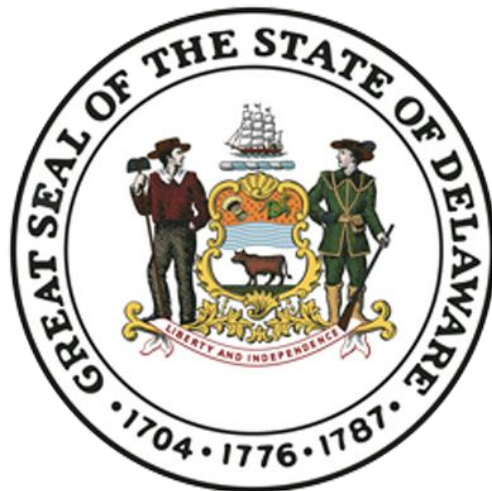

STATE OF DELAWARE'S
COMPREHENSIVE ECONOMIC DEVELOPMENT
STRATEGY (CEDs)

4/20/2020

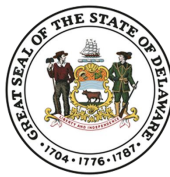


STATE OF DELAWARE
DEPARTMENT OF STATE ~ DIVISION OF SMALL BUSINESS



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Overview

Boasting an environment that combines a low cost of living with a high quality of life, Delaware is a uniquely attractive home to both businesses and residents. These qualities can be attributed to a number of factors, including the State's low taxes, strong business climate, and high workforce productivity among others. These factors contribute to sustaining Delaware's diversity includes the legacy industries of aerospace and aviation, agriculture, chemistry, financial services, life and material sciences, and tourism as well as a significant growth in new and new and evolving industries such as fintech, logistics, maritime, entrepreneurial incubators and an impressive cohort of gig-related industries.

The state government has a large stake in where and how land is developed, and as such, the cost of providing these services is greatly affected by the pattern of land use. In general, the more spread out the state becomes, the costlier services are for taxpayers. Thus, for the state to allocate resources efficiently, it must determine a clear path to the goal of conserving fiscal and natural resources. If federal, state and local governments are not working together, a great deal of waste and inefficiency can occur.

Since the end of the recession, Delaware has seen a slow but steady pattern of growth. However, the growth and success of the economy has always been directly attributable to Delaware's ability to adapt. One compelling example of how Delaware demonstrates agility is in the area of financial services.

The strength of Delaware's Chancery Court and body of Corporate Law combined with the historical Financial Center Development Act signed into law by Governor Pete DuPont in 1981 paved the way for Delaware's tremendous growth in the **financial services** industry. The initial boost came from credit card companies. As the economy further evolved over the decades, the credit card call centers began to contract as the demand for computer programmers, software engineers and portfolio statisticians grew exponentially. The evolution may have been negligible for the end customer but for the industry, Delaware's economy, the current and future employees, the change seemed more like a revolution. Delaware had generations of young people who graduated high school and decided to forego college because they could earn a family sustaining wage with benefits working in a call center. As those call center jobs contracted, the workers were left with a limited skill set to meet the growing demand of more technical skills such as coding and predictive analytics.

Delaware initiated a multi-pronged approach that included retraining the workforce and developing new training programs that were designed to meet the demands of the financial services industry. Those programs included Delaware's first coding bootcamp known as ZipCode Wilmington (<https://www.zipcodewilmington.com/>) boasts a 93% placement rate with graduates earning an average of \$74,000 per year. That was quickly followed by a non-profit group known as {OpenBracket} <https://openbracket.org/> a computer code championship that draws competitors from around the world competing for \$100,000 in prizes. Most recently, University of Delaware and Discover Bank announced plans to build a \$38 million financial services technology building



on the University of Delaware's STAR Campus. The six-story 100,000 square-foot building is a partnership between University of Delaware (UD), Discover Bank and Delaware Technology Park (DTP). DTP will own the building which will be funded by a below-market-rate loan from Discover and UD will lease it as a space for students and companies in the growing field of financial services technology, commonly referred to as "FinTech".

State Government elected officials struggled to recover from the 2008-2009 recession and were highly motivated to mitigate the risk of another economic downturn. As Delaware's economy was growing in 2018 & 2019 with a per capita GDP of \$64,895 and unemployment hovering around 3.4%, Governor Carney and the Legislature passed a Fiscal Year 2020 Budget that limited operating budget growth to 4.2 percent and set aside more than \$100 million in projected reserves.

At the creation of this CEDS, the State of Delaware is living through the first Crisis/Rescue phase of the COVID-19 pandemic. In this phase, Governor Carney has been working to protect human life, support the small and medium sized businesses that were forced to close through no fault of their own, prepare for the stabilization phase and ultimately, the recovery phase. Although there are many models that help communities to predict future outcomes, the COVID-19 is a precedent setting event. This Comprehensive Economic Development Strategy incorporates the flexibility to continue to adapt our economy to meet the demands of the businesses that will create and sustain jobs as well as contribute to Delaware's Gross Domestic Product.

