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The Quonset Economic Impact

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THE QUONSET ECONOMIC IMPACT 2019

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Executive Summary

This report provides a data-driven and comprehensive assessment of the economic impact and tax incidence implications of economic activities at the Quonset Business Park.

The Quonset Business Park has experienced significant growth.

From 2005 to 2018, the Quonset Business Park:

- Expanded its developed area by 543 acres and added 3.6 million square feet of new facilities;
- Attracted private investments of over \$1 billion (inflation-adjusted), with \$340 million invested in 2018 alone;
- Created over 4,000 jobs.

The Quonset Business Park is a major source of jobs in Rhode Island.

- The Quonset Business Park supported 22,300 jobs in 2018, which represents 4.5 percent of total employment based in Rhode Island.
- The 11,439 employees at the Quonset Business Park include:
 - 6,748 manufacturing workers, which represents 17 percent of the manufacturing employment in Rhode Island. The Quonset Business Park has been instrumental to keeping and expanding manufacturing jobs in Rhode Island.
 - 1,049 personnel from the Rhode Island Air and Army National Guard.
 - 3,642 employees in service industries including wholesale trade, transportation, construction, professional and business services, and retail trade among others.
- 10,860 of the 22,300 are indirect and induced jobs.

The average wage at the Quonset Business Park is 19 percent higher than the average wage statewide.

In 2018, the average annual wage of workers at Quonset Business Park was:

- \$59,235 compared to \$56,524 in 2015;
- 19 percent higher than the average wage in Rhode Island (\$49,795).

From 2015 to 2018, average wage increased 4.8 percent at the Quonset Business Park compared to 2.2 percent across the state;

In 2018 at the Quonset Business Park, the average wage in:

- Manufacturing was \$63,191 compared to an average of \$56,284 in Rhode Island;
- Information was \$90,848 compared to an average of \$72,010 in Rhode Island;
- Transportation and warehousing was \$51,886 compared to an average of \$43,387 in Rhode Island.

The Quonset Business Park created \$1.28 billion in income for Rhode Island households in 2018.

- Workers employed by businesses at the Quonset Business Park received \$688.7 million in direct earnings.
- The Quonset Business Park supported the creation of an additional \$595.4 million through indirect and induced earnings throughout the state.

The Quonset Business Park supported \$4.3 billion in economic output in Rhode Island in 2018, which represents seven percent of the state's Gross Domestic Product.

The Quonset Business Park generates significant tax revenues for state and local governments.

The Quonset Business Park supported the generation of \$128.8 million in tax revenues for state and local governments including:

- \$50.8 million in property taxes, which includes \$7.7 million in local tax and PILOT payments to the town of North Kingstown;
- \$45.5 million in sales taxes;
- \$22.9 million in personal income taxes;
- \$4.6 million in corporate taxes;
- \$0.7 million in motor vehicles registrations, and;
- \$4.3 million in other taxes and fees collected by the state and local governments.

The Quonset Business Park also supported the creation of \$92.4 million in income taxes and \$29.4 million in corporate profit taxes for the federal government.

Activities in the Quonset Business Park have a strong multiplier effect throughout the state.

- Every 100 jobs created at the Quonset Business Park supports another 95 jobs in other industries of the Rhode Island economy.
- Every \$100 in labor income paid to workers at the Quonset Business Park creates an additional \$86 in labor income throughout the state.
- Every \$100 in output produced at the Quonset Business Park creates another \$62 in other industries throughout the state.

Looking Ahead

This report shows that the Quonset Business Park is an important source of employment, income, and tax revenues in Rhode Island. It also shows that the Quonset Business Park experienced exceptional growth in size, capabilities, economic activity, and employment over the last 13 years. This growth has been supported by public infrastructure investments that leveraged over \$1 billion (inflation-adjusted) in private investments since the establishment of the Quonset Development Corporation in 2005. The Quonset Business Park still has approximately 300 acres of land and potential to expand and further contribute to the Rhode Island economy by creating jobs and stimulating the statewide economy.

The growth and future performance of the Quonset Business Park is closely linked to a continued commitment to make investments in critical capabilities and infrastructure that would attract and leverage private investments to keep the Quonset Business Park as a vibrant and dynamic businesses environment.

The Quonset Business Park has available land and a strong foundation to continue its expansion.

The Quonset Business Park still has 246 acres of pad-ready sites and 46 acres of land that could be developed for multiple use. These sites could accommodate 3.6 million square feet of new building construction.

Under the assumption that public and private investments would support the development and buildout, by 2030 the Quonset Business Park could support:

- 32,546 jobs in Rhode Island. This figure includes 16,695 direct jobs and 15,851 indirect and induced jobs statewide.
- The creation of \$1.87 billion in income for Rhode Island households;
- \$6.2 billion in Gross Domestic Product.
- The generation of \$188 million in tax revenues for the local and state governments.
 - \$74.2 million in property taxes;
 - \$66.3 million in sales taxes;
 - \$33.5 million in personal income taxes;
 - \$6.6 million in corporate taxes;
 - \$1 million in motor vehicles licenses, and;
 - \$6.3 million in other taxes and fees collected by the local and state governments.

The Quonset Business Park would also support the creation of \$134.8 million in income taxes and \$42.9 million in corporate profit taxes for the federal government.

