (1M/1M) is a global virtual accelerator that aims to nurture one million entrepreneurs to reach one million dollars each in annual revenue. DEDO and a panel of community partners are responsible for vetting applications and awarding funding to qualified startup entrepreneurs.

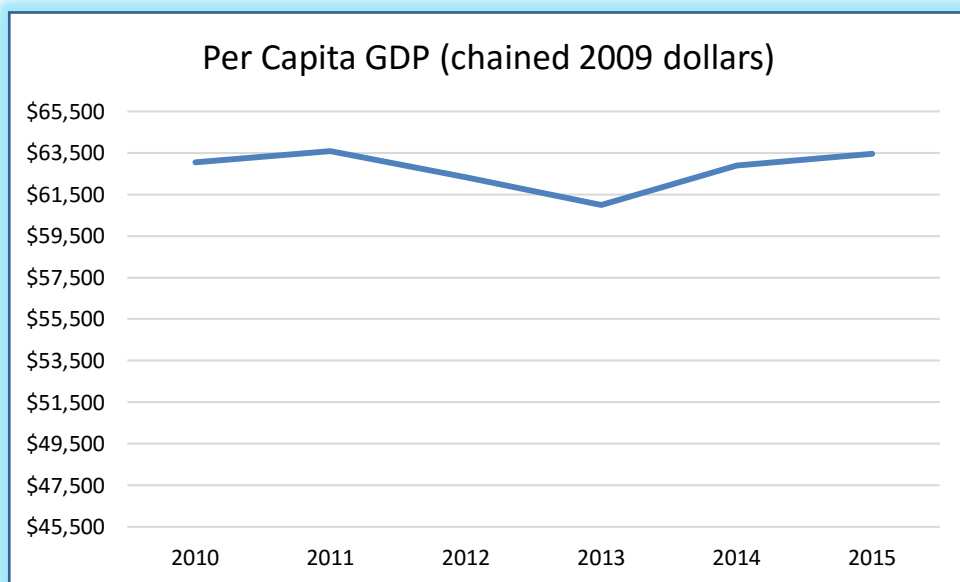
Performance Metrics

The CEDS requires the following performance metrics be reviewed:

- Growth Rate of the Private Sector Gross Domestic Product
- Population Growth by cohort (focus on 25 – 44)
- Increase (Decrease) in Overall Unemployment Rate
- Growth (Decline) of Employment by Industry
- Fastest Growing Jobs
- Per Capita (Adjusted) Gross Domestic Product
- Increase (Decrease) in Worker Productivity
- Amount of Traded Goods (Manufacturing Exports)
- Number of new patents issued
- Number of new businesses formed
- Increase (Decrease) in Small Business Innovation Research Awards
- Education attainment level
- Increase (Decrease) in the Workforce participation rate
- Housing Affordability
- Number of Requests for Visitor Information packets.
- Increase (Decrease) in Hotel Occupancy Tax Receipts

Gross Domestic Product per Capita

The GDP is the widest measure of the state of the economy. The GDP is the aggregated monetary value of all the goods and services produced by the state's economy during the year (with the exception of international activity). There has been a marked improvement in Delaware's GDP per capita since the last annual report. In 2015 the state was ranked 6th as against 8th in 2014.



Source: Bureau of Economic Analysis

Per capita (Adjusted) Gross Domestic Product
GDP per Capita (adjusted for inflation- base year 2009)

Delaware's GDP per capita has improved. In 2014, Delaware ranked 8th; in 2015, Delaware ranked 6th.

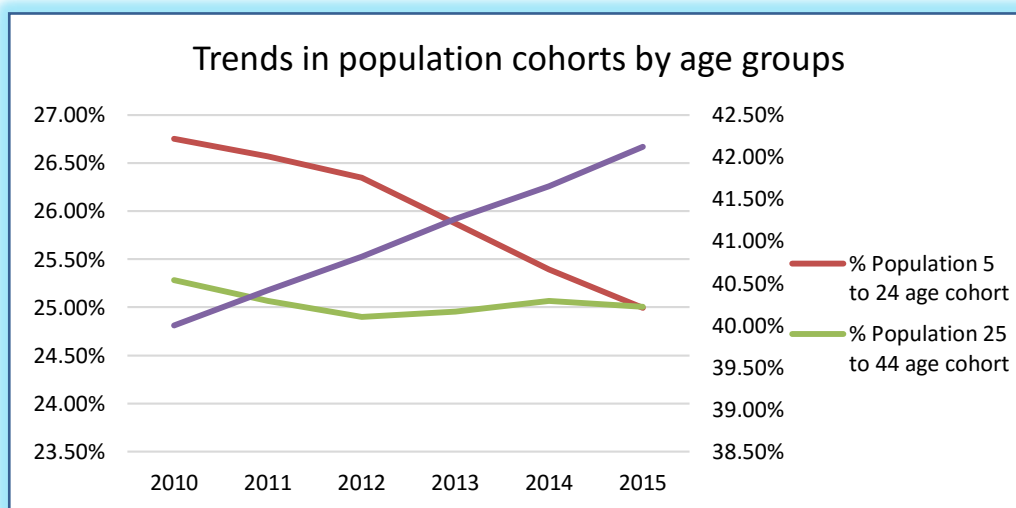
| Geo-Name | 2015 GDP per capita (\$) | Rank including DC, US and Regions |
|----------------------|--------------------------|-----------------------------------|
| District of Columbia | 160563 | 1 |
| Alaska | 66835 | 2 |
| North Dakota | 66507 | 3 |
| Connecticut | 64115 | 4 |
| New York | 63929 | 5 |
| Delaware | 63463 | 6 |
| Massachusetts | 62918 | 7 |
| Wyoming | 60231 | 8 |
| Mideast | 58862 | 9 |
| New England | 57847 | 10 |
| New Jersey | 56721 | 11 |
| California | 56365 | 12 |
| Washington | 55403 | 13 |
| Far West | 55041 | 14 |
| Minnesota | 54431 | 15 |
| Maryland | 54388 | 16 |
| Texas | 53707 | 17 |
| Illinois | 53640 | 18 |
| Nebraska | 52996 | 19 |
| Colorado | 52920 | 20 |
| Virginia | 51480 | 21 |
| United States | 49844 | 22 |
| Southwest | 49508 | 23 |
| Iowa | 49500 | 24 |
| Oregon | 49482 | 25 |
| Hawaii | 49479 | 26 |
| Plains | 49226 | 27 |
| New Hampshire | 49225 | 28 |
| Pennsylvania | 48944 | 29 |
| Rhode Island | 48329 | 30 |
| Great Lakes | 47566 | 31 |
| South Dakota | 47460 | 32 |
| Wisconsin | 47414 | 33 |
| Rocky Mountain | 47276 | 34 |
| Ohio | 46867 | 35 |
| Louisiana | 45606 | 36 |
| Kansas | 45558 | 37 |
| Indiana | 45136 | 38 |
| North Carolina | 44054 | 39 |
| Utah | 43798 | 40 |

