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## **Cost-Benefit Analysis for Terrace Blvd RK, LLC**

Prepared by this agency using InformAnalytics

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# Executive Summary

**INVESTOR**  
Terrace Blvd RK, LLC

**TOTAL INVESTED**  
\$1.7 Million

**LOCATION**  
571 Terrace Blvd

**TIMELINE**  
3 Years

FIGURE 1

Discounted\* Net Benefits for Terrace Blvd RK, LLC by Year

Total Net Benefits: \$3,237,000

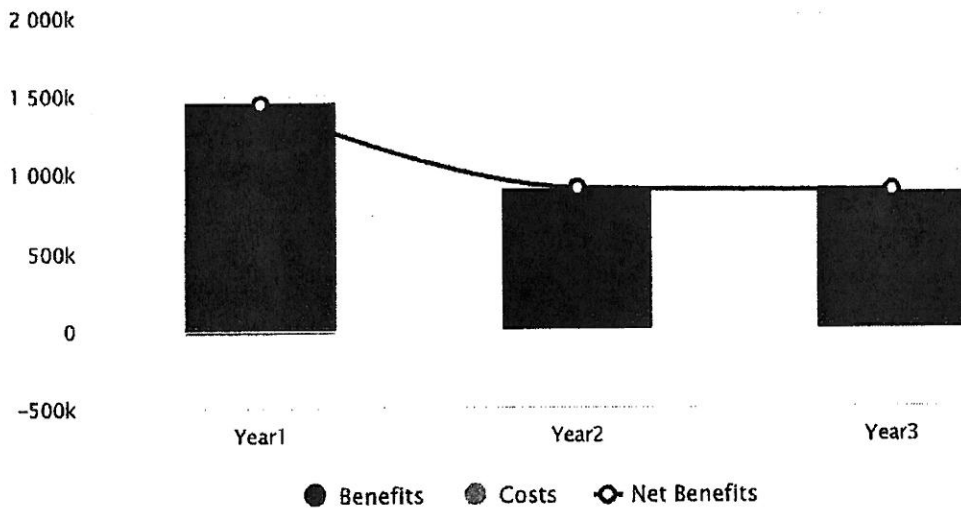


FIGURE 2

Total Jobs

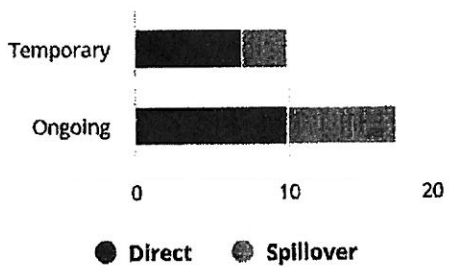
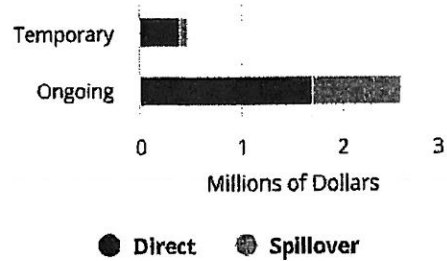


FIGURE 3

Total Payroll



# Proposed Investment

Terrace Blvd RK, LLC proposes to invest \$1.7 million at 571 Terrace Blvd over 3 years. Agency staff summarize the proposed with the following: Extensive Renovations of the second and third floors and related site work for medical use providing services to an underserved population.

TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Extensive Renovations	\$974,000
<b>OTHER SPENDING</b>	
Legal/Architecture	\$115,000
Infrastructure/Site Plan	\$203,000
Building Acquisition	\$450,000
<b>Total Investments</b>	<b>\$1,742,000</b>
<b>Discounted Total (2%)</b>	<b>\$1,742,000</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 3 years, with future returns discounted at a 2% rate.

 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	\$8,000	\$8,000
Sales Tax Exemption	\$13,000	\$13,000
Mortgage Recording Tax Exemption	\$9,000	\$9,000
<b>Total Costs</b>	<b>\$30,000</b>	<b>\$30,000</b>

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
<b>REGIONAL BENEFITS</b>	<b>\$2,118,000</b>	<b>\$1,014,000</b>	<b>\$3,133,000</b>
To Private Individuals	\$2,083,000	\$998,000	\$3,081,000
Temporary Payroll	\$375,000	\$130,000	\$504,000
Ongoing Payroll	\$1,709,000	\$868,000	\$2,577,000
To the Public	\$35,000	\$17,000	\$52,000
Temporary Sales Tax Revenue	\$6,000	\$2,000	\$8,000
Ongoing Sales Tax Revenue	\$29,000	\$15,000	\$43,000
<b>STATE BENEFITS</b>	<b>\$131,000</b>	<b>\$57,000</b>	<b>\$188,000</b>
To the Public	\$131,000	\$57,000	\$188,000
Temporary Income Tax Revenue	\$18,000	\$6,000	\$25,000
Ongoing Income Tax Revenue	\$84,000	\$36,000	\$120,000
Temporary Sales Tax Revenue	\$5,000	\$2,000	\$7,000
Ongoing Sales Tax Revenue	\$24,000	\$12,000	\$36,000
<b>Total Benefits to State &amp; Region</b>	<b>\$2,250,000</b>	<b>\$1,071,000</b>	<b>\$3,321,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$2,214,000</b>	<b>\$1,053,000</b>	<b>\$3,267,000</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 <sup>†</sup>	Cost <sup>*</sup>	Ratio
Region	\$3,082,000	\$18,000	171:1
State	\$185,000	\$12,000	16:1
Grand Total	\$3,267,000	\$30,000	110:1

**May not sum to total due to rounding.**

\* Discounted at 2%

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