Table of Contents

A data-driven assessment of the Quonset Business Park..... 4

The Quonset Business Park has experienced significant growth..... 4

 Figure 1: The Quonset Business Park is sustaining its expansion 4

 Figure 2: Investment is increasing the Capability of the Quonset Business Park..... 5

 Figure 3: Substantial Employment growth at the Quonset Business Park..... 6

The Quonset Business Park has experienced dynamic changes to business activities and employment.. 6

 Figure 4: Manufacturing accounts for 59 percent of Employment at the Quonset Business Park
 (Employment by Industry, 2018)..... 7

 Figure 5: Civilian and Military Employment at the Quonset Business Park, 2015 and 2018 8

The Quonset Business Park is a major source of income in Rhode Island 8

 Figure 6: Total Wages paid to Civilian Workers Increased \$141 million from 2015 to 2018 8

 Figure 7: The Average Wage at QBP is 19 percent higher than the average wage statewide (Average
 Wages paid to Civilian Workers, 2015 and 2018)..... 9

 Figure 8: Average wage at QBP is higher than the state average in eleven out of fourteen industries
 (Average Annual Wages by Industry, 2018)..... 10

The Multiplier Impact of the Quonset Business Park 10

 Figure 9: The Quonset Business Park Multiplier Effect..... 10

The Total Economic Impact of the Quonset Business Park 11

 Table 1: The Quonset Business Park makes a significant contribution to the state economy (Total
 Economic Impact, 2018)..... 12

 Table 2: The Quonset Business Park is a large source of Tax Revenues 13

The Projected Buildout and Economic Impact of the Quonset Business Park..... 13

 Table 3: The Quonset Business Park is Projected to Continue to expand 14

 Table 4: The Quonset Business Park Projected expansion will increase its impact on tax revenues
 (Projected Economic Impact: Local/State Taxes, 2030) 14

Looking Ahead 14

Appendix 16

 Table A1: Employment and Payroll, Quonset Business Park, 2018 (End-of-year) 16

A data-driven assessment of the Quonset Business Park

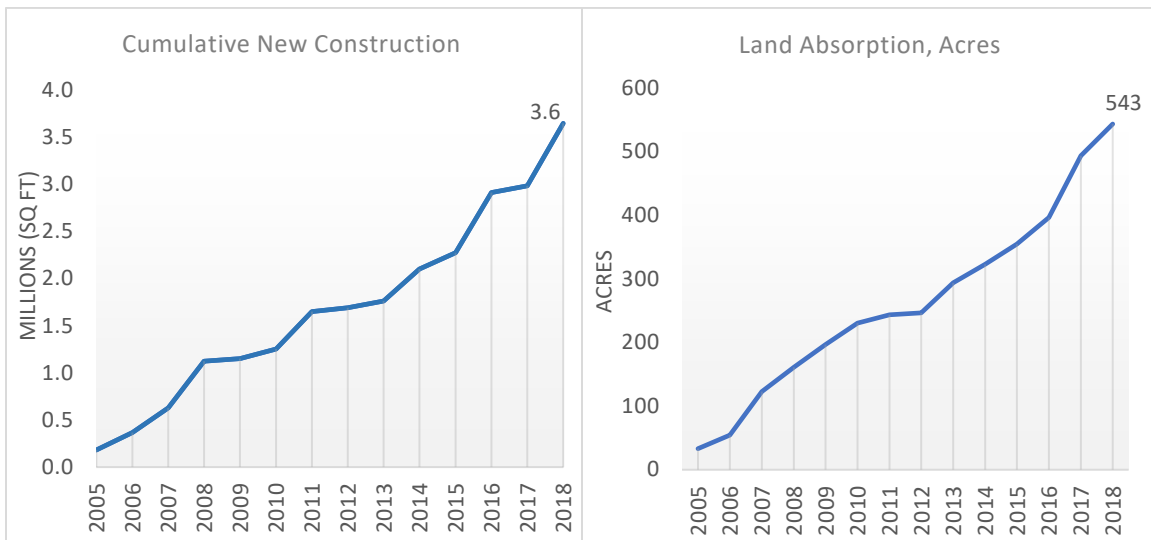
This report provides a data-driven and comprehensive assessment of the economic impact and tax incidence implications of economic activities at the Quonset Business Park (QBP). It utilizes information from several sources including data from the Rhode Island Department of Labor and Training (RI DLT), Rhode Island National Guard, Quonset Development Corporation, U.S. Bureau of Economic Analysis, and U.S. Bureau of Labor Statistics. It also uses IMPLAN (a proprietary economic model) to account for inter-industry relationships within the state and to determine how economic activities at QBP impact the Rhode Island economy.

The Quonset Business Park has experienced significant growth

The Quonset Business Park has a strategic location in North Kingstown, Rhode Island, offering access to markets in the northeast as well as access to a port infrastructure that facilitates imports and exports to overseas markets. The Quonset Business Park was once the home to two military bases that were closed, offering a unique opportunity to redevelop and repurpose the area into a dynamic business park. Since 2005, the Quonset Business Park has been managed and operated by the Quonset Development Corporation (QDC), a quasi-state agency.

The Quonset Business Park has experienced exceptional growth in size, capabilities, and economic activity over the last 13 years. From 2005 to 2018, the Quonset Business Park expanded its developed area by 543 acres and added 3.6 million square feet of new facilities (Figure 1). The expansion has been steady throughout the years, adding new capabilities and state of the art facilities for current and new businesses to operate at QBP. This includes the construction of the first *Flex*¹ industrial building that has been leased out. The construction of a second *Flex* building and additional office buildings are underway as well.

