

Cost-Benefit Analysis for Eagle Beverage

Prepared by Jefferson County LDC using InformAnalytics

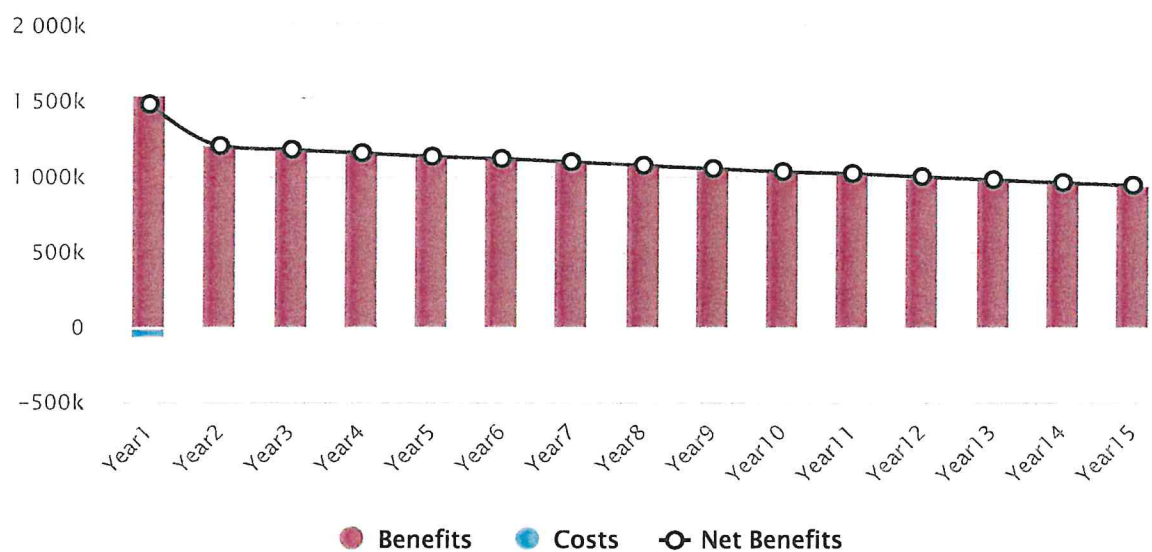
Executive Summary

INVESTOR	TOTAL INVESTED	LOCATION	TIMELINE
Eagle Beverage	\$1.0 Million	NYS Rte Watertown Center, NY 13601	15 Years

F1 FIGURE 1

Discounted* Net Benefits for Eagle Beverage by Year

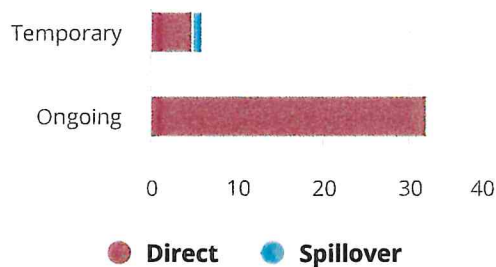
Total Net Benefits: \$16,404,000



Discounted at 2%

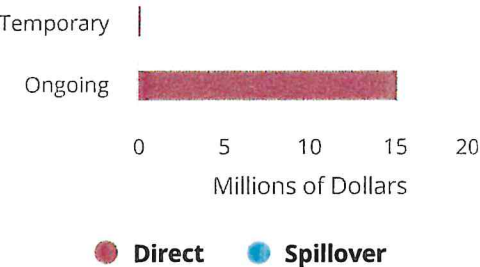
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Eagle Beverage proposes to invest \$1.0 million at NYS Rte Watertown Center, NY 13601 over 15 years. Jefferson County LDC staff summarize the proposed with the following: Construct new distribution warehouse.

T1 TABLE 1

F4 FIGURE 4

Proposed Investments

Location of Investment

Description	Amount
CONSTRUCTION SPENDING	
8030 Sq. Foot Warehouse and Distribution Center with recycling service.	\$675,000
OTHER SPENDING	
Equipment	\$196,000
Land	\$157,000
Total Investments	\$1,028,000
Discounted Total (2%)	\$1,028,000

May not sum to total due to rounding.

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 Jefferson County LDC. 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

Jefferson County LDC is considering the following incentive package for Eagle Beverage.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$93,000	\$84,000
Sales Tax Exemption	\$54,000	\$54,000
Mortgage Recording Tax Exemption	\$5,000	\$5,000
Total Costs	\$152,000	\$144,000

May not sum to total due to rounding.

* Discounted at 2%

T3 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	\$17,989,000	\$58,000	\$18,047,000
To Private Individuals	\$17,615,000	\$57,000	\$17,673,000
Temporary Payroll	\$233,000	\$57,000	\$290,000
Ongoing Payroll	\$17,382,000	\$0	\$17,382,000
To the Public	\$374,000	\$856	\$375,000
Property Tax Revenue	\$111,000	N/A	\$111,000
Temporary Sales Tax Revenue	\$3,000	\$856	\$4,000
Ongoing Sales Tax Revenue	\$259,000	\$0	\$259,000
STATE BENEFITS	\$827,000	\$3,000	\$830,000
To the Public	\$827,000	\$3,000	\$830,000
Temporary Income Tax Revenue	\$10,000	\$3,000	\$13,000
Ongoing Income Tax Revenue	\$591,000	\$0	\$591,000
Temporary Sales Tax Revenue	\$3,000	\$735	\$4,000
Ongoing Sales Tax Revenue	\$223,000	\$0	\$223,000
Total Benefits to State & Region	\$18,816,000	\$62,000	\$18,877,000
Discounted Total Benefits (2%)	\$16,486,000	\$62,000	\$16,547,000

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	\$15,820,000	\$115,000	138:1
State	\$727,000	\$28,000	26:1
Grand Total	\$16,547,000	\$144,000	115:1

May not sum to total due to rounding.

* Discounted at 2%

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