

Orange County Industrial Development Agency

MRB Cost Benefit Calculator

Date July 16, 2022
Project Title Royal Wine Company & Goshen Developer JV, LLC
Project Location 2500 NYS Route 17M Goshen, NY 10924

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

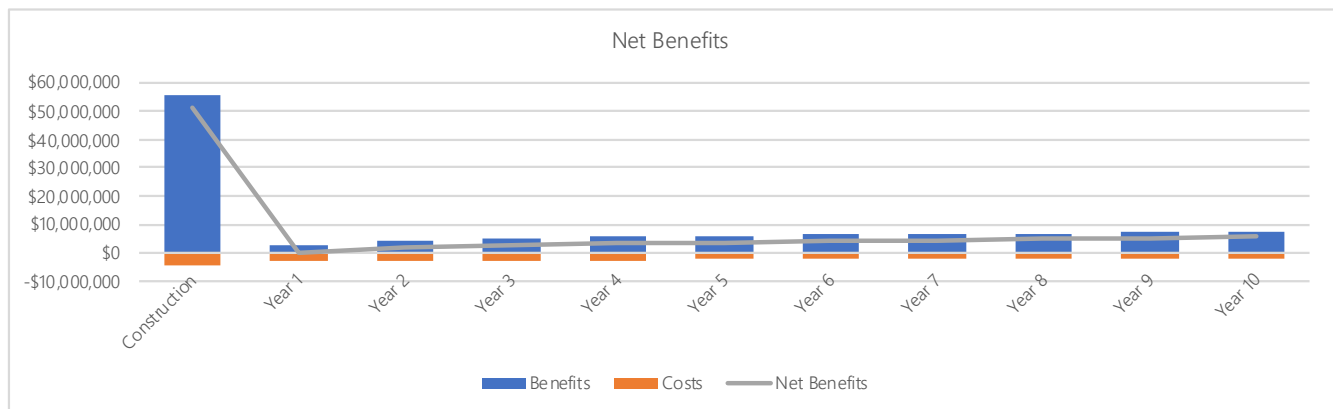
Project Total Investment

\$125,000,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	470	231	701
Earnings	\$38,922,805	\$13,608,820	\$52,531,625
Local Spend	\$106,250,000	\$46,838,019	\$153,088,019

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	55	25	80
Earnings	\$46,831,466	\$27,806,333	\$74,637,799

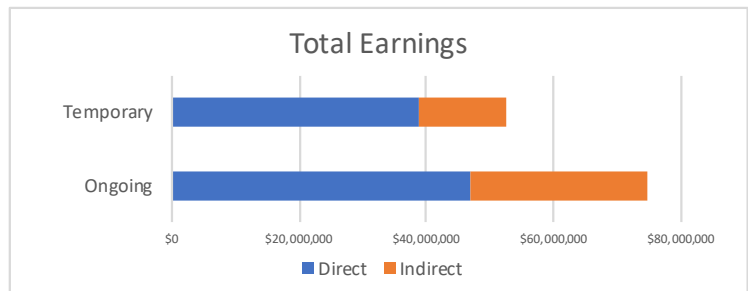
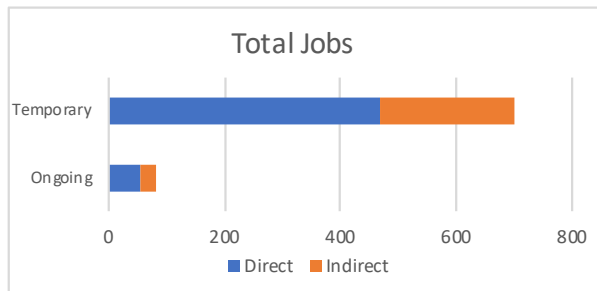
Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

Figure 3



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$27,645,257	\$24,533,148
Sales Tax Exemption	\$3,814,424	\$3,814,424
Local Sales Tax Exemption	\$1,780,064	\$1,780,064
State Sales Tax Exemption	\$2,034,359	\$2,034,359
Mortgage Recording Tax Exemption	\$517,000	\$517,000
Local Mortgage Recording Tax Exemption	\$172,333	\$172,333
State Mortgage Recording Tax Exemption	\$344,667	\$344,667
Total Costs	\$31,976,681	\$28,864,572

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$153,599,486	\$137,180,689
To Private Individuals	\$127,169,424	\$115,684,706
Temporary Payroll	\$52,531,625	\$52,531,625
Ongoing Payroll	\$74,637,799	\$63,153,081
Other Payments to Private Individuals	\$0	\$0
To the Public	\$26,430,062	\$21,495,983
Increase in Property Tax Revenue	\$25,651,149	\$20,787,414
Temporary Jobs - Sales Tax Revenue	\$321,756	\$321,756
Ongoing Jobs - Sales Tax Revenue	\$457,157	\$386,813
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$6,612,810	\$6,015,605
To the Public	\$6,612,810	\$6,015,605
Temporary Income Tax Revenue	\$2,363,923	\$2,363,923
Ongoing Income Tax Revenue	\$3,358,701	\$2,841,889
Temporary Jobs - Sales Tax Revenue	\$367,721	\$367,721
Ongoing Jobs - Sales Tax Revenue	\$522,465	\$442,072
Total Benefits to State & Region	\$160,212,296	\$143,196,294

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$137,180,689	\$26,485,546	5:1
State	\$6,015,605	\$2,379,026	3:1
Grand Total	\$143,196,294	\$28,864,572	5:1

*Discounted at 2%

Additional Comments from IDA

When one factors in the 65 jobs (55 full-time/10 part-time) that are expected to be retained by Royal Wine from their former locations, the Benefit-to Cost figures are as below. This should at least be kept in mind because due to unusually low turnover (nearly half that of their industry sector), most of Royal Wine' employees have been employed there for several years, in many cases several decades, so before long these retained jobs will be Goshen's gains too, and Orange County's and the Mid Hudson region's as well.

LOCAL BENEFIT \$210,126,363 / LOCAL COST \$26,485,546 = 8:1 Cost-to-Benefit Ratio -- NYS BENEFIT \$9,785,688 / NYS COST \$2,319,026 = 4:1 Cost-to-Benefit Ratio

Does the IDA believe that the project can be accomplished in a timely fashion?

Yes