



Internal Report: Hertel Pacific, LLC - Cypress North Corp.

Table 1: Basic Information

Project Name	Cypress North Corp.
Project Industry	(541) Professional, Scientific, and Technical Services
Municipality	Buffalo City
School District	Buffalo
Project Cost	\$936,160
Construction Budget	\$600,000
Direct Employment Expected	18 (2 created and 16 retained)
Direct Labor Income	\$1,095,570
Direct Construction Jobs	4
Direct Construction Labor Income	\$230,595
Total Labor Income	\$1,326,165

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$6,217
Sales Tax Revenue	\$158,326
State	
Income Tax Revenue	\$428,916
Sales Tax Revenue	\$133,327
TOTAL Estimated Revenue	\$726,787

Table 3: Estimated Project Incentives*

Property Tax Savings	\$23,547
Sales Tax Savings	\$35,000
Mortgage Tax Savings	\$5,250
TOTAL Estimated Incentives	\$63,797



Internal Report: Hertel Pacific, LLC - Cypress North Corp.

Table 1: Basic Information

Project Name	Cypress North Corp.
Project Applicant	Hertel Pacific, LLC
Project Industry	Professional, Scientific, and Technical Services
Municipality	Buffalo City
School District	Buffalo
Type of Transaction	Lease
Project Cost	\$936,160
Mortgage Amount	\$525,000

Table 2: Permanent New/Retained Employment (Annual FTEs)

	State	Region
Total Employment	41	41
Direct**	18 (2 created and 16 retained)	18 (2 created and 16 retained)
Indirect***	6	6
Induced****	10	10
Temporary Construction (Direct and Indirect)	6	6

Table 3: Permanent New/Retained Labor Income (Annual) & Average Salary (Annual)

	State Labor Income	Region Labor Income	Average Salary
Total	\$2,142,074	\$2,142,074	\$52,356
Direct**	\$1,095,570	\$1,095,570	\$60,865
Indirect***	\$321,286	\$321,286	\$49,451
Induced****	\$414,589	\$414,589	\$39,705
Temporary Construction (Direct and Indirect)	\$310,629	\$310,629	\$51,991

Table 4: Permanent New/Retained Labor Income (Discounted Present Value*)

	State Labor Income	Region Labor Income
Total	\$11,904,233	\$11,904,233
Direct**	\$6,935,291	\$6,935,291
Indirect***	\$2,033,841	\$2,033,841

Induced****	\$2,624,472	\$2,624,472
Temporary Construction (Direct and Indirect)	\$310,629	\$310,629

Table 5: Cost/Benefit Analysis (Discounted Present Value^{*})

Total Costs to State and Region	\$63,797
Mortgage Tax Revenue Forgone	\$5,250
State	\$3,938
County	\$1,313
Local	\$0
Property Tax Revenue Forgone	\$23,547
485-B Property Tax Abatement	\$10,621
Above 485-B	\$12,926
Sales Tax Revenue Forgone	\$35,000
Construction Materials	\$26,250
Other Items	\$8,750
Total Benefits to State and Region	\$12,631,020
Total State Benefits	\$12,466,477
Income Tax Revenue	\$428,916
Direct ^{**}	\$277,412
Indirect ^{***}	\$69,151
Induced ^{****}	\$70,861
Construction (Direct and Indirect, over 0 years)	\$11,493
Sales Tax Revenue	\$133,327
Direct ^{**}	\$77,675
Indirect ^{***}	\$22,779
Induced ^{****}	\$29,394
Construction (Direct and Indirect, over 0 years)	\$3,479
Labor Income	\$11,904,233
Total Regional Benefits	\$164,543
Property Tax/PILOT Revenue	\$6,217
Sales Tax Revenue	\$158,326
Direct ^{**}	\$92,239
Indirect ^{***}	\$27,050
Induced ^{****}	\$34,905
Construction (Direct and Indirect, over 0 years)	\$4,131
Benefit to Cost Ratio	12630833.2:1
Overall ROI	198:1

Table 6: Regional Fiscal Impact (Discounted Present Value*)

Total Local Client Incentives	\$42,062
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$164,543
Net Local Revenue	\$122,481
Benefit to Cost Ratio	3.9:1
Overall ROI	286.9:1

Table 7: Property Tax Revenue (Discounted Present Value*)

Total Property Tax	\$6,217
County Property Tax	\$984
City/Village Property Tax	\$2,579
School District Property Tax	\$2,654

* Figures over 7 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

© Center for Governmental Research 2021. All rights reserved.

Powered by **informANALYTICS** 

Table 4: Employment Breakdown

Project	
Direct**	18 (2 created and 16 retained)
Indirect***	6
Induced****	10
Construction	
Direct	4
Indirect	2

Table 5: Ratios

Benefit to Cost Ratio	11.4:1
Overall ROI	198:1

* Figures over 7 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

© Center for Governmental Research 2021. All rights reserved.

Powered by **informANALYTICS** 