FIGURE 1: THE QUONSET BUSINESS PARK IS SUSTAINING ITS EXPANSION

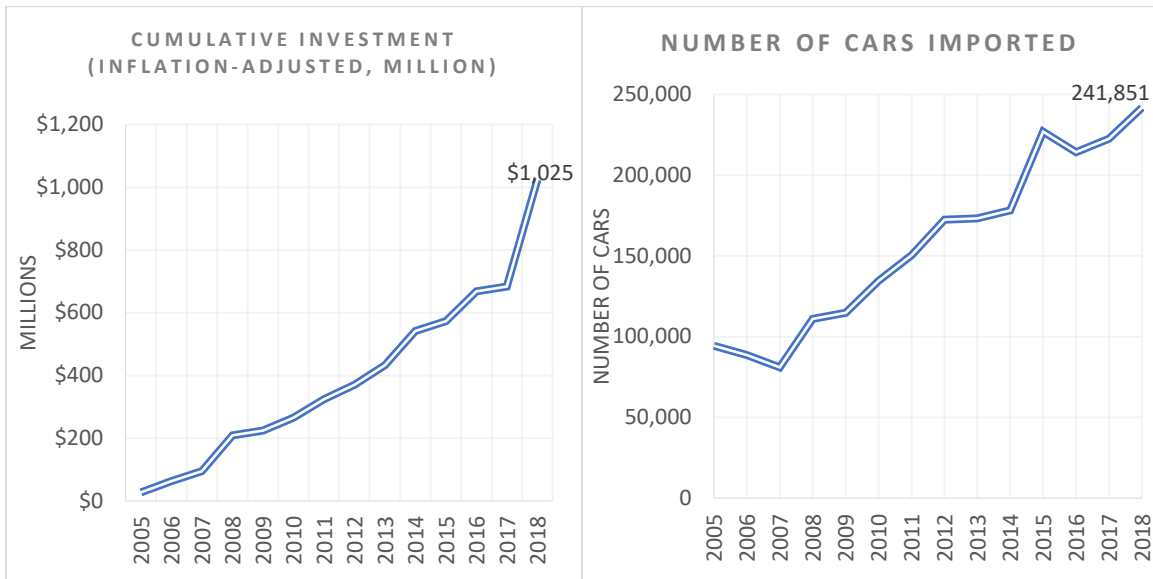


Source: Data from QDC.

¹ Space at *Flex* industrial buildings at the Quonset Business Park can be leased out and customized to meet particular business and industrial needs.

The Quonset Business Park expansion has been supported by federal, state, QDC infrastructure investments, and private investments. Infrastructure investments totaled \$56 million in 2018 alone, which includes \$33 million on Pier 2 of the Port of Davisville, \$22 million from the Air National Guard and Electric Boat funded projects, and \$2 million in projects funded by QDC. Total private investments surpassed \$1 billion (inflation-adjusted) from 2005 to 2018, with \$340 million invested in 2018 alone. QBP's capabilities increased significantly due to these investments, supporting record levels of business activity and employment. For example, the number of cars imported through the Port of Davisville, which was 83,471 in 2005 and increased to 241,851 in 2018.

FIGURE 2: INVESTMENT IS INCREASING THE CAPABILITY OF THE QUONSET BUSINESS PARK

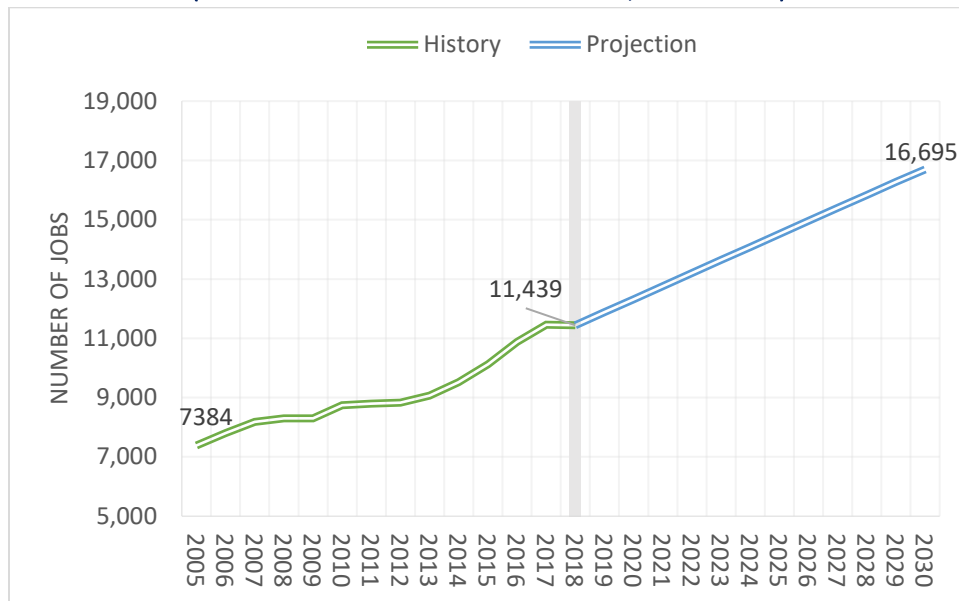


Source: Data from QDC.

The investments, new construction, and increased capabilities supported the creation of thousands of new jobs at the Quonset Business Park. The 203 companies operating in manufacturing, transportation and warehousing, and wholesale and retail trade among other industries employed 11,439 employees in 2018, which represents an increase of 2,616 jobs from 2012 and an increase of 4,055 jobs compared to 2005 employment (Figure 3).

Despite the significant build-up and expansion, the Park still has 246 acres of *pad-ready* sites and 46 acres of land that could be developed for multiple use. These sites could accommodate 3.6 million square feet of new building construction at the Park. Using the current employee density (employee per square ft) and available land, the QDC projects that the park will continue to expand and bring a needed boost to the state economy by increasing employment at the Park to 16,695 workers by 2030 (Figure 3).

FIGURE 3: SUBSTANTIAL EMPLOYMENT GROWTH AT THE QUONSET BUSINESS PARK
(EMPLOYMENT HISTORY AND PROJECTION, 2005-2030)



Source: Data from QDC.

The Quonset Business Park has experienced dynamic changes to business activities and employment

The sustained expansion of economic activity and employment at the park took place in a dynamic and challenging economic environment that has caused major changes in business operations and led manufacturing employment to shrink considerably across Rhode Island and the nation. Difficult economic conditions also caused some businesses to shut down, even though new activities and businesses came online. Recently, Greencore and Pinnacle shutdown their operations, eliminating together over 500 jobs at the Quonset Business Park.

