

Cost-Benefit Analysis for Advanced BioTech

Prepared by Otsego Now using InformAnalytics

Executive Summary

INVESTOR
Advanced BioTech

TOTAL JOBS
18 Ongoing;
12 Temporary

TOTAL INVESTED
\$5.6 Million

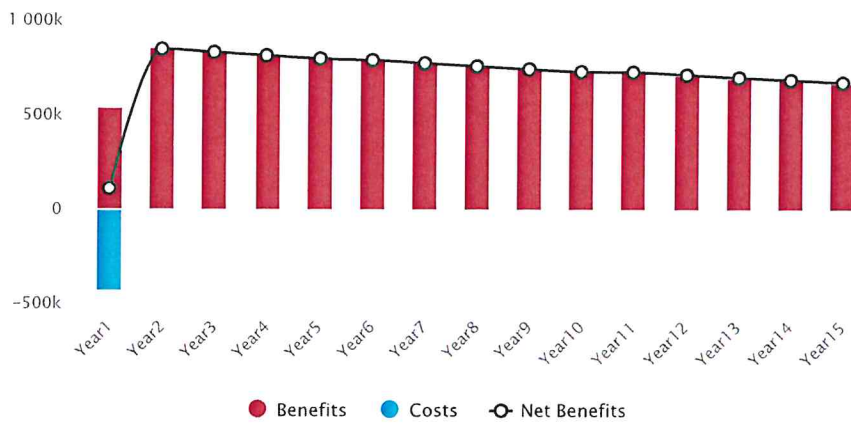
LOCATION
399 County Highway 58,
Oneonta, New York

TIMELINE
15 Years

F1 FIGURE 1

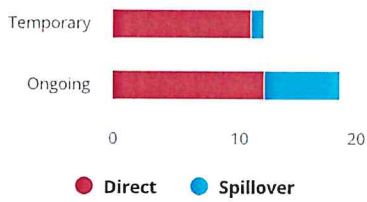
Discounted* Net Benefits for Advanced BioTech by Year

Total Net Benefits: \$10,712,000



F2 FIGURE 2

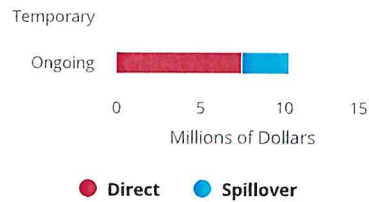
Total Jobs



Discounted at 2%

F3 FIGURE 3

Total Payroll



Proposed Investment

Advanced BioTech proposes to invest \$5.6 million at 399 County Highway 58, Oneonta, New York over 15 years. Otsego Now staff summarize the proposed with the following: Acquisition of 80,000 square foot building, installation of full sprinkler system, fire suppression system, racking throughout the building, and upgrading mechanical systems.

T1 TABLE 1

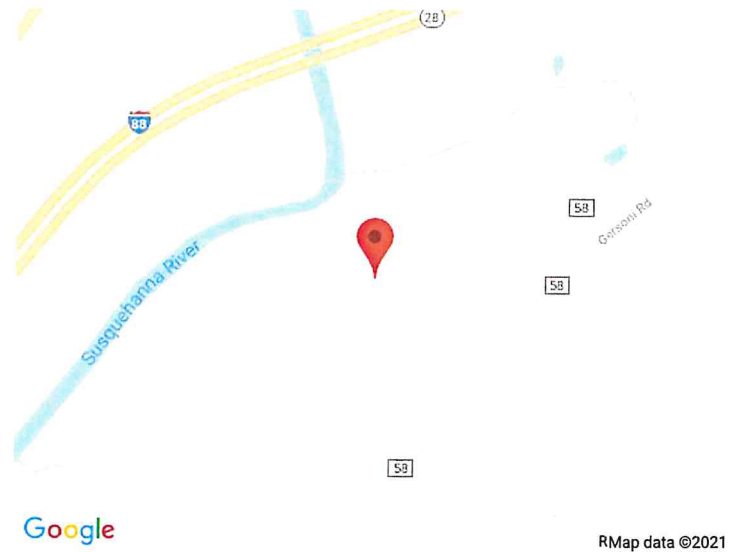
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Acquisition, Construction and Equipment	\$525,000
OTHER SPENDING	
Aquisition	\$2,000,000
Machinery & Equipment	\$2,000,000
Land	\$275,000
Engineering	\$250,000
Utilities and Roads	\$525,000
	\$0
Total Investments	\$5,575,000
Discounted Total (2%)	\$5,575,000

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 Otsego Now. 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.

T2 TABLE 2

Estimated Costs or Incentives

Otsego Now is considering the following incentive package for Advanced BioTech.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$87,000	\$81,000
Sales Tax Exemption	\$421,000	\$421,000
Total Costs	\$508,000	\$502,000

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	\$8,915,000	\$3,297,000	\$12,212,000
To Private Individuals	\$8,662,000	\$3,248,000	\$11,910,000
Temporary Payroll	\$69,000	\$27,000	\$95,000
Ongoing Payroll	\$8,593,000	\$3,222,000	\$11,815,000
To the Public	\$253,000	\$49,000	\$302,000
Property Tax Revenue	\$122,000	N/A	\$122,000
Temporary Sales Tax Revenue	\$1,000	\$399	\$1,000
Ongoing Sales Tax Revenue	\$129,000	\$49,000	\$178,000
STATE BENEFITS	\$495,000	\$158,000	\$653,000
To the Public	\$495,000	\$158,000	\$653,000
Temporary Income Tax Revenue	\$835	\$892	\$2,000
Ongoing Income Tax Revenue	\$364,000	\$108,000	\$472,000
Temporary Sales Tax Revenue	\$1,000	\$399	\$1,000
Ongoing Sales Tax Revenue	\$129,000	\$49,000	\$178,000
Total Benefits to State & Region	\$9,410,000	\$3,455,000	\$12,865,000
Discounted Total Benefits (2%)	\$8,206,000	\$3,008,000	\$11,214,000

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	\$10,646,000	\$291,000	37:1
State	\$568,000	\$210,000	3:1
Grand Total	\$11,214,000	\$502,000	22:1

May not sum to total due to rounding.

* Discounted at 2%

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