"Always plan ahead. It wasn't raining when Noah built the ark." — Richard Cushing, American prelate of the Roman Catholic Church

State of Delaware is presenting this updated version of the Comprehensive Economic Development Strategy (CEDS) as a fundamental requirement to accessing federal Economic Development Administration (EDA) funding for economic development projects.

This provides Delaware the opportunity to review the economy, evaluate where probabilities for growth exist and combine them into a focused, proactive strategy. The CEDS 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 current and future projects that will enhance the growth of commerce and industry in the State.

The CEDS serves as a framework for decision making based on the facts at a given time. Change is inevitable and not always gradual which demands that the CEDS must allow for agility in response to changing economic conditions. Its purpose is to guide the investment of vital State resources to maximize the health and vitality of Delaware's economic future. This strategy is a work in progress that will evolve as Delaware's economy evolves.

"Someone's sitting in the shade today because someone planted a tree a long time ago." — Warren Buffett, investor



In developing this CEDS, the State of Delaware worked closely with other entities such as The State Planning Coordination Office and Delaware Prosperity Partnership.

The Office of State Planning Coordination, developed the first Delaware Strategies for State Policies and Spending document and maps in 1999. The State Strategies help the Committee guide state investment decisions to promote efficient development patterns, protect agriculture and open space, discourage sprawl, and communicate with local governments on land-use matters. The State Strategies provide policy guidance for state activities and serve as a framework for coordinating the plans and actions of local governments. The importance of such coordination lies in the fact that land-use decisions are made at the local level, while the bulk of infrastructure (e.g., roads and schools) and services (e.g., emergency services and social services) that support land-use decisions are funded by the state. Thus, the development of this document with local governments and citizens helps to create a unified view toward growth and preservation priorities that all governments can use to allocate resources.

The State Strategies serve as the primary policy guide that summarizes the State's land use goals, policies, and strategies. The State Strategies direct state spending into investment levels that support the most efficient use of state resources, be they physical, fiscal, or natural.

Delaware is growing and changing in population size, composition, and density. Though land-use decisions are made by local jurisdictions (municipal and county), the impact of local government land-use decisions, land development patterns, and each Delawarean's decision of where to live affects economic stability statewide. The effect can be felt fiscally—as taxpayers—and in the health, safety, and welfare of the state.

Unlike most other states, Delaware's state government provides many of the services and a great deal of infrastructure throughout the state. Some examples:

- The State maintains approximately 85 percent of Delaware roads as compared to a national average of 25 percent. This includes more than 13,971 lane miles; 1,722 bridges; 1,200 traffic signals; 146,484 signs; and 49 park-and-ride lots.
- In fiscal year (FY) 2019, 945,600 paratransit trips were made by Delaware Transit Corporation (DTC), with 298 paratransit buses at a per-person cost to the State of approximately \$50, compared to nearly 7.2 million fixed route DART bus rides with 260 buses at approximately \$7.60 per person.
- The State provides approximately 60 percent of school operating funding.
- The State provides between 60 and 80 percent of educational-facility capital-construction funding, depending upon the local school districts' relative property wealth.
- The State provides 90 percent of school transportation costs.
- The State maintains 115,741 acres of State Parks and Recreation Areas.
- The State provides 30 percent of paramedic funding.
- The State Police are Delaware's largest police force and the only police force for unincorporated areas of Kent and Sussex Counties.
- The State funds 15 state service centers that deliver more than 160 programs and services on approximately 665,000 visits annually.
- Through the Resource, Conservation, and Development Fund (formerly the 21st Century Fund), \$73 million has been appropriated for drainage-related construction improvements since 1996. Since 2012, the Delaware Department of Natural Resources and Environmental Control (DNREC) and the three



Conservation Districts responded to over 4,700 requests for assistance with drainage problems at the homeowner or community level.

[Source: <https://stateplanning.delaware.gov/strategies/documents/2020-draft-state-strategies.pdf>]

One of Governor Carney's first initiatives in January 2017 was to begin working with the Legislature to create the Delaware Prosperity Partnership (DPP). DPP was created to enhance the state's ability to attract, grow and retain companies; to build stronger entrepreneurial and innovation ecosystem; and to support private employers in identifying, recruiting and developing talent. Governor Carney serves as Co-Chair of the Board of Directors and DPP provided significant data to support the work of this CEDS.

Why a CEDS?

A CEDS is a requirement to accessing federal Economic Development Administration (EDA) funding for economic development projects. Beyond that, a CEDS functions as a focused, proactive approach to support a state's efforts to grow its economic base and position itself for future sustainable growth in jobs and income. A CEDS create a framework for decision making. An effective strategy is anchored by analysis of the factors currently impacting the economy positively and negatively. After assessing the many forces involved, a CEDS highlights the most pressing issues and proposes approaches to overcome the challenges and expand the positives. Based on the goals and objectives created, a CEDS includes specific recommendations and action steps that are designed to guide the State of Delaware in achieving a strong economy.

