

Cost-Benefit Analysis for Hudson Valley Design Labs

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR
MASS Design Group

TOTAL INVESTED
\$10.4 Million

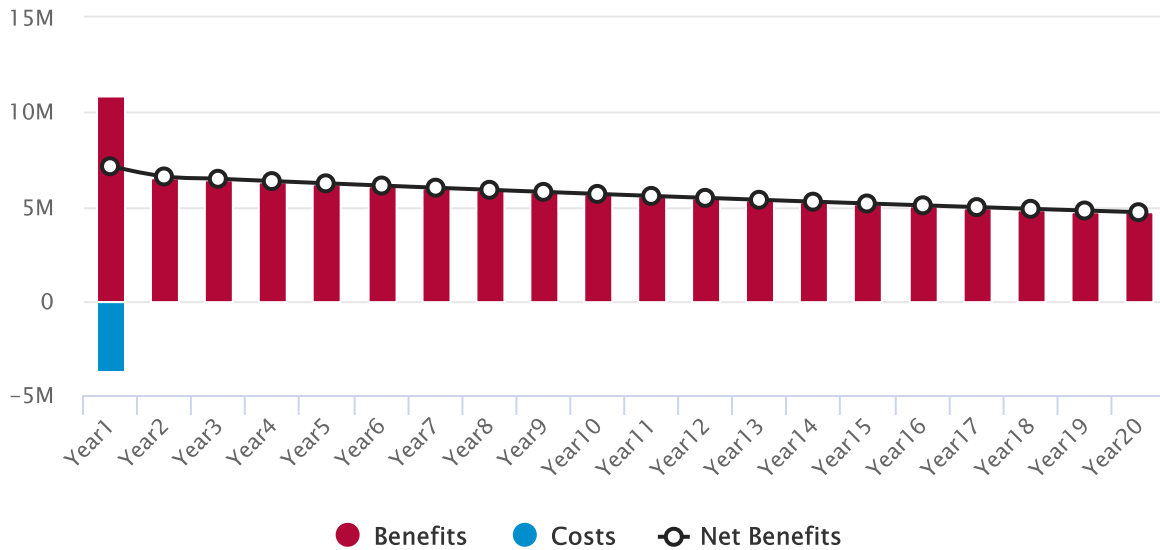
LOCATION
**33-41 Academy Street,
Poughkeepsie, NY
12601**

TIMELINE
20 Years

F1 FIGURE 1

Discounted* Net Benefits for Hudson Valley Design Labs by Year

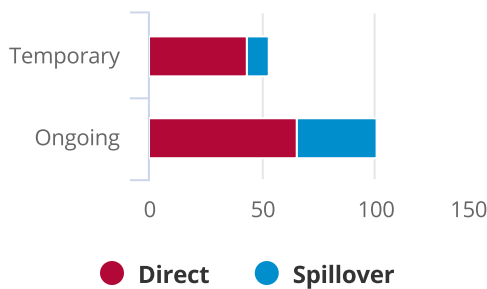
Total Net Benefits: \$113,187,000



Discounted at 2%

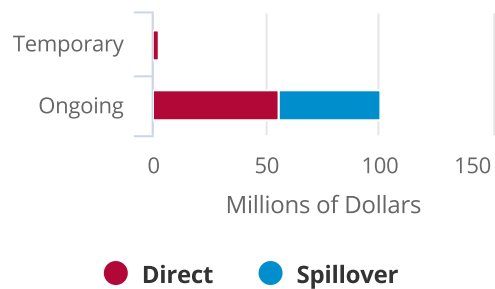
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

MASS Design Group proposes to invest \$10.4 million at 33-41 Academy Street, Poughkeepsie, NY 12601 over 20 years.

Dutchess County IDA staff summarize the proposed with the following: A new construction development project that proposes to create a mix of residential and commercial development in the City of Poughkeepsie's opportunity zone. The project consists of the renovation of a vacant building and existing night club. The project will house 28 new residential units and approximately 11,000 SF of new commercial market and food hub.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Manufacturing (Brewery & Manufacturing Kitchen)	\$2,493,000
Commercial	\$4,246,000
OTHER SPENDING	
Other Costs	\$3,683,000
Total Investments	\$10,422,000
Discounted Total (2%)	\$10,422,000

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 Dutchess County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 20 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Dutchess County IDA is considering the following incentive package for MASS Design Group.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$224,000	\$224,000
Mortgage Recording Tax Exemption	\$90,000	\$90,000
Other Incentives	\$3,400,000	\$3,400,000
Total Costs	\$3,713,000	\$3,713,000

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	\$75,808,000	\$55,234,000	\$131,007,000
To Private Individuals	\$69,753,000	\$54,692,000	\$124,445,000
Temporary Payroll	\$2,930,000	\$822,000	\$3,752,000
Ongoing Payroll	\$66,823,000	\$53,870,000	\$120,693,000
To the Public	\$6,056,000	\$542,000	\$6,562,000
Property Tax Revenue	\$5,336,000	N/A	\$5,336,000
Temporary Sales Tax Revenue	\$28,000	\$8,000	\$35,000
Ongoing Sales Tax Revenue	\$629,000	\$507,000	\$1,136,000
Purchases Sales Tax Revenue	\$55,000	N/A	\$55,000
STATE BENEFITS	\$3,940,000	\$3,348,000	\$7,288,000
To the Public	\$3,940,000	\$3,348,000	\$7,288,000
Temporary Income Tax Revenue	\$146,000	\$43,000	\$189,000
Ongoing Income Tax Revenue	\$3,036,000	\$2,757,000	\$5,793,000
Temporary Sales Tax Revenue	\$29,000	\$8,000	\$38,000
Ongoing Sales Tax Revenue	\$670,000	\$540,000	\$1,210,000
Purchases Sales Tax Revenue	\$59,000	N/A	\$59,000
Total Benefits to State & Region	\$79,748,000	\$58,582,000	\$138,296,000
Discounted Total Benefits (2%)	\$67,931,000	\$49,004,000	\$116,900,000

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	\$110,774,000	\$108,000	1023:1
State	\$6,125,000	\$205,000	30:1
Grand Total	\$116,900,000	\$3,713,000	31:1

May not sum to total due to rounding.

* Discounted at 2%

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