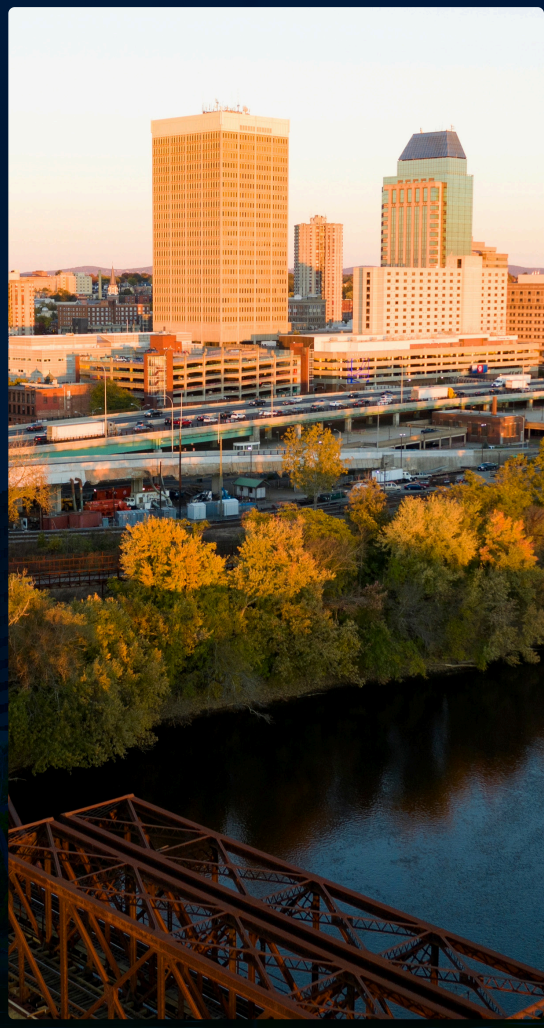
[bw] RESEARCH PARTNERSHIP







Economic Impact Analysis of the Springfield Regional Justice Center

Prepared for Liberty Junction
By BW Research Partnership and Dewey Square Group

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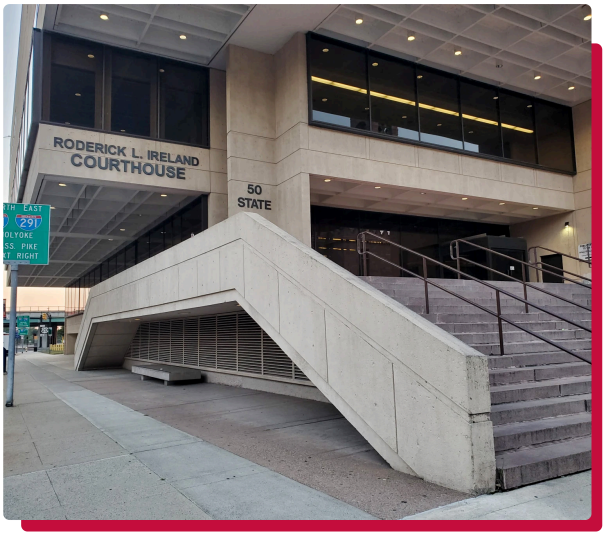


Introduction

Replacing the existing Roderick L. Ireland Courthouse with a new Springfield Regional Justice Center will generate significant economic benefits for City of Springfield, the surrounding region, and the Commonwealth of Massachusetts. Economic benefits from a construction project can ripple through a local economy, as broader indirect and induced impacts are felt via the multiplier effect of the initial direct investment. When a construction project begins in a community, hired construction workers earn wages and begin to spend more money in the local economy, such as at local restaurants for meals. Schools, police departments, and other public works departments benefit from increased local tax revenues generated by additional spending. Local manufacturers and wholesalers also sell more goods to feed the growing local supply chain. Small businesses in the region, such as accounting firms, clothing stores, construction contractors, and landscaping companies, see new revenue streams as well.

According to the economic impact modeling completed for this analysis, the construction of the Springfield Regional Justice Center building will support a total of 3,000 job-years, or jobs supported for a single year—300 jobs in the first year, 1,100 in the second year, 900 in the third year, and 600 in the last six months of the project. On-site construction operations and associated supply chain activities will support around 70% of those jobs. The remaining 30% represents induced employment, supported by direct and indirect workers who spend their wages in the local economy. The construction will also add $419 million to Massachusetts' gross state product, create $322 million in new labor income for workers, and generate over $94 million in new tax revenue for federal, state, and local governments.

