The Delaware Business Marketing Program figures shown below reflect the total contributions and expenditures for April 1, 2016 – March 31, 2017.

**Contributions Received:**
The total contribution received April 1, 2016 – March 31, 2017 was $16,925.

**Total Expenditures:**
The total expenditures for April 1, 2016 – March 31, 2017 for the Business Marketing Program was $114,470.79*.

**Marketing Program Assessment:**
Partially assisted by the Strategic Fund, DEDO’s business attraction and retention efforts are supported by its Strategic Communications team. The team uses public relations, advertising, event planning, marketing, social media and other online tools to promote financial programs and services as well as DEDO’s major successes.

*$114,470.79 as of 3/31/17. Anticipate additional expenditures of approximately $185,000.
At the Delaware Economic Development Office, when we say our state is the “right place, right size” for businesses — whether they are large or small, homegrown, from across the nation, or from around the globe — we mean it. **Our team** of 42 individuals work hard, day in and day out, to promote Delaware, attract and support businesses, nurture entrepreneurs and **create jobs** for Delawareans across the state. Although we are a small team, we achieve these goals through a multidimensional and dynamic approach that goes well beyond the traditional incentive packages and financing that most people associate with DEDO. **The following pages contain an illustrative sampling of the customized materials, tools, events and promotional items that DEDO produces in-house. All materials are designed to meet the specific needs of each client and project.**
Delaware Technical Innovation Program

Sustaining Delaware’s economic growth long-term is vital and DEDO has supported the investment in research businesses to bring innovative new products, jobs and revenue to Delaware. During the FY09-FY16, 22 entities received assistance through the Delaware Technical Innovation Program via the Small Business Innovative Research and Small Business Technology Transfer programs.

Delaware Grant Programs

Delaware Technical Innovation Program (DTIP)

The Delaware Strategic Fund 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.

To find more details, see the Delaware Technical Innovation Program official legislation.

Small Business Innovation Research (SBIR/STTR) Grant Application

The Delaware Strategic Fund supports business research that will bring innovative new products, jobs and revenue to Delaware, and is the primary funding source used for Small Business Innovation.
**Delaware Strategic Fund**

During the Markell administration, DEDO and the Delaware Economic Development Authority approved **690 incentives to 518 Delaware businesses**, amounting to over $479 million and **creating and retaining over 58,887 jobs**; and leveraging millions in private investment in Delaware.

From January 2009 – June 2016, **every public dollar invested in capital expenditure grants generated over $32 in private investment.**

Delaware’s portfolio of businesses currently receiving Strategic Fund grants have exceeded job creation requirements, reporting **more than 32,800 full-time employment opportunities**; over **8,200 more than promised**.

Risk management has resulted in a significant decline in delinquencies – **reducing defaults by 10% a year.**
Project Pop Up

DEDO’s Project Pop Up program created the opportunity for 18 businesses to move from a home-based setting to brick-and-mortar locations in Delaware downtowns. After four years running, 12 of those businesses still occupy their downtown locations and two have spawned new businesses.

Amber Shader’s “eureka” moment and Pop Up worked together.
Delaware Rural Irrigation Program (DRIP)

Nearly 3,200 acres of Delaware’s cropland, irrigated as a result of the Delaware Rural Irrigation Program (established in 2011), assisted 56 family farms by enabling them to survive droughts and increase yields by at least 75%; resulting in an economic impact of over $1.2 million for Delaware farmers.

State Small Business Credit Initiative (SSBCI)

Small businesses are the backbone of our state’s economy and fundamental to our success. That is why DEDO supports empowering small businesses, nonprofits and start-ups by ensuring they have access to below market interest rate loans through SSBCI. By investing in these businesses, DEDO expedites their launch, growth and the creation of more jobs.

From January 2009 – June 2016, every public dollar invested generated over $6 in private investment.
Delaware Capital Access Program

A private-public match program that, during the Markell administration, positively impacted 178 small businesses (over 50% minority-owned) by enabling them to make payroll, purchase inventory and meet other business-related expenses.

In 2014, the program was modified to include veteran-owned small businesses. In FY16, it expanded to disability-owned businesses and start-up entities.

From January 2009 – June 2016, every public dollar invested generated over $8 in private investment.

