

# **Cost-Benefit Analysis for Framera Corp**

Prepared by Town of Brookhaven using InformAnalytics

# Executive Summary

INVESTOR  
**Framerica Corp**

TOTAL INVESTED  
**\$40.0 Thousand**

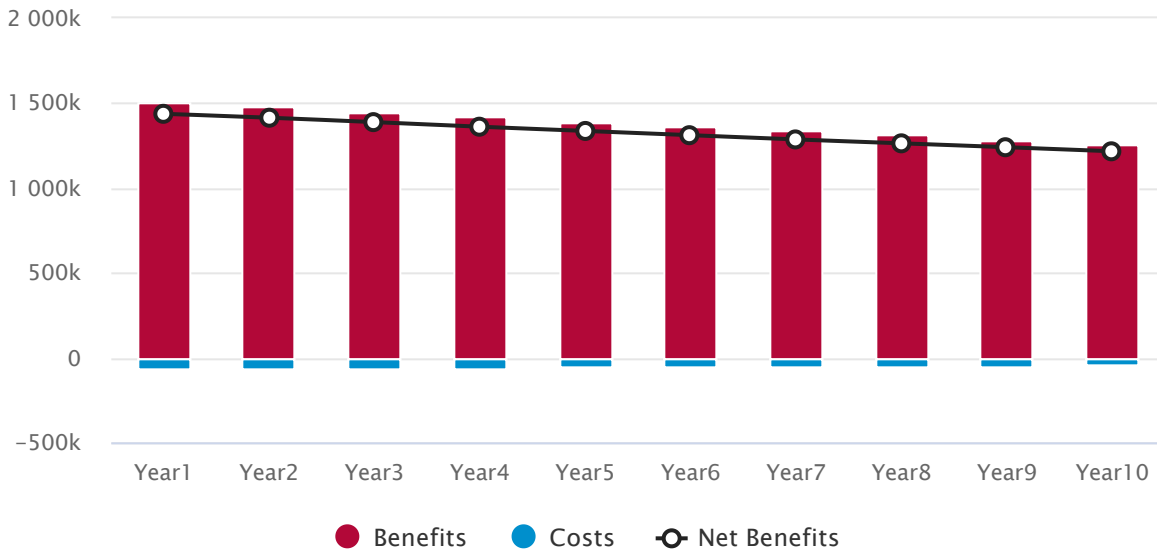
LOCATION  
**19 Nicholas Drive  
Yaphank**

TIMELINE  
**10 Years**

F1 FIGURE 1

Discounted\* Net Benefits for Framerica Corp by Year

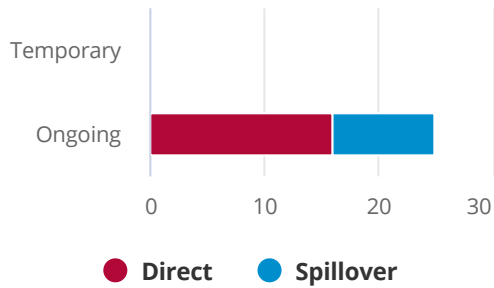
Total Net Benefits: **\$13,253,000**



Discounted at 2%

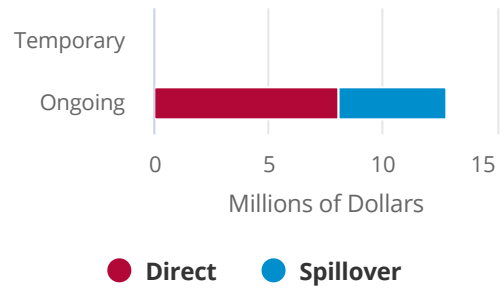
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Framerica Corp proposes to invest \$40.0 thousand at 19 Nicholas Drive Yaphank over 10 years. Town of Brookhaven staff summarize the proposed with the following: Framerica Corp proposes leasing approximately 84,56 sf of a 232, 450 sf facility located at 19 Nicholas Drive in Yaphank, which will augment their other facilities in the Town of Brookhaven. The facility will be used for manufacturing, warehousing and shipping of mouldings associated with the flooring and frame industries. 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 regional wealth creation by the applicant..

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>OTHER SPENDING</b>	
machinery and equipment	\$40,000
<b>Total Investments</b>	<b>\$40,000</b>
Discounted Total (2%)	\$40,000

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 Framericia Corp.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$591,000	\$544,000
Sales Tax Exemption	\$3,000	\$3,000
<b>Total Costs</b>	<b>\$594,000</b>	<b>\$547,000</b>

**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>\$8,969,000</b>	<b>\$5,235,000</b>	<b>\$14,204,000</b>
<b>To Private Individuals</b>	<b>\$8,851,000</b>	<b>\$5,166,000</b>	<b>\$14,017,000</b>
Ongoing Payroll	\$8,851,000	\$5,166,000	\$14,017,000
<b>To the Public</b>	<b>\$118,000</b>	<b>\$69,000</b>	<b>\$187,000</b>
Ongoing Sales Tax Revenue	\$118,000	\$69,000	\$187,000
<b>STATE BENEFITS</b>	<b>\$538,000</b>	<b>\$320,000</b>	<b>\$858,000</b>
<b>To the Public</b>	<b>\$538,000</b>	<b>\$320,000</b>	<b>\$858,000</b>
Ongoing Income Tax Revenue	\$436,000	\$260,000	\$696,000
Ongoing Sales Tax Revenue	\$102,000	\$60,000	\$162,000
<b>Total Benefits to State &amp; Region</b>	<b>\$9,507,000</b>	<b>\$5,555,000</b>	<b>\$15,062,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$8,711,000</b>	<b>\$5,090,000</b>	<b>\$13,800,000</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	\$13,014,000	\$545,000	24:1
State	\$786,000	\$2,000	491:1
<b>Grand Total</b>	<b>\$13,800,000</b>	<b>\$547,000</b>	<b>25:1</b>

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

\* Discounted at 2%

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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.