

Amended

Cost-Benefit Analysis for JFK Logistics (Amended CBA)

Prepared by Hempstead IDA using InformAnalytics

Executive Summary

INVESTOR
JFK Logistics Center,
LLC (Amended CBA)

TOTAL INVESTED
\$78.7 Million

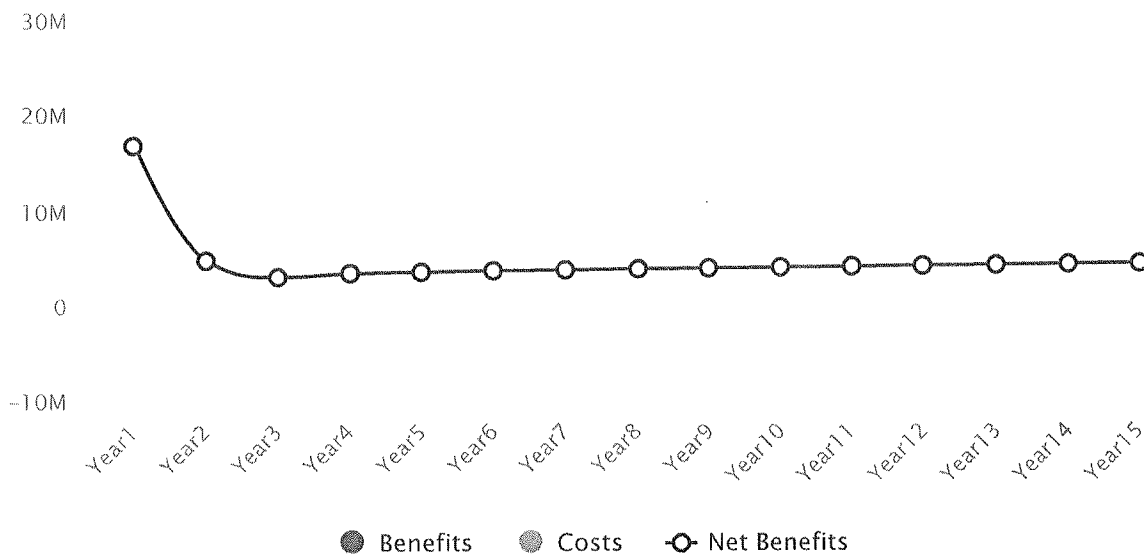
LOCATION
253-51 Rockaway Blvd

TIMELINE
15 Years

FIGURE 1

Discounted* Net Benefits for JFK Logistics (Amended CBA) by Year

Total Net Benefits: \$71,261,000



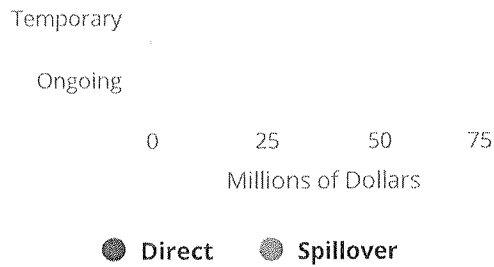
Discounted at 2%

FIGURE 2

Total Jobs

FIGURE 3

Total Payroll



Proposed Investment

JFK Logistics Center, LLC (Amended CBA) proposes to invest \$78.7 million at 253-51 Rockaway Blvd over 15 years. Hempstead IDA staff summarize the proposed with the following: The applicant intends construct a 3 story warehouse, approx. 235,234 square foot building. The first floor will be 122,785 square feet which will be used for an industrial warehouse for logistics and airport cargo users. The second and third floors will be 110,000 square foot for warehousing/other uses.

