

# **Cost-Benefit Analysis for Terrace Boulevard RK LLC**

Prepared by this agency using InformAnalytics

# Executive Summary

**INVESTOR**  
Terrace Blvd RK LLC

**TOTAL INVESTED**  
\$1.2 Million

**LOCATION**  
571 Terrace Boulevard

**TIMELINE**  
10 Years

FIGURE 1

Discounted\* Net Benefits for Terrace Boulevard RK LLC by Year

Total Net Benefits: \$10,536,000

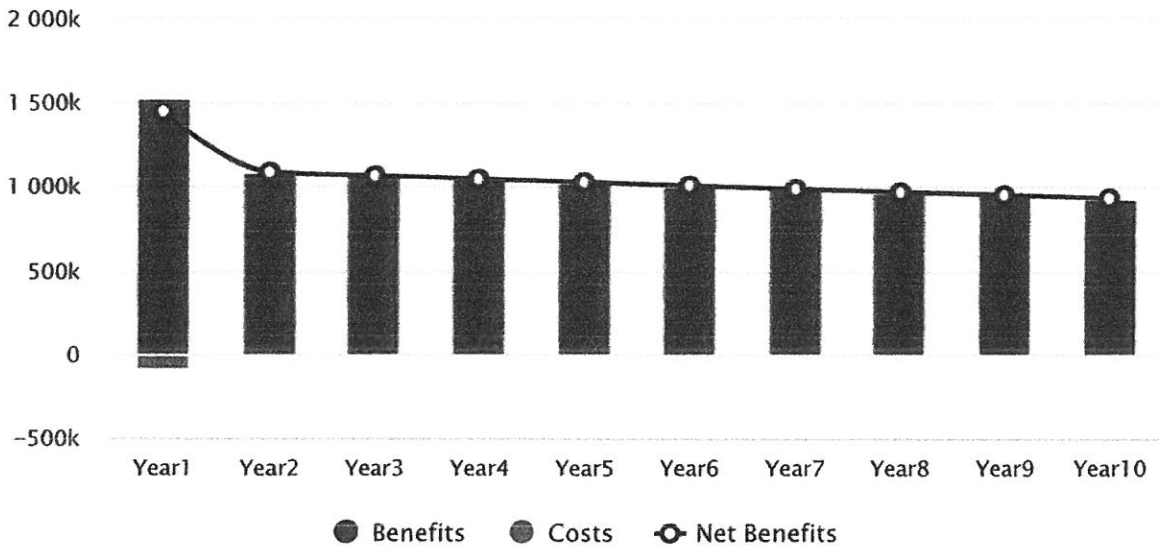


FIGURE 2

Total Jobs

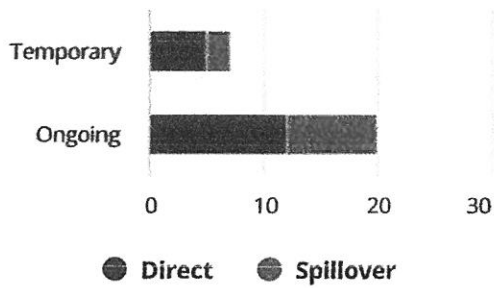
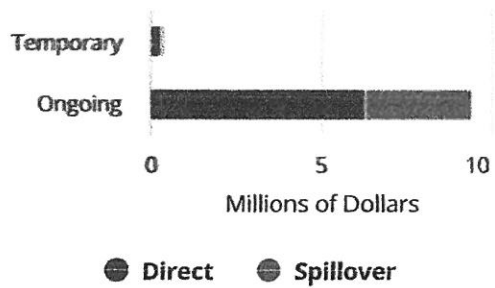


FIGURE 3

Total Payroll



# Proposed Investment

Terrace Blvd RK LLC proposes to invest \$1.2 million at 571 Terrace Boulevard over 10 years. Agency staff summarize the proposed with the following: Renovation of second and third floor of building for medical services in an underserved area.

