

Cost-Benefit Analysis for Capital Fence Warehouse/Fabricating Project

Prepared by Amherst IDA using InformAnalytics

Executive Summary

INVESTOR
Capital Fence

TOTAL INVESTED
\$2.1 Million

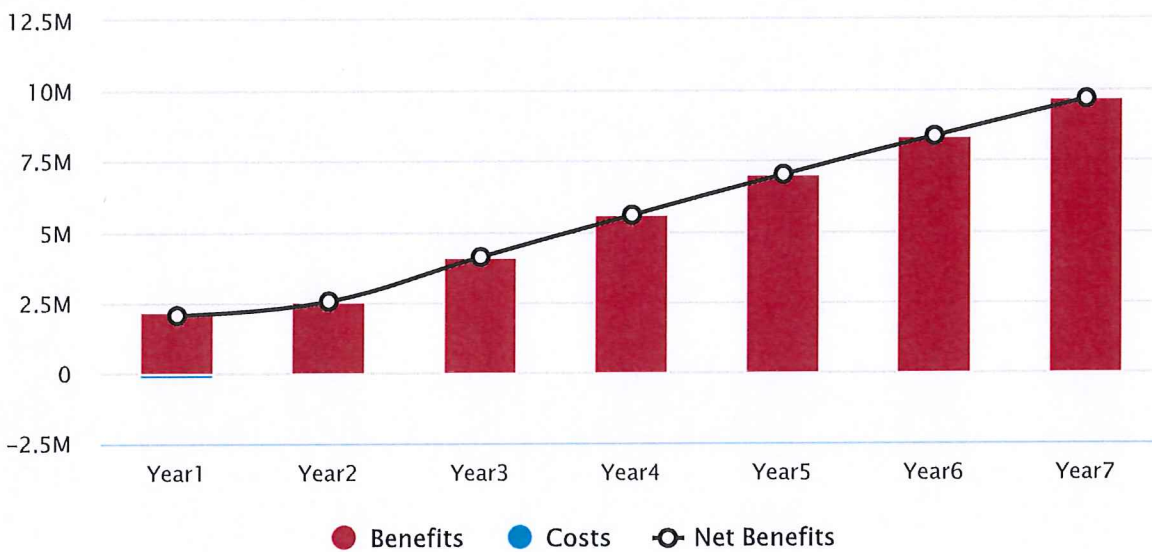
LOCATION
**42 North Ellicott Creek
Road, Amherst, NY
14228**

TIMELINE
7 Years

F1 FIGURE 1

Discounted* Net Benefits for Capital Fence Warehouse/Fabricating Project by Year

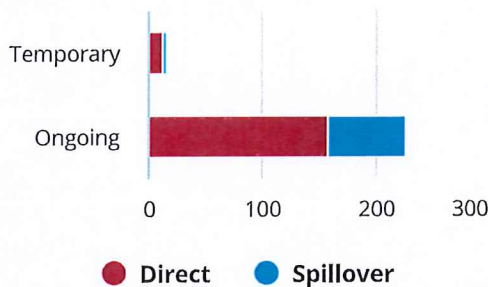
Total Net Benefits: **\$39,322,000**



Discounted at 2%

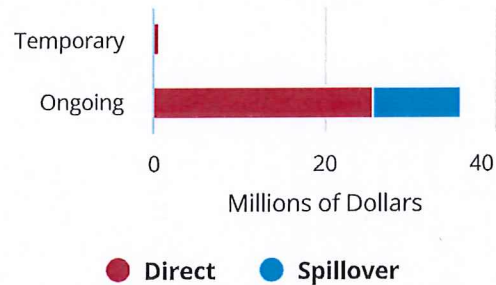
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Capital Fence proposes to invest \$2.1 million at 42 North Ellicott Creek Road, Amherst, NY 14228 over 7 years. Amherst IDA staff summarize the proposed with the following: Construction of 12,000 SF building supporting growth in fabricating and wholesale business, along with associated site improvements.

T1 TABLE 1

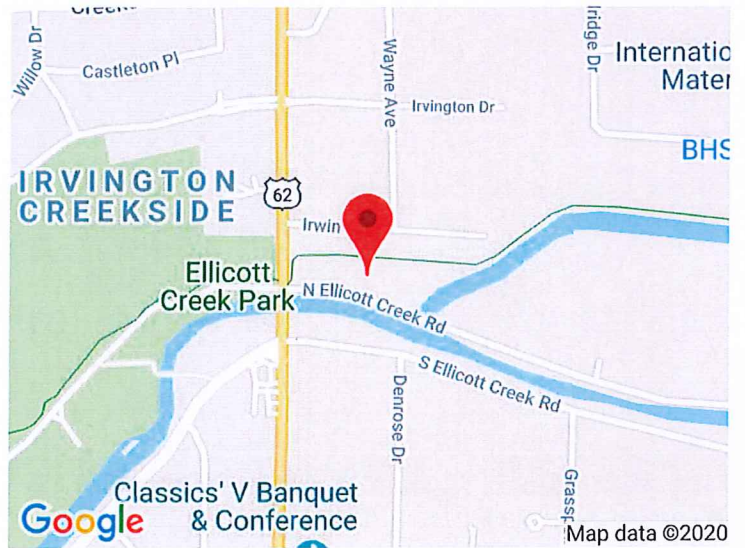
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
	\$1,600,000
OTHER SPENDING	
Land Costs	\$300,000
FF&E	\$15,000
Manufacturing Equipment	\$30,000
Soft Costs	\$200,000
Total Investments	\$2,145,000
Discounted Total (2%)	\$2,145,000

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 Amherst IDA. 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

Amherst IDA is considering the following incentive package for Capital Fence.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$265,000	\$251,000
Sales Tax Exemption	\$116,000	\$116,000
Mortgage Recording Tax Exemption	\$11,000	\$11,000
Total Costs	\$392,000	\$378,000

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	\$29,005,000	\$11,580,000	\$40,586,000
To Private Individuals	\$28,469,000	\$11,394,000	\$39,863,000
Temporary Payroll	\$615,000	\$213,000	\$828,000
Ongoing Payroll	\$27,854,000	\$11,181,000	\$39,035,000
To the Public	\$536,000	\$186,000	\$722,000
Property Tax Revenue	\$72,000	N/A	\$72,000
Temporary Sales Tax Revenue	\$10,000	\$3,000	\$14,000
Ongoing Sales Tax Revenue	\$454,000	\$182,000	\$636,000
STATE BENEFITS	\$1,723,000	\$629,000	\$2,352,000
To the Public	\$1,723,000	\$629,000	\$2,352,000
Temporary Income Tax Revenue	\$30,000	\$10,000	\$40,000
Ongoing Income Tax Revenue	\$1,291,000	\$458,000	\$1,749,000
Temporary Sales Tax Revenue	\$9,000	\$3,000	\$12,000
Ongoing Sales Tax Revenue	\$393,000	\$158,000	\$551,000
Total Benefits to State & Region	\$30,728,000	\$12,210,000	\$42,937,000
Discounted Total Benefits (2%)	\$28,414,000	\$11,286,000	\$39,700,000

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	\$37,525,000	\$317,000	118:1
State	\$2,175,000	\$61,000	35:1
Grand Total	\$39,700,000	\$378,000	105:1

May not sum to total due to rounding.

* Discounted at 2%

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