| | | |
|----------------|-------|----|
| Oklahoma | 43788 | 41 |
| Nevada | 43632 | 42 |
| Vermont | 43553 | 43 |
| Georgia | 43301 | 44 |
| Missouri | 42984 | 45 |
| Tennessee | 42457 | 46 |
| Michigan | 42226 | 47 |
| Southeast | 41441 | 48 |
| New Mexico | 41166 | 49 |
| Montana | 39792 | 50 |
| Kentucky | 39181 | 51 |
| Florida | 38950 | 52 |
| Arizona | 38244 | 53 |
| Maine | 37958 | 54 |
| Arkansas | 37644 | 55 |
| Alabama | 37597 | 56 |
| West Virginia | 36486 | 57 |
| South Carolina | 36174 | 58 |
| Idaho | 35305 | 59 |
| Mississippi | 31894 | 60 |

Source: Bureau of Economic Analysis

Population Growth by cohort (focus on 25 – 44)

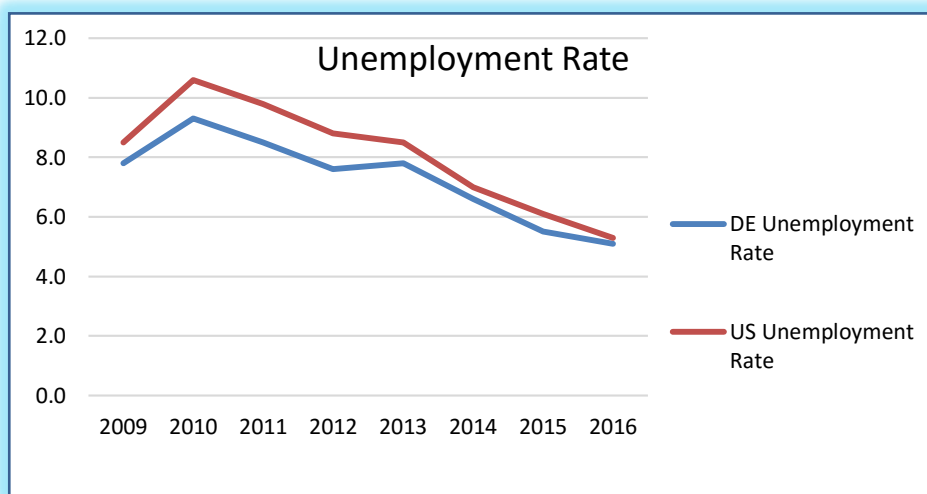
The percentage of Delaware's population that is older than 65 years of age is larger than that for the US as a whole. In recent years the rate of growth of this segment of the population was greater than that for the US. This rate of growth has implication for budget expenditure. It appears that the growth of this segment is to some extent due to migration to Delaware from other neighboring states such as Maryland, Pennsylvania, New Jersey and other states. Certain measures can be taken to ameliorate the negative effects of the growth of this segment.



Source: US Census Bureau

Increase (Decrease) in Overall Unemployment Rate

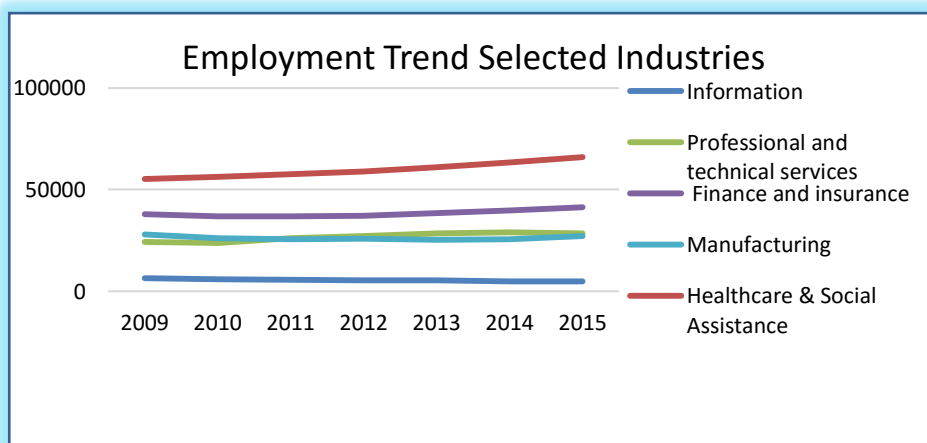
The unemployment rate is the ratio of unemployed persons to the total labor force expressed as a percentage. Persons are considered unemployed if they have no job and are actively seeking work. Traditionally Delaware's unemployment rate has been lower than that at the US level. The same relationship has been maintained over the period 2009 to 2016. The unemployment rate peaked in 2009 and since has steadily fallen to a low level of 5.1% for Delaware and 5.3% for the US in January of 2016. Currently Delaware's unemployment rate is 4.2%.



Source: Bureau of Labor Statistics

Growth (Decline) of Employment by Industry

A set of important industries have been selected to make a determination of how these have fared subsequent to the ravages of the great recession and the recovery. The dominant sector in Delaware since the 1980s, when reforms of the financial sector were initiated, has been the Finance and Insurance industry. Although, as is generally accepted, the proximate cause of the recession has been practices in this industry, the industry has recovered and employment in this industry has exceeded that prior to the recession. However more recently, the dominant industry Finance and Insurance has been replaced by Health-care and Social assistance given the aging of Delaware's and the nation's population.



