



nerej

New lease with EB showcases great incentives available

January 09, 2014 - Rhode Island

Governor Lincoln Chafee announced in mid-December that General Dynamics Electric Boat (EB) and the Quonset Development Corporation (QDC) reached a new 25-year lease agreement to extend and expand Electric Boat's footprint at Quonset Business Park. Approved by the QDC's board of directors at their December meeting, the expanded lease gives EB the flexibility it needs to construct new, specialized facilities for submarine programs.

It was an important announcement for Rhode Island, the QDC and Electric Boat.

"Since Electric Boat opened its Quonset fabrication plant 40 years ago, we have enjoyed an excellent relationship with the State of Rhode Island," said Electric Boat president Jeffrey Geiger. "This new agreement provides us with the room we need to meet the Navy's future shipbuilding needs, and these facilities, designed for efficient production, provide the U.S. Navy the most cost-effective approach."

The terms of the tentative agreement expand Electric Boat's footprint by about 42 acres, which includes more than 1 million s/f of building space. Currently EB leases 100 acres at the business park, and owns an additional 33 acres. The company performs a variety of activities at Quonset, including manufacturing, hull fabrication, modular construction, coating and steel processing. The 25 years will be the longest lease term that EB has held at the Quonset Business Park.

A key piece of the long term lease is an incentive package which provides a discount depending on the length of the lease and an additional discount for job creation. This is the standard incentive program offered by the QDC in all future new leases.

The first part of the QDC incentive package provides a discount for the length of a company's lease. The longer the lease, the greater the discount. The package also provides an additional discount based not on a company's job count, but on their actual payroll. Therefore, it can be utilized by a submarine maker with thousands of employees, or a small contractor within the business park who signs a new lease and only has a few employees on their payroll - all at no cost to the taxpayer.

As Marcel Valois, the executive director of the Rhode Island Commerce Corporation and chairman of the QDC board said recently, "This program, which creates an even playing field for companies, big and small, is a model for achieving the Governor's goal of broadening programs and incentives to include all businesses."

"[The] announcement means more good paying jobs with excellent benefits for Rhode Island and will help boost our economy," Governor Chafee said. "Quonset has become one of the premier business complexes in the northeast, and it includes Electric Boat's facility where modular construction of submarines was pioneered and continues to be perfected."

He added, "It's only a matter of time now before there are more than 10,000 jobs across all the companies here at Quonset Business Park."

Quonset is now home to more than 175 companies, employing approximately 9,500 people in

full-time and part-time jobs in many industries. The Port of Davisville at Quonset is also one of the top 10 auto-importers in North America. EB is a wholly owned subsidiary of General Dynamics, and the largest employer at the business park.

The QDC is committed to helping businesses at Quonset succeed and creating the right environment to bring more jobs to Rhode Island. This lease and the incentives available to those tenants looking to call Quonset their home for years to come are a testament to that effort.

Steven King, PE, is the managing director of the Quonset Development Corp., North Kingstown.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540