A CEDS process provides the opportunity to define economic development priorities and to provide a framework for helping the State of Delaware determine how to best utilize its limited resources. Additionally, the framework provides a basis for recommending projects for EDA funding and a current CEDS is required as a precondition for funding under most EDA programs. However, the adoption of a CEDS does not carry a commitment of funding from the State of Delaware for any project or projects. A CEDS only provides projects the opportunity to apply for EDA funding.



ECONOMIC ANALYSIS DETAIL

Background and Delaware's Current Position

This section is a snapshot of Delaware – our people and our economy.

Source: <https://www.census.gov/quickfacts/fact/table/DE/PST045219>

Population	
Population estimates, July 1, 2019, (V2019)	973,764
Population, Census, April 1, 2010	897,934
Age and Sex	
Persons under 18 years, percent	21.1%
Persons 65 years and over, percent	18.7%
Race and Hispanic Origin	
White alone, percent	69.5%
Black or African American alone, percent(a)	23.0%
American Indian and Alaska Native alone, percent(a)	0.7%
Asian alone, percent(a)	4.1%
Native Hawaiian and Other Pacific Islander alone, percent(a)	0.1%
Two or More Races, percent	2.7%
Hispanic or Latino, percent(b)	9.5%
White alone, not Hispanic or Latino, percent	61.9%
Population Characteristics	
Veterans, 2014-2018	66,590
Foreign born persons, percent, 2014-2018	9.2%



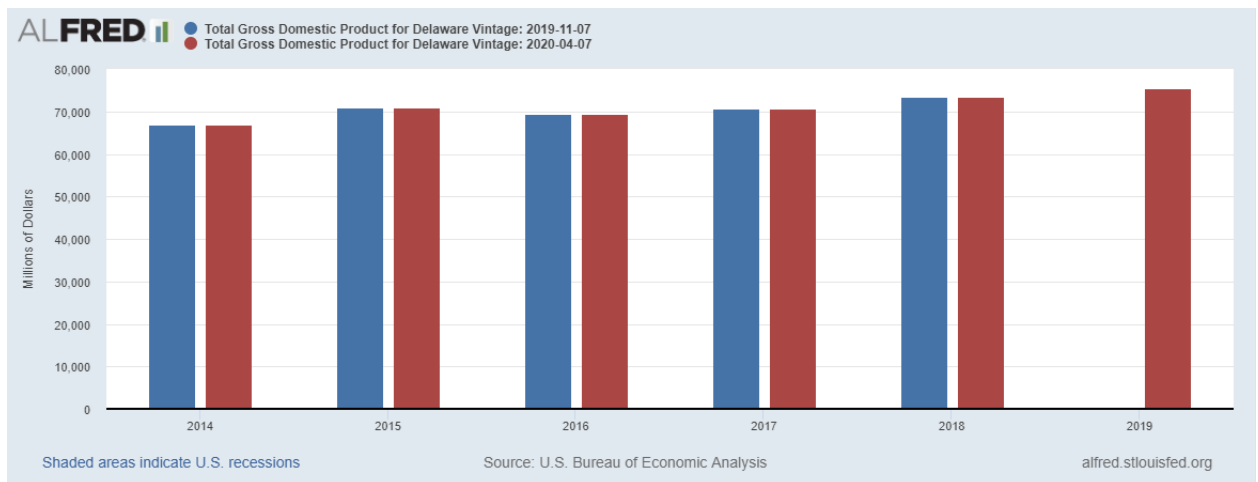
Housing	
Owner-occupied housing unit rate, 2014-2018	71.1%
Median selected monthly owner costs -with a mortgage, 2014-2018	\$1,563
Median gross rent, 2014-2018	\$1,110
Building permits, 2018	6,003
Families & Living Arrangements	
Living in same house 1 year ago, percent of persons age 1 year+, 2014-2018	87.3%
Language other than English spoken at home, percent of persons age 5 years+, 2014-2018	13.0%
Education	
High school graduate or higher, percent of persons age 25 years+, 2014-2018	89.8%
Bachelor's degree or higher, percent of persons age 25 years+, 2014-2018	31.4%
Economy	
In civilian labor force, total, percent of population age 16 years+, 2014-2018	62.3%
Transportation	
Mean travel time to work (minutes), workers age 16 years+, 2014-2018	25.8
Income & Poverty	
Median household income (in 2018 dollars), 2014-2018	\$65,627
Per capita income in past 12 months (in 2018 dollars), 2014-2018	\$33,989
Persons in poverty, percent	12.5%

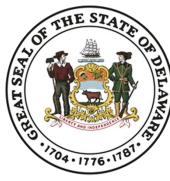


- Delaware is proud to have 89.8% of our Population with a High School Diploma or GED equivalent or higher as well as 31.4% of our Population with a BS or higher degree; however, the Population is also defined by increasing demographic diversity. Delaware now also boasts over 30% of our Population are from diverse races and 13% are families where a language other than English is spoken in the home. These exciting cultural differences create new challenges for workforce training, economic and community development strategies.

