

THOMAS E. CARLOTTO, ESQ.
TCARLOTTO@DARROWEVERETT.COM

PROVIDENCE OFFICE
One Turks Head Place – Suite 1200
Providence, RI 02903
Tel: 401.453.1200
Fax: 401.453.1201

November 17, 2020

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

The Honorable Senator William J. Conley, Jr.
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 agreement between the Rhode Island Commerce Corporation and Blount Fine Foods, Corp., under the Rebuild Rhode Island Tax Credit Act of 2015.

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

Very truly yours,



Thomas Carlotto, Esq.

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

Economic and tax revenue impacts of expansion of Blount Fine Foods, Warren

Impact of construction

- 3 person-years of work in Rhode Island;
- \$2.59 million in earnings (in 2020 dollars);
- \$6.42 million in statewide economic output; and
- A one-time increase of \$3.70 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	32	\$2.20	\$3.09	\$5.40
Indirect	6	\$0.39	\$0.61	\$1.02
Total	38	\$2.59	\$3.70	\$6.42

Construction spending would directly and indirectly generate approximately \$152,000 in state tax revenue, including:

- \$97,000 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;
- \$43,000 in state sales taxes paid on those workers' taxable household spending; and
- \$12,000 in state business taxes.

Impact of operations

In the expanded plant's third year of operation:

- 46 new jobs in Rhode Island;
- \$2.16 million in annual earnings (in 2021 dollars);
- \$10.75 million in statewide economic output; and
- An increase of \$3.18 million in Rhode Island's annual GDP.

Table 2: Direct, indirect and total impact of ongoing operations (income, value-added and output in millions of 2021 dollars)

	Jobs	Earnings	Value added	Output
Direct	30	\$1.11	\$1.50	\$7.81
Indirect	16	\$1.05	\$1.68	\$2.95
Total	46	\$2.16	\$3.18	\$10.76

By the third year Blount's expanded operations would directly and indirectly generate approximately \$127,000 annually in state tax revenue, including:

- \$81,000 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;
- \$36,000 in state sales taxes paid on those workers' taxable household spending; and
- \$10,000 in state business taxes.

During the construction period and the twelve-year period following construction, the proposed project would generate approximately \$1.549 million in state tax revenues.