The Roderick L. Ireland Courthouse has been the Springfield District Court for more than 50 years, serving Greater Springfield, Massachusetts. It was named the Roderick Ireland Courthouse in 2017, in honor of Former Chief Justice Roderick L. Ireland, a Springfield native and the first African-American Justice of the Massachusetts Supreme Court. Due to the deterioration of the building and associated health and safety concerns stemming from the condition of the building, where toxic mold has been identified and linked to illness among staff, the Court needs a new building from which to operate.[1,2]



Source: NEPM

[1] Heinonen, Sarah. "Legal injunction sought against courthouse site, citing 'impropriety.'" Reminder Publishing, LLC. July 13, 2026. https://thereminder.com/local-news/legal-injunction-sought-against-courthouse-site-citing-impropriety/

[2] Spencer, Buffy. "Roderick Ireland celebrated as Springfield courthouse now bears his name." Office of the Hampden District Attorney. November 15, 2017. https://hampdenda.com/roderick-ireland-celebrated-as-springfield-courthouse-now-bears-his-name/

In June 2025, the Massachusetts Division of Capital Asset Management and Maintenance (DCAMM) issued a request for proposals to acquire a lease to develop a space to house judicial, administrative, detention, and client service functions of the Court. The request included several requirements for a building of this type, including accessibility, sustainability, and more.[3]

DCAMM selected the proposal submitted by FDS MA Liberty Junction, LLC (Liberty Junction) to build a new courthouse at 125 Liberty Street in Springfield, one of Massachusetts' Gateway Cities. Liberty Junction's proposal describes a six-story, L-shaped building located close to Union Station, numerous bus lines, and two Interstates (91 and 291) for equitable access. In addition to sufficient parking space, Liberty Junction plans to install seven electric vehicle charging stations. The building will also be LEED and ENERGY STAR® Certified, with air-source heat pumps for heating and cooling, a "solar-ready" roof, and EPA WaterSense fixtures for increased water efficiency.[4] Together, these features will support Massachusetts' high-performance building and climate goals.

In September 2026, Liberty Junction and the Western Mass Building Trades Union signed a project labor agreement, committing Liberty Junction to hiring local labor and apprentices to complete the building's construction. This agreement also guarantees prevailing wages, good benefits, and safe working conditions for the local workforce.[5] Additionally, Liberty Junction has committed to workforce diversity goals, including a minimum of 15.3% racial and ethnic minorities, 7% women, and 7% veterans, thereby further supporting Massachusetts' workforce development priorities.[6]

Liberty Junction proposed a 42-month construction period and an investment of over $462 million. Of this investment, Liberty Junction estimated $401 million for construction and related activities, including the demolition of the existing structure on the property and the construction of a new building, as proposed, as well as associated engineering, architectural, administrative, financial, and other professional services.[7]

This analysis estimates the short-term economic benefits generated throughout Massachusetts by the construction activities, associated supply chain activity, and household spending supported by workers' earnings. While Liberty Junction is also purchasing the land and managing the building operations over a 40-year lease, only the building construction is examined in this report.

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[3] Commonwealth of Massachusetts, Division of Capital Asset Management and Maintenance, Office of Leasing and State Office Planning. Bid Number BD-25-1019-DCP06-OOL01-118407. Project Number 202410900. June 30, 2026. https://www.commbuys.com/bso/external/bidDetail.sda?docId=BD-25-1019-DCP06-OOL01-118407&external=true&parentUrl=close

[4] Liberty Junction. "Springfield Regional Justice Center Cost Proposal: Request for Proposals (RFP) Response." October 16, 2025. https://www.mass.gov/doc/springfield-trial-court-proposal-125-liberty-st/download

[5] BusinessWest Staff. "Liberty Junction, Western Mass Building Trades Union Announce PLA for Courthouse." BusinessWest. September 17, 2026. https://businesswest.com/blog/tag/western-mass-building-trades-union/

[6] Massachusetts Supplier Diversity Office, "Owner – GC Agreement and General Conditions for the Project." Appendix C: Goals and Utilization Percentages for Minority, Women, and Veteran Workers.