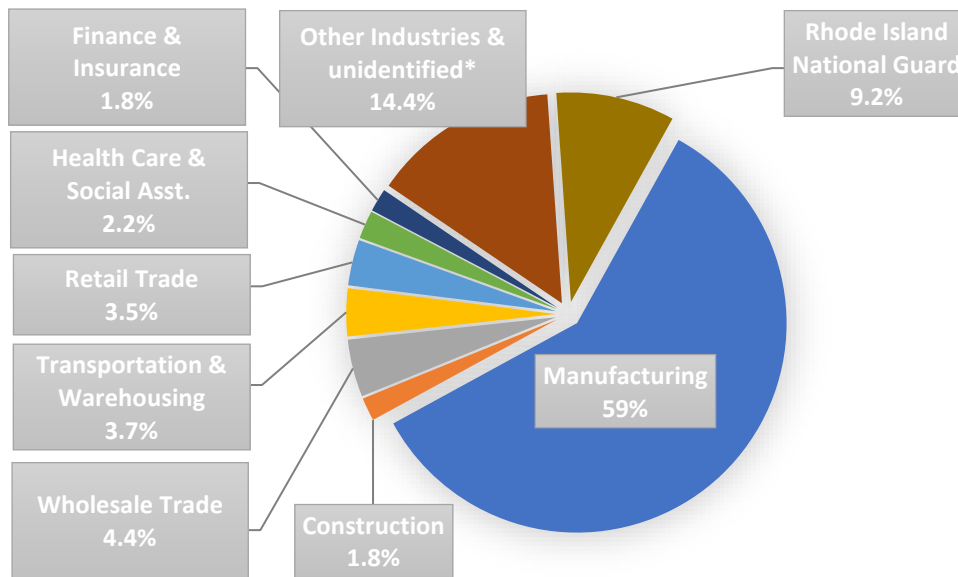
Despite an economically challenging environment, the Quonset Business Park expanded and increased manufacturing activity and employment. Data from the RI DLT complemented by a survey of tenants by the QDC² show that manufacturing accounted for 59 percent of total employment at the Quonset Business Park, as seen in Figure 4. The number of manufacturing jobs increased from 5,773 in 2015 to 6,748 in 2018, an increase of 975 jobs at the Quonset Business Park. During the same period, the number of manufacturing jobs decreased by over 1,000 in Rhode Island overall. The Quonset Business Park percentage of manufacturing in Rhode Island increased from 14 percent in 2015 to 17 percent in 2018, which indicates that the Quonset Business Park has been instrumental to keeping and expanding manufacturing jobs in Rhode Island.

In addition to manufacturing, the Quonset Business Park has a diverse service business structure. In 2018, wholesale trade employed 508 workers (4.4 percent of employment), transportation and

² Several tenants regularly use employment agencies to hire employees to work at their facilities in North Kingstown. These employees are not included in the RI DLT data.

warehousing employed 422 workers (3.7 percent of employment), and retail trade employed 405 workers (3.5 percent of employment). Employment in construction, finance and insurance, food and accommodation services, information, professional, scientific and technical services, health care, government, real estate and rental, and unidentified industries represented 21 percent of total employment at the Park (see Table 1 in the appendix for detailed data).

**FIGURE 4: MANUFACTURING ACCOUNTS FOR 59 PERCENT OF EMPLOYMENT AT THE QUONSET BUSINESS PARK
(EMPLOYMENT BY INDUSTRY, 2018)**



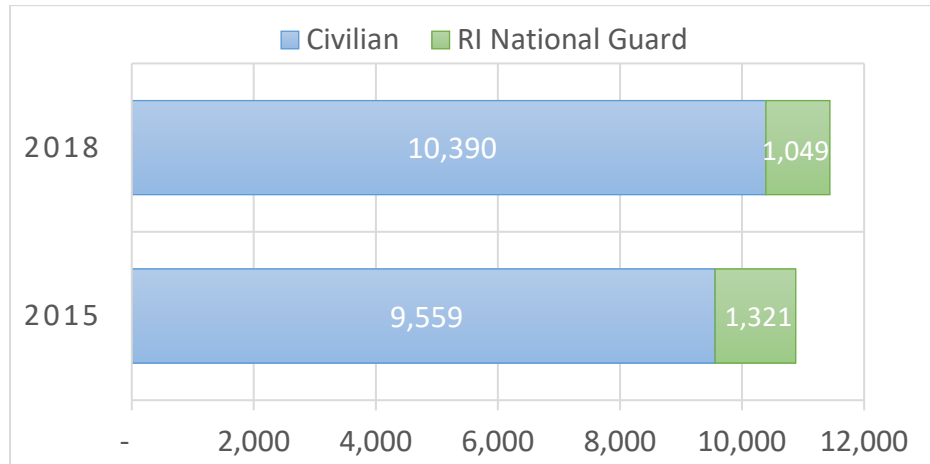
Source: Data from RI DLT, QDC, and Rhode Island National Guard. * This category includes jobs in industries with a small participation in the total number of jobs at QBP such as education (17), real estate and rental (57), information (71), professional and technical services (82), government (82), accommodation and food services (90), waste management and remediation services (141), other services (258) and jobs in businesses in which the industry classification is not available, releasable and temporary jobs.

The Quonset Business Park is also the home to the Rhode Island Air National Guard and the Rhode Island Army National Guard. In 2018, the Rhode Island National Guard employed 1,049 personnel (9.2 percent of employment) at QBP, including 291 full-time technicians and active duty personnel and 758 traditional part-time Guard members.³ These figures, however, indicate that despite the modernization of the Rhode Island National Guard infrastructure, the Guard personnel shrank by 272 people, from 1,321 in 2015 (12.2 percent of QBP’s employment) to 1,049 in 2018 (9.2 percent of total employment at the QBP) (Figure 5). Several factors contributed to reduce the Guard Personnel at the Quonset Business Park. The relocation of the 1043rd Medical Detachment from Quonset to Providence caused a move of about 60 personnel, most of which are full-time positions. There was also a reduction in full-time manning personnel. The key reason for the reduction in employment, however, is position vacancies. As of April 2019, there were close to 400 vacancies at the Rhode Island

³ Traditional part-time Guard members typically participate in weekend drills and annual training and receive compensation proportional to the number of days worked per month.

Air National Guard and the Rhode Island Army National Guard. Thus, the number of personnel employed by the Rhode Island National Guard at the Quonset Business Park will eventually increase.

FIGURE 5: CIVILIAN AND MILITARY EMPLOYMENT AT THE QUONSET BUSINESS PARK, 2015 AND 2018



Source: Data from RI DLT, QDC, and Rhode Island National Guard.

