



February 26, 2026

The Honorable Marvin L. Abney, Chairman

Members of the Rhode Island House Committee on Finance

Rhode Island State House

Providence, RI

Re: Support for Article 6 – Economic Development Bond (Question 3)

Dear Chairman Abney and Members of the Committee:

On behalf of the Partnership for Rhode Island, I write in strong support of the proposed \$115 million Economic Development Bond contained in Article 6 of the Governor’s FY27 Budget. Question 3 would authorize investments in industrial facilities infrastructure improvements, including \$70 million for site development and \$45 million for growth industry infrastructure .

The Partnership represents many of Rhode Island’s leading employers, collectively responsible for tens of thousands of jobs across multiple sectors of our economy. From that vantage point, we can state clearly: sustained economic development is critical to Rhode Island’s long-term fiscal health, workforce stability, and competitiveness. Strategic investment in infrastructure today determines whether high-quality, sustainable jobs are created here tomorrow.

I. Site Development: Ensuring Rhode Island Can Compete

The bond allocates \$70 million for site development, including land acquisition and assembly, environmental remediation, infrastructure and utility installation, and site preparation to create pad-ready locations . Eligible uses include infrastructure improvements within Quonset Business Park and land acquisition and preparation within the I-195 District.

In today’s competitive environment, major employers make location decisions based on speed and certainty. They require shovel-ready sites with utilities, environmental clearance, transportation access, and regulatory predictability.

Rhode Island faces real structural constraints that limit our competitiveness. Less than 5 percent of the state’s land is zoned for industrial use, approximately 43 percent is restricted by conservation or environmental regulations, and nearly 30 percent of otherwise vacant land lacks

the infrastructure—roads, sewer, broadband, electricity, and natural gas—required for modern industrial development. Without proactive investment, these constraints significantly limit our ability to recruit or expand advanced manufacturing and other job-creating industries.

The statewide Rhode Island Ready program, coordinated by the Quonset Development Corporation and established in 2022, has enrolled 21 sites covering approximately 820 acres. Yet only three of those sites can accommodate buildings larger than 200,000 square feet—precisely the scale required for many advanced manufacturing, defense, and life science production facilities. This bond directly addresses that gap by expanding the supply of development-ready sites.

Quonset Business Park illustrates the importance of readiness. Anchored by General Dynamics Electric Boat and supported by a robust defense supply chain, Quonset has demonstrated how strategic infrastructure investment can attract and retain high-wage employment.

Quonset Business Park is home to more than 15,000 jobs and 252 companies and is consistently ranked among the nation's top business parks. The Port of Davisville is one of North America's top 10 auto importers. Since the Quonset Development Corporation was established in 2005, strategic public investment has leveraged approximately \$2 billion in private investment and created nearly 10,000 additional jobs. Today, Quonset generates approximately \$5.9 billion in annual economic output and \$1.7 billion in annual household income for Rhode Island families. Yet Quonset is now nearly built out. The success of this model underscores both the return on public investment and the urgent need to replicate this readiness statewide.

Similarly, the I-195 District has evolved into a center for innovation, research, and life sciences development.

The 195 District now includes 150 Richmond Street, anchored by the Rhode Island Department of Health State Laboratories and home to Ocean State Labs—Rhode Island's first dedicated life science incubator, managed by Portal Innovations. These investments demonstrate how prepared land and modern infrastructure catalyze private-sector growth. Continued site development and infrastructure investment will ensure the District can sustain and expand this momentum.

II. Growth Industry Infrastructure: Investing in Rhode Island's Economic Pillars

The bond further allocates \$45 million for infrastructure, facilities, and investments that support Rhode Island's ocean, defense, life sciences, and data analytics industries.

The United States is undergoing a profound period of economic restructuring driven by geopolitical tensions, rapid technological change, and shifting federal policy. Real manufacturing construction spending has doubled since the end of 2021. Federal defense spending is projected to reach approximately \$960 billion by FY2026. Global investment in artificial intelligence is projected to reach \$1.5 trillion in 2025 and \$2 trillion in 2026. In this changing

landscape, many of Rhode Island's assets have been revalued by shifts in federal spending and industrial policy—but realizing their full potential requires coordinated public and private investment.

A. Defense and Ocean Technology

Rhode Island's defense and maritime technology sectors are nationally significant.

Rhode Island is home to the Naval Undersea Warfare Center—one of only two Navy facilities dedicated to research, development, testing, and evaluation of undersea technologies—and to Electric Boat, the Navy's primary contractor for Virginia- and Columbia-class submarines. Nearly 400 defense companies are active in Rhode Island, with more than 200 headquartered here. SENEDIA reports that Rhode Island's Defense Cluster generates approximately \$7.6 billion in economic output—representing more than 10 percent of the state's GDP.