Gross Domestic Product:

Delaware’s Gross Domestic Product for 2019 was \$75.41 billion up from \$66.89 billion in 2014.



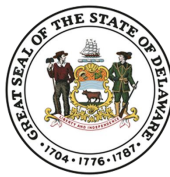


Employment and Job Growth:

- Delaware Department of Labor's most recent published data is from 2018:

Occupational #/Title	2018 Data
00-0000 Total all occupations	448510
11-0000 Management	18810
13-0000 Business & Financial Operations	28070
15-0000 Computer & Mathematical	17120
17-0000 Architecture & Engineering	6630
19-0000 Life, Physical & Social Science	5210
21-0000 Community & Social Services	6760
23-0000 Legal	4760
25-0000 Education, Training & Library	25280
27-0000 Arts, Design, Entertainment, Sports & Media	4220
29-0000 Healthcare Practitioners & Technical	31680
31-0000 Healthcare Support	12390
33-0000 Protective Service	9780
35-0000 Food Preparation & Serving-Related	43390
37-0000 Building & Grounds Cleaning & Maintenance	15980
39-0000 Personal Care & Service	15570
41-0000 Sales & Related	48190
43-0000 Office & Administrative Support	71050
45-0000 Farming, Fishing & Forestry	930
47-0000 Construction & Extraction	16420
49-0000 Installation, Maintenance & Repair	16850
51-0000 Production	19760
53-0000 Transportation & Material Moving	29680

- The majority of jobs in Delaware are related to service industries including Education & Healthcare, Hospitality and Leisure, Food Preparation & Serving, Sales, Business & Financial Operations. This strong emphasis on service-related industries illustrates why Delaware's economy was impacted so dramatically by the COVID-19 pandemic. Service-related industries by their very definition typically require person-to-person contact between the business and the customer.
- Year-over-year growth from 2018 to 2019 was driven by Retail Trade, Healthcare, Education, Leisure and Hospitality as well as an increase in Local Government.



- From December 2018 through December 2019, Delaware’s total non-farm jobs have increased by a net gain of 6,100, a rise of 1.3 percent. Nationally, jobs during that period increased 1.4 percent. Over-the-year, the Education & Health industry had the largest employment increase with 2,200 jobs, an increase of 2.7 percent. This was followed by Leisure & Hospitality with an increase of 1,800 jobs, up 3.7 percent; and Retail Trade increasing by 1,600 jobs over-the-year, up 3.0 percent. Professional & Business Services had employment losses with employment down 1,600 from a year ago.
- Job losses in manufacturing have continued over the past decade. Replacing so many high wage jobs and their strong economic multiplier effects is difficult in a national and state economy increasingly oriented to service and information-based industries.
- The following is an excerpt from the Philadelphia Federal Reserve January 2020 report comparing Pennsylvania, New Jersey & Delaware; however, it is anticipated to change dramatically as the impact of COVID-19 is fully realized throughout the region.
Source:<https://www.philadelphiafed.org/research-and-data/regional-economy/indexes/leading/>
THIRD DISTRICT LEADING INDEXES: JANUARY 2020

Pennsylvania The leading index for Pennsylvania was 0.3 in January. The state’s coincident index was unchanged. In addition, building permits rose, while initial unemployment insurance claims fell. The index of delivery times from the Institute for Supply Management’s manufacturing survey increased. Overall, Pennsylvania’s leading index for January suggests expansion in the state’s economy into the third quarter of 2020.

New Jersey The leading index for New Jersey was 1.3 in January. The state’s coincident index and building permits rose. In addition, initial unemployment insurance claims fell, while the index of delivery times from the Institute for Supply Management’s manufacturing survey increased. Overall, New Jersey’s leading index for January suggests expansion in the state’s economy into the third quarter of 2020.

Delaware The leading index for Delaware was 1.4 in January. The state’s coincident index increased for the third consecutive month, while initial unemployment claims fell sharply after rising last month. In addition, building permits and the index of delivery times from the Institute for Supply Management’s manufacturing survey increased. Overall, Delaware’s leading index for January suggests expansion in the state’s economy into the third quarter of 2020.

Values are subject to monthly revision. Delaware’s leading index was 0.06 in October of 2019; 0.40 in November 2019; 0.80 in December 2019 and the revised index for Delaware in January 2020 was 1.72. These numbers will undoubtedly change drastically as the impact of COVID-19 pandemic is realized across the economic indicators.



DELAWARE'S CORE BUSINESS SECTORS

Ranked among America's top five states leading the new global economy, Delaware is home to a diverse range of industries that support businesses large and small. Together with our world-class research universities, internationally oriented workforce and competitive cost of doing business, Delaware is positioned perfectly to welcome new business and capital investment.

SCIENCE & TECHNOLOGY: While technological innovation occurs in each of Delaware's key industries, our tech advances span a variety of end use markets, including pharmaceuticals, industrial and agricultural chemicals, medical devices, computer services and more.

