

RI economic board approves \$1M in grants for Toray

ERIKA NIEDOWSKI - Associated Press - Associated Press

The board of the Rhode Island Economic Development Corporation on Monday night approved \$1 million in energy grants for one of the state's major employers as part of an effort to persuade the company to expand locally rather than in Virginia.

The panel endorsed a package that is significantly sweeter than the one the agency approved in October to help Toray Plastics (America) fund a solar energy project. The plan converts a \$500,000 loan from the state Renewable Energy Fund into a grant — which would not have to be repaid — and adds an additional \$250,000 grant as an incentive.

Judy Chong, a spokeswoman for the EDC, said before the meeting that about half the money would come from the state and half from the federal government.

Toray is planning a \$200 million expansion that could mean 200 new jobs for Rhode Island, where the unemployment rate is 10.8 percent. But company executives have made it clear they are also considering Virginia, where Toray has an existing plant in Front Royal, because of significantly lower energy costs there. According to board briefing materials provided by the EDC, Toray is one of Rhode Island's largest energy consumers and pays more than twice the amount for energy at its North Kingstown facility as it pays in Virginia.

The company employs about 600 people at three plants in Rhode Island.

Toray also has plans for a smaller expansion that would mean 30 additional jobs, according to the EDC.

The EDC says getting Toray to grow its business in Rhode Island, rather than in Virginia, is one of its top priorities. Chong said the company could be eligible for up to \$1 million more in energy grants if it expands in Rhode Island.

"It's very important that we have competitive electricity; it's a very big part of our manufacturing process," Toray Plastics CEO Richard Schloesser told the board just ahead of the vote.

He said he was "very anxious to remain here" in Rhode Island.

In an Aug. 11 letter to Schloesser, state Senate President Teresa Paiva Weed and House Speaker Gordon Fox said the state's leaders "stand united" to help the company get the resources it needs to carry out its plans for expansion.

They said they hope to travel to Japan, home of Toray's parent company, Toray

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Industries, "in the very near future" to convey personally their support for Toray Plastics' would-be expansion in Rhode Island.

"Speaker Fox has offered his assistance in any way to keep Toray Industries here and encourage them to expand here, particularly in light of competition from Virginia," said Larry Berman, a spokesman for Fox.

Greg Pare, a spokesman for Paiva Weed, said no trip has been planned and it "hasn't been discussed" how such a trip would be paid for.

Chong would not say whether the EDC would fund it.

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Associated Press writer David Klepper contributed to this report.

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