



LEGACY: DELAWARE ECONOMIC DEVELOPMENT OFFICE

PROGRESS

In January 2009, the same month Governor Markell took office, Delaware's unemployment rate soared to 7% for the first time in decades. During one of the worst recessions in history, the unemployment rate remained high for several years, reaching a peak of 8.7% in January 2010. Several major economic challenges occurred during the transition of administrations; at the end of 2008, Chrysler closed its Newark manufacturing facility; in 2009, General Motors closed its Boxwood Road plant in Newport, and Valero closed its Delaware City refinery. As of August 2016, the unemployment rate in Delaware significantly improved to 4.3%.

Delaware's economy has improved compared to the nation and the region.

- Since the depths of the national recession, **Delaware's job growth has clearly outpaced the national and regional rate.** (Job growth since January 2010.)
 - **Delaware: 16.0%; United States: 14.6;**
New York: 14.1; Maryland: 11.6; Virginia: 11.4; Pennsylvania: 8.7; New Jersey: 9.1
- According to the Gallup Job Creation Index, Delaware has improved "from one of the lowest-ranking states in 2008" to one of the top five top-ranking states in the country; in 2015, Delaware ranked fourth in the nation.

HOW WE'VE DONE IT

Working directly with employers to attract, retain and expand businesses:

- Reopening the shuttered oil refinery in Delaware City (saving 750 jobs);
- Attracting companies such as AB Group Packaging, Alpha Technologies, Amazon, Atlantis Industries, Baltimore Aircoil, Barclays, Calpine, Capital One, Citigroup, Croda, Edgewell, Grayling/ILC Dover, Incyte, Johnson Controls, JP Morgan Chase, Kraft Foods, Miller Metal, Mountaire Farms, PTM Manufacturing, Perdue Foods, Sallie Mae, Solenis, Springleaf, Testing Machines, Wells Fargo and Zacros America;
- Attracting employers to the University of Delaware's STAR Campus. Companies such as Bloom Energy, SevOne, and research partners/companies to operate in Delaware Technology Park's new research lab.
- As part of DEDO's reorganization in 2009, the agency eliminated the cluster model and established a Business Retention and Expansion program. From FY13 through FY16 Business Development Leaders have visited over 600 businesses/sites; consulted over 1,800 businesses, entrepreneurs and start up small businesses; and attended over 720 community and business events.

Using the Delaware Strategic Fund and additional state financial incentives effectively:

- 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.

Recognizing the contributions of small businesses and entrepreneurs to Delaware’s economy:

- The Delaware Capital Access Program, a private-public match program, has positively impacted 178 small businesses (over 50% minority-owned businesses) during the Markell administration, enabling these businesses to make payroll, purchase inventory and assist with additional 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.
- During FY09-FY16, 34 Delaware small businesses, start-up businesses and not-for-profit entities have received access to lower interest rates through the participation lending program. Funded by the State Small Business Credit Initiative (SSBCI), this program enabled the entities to start, grow and create jobs.
 - From January 2009 – June 2016, every public dollar invested generated over \$6 in private investment.
- During FY09-FY16, 22 entities have received assistance through the Delaware Technical Innovation Program via the Small Business Innovative Research and the Small Business Technology Transfer program which enabled these research businesses to bring innovative new products, jobs and revenue to Delaware.
- In FY09, DEDO began hosting educational events targeting Delaware small businesses and entrepreneurs, such as the Governor’s Entrepreneurial Business Conferences, Secrets of Success Seminars, Impress the Press, Grass Roots Plus program, Kaufmann FastTrac, and the 1M/1M global virtual incubator program.

Focusing on key industries for Delaware:

- Financial Sector:
 - Thousands of new jobs in the financial services industry are being created by companies such as JP Morgan Chase, Capital One, Bank of America, and Barclays.
 - Nearly 28% of the 68,700+ individuals employed by Delaware’s top 20 private-sector companies are working in financial services.
- Agriculture:
 - 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.
 - From January 2009 – June 2016, every public dollar invested generated over \$4 in private investment.

Established the Delaware Tourism Office to best promote the First State as a year-round destination for travelers from both the U.S. and overseas.

