

Executive Office of Commerce
FY2027 ARTICLES AND BOND
ECONOMIC UPDATE

Positive Economic Trends - *RI's economy is holding and even growing during this period of national uncertainty:*

- Up 36,000 private sector jobs since March 2021
- Unemployment has been under 5% since October 2021
- Real GDP grew by 4.4% in Q3 of 2025 (percent change from preceding quarter, annualized).
- Rhode Island hit a record 14,924 Total Business Registrations in 2025, up 11% from 2024. 77.9% of start-ups survived year over year (March 2024-2025, 2nd highest in New England).

Investing in Rhode Island Businesses



COMMERCE ARTICLES

Article 6 - Sunsets

Extends key program sunsets to 12/31/2027: Rebuild Rhode Island Tax Credit Program, Tax Increment Financing, Tax Stabilization Incentive, First Wave Closing Fund, I-195 Redevelopment Fund, Wavemaker, Main Street Streetscapes Revitalization, Innovation Initiative, and Qualified Jobs Tax Credit.

Rebuild - *Rebuild yields an estimated return of \$13 to Rhode Island for every state dollar invested.*

FY2027 Budget Proposal: \$25 Million in new capacity

Tax credit program for a variety of different project types including for job creation projects, manufacturers, historic rehabilitations, and other mixed-use developments, among other types supporting communities, creating housing units and growing Rhode Island's economy.

- 13:1 Ratio: Has helped produce almost 9 million square feet in new construction and almost 3,000 new residential units.
- Job Creation: 56 Projects helping to create over 13,000 direct construction jobs and over 6,000 new jobs once projects are operational ranging from jobs accessible to those without a 4-year degree to high-wage jobs in advanced industries.
- Latest ORA report (2024): Confirms the Rebuild (and TIF) programs break even if at least 8.3% of the economic activity generated is net new and wouldn't exist without these incentives (in terms of GDP).



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BOND PROPOSAL

Constraints on Targeted-Industry Expansion and Innovation - *Opportunities to grow limited by physical constraints and disconnected industries.*

Physical Constraints	Coordination Constraints
<ul style="list-style-type: none"> • Limited industrial and pad-ready land • Less than 5% of RI zoned for industrial use • Few sites can support large-scale manufacturing today • Limited on-and-under-water testing and on-shore infrastructure • Shared infrastructure for early-stage ventures 	<ul style="list-style-type: none"> • Fragmented technology transfer and commercialization pathways • Lack of coordinated sector-wide strategy and tracking • Support path from lab → startup → production • Workforce skills not fully aligned with employer needs

Why This Moment Matters - *Opportunity to align infrastructure investments to near- and long-term growth opportunities.*

- US accounts for .01% of global shipbuilding, China accounts for 53.3%
- National defense spending (\$960B in FY26) and reshoring are accelerating
- States that align early will capture outsized benefits

Sectors of Opportunity - *Key Areas for Economic Growth in Rhode Island.*

Defense	Ocean Tech	Life Sciences
<ul style="list-style-type: none"> ✓ Nearly 400 defense companies active in the state ✓ 205 headquartered in RI ✓ Defense cluster generates ~10% of state GDP ✓ Expanding supplier base and emerging dual-use firms ✓ Strong university and federal research alignment 	<ul style="list-style-type: none"> ✓ Only federally designated regional tech hub focused on ocean-based autonomous systems. ✓ 400+ robotics firms, 100+ data analytics companies, 100+ advanced materials manufacturers ✓ Sector represents \$6.6B in GDP for the Providence-Warwick MSA ✓ Strongest concentration of ocean economy in US relative to state size 	<ul style="list-style-type: none"> ✓ Represents ~7% of RI's GDP, over \$5.9 billion in value ✓ Over 27,000 direct jobs and thousands more indirectly ✓ Average wage: ~\$83,700 ✓ 12% employment growth over last 10 years ✓ Launched RI Life Science Hub; currently supporting 37 organizations and the Ocean State Labs

\$115M Bond Proposal: Economic Infrastructure Investment - *Opportunity to build industrial and growth industries in Rhode Island.*

\$70 Million: Site Development	\$45 Million: Growth Industry Infrastructure
<ul style="list-style-type: none"> - Funds land acquisition or assembly - Supports environmental remediation, infrastructure, and utility installation. - Supports site preparation and development - Enables project-related investments 	<ul style="list-style-type: none"> - Build world-class ocean tech testing infrastructure - Funds infrastructure, facilities, projects and other investments - Targeted industries: ocean, defense, life sciences, data analytics
<p style="text-align: center;">Eligible Uses include:</p> <ul style="list-style-type: none"> - Large-scale industrial site development to create pad-ready locations and/or facilities statewide - Infrastructure improvements and investments within the Quonset Business Park - Land acquisition, preparation, and project investments within the I-195 District 	<p style="text-align: center;">Eligible uses include:</p> <ul style="list-style-type: none"> - Development of water-based test ranges - Onshore Ocean- and Defense-related innovation facilities. - New Production Facilities for target industries