Today, the state of Delaware is particularly known for its global leadership in chemical innovation, thanks to our track record of successful Delaware chemical companies such as DUPONT, which has operated in the First State for more than 200 years. In addition, science and technology companies find value in Delaware's successful research and development environment, which is supported by our collaborative universities, superior research organizations and R&D tax credits available at both the state and federal level.

As a result, Delaware has generated one of the world's largest talent pools of science and technology expertise, all within easy commuting distance of Wilmington.

NUMBER OF ESTABLISHMENTS: 3,086

NUMBER OF JOBS: 21,266

AVERAGE COMPENSATION: \$118,134

BUSINESS & FINANCE: Home to big names like JPMorgan Chase, Capital One, M&T Bank, WSFS Bank and Citibank Delaware is a nationwide leader in *fintech*, business and financial services. The seminal legislation The Financial Management Act of 1981 kickstarted Delaware's journey to becoming a hub for the financial services sector. Today, financial services are the state's largest traded sector, and the trusted and sophisticated professional and business services firms—legal, accounting, consulting, and more—make Delaware an ideal corporate destination.

Internationally, Delaware's business law court system is one of the most trusted and respected. Its distinctive market-centered model relies on experienced judges to review cases as opposed to potentially uninformed or unpredictable juries. Just one more reason why more than 60% of Fortune 500 companies choose Delaware to incorporate.

In Delaware, financial investors, consultants, global headquarters and more benefit from a strategic location, internationally trusted business law system, experienced workforce and uncomplicated business climate. Delaware also leads in innovative technologies, like artificial



intelligence, blockchain, cryptocurrency and machine learning, to ensure Delaware firms remain at the forefront of the business and financial services.

NUMBER OF ESTABLISHMENTS: 8,423

NUMBER OF JOBS: 94,516

AVERAGE SALARY: \$107,553

FOOD & AGRICULTURE: Ranked No. 2 in the nation for agricultural value sold per acre, the state of Delaware is a food production powerhouse on the cutting-edge of some of the most modern advances in food and agriculture. Factor in Delaware’s low cost of doing business, proximity to major markets and highly educated workforce, it is clear why world-leading agribusiness companies choose to do business in Delaware.

NUMBER OF ESTABLISHMENTS: 250

NUMBER OF JOBS: 10,022

AVERAGE SALARY: \$38,181

MANUFACTURING & LOGISTICS: Today, Delaware’s manufacturing sector is our state’s second-largest traded sector. Thanks to diverse companies such as DuPont, ILC Dover, and Agilent, manufacturing in Delaware spans a variety of industries, including chemicals, advanced materials, agriculture, bioscience and more. Furthermore, leadership in these industries have created deep supply chains that support the market entry and growth of new businesses.

Transportation equipment is one of Delaware’s largest manufacturing exports valued at almost \$900 million, consisting of products like aircraft parts, aerospace parts, and automotive material. Other manufacturing companies focus on products such as electrical equipment manufacturing, structural metals, and paper products.

NUMBER OF ESTABLISHMENTS: 1,520

NUMBER OF JOBS: 34,035

AVERAGE SALARY: \$58,064

EDUCATION & HEALTHCARE: As one of the nation’s prominent leaders in knowledge creation and R&D, it’s no surprise that Delaware is home to strong education and healthcare industry clusters. Here, Delaware’s outweighed expertise in research and development is supported by the collaborations of our academic institutions, health systems and private and public partners—not to mention the top-tier workforce of professors, engineers, scientists, doctors and more.



Today, Delaware companies and organizations are driving innovations that impact lives both at home and across the world

NUMBER OF ESTABLISHMENTS: 5,095

NUMBER OF JOBS: 77,528

AVERAGE SALARY: \$52,805



VISION, GOALS AND OBJECTIVES

The requirements specified by the federal EDA state that a CEDS must include discussion of the vision, goals and objectives that an economic plan hopes to achieve. Together, these items reflect the overall focus of this framework.

Vision:

Delaware will be a leader in the nation as a state that attracts profitable businesses, provides sustainable jobs in a wide spectrum of industries, and whose citizens enjoy a high quality of life, low cost of living and strong communities. Public and private sectors will accomplish this by working together to reinforce economic growth, foster opportunity, protect the State's critical assets and enhance the lives of its citizens.

GOALS, OBJECTIVES AND ACTIONS

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.

Objectives:

1. Engage the private sector to help the State learn and understand the requirements of specific business sectors necessary for growth in the State.

Actions:

- i. Creation of Delaware Prosperity Partnership to lead attraction and marketing efforts for the State of Delaware
- ii. Working with National Governors Association (NGA) on further development of resources to assist entrepreneurs in rural communities
- iii. Active participation in State and Local Chambers of Commerce and other industry groups such as Committee of 100, Business Roundtable, etc.



2. Clarify and align the roles and responsibilities of local/county economic developers and the State of Delaware to promote greater sharing of resources.