Source: Bureau of Labor Statistics

Fastest Growing Jobs

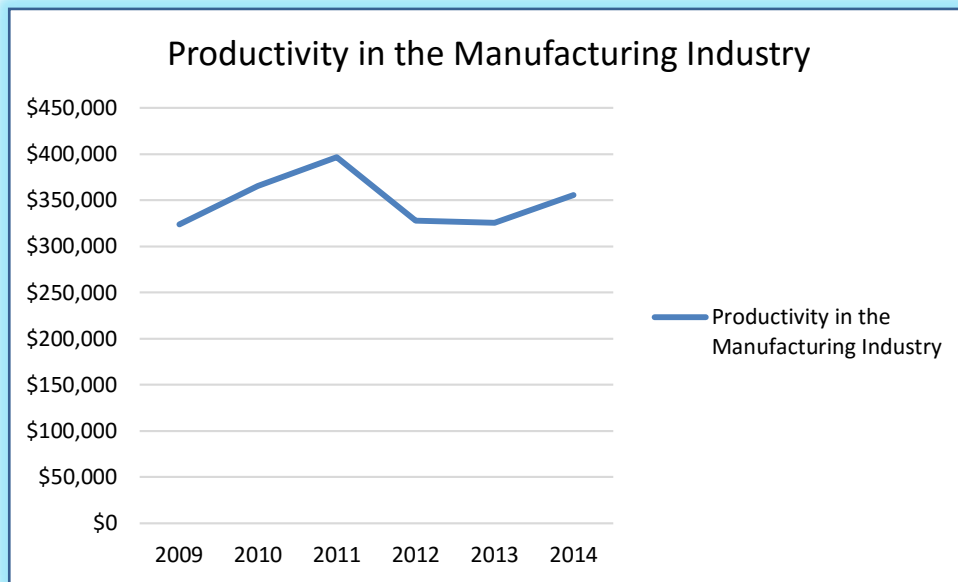
The following table includes the occupations with a typical entry-level education of a '**bachelor's degree**' that are projected to grow the fastest during the 2012-2022 timeframe in Delaware. This is not a ranking of the occupations with the most openings.

| # | Occupation | Employment | | Percent * Change |
|----|--|------------|-------|---------------------|
| | | 2012 | 2022 | |
| 1 | Meeting, Convention, and Event Planners | 240 | 330 | 34% |
| 2 | Interpreters and Translators | 20 | 30 | 29% |
| 3 | Operations Research Analysts | 410 | 530 | 28% |
| 4 | Cost Estimators | 990 | 1,250 | 26% |
| 5 | Market Research Analysts and Marketing Specialists | 1,880 | 2,370 | 26% |
| 6 | Information Security Analysts | 470 | 600 | 26% |
| 7 | Personal Financial Advisors | 1,210 | 1,500 | 24% |
| 8 | Athletic Trainers | 120 | 150 | 23% |
| 9 | Construction Managers | 860 | 1,060 | 23% |
| 10 | Computer Systems Analysts | 2,820 | 3,450 | 22% |
| 11 | Dietitians and Nutritionists | 160 | 190 | 19% |
| 12 | Credit Counselors | 120 | 150 | 19% |
| 13 | Software Developers, Applications | 2,400 | 2,830 | 18% |
| 14 | Medical and Health Services Managers | 770 | 910 | 18% |
| 15 | Radio and Television Announcers | 160 | 190 | 17% |
| 16 | Geoscientists, Except Hydrologists and Geographers | 70 | 80 | 17% |
| 17 | Credit Analysts | 930 | 1,080 | 16% |
| 18 | Architects, Except Landscape and Naval | 140 | 160 | 16% |
| 19 | Training and Development Specialists | 920 | 1,070 | 16% |
| 20 | Health Educators | 160 | 180 | 16% |
| 21 | Fundraisers | 550 | 640 | 15% |
| 22 | Soil and Plant Scientists | 70 | 80 | 15% |
| 23 | Recreation Workers | 870 | 1,000 | 15% |
| 24 | Technical Writers | 140 | 160 | 15% |
| 25 | Environmental Scientists and Specialists, Including Health | 390 | 450 | 15% |

State Data Source: [State of Delaware, Office of Occupational and Labor Market Information](#)

Increase (Decrease) in Worker Productivity

The manufacturing industry's productivity is an economic indicator of productivity in the state. Delaware's productivity remains relatively flat, but the chart below illustrates that the value added per worker has improved in the 2013 – 2014 period.



Source: US Census Bureau

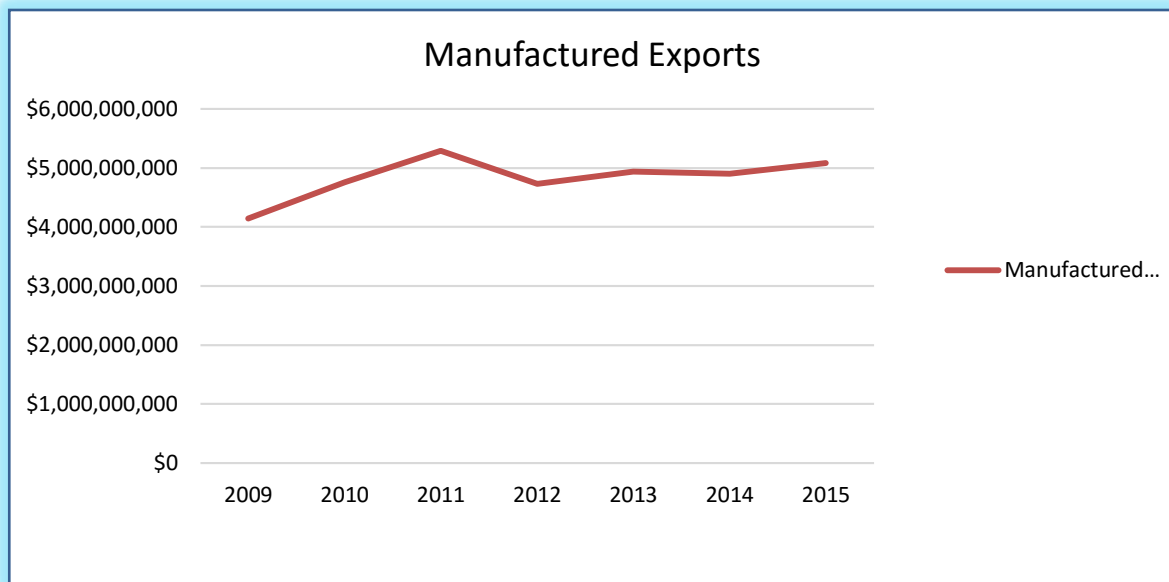
The table below illustrates that the value added per worker is higher than in most neighboring Mid-Atlantic States:

| Manufacturing Value Added per Worker | |
|--------------------------------------|-----------|
| State | Value |
| Delaware | \$355,560 |
| New York | \$288,733 |
| Pennsylvania | \$290,545 |
| New Jersey | 262,624 |
| Maryland | \$385,415 |
| Tennessee | \$292,741 |

Source: Annual Survey of Manufactures, 2014

Amount of Traded Goods (Manufacturing Exports)

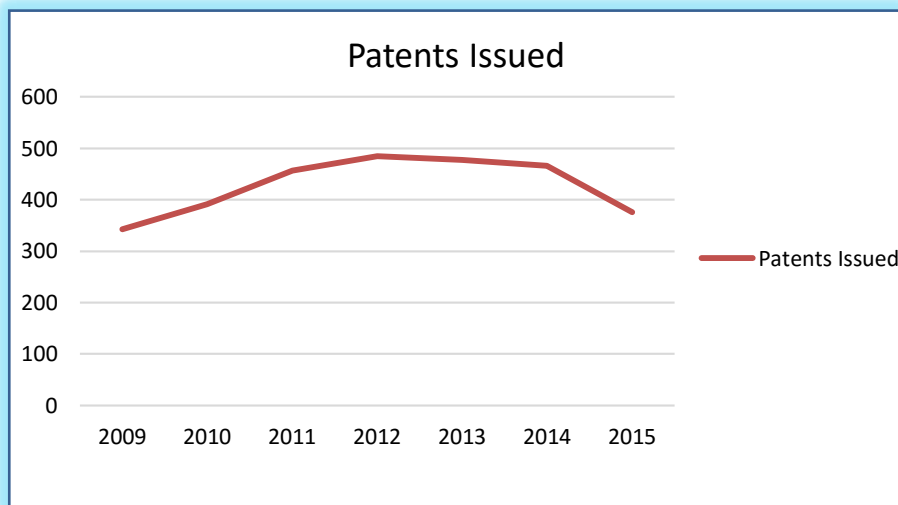
Manufactured Exports includes estimates for the value of manufactured exports. This metric estimates at the state level for "direct" exports (exports manufactured in the United States (U.S.) and consumed in foreign markets).



Source: US Department of Commerce

Number of new patents issued in the State of Delaware

Patent activity is measured by the number of patents issued per year and can be used as a metric for innovation within the state. With the exception of 2015, patent activity has increased in Delaware over the past five years.

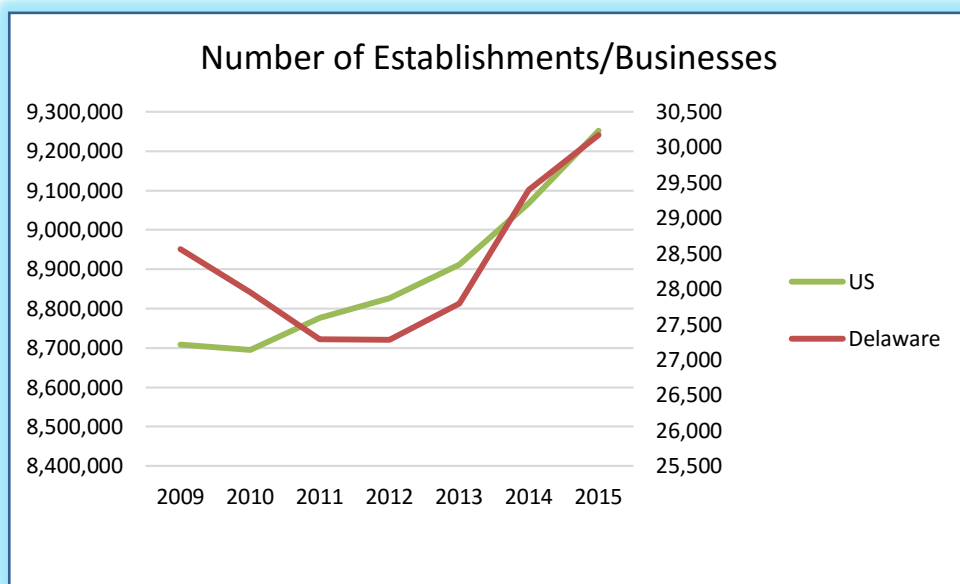


Source: United States Patent Office

Number of new businesses formed

The number of new businesses entering the economy is one indicator of economic health. In fact, some have claimed that small businesses hire more employees than larger corporations and, thereby, contribute more to addressing unemployment. Small businesses can contribute significantly to GDP, and they introduce innovative ideas and products that stimulate growth. Therefore, increases in small businesses are an extremely important indicator of the economic well-being of any state.

The great recession has had an impact on the number of establishments/businesses. Delaware saw a sharp drop compared to the decline in number of establishments at the national level. In 2012 however there was a reversal of the declining trend and growth was resumed and at a rate of growth that exceeded that at the US level.



