
SENATE COMMITTEE ON FINANCE

NOTICE OF MEETING

DATE: Tuesday, October 24, 2017
TIME: 6:00 PM
PLACE: Room 313 - State House

SCHEDULED FOR HEARING

Senate Bill No. 990

BY Conley, Nesselbush, Crowley, Doyle

ENTITLED, AN ACT RELATING TO TOWNS AND CITIES -- REDEVELOPMENT AGENCIES AND PROJECTS {LC2858/1} (Permits redevelopment agencies to finance the construction of projects for residential, recreational, commercial, industrial, institutional, public, or other purposes contemplated by a redevelopment plan.)

06/27/2017 Introduced, referred to Senate Finance

09/08/2017 Scheduled for hearing

09/14/2017 Committee heard

09/22/2017 Scheduled for hearing

09/26/2017 Committee heard

09/29/2017 Scheduled for hearing

10/03/2017 Committee heard

10/06/2017 Scheduled for hearing

10/06/2017 Scheduled for hearing

10/11/2017 Committee heard

10/12/2017 Committee heard

10/13/2017 Scheduled for hearing

10/19/2017 Committee heard

10/20/2017 Scheduled for hearing

Senate Resolution No. 989

BY Conley, Nesselbush, Crowley, Doyle

ENTITLED, JOINT RESOLUTION AUTHORIZING THE STATE TO ENTER INTO FINANCING LEASE AND PAYMENT AGREEMENTS IN CONNECTION WITH THE CONSTRUCTION OF A BALLPARK IN THE CITY OF PAWTUCKET {LC2857/1}

06/27/2017 Introduced, referred to Senate Finance

09/08/2017 Scheduled for hearing

09/14/2017 Committee heard

09/22/2017 Scheduled for hearing

09/26/2017 Committee heard

09/29/2017 Scheduled for hearing

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*** Senate Resolution No. 989 Continued from Previous Page**

10/03/2017 Committee heard
10/06/2017 Scheduled for hearing
10/06/2017 Scheduled for hearing
10/11/2017 Committee heard
10/12/2017 Committee heard
10/13/2017 Scheduled for hearing
10/19/2017 Committee heard
10/20/2017 Scheduled for hearing

Meeting Agenda 7 of 7

Invited testimony by and committee inquiry of:

- Department of Administration, Division of Capital Asset Management and Maintenance (DCAMM)
- Department of Revenue, Division of Municipal Finance
- Other invited follow-up testimony

Public testimony will not be taken at this meeting.

Jamie Plume
Committee Clerk
276-5584
jplume@rilegislature.gov

POSTED: FRIDAY, OCTOBER 20, 2017, 4:23 PM

Estimated Soft Costs

Submitted by Brailsford & Dunlavey on October 24, 2017

Architectural/Engineering: 8.0%
Project Management/Consultants: 2.0%
Financing: 2.0%
Owners Contingency: 15.0%
Legal/Accounting: 2.0%
Permits/Inspections: 0.5%
Project Administration (City/State): 0.5%

Total: \$22,800,000

CITY OF PAWTUCKET & PAWTUCKET RED SOX
New Downtown Pawtucket Ballpark
Economic & Fiscal Benefits Analysis

Confidential & Proprietary

Annual Fiscal Benefits

	Level	Construction	2020	2021	2022	2023	2024
Business Corporation Tax	State	\$ 60,000	-	-	-	-	-
Construction Materials Tax	State	\$ 2,234,000	-	-	-	-	-
State Income Tax [1]	State	\$ 798,000	\$ 1,498,000	\$ 1,541,000	\$ 1,587,000	\$ 1,633,000	\$ 1,681,000
In-Ballpark Sales Tax	State	-	\$ 576,000	\$ 571,000	\$ 576,000	\$ 578,000	\$ 578,000
Visitor Sales Tax	State	-	\$ 792,000	\$ 808,000	\$ 824,000	\$ 841,000	\$ 858,000
Transient Occupancy Tax	State	-	\$ 114,000	\$ 117,000	\$ 119,000	\$ 121,000	\$ 124,000
Tangible Property Tax	City	-	\$ 154,000	\$ 151,000	\$ 141,000	\$ 122,000	\$ 110,000
Food & Beverage Tax [2]	City	-	\$ 93,000	\$ 93,000	\$ 96,000	\$ 98,000	\$ 100,000
Transient Occupancy Tax	City	-	\$ 14,800	\$ 14,800	\$ 15,800	\$ 16,800	\$ 17,900
City of Pawtucket			\$ 261,800	\$ 258,800	\$ 252,800	\$ 236,800	\$ 227,900
State of Rhode Island		\$ 3,092,000	\$ 2,980,000	\$ 3,037,000	\$ 3,106,000	\$ 3,173,000	\$ 3,241,000
Annual Fiscal Benefits		\$ 3,092,000	\$ 3,241,800	\$ 3,295,800	\$ 3,358,800	\$ 3,409,800	\$ 3,468,900