The Quonset Business Park is a major source of income in Rhode Island

Businesses and organizations generated \$615 million in wages in 2018, an increase of 30 percent compared to a payroll of \$474 million in 2015 (Figure 6). The increase in total wages is associated to an increase in employment as well as an increase in average wages across industries at the Quonset Business Park. This large increase in wages has a significant spillover effect to the state economy because it enables higher household spending on local businesses and generates increased sales and income tax revenues for the state government.

**FIGURE 6: TOTAL WAGES PAID TO CIVILIAN WORKERS INCREASED \$141 MILLION FROM 2015 TO 2018
(TOTAL WAGES PAID TO CIVILIAN EMPLOYEES, MILLIONS, QBP)**

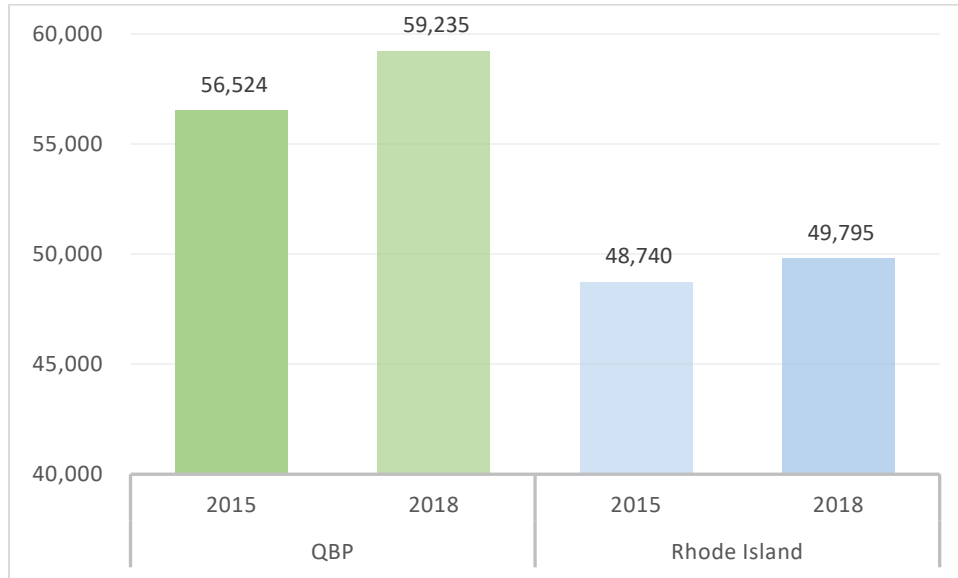


Source: Data from RI DLT and QDC.

Sustainable job creation has been followed by an increase in average wage at the Quonset Business Park. The average wage at the Quonset Business Park was \$59,235 in 2018 compared to \$56,524 in

2015, which represents an increase of 4.8 percent, seen in Figure 7. The data indicate that the average wage at the Quonset Business Park was not only 19 percent higher than the state average wage of \$49,795, but it also increased much faster (4.8 percent compared to 2.2 percent) than the average wage across the state between 2015 and 2018.

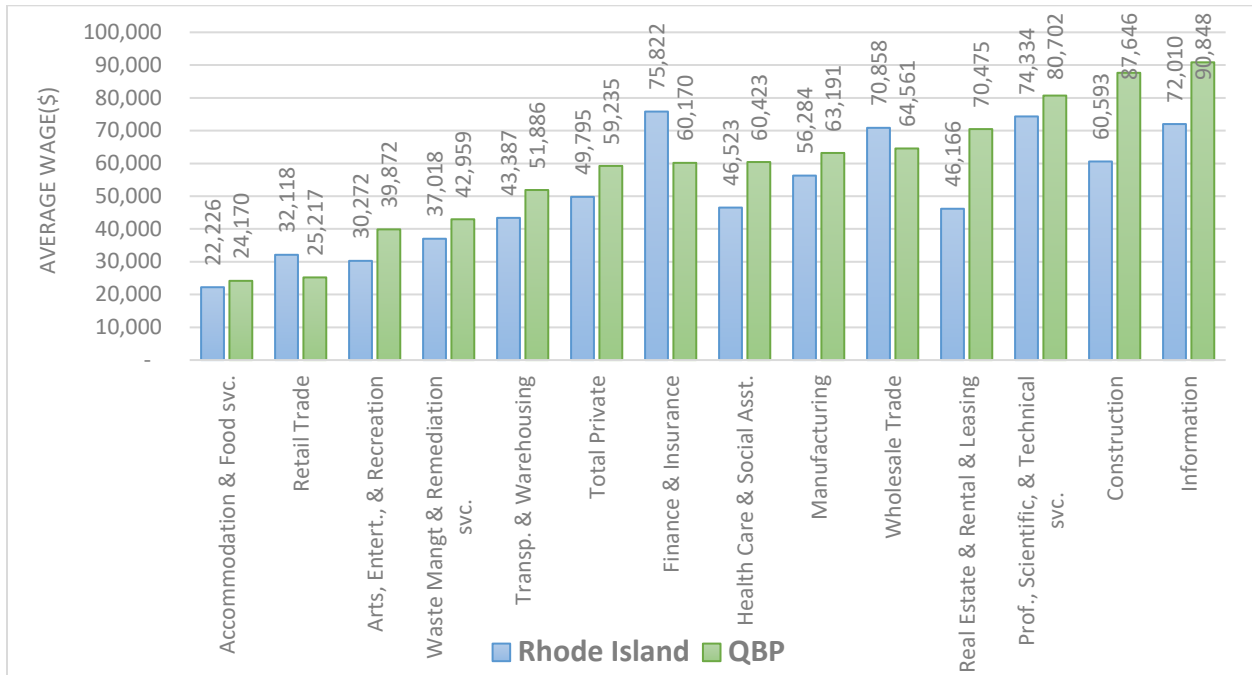
FIGURE 7: THE AVERAGE WAGE AT QBP IS 19 PERCENT HIGHER THAN THE AVERAGE WAGE STATEWIDE (AVERAGE WAGES PAID TO CIVILIAN WORKERS, 2015 AND 2018)



Source: Data from RI DLT.

