

**OFFICERS**

CHAIR  
James Malcolm

VICE CHAIR  
& TREASURER  
Dr. Diane Eynon

SECRETARY  
Michael J. Ham

ASSISTANT TREASURER  
Faye Storms

ASSISTANT SECRETARY  
Orlando Reece

ASSISTANT SECRETARY  
Daniel Savona

CHIEF EXECUTIVE OFFICER  
Rose Woodworth

CHIEF FINANCIAL OFFICER  
Richard O. Jones

**BOARD MEMBERS**

Dr. Diane Eynon  
Michael J. Ham  
Richard O. Jones  
James Malcolm  
Orlando Reece  
Daniel Savona  
Faye Storms

To: UCIDA Board

From: Rose Woodworth, CEO

Date: May 14, 2021

Re: Romeo KIA of Kingston – Internal Cost Benefit Analysis

**Summary**

I have completed our internal cost benefit analysis reports for the Proposed Project, Romeo KIA of Kingston 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.

Romeo KIA plans to retain 18 employees in Ulster County at the Proposed Project site, and then they plan to add 18 new employees. The software does not differentiate between jobs created and jobs retained as Ulster County would have neither if not for this Project.

<b>Scenario</b>	<b>Benefit-Cost Ratio</b>
36 employees	25:1

The regional benefits mostly consist of 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 Romeo KIA of Kingston

Prepared by Ulster County Development Agency using InformAnalytics

# Executive Summary

**INVESTOR**  
**Romeo Enterprises, LLC**

**TOTAL INVESTED**  
**\$5.8 Million**

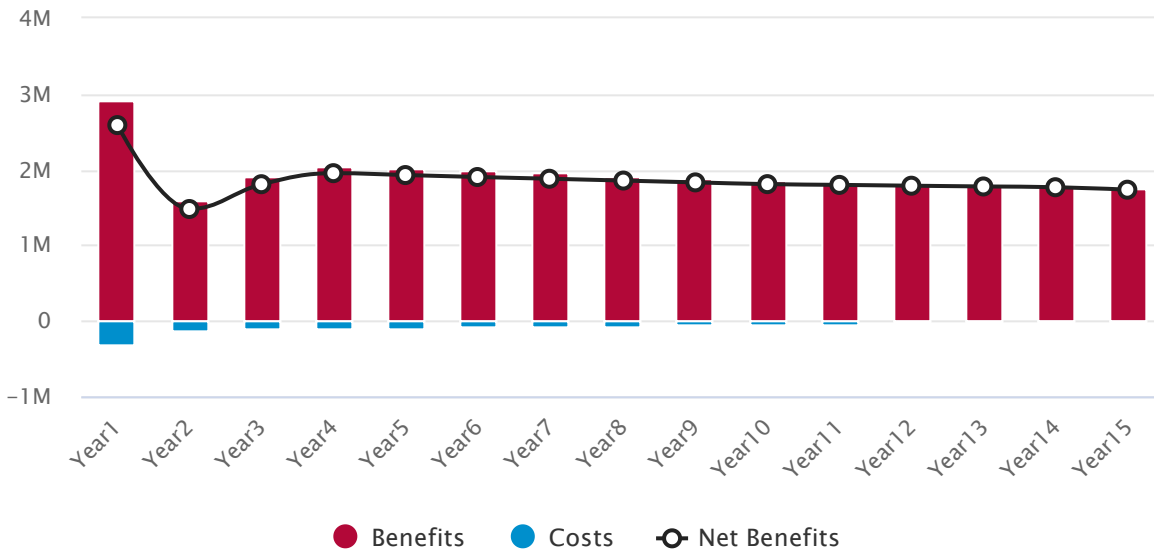
**LOCATION**  
**1670-1694 Ulster Ave**  
**Lake Katrine, NY 12449**