Note: Indirect fiscal benefits excluded

Note: Assumes 3% inflation after year 10 of operations

[1] Includes income tax on direct non-baseball jobs

[2] Includes in-ballpark and visitor food and beverage taxes

CITY OF PAWTUCKET & PAWTUCKET RED SOX
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Annual Fiscal Benefits

	Level	2025	2026	2027	2028	2029
Business Corporation Tax	State	-	-	-	-	-
Construction Materials Tax	State	-	-	-	-	-
State Income Tax [1]	State	\$ 1,731,000	\$ 1,783,000	\$ 1,836,000	\$ 1,892,000	\$ 1,948,000
In-Ballpark Sales Tax	State	\$ 593,000	\$ 609,000	\$ 625,000	\$ 641,000	\$ 658,000
Visitor Sales Tax	State	\$ 884,000	\$ 910,000	\$ 938,000	\$ 966,000	\$ 995,000
Transient Occupancy Tax	State	\$ 128,000	\$ 132,000	\$ 135,000	\$ 139,000	\$ 143,000
Tangible Property Tax	City	\$ 110,000	\$ 105,000	\$ 99,000	\$ 94,000	\$ 90,000
Food & Beverage Tax [2]	City	\$ 104,000	\$ 109,000	\$ 113,000	\$ 118,000	\$ 123,000
Transient Occupancy Tax	City	\$ 18,900	\$ 19,900	\$ 20,900	\$ 22,000	\$ 23,000
City of Pawtucket		\$ 232,900	\$ 233,900	\$ 232,900	\$ 234,000	\$ 236,000
State of Rhode Island		\$ 3,336,000	\$ 3,434,000	\$ 3,534,000	\$ 3,638,000	\$ 3,744,000
Annual Fiscal Benefits		\$ 3,568,900	\$ 3,667,900	\$ 3,766,900	\$ 3,872,000	\$ 3,980,000

Note: Indirect fiscal benefits excluded

Note: Assumes 3% inflation after year 10 of operations

[1] Includes income tax on direct non-baseball jobs

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CITY OF PAWTUCKET & PAWTUCKET RED SOX
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Annual Fiscal Benefits

	Level	2030	2031	2032	2033	2034
Business Corporation Tax	State					
Construction Materials Tax	State					
State Income Tax [1]	State	\$ 2,006,000	\$ 2,067,000	\$ 2,129,000	\$ 2,192,000	\$ 2,258,000
In-Ballpark Sales Tax	State	\$ 675,000	\$ 693,000	\$ 711,000	\$ 730,000	\$ 750,000
Visitor Sales Tax	State	\$ 1,025,000	\$ 1,056,000	\$ 1,087,000	\$ 1,120,000	\$ 1,153,000
Transient Occupancy Tax	State	\$ 147,000	\$ 151,000	\$ 156,000	\$ 160,000	\$ 165,000
Tangible Property Tax	City	\$ 85,000	\$ 81,000	\$ 77,000	\$ 73,000	\$ 69,000
Food & Beverage Tax [2]	City	\$ 127,000	\$ 131,000	\$ 135,000	\$ 139,000	\$ 143,000
Transient Occupancy Tax	City	\$ 24,000	\$ 24,000	\$ 25,000	\$ 26,000	\$ 27,000
City of Pawtucket		\$ 236,000	\$ 236,000	\$ 237,000	\$ 238,000	\$ 239,000
State of Rhode Island		\$ 3,853,000	\$ 3,967,000	\$ 4,083,000	\$ 4,202,000	\$ 4,326,000
Annual Fiscal Benefits		\$ 4,089,000	\$ 4,203,000	\$ 4,320,000	\$ 4,440,000	\$ 4,565,000

Note: Indirect fiscal benefits excluded

Note: Assumes 3% inflation after year 10 of operations

[1] Includes income tax on direct non-baseball jobs

[2] Includes in-ballpark and visitor food and beverage taxes

CITY OF PAWTUCKET & PAWTUCKET RED SOX
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Annual Fiscal Benefits

