

Cost-Benefit Analysis for Time Release Properties, LLC

Prepared by Erie County IDA using InformAnalytics

Executive Summary

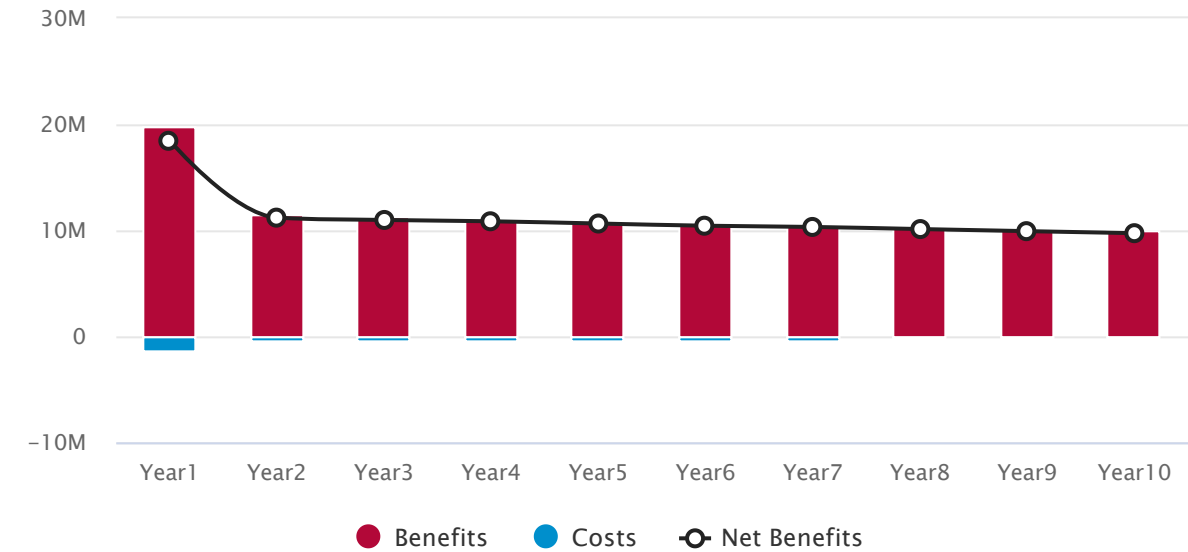
INVESTOR	TOTAL INVESTED	LOCATION	TIMELINE
Time Release Sciences, Inc.	\$30.5 Million	2303 Hamburg Turnpike, Lackawanna, NY 14218	10 Years

F1

FIGURE 1

Discounted* Net Benefits for Time Release Properties, LLC by Year

Total Net Benefits: \$112,648,000

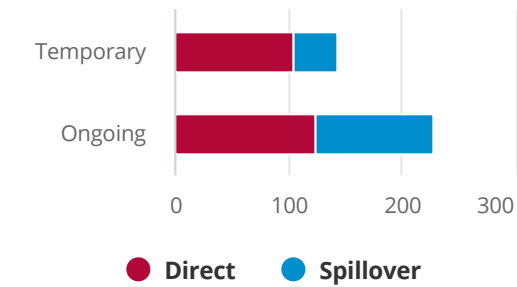


Discounted at 2%

F2

FIGURE 2

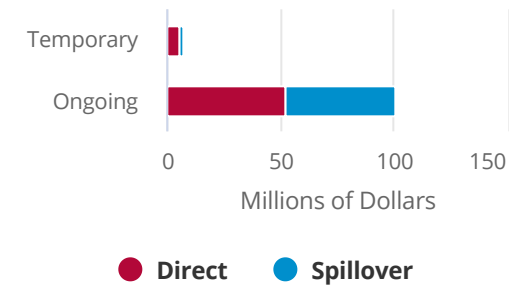
Total Jobs



F3

FIGURE 3

Total Payroll



Proposed Investment

Time Release Sciences, Inc. proposes to invest \$30.5 million at 2303 Hamburg Turnpike, Lackawanna, NY 14218 over 10 years.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Construction	\$14,310,000
OTHER SPENDING	
Land Acquisition	\$1,060,000
Infrastructure	\$3,530,000
Manufacturing Equipment	\$6,000,000
Non-Manufacturing Equipment	\$2,800,000
Soft Costs	\$2,800,000
Total Investments	\$30,500,000
Discounted Total (2%)	\$30,500,000

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 Erie County IDA. 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

Erie County IDA is considering the following incentive package for Time Release Sciences, Inc..

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$3,617,000	\$3,333,000
Sales Tax Exemption	\$866,000	\$866,000
Mortgage Recording Tax Exemption	\$105,000	\$105,000
Total Costs	\$4,588,000	\$4,304,000

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
REGIONAL BENEFITS	\$64,678,000	\$55,094,000	\$119,772,000
To Private Individuals	\$62,695,000	\$54,210,000	\$116,905,000
Temporary Payroll	\$5,500,000	\$1,909,000	\$7,409,000
Ongoing Payroll	\$57,195,000	\$52,301,000	\$109,496,000
To the Public	\$1,984,000	\$884,000	\$2,868,000
Property Tax Revenue	\$961,000	N/A	\$961,000
Temporary Sales Tax Revenue	\$90,000	\$31,000	\$121,000
Ongoing Sales Tax Revenue	\$933,000	\$853,000	\$1,785,000
STATE BENEFITS	\$3,804,000	\$3,250,000	\$7,054,000
To the Public	\$3,804,000	\$3,250,000	\$7,054,000
Temporary Income Tax Revenue	\$269,000	\$93,000	\$362,000
Ongoing Income Tax Revenue	\$2,650,000	\$2,392,000	\$5,042,000
Temporary Sales Tax Revenue	\$78,000	\$27,000	\$105,000
Ongoing Sales Tax Revenue	\$807,000	\$738,000	\$1,546,000
Total Benefits to State & Region	\$68,482,000	\$58,344,000	\$126,827,000
Discounted Total Benefits (2%)	\$63,323,000	\$53,629,000	\$116,952,000

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	\$110,449,000	\$3,867,000	29:1
State	\$6,502,000	\$437,000	15:1
Grand Total	\$116,952,000	\$4,304,000	27:1

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

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