The bond specifically supports water-based test ranges and defense-related innovation and production facilities.

Industry leaders—including SeaCorp, HAVOC AI, VATN, Jaia Robotics, Anduril, and Saab—have identified the need for expanded on-and-under-water testing, validation, and demonstration infrastructure, as well as improved access to docks and vessels for deployment and retrieval. Today, Rhode Island has limited quayside access points and very few designated commercial test beds in state waters, constraining the testing and commercialization of undersea vehicles, sensors, and advanced materials. The bond's growth industry infrastructure component directly aligns with these identified needs by enabling investment in water-based test ranges and water-adjacent innovation and production facilities.

B. Life Sciences: Building on Proven Momentum

The creation of the Rhode Island Life Science Hub by the Governor and General Assembly marked a pivotal commitment to growing this sector.

According to the Rhode Island Life Science Industry 2025 Economic Impact Report, the sector generated \$5.9 billion in value added, \$3.9 billion in labor income, and supported more than 50,500 jobs statewide in 2024 .

Building the Ocean State's Economic Future identified Rhode Island's life sciences cluster as anchored by Brown University's Carney Institute for Brain Science and its RNA Center, URI's Nursing and Pharmacy Schools, the Rhode Island Life Science Hub, and industry leaders such as Amgen. The Providence Innovation District provides wet-lab space and incubator support for start-ups, including Ocean State Labs at 150 Richmond Street, which is designed to serve as a hub for entrepreneurs, researchers, and investors by providing shared infrastructure and collaborative space.

Life science employment continues to grow and delivers wages significantly above the state average.

To translate this ecosystem strength into sustained scale-up and biomanufacturing capacity, Rhode Island must continue investing in laboratory infrastructure, production-ready space, and commercialization facilities. The bond's growth industry allocation provides the capital needed to expand wet-lab capacity, support advanced research and scale-up manufacturing, and retain companies that might otherwise relocate to larger markets.

C. Data Analytics and Advanced Technology

Data analytics and advanced computing are increasingly central to growth across defense, healthcare, and manufacturing.

Global AI investment projections underscore the urgency of positioning Rhode Island to participate in this rapidly expanding sector. Modern data analytics firms require robust power infrastructure, high-capacity broadband and fiber networks, and development-ready sites. Investments supported by this bond will strengthen Rhode Island's ability to attract AI-driven companies and integrate advanced data capabilities into our defense, ocean technology, and life sciences sectors.

III. Economic Development as a Long-Term Imperative

Economic development is not a short-term initiative—it is a long-term strategy to secure Rhode Island's economic future.

Building the Ocean State's Economic Future—an assessment supported by the Partnership for Rhode Island—identified key cross-cutting constraints to growth: limited industrial land, inadequate supportive infrastructure, fragmented technology transfer, workforce misalignment, and the absence of a fully coordinated maritime defense and ocean technology strategy. The Governor convened stakeholders and institutional partners to discuss these challenges and advocate for strategic investment. This bond proposal reflects that coordinated effort and directly addresses the structural barriers identified in that report.

High-value industries such as defense, life sciences, ocean technology, and advanced data analytics generate higher wages, increased tax revenues, and strong multiplier effects across the economy .

Every dollar invested through this bond should attract multiple dollars in external capital—private investment, federal grants, lease payments, and tax revenues—multiplying the impact of state funds and reinforcing Rhode Island's national profile as the Ocean State and a leader in maritime defense, ocean robotics, advanced manufacturing, and life sciences innovation.

Conclusion

The proposed Economic Development Bond dedicates \$70 million to site development and \$45 million to growth industry infrastructure .

From the perspective of Rhode Island's leading employers, this is the kind of practical investment that enables expanding businesses to stay, new businesses to locate here, and high-wage jobs to grow. Quonset Business Park demonstrates what development-ready infrastructure can achieve. This bond expands that model statewide, preparing Rhode Island for the next wave of federal defense investment, advanced manufacturing expansion, ocean technology innovation, and life sciences growth.

The Partnership for Rhode Island respectfully urges the House Finance Committee to advance this bond proposal so Rhode Islanders may vote on an investment that strengthens competitiveness, expands opportunity, and positions the state for sustained economic growth.

Respectfully submitted,

Liz Catucci

Executive Director

Partnership for Rhode Island

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Partnership for RI/ Testimony re: Ecn Dev Bond v2

Final Audit Report

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