Level	2035	2036	2037	2038	2039
Business Corporation Tax	\$ 2,326,000	\$ 2,396,000	\$ 2,468,000	\$ 2,542,000	\$ 2,618,000
Construction Materials Tax	\$ 771,000	\$ 793,000	\$ 815,000	\$ 838,000	\$ 861,360
State Income Tax [1]	\$ 1,188,000	\$ 1,224,000	\$ 1,260,000	\$ 1,298,000	\$ 1,337,000
In-Ballpark Sales Tax	\$ 169,000	\$ 174,000	\$ 179,000	\$ 184,000	\$ 190,000
Visitor Sales Tax	\$ 66,000	\$ 63,000	\$ 59,000	\$ 56,000	\$ 54,000
Transient Occupancy Tax	\$ 147,000	\$ 151,000	\$ 156,000	\$ 161,000	\$ 166,000
Tangible Property Tax	\$ 27,000	\$ 28,000	\$ 29,000	\$ 30,000	\$ 31,000
Food & Beverage Tax [2]					
Transient Occupancy Tax					
City of Pawtucket	\$ 240,000	\$ 242,000	\$ 244,000	\$ 247,000	\$ 251,000
State of Rhode Island	\$ 4,454,000	\$ 4,587,000	\$ 4,722,000	\$ 4,862,000	\$ 5,006,360
Annual Fiscal Benefits	\$ 4,694,000	\$ 4,829,000	\$ 4,966,000	\$ 5,109,000	\$ 5,257,360

Note: Indirect fiscal benefits excluded

Note: Assumes 3% inflation after year 10 of operations

[1] Includes income tax on direct non-baseball jobs

[2] Includes in-ballpark and visitor food and beverage taxes

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	Level	2040	2041	2042	2043	2044
Business Corporation Tax	State					
Construction Materials Tax	State					
State Income Tax [1]	State	\$ 2,696,000	\$ 2,777,000	\$ 2,861,000	\$ 2,947,000	\$ 3,035,000
In-Ballpark Sales Tax	State	\$ 885,000	\$ 909,650	\$ 935,000	\$ 961,030	\$ 988,000
Visitor Sales Tax	State	\$ 1,377,000	\$ 1,419,000	\$ 1,461,000	\$ 1,505,000	\$ 1,550,000
Transient Occupancy Tax	State	\$ 195,000	\$ 201,000	\$ 207,000	\$ 213,000	\$ 219,000
Tangible Property Tax	City	\$ 51,000	\$ 48,000	\$ 46,000	\$ 44,000	\$ 42,000
Food & Beverage Tax [2]	City	\$ 171,000	\$ 176,000	\$ 181,000	\$ 186,000	\$ 191,000
Transient Occupancy Tax	City	\$ 31,000	\$ 32,000	\$ 33,000	\$ 34,000	\$ 35,000
City of Pawtucket		\$ 253,000	\$ 256,000	\$ 260,000	\$ 264,000	\$ 268,000
State of Rhode Island		\$ 5,153,000	\$ 5,306,650	\$ 5,464,000	\$ 5,626,030	\$ 5,792,000
Annual Fiscal Benefits		\$ 5,406,000	\$ 5,562,650	\$ 5,724,000	\$ 5,890,030	\$ 6,060,000

Note: Indirect fiscal benefits excluded

Note: Assumes 3% inflation after year 10 of operations

[1] Includes income tax on direct non-baseball jobs

[2] Includes in-ballpark and visitor food and beverage taxes

CITY OF PAWTUCKET & PAWTUCKET RED SOX
New Downtown Pawtucket Ballpark
Economic & Fiscal Benefits Analysis

