

# **Cost-Benefit Analysis for Stark Real Estate Holdings - Stark Tech Group**

Prepared by this agency using InformAnalytics

# Executive Summary

**INVESTOR**  
Stark Real Estate Holdings, LLC

**TOTAL JOBS**  
175 Ongoing;  
25 Temporary

**TOTAL INVESTED**  
\$3.2 Million

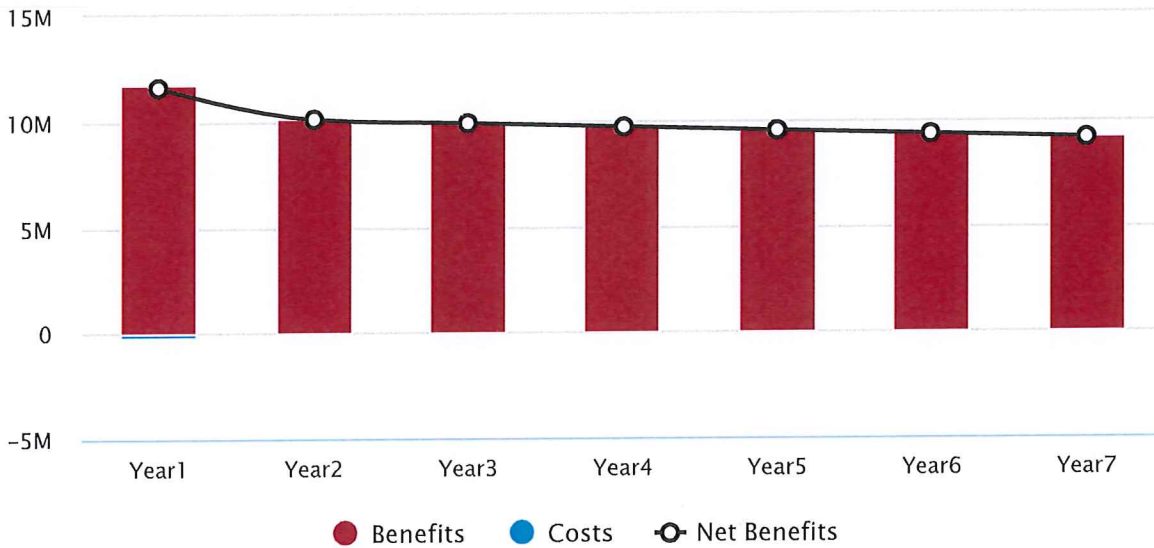
**LOCATION**  
2100 Wehrle Drive

**TIMELINE**  
7 Years

F1 FIGURE 1

Discounted\* Net Benefits for Stark Real Estate Holdings - Stark Tech Group by Year

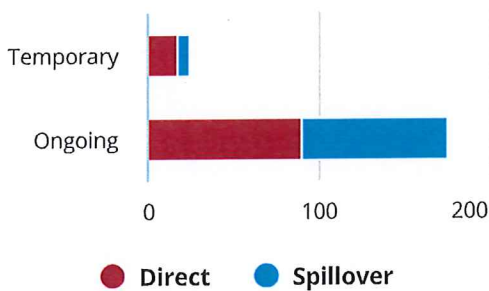
Total Net Benefits: \$69,329,000



Discounted at 2%

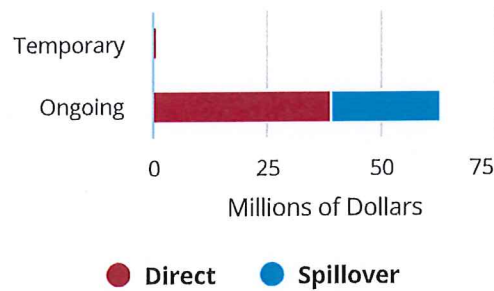
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Stark Real Estate Holdings, LLC proposes to invest \$3.2 million at 2100 Wehrle Drive over 7 years. Agency staff summarize the proposed with the following: The project would renovate 2100 Wehrle Drive and expand a building at 60 Lawrence Bell Drive by adding a 10,000 SF warehouse.