Actions:

- i. Use the Strategic Planning/CEDS process to build a more cohesive, integrated economic development program at state, county and local levels.
- ii. Delaware Prosperity Partnership continues to host monthly meetings and/or conference calls among all stakeholders

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.

Objectives:

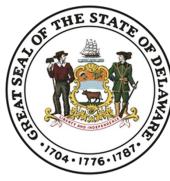
1. Foster increased communication and collaboration between the State’s primary, secondary and higher education sectors and the business community to better align workforce development with industry skill requirements.

Actions:

- i. In collaboration with the State and Local chambers of Commerce and the State Department of Education, Delaware’s Workforce Development Board leads the effort to connect business needs with educational and vocational training providers.
2. Work with State agencies, Delaware’s employers, Delaware Prosperity Partnership and Delaware Workforce Development Board to provide higher-value employment opportunities to underutilized workers.

Actions:

- i. Connect students to higher value-added internship opportunities.
- ii. Ensure “retraining” programs are future oriented and private sector specific.
- iii. Retain talent in Delaware by increasing matching of graduates with Delaware companies through career fairs, internships and co-ops.



GOAL III. PRESERVE CRITICAL STATE ASSETS SUPPORTING ECONOMIC DEVELOPMENT WHILE ENHANCING THE STATE'S QUALITY OF LIFE.

Objectives:

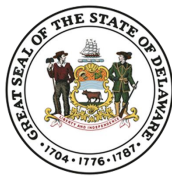
1. Increase site and facility options for Delaware's core industries with an emphasis on sites located in State Strategies Levels 1 & 2.

Actions:

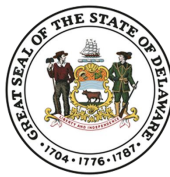
- i. Work with communities, private sector developers and the Office of State Planning to assess the size and types of sites needed to compete for projects and potential sites for development.
 - ii. Explore incentives, including tax incentives and low-interest loans, to encourage the development of additional facilities and shovel-ready sites and other infrastructure focused on the needs of Delaware's core industries.
 - iii. Seek methods to encourage and assist industries to reutilize underutilized and brownfield sites throughout the State.
2. Improve capacity of key transportation, logistics, and communication assets.

Actions:

- i. In collaboration with DelDOT, review the Statewide Transportation Improvement Program, within the parameters of law and regulation, to assure that projects with high job creation potential, or are critical to business retention/attraction, receive consideration for inclusion as the highest priorities for funding with the exception of safety related projects.
- ii. Support infrastructure improvements to complement logistics capacity as GT USA-Wilmington continue to make significant capital improvements to expand the Port of Wilmington's capacity to accommodate larger and heavier exports/imports.
- iii. Explore opportunities to more fully utilize the capacity and potential business development opportunity of the New Castle Airport.
- iv. Explore opportunities to more fully utilize the capacity and potential business development opportunity of Dover AFB.
- v. Explore opportunities to more fully utilize the capacity and potential business development opportunity of the Delaware Coastal Airport in Sussex County.
- vi. Prioritize investments in Qualified Opportunity Zones.



- vii. Prioritize expansion of AMTRAK and commuter rail service (SEPTA and MARC) on the Northeast Corridor and continue to support the construction of the Newark Transportation Center and direct Norfolk Southern access to the Delmarva Secondary.
- viii. Cooperate with DelDOT in ensuring the capacity and availability of major rail and truck freight corridors in Delaware.
- ix. Work with the business community and DelDOT to assess rail freight requirements to assure adequate freight rail service capacity in Delaware.
- x. Work with the Delaware Department of Technology and Information to improve statewide broadband and wireless communications infrastructure.
- xi. Work with the Department of Natural Resources and Environmental Control Energy Office to find alternative sources and methods to lower the cost of electrical power for commercial and industrial users and other job creators.
- xii. Work with providers and users to expand the availability of natural gas throughout Delaware.



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.

Objectives:

1. Leverage a formal business retention program focused on the Core Business Sectors to identify strategic issues and develop a sharper understanding of their significance to the business and the State.

Actions:

- i. Utilize systematic business visits to identify regulatory, legal, workforce and other impediments to a business's ongoing operations and develop approaches to eliminate those impediments.
 - ii. Utilize the business visits to also identify sustainable growth potential in existing Delaware firms.
 - iii. Establish relationships with out-of-state corporate senior management in collaboration with in-state managers.
 - iv. Team with county business development staff to resolve problems and issues affecting local businesses.
 - v. Employ the Delaware Prosperity Partnership and Delaware Workforce Development Board members to remain vigilant in identifying emerging trends across all core industries.
2. Work to enhance and improve technical and financial approaches to support the expansion and retention of the Core Business Sectors.

Actions:

- i. Work with state agencies and local governments to streamline permitting and regulatory review times.
- ii. In cooperation with the Office of Management and Budget, Department of State and Department of Natural Resources and Environmental Control and business organizations, conduct a thorough review of the tax and regulatory environment of the State to ensure that the State remains competitive in retaining, growing and attracting business and industry.
- iii. In collaboration with the Delaware Department of Transportation (DelDOT), the Delaware Department of Natural Resources and Environmental Control and the development community, develop and



monitor metrics regarding permitting reviews and issuance to assure levels of certainty in the process.