Ainsley's Pharmacy is one of the small businesses using Delaware Capital Access Program.
Downtown Delaware Revitalize! Conference

DED0 implemented a multidimensional, but low-cost, marketing strategy to design and promote the successful Revitalize! Conference, which in 2016 focused on the theme of “placemaking.” Placemaking is a holistic, synthesized approach to planning, designing and managing public spaces. It capitalizes on the assets, inspiration and potential of the community with the intention of creating public spaces that promote the health, happiness and well-being of everyone. Conference-goers were treated to a variety of sessions hosted by industry experts that shared applicable, practical ways to implement placemaking strategies, as well as tours of the hosting venues which demonstrated these characteristics.
Governor’s Entrepreneurial Business Conference

In FY09, DEDO began hosting educational events targeting Delaware small businesses and entrepreneurs, including a statewide conference devoted solely to helping these owners overcome challenges and set them on the path to success. Hence, the Governor’s Entrepreneurial Business Conference was born. It quickly became a hit, with over 200 attendees learning from the real-life experiences of other successful business, financial and entrepreneurial experts on how to start, build and grow their companies. The conferences also highlighted Delaware connections and successes like Carvertise and SevOne.
Helping Retain and Grow Delaware Businesses

Equally as important as bringing new business to the state is retaining/growing the businesses already established here. As part of DEDO’s reorganization in 2009, the agency eliminated the cluster model and established a Business Retention and Expansion program. Governor Markell and DEDO made it a priority throughout the administration to visit with businesses across the state to learn directly from them what challenges they faced and what we could do to support them and build on their success. From FY13 to FY16, DEDO’s Business Development Leaders visited over 600 sites; consulted with over 1,800 businesses, entrepreneurs and start-ups; and, attended over 720 community and business events. These efforts helped companies such as (insert list) grow their businesses and add vital jobs to Delaware’s economy.
Bringing Businesses to Delaware

One of DEDO’s primary objectives is promoting Delaware and attracting more businesses from across the globe to locate and expand here in the First State. We work nonstop and collaboratively to connect businesses with the people and resources they need to be successful. Our responsiveness, Delaware’s business-friendly climate, and engaged legislators are just some of the many reasons why businesses like AB Group Packaging, Alpha Technologies, Techmer Engineering Systems, Uzin Utz chose to locate here.
Workforce Development

A ready workforce with the right skills and knowledge is critical to the success of Delaware businesses as companies strive to remain competitive in a global marketplace. Since January 2009, over 10,400 Delaware workers have received training through grants and programs provided by DEDO.
Delaware officials join CEO Harry Virk to celebrate the opening of Alpha Technologies’ new office at One Customs House in downtown Wilmington. Alpha Technologies, a leading provider of IT solutions and consulting services, plans to add more than 240 technology and innovation jobs in Delaware.
Welcome

Dear Neighbors,

Delaware has faced wide-ranging challenges since I was elected in 2008, not the least of which was the onset of the Great Recession. I am proud to say that — by working together, investing in innovation, technology and our workforce, promoting job-creating capital investment, and creating a business-friendly climate that encourages businesses and entrepreneurs to locate or expand here in Delaware — the diligent efforts of the state, and more importantly the hard work of our businesses through challenging times, have paid off in a big way.

Our unemployment rate was climbing near 10 percent and, by the end of my first year in office — with the exodus of Chrysler, General Motors and Valero — 5 percent of the state’s jobs were gone. We needed to respond and implement viable, sustainable solutions and do it quickly. Delaware is now one of the nation’s leaders in job growth, outpacing the regional and national rates. Our unemployment rate has fallen drastically to 4.2 percent. Delaware has been repeatedly recognized nationally for our business-friendly environment, and for the past two years our employment gain has been the largest for any two consecutive years in the state’s history. After rating Delaware 45th in its annual job creation index in 2010, Gallup now places Delaware fourth.

In today’s economy, Delaware isn’t just competing with other states to attract business; our rivals include countries worldwide. Globalization means that businesses can hire, locate, and expand anywhere in the world. In addition, technological innovation has allowed companies to produce twice as much with half the labor force. Moving forward, we must reaffirm our commitment to strengthening our workforce, encouraging research and development of new ideas and products, supporting innovative startups, and connecting our businesses to consumers around the world through exports. If we do so, we will build on the progress Delaware has made, ensuring our state and its hard working people will have increasing opportunities to thrive in the new economy.

— Governor Jack Markell
State of Delaware

Dear Friends,

The most important ingredient to the success of any business is its people. Since the beginning of the administration, DEDO has taken on the vast challenge of sustaining and growing Delaware’s economy and creating opportunities for Delawareans. For a small team of just over 40 highly dedicated employees, we have produced huge results over the past seven years. The pages that follow help bring to life our story and the success of some of the countless individuals and businesses we have helped along the way through our responsiveness and adaptability to Delaware’s ever-changing economic landscape.