[7] Liberty Junction. "Springfield Regional Justice Center Cost Proposal: Request for Proposals (RFP) Response." October 16, 2025. https://www.mass.gov/doc/springfield-trial-court-proposal-125-liberty-st/download

Key Findings

$401 Million
in total private capital investment

$419 Million
added to Massachusetts' GSP

$322 Million
in local labor income

$94 Million
in tax revenue generated

3,000 JOB-YEARS
or jobs supported for a single year over the 42 months of construction

300	***1,100***	***900***	***600***
jobs in year one	jobs in year two	jobs in year three	jobs in the final six months

The new Springfield Regional Justice Center will contribute $419 million to the Commonwealth of Massachusetts' gross state product (GSP) over the course of the construction period. This contribution represents a 4.5% return on the initial $401 million spent on construction, architectural, engineering, and other professional services for the building.

The construction of the new Springfield Regional Justice Center will support nearly 3,000 job-years, or jobs supported for a single year, over the 42-month project. The initial year of construction will sustain approximately 300 jobs. The second year will support the greatest number of jobs, more than 1,100. Year three will sustain more than 900 jobs, and the final six months of the project will support close to 600 jobs, likely the same workers as in year three. Most jobs supported each year are direct jobs, or jobs involved in demolition, construction, and installation activities, as well as architectural, engineering, and other professional services for building construction. These direct jobs will be filled by local workers who are paid a prevailing wage, according to the project labor agreement signed between the Western Mass Building Trades Union and Liberty Junction.[8]

[8] BusinessWest Staff. "Liberty Junction, Western Mass Building Trades Union Announce PLA for Courthouse." BusinessWest. September 17, 2026. https://businesswest.com/blog/tag/western-mass-building-trades-union/



As stated in the agreement with the Massachusetts Supplier Diversity Office, a diverse workforce will fill these jobs, including at least 15.3% racial/ethnic minorities, 7% women, and 7% veterans.[9] The commitments for racial/ethnic minority and veteran workers exceed the shares of racial/ethnic minorities employed in Massachusetts' nonresidential construction industry (9%) and veterans in the state's overall labor force (4%).[10,11]

This project will distribute approximately $322 million in labor income, including wages, benefits, and payroll costs, to Massachusetts workers employed in these jobs. When assessing wages only, the average annual wage for direct, indirect, and induced jobs related to construction activities is between $71,000 and $72,500. The average annual wage for jobs associated with architectural, engineering, and other professional services is just over $90,000, which is 64% higher than the median wage of $54,800 in Hampden County.[12]

The project will generate nearly $9 million in local taxes, which could increase available funding for beneficial public services. Additionally, this construction will generate more than $16 million in state taxes and almost $69 million in federal taxes, potentially contributing to services, social programs, and economic development projects across the Commonwealth and nation.

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[9] Massachusetts Supplier Diversity Office, "Owner – GC Agreement and General Conditions for the Project." Appendix C: Goals and Utilization Percentages for Minority, Women, and Veteran Workers.

[10] JobsEQ, "Industry Diversity." Massachusetts, Nonresidential Building Construction (NAICS 2362), four-quarter average ending 2025Q3.

[11] U.S. Bureau of Labor Statistics, "Table 6A. Employment status of veterans 18 years and over by state, 2025 annual averages." Accessed October 2026; U.S. Bureau of Labor Statistics, "State and Area Employment, Hours, and Earnings," Massachusetts, Total Nonfarm, Seasonally Adjusted. Average 2025 monthly employment.

[12] JobsEQ 2026 Q1. All Industries, Hampden County, Massachusetts. Data Extracted from the United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2026.

Economic Impact Terminology and Overview of Methodology

Using IMPLAN, a static input-output economic model, BW Research estimated the economic and employment impacts of a building construction project, which includes the planning, development, construction, and installation of the entire building, as well as the demolition of the existing structure. Please refer to Appendix B: Methodology and Assumptions for a detailed methodology.

These impacts are short-term, in this case lasting for the 42 months (3.5 years) of construction. BW Research divides the impacts into direct, indirect, and induced effects across the local economy, defined as:

- **Direct effects** show the change in the economy associated with the initial job creation and initial economic activity. For the purposes of this research, direct jobs range from construction workers involved in the demolition, construction, and installation activities in the proposed plan by the Liberty Junction Team, to the professional workers involved in the planning, permitting, financing, engineering, and other administrative processes of the building construction.
- **Indirect effects** include all the backward linkages or the supply chain responses resulting from the initial direct economic activity. An example of an indirect job added to the local economy is a steel mill hiring a new worker to handle the increased demand for construction steel that results from the initial investment.
- **Induced effects** refer to the effects of increased household spending and are the result of direct and indirect workers spending their wages within the local economy. An example of an induced job would be a local restaurant hiring more staff because the construction workers have new disposable income and eat at this local restaurant.