- iv. Identify high growth firms in Delaware's Core Business Sectors and utilize all available resources to assist them to expand in the State.
- v. Continue to work with the Delaware Department of Agriculture, the University of Delaware and producers to encourage diversity in the agriculture sector and to evaluate options for increasing the share of value-added products.
- vi. Continue to work with federal resources (SBA, USDA, and EDA) to identify and promote the use of financial assistance programs available to businesses in Delaware. Review State programs to ensure they can be used as leverage to maximize other funding. Explore creating an electronic one-stop business financial assistance center.

GOAL II. ENHANCE DELAWARE AS A VISITOR DESTINATION AND EXPAND THE ECONOMIC IMPACT OF TOURISM.

Objectives:

1. Expand the opportunities to bring Group Tours to Delaware.

Actions:

- i. Support Delaware Tourism Office's Group Familiarization (FAM) tours. A FAM tour is an organized trip for travel agents, tour operators, tour wholesalers or other members of the travel trade for the purpose of educating and familiarizing them with destinations.
2. Use events as economic drivers by attracting cultural and sporting events to Delaware.

Actions:

- i. Explore creating new events to appeal to visitor segments not currently visiting Delaware.
 - ii. Expand marketing to seasonal beach visitors to inform them of other season events and arts and cultural opportunities in the State.
 - iii. Support Delaware Tourism's development of "Trails" and promotional videos that have proven successful in attracting visitors to Delaware.
 - iv. Explore cost effective options that may exist for marketing to the international market.
3. Work with Agencies and Private Sector Partners to enhance the Visitor Experience.



Actions:

- i. Work with DeIDOT and Parks and Recreation to improve pedestrian access, mobility, safety and comfort particularly in the Beach resorts.
 - ii. Work with Parks and Recreation to enhance the public parks and campgrounds, greenways, trails, heritage and historic sites to attract more visitors.
 - iii. Work with local visitor bureaus to increase and enhance local events and market them to larger audiences.
4. Expand the use of social media and Delaware Tourism website site as a marketing tool.

Actions:

- i. Delaware Tourism Office will continue to expand the website and develop creative new ways to enhance their marketing outreach <https://www.visitdelaware.com>



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.

Objectives:

1. Use targeted external recruitment campaigns to attract companies with sustainable growth potential complementary to Delaware's core industries.

Actions:

- i. Identify high growth potential firms in Delaware's core business sectors and target recruitment efforts to them.
 - ii. Focus business outreach programs to emphasize Delaware's superior workforce and Governments' accessibility and responsiveness.
 - iii. Seek to increase Division of Small Business' current marketing budget through public and private sources.
 - iv. Enhance relationships with corporate executives in critical industries and site location advisors with a concentration on the Northeast.
2. Refine outreach to site selectors and location advisors.

Actions:

- i. Identify and cultivate relationships with site selectors and location advisors who specialize or have worked heavily in Delaware's core industry sectors.
 - ii. Participate in select professional and marketing events utilized by site selectors.
 - iii. Refine and expand "road trips" to visit site selectors and explore possible "fam" tours of Delaware for selected firms.
3. Benchmark incentives against competitors

Actions:

- i. Conduct a comprehensive assessment of statutory and other incentives to assure Delaware's competitiveness in attracting new business.



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 1. ACCELERATE THE GROWTH OF MANUFACTURING

Objectives:

1. Strengthen Delaware's Manufacturing Sector

Actions:

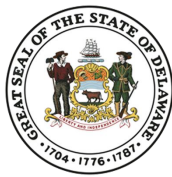
- i. Develop an accelerated career path to ensure high school graduates are ready to start a career on day one.

GOAL 2. PROVIDE ASSISTANCE TO ENTREPRENEURS AND SMALL BUSINESSES TO GROW THEIR BUSINESS

1. Provide support services and information to small businesses and entrepreneurs.

Actions:

- i. Continue to create and update online resources through the Division of Small Business that would include the resources needed by entrepreneurs and small businesses to overcome funding, licensing, permitting, regulation, and other barriers to business formation and expansion.
- ii. Work with appropriate State agencies to assure that regulatory and administrative requirements imposed on new/growing firms are transparent, simple and avoid duplication of forms and information among agencies.
- iii. Strengthen and expand Delaware's working relationship with the Delaware Small Business Development Center to provide the most comprehensive business advisory services and coaching in areas such as new market development, finding and applying for capital, human resource issues and resilience strategies.
- iv. Work with Delaware's Universities and Colleges to create a partnership to identify mentoring, collaborating and funding opportunities for entrepreneurs and small business as well as presenting possible to connections create research or commercialization prospects.
- v. Evaluate the feasibility of efforts to increase access to resources such as Innovation Hubs and Research/Innovation Funds to streamline business and entrepreneur access to potential collaborators such as university



research and facilities and entities that could assist with the commercialization of knowledge.

