

Cost-Benefit Analysis for Project Gateway

Prepared by Genesee County Economic Development Center using InformAnalytics

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52

Executive Summary

INVESTOR
Plug Power

TOTAL INVESTED
\$232.7 Million

LOCATION
6840 Crosby Rd
Alabama, NY

TIMELINE
20 Years

FIGURE 1

Discounted* Net Benefits for Project Gateway by Year

Total Net Benefits: \$116,261,000

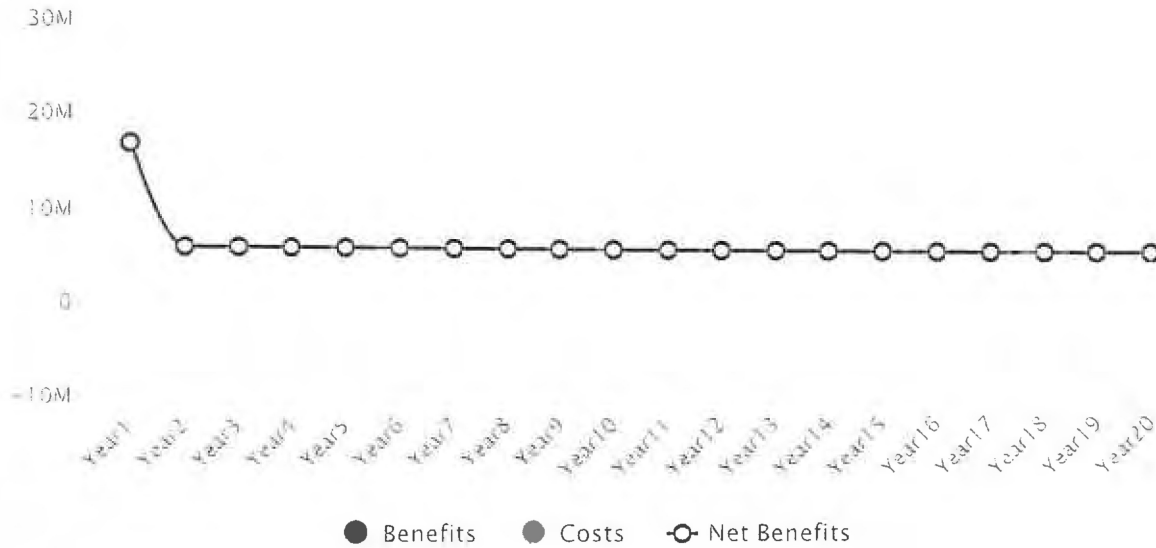


FIGURE 2

Total Jobs

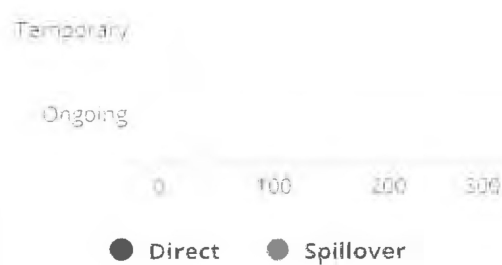
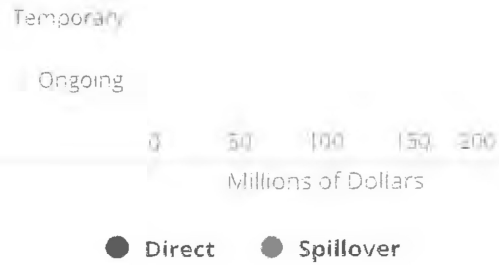


FIGURE 3

Total Payroll



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53

Proposed Investment

Plug Power proposes to invest \$232.7 million at 6840 Crosby Rd Alabama, NY over 20 years. Genesee County Economic Development Center staff summarize the proposed with the following: Hydrogen Generation facility at STAMP on 30 acres. The facility will produce 45 metric tons per day of liquid hydrogen through an electrolysis of water using clean hydropower. The project plans to create 68 FTE's.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
	\$23,185,000
OTHER SPENDING	
Land	\$2,092,000
Production Equipment	\$207,423,000
Other Equipment	\$10,000
	\$0
Total Investments	\$232,710,000
Discounted Total (2%)	\$232,710,000

F4 FIGURE 4

Location of Investment



May not sum to total due to rounding.

3.4

54

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 Genesee County Economic Development Center. The report calculates the costs and benefits for specified local taxing districts over the first 20 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Genesee County Economic Development Center is considering the following incentive package for Plug Power.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$121,132,000	\$101,015,000
Sales Tax Exemption	\$1,104,000	\$1,104,000
Total Costs	\$122,236,000	\$102,119,000

May not sum to total due to rounding.

* Discounted at 2%

3.4

55

T3 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	\$149,777,000	\$88,850,000	\$238,627,000
To Private Individuals	\$102,501,000	\$87,759,000	\$190,260,000
Temporary Payroll	\$8,550,000	\$2,705,000	\$11,256,000
Ongoing Payroll	\$93,951,000	\$85,053,000	\$179,004,000
To the Public	\$47,275,000	\$1,092,000	\$48,367,000
Property Tax Revenue	\$46,000,000	N/A	\$46,000,000
Temporary Sales Tax Revenue	\$106,000	\$34,000	\$140,000
Ongoing Sales Tax Revenue	\$1,169,000	\$1,058,000	\$2,227,000
STATE BENEFITS	\$6,377,000	\$5,305,000	\$11,682,000
To the Public	\$6,377,000	\$5,305,000	\$11,682,000
Temporary Income Tax Revenue	\$383,000	\$130,000	\$513,000
Ongoing Income Tax Revenue	\$4,696,000	\$4,064,000	\$8,760,000
Temporary Sales Tax Revenue	\$108,000	\$34,000	\$143,000
Ongoing Sales Tax Revenue	\$1,190,000	\$1,077,000	\$2,267,000
Total Benefits to State & Region	\$156,154,000	\$94,156,000	\$250,309,000
Discounted Total Benefits (2%)	\$139,379,000	\$79,001,000	\$218,380,000

May not sum to total due to rounding.

3.4

56

T# TABLE 4

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	\$208,529,000	\$101,562,000	2:1
State	\$9,851,000	\$557,000	18:1
Grand Total	\$218,380,000	\$102,119,000	2:1

May not sum to total due to rounding.

* Discounted at 2%

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57

3.4