Whether it is investing in entrepreneurs and fledgling startups, or attracting the business of billion-dollar companies, DEDO has a clear mission and message — Delaware is the “right place, right size” to do business and create jobs. Through our various initiatives and programs, collaboration with our sister state agencies and legislators, and commitment to improving the quality of life for all Delawareans, DEDO has helped businesses here expand, as well as attracted businesses from across the globe. We look forward to building on the progress we have made and continuing to find new and innovative ways to serve Delaware’s business community and create more opportunities for the citizens of the First State.

— Bernice Whaley
Cabinet Secretary, DEDO
Like a well-oiled machine, the Delaware Economic Development Office (DEDO) provides a multi-faceted approach to sustaining and growing the state's economy. Grants and loans, training opportunities, conferences, and a variety of programs geared for new entrepreneurs add to the state's reputation as being business-friendly. Running that machine is a group of highly dedicated people whose roles vary and at times intersect, but who make it their mission to support Delaware's diverse business community.

An agency of just 42 people, DEDO has helped grow the state from the bottom of the ranks: the renowned Kauffman Foundation identified Delaware as 50th when it came to entrepreneurial initiatives back in 2007; in 2015, Delaware climbed 31 spots to rank 19th in Kauffman's Startup Activity Index. Moreover, a 2008 Gallup job creation index ranked the state near the bottom; in 2015, Delaware moved to number four – ranking among the best in the nation.

Governor Jack Markell’s legacy includes increasing Delaware's visibility, making it no longer a small wonder, but an accommodating giant nationally and internationally when it comes to business development. Today, thanks to his leadership, Delaware is among the nation's leaders in job creation.

This growth was achieved without losing the state's AAA bond rating. Vacancy rates in cities and towns are down, employment is up, and businesses are not only establishing roots, but are expanding their footprints.

DEDO is, in many respects, an extension of the Governor's Office, said Cabinet Secretary Bernice Whaley, adding that economic development has been one of the governor's top priorities. Success stories include growing small business opportunities in previously economically depressed areas, along with enhancing manufacturing and technology sectors by looking beyond the state's borders.

"Last year, we were more strategic around what we can be doing now to grow and expand what we have here in the state," said Whaley, adding that many small businesses are expanding and creating jobs. "We are working to build our downtown business communities, and keep our talent here in Delaware.”

Job growth, she continued, remains an ongoing priority. “Although we’ve come up with some very creative ideas to build up the entrepreneurial culture, we can't lose sight of the importance of attracting new investments to the state as well.”

While DEDO is comprised of multiple teams
and units, each contributes independently and interdependently to the whole agency. This cohesive approach assures red-carpet treatment whether a business is a large corporation or a small mom and pop operation, an existing in-state business or an out-of-state firm with relocation in mind.

As out-of-state or overseas businesses begin their preliminary exploration of the state, these are the folks who pull together the requested information, including demographics, industry stats, and analyze trends and provide other critical data.

Success stories include growing small business opportunities along with enhancing manufacturing and technology sectors.

Behind the scenes becomes front and center as processes like site selection, capital investments and downtown programs give way to press releases, ribbon cuttings, and events surrounding that special moment in a business’s history—when a shingle is hung and a welcome mat is in place.

In the pages that follow, we celebrate the growth that has occurred within Delaware’s cities and towns, the synergy that’s been created amongst stakeholders, and the ways in which DEDO programs and initiatives have supported these efforts.
Good old-fashioned outreach is the key to encouraging business growth in Delaware.

That means continually scanning the national marketplace for opportunities for companies to relocate their headquarters or expand. The approach is a formal one and involves time and energy to build relationships with site selectors and local advisors who often act as a liaison between DEDO and the business.

Thousands of new jobs in the financial services industry are being created by companies such as Capital One and Barclays. JPMorgan Chase announced plans to add 1,800 new jobs by 2019, generating millions of dollars in economic activity through capital projects, and creating hundreds of construction jobs.

Delaware is recognized for its business-friendly climate, and this has factored into recent decisions by major corporations. In April, Ireland-based AB Group Packaging opened its first U.S. plant in Newark. A month earlier, Alpha Technologies moved its headquarters to Wilmington. The pair will boost area employment by creating over 300 jobs. Sectors experiencing growth include healthcare and education, but there’s been a slight uptick in manufacturing as well as evidenced by AB Group Packaging and the recently announced expansion of Johnson Controls in Middletown.

“We’re trying to bring back, reshore some aspect of manufacturing to the states,” said Tim McLaughlin, director of business development at DEDO. But that doesn’t mean the agency must look far and wide. Sometimes, that growth is homegrown.

Internally, DEDO works closely with local businesses, including the Chambers of Commerce — and leaders in New Castle, Kent, and Sussex counties who lend support to existing businesses within those respective geographic areas.

In addition, DEDO has placed three distinct business development leaders at the helm in each county. In doing so, it has solidified the agency’s interest in growing from within and reassured local businesses that its focus is on invigorating and expanding existing efforts.

