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To: UCIDA Board

From: Rose Woodworth, CEO

Date: April 22, 2021

Re: Apherea, Inc. – Internal Cost Benefit Analysis

**Summary**

I have completed our internal cost benefit analysis reports for the Proposed Project, Apherea, Inc. using our software, Inform Analytics. I used the software to the best of my ability and with the information that we have based on our current requests of all applicants. The software used to prepare this analysis has certain limitations, but the analysis appears accurate.

**Benefit to Cost Ratio**

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

Description	Benefit*	Cost*	Ratio
Region	\$4,920,000	\$306,000	16:1
State	\$284,000	\$110,000	3:1
<b>Grand Total</b>	<b>\$5,204,000</b>	<b>\$416,000</b>	<b>13:1</b>

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

The regional benefits mostly consist of temporary construction payroll and permanent ongoing payroll. The regional “costs” mostly include sales tax exemptions and property tax exemptions. For more information on the analysis, please see the attached report.

## **Cost-Benefit Analysis for Apherea, Inc.**

Prepared by Ulster County Development Agency using InformAnalytics

# Executive Summary

**INVESTOR**  
**Apherea, Inc.**

**TOTAL INVESTED**  
**\$4.4 Million**

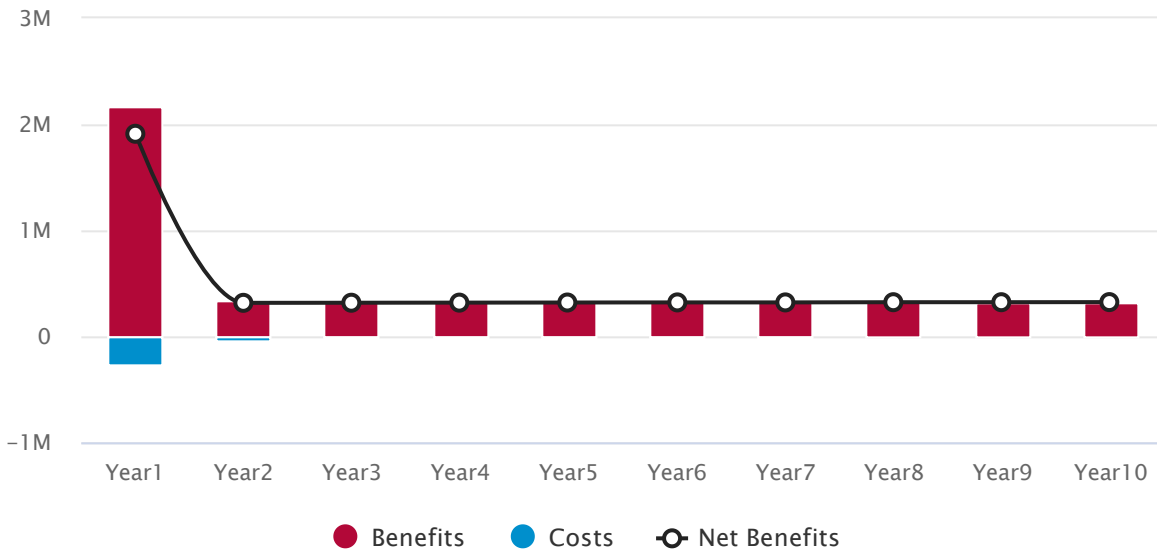
**LOCATION**  
**323 Upper North Road,  
Highland, NY 12528**

**TIMELINE**  
**10 Years**

F1 FIGURE 1

Discounted\* Net Benefits for Apherea, Inc. by Year

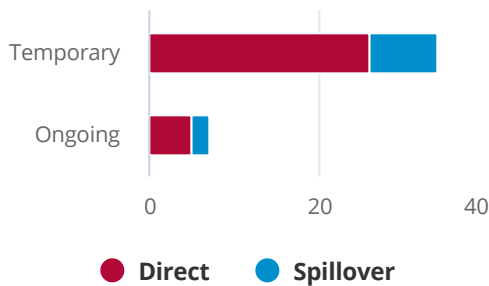
Total Net Benefits: \$4,788,000



Discounted at 2%

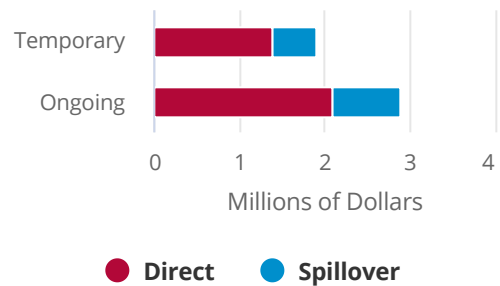
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Apherea, Inc. proposes to invest \$4.4 million at 323 Upper North Road, Highland, NY 12528 over 10 years. Ulster County Development Agency staff summarize the proposed with the following: 12,000 square-foot passive warehouse for real estate staging company

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Passive Warehouse	\$3,571,000
<b>OTHER SPENDING</b>	
Non-Manufacturing Equipment	\$500,000
Soft Costs	\$185,000
Certification	\$10,000
Land	\$110,000
<b>Total Investments</b>	<b>\$4,376,000</b>
<b>Discounted Total (2%)</b>	<b>\$4,376,000</b>

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 Ulster County Development 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.

T2 TABLE 2

## Estimated Costs or Incentives

Ulster County Development Agency is considering the following incentive package for Apherea, Inc..

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$198,000	\$187,000
Sales Tax Exemption	\$200,000	\$200,000
Mortgage Recording Tax Exemption	\$30,000	\$30,000
<b>Total Costs</b>	<b>\$428,000</b>	<b>\$416,000</b>

**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
<b>REGIONAL BENEFITS</b>	<b>\$3,834,000</b>	<b>\$1,363,000</b>	<b>\$5,197,000</b>
<b>To Private Individuals</b>	<b>\$3,626,000</b>	<b>\$1,346,000</b>	<b>\$4,972,000</b>
Temporary Payroll	\$1,364,000	\$465,000	\$1,829,000
Ongoing Payroll	\$2,262,000	\$881,000	\$3,143,000
<b>To the Public</b>	<b>\$208,000</b>	<b>\$17,000</b>	<b>\$225,000</b>
Property Tax Revenue	\$162,000	N/A	\$162,000
Temporary Sales Tax Revenue	\$17,000	\$6,000	\$23,000
Ongoing Sales Tax Revenue	\$29,000	\$11,000	\$40,000
<b>STATE BENEFITS</b>	<b>\$219,000</b>	<b>\$82,000</b>	<b>\$301,000</b>
<b>To the Public</b>	<b>\$219,000</b>	<b>\$82,000</b>	<b>\$301,000</b>
Temporary Income Tax Revenue	\$68,000	\$23,000	\$91,000
Ongoing Income Tax Revenue	\$105,000	\$42,000	\$147,000
Temporary Sales Tax Revenue	\$17,000	\$6,000	\$23,000
Ongoing Sales Tax Revenue	\$29,000	\$11,000	\$40,000
<b>Total Benefits to State &amp; Region</b>	<b>\$4,053,000</b>	<b>\$1,445,000</b>	<b>\$5,498,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$3,841,000</b>	<b>\$1,363,000</b>	<b>\$5,204,000</b>

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	\$4,920,000	\$306,000	16:1
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<b>Grand Total</b>	<b>\$5,204,000</b>	<b>\$416,000</b>	<b>13:1</b>

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

\* Discounted at 2%

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