2. Connect small businesses with workforce development and training.

Actions:

- i. Assist Small Business owners to assess their workforce needs and identify local service providers, including public, private academic, nonprofit civic and other organizations.
- ii. Continue the work of Delaware Division of Small Business to serve as an outreach to small business employers to provide information on funding programs available to assist them in training workforce and advancing the skill level of employees.
- iii. Assess the changing needs within industries and the skills required to meet the demands of the future workforce.

GOAL 3. WORK TO CREATE OPPORTUNITIES TO BOOST INNOVATION

1. Enhance and expand efforts with higher education institutions and the private sector create approaches to increase interactions.

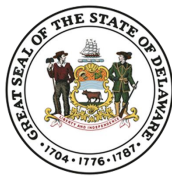
Actions:

- i. Work to ensure that the higher education institutions directions are well matched and aligned with the needs of industry and that industry has the opportunity to provide feedback to educators on opportunities and changes in their industry.
- ii. Through public/private collaboration, evaluate existing mechanisms for technology transfer to small young businesses and entrepreneurs to make sure they have the opportunity to take advantage of the resource of new technologies and or process improvements.



Performance Metrics

- Growth Rate of the Private Sector Gross Domestic Product
- Population Growth by cohort (targeting ages 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



Next Steps

The strategies, goals and objectives in this document reflects the State of Delaware’s economic development priorities. This creation and adoption of this plan does not preclude Counties or Municipalities from preparing and submitting their own CEDS in accordance with EDA regulations.

The CEDS Committee facilitates economic development planning and implementation and is responsible for developing, updating, or replacing a strategy.

The Committee represents the major interests of the region and ensures that all viewpoints from the community are taken into consideration when developing and implementing programs. Committee members include:

- Public officials
- Community leaders
- Representatives of workforce development boards
- Institutions of higher education
- Minority representatives
- Labor groups

The CEDS Committee meets as needed to review and prioritize economic development projects and to update the CEDS priority projects.

The finalized draft of the CEDS is now available for public review and comment prior to its submission to EDA. Once public comments have been received, the Committee may decide to submit the CEDS unchanged or to incorporate the public suggestions into the plan.

Members of the CEDS Committee

Private Sector



Bill Andrew, Delaware Electric Cooperative – President & CEO
Gary Stockbridge, Delmarva Power – President
Sam Calagione, Dog Fish Brewery – Owner
Brad Walters, ILC Dover – Vice President
Justin Cressler, Kraft Foods – Plant Manager
Paul Downs, Mountaire Farms – President & CEO
Nick Lambrow, M&T Bank – Delaware Regional President
Steve Rose, Nanticoke Health System – President/CEO
John Martin, PATS Aircraft – President
Bruce Lynch, Merck Animal Health – Executive Director, Plant Manager
Scott Johnson, SolarDock – Founder
Ralph Kunz, Summit Aviation – President
Amy Norgate, Tanger Outlets – General Manager
Rodger Levensen, WSFS – President & CEO

Public Officials

Damian DeStefano, State of Delaware – Director of Delaware Division of Small Business
Connie Holland, State of Delaware – State Planning Office of Coordination
Michael Petit de Mange, Kent County – County Administrator
Matt Meyer, New Castle County – County Executive
Todd Lawson, Sussex County – County Administrator

Economic Development Representatives

Linda Parkowski, Kent Economic Partnership – Director
Mary Ellen Gray, City of Newark, Director of Planning & Development
Trisha Newcomer, City of Seaford – Director of Economic Development
Jeff Flynn, City of Wilmington – Director of Economic Development
Kurt Foreman, Delaware Prosperity Partnership
Tamarra Morris Foulkes, New Castle County – Director of Economic Development
William Pfaff, Sussex County – Director of Economic Development

Community Leaders

Judy Diogo, Central Delaware Chamber of Commerce – Executive Director
Jennifer Kmiec, Committee of 100 – Executive Director
Michael Quaranta, Delaware State Chamber of Commerce – President
Robert Chadwick, New Castle County Chamber of Commerce – President
Carol Everhart, Rehoboth-Dewey Chamber of Commerce - President

Institutions of Higher Learning



Dr. Tony Allen, Delaware State University – President
Dr. Mark Brainard, Delaware Technical and Community College – President
Rhett Ruggerio, University of Delaware – Government Relations

Minority and Labor Groups

James Maravelias, Delaware AFL-CIO - President
Maria Matos, Latin America Community Center (LACC) – Executive Director
Eugene Young, Metropolitan Wilmington Urban League – President & CEO

Ex Officio

Larry Windley, Office of Senator Tom Carper – Senior Director
Jim Paoli, Office of Senator Chris Coons – State Director
Tyrone Jones, Office of Congresswoman Lisa Blunt-Rochester – Senior Director
Patty Cannon, Delaware Division of Small Business – Director of Special Projects