

## **Cost-Benefit Analysis for American Regent, Inc 7/13/21**

Prepared by Town of Brookhaven using InformAnalytics

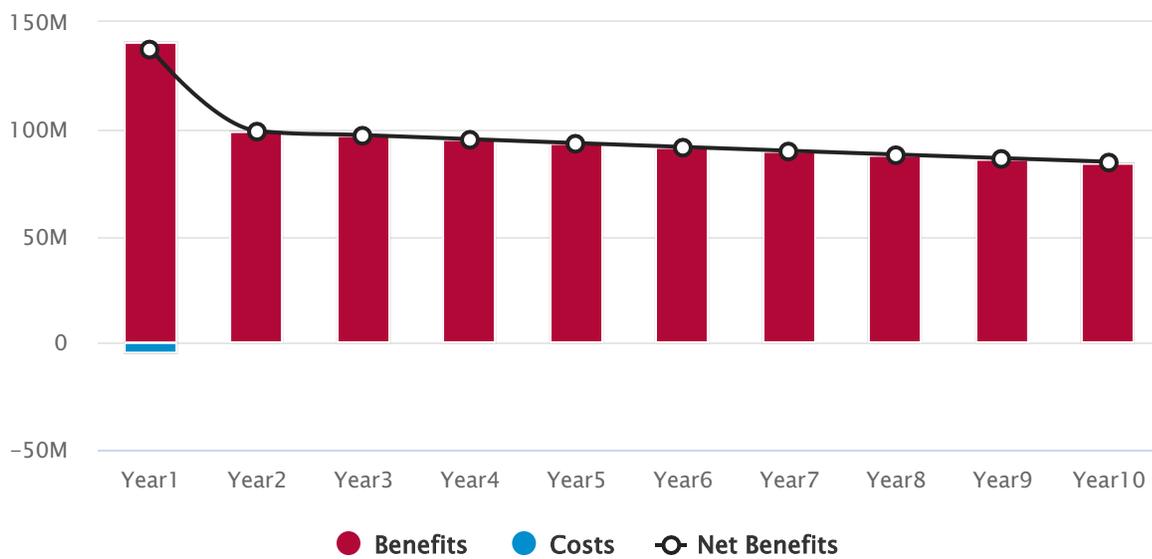
# Executive Summary

<b>INVESTOR</b> <b>American Regent, Inc</b>	<b>TOTAL JOBS</b> <b>1328 Ongoing; 583 Temporary</b>	<b>TOTAL INVESTED</b> <b>\$92.0 Million</b>	<b>LOCATION</b>	<b>TIMELINE</b> <b>10 Years</b>
--	---	--	-----------------	------------------------------------

F1 FIGURE 1

Discounted\* Net Benefits for American Regent, Inc 7/13/21 by Year

Total Net Benefits: \$959,709,000



Discounted at 2%

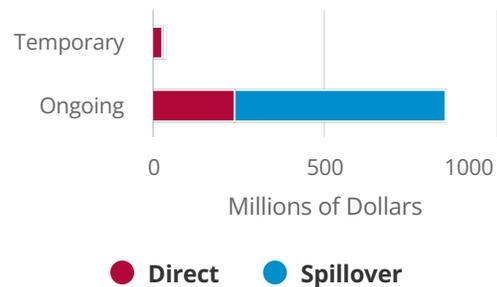
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll





# Proposed Investment

American Regent, Inc proposes to invest \$92.0 million at over 10 years. Town of Brookhaven staff summarize the proposed with the following: UPDATED November 2021 American Regent updated the total cost of the project to \$92,000,000, which impacts the requested sales and use tax exemption. UPDATED June 2021 American Regent, Inc. (formerly known as Luitpold Pharmaceuticals, Inc.) proposed a 18,109 sf expansion of their existing 94,876 sf facility located at 5 Ramsey Rd in Shirley. The project also proposes a renovation of 37,650 sf. The project will cost \$68 million. 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, job retention and capital investment by the applicant.

T1 TABLE 1

### Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Expansion & renovation	\$68,000,000
<b>OTHER SPENDING</b>	
Machinery & equip	\$18,000,000
Architectural & engineering	\$6,000,000
<b>Total Investments</b>	<b>\$92,000,000</b>
<b>Discounted Total (2%)</b>	<b>\$92,000,000</b>

F4 FIGURE 4

### Location of Investment

**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 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 American Regent, Inc.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$3,519,000	\$3,519,000
Property Tax Exemption	\$440,000	\$440,000
<b>Total Costs</b>	<b>\$3,959,000</b>	<b>\$3,959,000</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>\$295,377,000</b>	<b>\$689,985,000</b>	<b>\$985,362,000</b>
<b>To Private Individuals</b>	<b>\$290,663,000</b>	<b>\$680,891,000</b>	<b>\$971,554,000</b>
Temporary Payroll	\$28,163,000	\$7,903,000	\$36,066,000
Ongoing Payroll	\$262,500,000	\$672,988,000	\$935,488,000
<b>To the Public</b>	<b>\$4,715,000</b>	<b>\$9,094,000</b>	<b>\$13,808,000</b>
Temporary Sales Tax Revenue	\$376,000	\$106,000	\$482,000
Ongoing Sales Tax Revenue	\$3,506,000	\$8,988,000	\$12,494,000
Purchases Sales Tax Revenue	\$833,000	N/A	\$833,000
<b>STATE BENEFITS</b>	<b>\$19,034,000</b>	<b>\$43,695,000</b>	<b>\$62,729,000</b>
<b>To the Public</b>	<b>\$19,034,000</b>	<b>\$43,695,000</b>	<b>\$62,729,000</b>
Temporary Income Tax Revenue	\$1,449,000	\$407,000	\$1,856,000
Ongoing Income Tax Revenue	\$13,507,000	\$35,423,000	\$48,931,000
Temporary Sales Tax Revenue	\$325,000	\$91,000	\$417,000
Ongoing Sales Tax Revenue	\$3,032,000	\$7,774,000	\$10,806,000
Purchases Sales Tax Revenue	\$720,000	N/A	\$720,000
<b>Total Benefits to State &amp; Region</b>	<b>\$314,411,000</b>	<b>\$733,680,000</b>	<b>\$1,048,091,000</b>
	<b>\$290,740,000</b>	<b>\$672,928,000</b>	<b>\$963,668,000</b>

Discounted Total Benefits  
(2%)

**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	\$905,944,000	\$2,327,000	389:1
State	\$57,724,000	\$1,632,000	35:1
Grand Total	\$963,668,000	\$3,959,000	243:1

**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.