

Cost-Benefit Analysis for Terrace Blvd RK, LLC

Prepared by this agency using InformAnalytics

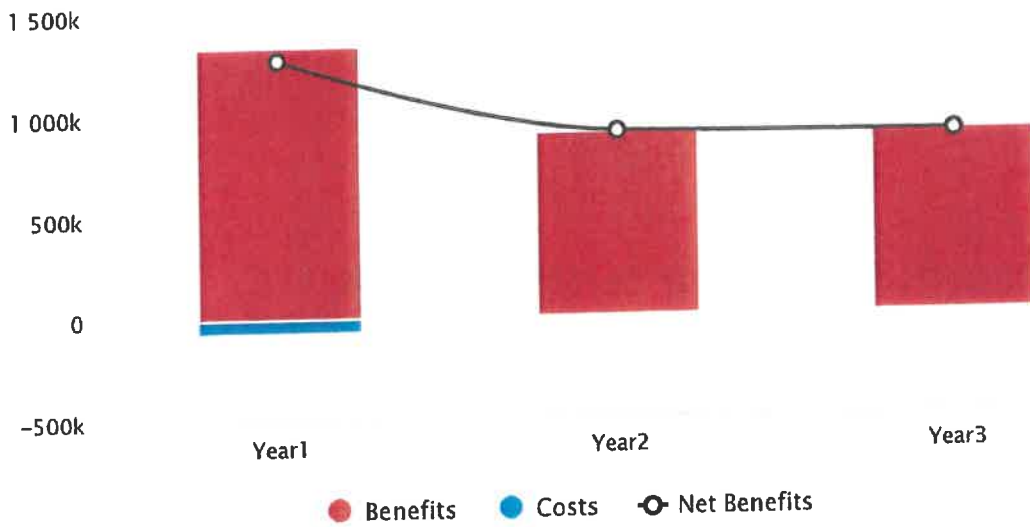
Executive Summary

INVESTOR	TOTAL JOBS	TOTAL INVESTED	LOCATION	TIMELINE
Terrace Blvd RK, LLC	17 Ongoing; 7 Temporary	\$1.9 Million	571 Terrace Blvd	3 Years

F1 FIGURE 1

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

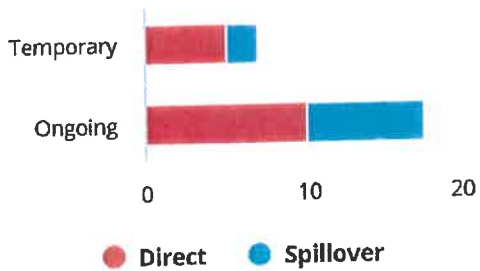
Total Net Benefits: \$3,065,000



Discounted at 2%

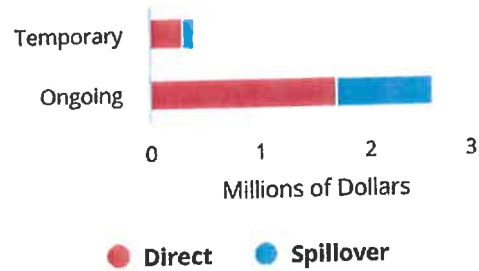
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Terrace Blvd RK, LLC proposes to invest \$1.9 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.

TI TABLE 1

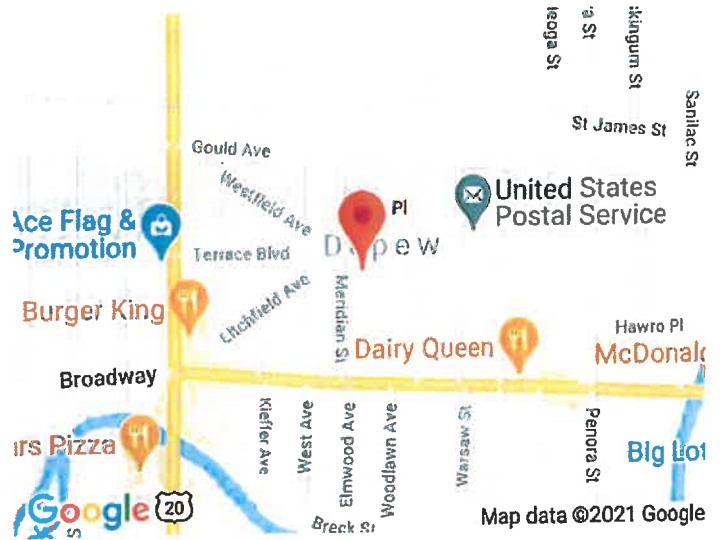
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Extensive Renovations	\$713,000
OTHER SPENDING	
Legal/Architecture	\$115,000
Infrastructure/Site Plan	\$464,000
Building Acquisition	\$450,000
Equipment	\$150,000
Total Investments	\$1,892,000
Discounted Total (2%)	\$1,892,000

May not sum to total due to rounding.

F4 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	\$53,000	\$53,000
Mortgage Recording Tax Exemption	\$8,000	\$8,000
Total Costs	\$70,000	\$69,000

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	\$2,023,000	\$979,000	\$3,002,000
To Private Individuals	\$1,983,000	\$963,000	\$2,946,000
Temporary Payroll	\$274,000	\$95,000	\$369,000
Ongoing Payroll	\$1,709,000	\$868,000	\$2,577,000
To the Public	\$40,000	\$16,000	\$57,000
Temporary Sales Tax Revenue	\$5,000	\$2,000	\$6,000
Ongoing Sales Tax Revenue	\$29,000	\$15,000	\$43,000
Purchases Sales Tax Revenue	\$7,000	N/A	\$7,000
STATE BENEFITS	\$131,000	\$55,000	\$186,000
To the Public	\$131,000	\$55,000	\$186,000
Temporary Income Tax Revenue	\$13,000	\$5,000	\$18,000
Ongoing Income Tax Revenue	\$84,000	\$36,000	\$120,000
Temporary Sales Tax Revenue	\$4,000	\$1,000	\$5,000
Ongoing Sales Tax Revenue	\$24,000	\$12,000	\$36,000
Purchases Sales Tax Revenue	\$6,000	N/A	\$6,000
Total Benefits to State & Region	\$2,154,000	\$1,034,000	\$3,188,000
Discounted Total Benefits (2%)	\$2,118,000	\$1,016,000	\$3,134,000

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	\$2,951,000	\$40,000	75:1
State	\$183,000	\$30,000	6:1
Grand Total	\$3,134,000	\$69,000	45:1

May not sum to total due to rounding.

* Discounted at 2%

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