

Cost-Benefit Analysis for Keystone Mills 2021

Prepared by Seneca County IDA using InformAnalytics

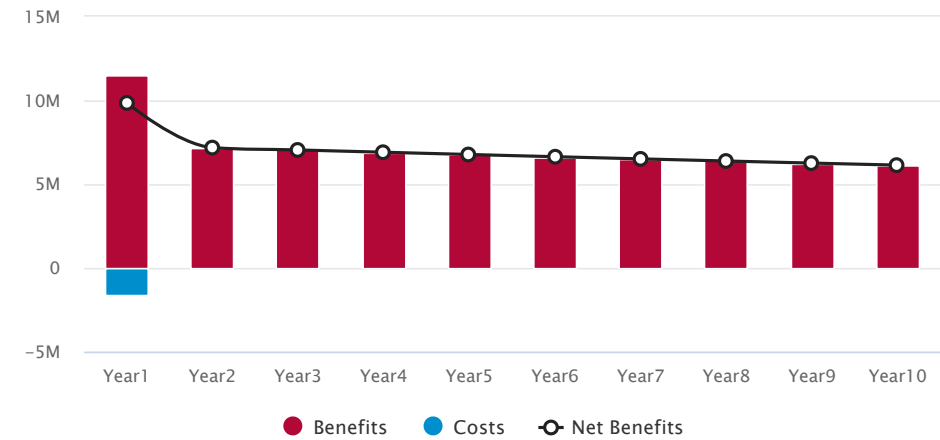
Executive Summary

INVESTOR	TOTAL JOBS	TOTAL INVESTED	LOCATION	TIMELINE
Keystone Mills, LLC	146 Ongoing; 74 Temporary	\$19.5 Million	1776 Route 336, Romulus, NY 14541	10 Years

F1 FIGURE 1

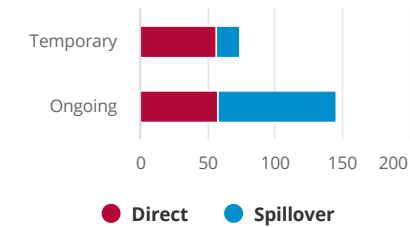
Discounted* Net Benefits for Keystone Mills 2021 by Year

Total Net Benefits: \$69,660,000



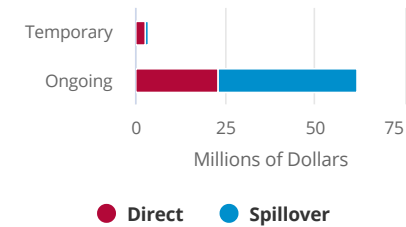
F2 FIGURE 2

Total Jobs



F3 FIGURE 3
Discounted at 2%

Total Payroll



Proposed Investment

Keystone Mills, LLC proposes to invest \$19.5 million at 1776 Route 336, Romulus, NY 14541 over 10 years. Seneca County IDA staff summarize the proposed with the following: Keystone Mills is constructing a new conventional milling facility to expand its organic feed production for dairy, beef, swine, sheep, goats and equine.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Conventional Mill Facility	\$7,567,000
OTHER SPENDING	
Property Acquisition	\$300,000
Equipment	\$11,176,000
Engineering/Architecture	\$22,000
Other	\$430,000
Total Investments	\$19,495,000
Discounted Total (2%)	\$19,495,000

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 Seneca County IDA. 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.

T2 TABLE 2

Estimated Costs or Incentives

Seneca County IDA is considering the following incentive package for Keystone Mills, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$19,000	\$18,000
Sales Tax Exemption	\$1,499,000	\$1,499,000
Mortgage Recording Tax Exemption	\$116,000	\$116,000
Total Costs	\$1,635,000	\$1,634,000

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	\$28,679,000	\$43,984,000	\$72,664,000
To Private Individuals	\$27,760,000	\$43,372,000	\$71,132,000
Temporary Payroll	\$2,791,000	\$883,000	\$3,674,000
Ongoing Payroll	\$24,969,000	\$42,489,000	\$67,458,000
To the Public	\$920,000	\$612,000	\$1,532,000
Property Tax Revenue	\$51,000	N/A	\$51,000
Temporary Sales Tax Revenue	\$39,000	\$12,000	\$52,000
Ongoing Sales Tax Revenue	\$352,000	\$600,000	\$952,000
Purchases Sales Tax Revenue	\$477,000	N/A	\$477,000
STATE BENEFITS	\$2,112,000	\$2,654,000	\$4,766,000
To the Public	\$2,112,000	\$2,654,000	\$4,766,000
Temporary Income Tax Revenue	\$125,000	\$42,000	\$167,000
Ongoing Income Tax Revenue	\$1,118,000	\$1,999,000	\$3,117,000
Temporary Sales Tax Revenue	\$39,000	\$12,000	\$52,000
Ongoing Sales Tax Revenue	\$352,000	\$600,000	\$952,000
Purchases Sales Tax Revenue	\$477,000	N/A	\$477,000
Total Benefits to State & Region	\$30,791,000	\$46,638,000	\$77,429,000
Discounted Total Benefits (2%)	\$28,523,000	\$42,770,000	\$71,294,000

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	\$66,872,000	\$807,000	83:1
State	\$4,421,000	\$827,000	5:1
Grand Total	\$71,294,000	\$1,634,000	44:1

May not sum to total due to rounding.
* Discounted at 2%

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