

Cost-Benefit Analysis for Pavement Road Storage, LLC

Prepared by this agency using InformAnalytics

Executive Summary

INVESTOR
Pavement Road Storage, LLC

TOTAL INVESTED
\$2.6 Million

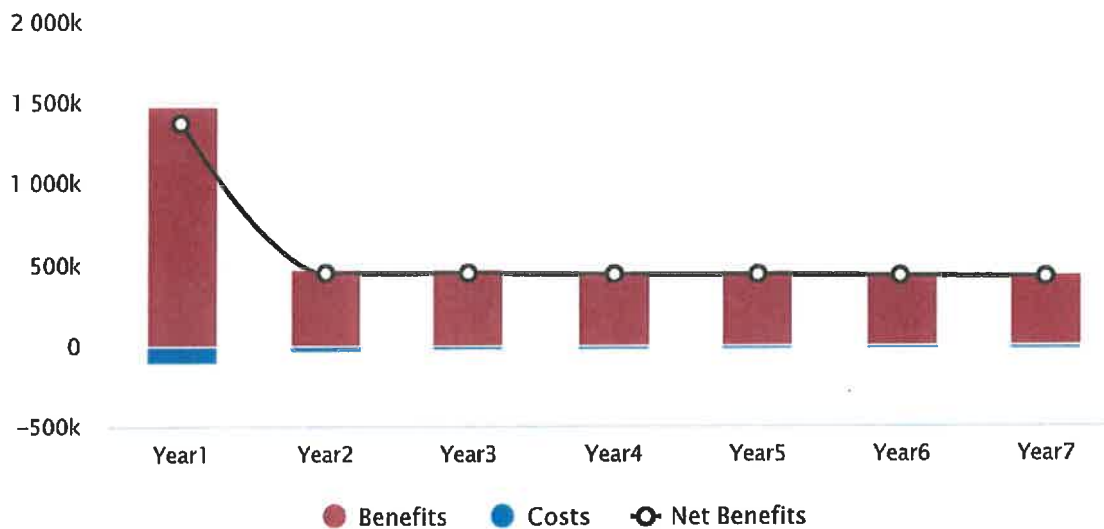
LOCATION
Pavement Road, Lancaster, NY

TIMELINE
7 Years

F1 FIGURE 1

Discounted* Net Benefits for Pavement Road Storage, LLC by Year

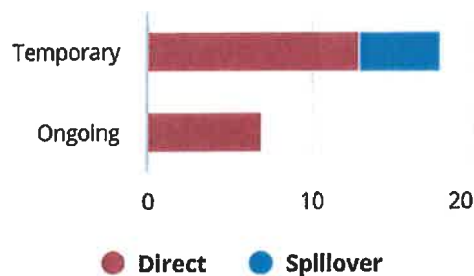
Total Net Benefits: \$3,948,000



Discounted at 2%

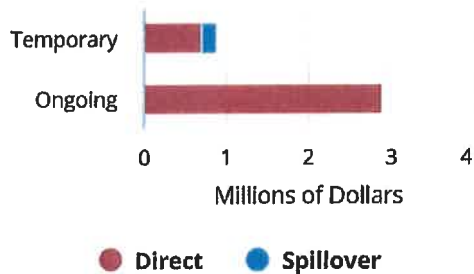
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Pavement Road Storage, LLC proposes to invest \$2.6 million at Pavement Road, Lancaster, NY over 7 years. Agency staff summarize the proposed with the following: Construction of 2 buildings totaling 26,455 square feet for lease, beginning with Papercards.com as an initial tenant.

T1 TABLE 1

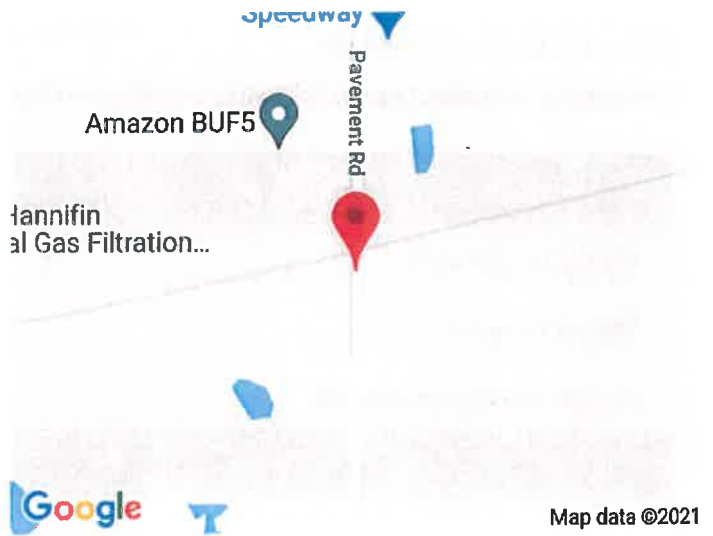
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Project Development	\$1,789,000
OTHER SPENDING	
Soft Costs	\$290,000
Non-Manufacturing Equipment	\$100,000
Infrastructure Work	\$275,000
Land Acquisition	\$150,000
Total Investments	\$2,604,000
Discounted Total (2%)	\$2,604,000

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by the agency. The report calculates the costs and benefits for specified local taxing districts over the first 7 years, with future returns discounted at a 2% rate.

12 TABLE 2

Estimated Costs or Incentives

The agency is considering the following incentive package for Pavement Road Storage, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$214,000	\$203,000
Sales Tax Exemption	\$66,000	\$66,000
Mortgage Recording Tax Exemption	\$13,000	\$13,000
Total Costs	\$293,000	\$282,000

May not sum to total due to rounding.

* Discounted at 2%

TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$3,919,000	\$243,000	\$4,162,000
To Private Individuals	\$3,797,000	\$239,000	\$4,036,000
Temporary Payroll	\$688,000	\$239,000	\$926,000
Ongoing Payroll	\$3,109,000	\$0	\$3,109,000
To the Public	\$122,000	\$4,000	\$126,000
Property Tax Revenue	\$58,000	N/A	\$58,000
Temporary Sales Tax Revenue	\$12,000	\$4,000	\$16,000
Ongoing Sales Tax Revenue	\$52,000	\$0	\$52,000
STATE BENEFITS	\$245,000	\$15,000	\$260,000
To the Public	\$245,000	\$15,000	\$260,000
Temporary Income Tax Revenue	\$34,000	\$12,000	\$45,000
Ongoing Income Tax Revenue	\$158,000	\$0	\$158,000
Temporary Sales Tax Revenue	\$10,000	\$3,000	\$13,000
Ongoing Sales Tax Revenue	\$44,000	\$0	\$44,000
Total Benefits to State & Region	\$4,164,000	\$258,000	\$4,422,000
Discounted Total Benefits (2%)	\$3,972,000	\$258,000	\$4,230,000

May not sum to total due to rounding.

TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$3,982,000	\$243,000	16:1
State	\$249,000	\$39,000	6:1
Grand Total	\$4,230,000	\$282,000	15:1

May not sum to total due to rounding.

* Discounted at 2%

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