

Cost-Benefit Analysis for Bactolac Pharmaceutical Inc.

Prepared by Town of Brookhaven using InformAnalytics

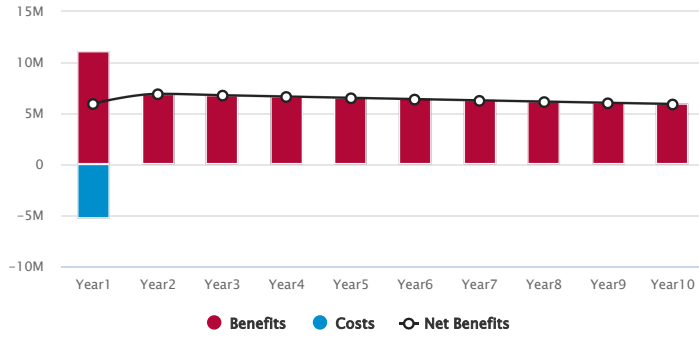
Executive Summary

INVESTOR Bactolac Pharmaceutical Inc.	TOTAL JOBS 99 Ongoing; 129 Temporary	TOTAL INVESTED \$17.9 Million	LOCATION Ramsey Road Shirley, NY	TIMELINE 10 Years
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F1 FIGURE 1

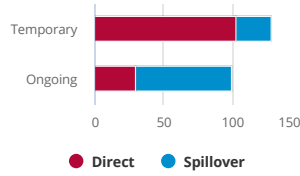
Discounted* Net Benefits for Bactolac Pharmaceutical Inc. by Year

Total Net Benefits: \$63,182,000



F2 FIGURE 2

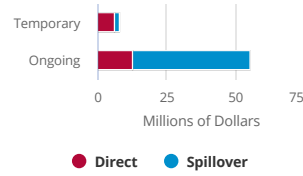
Total Jobs



Discounted at 2%

F3 FIGURE 3

Total Payroll



Proposed Investment

Bactolac Pharmaceutical Inc. proposes to invest \$17.9 million at Ramsey Road Shirley, NY over 10 years. Town of Brookhaven staff summarize the proposed with the following: Applicant proposes to construct a 148,250 sf building for warehousing of material to be used in manufacturing dietary supplements on a approx. 7.5 acre vacant parcel on Ramsey Rd in Shirley. The project is expected to cost \$17.92 million, and they are requesting a mortgage recording tax exemption, sales and use tax exemptions and a PILOT. 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 investment by the applicant.

T1 TABLE 1

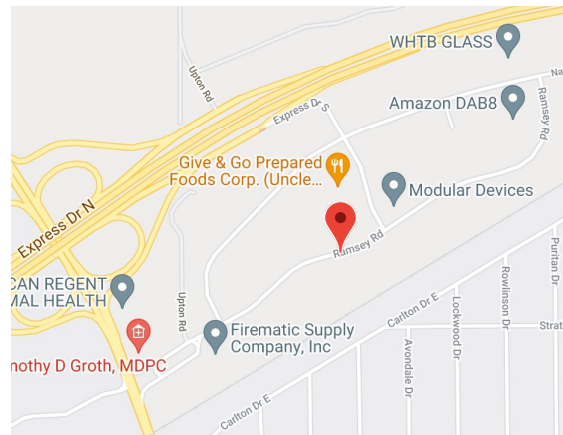
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
	\$15,000,000
OTHER SPENDING	
Land aquisition	\$1,725,000
machinery and equipment	\$1,000,000
legal fees	\$20,000
architectural and engineering	\$175,000
Total Investments	\$17,920,000
Discounted Total (2%)	\$17,920,000

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



Report data: 8/2021

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 Bactolac Pharmaceutical Inc..

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$863,000	\$863,000
Mortgage Recording Tax Exemption	\$75,000	\$75,000
PILOT	\$4,300,000	\$4,300,000
Total Costs	\$5,237,000	\$5,237,000

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	\$20,617,000	\$49,194,000	\$69,812,000
To Private Individuals	\$20,212,000	\$48,546,000	\$68,758,000
Temporary Payroll	\$6,212,000	\$1,743,000	\$7,956,000
Ongoing Payroll	\$14,000,000	\$46,803,000	\$60,803,000
To the Public	\$405,000	\$648,000	\$1,053,000
Temporary Sales Tax Revenue	\$83,000	\$23,000	\$106,000
Ongoing Sales Tax Revenue	\$187,000	\$625,000	\$812,000
Purchases Sales Tax Revenue	\$135,000	N/A	\$135,000
STATE BENEFITS	\$1,360,000	\$3,126,000	\$4,485,000
To the Public	\$1,360,000	\$3,126,000	\$4,485,000
Temporary Income Tax Revenue	\$320,000	\$90,000	\$409,000
Ongoing Income Tax Revenue	\$690,000	\$2,475,000	\$3,165,000
Temporary Sales Tax Revenue	\$72,000	\$20,000	\$92,000
Ongoing Sales Tax Revenue	\$162,000	\$541,000	\$702,000
Purchases Sales Tax Revenue	\$117,000	N/A	\$117,000
Total Benefits to State & Region	\$21,977,000	\$52,320,000	\$74,297,000
Discounted Total Benefits (2%)	\$20,627,000	\$47,792,000	\$68,419,000

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	\$64,281,000	\$4,763,000	13:1
State	\$4,138,000	\$475,000	9:1
Grand Total	\$68,419,000	\$5,237,000	13:1

May not sum to total due to rounding.

* Discounted at 2%

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