

Cost-Benefit Analysis for Fancher Lot 3

Prepared by Genesee County Economic Development Center using informAnalytics

MAN
8/26/20

Executive Summary

INVESTOR	TOTAL JOBS	TOTAL INVESTED	LOCATION	TIMELINE
J & R Fancher Property Holding LLC	0 Ongoing; 15 Temporary	\$1.7 Million	Route 5 and Brickhouse Rd, Pembroke, NY 14036	10 Years

FIGURE 3.1

Discounted* Net Benefits for Fancher Lot 3 by Year

Total Net Benefits: \$638,000



Discounted at 2%

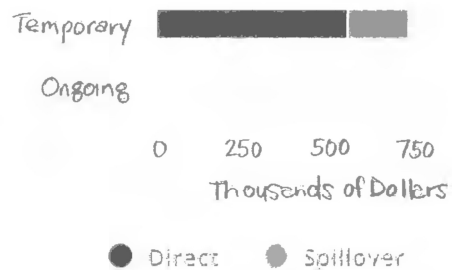
FIGURE 3.2

Total Jobs



FIGURE 3.3

Total Payroll



Proposed Investment

J & R Fancher Property Holding LLC proposes to invest \$1.7 million at Route 5 and Brickhouse Rd, Pembroke, NY 14036 over 10 years. Genesee County Economic Development Center staff summarize the proposed with the following: Constructing a mixed used 2 story building with 6 apartments on the 2nd floor comprising over 70% of the capital investment and 7,000 sq. ft. "vanilla box" for commercial space on the first floor. The project will include a detached 6 bay garage.



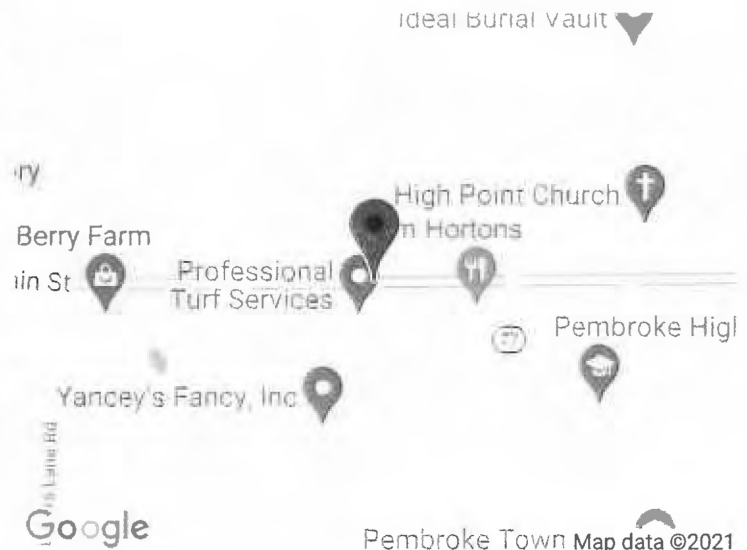
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
14,000 sq. ft.	\$1,500,000
OTHER SPENDING	
Land and soft cost	\$200,000
Total Investments	\$1,700,000
Discounted Total (2%)	\$1,700,000

May not sum to total due to rounding.



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 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.



48.51

Estimated Costs or Incentives

Genesee County Economic Development Center is considering the following incentive package for J & R Fancher Property Holding LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$150,000	\$140,000
Sales Tax Exemption	\$87,000	\$87,000
Mortgage Recording Tax Exemption	\$14,000	\$14,000
Total Costs	\$251,000	\$241,000

May not sum to total due to rounding.

* Discounted at 2%

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	\$660,000	\$177,000	\$837,000
To Private Individuals	\$553,000	\$175,000	\$728,000
Temporary Payroll	\$553,000	\$175,000	\$728,000
To the Public	\$107,000	\$2,000	\$109,000
Property Tax Revenue	\$100,000	N/A	\$100,000
Temporary Sales Tax Revenue	\$7,000	\$2,000	\$9,000
STATE BENEFITS	\$32,000	\$11,000	\$42,000
To the Public	\$32,000	\$11,000	\$42,000
Temporary Income Tax Revenue	\$25,000	\$8,000	\$33,000
Temporary Sales Tax Revenue	\$7,000	\$2,000	\$9,000
Total Benefits to State & Region	\$692,000	\$188,000	\$880,000
Discounted Total Benefits (2%)	\$692,000	\$188,000	\$880,000

May not sum to total due to rounding.

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	\$837,000	\$190,000	4:1
State	\$42,000	\$51,000	1:1
Grand Total	\$880,000	\$241,000	4:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.

Incentives for Fancher Lot 3

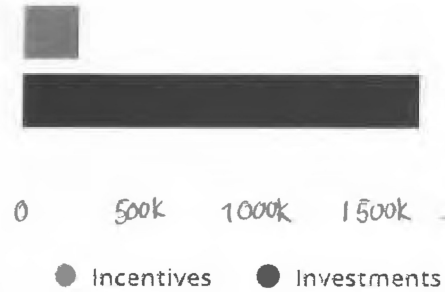
11 TABLE

Estimated Incentives & Fees

Description	Amount
Property Tax Exemption	\$150,000
Sales Tax Exemption	\$87,000
Mortgage Recording Tax Exemption	\$14,000
Total Project Incentives	\$251,000
Discounted Total (2%)	\$241,000

12 FIGURE

Incentives & Investments



May not sum to total due to rounding.

12 TABLE

Estimated Property Tax Paid by Year*

Year	Total
1	\$5,000
2	\$5,000
3	\$5,000
4	\$8,000
5	\$8,000
6	\$8,000
7	\$13,000
8	\$13,000
9	\$18,000
10	\$20,000

May not sum to total due to rounding. * Figures assume constant property tax rates and are not discounted.

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