

Fiscal Impact Study

Coventry Centre – 666 Arnold Road, Coventry, Rhode Island

Introduction

This fiscal impact study evaluates the projected economic and fiscal effects of Coventry Centre commercial development, a 100,000-square-foot retail and service-oriented project located at 666 Arnold Road, Coventry, Rhode Island. The project is designed to accommodate a variety of national tenants, including national restaurant brands, a combined service station and C-store, additional restaurants, a medical office, and other retail and office users, each contributing to local employment, tax revenue, and economic activity.

The study analyzes expected rental revenues, property tax contributions, municipal service costs, and overall net fiscal impact to the Town of Coventry. The findings demonstrate that the project will yield substantial net positive fiscal benefits while enhancing economic development and employment opportunities in the region.

Project Overview

- **Location:** 666 Arnold Road, Coventry, RI
- **Total Square Footage:** 100,000 sq. ft.
- **Tenants:** National restaurant brands, a combined service station and C-store, other restaurants, a medical office, and other retail and office users
- **Lease Type:** Triple Net Lease (NNN) at \$25 per sq. ft. annually
- **Primary Use:** Retail, fuel service, medical, restaurant, and office services

Revenue Projections

1. Annual Rental Income

The projected annual rental revenue for the project is calculated based on \$25 per square foot (NNN) lease rates for the 100,000 square feet of commercial space:

$$100,000 \text{ sq. ft.} \times \$25 \text{ per sq. ft.} = \$2,500,000 \text{ annually}$$

This revenue represents direct business income to the property owner and contributes indirectly to local spending, employment, and economic growth.

2. Property Tax Revenue

The property's total assessed value is estimated at \$250 per square foot, leading to an overall valuation of:

$$100,000 \text{ sq. ft.} \times \$250 \text{ per sq. ft.} = \$25,000,000$$

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Applying Coventry's commercial tax rate of \$22.264 per \$1,000 in assessed value, the annual property tax revenue is calculated as:

$$\$25,000,000 \times (\$22.264 / 1,000) = \$556,600 \text{ annually}$$

This revenue represents a direct financial benefit to the Town of Coventry, supporting municipal services, infrastructure, and public safety.

Employment & Economic Impact

3. Job Creation

The project will generate both direct and indirect employment opportunities. Based on industry standards for similar commercial developments, employment density varies by tenant type:

Tenant	Approx. Square Footage	Employees per Sq. Ft.	Estimated Jobs
Coffee	2,500 sq. ft.	1 per 400 sq. ft.	6
National Restaurant Brands	10,000 sq. ft.	1 per 400 sq. ft.	25
Service Station/C-Store	5,000 sq. ft.	1 per 500 sq. ft.	10
Other Restaurants	10,000 sq. ft.	1 per 400 sq. ft.	25
Medical Office	10,000 sq. ft.	1 per 400 sq. ft.	25
Other Retail and Office Users	62,500 sq. ft.	1 per 600 sq. ft.	104

Total Estimated Employment: 195 jobs

This employment figure includes retail workers, service technicians, medical staff, restaurant employees, office professionals, and support personnel, contributing to local job growth and economic stability.

Municipal Cost Implications

4. Municipal Service Costs

As with any commercial development, municipal services such as public safety (police, fire), infrastructure maintenance, and administrative oversight will be required. Based on previous fiscal studies in Coventry, the municipal cost per capita is estimated at \$781 per employee.

Applying this figure to the 195 projected employees:

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$195 \times \$781 = \$152,195$ annually

This cost is relatively low compared to residential developments, as commercial properties generally demand fewer municipal services.

Net Fiscal Impact

The net fiscal impact of the project is determined by subtracting municipal service costs from property tax revenue:

$\$556,600 - \$152,195 = \$404,405$ annually

This represents a substantial net fiscal benefit to the Town of Coventry, contributing to education, public safety, and infrastructure funding without burdening local resources.

Conclusion & Summary

Coventry Centre at 666 Arnold Road presents a highly favorable fiscal impact for Coventry, Rhode Island. The combination of stable rental income, strong property tax contributions, and manageable municipal service costs results in a net positive fiscal gain of approximately \$404,405 annually.

Additionally, the project will provide over 195 permanent jobs, stimulate local business activity, and enhance the commercial profile of Coventry by attracting national tenants with consistent consumer demand.

Overall, the development is expected to:

- Generate sustainable tax revenue
- Support local employment
- Minimize municipal service burdens
- Enhance economic activity in Coventry

This fiscal impact study demonstrates that Coventry Centre will provide long-term financial and economic benefits, making it a valuable addition to the Coventry business landscape.