**TIMELINE**  
**15 Years**

F1 FIGURE 1

Discounted\* Net Benefits for Romeo KIA of Kingston by Year

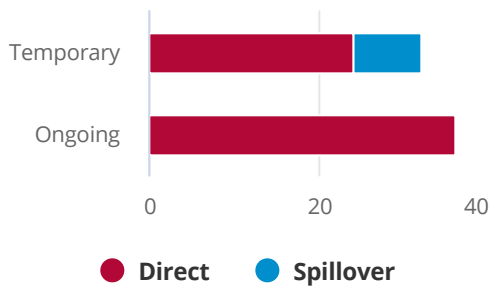
Total Net Benefits: \$27,876,000



Discounted at 2%

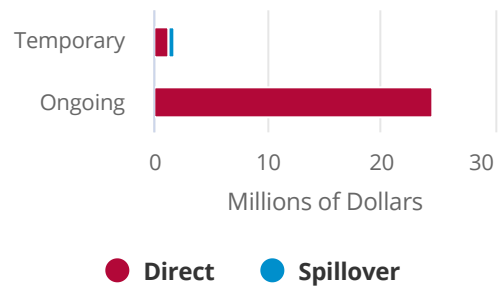
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Romeo Enterprises, LLC proposes to invest \$5.8 million at 1670-1694 Ulster Ave Lake Katrine, NY 12449 over 15 years.

Ulster County Development Agency staff summarize the proposed with the following: This Project will consist of constructing an 18,991 square-foot automotive dealership for sales and service on what is now vacant land next to QuickChek on Ulster Ave.

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Dealership	\$3,323,000
<b>OTHER SPENDING</b>	
Land	\$1,100,000
Infrastructure Work	\$900,000
Manufacturing Equipment	\$100,000
Non Manufacturing Equipment	\$100,000
Soft Costs	\$300,000
<b>Total Investments</b>	<b>\$5,823,000</b>
<b>Discounted Total (2%)</b>	<b>\$5,823,000</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 15 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 Romeo Enterprises, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,075,000	\$978,000
Sales Tax Exemption	\$160,000	\$160,000
Mortgage Recording Tax Exemption	\$40,000	\$40,000
<b>Total Costs</b>	<b>\$1,275,000</b>	<b>\$1,178,000</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>\$30,793,000</b>	<b>\$438,000</b>	<b>\$31,231,000</b>
<b>To Private Individuals</b>	<b>\$29,560,000</b>	<b>\$433,000</b>	<b>\$29,993,000</b>
Temporary Payroll	\$1,270,000	\$433,000	\$1,703,000
Ongoing Payroll	\$28,291,000	\$0	\$28,291,000
<b>To the Public</b>	<b>\$1,233,000</b>	<b>\$6,000</b>	<b>\$1,238,000</b>
Property Tax Revenue	\$856,000	N/A	\$856,000
Temporary Sales Tax Revenue	\$16,000	\$6,000	\$22,000
Ongoing Sales Tax Revenue	\$360,000	\$0	\$360,000
<b>STATE BENEFITS</b>	<b>\$1,844,000</b>	<b>\$27,000</b>	<b>\$1,871,000</b>
<b>To the Public</b>	<b>\$1,844,000</b>	<b>\$27,000</b>	<b>\$1,871,000</b>
Temporary Income Tax Revenue	\$63,000	\$21,000	\$85,000
Ongoing Income Tax Revenue	\$1,404,000	\$0	\$1,404,000
Temporary Sales Tax Revenue	\$16,000	\$6,000	\$22,000
Ongoing Sales Tax Revenue	\$360,000	\$0	\$360,000
<b>Total Benefits to State &amp; Region</b>	<b>\$32,637,000</b>	<b>\$465,000</b>	<b>\$33,102,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$28,589,000</b>	<b>\$465,000</b>	<b>\$29,054,000</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	\$27,418,000	\$1,085,000	25:1
State	\$1,636,000	\$93,000	18:1
<b>Grand Total</b>	<b>\$29,054,000</b>	<b>\$1,178,000</b>	<b>25:1</b>

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

\* Discounted at 2%

---

CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.