In 2018, the average wage at the Quonset Business Park was higher than the statewide average in eleven of fourteen industries that represent 90 percent of employment at the Quonset Business Park. The average wage in the manufacturing industry – which accounts for 59 percent of total employment at the Quonset Business Park – was \$63,191, 12 percent higher than the average wage of \$56,284 statewide. There were also large differences in average pay for workers employed in construction (\$87,646 at QBP compared to \$60,593 statewide), information (\$90,848 at QBP compared to \$72,010 statewide), and transportation and warehousing (\$51,886 at QBP compared to \$43,387 statewide), seen in Figure 8. The wage differences in these sectors likely reflect the degree of specialization of the work and businesses at the Quonset Business Park. The average wage of workers employed at the Quonset Business Park in finance and insurance, wholesale trade, and retail trade were lower than the average wage statewide. These three sectors together account for approximately 10 percent of total employment at QBP.

FIGURE 8: AVERAGE WAGE AT QBP IS HIGHER THAN THE STATE AVERAGE IN ELEVEN OUT OF FOURTEEN INDUSTRIES
(AVERAGE ANNUAL WAGES BY INDUSTRY, 2018)

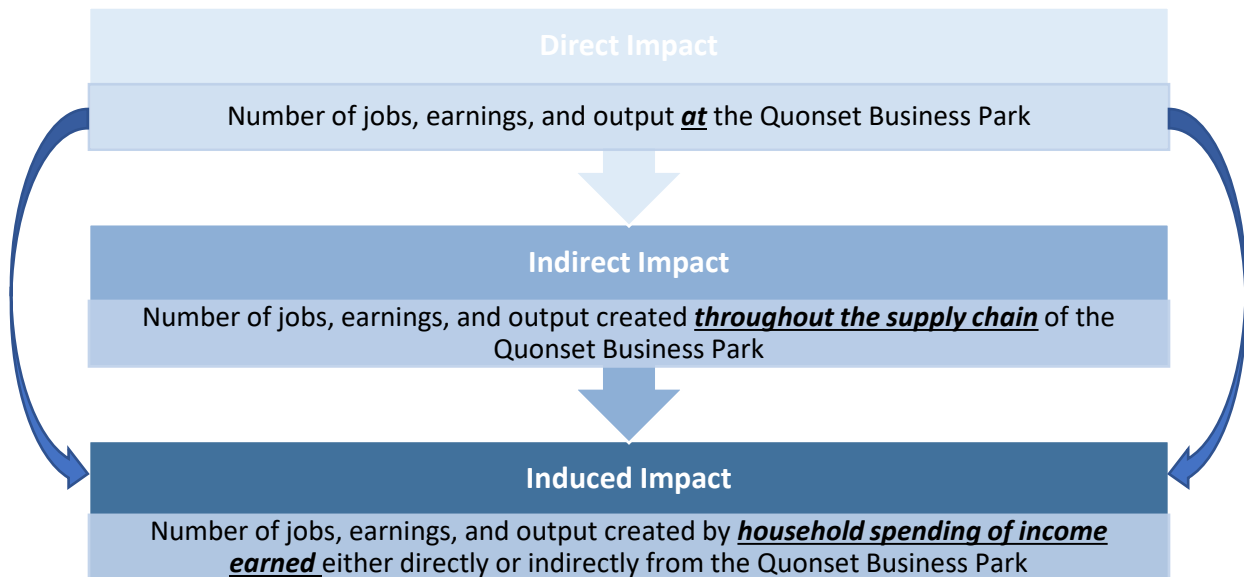


Source: Data from RI DLT.

The Multiplier Impact of the Quonset Business Park

The data presented and discussed in this report demonstrate that the Quonset Business Park contributes significantly to the state economy through direct employment and income creation. The direct effect, however, is only part of the total benefit to the state economy. The Quonset Business Park contributes to the local economy through three channels: *Direct impact*, *Indirect impact*, and *Induced impact*. (Figure 9).

FIGURE 9: THE QUONSET BUSINESS PARK MULTIPLIER EFFECT



The direct impact refers to the employment, income, and business activities presented in previous section of this report. The indirect impact refers to the inter-industry impacts in which providers of goods and services use the payments from businesses at the Quonset Business Park to engage in subsequent rounds of input purchases (employee wages, equipment, rents, raw materials, etc.) that create additional employment, income, and output in the state economy. The induced effect refers to economic activity generated by the spending of income earned directly from businesses at the Quonset Business Park as well as the income earned via the indirect impact on local business and services. This spending further stimulates the private sector and, thus, induces the creation of additional jobs, income, and output in the state.

This report uses IMpact analysis for PLANning (IMPLAN) to account for inter-industry relationships and to determine how economic activities related at the Quonset Business Park affect the Rhode Island economy. IMPLAN is an economic analysis tool that takes data from multiple government sources and employs an estimation method based on industry accounts (or Input-Output Matrix) that allows using multipliers to make estimations of how changes in income/spending impact the local economy.

IMPLAN is used to determine the Quonset Business Park's induced and indirect economic contribution to Rhode Island's economy.

This report focuses on four key metrics produced by IMPLAN:

- **Employment:** the total number of jobs supported in the economy;
- **Labor income:** the total income paid to employees that results from activities at the Quonset Business Park;
- **Output:** the total value or contribution to the Gross Domestic Product (GDP);
- **Tax revenues:** the total tax revenues received by state and local governments.

The Total Economic Impact of the Quonset Business Park

IMPLAN estimates show that economic activities at the Quonset Business Park have substantial economic links with other sectors and a strong multiplier effect throughout the state; every 100 jobs created at the Quonset Business Park supports another 95 jobs via the multiplier effect in other industries of the Rhode Island economy; every \$100 in labor income paid to workers at the Quonset Business Park creates another \$86 in labor income via the indirect and induced effects throughout the state; and every \$100 in output produced at the Quonset Business Park creates another \$62 in output via the multiplier effect in other industries throughout the state.