Source: Bureau of Labor Statistics

Increase (Decrease) in Small Business Innovation Research Awards

During FY16, six SBIR/STTR's have been awarded to the following companies:

Applicant's Name: STF Technologies

CDF Approval: 10/26/2015

Amount: 50,000.00

Type: SBIR

Federal Entity: National Science Fund

Research Summary:

STF is developing a shear thickening fluid, a smart material that can instantly and reversibly change from a liquid-like state to a solid-like state. This technology is being focused on textile applications, specifically gloves.

Applicant's Name: Composites Automation, LLC

CDF Approval: 3/28/2016

Amount: 50,000.00

Type: SBIR

Federal Entity: US Dept of Defense Office of Naval Research

Research Summary:

Composites Automation, LLC is developing advanced composite materials and process technologies, with the goal of manufacturing these products for military and eventually commercial applications.

Applicant's Name: Composites Automation, LLC

CDF Approval: 3/28/2016

Amount: 50,000.00

Type: STTR

Federal Entity: US Navy Naval Air Systems Command

Research Summary:

Composites Automation, LLC is developing software modules to utilize within composites manufacturing. This software will be used to detect defects during the composites manufacturing process, which can be implemented for a variety of materials and processes.

Applicant's Name: Compact Membrane Systems, Inc.

CDF Approval: 3/28/2016

Amount: 40,000.00

Type: SBIR

Federal Entity: U.S. Department of Energy

Research Summary:

Compact Membrane has developed a mixed membrane matrix with nano particles for an enhanced olefin-paraffin separation process that requires much less energy than previous technologies. The technology is currently being tested in an actual refinery setting.

Applicant's Name: Cimentum, LLC

CDF Approval: 4/25/2016

Amount: 50,000.00

Type: SBIR

Federal Entity: US Dept of Energy

Research Summary:

Cimentum has developed a specialty material in response to a need for sealing nuclear waste in deep boreholes using cement like materials. Their current research is focused on using this sealant in other areas of need such as carbon capture storage, enhanced oil recovery, and oil and gas drilling. In addition, the Department of Defense is interested in the material for applications in rapid runway and highway repairs.

Applicant's Name: AnCatt, Inc.

CDF Approval: 4/25/2016

Amount: 50,000.00

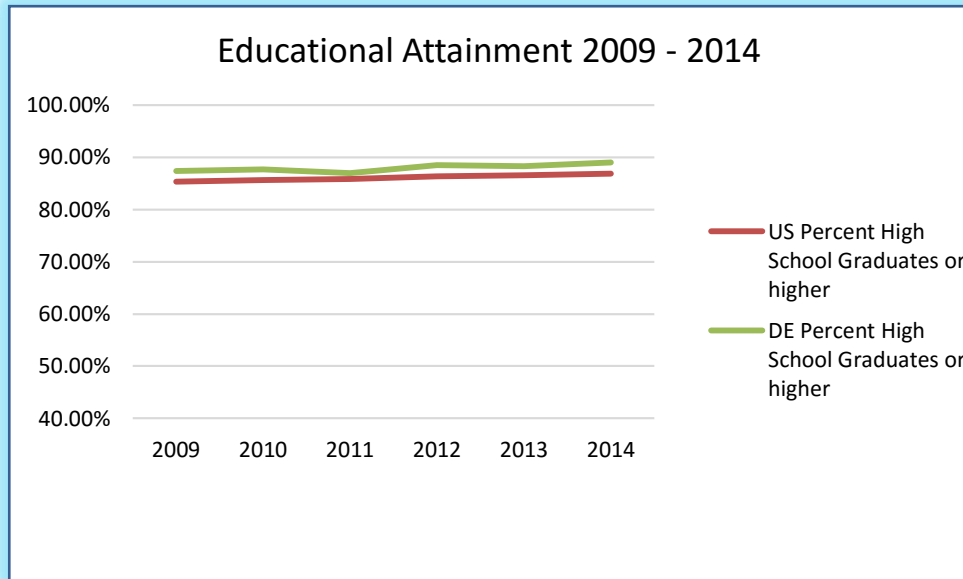
Type: SBIR

Federal Entity: National Science Foundation

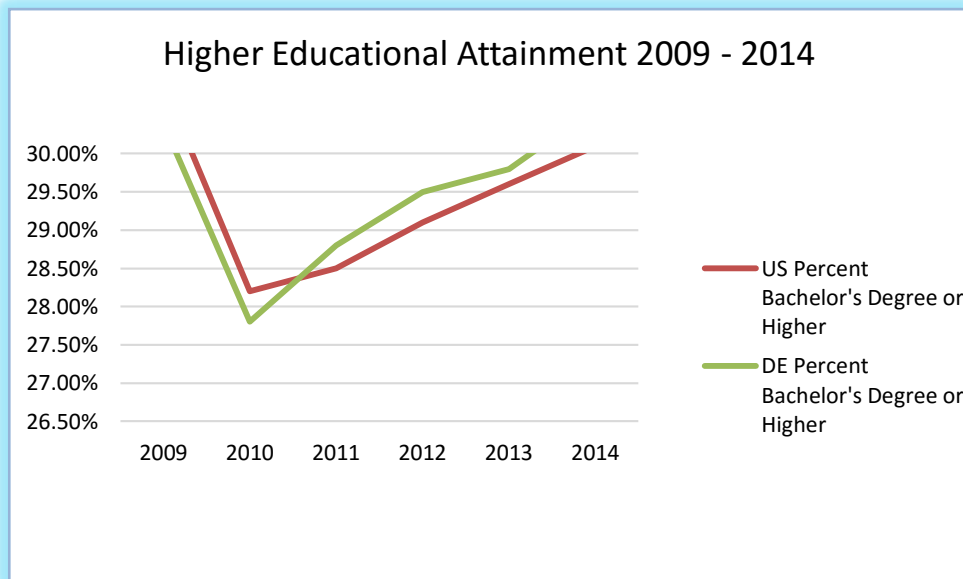
Research Summary: AnCatt has developed the first heavy metal-free, high performance, anti-corrosion, coating platform using its unique conducting polymer nano dispersion (CPND). The company is utilizing this technology to develop epoxy-based paints, which will have an extended life as well as a reduced environmental impact.