Of equal importance is the ease of access Delaware businesses have when it comes to seeking assistance. Close working relationships between DEDO and public and private sector partners like the Small Business Development Center at the University of Delaware and SCORE provide a full-circle approach to offering that assistance.

“A agencies work together when it comes to economic development opportunities,” said McLaughlin.
A former grain mill in Laurel will once again be the center of activity thanks to the arrival of Proximity Malt, a Milwaukee startup. The company will not only provide product to the growing craft beer industry, but support area grain farmers as well by purchasing barley, wheat, and rye. Barley, Proximity’s primary need, will be germinated and then steeped at the Laurel mill.

“We had been looking at a number of different areas in the region. It’s important for us to be in the mid-Atlantic, where we have access to barley, water, and the logistics to customers in the region. Delaware had all these, but what really pushed us over the edge was they wanted us there,” said Proximity CEO Dale West.

West credits DEDO’s commitment to business development with assisting in the acquisition. A $1.7 million grant via DEDO’s Strategic Fund sweetened the deal. Proximity Malt will invest another $40 million to $50 million.

The mill, built in the 1950s, has sat idle for years. West said the building’s interior has been gutted.

West anticipates Proximity Malt will be up and running early 2017, and will increase area employment by 20 to 25.
Small Business and Entrepreneurs
Fostering big dreams for small ventures

Good things, it’s been said, come in small packages: While large corporations may number 1,000 employees or more, 90 percent of Delaware’s businesses have 50 employees or less. Assuring that the state’s existing small businesses and startups have the resources and support they need is critical to their success and the overall health of the Delaware workforce.

In 2007, new entrepreneurial activity was barely a blip on the state’s economic radar. Since that time, DEDO has launched a number of successful entrepreneurial and small business initiatives.

One of the first was Boot Camp, a business plan competition that evaluated elevator pitches and awarded scholarships.

In addition, events like a women- and minority-owned small business conference, and an e-commerce program have followed, giving entrepreneurs greater insights into how to grow a successful business.

The Governor’s Entrepreneurial and Small Business Conference helps to showcase Delaware’s homegrown successes like the global technology company SevOne and new startup Carvertise — both launched by graduates of the University of Delaware. The conference links other potential visionaries with dreams of starting their own businesses to mentors, resources and other partners to nurture their growth and success.

Building on the state’s rich history of innovation, DEDO has played an integral role in helping to foster ingenuity and building entrepreneurial ecosystem through its support of startups and incubators. Thanks to programs like Start It Up Delaware, coworking spaces like The Mill, and creative “makerspaces” such as NextFab, Datafox recently named Wilmington as one of the top five places to start a business outside of New York and Silicon Valley.

Budding entrepreneurs can take advantage of a variety of places such as the Middletown Business Incubator and Collaborative Workspace. This 3,300-square-foot facility provides space for 10 to 15 businesses and offers a variety of services from coaching and mentoring, to developing a business plan and finding investment capital. Not to be left out, life sciences and technology startups can find homes at state-of-the-art facilities like the STAR (Science, Technology & Advanced Research) Campus at the University of Delaware, Delaware Technology Park, or Optical Center for Applied Research at Delaware State University.

Meeting people where they are is a philosophy that guides DEDO as it grows and nurtures the entrepreneurial and small business landscape. Essential to a growing marketplace is the knowledge that the demands are often unending, and acceleration requires a 24/7 responsibility, not a nine-to-five workplace. Understanding that not all new entrepreneurs have the luxury of giving up an established day job to grow their budding venture, DEDO also recently partnered with the One Million by One Million program, an online global incubator where
participants attend a virtual classroom during hours that fit their busy schedules. Founded in 2010, the program’s goal is to assist a million entrepreneurs worldwide achieve $1 million in revenue within the decade.

“We looked at the roundtable sessions that would be presented, and we knew we needed this kind of program,” said Ken Anderson, director of entrepreneurial and small business support.

DEDO made a commitment to fund the participation of 10 of the state’s most serious entrepreneurs in the intensive program.

In keeping with the role of DEDO, its function in small business development is interwoven with other agencies, including the Delaware State Chamber and the Delaware Manufacturing Extension Partnership as well as Project Pop Up.

“So much of our resources are going to small business and meeting the needs of the entrepreneur, to do the right matchmaking,” said DEDO Cabinet Secretary Bernice Whaley. “That includes financial tools and just plain old support.”

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**New Legislation**

When it comes to attracting new businesses and encouraging expansion, legislation that adequately meets the needs of a changing business landscape are critical. Under the Markell administration, three significant pieces of business legislation do just that.

