

Cost-Benefit Analysis for Burke Homes, LLC

Prepared by this agency using InformAnalytics

Executive Summary

INVESTOR
Burke Homes, LLC
Mixed Use Project

TOTAL INVESTED
\$3.5 Million

LOCATION
6855 Transit Road

TIMELINE
10 Years

FIGURE 1

Discounted* Net Benefits for Burke Homes, LLC by Year

Total Net Benefits: \$1,539,000

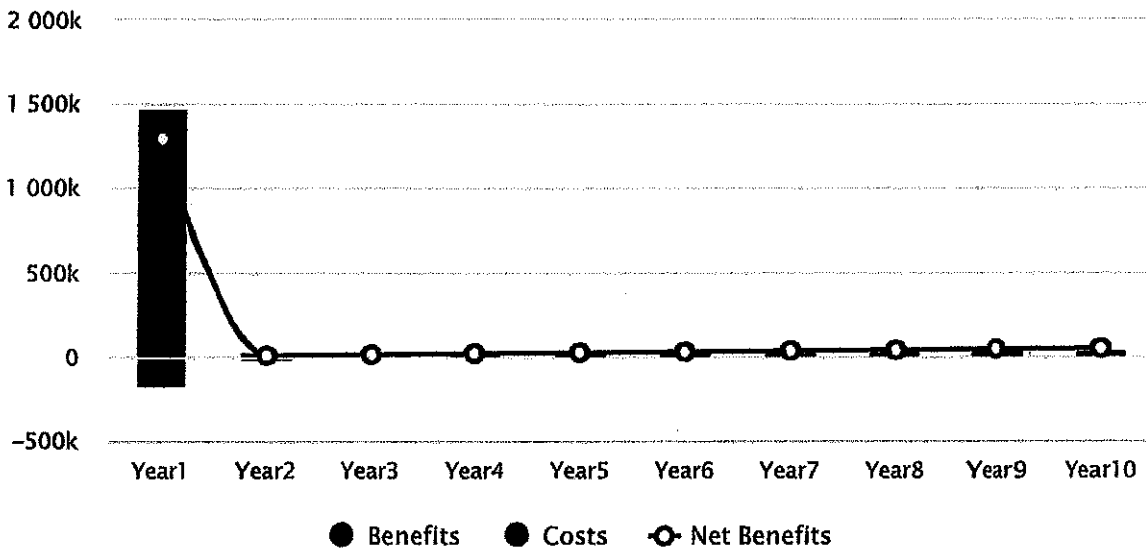


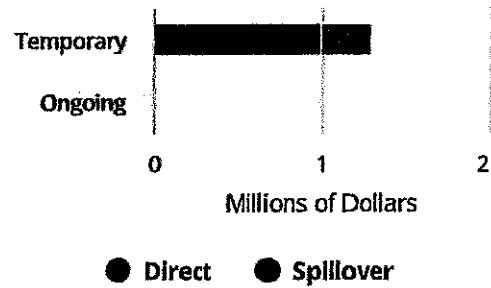
FIGURE 2

Total Jobs



FIGURE 3

Total Payroll



Proposed Investment

Burke Homes, LLC Mixed Use Project proposes to invest \$3.5 million at 6855 Transit Road over 10 years. Agency staff summarize the proposed with the following: New Construction of Mixed Use Development consisting of 18,000 square feet.

TABLE 1

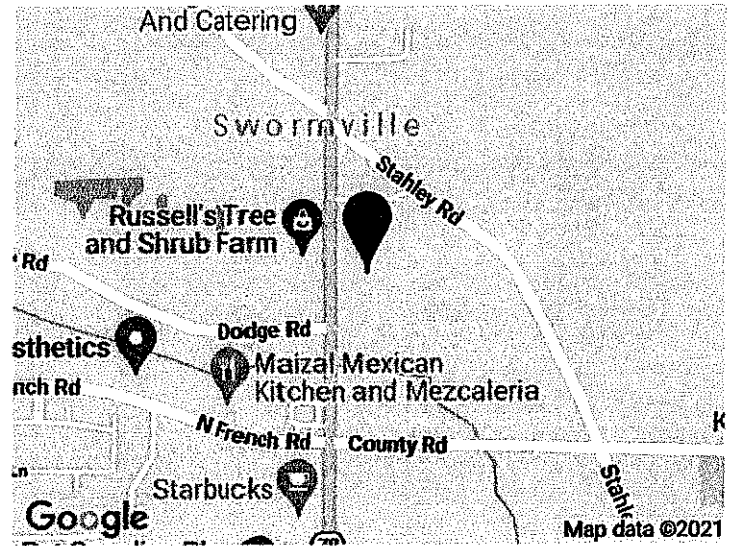
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Project Development	\$2,600,000
OTHER SPENDING	
Land Acquisition	\$855,000
Soft Costs	\$80,000
Total Investments	\$3,535,000
Discounted Total (2%)	\$3,535,000

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 the agency. 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.

 TABLE 2

Estimated Costs or Incentives

The agency is considering the following incentive package for Burke Homes, LLC Mixed Use Project.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$143,000	\$135,000
Sales Tax Exemption	\$137,000	\$137,000
Mortgage Recording Tax Exemption	\$20,000	\$20,000
Total Costs	\$299,000	\$291,000

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	\$1,392,000	\$353,000	\$1,745,000
To Private Individuals	\$999,000	\$347,000	\$1,346,000
Temporary Payroll	\$999,000	\$347,000	\$1,346,000
To the Public	\$393,000	\$6,000	\$399,000
Property Tax Revenue	\$376,000	N/A	\$376,000
Temporary Sales Tax Revenue	\$17,000	\$6,000	\$23,000
STATE BENEFITS	\$63,000	\$22,000	\$85,000
To the Public	\$63,000	\$22,000	\$85,000
Temporary Income Tax Revenue	\$49,000	\$17,000	\$66,000
Temporary Sales Tax Revenue	\$14,000	\$5,000	\$19,000
Total Benefits to State & Region	\$1,455,000	\$374,000	\$1,830,000
Discounted Total Benefits (2%)	\$1,455,000	\$374,000	\$1,830,000

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	\$1,745,000	\$215,000	8:1
State	\$85,000	\$76,000	1:1
Grand Total	\$1,830,000	\$291,000	6:1

May not sum to total due to rounding.

* Discounted at 2%

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