

# Cost-Benefit Analysis for JFK Logistics Center, LLC

Prepared by Hempstead IDA using InformAnalytics

# Executive Summary

**INVESTOR**  
JFK Logistics Center,  
LLC

**TOTAL INVESTED**  
\$78.7 Million

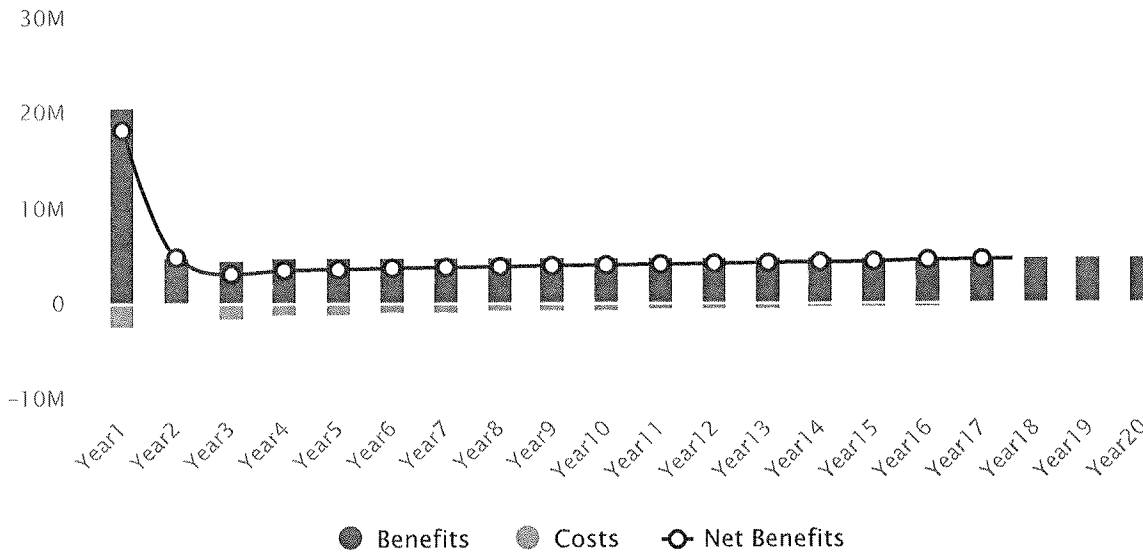
**LOCATION**  
253-51 Rockaway Blvd

**TIMELINE**  
20 Years

FIGURE 1

Discounted\* Net Benefits for JFK Logistics Center, LLC by Year

Total Net Benefits: \$96,071,000



Discounted at 2%

FIGURE 2

Total Jobs

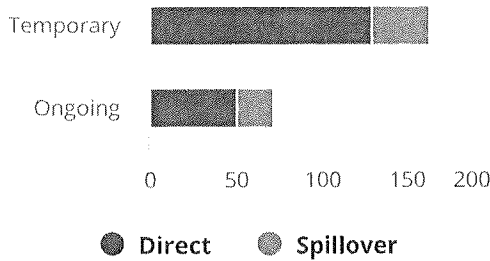
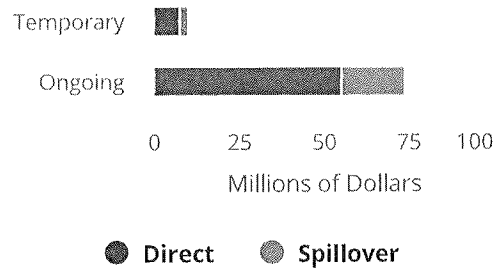


FIGURE 3

Total Payroll



# Proposed Investment

JFK Logistics Center, LLC proposes to invest \$78.7 million at 253-51 Rockaway Blvd over 20 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

