



DarrowEverett LLP

COPY

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March 9, 2023

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

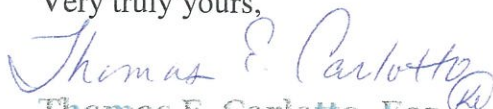
The Honorable Ryan William Pearson
Chairperson of the Senate Committee on
Finance
Rhode Island State House
82 Smith Street
Providence, RI 02903

Dear 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 and RCG Amory Park View, LLC, under the Rebuild Rhode Island Tax Credit Act.

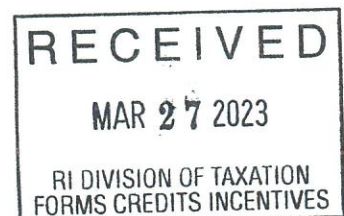
Should you have any questions or concerns, please contact the undersigned at 401-935-3404.

Very truly yours,


Thomas E. Carlotto, Esq.
Partner

Enclosure

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



{2639-016 2023-03-09 Letter re DIA to House and Senate - Parade.s}

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Economic and tax revenue impacts of development of 31 Parade Street, Providence

Impact of construction

- 33 person-years of work in Rhode Island;
- \$1.85 million in earnings (in 2020 dollars);
- \$5.74 million in statewide economic output; and
- A one-time increase of \$2.85 million in Rhode Island's GDP.

Table 1: Direct, indirect and total impact of construction (income, value-added and output in millions of 2020 dollars)

	Jobs	Earnings	Value added	Output
Direct	20	\$1.25	\$1.85	\$4.12
Indirect	13	\$0.60	\$1.00	\$1.62
Total	33	\$1.85	\$2.85	\$5.74

Construction spending would directly and indirectly generate approximately \$108,000 in state tax revenue, including:

- \$69,000 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;
- \$30,000 in state sales taxes paid on those workers' taxable household spending; and
- \$9,000 in state business taxes.

Impact of operations

- 1.0 FTE job in Rhode Island;
- \$30,000 in earnings (in 2022 dollars);
- \$80,000 in statewide economic output; and
- An increase of \$50,000 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	1	\$0.02	\$0.04	\$0.06
Indirect	0	\$0.01	\$0.01	\$0.02
Total	1	\$0.03	\$0.05	\$0.08

Ongoing operations would directly and indirectly generate approximately \$1,400 annually in state tax revenue, including:

- \$900 in state personal income taxes paid by workers directly employed in management and maintenance of the property, or by Rhode Island workers whose jobs are indirectly attributable to those operations;
- \$400 in state sales taxes paid on those workers' taxable household spending; and
- \$100 in state business taxes.

During the construction period and the twelve-year period following construction, the proposed project would generate approximately \$124,800 in state tax revenues.