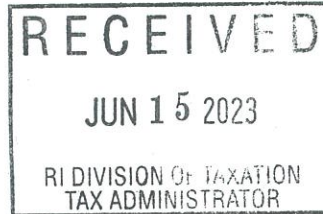




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June 12, 2023

The Honorable Marvin L. Abney
Chairperson of the House Committee on
Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

The Honorable Louis DiPalma
Chairperson of the Senate Committee on
Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

Dear Mr. Chairpersons,

Pursuant to R.I. Gen. Laws § 42-64-10(e), please find enclosed an economic impact analysis, conducted pursuant to R.I. Gen. Laws § 42-64-10(a), in relation to tax credit agreements between the Rhode Island Commerce Corporation, East Greenwich Partners, LLC under the Rebuild Rhode Island Tax Credit Act.

Should you have any questions or concerns, please contact the undersigned at 401-453-1200.

Very truly yours,

Thomas E. Carlotto, Esq.
Partner

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Matthew Weldon, Department of Labor and Training
Neena S. Savage, Division of Taxation

Economic and tax revenue impacts of development of 461 Main Street, East Greenwich

Impact of construction

- 43 person-years of work in Rhode Island;
- \$2.73 million in earnings (in 2021 dollars);
- \$5.72 million in statewide economic output; and
- A one-time increase of \$3.73 million in Rhode Island’s GDP.

Table 1: Direct, indirect and total impact of construction (income, value-added and output in millions of 2021 dollars)

	Jobs	Earnings	Value added	Output
Direct	37	\$2.37	\$3.13	\$4.63
Indirect	6	\$0.36	\$0.60	\$1.09
Total	43	\$2.73	\$3.73	\$5.72

Construction spending would directly and indirectly generate approximately \$117,000 in state tax revenue, including:

- \$67,000 in state personal income taxes paid by workers directly employed on the project, or by Rhode Island workers whose jobs are indirectly attributable to the project;
- \$42,000 in state sales taxes paid on those workers’ taxable household spending; and
- \$8,000 in state business taxes.

Impact of operations¹

- 36 jobs in Rhode Island;
- \$2.18 million in earnings (in 2022 dollars);
- \$4.65 million in statewide economic output; and
- An increase of \$2.80 in Rhode Island’s annual GDP.

Table 2: Direct, indirect and total impact of ongoing operations (income, value-added and output in millions of 2022 dollars)

	Jobs	Earnings	Value added	Output
Direct	28	\$1.74	\$2.10	\$3.38
Indirect	8	\$0.44	\$0.70	\$1.27
Total	36	\$2.18	\$2.80	\$4.65

¹ Our analysis of the impact of ongoing operations includes both the impact of tenant businesses that would occupy 6,800 square feet of commercial space, and the impact of building management and maintenance.

Ongoing operations would directly and indirectly generate approximately \$89,000 annually in state tax revenue, including:

- \$50,000 in state personal income taxes paid by workers directly employed by tenant businesses or in management and maintenance of the property, or by Rhode Island workers whose jobs are indirectly attributable to those operations;
- \$33,000 in state sales taxes paid on those workers' taxable household spending; and
- \$6,000 in state business taxes.

During the construction period and the twelve-year period following construction, the proposed project would generate approximately \$1.185 million in state tax revenues.