

## Cost-Benefit Analysis for MDS Building Ventures, LLC/MS Packaging and Supply Corp

Prepared by Town of Brookhaven using InformAnalytics

## Executive Summary

**INVESTOR**  
MDS Building Ventures, LLC

**TOTAL JOBS**  
13 Ongoing;  
77 Temporary

**TOTAL INVESTED**  
\$13.8 Million

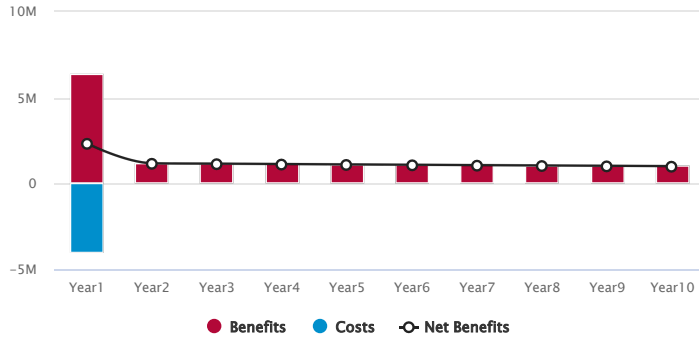
**LOCATION**  
Precision Drive Shirley, NY

**TIMELINE**  
10 Years

F1 FIGURE 1

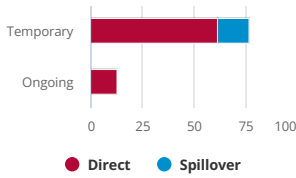
Discounted\* Net Benefits for MDS Building Ventures, LLC/MS Packaging and Supply Corp by Year

Total Net Benefits: \$11,904,000



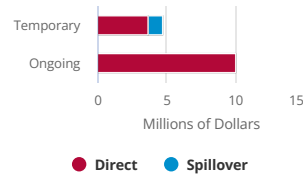
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll





## Proposed Investment

MDS Building Ventures, LLC proposes to invest \$13.8 million at Precision Drive Shirley, NY over 10 years. Town of Brookhaven staff summarize the proposed with the following: The applicant proposes to construct an approximately 140,000 sq ft warehousing and distribution facility on 11 acres of vacant land in Shirley, NY. The project cost is approximately \$13.8 million. The applicant is a wholesale distributor of corrugated boxes, stretch film, tape, folding cartons and other custom and generic packaging supplies. This project is in addition to the approximately 70,000 sq ft facility they previously constructed on Zorn Blvd in Yaphank. We expect that this project will be completed in a timely fashion. As per our Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, jobs created and capital investment by the applicant.

T1 TABLE 1

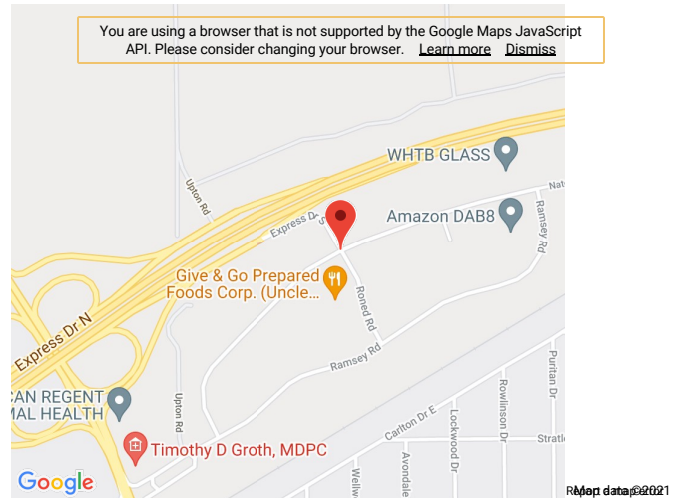
### Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
	\$9,000,000
<b>OTHER SPENDING</b>	
Land acquisition	\$4,241,000
Machinery and Equipment	\$400,000
Legal, architectural, engineering, financial fees and title	\$150,000
<b>Total Investments</b>	<b>\$13,791,000</b>
<b>Discounted Total (2%)</b>	<b>\$13,791,000</b>

**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 Brookhaven. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

T2 TABLE 2

### Estimated Costs or Incentives

Town of Brookhaven is considering the following incentive package for MDS Building Ventures, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$423,000	\$423,000
Mortgage Recording Tax Exemption	\$45,000	\$45,000
PILOT	\$3,578,000	\$3,578,000
Total Costs	\$4,046,000	\$4,046,000

**May not sum to total due to rounding.**

\* Discounted at 2%

T3 TABLE 3

## State &amp; 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>\$14,840,000</b>	<b>\$1,060,000</b>	<b>\$15,900,000</b>
<b>To Private Individuals</b>	<b>\$14,619,000</b>	<b>\$1,046,000</b>	<b>\$15,665,000</b>
Temporary Payroll	\$3,727,000	\$1,046,000	\$4,773,000
Ongoing Payroll	\$10,892,000	\$0	\$10,892,000
<b>To the Public</b>	<b>\$221,000</b>	<b>\$14,000</b>	<b>\$235,000</b>
Temporary Sales Tax Revenue	\$50,000	\$14,000	\$64,000
Ongoing Sales Tax Revenue	\$145,000	\$0	\$145,000
Purchases Sales Tax Revenue	\$25,000	N/A	\$25,000
<b>STATE BENEFITS</b>	<b>\$968,000</b>	<b>\$66,000</b>	<b>\$1,033,000</b>
<b>To the Public</b>	<b>\$968,000</b>	<b>\$66,000</b>	<b>\$1,033,000</b>
Temporary Income Tax Revenue	\$192,000	\$54,000	\$246,000
Ongoing Income Tax Revenue	\$585,000	\$0	\$585,000
Temporary Sales Tax Revenue	\$43,000	\$12,000	\$55,000
Ongoing Sales Tax Revenue	\$126,000	\$0	\$126,000
Purchases Sales Tax Revenue	\$22,000	N/A	\$22,000
Total Benefits to State & Region	\$15,808,000	\$1,126,000	\$16,934,000
Discounted Total Benefits (2%)	\$14,823,000	\$1,126,000	\$15,949,000

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	\$14,975,000	\$3,805,000	4:1
State	\$974,000	\$241,000	4:1
Grand Total	\$15,949,000	\$4,046,000	4:1

**May not sum to total due to rounding.**

\* Discounted at 2%

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