**The Commitment to Innovation Act**

Signed by Governor Jack Markell in March, this legislation includes provisions to expand the state research and development tax credit and incentivize companies to establish headquarters in Delaware. The act ensures all companies receive the full research and development tax credit for which they qualify by removing the annual expenditure cap of $5 million and making the credit refundable. It also makes modifications to the New Economy Jobs Tax Credit, which provides an incentive for companies to establish global corporate headquarters in Delaware.

**The Delaware Competes Act**

Signed in April, the Delaware Competes Act changes the way corporate income tax is calculated to ensure companies don’t pay more for decisions to hire and expand in the state, and to modify filing requirements that were overly burdensome to small businesses. Previously, three factors were used to determine what portion of a company’s total income is attributed to Delaware for tax purposes: payroll in Delaware, property holdings in Delaware, and total sales in Delaware. As a result of the new law, only sales will be factored into the calculation, meaning companies will not be penalized for adding payroll and property in the state.

**Support Investment in Delaware Entrepreneurs**

This legislation was introduced in spring 2016, and is designed to give small businesses and startups better opportunity to access capital. The bipartisan bill would permit the use of online crowdfunding platforms. It would allow Delaware residents to be investors in Delaware start-ups and small businesses, expanding the potential pool of investment capital for small businesses while also giving Delawareans the chance to be early stage investors in these ventures.
Amber Shader had her eureka moment during the recession. “I was in corporate America for 13 years as vice president in a human resources department. It was during a time when everyone was worried about jobs… I said to myself, ‘Life is short. And I want to enjoy my life,’ ” she said.

Equipped with a digital camera her husband gave her, Shader updated her skills at Delaware College of Art and Design. Soon, friends began taking notice of her talent via social media. Today, Shader is owner of Amber Shader Photography and First & Little children’s boutique in Middletown. As the first to hang a shingle during Project Pop Up’s inaugural year in 2011, she is DEDO’s poster child for the successful startup program.

Working from a 300-square-foot space adjoining the Everett Theater, Shader conducts portrait consultations — photos are taken on location — and sells children’s clothes and accessories.

Her business, she said, grew organically largely thanks to social media. Shader now mentors new entrepreneurs, serves on Middletown’s Main Street board, and has partnered with Everett Theater and area schools.

“Sometimes I wake up, thinking I still have to go to work,” she said, referring to her previous livelihood. “Then, I say, ‘No, I don’t. I’m living my dream.’ ”
Sense of place: It’s more than a coordinate on a map, and not just a name on a welcome sign. Aesthetic attributes aside, a synergetic business district, engaged community members and accessible public officials — who partner with both — create a sense of belonging. These components are found throughout the state, in large part thanks to the work of DEDO’s Downtown Delaware/Main Street programs and initiatives.

Downtown Delaware is a service-oriented program; Main Street, a national historic preservation initiative; Commercial District Affiliates are a streamlined version of Main Street; Project Pop Up is a vacancy reduction/business startup program; and the USDA’s Rural Community Development Grant Program is a financial assistance engine to push things forward. These efforts have improved the quality of life in Delaware's cities and communities and have economically benefited the state as a whole.

Downtown Delaware/Main Street’s most recent success story has just wrapped up: A $200,000 three-year USDA matching grant aimed at revitalizing Delaware’s rural regions has come to a close. Seven towns received services through the program. Tangible results show gains beyond the program’s expectations. The findings are impressive: A 2 percent overall reduction in vacancy rates was anticipated. Instead, a 12.6 percent average reduction in the towns of Milford, Milton, Seaford, Smyrna and Bridgeville occurred. The latter community realized a vacancy gain due to new commercial construction; however, a plan is under way to fill that space. While 36 new businesses were anticipated, still greater growth was achieved with a combined total of 48 new businesses in five of the targeted communities. And, an anticipated job gain of 72 positions resulted in 124 new hires.

To help further those efforts and spur investment and community development, Governor Jack Markell launched the Downtown Development Districts program in January 2015.

Exceeding expectations has come to define Downtown Delaware. Working along with other partners, Project Pop Up provides yet another example. The concept, one that’s finding popularity in business districts near and far, is intended as three-month jump-start for new businesses.

“We use our program as a vacancy reduction tool and a springboard for businesses to get established,” explained Diane Laird, state coordinator of Downtown Delaware.

Vetted via a thoughtful selection process, candidates also work with folks from DEDO’s entrepreneurial and small business team to acquire targeted advice. Many stakeholders make the program a success, including landlords — who cover rent for the 90-day period — and Main Street volunteers who assist with renovations. Since the program’s inception several years ago, 17 of the 18 businesses that have participated have signed longer leases.
Infusing Delaware’s key industries

Today’s dynamic economy requires a competitive edge. A skilled workforce keeps employers in Delaware and encourages relocation or expansion of out-of-state companies. And, employees need to stay on top of their game in order to foster job security. For DEDO, workforce development means awarding training grants and identifying gaps that may exist within educational institutions in order to better meet the demands of the marketplace.