TABLE 1

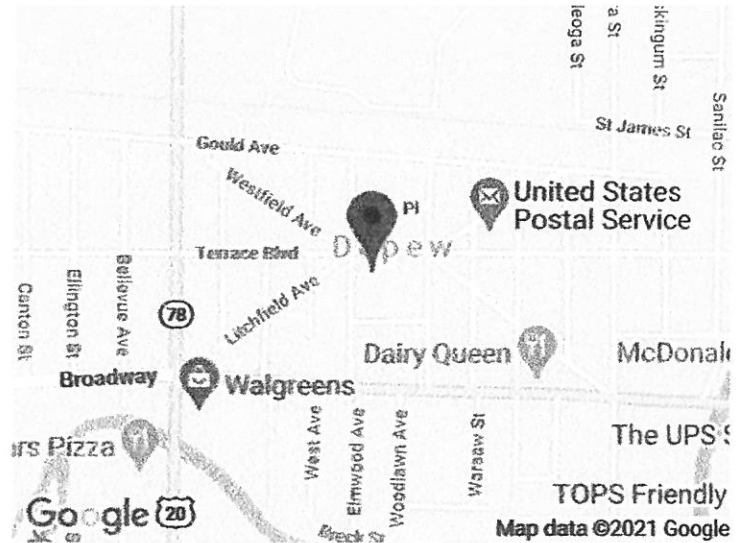
## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Building Renovation	\$750,000
<b>OTHER SPENDING</b>	
Building Purchase	\$450,000
	\$0
<b>Total Investments</b>	<b>\$1,200,000</b>
<b>Discounted Total (2%)</b>	<b>\$1,200,000</b>

May not sum to total due to rounding.

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 10 years, with future returns discounted at a 2% rate.

T2 TABLE 2

## Estimated Costs or Incentives

The agency is considering the following incentive package for Terrace Blvd RK LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$10,000	\$9,000
Sales Tax Exemption	\$72,000	\$72,000
Mortgage Recording Tax Exemption	\$9,000	\$9,000
Total Costs	\$91,000	\$90,000

May not sum to total due to rounding.

\* Discounted at 2%

TC 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
<b>REGIONAL BENEFITS</b>	<b>\$7,276,000</b>	<b>\$3,631,000</b>	<b>\$10,907,000</b>
To Private Individuals	\$7,124,000	\$3,571,000	\$10,695,000
Temporary Payroll	\$288,000	\$100,000	\$388,000
Ongoing Payroll	\$6,835,000	\$3,471,000	\$10,306,000
To the Public	\$152,000	\$60,000	\$212,000
Property Tax Revenue	\$33,000	N/A	\$33,000
Temporary Sales Tax Revenue	\$5,000	\$2,000	\$7,000
Ongoing Sales Tax Revenue	\$115,000	\$58,000	\$173,000
<b>STATE BENEFITS</b>	<b>\$449,000</b>	<b>\$201,000</b>	<b>\$650,000</b>
To the Public	\$449,000	\$201,000	\$650,000
Temporary Income Tax Revenue	\$14,000	\$5,000	\$19,000
Ongoing Income Tax Revenue	\$334,000	\$146,000	\$480,000
Temporary Sales Tax Revenue	\$4,000	\$1,000	\$5,000
Ongoing Sales Tax Revenue	\$96,000	\$49,000	\$145,000
<b>Total Benefits to State &amp; Region</b>	<b>\$7,725,000</b>	<b>\$3,832,000</b>	<b>\$11,557,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$7,106,000</b>	<b>\$3,520,000</b>	<b>\$10,626,000</b>

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	\$10,029,000	\$51,000	197:1
State	\$598,000	\$39,000	15:1
Grand Total	\$10,626,000	\$90,000	118:1

May not sum to total due to rounding.

\* Discounted at 2%

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