Table 1 provides estimates of the total economic impact of economic activities at Quonset Business Park for 2018. Quonset Business Park contributed \$4.27 billion to the economy, which represented 7 percent of the state's GDP. In addition, the Quonset Business Park created \$1.28 billion in labor income for households in Rhode Island, which accounted for 4.7 percent of labor income in the state. Direct earnings (payroll) totaled \$688.7 million, indirect earnings totaled \$308.6 million, and induced earnings totaled \$286.9 million. Economic activities at QBP supported 22,300 jobs, 4.5 percent of the jobs based in Rhode Island. This figure includes 11,439 direct jobs, and 10,860 indirect and induced jobs.

**TABLE 1: THE QUONSET BUSINESS PARK MAKES A SIGNIFICANT CONTRIBUTION TO THE STATE ECONOMY
(TOTAL ECONOMIC IMPACT, 2018)**

<i>Impact Type</i>	<i>Employment</i>	<i>Labor Income (Million \$)</i>	<i>Output (Million \$)</i>
Total Effect	22,300	1,284.1	4,266.7
<i>Direct Effect</i>	<i>11,439</i>	<i>688.7</i>	<i>2,629.2</i>
<i>Indirect Effect</i>	<i>4,991</i>	<i>308.6</i>	<i>796.8</i>
<i>Induced Effect</i>	<i>5,869</i>	<i>286.9</i>	<i>840.7</i>
Share of the Rhode Island Economy	4.5	4.7	7.0

Source: Author's calculations using IMPLAN.

The Quonset Business Park is a major source of tax revenues for the state and local governments. The tax revenue projections presented in this report consider current tax laws and policies and include the *direct, indirect, and induced* economic activities at and supported by the Quonset Business Park.

The *direct* property tax revenues include real estate taxes from tenants who own their property and paid taxes directly to the town and Payments In Lieu Of Taxes (PILOT), which are tax payments resulting from agreements between the Town of North Kingstown, businesses operating at the Quonset Business Park, and the Quonset Development Corporation itself. It also includes PILOT from tenants that lease their property from the Quonset Development Corporation. The QDC, the National Oceanic and Atmospheric Administration (NOAA), and Rhode Island National Guard facilities are exempt from property taxes.

The calculation of the *direct and indirect* sales taxes takes into consideration that the output of firms conducting defense-related activities (e.g. Electric Boat) at the Park is exempt from sales taxes. In addition, spending with purchases of goods and services made by the QDC, the Rhode Island National Guard, and NOAA are also exempt from sales taxes. This report, however, does not include tangible property taxes in its estimates because data on tangible property taxes related to activities at QBP are not available.

Table 2 summarizes the total impact on tax revenues at the state and local level. The Quonset Business Park supported the generation of \$128.8 million in tax revenues for local and state governments in 2018. This figure includes \$22.9 million in personal income taxes, \$4.6 million in corporate profit taxes, \$45.5 million in sales taxes, \$50.8 million in property taxes, \$0.7 million in motor vehicles licenses, and \$4.3 million in other taxes and fees collected by local and state governments. The \$50.8 million in property taxes include \$7.72 million in local tax and PILOT payments to the town of North Kingstown.

The Park also supported the creation of \$92.4 million in income taxes and \$29.4 million in corporate profit taxes for the federal government.

**TABLE 2: THE QUONSET BUSINESS PARK IS A LARGE SOURCE OF TAX REVENUES
(ECONOMIC IMPACT: LOCAL/STATE TAXES, 2018)**

<i>Description</i>	<i>Direct (\$ Million)</i>	<i>Indirect + Induced (\$ Million)</i>	<i>Total (\$ Million)</i>
Total	47.4	87.9	128.8
<i>Personal Income Taxes</i>	12.2	10.7	22.9
<i>Corporate Profits Tax</i>	2.4	2.1	4.6
<i>Sales Taxes</i>	16.3 ^c	29.2	45.5
<i>Property Taxes (Commercial, Ind. & Resid.)</i>	7.7 ^a	43.1 ^b	50.8
<i>Motor Vehicle Licenses</i>	0.3	0.4	0.7
<i>Other Fees and Taxes</i>	1.9	2.4	4.3

Source: Author’s calculations using IMPLAN. ^a This figure only includes commercial and industrial real estate taxes for the 2018 fiscal year. It includes payments from prearranged tax agreements (PILOT payments) and real estate property taxes for businesses operating at the Park. ^b The indirect and induced property tax estimates are several times larger than the direct property tax because of three major reasons: i) several businesses operating at the Park receive some sort of property tax incentives, which reduces the direct effect; ii) the induced impact includes *residential* property taxes paid by workers who are directly employed at the Park as well as *residential* property taxes paid by workers who are indirectly supported by economic activities at the Park; and iii) businesses that are part of the Park’s supply-chain are estimated to generate significant indirect commercial and industrial property taxes across the state. ^c The calculation of sales taxes takes into consideration that the output of firms conducting defense-related activities (e.g. Electric Boat) at the Park are exempt from sales taxes. In addition, spending with purchases of goods and services made by the QDC, the Rhode Island National Guard, and NOAA are also exempt from sales taxes.

The Projected Buildout and Economic Impact of the Quonset Business Park

This section of the report estimates the potential economic contribution of the Quonset Business Park to the state economy if public and private investments would support the development and buildout of sites according to the assessment presented in the Site Readiness Parcels (SRP) analysis.⁴ According to the SRP, the Quonset Business Park still has 246 acres of *pad-ready* sites and 46 acres of land that could be developed for multiple use. These sites could accommodate 3.6 million square feet of new building construction. Using the current employee density (employee per square ft) and available land, the QDC projects that employment will be 16,695 workers by 2030 (Figure 3).

This report assumes that the current employment distribution across industries will not change systematically with the buildout of the Quonset Business Park. This assumption allows using the current employment and payroll figures provided by the RI DLT to project the potential economic contribution of the Park once the buildout is complete.