While several grant opportunities exist, among the broadest in its scope is the governor’s Blue Collar Grant Program. The funding for this matching grant program comes from unemployment taxes paid to the state. It is intended for entry-level job training for existing or new companies, including low-to-mid skill range entry-level supervisors. Since the start of Governor Jack Markell’s administration, DEDO has assisted 277 companies and offered training to 9,400 employees.

While companies within the same industry may view themselves as competitors, when it comes to training, an adversarial stance has no benefit. “We try to leverage the funds and use them as best as we can by bringing together like industries,” said Sonia Aguilar, director of workforce development at DEDO. It’s an approach that works, particularly in generalized areas where common concerns crop up, including literacy and computer training.

The goal is to bring together industry partners and educational representatives to meet the needs of companies. That means looking to the state’s technical and community colleges to provide training and keeping tabs on what critical expertise is lacking in the workforce, then offering classes to address the shortage.

When a gap was identified within the automotive repair industry, DEDO met with the administration at PolyTech in Dover to create an automotive program. The establishment of a manufacturing center there further solidified the campus as a partner in training. Similarly, DEDO worked closely with Delaware Technical Community College in Georgetown when a need arose to train airframe and aircraft powerplant technicians. The end result was the expansion of the college’s aviation program, which included construction of a million dollar facility at the Sussex County airport.

Workforce training is a top priority for the jobs of the “new” economy and skilled workers are a key factor when companies are deciding where to locate and expand their businesses. That is why the Markell administration has invested heavily in programs such as TechHire, Pathways to Prosperity and ZipCode Wilmington to ensure Delaware provides the education and skills that align with these new opportunities.
Hirsh Industries benefits from Blue Collar Grant

When officials from Hirsh Industries of Dover sought to offer a training program for apprentices, they turned to DEDO. Hirsh, which manufactures industrial/commercial grade file cabinets and shelving, hoped to resurrect the state’s Industrial Maintenance Apprenticeship Program offered at Polytech Adult Education in Woodside.

Thanks to DEDO’s commitment to investing in its workforce, the employer was able to create a hybrid program in 2009 with Polytech instructors agreeing to teach onsite at Hirsh.

Blue Collar Grants have helped cover the cost associated with the restructured program, said Ken Murr, who currently heads Hirsh’s environmental health and safety division. Murr was the maintenance manager at the time and involved with the negotiations that saved the program.

“DEDO has been a big help through all of this. The funds cover the cost of instructors and books,” he said.

In addition to retaining a critical program essential for apprentice skill acquisition, Murr said the company as a whole has benefitted from the in-house training opportunity.

“Originally, it was open just to our apprentices when it started. But we’ve opened it to others in the plant – to those [desiring] to fully understand the operations of the equipment thoroughly. Line leaders have taken it as well. … Some of our graduates are now super operators. They can operate several of our more complex machinery,” he said, adding that rarely has Hirsh had to go outside for the hiring of industrial technicians or mechanics. “We’re now mostly promoting from within,” Murr said.

From left: Rich Knowles, James Davis Jr., Chris Baynard and Randall Scott.
A vibrant and diverse workforce in Delaware adds to the state’s economy. And while work is critical to the state’s gross domestic product (GDP), play has its rewards as well. As Delaware’s fourth largest economic sector, tourism added $3 billion to the state’s GDP in 2014. Travelers from near and far frequent the First State for R&R on our beaches, cultural education from our museums, or as connoisseurs as they tour breweries, wineries, and distilleries.

Since 2009, strategic marketing efforts, including an aggressive marketing campaign, a rebranding initiative and a strong presence on social media have significantly increased interest. A revamped website (www.visitdelaware.com), publications, tourism signage and familiarization tours targeting specific influencers have added leverage to the unit’s toolbox in its effort to promote the state. This in-house generated outreach is the equivalent of $6 million if spent on commercial advertising. Promotion is a year-round function, and DEDO team members attend eight travel trade shows and conferences as a means of spreading the word about Delaware, and its endless discoveries. Moreover, a new tagline used to attract tourists is creating buzz and results.

“We knew that there wasn’t a lot known about Delaware to out-of-towners. We knew we needed a full brand campaign that would be effective,” said Linda Parkowski, director of tourism. Some 4,000 out-of-state visitors or potential visitors were surveyed, she said, adding, “Delaware had a pretty bland image; it didn’t bring a visual image.”