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	Level	2045	2046	2047	2048	2049
Business Corporation Tax	State	\$ 3,126,000	\$ 3,220,000	\$ 3,316,000	\$ 3,416,000	\$ 3,518,000
Construction Materials Tax	State	\$ 1,015,500	\$ 1,044,000	\$ 1,073,060	\$ 1,103,000	\$ 1,134,000
State Income Tax [1]	State	\$ 1,597,000	\$ 1,645,000	\$ 1,694,000	\$ 1,745,000	\$ 1,797,000
In-Ballpark Sales Tax	State	\$ 225,000	\$ 232,000	\$ 239,000	\$ 245,000	\$ 253,000
Visitor Sales Tax	State	\$ 39,000	\$ 37,000	\$ 36,000	\$ 34,000	\$ 32,000
Transient Occupancy Tax	City	\$ 196,000	\$ 202,000	\$ 208,000	\$ 215,000	\$ 222,000
Tangible Property Tax	City	\$ 36,000	\$ 37,000	\$ 38,000	\$ 40,000	\$ 41,000
Food & Beverage Tax [2]	City	\$ 271,000	\$ 276,000	\$ 282,000	\$ 289,000	\$ 295,000
Transient Occupancy Tax	City	\$ 5,963,500	\$ 6,141,000	\$ 6,322,060	\$ 6,509,000	\$ 6,702,000
Annual Fiscal Benefits		\$ 6,234,500	\$ 6,417,000	\$ 6,604,060	\$ 6,798,000	\$ 6,997,000

Note: Indirect fiscal benefits excluded

Note: Assumes 3% inflation after year 10 of operations

[1] Includes income tax on direct non-baseball jobs

[2] Includes in-ballpark and visitor food and beverage taxes



State of Rhode Island and Providence Plantations
Office of the General Treasurer
State House – Room 102
Providence, Rhode Island 02903

Seth Magaziner
General Treasurer

October 24, 2017

Honorable William J. Conley, Jr.
Senate Committee on Finance
Rhode Island Senate
Providence, RI 02903

Dear Chairman Conley,

Thank you again for your consideration of my testimony at your hearing on October 11, 2017. Our office continues to be committed to working with the Senate Committee on Finance and the Senate Fiscal staff to respond to your inquiries. We anticipate meeting in the next few days with Senate Fiscal staff and other subject matter experts to draft clarified language. Also, our fiscal advisor, PRAG (Public Resources Advisory Group), is currently working on the additional analysis the Senate Fiscal staff requested.

Our office will share the outcomes of this work with you, your Committee members, and the Senate Fiscal staff as soon as it is completed.

As always, feel free to reach out to my office with any questions.

Sincerely,

Seth M. Magaziner
General Treasurer

cc: Members, Senate Committee on Finance
Senator Elizabeth A. Crowley
Senator Donna M. Nesselbush

Sen. Crowley PawSox statement to the Finance Committee for 10/24

The City of Pawtucket is facing a crucial moment in its long history, and it is imperative and crucial that we support Pawtucket so that the recent economic momentum the city has experienced does not come to an abrupt stop. With the recently announced closing of Memorial Hospital and the very real possibility of the PawSox leaving our great city, a potential slide back to dark economic times is a distinct possibility. It is for this reason that I am fully and strongly supporting the proposal to build a new PawSox stadium at the Apex site.

The economic gains and development that Pawtucket and the entire Blackstone Valley have had recently is a testament to the resilient character of the area. A new, state-of-the-art stadium will not only continue, but will super-charge this growth into the foreseeable future. After listening to hours of testimony regarding this project, I truly believe with my whole heart that this proposal is not only the best deal for taxpayers, it is also crucial for the health and well-being of Pawtucket, and the entire state.

The Pawtucket Red Sox is one of Rhode Island's most cherished institutions, and they have been vital community partners for decades. The amount of charity and good works that the team has injected into our state dwarfs almost any other group in Rhode Island, and we must help them in order for the team to continue its tradition of making Pawtucket and Rhode Island a better place to live.

I know Rhode Islanders are frustrated these days. After all, we are living in very frustrating times, but that is why it is so important to keep the PawSox in Pawtucket. Because during these trying times, the affordable and family-friendly presence of the PawSox offers a sanctuary from the daily uncertainty and frustration that so many Rhode Islanders experience. This proposal is nothing at all like the disastrous 38 Studios debacle. That deal was structured around an extremely risky and speculative product that had yet to be developed. The PawSox are a proven business that is already generating for the state the level of revenue that would be needed to pay the bonds. The PawSox proposal is predicated on revenue generating bonds, which will keep the PawSox in Pawtucket without costing our taxpayers one single cent from their wallets. In fact, it is a net revenue positive for our state.

With this proposal, we have an opportunity to continue Pawtucket's economic progress. I urge all to embrace this charge into a better future. The PawSox have helped the state and the city for decades, and now it is up to us to help this storied sports franchise and economic generator. I am in full support of keeping the PawSox in Pawtucket, and that is only possible through building a new home for them at the Apex site.