

# Cost-Benefit Analysis for City of Poughkeepsie - MPI Incorporated

Prepared by Dutchess County IDA using InformAnalytics

# Executive Summary

**INVESTOR**  
**MPI Incorporated**

**TOTAL INVESTED**  
**\$5.3 Million**

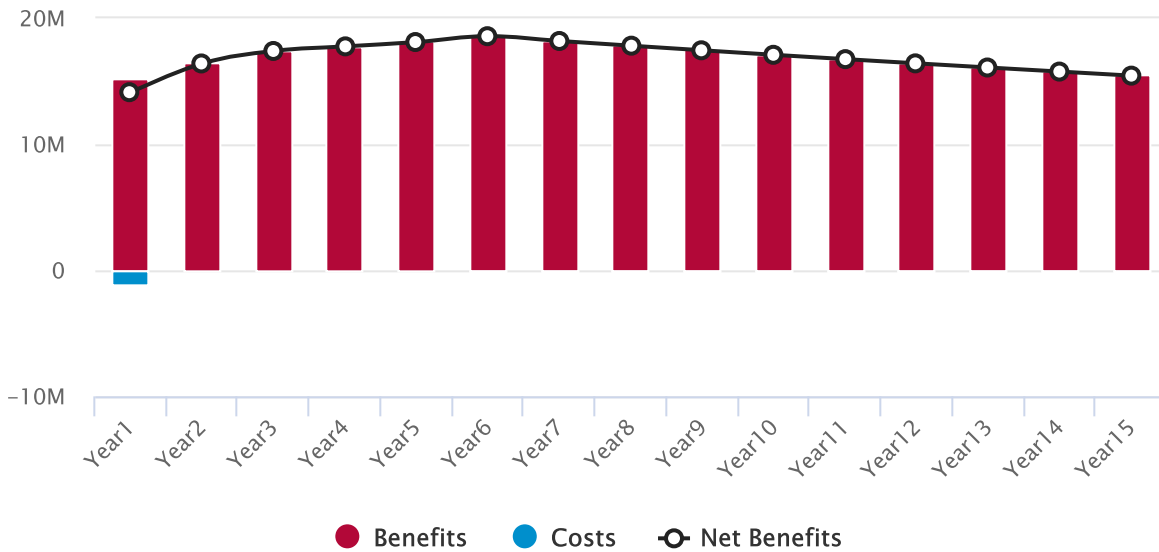
**LOCATION**  
**165 Smith Street,  
Poughkeepsie, NY  
12601**

**TIMELINE**  
**15 Years**

F1 FIGURE 1

Discounted\* Net Benefits for City of Poughkeepsie - MPI Incorporated by Year

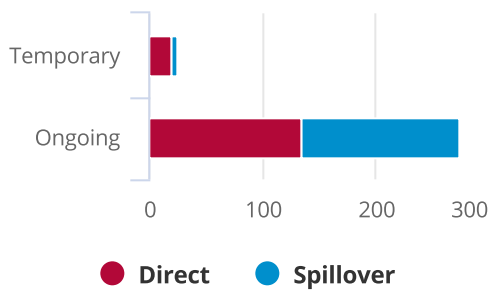
Total Net Benefits: \$253,412,000



Discounted at 2%

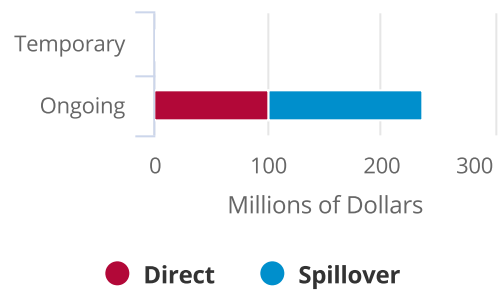
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

MPI Incorporated proposes to invest \$5.3 million at 165 Smith Street, Poughkeepsie, NY 12601 over 15 years. Dutchess County IDA staff summarize the proposed with the following: MPI proposes to increase its current square footage by 14,000 square foot, which will allow them to accommodate differing capacities including a paint prep area, a sandblasting booth, automated storage and moving systems.

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Construct a 14,000 square foot addition to house addition capabilities	\$3,138,000
<b>OTHER SPENDING</b>	
Real Estate	\$450,000
Equipment	\$1,500,000
Professional Fees	\$256,000
<b>Total Investments</b>	<b>\$5,345,000</b>
<b>Discounted Total (2%)</b>	<b>\$5,345,000</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 Dutchess 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

Dutchess County IDA is considering the following incentive package for MPI Incorporated.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,594,000	\$1,349,000
Sales Tax Exemption	\$376,000	\$376,000
Mortgage Recording Tax Exemption	\$43,000	\$43,000
Other Incentives	\$700,000	\$700,000
<b>Total Costs</b>	<b>\$2,713,000</b>	<b>\$2,468,000</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>\$117,988,000</b>	<b>\$159,788,000</b>	<b>\$277,759,000</b>
<b>To Private Individuals</b>	<b>\$116,617,000</b>	<b>\$158,285,000</b>	<b>\$274,902,000</b>
Temporary Payroll	\$1,364,000	\$383,000	\$1,747,000
Ongoing Payroll	\$115,253,000	\$157,903,000	\$273,155,000
<b>To the Public</b>	<b>\$1,371,000</b>	<b>\$1,502,000</b>	<b>\$2,856,000</b>
Property Tax Revenue	\$270,000	N/A	\$270,000
Temporary Sales Tax Revenue	\$13,000	\$4,000	\$16,000
Ongoing Sales Tax Revenue	\$1,085,000	\$1,486,000	\$2,570,000
<b>STATE BENEFITS</b>	<b>\$6,995,000</b>	<b>\$9,731,000</b>	<b>\$16,726,000</b>
<b>To the Public</b>	<b>\$6,995,000</b>	<b>\$9,731,000</b>	<b>\$16,726,000</b>
Temporary Income Tax Revenue	\$68,000	\$20,000	\$88,000
Ongoing Income Tax Revenue	\$5,758,000	\$8,125,000	\$13,883,000
Temporary Sales Tax Revenue	\$14,000	\$4,000	\$18,000
Ongoing Sales Tax Revenue	\$1,155,000	\$1,582,000	\$2,737,000
<b>Total Benefits to State &amp; Region</b>	<b>\$124,982,000</b>	<b>\$169,519,000</b>	<b>\$294,485,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$108,707,000</b>	<b>\$147,190,000</b>	<b>\$255,880,000</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	\$241,349,000	\$1,531,000	158:1
State	\$14,531,000	\$237,000	61:1
<b>Grand Total</b>	<b>\$255,880,000</b>	<b>\$2,468,000</b>	<b>104:1</b>

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

\* Discounted at 2%

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