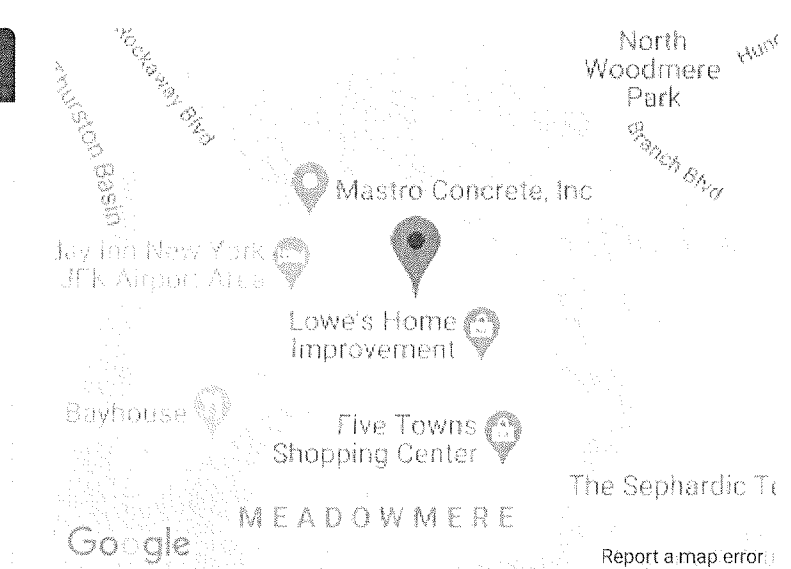
TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
	\$19,095,000
OTHER SPENDING	
Financial Charges	\$1,932,000
Architectural/Engineering Fees	\$1,403,000
Legal Fees	\$558,000
Machinery and Equipment	\$15,435,000
Site Work	\$12,565,000
Land/Building Acquisition	\$16,771,000
Other	\$10,932,000
Total Investments	\$78,691,000
Discounted Total (2%)	\$78,691,000

FIGURE 4

Location of Investment



May not sum to total due to rounding.

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 Hempstead IDA. 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.

 TABLE 2


Estimated Costs or Incentives

Hempstead IDA is considering the following incentive package for JFK Logistics Center, LLC (Amended CBA).

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$13,930,000	\$12,173,000
Sales Tax Exemption	\$2,090,000	\$2,090,000
Mortgage Recording Tax Exemption	\$537,000	\$537,000
Total Costs	\$16,557,000	\$14,799,000

May not sum to total due to rounding.

* Discounted at 2%



 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	\$69,127,000	\$19,445,000	\$88,573,000
To Private Individuals	\$57,633,000	\$19,189,000	\$76,823,000
Temporary Payroll	\$7,908,000	\$2,219,000	\$10,128,000
Ongoing Payroll	\$49,725,000	\$16,970,000	\$66,695,000
To the Public	\$11,494,000	\$256,000	\$11,750,000
Property Tax Revenue	\$8,718,000	N/A	\$8,718,000
Temporary Sales Tax Revenue	\$106,000	\$30,000	\$135,000
Ongoing Sales Tax Revenue	\$664,000	\$227,000	\$891,000
Purchases Sales Tax Revenue	\$2,007,000	N/A	\$2,007,000
STATE BENEFITS	\$5,367,000	\$1,180,000	\$6,547,000
To the Public	\$5,367,000	\$1,180,000	\$6,547,000
Temporary Income Tax Revenue	\$407,000	\$114,000	\$521,000
Ongoing Income Tax Revenue	\$2,559,000	\$844,000	\$3,403,000
Temporary Sales Tax Revenue	\$91,000	\$26,000	\$117,000
Ongoing Sales Tax Revenue	\$574,000	\$196,000	\$770,000
Purchases Sales Tax Revenue	\$1,736,000	N/A	\$1,736,000
Total Benefits to State & Region	\$74,494,000	\$20,626,000	\$95,120,000
Discounted Total Benefits (2%)	\$67,737,000	\$18,323,000	\$86,061,000

May not sum to total due to rounding.

 TABLE 4

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	\$80,040,000	\$13,293,000	6:1
State	\$6,020,000	\$1,506,000	4:1
Grand Total	\$86,061,000	\$14,799,000	6:1

May not sum to total due to rounding.

* Discounted at 2%

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