T1 TABLE 1

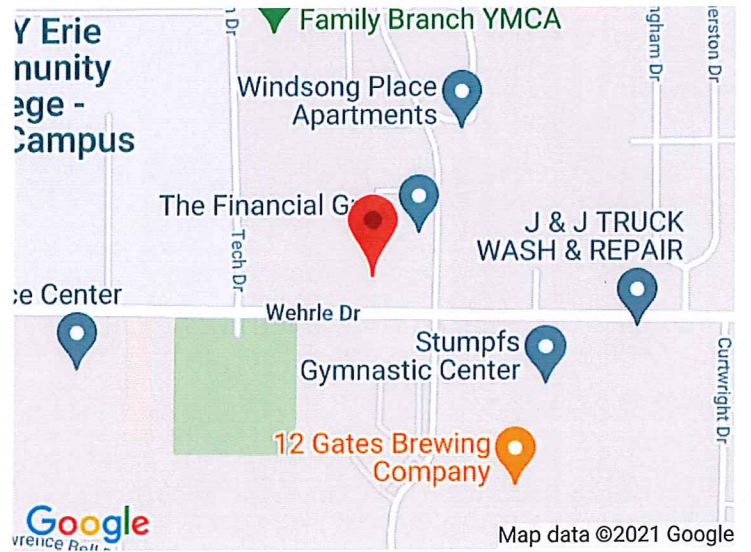
## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Building Renovation and Expansion	\$1,500,000
New Building	\$1,000,000
<b>OTHER SPENDING</b>	
Equipment	\$500,000
Soft Costs	\$150,000
<b>Total Investments</b>	<b>\$3,150,000</b>
Discounted Total (2%)	\$3,150,000

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 7 years, with future returns discounted at a 2% rate.

T2 TABLE 2

## Estimated Costs or Incentives

The agency is considering the following incentive package for Stark Real Estate Holdings, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$282,000	\$261,000
Sales Tax Exemption	\$153,000	\$153,000
Mortgage Recording Tax Exemption	\$23,000	\$23,000
<b>Total Costs</b>	<b>\$457,000</b>	<b>\$437,000</b>

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
<b>REGIONAL BENEFITS</b>	<b>\$43,130,000</b>	<b>\$26,526,000</b>	<b>\$69,657,000</b>
<b>To Private Individuals</b>	<b>\$42,295,000</b>	<b>\$26,089,000</b>	<b>\$68,384,000</b>
Temporary Payroll	\$961,000	\$333,000	\$1,294,000
Ongoing Payroll	\$41,334,000	\$25,756,000	\$67,090,000
<b>To the Public</b>	<b>\$835,000</b>	<b>\$437,000</b>	<b>\$1,273,000</b>
Property Tax Revenue	\$96,000	N/A	\$96,000
Temporary Sales Tax Revenue	\$16,000	\$6,000	\$22,000
Ongoing Sales Tax Revenue	\$693,000	\$432,000	\$1,125,000
Purchases Sales Tax Revenue	\$31,000	N/A	\$31,000
<b>STATE BENEFITS</b>	<b>\$2,767,000</b>	<b>\$1,460,000</b>	<b>\$4,227,000</b>
<b>To the Public</b>	<b>\$2,767,000</b>	<b>\$1,460,000</b>	<b>\$4,227,000</b>
Temporary Income Tax Revenue	\$47,000	\$16,000	\$63,000
Ongoing Income Tax Revenue	\$2,097,000	\$1,075,000	\$3,173,000
Temporary Sales Tax Revenue	\$14,000	\$5,000	\$18,000
Ongoing Sales Tax Revenue	\$583,000	\$364,000	\$947,000
Purchases Sales Tax Revenue	\$26,000	N/A	\$26,000
<b>Total Benefits to State &amp; Region</b>	<b>\$45,898,000</b>	<b>\$27,986,000</b>	<b>\$73,884,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$43,352,000</b>	<b>\$26,413,000</b>	<b>\$69,766,000</b>

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	\$65,773,000	\$352,000	187:1
State	\$3,993,000	\$85,000	47:1
<b>Grand Total</b>	<b>\$69,766,000</b>	<b>\$437,000</b>	<b>160:1</b>

**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.