

Cost-Benefit Analysis for USEF Sailfish - Feb 5, 2020

Prepared by Town of Montgomery using InformAnalytics

Executive Summary

INVESTOR
USEF Sailfish LLC

TOTAL INVESTED
\$75.2 Million

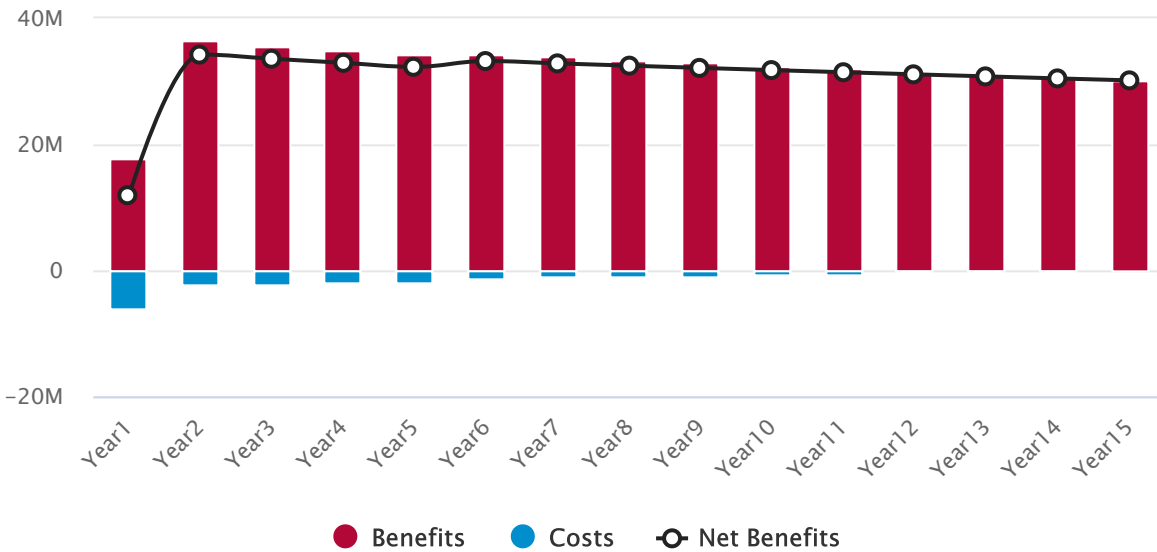
LOCATION
**635 International Drive,
Town of Montgomery,
Orange County, NY**

TIMELINE
15 Years

F1 FIGURE 1

Discounted* Net Benefits for USEF Sailfish - Feb 5, 2020 by Year

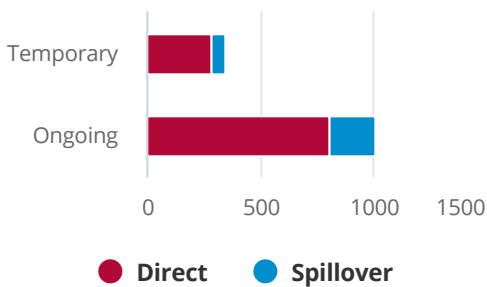
Total Net Benefits: \$461,423,000



Discounted at 2%

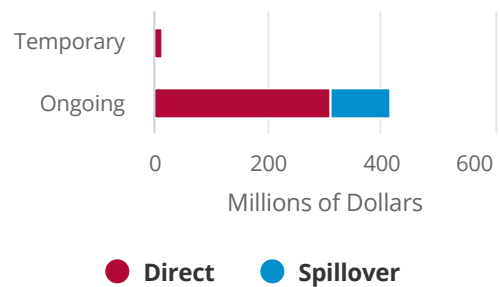
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

USEF Sailfish LLC proposes to invest \$75.2 million at 635 International Drive, Town of Montgomery, Orange County, NY over 15 years. Town of Montgomery staff summarize the proposed with the following: Warehouse/distribution center building containing approximately 1,010,880 sf

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
New warehouse/distribution center building containing approximately 1,010,880 sf	\$35,860,000
OTHER SPENDING	
Land Costs	\$33,640,000
Working Capital	\$3,500,000
Professional Services	\$2,200,000
Total Investments	\$75,200,000
Discounted Total (2%)	\$75,200,000

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 Town of Montgomery. The report calculates the costs and benefits for specified local taxing districts over the first 15 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Town of Montgomery is considering the following incentive package for USEF Sailfish LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$18,211,000	\$16,717,000
Sales Tax Exemption	\$3,202,000	\$3,202,000
Mortgage Recording Tax Exemption	\$630,000	\$630,000
Total Costs	\$22,043,000	\$20,549,000

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	\$399,442,000	\$127,669,000	\$527,111,000
To Private Individuals	\$371,238,000	\$125,657,000	\$496,895,000
Temporary Payroll	\$12,838,000	\$3,338,000	\$16,176,000
Ongoing Payroll	\$358,400,000	\$122,319,000	\$480,719,000
To the Public	\$28,204,000	\$2,013,000	\$30,216,000
Property Tax Revenue	\$22,258,000	N/A	\$22,258,000
Temporary Sales Tax Revenue	\$206,000	\$53,000	\$259,000
Ongoing Sales Tax Revenue	\$5,740,000	\$1,959,000	\$7,699,000
STATE BENEFITS	\$17,693,000	\$6,363,000	\$24,055,000
To the Public	\$17,693,000	\$6,363,000	\$24,055,000
Temporary Income Tax Revenue	\$540,000	\$140,000	\$680,000
Ongoing Income Tax Revenue	\$11,387,000	\$4,271,000	\$15,658,000
Temporary Sales Tax Revenue	\$199,000	\$52,000	\$251,000
Ongoing Sales Tax Revenue	\$5,566,000	\$1,900,000	\$7,466,000
Total Benefits to State & Region	\$417,135,000	\$134,032,000	\$551,167,000
Discounted Total Benefits (2%)	\$365,585,000	\$116,387,000	\$481,972,000

May not sum to total due to rounding.

T4 TABLE 4

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	\$461,044,000	\$18,342,000	25:1
State	\$20,927,000	\$2,206,000	9:1
Grand Total	\$481,972,000	\$20,549,000	23:1

May not sum to total due to rounding.

* Discounted at 2%

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