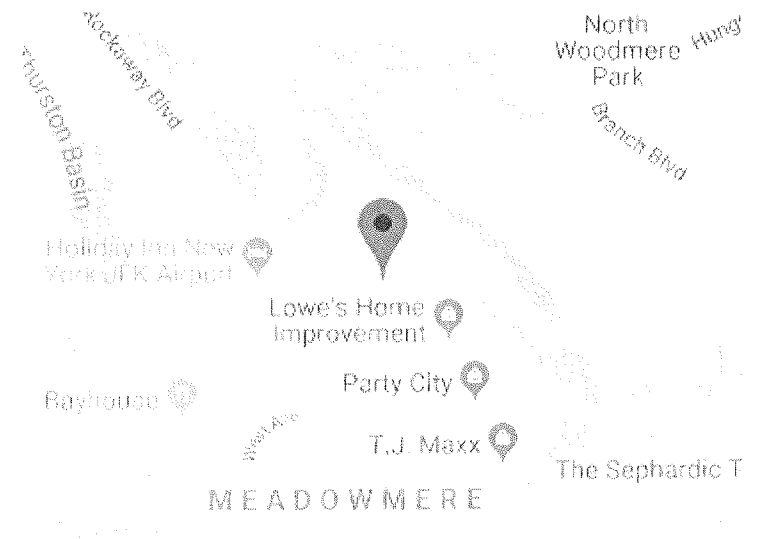
## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
	\$19,095,000
<b>OTHER SPENDING</b>	
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
<b>Total Investments</b>	<b>\$78,691,000</b>
Discounted Total (2%)	\$78,691,000

May not sum to total due to rounding.

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 Hempstead 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.



TABLE 2

## Estimated Costs or Incentives

Hempstead IDA is considering the following incentive package for JFK Logistics Center, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$14,695,000	\$12,398,000
Sales Tax Exemption	\$2,090,000	\$2,090,000
Mortgage Recording Tax Exemption	\$537,000	\$537,000
<b>Total Costs</b>	<b>\$17,322,000</b>	<b>\$15,024,000</b>

**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
<b>REGIONAL BENEFITS</b>	<b>\$93,870,000</b>	<b>\$25,178,000</b>	<b>\$119,047,000</b>
To Private Individuals	\$74,208,000	\$24,846,000	\$99,054,000
Temporary Payroll	\$7,908,000	\$2,219,000	\$10,128,000
Ongoing Payroll	\$66,300,000	\$22,626,000	\$88,926,000
To the Public	\$19,661,000	\$332,000	\$19,993,000
Property Tax Revenue	\$16,663,000	N/A	\$16,663,000
Temporary Sales Tax Revenue	\$106,000	\$30,000	\$135,000
Ongoing Sales Tax Revenue	\$885,000	\$302,000	\$1,188,000
Purchases Sales Tax Revenue	\$2,007,000	N/A	\$2,007,000
<b>STATE BENEFITS</b>	<b>\$6,411,000</b>	<b>\$1,527,000</b>	<b>\$7,938,000</b>
To the Public	\$6,411,000	\$1,527,000	\$7,938,000
Temporary Income Tax Revenue	\$407,000	\$114,000	\$521,000
Ongoing Income Tax Revenue	\$3,412,000	\$1,126,000	\$4,538,000
Temporary Sales Tax Revenue	\$91,000	\$26,000	\$117,000
Ongoing Sales Tax Revenue	\$766,000	\$261,000	\$1,027,000
Purchases Sales Tax Revenue	\$1,736,000	N/A	\$1,736,000
<b>Total Benefits to State &amp; Region</b>	<b>\$100,281,000</b>	<b>\$26,705,000</b>	<b>\$126,986,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$88,429,000</b>	<b>\$22,666,000</b>	<b>\$111,096,000</b>

**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	\$104,081,000	\$13,518,000	8:1
State	\$7,014,000	\$1,506,000	5:1
<b>Grand Total</b>	<b>\$111,096,000</b>	<b>\$15,024,000</b>	<b>7:1</b>

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

\* Discounted at 2%

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