

## **Cost-Benefit Analysis for Integrated Structures Corp.**

Prepared by Town of Brookhaven using InformAnalytics

# Executive Summary

INVESTOR  
**Integrated Structures Corp.**

TOTAL INVESTED  
**\$4.0 Million**

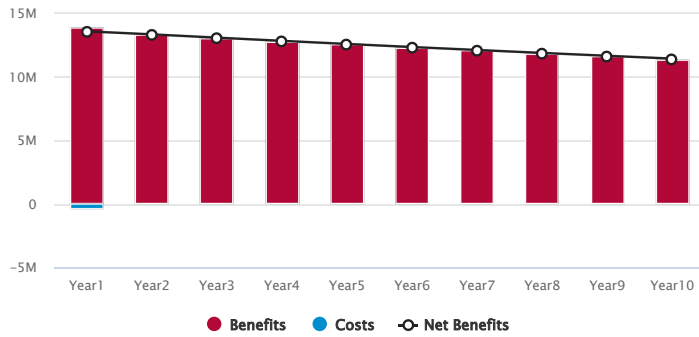
LOCATION  
**4 Pinehurst Drive Bellport, NY 11713**

TIMELINE  
**10 Years**

F1 FIGURE 1

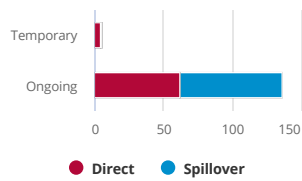
Discounted\* Net Benefits for Integrated Structures Corp. by Year

Total Net Benefits: \$124,209,000



F2 FIGURE 2

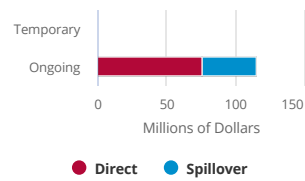
Total Jobs



Discounted at 2%

F3 FIGURE 3

Total Payroll





## Proposed Investment

Integrated Structures Corp. proposes to invest \$4.0 million at 4 Pinehurst Drive Bellport, NY 11713 over 10 years. Town of Brookhaven staff summarize the proposed with the following: Proposes to purchase a 20,000 sf existing building and add 5,000 additional sf to the facility. The applicant currently leases the facility. They manufacture fabricated structural steel parts. The project costs are estimated at \$3.985 million and they expect to retain 55 FTE and create 7 new FTEs. 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 creation and capital investment by the applicant.

T1 TABLE 1

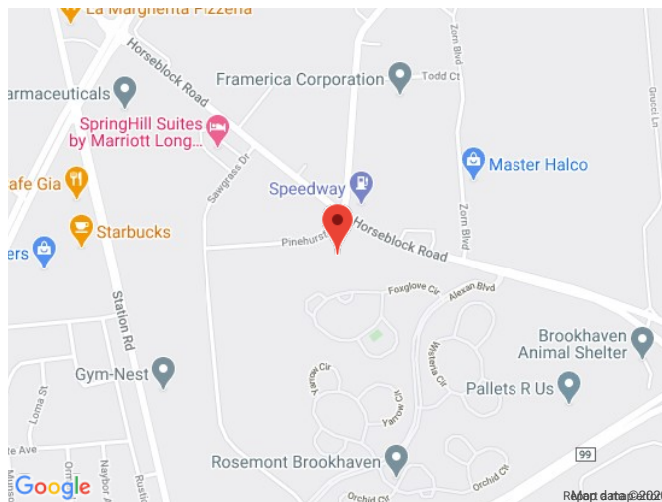
### Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
20,000 existing building and plan to add 4,000 to 5,000 sf addition	\$550,000
<b>OTHER SPENDING</b>	
Site work	\$40,000
machinery and equipment	\$75,000
Legal fees	\$35,000
Achitectural/engineering fees	\$45,000
financial charges	\$40,000
building aquisition	\$3,200,000
<b>Total Investments</b>	<b>\$3,985,000</b>
<b>Discounted Total (2%)</b>	<b>\$3,985,000</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 Integrated Structures Corp..

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$59,000	\$56,000
Sales Tax Exemption	\$312,000	\$312,000
Mortgage Recording Tax Exemption	\$34,000	\$34,000
Total Costs	\$405,000	\$402,000

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

\* Discounted at 2%

**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>\$84,116,000</b>	<b>\$43,194,000</b>	<b>\$127,310,000</b>
<b>To Private Individuals</b>	<b>\$82,998,000</b>	<b>\$42,625,000</b>	<b>\$125,622,000</b>
Temporary Payroll	\$228,000	\$64,000	\$292,000
Ongoing Payroll	\$82,770,000	\$42,561,000	\$125,331,000
<b>To the Public</b>	<b>\$1,119,000</b>	<b>\$569,000</b>	<b>\$1,688,000</b>
Property Tax Revenue	\$10,000	N/A	\$10,000
Temporary Sales Tax Revenue	\$3,000	\$854	\$4,000
Ongoing Sales Tax Revenue	\$1,105,000	\$568,000	\$1,674,000
<b>STATE BENEFITS</b>	<b>\$6,004,000</b>	<b>\$2,661,000</b>	<b>\$8,664,000</b>
<b>To the Public</b>	<b>\$6,004,000</b>	<b>\$2,661,000</b>	<b>\$8,664,000</b>
Temporary Income Tax Revenue	\$12,000	\$3,000	\$15,000
Ongoing Income Tax Revenue	\$5,033,000	\$2,165,000	\$7,198,000
Temporary Sales Tax Revenue	\$3,000	\$738	\$3,000
Ongoing Sales Tax Revenue	\$956,000	\$492,000	\$1,448,000
Total Benefits to State & Region	\$90,120,000	\$45,855,000	\$135,975,000
<b>Discounted Total Benefits (2%)</b>	<b>\$82,592,000</b>	<b>\$42,019,000</b>	<b>\$124,611,000</b>

May not sum to total due to rounding.

**Benefit to Cost Ratio**

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$116,670,000	\$223,000	522:1
State	\$7,940,000	\$178,000	45:1
Grand Total	\$124,611,000	\$402,000	310:1

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

\* Discounted at 2%

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