

# **Cost-Benefit Analysis for Fiorello Pharmaceuticals, Inc. (15 yr PILOT)**

Prepared by Orange County IDA using InformAnalytics

# Executive Summary

**INVESTOR**  
**Fiorello**  
**Pharmaceuticals, Inc.**

**TOTAL INVESTED**  
**\$154.6 Million**

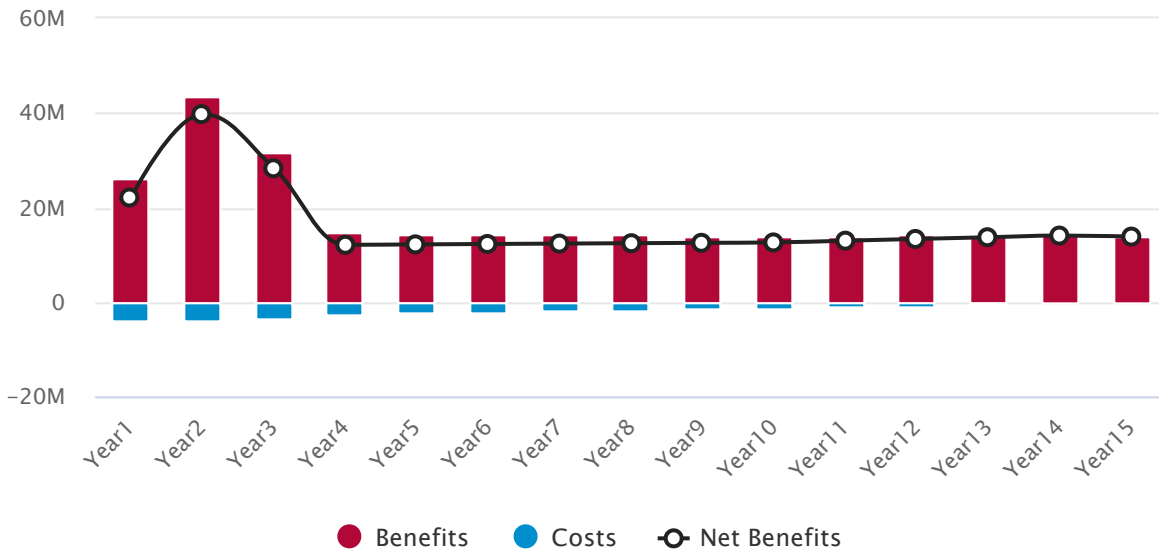
**LOCATION**  
**40-90 John Hicks Drive,**  
**Warwick, NY 10990**

**TIMELINE**  
**15 Years**

F1 FIGURE 1

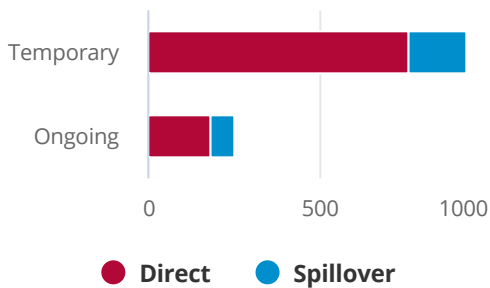
Discounted\* Net Benefits for Fiorello Pharmaceuticals, Inc. (15 yr PILOT) by Year

Total Net Benefits: \$244,103,000



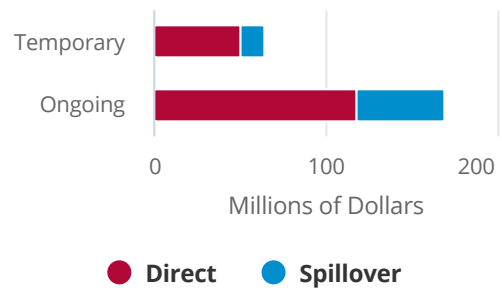
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Fiorello Pharmaceuticals, Inc. proposes to invest \$154.6 million at 40-90 John Hicks Drive, Warwick, NY 10990 over 15 years. Orange County IDA staff summarize the proposed with the following: Cannabis cultivation and manufacturing facility.

T1 TABLE 1

## Proposed Investments

| Description                                      | Amount               |
|--------------------------------------------------|----------------------|
| <b>CONSTRUCTION SPENDING</b>                     |                      |
| Cannabis cultivation and manufacturing facility. | \$117,500,000        |
| <b>OTHER SPENDING</b>                            |                      |
| Equipment                                        | \$28,000,000         |
| Engineering                                      | \$5,750,000          |
| Land                                             | \$3,326,000          |
| <b>Total Investments</b>                         | <b>\$154,576,000</b> |
| Discounted Total (2%)                            | \$152,284,000        |

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 Orange County IDA. 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

Orange County IDA is considering the following incentive package for Fiorello Pharmaceuticals, Inc..

| Description                      | Nominal Value       | Discounted Value*   |
|----------------------------------|---------------------|---------------------|
| Property Tax Exemption           | \$23,929,000        | \$21,515,000        |
| Sales Tax Exemption              | \$5,817,000         | \$5,746,000         |
| Mortgage Recording Tax Exemption | \$35,000            | \$35,000            |
| <b>Total Costs</b>               | <b>\$29,781,000</b> | <b>\$27,296,000</b> |

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

\* Discounted at 2%

### 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>\$209,871,000</b> | <b>\$75,334,000</b> | <b>\$285,205,000</b> |
| <b>To Private Individuals</b>               | <b>\$186,849,000</b> | <b>\$74,632,000</b> | <b>\$261,480,000</b> |
| Temporary Payroll                           | \$51,085,000         | \$14,334,000        | \$65,419,000         |
| Ongoing Payroll                             | \$135,763,000        | \$60,298,000        | \$196,062,000        |
| <b>To the Public</b>                        | <b>\$23,022,000</b>  | <b>\$702,000</b>    | <b>\$23,725,000</b>  |
| Property Tax Revenue                        | \$21,264,000         | N/A                 | \$21,264,000         |
| Temporary Sales Tax Revenue                 | \$481,000            | \$135,000           | \$616,000            |
| Ongoing Sales Tax Revenue                   | \$1,278,000          | \$567,000           | \$1,845,000          |
| <b>STATE BENEFITS</b>                       | <b>\$10,862,000</b>  | <b>\$4,459,000</b>  | <b>\$15,321,000</b>  |
| <b>To the Public</b>                        | <b>\$10,862,000</b>  | <b>\$4,459,000</b>  | <b>\$15,321,000</b>  |
| Temporary Income Tax Revenue                | \$2,552,000          | \$749,000           | \$3,301,000          |
| Ongoing Income Tax Revenue                  | \$6,437,000          | \$2,963,000         | \$9,400,000          |
| Temporary Sales Tax Revenue                 | \$512,000            | \$144,000           | \$656,000            |
| Ongoing Sales Tax Revenue                   | \$1,361,000          | \$604,000           | \$1,965,000          |
| <b>Total Benefits to State &amp; Region</b> | <b>\$220,733,000</b> | <b>\$79,793,000</b> | <b>\$300,526,000</b> |
| <b>Discounted Total Benefits (2%)</b>       | <b>\$200,453,000</b> | <b>\$70,946,000</b> | <b>\$271,399,000</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             | \$257,663,000        | \$24,297,000        | 11:1        |
| State              | \$13,736,000         | \$2,998,000         | 5:1         |
| <b>Grand Total</b> | <b>\$271,399,000</b> | <b>\$27,296,000</b> | <b>10:1</b> |

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

\* Discounted at 2%

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