

# Cost-Benefit Analysis for Biocogent, LLC

Prepared by Town of Brookhaven using InformAnalytics

# Executive Summary

**INVESTOR**  
**Research Property Holdings, LLC**

**TOTAL INVESTED**  
**\$11.2 Million**

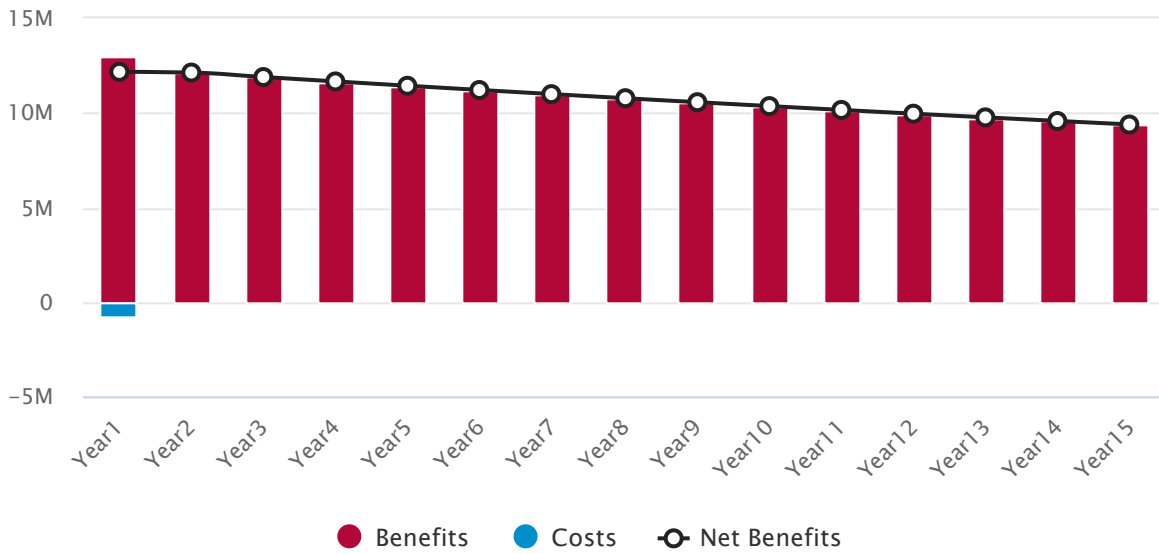
**LOCATION**  
**19 Pinehurst Drive  
Bellport, NY 11713**

**TIMELINE**  
**15 Years**

F1 FIGURE 1

Discounted\* Net Benefits for Biocogent, LLC by Year

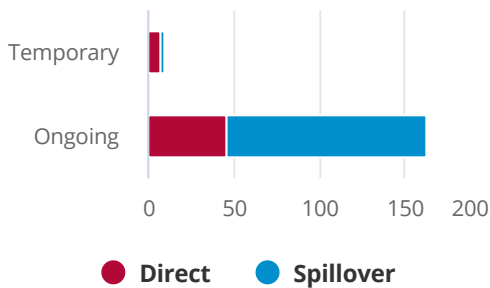
Total Net Benefits: \$161,989,000



Discounted at 2%

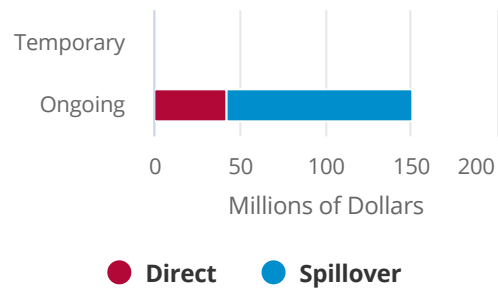
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Research Property Holdings, LLC proposes to invest \$11.2 million at 19 Pinehurst Drive Bellport, NY 11713 over 15 years. Town of Brookhaven staff summarize the proposed with the following: The applicant proposes to purchase an 11,500 sq ft building on 1.11 acres in Bellport, NY. The \$11.240 million project will allow Biocogent, a R&D and manufacturer of dermatologic ingredients for skincare products, to retain its employees located at its current SBU location, expand its operations, and bring outsourced manufacturing currently done in Wisconsin to LI. 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 creation and capital investment by the applicant.

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Purchase an 11,500 sq ft facility	\$1,075,000
<b>OTHER SPENDING</b>	
purchase of building	\$2,700,000
site work	\$260,000
machinery and equipment	\$6,045,000
legal, architect/engineer, financial	\$1,160,000
<b>Total Investments</b>	<b>\$11,240,000</b>
<b>Discounted Total (2%)</b>	<b>\$11,240,000</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 15 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 Research Property Holdings, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$791,000	\$791,000
Mortgage Recording Tax Exemption	\$28,000	\$28,000
<b>Total Costs</b>	<b>\$820,000</b>	<b>\$820,000</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>\$49,580,000</b>	<b>\$125,610,000</b>	<b>\$175,191,000</b>
<b>To Private Individuals</b>	<b>\$48,745,000</b>	<b>\$123,955,000</b>	<b>\$172,700,000</b>
Temporary Payroll	\$445,000	\$125,000	\$570,000
Ongoing Payroll	\$48,300,000	\$123,830,000	\$172,130,000
<b>To the Public</b>	<b>\$835,000</b>	<b>\$1,656,000</b>	<b>\$2,491,000</b>
Property Tax Revenue	\$184,000	N/A	\$184,000
Temporary Sales Tax Revenue	\$6,000	\$2,000	\$8,000
Ongoing Sales Tax Revenue	\$645,000	\$1,654,000	\$2,299,000
<b>STATE BENEFITS</b>	<b>\$3,071,000</b>	<b>\$7,956,000</b>	<b>\$11,027,000</b>
<b>To the Public</b>	<b>\$3,071,000</b>	<b>\$7,956,000</b>	<b>\$11,027,000</b>
Temporary Income Tax Revenue	\$23,000	\$6,000	\$29,000
Ongoing Income Tax Revenue	\$2,485,000	\$6,518,000	\$9,003,000
Temporary Sales Tax Revenue	\$5,000	\$1,000	\$7,000
Ongoing Sales Tax Revenue	\$558,000	\$1,430,000	\$1,988,000
<b>Total Benefits to State &amp; Region</b>	<b>\$52,652,000</b>	<b>\$133,566,000</b>	<b>\$186,218,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$46,088,000</b>	<b>\$116,721,000</b>	<b>\$162,809,000</b>

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	\$153,169,000	\$424,000	361:1
State	\$9,640,000	\$395,000	24:1
<b>Grand Total</b>	<b>\$162,809,000</b>	<b>\$820,000</b>	<b>199:1</b>

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

\* Discounted at 2%

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