Other terms used in this economic impact analysis include:

Labor Income	The total payroll cost paid to employees (wages, salaries, benefits, payroll taxes) and payments received by self-employed individuals.
Gross State Product (GSP)	Gross output less intermediate inputs. This is the net economic activity generated by the construction, less the cost of input materials to avoid double-counting economic activity. GSP includes the Labor Income dollars, as well as Taxes on Production and Imports (TOPI), and Other Property Income (OPI).
Job-Years	One job supported for one year. This metric is typically used for temporary or phased activities, such as construction projects, where work varies by year and ends when the activity is complete.

Economic Inputs

BW Research estimated the annual economic and employment impacts of the Justice Center's construction using construction cost estimates from Liberty Junction's proposal to the Massachusetts DCAMM. BW Research distributed the construction costs and architectural, engineering, and professional services costs over the four-year period based on the proposed project schedule, excluding land acquisition and financing costs. The analysis assumed that a standard commercial building construction model captured the demolition, EV charger installation, and LEED and ENERGY STAR requirements. Table 1 presents the estimated annual distribution of costs by cost type.

Table 1. Construction Costs for Springfield Regional Justice Center by Year, in Millions, 2026 Dollars

Cost Type	**Year 1** *(Months 1-12)*	**Year 2** *(Months 13-24)*	**Year 3** *(Months 25-36)*	**Year 4** *(Months 37-42)*
Construction Costs[13]	$25.48	$151.43	$134.46	$67.23
Architectural, Engineering, and Professional Services Costs[14]	$15.97	$2.74	$2.74	$1.37
Total Costs	**$41.45**	**$154.16**	**$137.20**	**$68.60**

[13] Includes sitework construction and demolition, base building construction, and interior improvements construction

[14] Includes A/E, civil, commissioning, material testing, and administrative costs, as well as professional fees

Economic Outputs of the Construction

This section highlights the economic benefits of the Springfield Regional Justice Center construction project in greater detail. It begins by examining the cumulative direct, indirect, and induced effects of the project and then assesses the annual effects across the 3.5-year project timeline.

Cumulative Economic Benefits

The construction of the Springfield Regional Justice Center will support 3,000 job-years, or jobs supported for a single year, over 42 months (3.5 years), translating to 300 jobs in year one, 1,100 jobs in year two, 900 jobs in year three, and 600 jobs in the final year. Most (59%) of these job-years are direct jobs supporting the project's commercial construction and professional service activities. Supply chain activities, including purchases of construction materials and equipment, logistics, and manufacturing will generate an additional 300 indirect job-years (11%). Local spending from new labor income of the direct and indirect workers will support the remaining 30% of projected job-years, nearly 900 (Table 2).

The jobs sustained by this construction project will provide prevailing wages as outlined in the project labor agreement with the Western Mass Building Trades Union, distributing close to $322 million in labor income to workers.[15] Direct labor income, or income earned by the direct employees over the 42 months, represents nearly two-thirds (65%) of total labor income, totaling $209 million. Construction-related workers will earn most of the direct labor income ($196 million), with architectural, engineering, and professional services workers earning the remaining $13 million. Labor income distributed to supply chain employees will total close to $39 million, while household spending by direct and indirect employees will result in $74 million in labor income to induced workers (Table 2).

In total, this project will contribute nearly $420 million to the Commonwealth's GSP, with direct construction activity contributing just over $211 million and direct architectural and engineering services contributing approximately $17 million. Supply chain activities from the Springfield Regional Justice Center construction will contribute approximately $61 million, while economic impacts of direct and indirect worker spending will result in over $130 million added to the state's GSP (Table 2).

[15] BusinessWest Staff. "Liberty Junction, Western Mass Building Trades Union Announce PLA for Courthouse." BusinessWest. September 17, 2026. https://businesswest.com/blog/tag/western-mass-building-trades-union/

The Springfield Regional Justice Center construction will have a positive impact on local and state tax revenue, contributing $8.66 million and $16.81 million, respectively, over the course of the 42-month project (Table 2). This revenue could raise Hampden County's and the Commonwealth's budgets for public services, social programs, and other economic development projects.