Education attainment level

The number of Delawareans with a bachelor's degree or higher has increased over the last few years. Over 85% of Delaware's population has a high school diploma or higher.



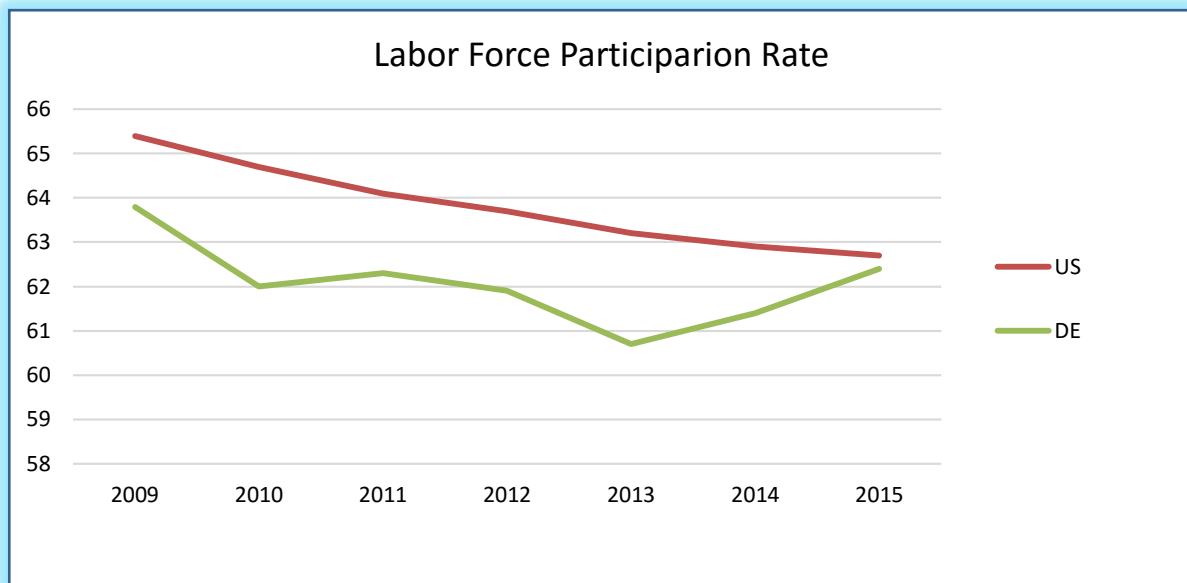
Source: US Census Bureau



Source: US Census Bureau

Increase (Decrease) in the labor force participation rate

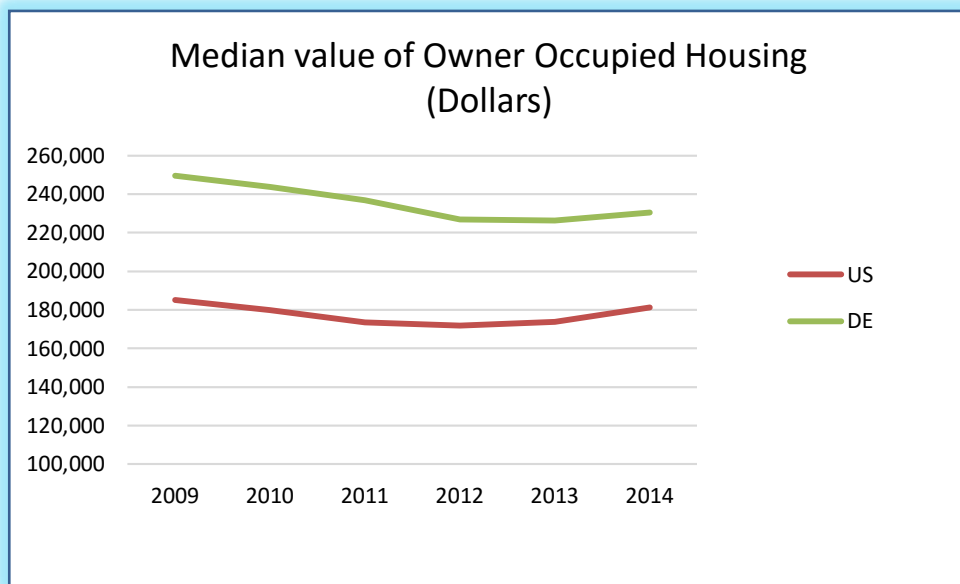
Delaware's Labor Force Participation Rate has been lower than that for the US as a whole. Part of the reason is that Delaware's population has a higher percentage of senior citizens. Subsequent to the recession the participation rate fell from 63% to 61%. However in the last two years there has been an improvement in the rate, as more people see improvements in the economy, they resume their active job search and therefore are counted as part of the labor force.



Source: Bureau of Labor Statistics

Housing Affordability

Housing values in Delaware have been higher than those at the US level. In Delaware housing values fell from 2009 to 2012 and then showed some growth in subsequent years, which essentially reflects the US trend.



Source: US Census Bureau

Number of Requests for Visitor Information packets

The number of requests received by the DTO for its Official Delaware Travel Guide, which is considered a clear “signal of intent to travel” (SIT), and therefore has become a reliable indicator of interest in Delaware as a vacation destination. For FY13-14 there were 41,895 requests for the Delaware Travel Guide. For FY15-16 that number was 79,763. That is an increase of more than 90%.

Increase (Decrease) in Hotel Occupancy Tax Receipts

The Public Accommodations Tax (PAT), which is levied on guests of Delaware hotels and other lodging establishments, is the funding source for the Delaware Tourism Office. The office’s statutory portion of PAT revenue was \$2.66 million for FY15 and \$2.79 million for FY16 – an increase of 4.9%.

Priority Projects

The two projects below do not represent the full range of projects and programs that could be considered to promote sustainable economic development and resiliency in Delaware. However, both priority projects submitted or will be submitting applications to the EDA for grant assistance. The two projects are the River Road Sewer Extension project and the STAR Campus Technology Incubator Project by the Delaware Technology Park.