Endless Discoveries was rolled out in January 2015 as the new catch phrase intent on piquing the curiosity of those unfamiliar with state offerings. The things-to-do list is a long one, and goes beyond the state’s natural resources along its southeastern coastline. Dover is home to the International Speedway, a venue that will host two three-day NASCAR events in 2016. And Dover’s population grows by 65,000 in mid-June as the
popular Firefly concert, now just concluding its fifth season, takes place.

Revenue from the concert is calculated regionally to include spending in surrounding states due to interstate travel. The most recent figure places revenue at $68 million regionally.

Spring, summer and autumn months offer endless options for outdoor activity and include celebratory festivals geared for young and old alike. Calendar-dictated events, however, aren’t the only way visitors come to know the First State. From Delaware’s rich historic and cultural contributions to its wines, beers, and cuisine, travelers have a plethora of opportunities via the state’s Trails of Discovery tours.

Travelers have a plethora of opportunities via the state’s Trails of Discovery tours.

Equipped with a passport identifying stops along these self-guided tours, participants visit as many or as few locations as desired. Five distinct discovery tours connect visitors with state attributes, products, and geography. In 2009, the tourism unit launched its first such initiative: a geocaching trail. A beer, wine, spirits tour followed in 2010. The history tour, culinary tour and an outdoor tour have further added depth and breadth to this popular trend, with the issuance of 15,000 passports to the various trails since the launch of the first trail in 2009.
EDO provides many opportunities aimed at furthering economic growth in Delaware. In addition to services, educational opportunities and training programs, DEDO administers and tracks loans and grants.

While there are a number of grant or loan programs with specific protocols in place, among the two more prominent ones are the Strategic Fund and the State Small Business Credit Initiative (SSBCI).

For fiscal year 2016, the Strategic Fund received $10 million, and has requested the same amount for fiscal year 2017. Monies are the result of an allocation from the state’s bond bill budget, enabling Delaware to successfully compete against other states by offering low-interest loans and grants to eligible businesses.

Thanks to the Delaware Strategic Fund, over 32,200 jobs have been retained or newly created. Eighty-one percent of DEDO’s current grant portfolio includes incentives for existing Delaware businesses, while some allocations have been used as a recruitment tool.

Among those recipients are two overseas companies that opened their first U.S. plants in Delaware — Germany-based Uzin Utz in 2014 in Dover and, more recently, Ireland-based AB Group Packaging in Newark.

“Our programs are open to businesses throughout the state,” said Rachael Mears, director of capital resources. The federal government provides the funding for the SSBCI program. This fiscal year, DEDO took its final draw from a potential allotment of $13.2 million. This was quite an achievement because the unit’s access to the third and final draw was dependent on how successfully earlier draws had been expended and managed. The federal money was originally approved in 2011.

Other funding opportunities have included the Industrial Revenue Bond Financing, the Delaware Capital Access Program, Limited Investment for Financial Traction (LIFT) monies, and the Delaware Rural Irrigation Program (DRIP), a no-interest revolving loan fund administered jointly through DEDO and the Delaware Department of Agriculture.

Agriculture is Delaware’s largest single land use and repeatedly ranks first in the nation in the value of agricultural products sold per acre, according to the U.S. Census of Agriculture. Whether it is through Strategic Fund loans or grants to companies such as Perdue, Mountaire Farms and Envirokure, or more specialized programs like DRIP for cropland irrigation, DEDO is proud to support the state’s farmers and agribusiness which are critical to our economy. This is just one of the many reasons that Delaware beat out stiff competition from other states to win the future corporate headquarters of the agriculture company spinoff to be created following the merger of Dow and DuPont later this year.
Kent farmer increases yield with DRIP loans

The yield on third-generation farmer Justin Comegys’ land has increased thanks to upgrades to his irrigation systems. Comegys grows wheat, barley, corn and soybeans on two parcels in Felton and in Magnolia. He wholesales his product to area mills. The upgrades were made possible thanks to two DRIP loans from DEDO totaling $27,000, the first in 2014 and the second in 2015. The loans enabled the purchase of equipment and the installation of a well for one farm previously dependent exclusively on rain, and a fixed irrigation system on the second farm. The latter purchase has reduced Comegys’ use of a towable system.

DRIP loans are interest-free and cover 25 percent of the cost of irrigation equipment up to $25,000. Repayment begins two years after the monies are received. For Comegys, the Delaware Rural Irrigation Program offered a trifecta win.

“It helps that I don’t have to pay it back for two years. I have the ability to get the system paid down with that money,” he said, referring to paying back the conventional bank loan he also obtained. And, in addition to the increased yield, Comegys has greater bargaining power with the mills that purchase his crops. The irrigation systems, he said, provide upfront assurance that he can fulfill their demand.