Table 2. Total Economic Impacts of the Springfield Regional Justice Center Construction by Impact Type, in Millions, 2026 Dollars

	Job-Years	Labor Income	GSP	Taxes	
Direct	1,745	$208.87	$227.90	Local	$8.66
Indirect	330	$38.84	$60.90	State	$16.81
Induced	870	$74.05	$130.56	Federal	$68,66
Total	**2,945**	**$321.75**	**$419.37**	**Total**	**$94.13**

Yearly Effects

The first year of the Springfield Regional Justice Center construction project will yield positive economic benefits, though lower than those expected in the later years. Demolition of the existing structure, along with architectural engineering, planning, and design activities in the first year, will yield approximately 300 jobs and $34 million in labor income across direct, indirect, and induced impacts, primarily due to the lower input costs for the demolition compared to the construction of the new base building and interior structures.[16]

Over the four years of construction, the second year expects the greatest economic impacts, when the construction of the new base building structure begins. Of the 1,100 jobs supported in the second year, 673 are direct jobs, primarily in commercial construction occupations, with an additional 458 jobs supported throughout the supply chain and in the local community. The workforce in year two will also earn more than $123 million in labor income. The construction activities will also contribute nearly $160 million to Massachusetts' GSP and almost $36 million in tax revenue.[17]

[16] See Appendix A: Data Tables for annual data.
[17] See Appendix A: Data Tables for annual data.

High levels of projected employment will continue through the end of construction, with 927 total jobs sustained in year three and 584 total jobs in the final six months, likely to employ many of the same workers. Interior construction of the new Springfield Regional Justice Center, occurring during that last 18 months of the project, will contribute more than $213 million to the state's GSP and nearly $48 million in local, state, and federal taxes.[18]

The Massachusetts Supplier Diversity Office certifies that the construction of the Springfield Regional Justice Center will involve a diverse workforce. Workers employed over the duration of the construction project will include workers of racial/ethnic minority populations (at least 15.3%), women (at least 7%), and veteran workers (at least 7%).[19] The commitments for racial/ethnic minority and veteran workers are greater than the share of these types of workers in Massachusetts' nonresidential construction industry and overall labor force, respectively. In Massachusetts' nonresidential construction industry, 9% of workers were minorities and 20% were women in 2025.[20] Across the state's labor force, 4% of employed workers were veterans.[21]

Table 3. Annual Economic Impacts of the Springfield Regional Justice Center Construction by Year, in Millions of 2026 Dollars

	Year 1	Year 2	Year 3	Year 4
Total Employment (Annual jobs)	302	1,131	927	584
Total Labor Income	$34.29	$123.10	$100.91	$63.45
Total GSP	$46.30	$159.76	$125.42	$87.92
Total Taxes	$10.23	$35.93	$28.24	$19.74



[18] See Appendix A: Data Tables for annual data.

[19] Massachusetts Supplier Diversity Office, "Owner – GC Agreement and General Conditions for the Project." Appendix C: Goals and Utilization Percentages for Minority, Women, and Veteran Workers.

[20] JobsEQ, "Industry Diversity." Massachusetts, Nonresidential Building Construction (NAICS 2362), four-quarter average ending 2025Q3.

[21] U.S. Bureau of Labor Statistics, "Table 6A. Employment status of veterans 18 years and over by state, 2025 annual averages." Accessed October 2026; U.S. Bureau of Labor Statistics, "State and Area Employment, Hours, and Earnings," Massachusetts, Total Nonfarm, Seasonally Adjusted. Average 2025 monthly employment.

Appendix A: Data Tables

Table 4. Annual Job Impacts of the Springfield Regional Justice Center Construction

	Year 1	Year 2	Year 3	Year 4
Direct	172	673	599	300
Indirect	37	125	55	112
Induced	93	333	273	171
Total	**302**	**1,131**	**927**	**584**

Table 5. Annual Labor Income Impacts of the Springfield Regional Justice Center Construction, in Millions, 2026 Dollars

	Year 1	Year 2	Year 3	Year 4
Direct	$22.19	$79.94	$71.16	$35.58
Indirect	$4.22	$14.82	$6.51	$13.28
Induced	$7.88	$28.33	$23.24	$14.59
Total	**$34.29**	**$123.10**	**$100.91**	**$63.45**

Table 6. Annual Wage and Salary Impacts of the Springfield Regional Justice Center Construction, in Millions, 2026 Dollars