Project Name: River Road Sewer Extension project

Submitted by: New Castle County Government

Project Description: The River Road Sewer Extension project which includes approximately 3,000 acres of parcels zone for heavy industrial use. There is limited space in New Castle for business. This sewer extension will provide the infrastructure for committed/existing beneficiaries and potential businesses.

Status: The New Castle County Government is working through their application and budgeting for the local share required for the project.

Project Name: STAR Campus Technology Incubator Project

Submitted by: Delaware Technology Park, Newark DE

Project Description: Delaware Technology Park is part of Delaware's commitment to attracting both established and promising high technology companies. As a 501(c)(3) nonprofit corporation and collaboration of the state of Delaware, the University of Delaware and the private sector, it is a winning combination that provides a showcase for the area's commitment to fostering new and emerging business. By clustering these businesses in the same place, they can share services and resources while taking advantage of the benefits of a nearby academic community. To date, DTP has enabled approximately 16,000 new jobs within the park and the surrounding community with 54 companies as tenants in DTP and 30 companies spun out, and all began as start-ups. Over \$275 million has been invested in 5 buildings and equipment in DTP. Over \$310 million in federal and state grants have been won by DTP companies in the park and the Delaware Biotechnology Institute. The community impact of DTP and its spinouts is over \$100 million annually. DTP is at capacity with a waiting list. Concurrently, there is very limited affordable wet lab space in the region to support entrepreneur-led young STEM companies in growing their organizations or for conducting valuable proof of concept experiments needed to secure intellectual property and patents. Delaware Tech Park's new laboratory incubator is scheduled for occupancy in June, 2016. The incubator is located in the re-purposed industrial space that was formerly a Chrysler automobile assembly plant and brownfield site that has been transformed into the University of Delaware Science and Technology and Advanced Research (STAR) Campus in Newark, New Castle County, Delaware. The incubator is a vibrant and supportive environment that will serve as a hub for the region's laboratory oriented STEM innovation ecosystem. EDA's investment will enable lab and collaboration space, business support, and administration that address the unique financial constraints, space, and program needs of early stage entrepreneurs. The scope of work will include: rent for two 500SF Proof of Concept Labs; rent for office space to support spin-in (the highly successful program matching college student work teams with entrepreneurs to solve problems and commercialize products); supplies for the proof of concept labs and spin-in activities; salaries and benefits for four spin-in activities and compensation for a project administration.

Jobs Created: Full capacity of the incubator is expected within three years to total 50 jobs. The jobs represent a blend of C level founders, lead scientists and technicians with an average salary of approximately \$100,000 per year. Additionally, the incubated companies will engage and employ University of Delaware students for graduate research, interns, and part-time support staff. In several cases, the incubated companies will be new organizations or product extensions of existing companies that are located in or around Delaware Technology Park. Providing incubator space for these spinouts and product/service line extensions will help secure an estimated 500 jobs in existing companies with an average salary of \$75,000 per year.

Status: This proposal was submitted under EDA's RIS last fiscal year. They were not selected under that competition. However, the application was updated and resubmitted this past June.



Delaware Economic Development Training Act

Title 29
State Government
§ 5073 Annual Report



DELAWARE
ECONOMIC DEVELOPMENT OFFICE
Right Place. Right Size.



Delaware Economic Development Training Act

Title 29 (<http://www.delcode.delaware.gov/title29/title29.pdf>)

State Government

§ 5073 Annual report.

The Board shall submit an annual report of activities conducted under this subchapter to accompany the report of the Director required by § 5016(a) of this title. The annual report shall include, but not be limited to, descriptions of all programs funded, an evaluation of the performance of each program, a summary of the public moneys expended and an analysis of the participants in the programs, to include a report on the number of minority and economically disadvantaged individuals. (64 Del. Laws, c. 460, § 6.)

Program: **Blue Collar Grant Program**

Description: The **Blue Collar Grant Program** offers matching training grants to eligible Delaware businesses. Businesses that are currently existing in Delaware and companies relocating or expanding in the state, may qualify for financial assistance for customized, flexible, and industry-driven skills training. All training is industry-specific to meet the needs of the company and its employees. The funds can be used in multiple ways and for various types of training programs such as: basic skills, industry skills, pre-employment and on-the-job training. Various methods of training are available: on-line instruction, classroom instruction and hybrid instruction.

The Blue Collar Grant Program funds three main initiatives: **general training grants**, the **Governor's Education Grant for Working Adults**, and the **State Employee Training Program**.

Initiative I: General Training Grants

Signed Contracts: During FY16, DEDO's Workforce Development team facilitated the signing of 39 workforce training contracts totaling over \$1.0 million. Of these signed contracts, 13 companies were first-time applicants; 21 companies were considered small businesses (less than 100 employees) and 987 individuals participated in the training.

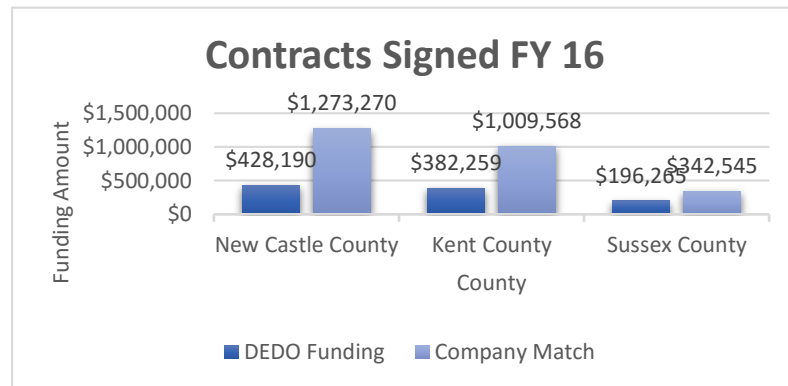
Completed Contracts: During FY16, DEDO's Workforce Development team facilitated the completion of 44 workforce training contracts totaling over \$1.1 million. Of these completed contracts, 10 companies were first-time applicants; 26 companies were considered small businesses (less than 100 employees) and 1,039 individuals participated in the training.

