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## Merrimack, NH Processing Site —Economic Impact Analysis

**Summary:** The Department of Homeland Security plans to make a major economic investment in a new detention facility in Merrimack, New Hampshire. DHS estimates it will spend **\$158 million** retrofitting the facility and an estimated **\$146 million** to operate the facility in the first three years. Including all ripple effects to the New Hampshire economy, this facility will support a total of **1,252 jobs** during retrofit and up to **265 jobs** each year of operation.

### Highlights:

- The retrofit for the **Merrimack Processing Site** would support **1,252 jobs** with an associated Labor Income of **\$119 million**, contribution to GDP of **\$151.3 million**, Output of **\$279.3 million**, and taxes of **\$31.2 million**.
- The annual operations of the proposed **Merrimack Processing Site** would support a total of **265 jobs** across the **New Hampshire** region.
- Annual operation of the **Merrimack Processing Site** would support **\$36.6 million** in Labor Income in **Merrimack**.
- The annual spending on operations would support **\$59.8 million** in contribution to GDP and **\$68.7 million** in Output across **New Hampshire**.
- Approximately **\$10.7 million in local, state, and federal tax revenue would be generated by annual operations, including sales tax and income tax.**

### Modeling and Analysis

These results are based on a standard input–output (I-O) economic impact model. DHS modeled the retrofit as construction of a new commercial facility that does not pay state or local taxes, consistent with its status as a federal facility. DHS also modeled ongoing operations using the institutional spending pattern of a typical federal, non-defense operation located in New Hampshire. The I-O model then used detailed data on New Hampshire’s economy, including industry linkages, wages, and household spending patterns, to estimate how the project's construction and operating spending would ripple through the state in terms of jobs, income, economic output, and tax revenues.



## Economic Impact of Merrimack Processing Site

### Retrofit (Year 2026)

Projected retrofit cost of the **Merrimack processing site** in **2026** is **\$158 million**. This direct spending by the developer of the **Merrimack processing site** in the construction industry would support an additional **756 jobs**, **\$77.7 million** in Labor Income, **\$77.7 million** in contribution to GDP, and **\$158 million** in Output for the duration of the retrofit phase in the **New Hampshire** economy. This results in a total one-time economic impact of **1,252 jobs** earning **\$119 million** in Labor Income, **\$151.3 million** in contribution to GDP, and **\$279.3 million** in Output to the region.

### Economic Impact of Retrofit Year 2026<sup>1</sup>

	Employment	Labor Income	Contribution to GDP	Output
Direct	756	\$77,653,412	\$77,653,412	\$158,000,000
Indirect	163	\$16,333,120	\$26,988,033	\$49,445,434
Induced <sup>2</sup>	333	\$25,003,773	\$46,652,685	\$71,822,695
Total	1,252	\$118,990,304	\$151,294,129	\$279,268,129

The retrofit of **Merrimack processing site** would also support tax revenues during the retrofit phase. The total impact for sub county general taxes (city/township) is estimated at **\$2 million**. Sub county special district taxes (police, fire, schools, etc.) are estimated at **\$1.5 million**. County taxes are estimated at **\$234,577**. State taxes are estimated at **\$2.5 million**. Federal taxes are estimated at **\$25.1 million**. This totals **\$31.2 million** in supported tax revenues from the retrofit phase of the project.

<sup>1</sup> All dollar values are presented in 2026 USD. Numbers may not sum due to rounding.

<sup>2</sup> Induced effects may vary depending on the nature of the workforce used to complete construction activities. Companies sometimes hire traveling crews that only stay in the region during the construction phase, which changes the local impact.



### Tax Impact of Construction Year 2026<sup>3</sup>

	Sub County General	Sub County Special District	County	State	Federal	Total
Direct	\$35,712	\$26,500	\$4,162	\$189,315	\$14,915,852	\$15,171,541
Indirect	\$760,926	\$549,077	\$87,930	\$816,745	\$3,904,155	\$6,118,834
Induced	\$1,233,034	\$889,734	\$142,485	\$1,459,728	\$6,233,107	\$9,958,088
Total	\$2,029,673	\$1,465,310	\$234,577	\$2,465,788	\$25,053,114	\$31,248,462

### Operations (Year 2026)

Operations have a direct output value of **\$46.6 million**. **\$28.9 million** is paid in Labor Income to the estimated **162** employees and **\$1.1 million** is spent on purchasing goods and services. This represents a total economic impact of **265** jobs earning **\$36.6 million** in Labor Income, **\$59.8 million** in contribution to GDP, and **\$68.7 million** in Output to the **New Hampshire** economy.

### Economic Impact of Operations Year 2026<sup>4</sup>

	Employment	Labor Income	Contribution to GDP	Output
Direct	162	\$28,858,718	\$45,482,018	\$46,554,638
Indirect	5	\$391,105	\$601,165	\$1,015,701
Induced	98	\$7,368,265	\$13,756,320	\$21,175,421
Total	265	\$36,618,088	\$59,839,504	\$68,745,760

The total impact on sub county general taxes (city/township) is estimated at **\$410,123**. Sub county special district taxes (police, fire, schools, etc.) are estimated at **\$296,171**. County taxes

<sup>3</sup> All dollar values are presented in 2026 USD. Numbers may not sum due to rounding.

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are estimated at **\$47,412**. State taxes are estimated at **\$1 million**. Federal taxes are estimated at **\$8.9 million**. This totals **\$10.7 million** in supported taxes due to operations.

#### Tax Impact of Operations Year 2026<sup>5</sup>

	Sub County General	Sub County Special District	County	State	Federal	Total
Direct	\$35,387	\$25,767	\$4,109	\$594,379	\$6,968,129	\$7,627,771
Indirect	\$10,750	\$7,758	\$1,242	\$13,838	\$92,105	\$125,692
Induced	\$363,986	\$262,645	\$42,061	\$430,808	\$1,837,262	\$2,936,762
Total	\$410,123	\$296,171	\$47,412	\$1,039,025	\$8,897,495	\$10,690,225

<sup>5</sup> All dollar values are presented in 2026 USD. Numbers may not sum due to rounding.