

11/18

Cost-Benefit Analysis for Mega Properties, Inc

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Executive Summary

INVESTOR
Mega Properties, Inc

TOTAL JOBS
11 Ongoing;
0 Temporary

TOTAL INVESTED
\$8.5 Million

LOCATION
4320 Federal Drive
Batavia, NY
14020

TIMELINE
10 Years

FIGURE 1

Discounted* Net Benefits for Mega Properties, Inc by Year

Total Net Benefits: \$3,492,000

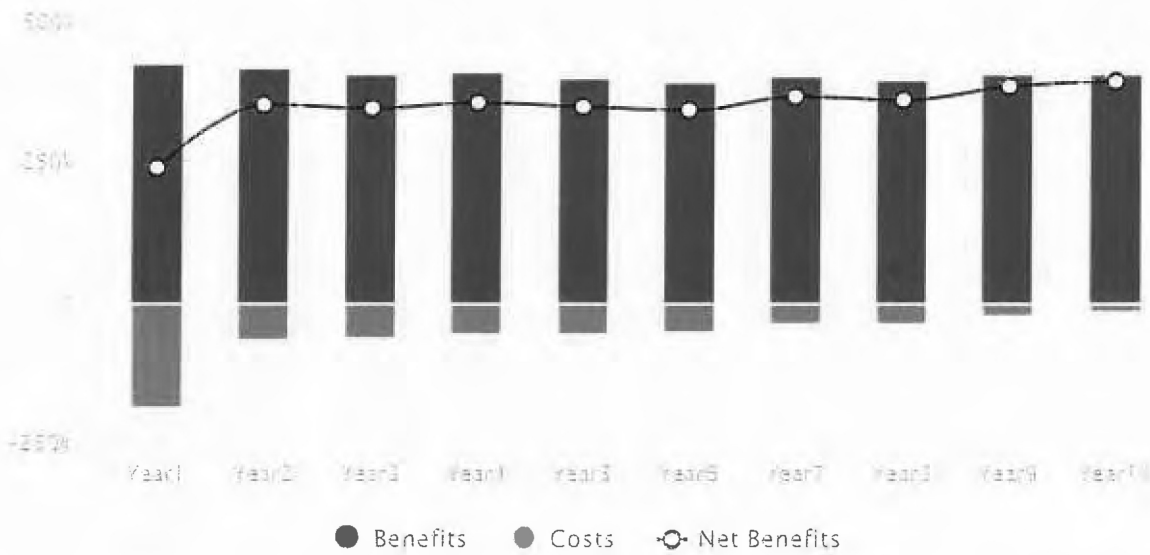


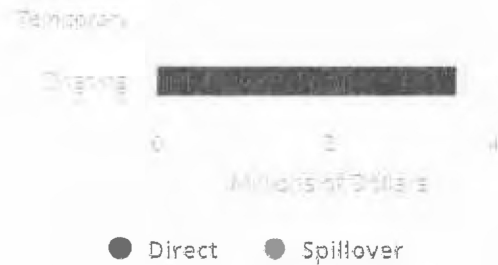
FIGURE 2

Total Jobs



FIGURE 3

Total Payroll



Proposed Investment

Mega Properties, Inc proposes to invest \$8.5 million at 4320 Federal Drive Batavia, NY 14020 over 10 years. Genesee County Economic Development Center staff summarize the proposed with the following: The company is purchasing an existing 147,000 sq ft in the town of Batavia.

TABLE

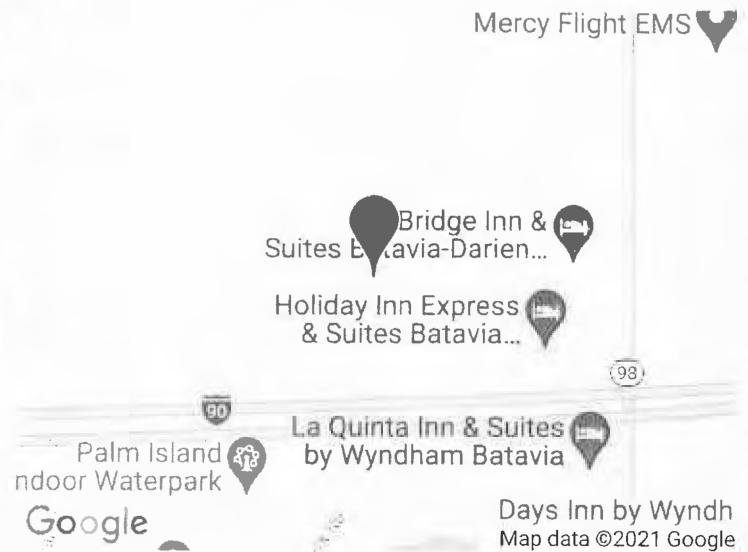
Proposed Investments

| Description | Amount |
|--------------------------|--------------------|
| OTHER SPENDING | |
| Building purchase | \$7,750,000 |
| Other equipment | \$750,000 |
| Total Investments | \$8,500,000 |
| Discounted Total (2%) | \$8,500,000 |

May not sum to total due to rounding.

FIGURE

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.

Table

Estimated Costs or Incentives

Genesee County Economic Development Center is considering the following incentive package for Mega Properties, Inc.

| Description | Nominal Value | Discounted Value* |
|----------------------------------|------------------|-------------------|
| Property Tax Exemption | \$495,000 | \$461,000 |
| Sales Tax Exemption | \$59,000 | \$59,000 |
| Mortgage Recording Tax Exemption | \$60,000 | \$60,000 |
| Total Costs | \$614,000 | \$581,000 |

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 | \$4,228,000 | \$0 | \$4,228,000 |
| To Private Individuals | \$3,850,000 | \$0 | \$3,850,000 |
| Ongoing Payroll | \$3,850,000 | \$0 | \$3,850,000 |
| To the Public | \$378,000 | \$0 | \$378,000 |
| Property Tax Revenue | \$330,000 | N/A | \$330,000 |
| Ongoing Sales Tax Revenue | \$48,000 | \$0 | \$48,000 |
| STATE BENEFITS | \$187,000 | \$0 | \$187,000 |
| To the Public | \$187,000 | \$0 | \$187,000 |
| Ongoing Income Tax Revenue | \$138,000 | \$0 | \$138,000 |
| Ongoing Sales Tax Revenue | \$49,000 | \$0 | \$49,000 |
| Total Benefits to State & Region | \$4,415,000 | \$0 | \$4,415,000 |
| Discounted Total Benefits (2%) | \$4,073,000 | \$0 | \$4,073,000 |

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 | \$3,901,000 | \$521,000 | 7:1 |
| State | \$172,000 | \$60,000 | 3:1 |
| Grand Total | \$4,073,000 | \$581,000 | 7:1 |

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.