- In 2008, tourism was a \$1.9 billion industry with 6.9 million travelers visiting Delaware that year; generating \$408 million in taxes and fees for state and local government. In 2014, as a result of a strategic focus on tourism, it grew to a \$3 billion industry with 8 million visitors, which generated \$470 million for Delaware governments.
- DTO launched a new brand and advertising campaign in 2015. In its first year, the new integrated marketing effort reached approximately 18 million potential visitors. That led to a substantial increase in visitation to the state tourism website, VisitDelaware.com, including a nearly 50% jump in organic search traffic. VisitDelaware.com gets one million hits a year, which makes the responsive design website one of the most searched for sites in the state.
- DTO established a system of “Trails of Discovery” offering visitors a unique way to enjoy Delaware’s top attractions. This statewide infrastructure includes five trails: Beer, Wine and Spirits, History, Outdoor, Geocaching and Culinary. The trail system attracts interest from thousands of travelers. Since its inception, the trail websites have been visited more than 922,000 times.
- DTO teamed up with the University of Delaware’s Sport Management Program to create the first ever Delaware Sports Commission. Its mission is to attract sporting events to Delaware and retain/grow existing events. DSC has generated \$50 million in economic impact for the state since 2009.
- DTO has significantly increased awareness of Delaware and its tourism offerings through social media. In late-2009 the office had 317 Facebook fans and 171 Twitter followers. Since then the online audience has dramatically grown. As of mid-2016 the Facebook page had 47,159 fans and Twitter had 20,953 followers. Over the years, DTO has added to its online presence with accounts on Instagram, Pinterest, YouTube and TripAdvisor. DTO’s social media presence is the most popular among state agencies in Delaware.
- In addition to all the above-noted success, DTO continues to work with industry partners to promote Delaware as a desired tourist destination.

Building Delaware’s downtowns:

- During this administration, the State Annual Budget Reductions have been supplemented by USDA Rural Development funding, enabling DEDO to expand services from an average of eight towns to 20. The Delaware Main Street program was expanded to Downtown Delaware to provide services to “non-Main Street” communities.
- USDA grants totaling \$515,000, accompanied by DEDO’s equal matching funds, provided vital business development assistance to seven designated Main Street communities and 12 Commercial District Affiliate towns in rural Delaware.
- Downtown Delaware’s seven designated Main Street communities gained 258 businesses and created 1,054 jobs.
- 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.
- Rehoboth Beach and the city of Newark were each awarded a Great American Main Street Award (2009 and 2011), the most prestigious national award with which a designated Main Street community may be honored. The city of Milford was a 2014 semi-finalist.
- As a safety and crime prevention measure, the Neighborhood Building Blocks Fund (NBBF) was established in late 2014. Funding has been provided to 21 entities statewide to help downtown communities increase

lighting and security cameras, police cadets, ex-offender programs and educational outreach programs for underrepresented minorities and at-risk youth, as well as support the development of Downtown Development District applications. Due to a new infusion of \$3.7M into the NBBF, a new round of applications will be invited beginning FY17.

Infrastructure improvements:

- In FY12, the New Jobs Infrastructure program was established. Administered by DEDO, this program is supporting 19 projects, leveraging over \$572 million private investment, creating 3,650 jobs, and thousands of construction jobs.

Impacted the lives of Delawareans through the AmeriCorps programs:

- DEDO's AmeriCorps program ran from 2009-2016. AmeriCorps members created or supported programs such as library Job Centers, APEX (pardon/expungement assistance), SPARC (business/school mentoring program), the Hispanic American Business Resource Center, two Latino Summits, the Milford Mural Project, the Milford International Food Festival (700+ in attendance) and the Milford Downtown Diversity Steering Committee.

Investment in workforce training:

- DEDO's workforce training program helps Delaware businesses provide skills training to their new and existing workforce. Over 10,400 Delaware workers have received training since January 2009.

BUILDING THE FUTURE

The following *Delaware Business Times* supplement, ***Building the Future***, highlights the success of Delaware's economic development efforts during the current administration. ***Building the Future*** can also be viewed online: <http://delawarebusinesstimes.com/digital/DEDO/#p=10>.