Evaluation of the performance of the General Training Grants awarded under the Blue Collar Grant Program:

The ROI is evaluated in three ways – training observation, completion of training, and a six-month review after the completion of the training. The following results of the FY16 retention survey represents 27 of the 44 completed contacts:

| Number of Companies | Percentage of Retention |
|---------------------|--|
| 22 | Companies Reported 90 – 100% Retention |
| 3 | Companies Reported 80 – 89% Retention |
| 0 | Companies Reported 70 – 79% Retention |
| 2 | Companies Reported 69% or below |

Summary of the public moneys expended for General Training Grants awarded under the Blue Collar Grant Program:



Analysis of the participants in the program:

The following demographic information is obtained through voluntary participant surveys. In some cases, participants chose not to complete the survey; in other cases, participants did not complete the entire questionnaire. The results below reflect information collected from 93% of the FY16 Blue Collar Training Program participants.

| SEX | | AGE | | RACE/ETHNIC GROUP | |
|---|-------|-----------------|--------------------------------------|--|-------|
| Female: | 24.8% | 16-20: | 0.6% | American Indian: | 1.1% |
| Male: | 74.9% | 21-30: | 24.2% | Asian/Pacific Islander: | 6.5% |
| No Response: | 0.3% | 31-55: | 60.0% | African American: | 11.5% |
| | | 56-65+: | 14.3% | Hispanic: | 7.4% |
| | | No Response: | 0.9% | White: | 70.7% |
| | | | | No Response: | 2.8% |
| DISABILITY | | VETERAN | | MARITAL STATUS | |
| Yes: | 1.3% | Yes: | 11.8% | Married: | 57.0% |
| No: | 97.3% | No: | 86.6% | Single: | 35.7% |
| No Response: | 1.4% | No Response: | 1.6% | Single Parent: | 3.9% |
| | | | | Other: | 3.4% |
| | | | | No Response: | 0% |
| RESIDENCE | | LIMITED ENGLISH | | RECIPIENT OF PUBLIC ASSISTANCE WITHIN LAST 90 DAYS | |
| DE: | 74.3% | Yes: | 7.9% | Unemployment Ins.: | 0.2% |
| MD: | 8.1% | No: | 87.9% | SSI: | 0.5% |
| PA: | 11.3% | No Response: | 4.2% | TANF: | 0.2% |
| NJ: | 3.2% | | | Food Stamps: | 2.0% |
| Other: | 2.6% | | | No Response: | 97.1% |
| No Response: | 3.7% | | | | |
| EMPLOYMENT STATUS 90 DAYS PRIOR TO TRAINING PROGRAM | | | AVERAGE SALARY OF TOTAL PARTICIPANTS | | |
| Unemployed: | | 2.2% | \$30.57 hour | | |
| Employed Part Time: | | 1.5% | | | |
| Employed by This Employer: | | 86.2% | | | |
| Employed by Other Employer: | | 4.7% | | | |
| No Response: | | 5.4% | | | |
| EDUCATION LEVEL | | | | | |
| Did Not Complete High School: | | 2.9% | 2-Year College Degree: | | 8.5% |
| High School or Equivalent: | | 23.1% | 4-Year College Degree: | | 26.3% |
| Post-High School/Training Program: | | 4.1% | Additional Degrees: | | 13.9% |
| Some College: | | 19.4% | No Response: | | 1.8% |

The Blue Collar Grant Program's general training grants initiative also supports projects such as the Delaware Trust and Wealth Management, the Six Sigma Consortium and the Delaware Manufacturing Development Center.

Initiative II: Governor's Education Grant for Working Adults

The **Governor's Education Grant for Working Adults** is designed to assist working adult students gain marketable skills, enhance their ability to become self-sufficient, and maintain gainful employment. Eligible applicants can receive up to \$2,000 for a preapproved course study. This program is administered by the Delaware Higher Education Office and funded by the Delaware Economic Development Office.

During FY16, participating educational institutions were awarded 32 grants totaling \$42,642.37. These grants were utilized by employed Delaware residents seeking a certificate.

Participating educational institutions include Delaware State University, Delaware Technical Community College (Owens and Terry Campus), Polytech Adult Education, Sussex Tech Adult Division, and the University of Delaware Continuing Education program.

Students enrolled in the following study programs:

| Programs of Study | # of Students |
|-----------------------------------|----------------------|
| AAPC Medical Coding Specialist | 2 |
| Certified Nursing Assistant | 8 |
| Clinical Medical Assistant | 2 |
| Dental Assistant | 3 |
| Information Technology | 1 |
| Learn To Weld | 1 |
| Medical Assistant with Phlebotomy | 1 |
| Medical Billing and Coding | 1 |
| Paralegal | 1 |
| Pharmacy Technician | 3 |
| Phlebotomy Technician | 6 |
| Project Management | 1 |
| Vet Technician | 1 |
| Veterinary Assistant | 1 |
| Total | 32 |

Initiative III: State Employee Training Program

The **State Employee Training Program** is designed to provide grants to financially assist state employee training programs. This program is administered by Delaware's Office of Management & Budget (OMB). Below is a breakdown of the courses and agency specific programs that were awarded in FY16.

| | |
|---------------------------------------|--------------------|
| Office of Management & Budget Courses | \$ 17,460.00 |
| Agency Programs | \$ 60,948.56 |
| Total Awarded | \$78,408.56 |

| Office of Management & Budget Courses Open to all State Employees | | |
|--|---------------------------|--------------------|
| Course | # of Employees Trained | Amount Funded |
| Basic Principles of Leadership | 52 | \$3,120.00 |
| Providing Constructive Feedback | 21 | \$1,260.00 |
| Developing Others | 40 | \$2,400.00 |
| Correcting Performance Problems | 43 | \$2,580.00 |
| Human Side of Management | 38 | \$1,900.00 |
| Put it in Writing | 62 | \$6,200.00 |
| Total OMB Funding | 256 | \$17,460.00 |

Participating State Agencies:

Delaware State University
Department of Correction
Department of Finance
Department of Health & Social Services
Department of Insurance
Department of Natural Resources
Department of Safety & Homeland Security
Department of State
Department of Transportation
Office of Management & Budget