The Quonset Business Park is projected to support 32,546 jobs in Rhode Island by 2030. This figure includes 16,695 direct jobs, 7,285 indirect jobs, and 8,566 induced jobs statewide. These jobs would be created by a significant expansion of business activity that is projected to reach \$6.2 billion of GDP and create \$1.87 billion in labor income for households in Rhode Island by 2030.

⁴ Data from the Site Readiness Parcels (SRP) analysis is proprietary and thus, not published in this study. The QDC considers requests to access the SRP data on a case-by-case basis.

**TABLE 3: THE QUONSET BUSINESS PARK IS PROJECTED TO CONTINUE TO EXPAND
(PROJECTED TOTAL ECONOMIC IMPACT, 2030)**

<i>Impact Type</i>	<i>Employment (FTE)</i>	<i>Labor Income (Million \$)</i>	<i>Output (Million \$)</i>
Total Effect	32,546	1,874	6,227
<i>Direct Effect</i>	<i>16,695</i>	<i>1,005</i>	<i>3,837</i>
<i>Indirect Effect</i>	<i>7,285</i>	<i>450</i>	<i>1,163</i>
<i>Induced Effect</i>	<i>8,566</i>	<i>419</i>	<i>1,227</i>

Source: Author’s calculations using IMPLAN. All Dollar figures are in 2019 US\$.

Under the scenario above, the Quonset Business Park would generate \$188 million in tax revenues for the local and state governments. This figure includes \$33.5 million in personal income taxes, \$6.6 million in corporate profit taxes, \$66.3 million in sales taxes, \$74.2 million in property taxes, \$1 million in motor vehicles licenses, and \$6.3 million in other taxes and fees collected by local and state governments.

**TABLE 4: THE QUONSET BUSINESS PARK PROJECTED EXPANSION WILL INCREASE ITS IMPACT ON TAX REVENUES
(PROJECTED ECONOMIC IMPACT: LOCAL/STATE TAXES, 2030)**

<i>Description</i>	<i>Direct (\$ Million)</i>	<i>Indirect + Induced (\$ Million)</i>	<i>Total (\$ Million)</i>
Total	59.7	128.3	188.0
<i>Personal Income Taxes</i>	<i>17.9</i>	<i>15.6</i>	<i>33.5</i>
<i>Corporate Profits Tax</i>	<i>3.6</i>	<i>3.1</i>	<i>6.6</i>
<i>Sales Taxes</i>	<i>23.7</i>	<i>42.6</i>	<i>66.3</i>
<i>Property Taxes (Commercial, Ind. & Resid.)</i>	<i>11.3</i>	<i>62.9</i>	<i>74.2</i>
<i>Motor Vehicle Licenses</i>	<i>0.5</i>	<i>0.5</i>	<i>1.0</i>
<i>Other Fees and Taxes</i>	<i>2.8</i>	<i>3.5</i>	<i>6.3</i>

Source: Author’s calculations using IMPLAN. All Dollar figures are in 2019 US\$.

Looking Ahead

This report shows that the Quonset Business Park is an important source of employment, income, and tax revenues in Rhode Island. It also shows that the Quonset Business Park experienced exceptional growth in size, capabilities, economic activity, and employment over the last 13 years. This growth has been supported by public infrastructure investments that leveraged over \$1 billion (inflation-adjusted) in private investments from 2005 to 2018. The Quonset Business Park still has about 300 acres of land and potential to expand its activities and further contribute to the Rhode Island Economy by creating jobs and stimulating the statewide economy via the *multiplier effect*.

The growth and future performance of the Quonset Business Park is closely linked to a continued commitment to make investments in critical capabilities and infrastructure that would attract and leverage private investments to keep the Quonset Business Park as a vibrant and dynamic businesses environment.

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The author has exercised due and customary care in conducting this research and report. Every effort has been made to ensure the quality of the analysis. The author assumes no liability for any loss resulting from errors, omissions, or misrepresentations made by others.

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Appendix

TABLE A1: EMPLOYMENT AND PAYROLL, QUONSET BUSINESS PARK, 2018 (END-OF-YEAR)

Industry	Units	Employment	Average Annual Wage	
			Quonset Business Park	Rhode Island Statewide
Total Private & Government ^a	201	10,390	\$59,235	\$ 50,092
Manufacturing	37	6,748	\$63,191	\$ 56,284
Wholesale Trade	30	508	\$64,561	\$ 70,858
Transportation & Warehousing	17	422	\$51,886	\$ 43,387
Retail Trade	12	405	\$25,217	\$ 32,118
Other Services (except Public Administration)	13	258	\$25,958	\$ 32,559
Health Care & Social Assistance	3	249	\$60,423	\$ 46,523
Construction	18	206	\$87,646	\$ 60,593
Finance & Insurance	6	205	\$60,170	\$ 75,822
Adm. Support & Waste Management	6	141	\$42,959	\$ 37,018
Accommodation & Food Services	6	90	\$24,170	\$ 22,226
Professional, Scientific, & Technical Services	13	82	\$80,702	\$ 74,334
Government	3	82	\$44,712	\$ 63,784
Arts, Entertainment, & Recreation	6	73	\$39,872	\$ 30,272
Information	3	71	\$90,848	\$ 72,010
Real Estate & Rental & Leasing	9	57	\$70,475	\$ 46,166
Education Services	3	17	N/A	\$ 56,639
Not Available, Not Releasable, or Temporary	14	776	N/A	N/A
Military Employment ^b	2	1,049	NA	NA
Rhode Island National Guard (Air Force & Army)	2			
Traditional Guard Members		787 ^b	\$15,736 ^c	NA
Full Time Technicians & Active Duty		262 ^b	\$78,437 ^c	NA
Total	203	11,439	-	-

Notes: ^a Q3 2018 data from the Rhode Island Department of Labor and Training and Quonset Development Corporation; ^b Data from the Rhode Island National Guard; ^c Author's estimates using data from the Rhode Island National Guard, publicly available information on compensation to the military, and IMPLAN's build-in compensation estimates; NA denotes "Not available."