

Internal Report: Aarco Products, Inc. - Aarco Products, Inc.

Table 1: Basic Information

Project Name	Aarco Products, Inc.
Project Applicant	Aarco Products, Inc.

Applicant has request a straight lease for an existing 20,000 square foot facility located at 21 Old Dock Rd in Yaphank. Aarco currently occupies the facility, which is currently owned by the JDA and currently pays neither taxes nor a PILOT. The applicant has requested a PILOT that increases 10% per year for a period of 10 years.

Project Description	The company manufactures and distributes educational supplies, visual aids, bulletin boards, chalkboards, and "smart" boards. 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, investment in the community and jobs retained.
Project Industry	Furniture and Related Product Manufacturing
Type of Transaction	Lease
Project Cost	\$0

Table 2: Permanent New/Retained Employment (Annual FTEs)

	State	Region	
Total Employment		78	78
Direct**	48 (4 created and 44 retained)	48 (4 created and 44 retained)	
Indirect**		13	13
Induced**		16	16
Temporary Construction (Direct and Indirect)		0	0

Table 3: Permanent New/Retained Labor Income (Annual) & Average Salary (Annual)

	State Labor Income	Region Labor Income	Average Salary
Total Employment	\$2,933,660	\$2,933,660	\$37,822
Direct**	\$1,152,000	\$1,152,000	\$24,000
Indirect**	\$12,478,378	\$12,478,378	\$72,643
Induced**	\$13,654,463	\$13,654,463	\$50,401
Temporary Construction (Direct and Indirect)	\$0	\$0	\$0

Table 4: Cost/Benefit Analysis (Discounted Present Value*)

Total Costs	\$-20,611
Property Tax	\$0
Sales Tax	\$0
Construction Materials	\$0
Other Items	\$0
Less IDA Fee	-\$20,611
Total Benefits	\$1,222,981
Total State Benefits	\$895,834
Income Tax Revenue	\$612,896
Direct**	\$59,521
Indirect***	\$303,347
Induced***	\$250,028
Construction (Direct and Indirect, 1 year)	\$0
Sales Tax Revenue	\$282,938
Direct**	\$111,105
Indirect***	\$91,824
Induced***	\$80,009
Construction (Direct and Indirect, 1 year)	\$0
Total Local Benefits	\$327,147
Sales Tax Revenue	\$327,147
Direct**	\$128,465
Indirect***	\$106,172
Induced***	\$92,510
Construction (Direct and Indirect, 1 year)	\$0

Table 5: Local Fiscal Impact (Discounted Present Value*)

Total Local Client Incentives	\$-20,611
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$327,147
Net Local Revenue	\$347,758

* Figures over 10 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.