	Year 1	Year 2	Year 3	Year 4
Construction	$13.41	$79.67	$64.49	$41.62
Architectural, Engineering, and Professional Services	$10.31	$1.77	$1.77	$0.88
Total	**$34.29**	**$123.10**	**$100.91**	**$63.45**

Table 7. Annual GSP Impacts of the Springfield Regional Justice Center Construction, in Millions, 2026 Dollars

	Year 1	Year 2	Year 3	Year 4
Direct	$25.84	$86.51	$74.22	$41.34
Indirect	$6.56	$23.27	$10.22	$20.86
Induced	$13.90	$49.96	$40.97	$25.73
Total	**$46.30**	**$159.76**	**$125.42**	**$87.92**

Table 8. Annual State and Federal Tax Impacts of the Springfield Regional Justice Center Construction, in Millions, 2026 Dollars

	Year 1	Year 2	Year 3	Year 4
Direct	$0.92	$3.31	$2.19	$2.23
Indirect	$1.84	$6.41	$4.87	$3.70
Induced	$7.47	$26.20	$21.18	$13.81
Total	**$10.23**	**$35.93**	**$28.24**	**$19.74**

Appendix B: Methodology and Assumptions

BW Research used IMPLAN[22] Input-Output (I/O) modeling software to estimate the economic impact of the Springfield Regional Justice Center Construction. An I/O model illustrates the interdependent relationships between different sectors of a region's economy. BW Research uses investments or activities in a given sector as inputs into the model to estimate the ripple or multiplier effect on industry employment and business, household, and government expenditures.

> *The I/O model used in this analysis is static and does not account for changes in labor and capital productivity over time. It is not a dynamic or equilibrium-seeking model and thus does not incorporate price changes due to supply or demand shifts. IMPLAN relies on the Social Accounting Matrix (SAM), which uses U.S. Bureau of Economic Analysis (BEA) data and state-level economic agency data to track economic expenditures.*

In this analysis, BW Research used the cost to construct the Springfield Regional Justice Center in Hampden County, Massachusetts,[23] to model the employment and other economic impacts of the construction project. Because of the Project Labor Agreement between Liberty Junction and the Western Mass Building Trades Union, BW Research assumed that all labor used in the construction would be in-state labor.

BW Research estimated the initial economic and employment impacts of the Justice Center's construction costs for each year during the construction phase. Liberty Junction's proposal submitted to the Massachusetts DCAMM provided these construction costs. BW Research allocated the construction costs in the Construction Budget (Section 2: Requested Documents) across the 4 years, based on the Project Schedule (page 73 of the proposal). BW Research also allocated the architectural, engineering, and professional services investments across the 4-year project timeframe according to assumed project spending flows associated with such activities. BW Research omitted the costs for land and financing from this model.

To complete this process, BW Research assumed that the following activities would align with a standard commercial building construction model:

- Demolition
- EV charger installation
- LEED and ENERGY STAR-certified requirements

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[22] For more information on IMPLAN and its data sources, see https://support.implan.com/hc/en-us/articles/360038285254-How-IMPLAN-Works.

[23] Liberty Junction. "Springfield Regional Justice Center Cost Proposal: Request for Proposals (RFP) Response." October 16, 2025. https://www.mass.gov/doc/springfield-trial-court-proposal-125-liberty-st/download

To account for Hampden County's prevailing wages, BW Research estimated the annual occupational impacts of the construction costs, based on the staffing pattern of Massachusetts' Nonresidential Building Construction industry. For each occupation involved in this industry, BW Research identified the prevailing wage effective in 2026. If no prevailing wage applied to an occupation, BW Research relied on the Hampden County median wage for that occupation. The prevailing wage data sources include:

- U.S. General Services Administration's Wage Determination data file, "Davis-Bacon Act WD # MA20260003," published on May 18, 2026
- Massachusetts Department of Labor Standards' (DLS) Example Prevailing Wage Schedule for Springfield, Massachusetts, accessed on October 9, 2026

BW Research summed (1) the total labor income (wages) using the prevailing or median wages and estimated employment for each occupation and for each year of construction, and (2) the total labor income (wages) using only the median wages for each occupation and year. Comparing these labor income totals, BW Research estimated the percentage increase, or premium, that prevailing wages had on total labor income.

Finally, BW Research re-ran the I/O model in IMPLAN to account for the prevailing wage premium and estimate the final economic impacts, including the direct, indirect, and induced employment, labor income, taxes, and GSP contribution in 2026 dollars.