“I have the ability to sell crops in the wintertime… but I also have the ability to sell at a higher price. I even have sustainable crops during a non-rainy winter,” he said.
Collaboration

The key to economic strategy

In the big picture, the very concept of effective economic development is much broader than the sum of a 42-person agency. It doesn’t take a village, but it does take a state with people and agencies that move in collaboration toward strategic growth and the environment that fosters it.

“At the very least, we facilitate getting everyone around the table to make sure this is the best environment for businesses to grow and expand,” said DEDO Cabinet Secretary Bernice Whaley. “We have such a good working relationship with all the other agencies — they get it.”

From helping developers and realtors locate the most advantageous sites for new ventures and working with state agencies like the Delaware Department of Labor, to recruiting businesses for participation in the Biotechnology Industry Organization’s international conference, DEDO’s role is multi-faceted.

Some examples of these involvements include assisting developers seek tenants to the state’s premier technology incubator and manufacturing space situated at University of Delaware’s STAR campus. Moreover, when word first came that AB Group Packaging was considering a Delaware location, DEDO and state agencies knew they needed to ramp up with regard to the skill set the manufacturer required.

“Who knew that running equipment to make paper bags was an expertise?” said Patty Cannon, director of intergovernmental relations and special projects. “We had a short window to get up and running. In less than six hours, we set up a meeting,” she said, adding the group brainstormed around recruitment and training.

Such nimbleness may be inherent to working and living in a small state, but being business-friendly is already part of DEDO’s DNA, and Delaware’s. It includes an engaged federal delegation and state legislators who share the ability to work across party lines, and generous communication between spectrums, from universities to local governments and agencies.

And not all of it hinges on funding. Whaley can cite many examples of companies who relocate or expand to Delaware, but who don’t tap DEDO for funding; rather they need help with navigating logistics like compliance issues, or questions about permitting or utilities.

In every instance, Whaley says her agency and the whole of its staff is responsive, finessing relationships with outside agencies and businesses so that respect is earned and companies get answers quickly — sometimes even ahead of time.

“We’re working with a company looking to relocate from New Jersey, and we’re competing with Pennsylvania and potentially New Jersey,” said Whaley. The company had crucial questions about permitting and requested an informational meeting before they made a decision. “So we pulled together a team from DNREC so we could get those questions answered.”

With such engaged advocates, the clear winners are the businesses that expand or relocate here.
One of Delaware’s many competitive advantages is Free Trade Zone (FTZ) #99 which covers the entire state. FTZs are a tool that companies use to increase their global competitiveness and they play an important role in providing a level playing field when investment and production decisions are made. FTZs allow companies to bring goods into site duty-free and without formal customs entry. This lowers their inventory costs and defers, reduces and/or eliminates U.S. Customs duties. In Delaware, more than 2,500 firms utilize FTZs and exports from FTZs top $40 billion annually.

Site Locator tool

How do potential businesses know that Delaware is the “right place and right size” for them? The state’s Location Advisor Outreach and Site Selection Website tool, gives immediate answers. From available office, industrial and retail space to robust data about demographics, labor force, infrastructure and industry, the system provides both site selectors and business owners all of the information they need to know in just seconds. It’s a first, crucial look at Delaware possibilities.

“It’s a powerful tool that goes way beyond the real estate community,” said DEDO Cabinet Secretary Bernice Whaley.

It’s also another reason why CNBC ranked Delaware #1 in Business Friendliness in its 2013 Top States for Business.
### BY THE NUMBERS
2009–2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
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<tbody>
<tr>
<td>Employees</td>
<td>42</td>
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<tr>
<td>Unemployment rate</td>
<td>↓4.3%</td>
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<tr>
<td>Unemployment rate for most recent returning veterans</td>
<td>Dropped from 14.5% (2010) to 5% (2014)</td>
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<tr>
<td>Job Growth 2009–2016</td>
<td>↑10.25%</td>
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<tr>
<td>Full-Time employment opportunities created through Strategic Fund investments</td>
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<tr>
<td>Delaware acres irrigated through DRIP increased yields</td>
<td>Over 3,000 30%</td>
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<tr>
<td>Economic impact of tourism</td>
<td>$3 billion dollars 7.5 million visitors</td>
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<td>Businesses added to Delaware Main Streets</td>
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<tr>
<td>Jobs created</td>
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<td>New jobs infrastructure program private investment leverage</td>
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<td>Jobs created</td>
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<td>Project Pop Up businesses</td>
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<tr>
<td>Workforce training</td>
<td>9,400+ Delaware employees received workforce training</td>
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