

Cost-Benefit Analysis for Gateway GS (#3)

Prepared by Genesee County Economic Development Center using InformAnalytics

Executive Summary

INVESTOR	TOTAL JOBS	TOTAL INVESTED	LOCATION	TIMELINE
Gateway GS (#3)	21 Ongoing; 20 Temporary	\$2.3 Million	8003 Call Parkway Batavia, NY 14020	10 Years

FIGURE 1

Discounted* Net Benefits for Gateway GS (#3) by Year

Total Net Benefits: \$9,922,000



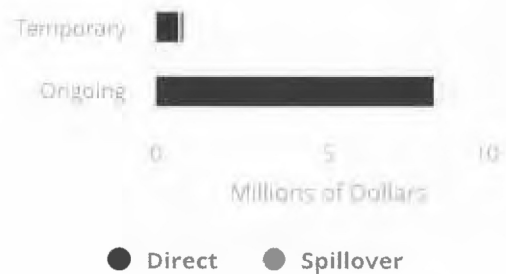
FIGURE 2

Total Jobs



FIGURE 3

Total Payroll



Proposed Investment

Gateway GS (#3) proposes to invest \$2.3 million at 8003 Call Parkway Batavia, NY 14020 over 10 years. Genesee County Economic Development Center staff summarize the proposed with the following: Build out of a third building at the Gateway GS (Gallina Development) site at the GCEDC's Gateway II Corporate Park. Facility will be 27,000 SF and will be completed in 2022 for a single logistics-distribution tenant.

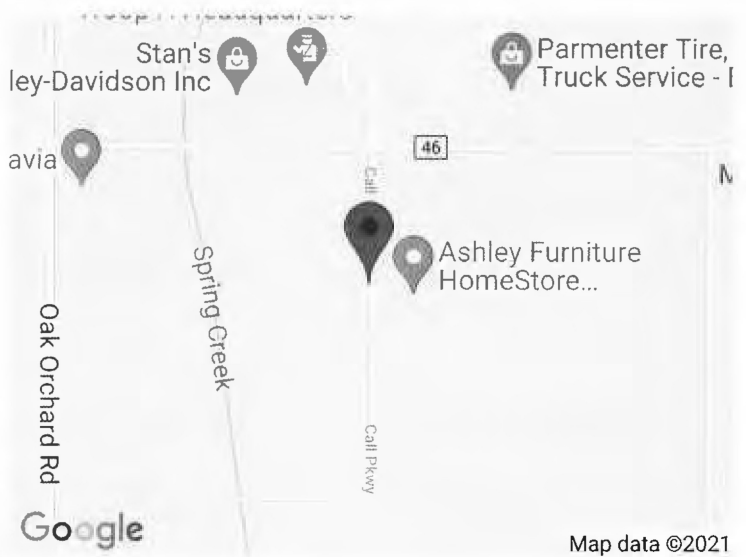
T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
27000 sf	\$2,000,000
OTHER SPENDING	
FFE	\$162,000
Soft	\$144,000
Total Investments	\$2,306,000
Discounted Total (2%)	\$2,306,000

T4 FIGURE 4

Location of Investment



May not sum to total due to rounding.

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

12 TABLE 2

Estimated Costs or Incentives

Genesee County Economic Development Center is considering the following incentive package for Gateway GS (#3).

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$260,000	\$242,000
Sales Tax Exemption	\$107,000	\$107,000
Mortgage Recording Tax Exemption	\$20,000	\$20,000
Total Costs	\$386,000	\$369,000

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	\$10,282,000	\$236,000	\$10,518,000
To Private Individuals	\$9,558,000	\$233,000	\$9,791,000
Temporary Payroll	\$738,000	\$233,000	\$971,000
Ongoing Payroll	\$8,820,000	\$0	\$8,820,000
To the Public	\$725,000	\$3,000	\$728,000
Property Tax Revenue	\$606,000	N/A	\$606,000
Temporary Sales Tax Revenue	\$9,000	\$3,000	\$12,000
Ongoing Sales Tax Revenue	\$110,000	\$0	\$110,000
STATE BENEFITS	\$549,000	\$14,000	\$563,000
To the Public	\$549,000	\$14,000	\$563,000
Temporary Income Tax Revenue	\$33,000	\$11,000	\$44,000
Ongoing Income Tax Revenue	\$395,000	\$0	\$395,000
Temporary Sales Tax Revenue	\$9,000	\$3,000	\$12,000
Ongoing Sales Tax Revenue	\$112,000	\$0	\$112,000
Total Benefits to State & Region	\$10,831,000	\$250,000	\$11,082,000
Discounted Total Benefits (2%)	\$10,041,000	\$250,000	\$10,291,000

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	\$9,770,000	\$305,000	32:1
State	\$521,000	\$64,000	8:1
Grand Total	\$10,291,000	\$369,000	28:1

May not sum to total due to rounding.

* Discounted at 2%

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