

# Cost-Benefit Analysis for Danaren (BonaDent) Expansion - CGR Reviewed

Prepared by Seneca County IDA using InformAnalytics

# Executive Summary

### INVESTOR

**Danaren Dental Laboratories**

### TOTAL INVESTED

**\$3.8 Million**

### LOCATION

**2495 BonaDent Dr,  
Seneca Falls, NY 13148**

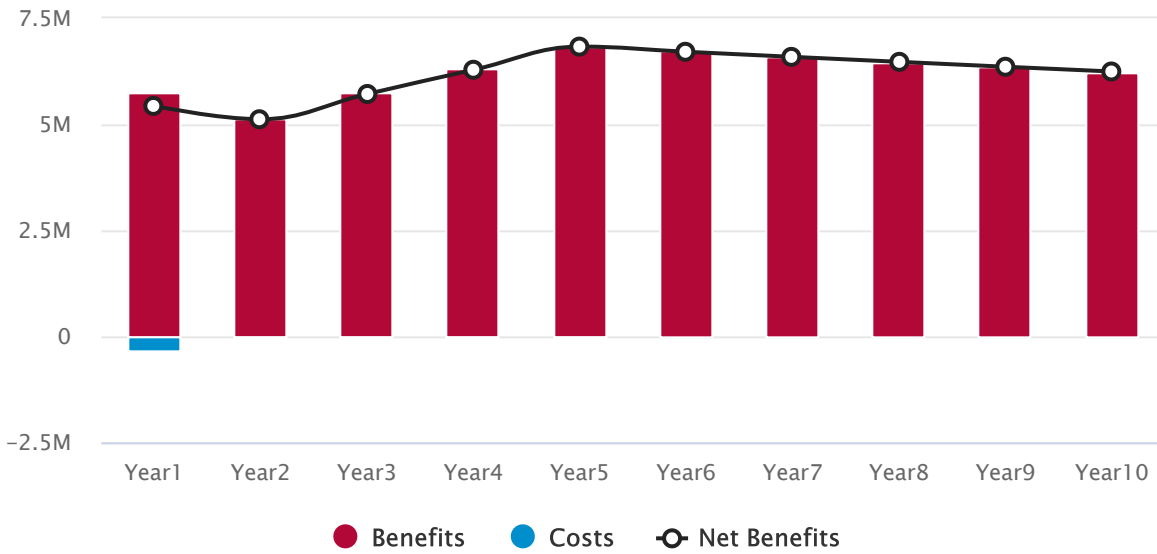
### TIMELINE

**10 Years**

F1 FIGURE 1

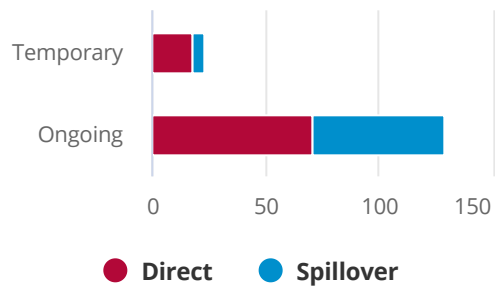
Discounted\* Net Benefits for Danaren (BonaDent) Expansion - CGR Reviewed by Year

Total Net Benefits: **\$61,770,000**



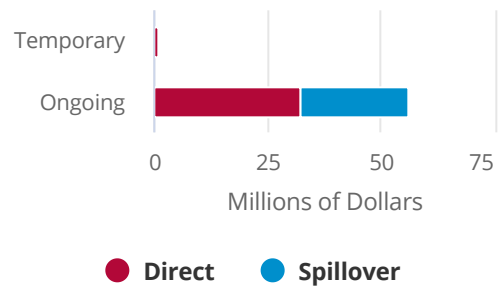
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Danaren Dental Laboratories proposes to invest \$3.8 million at 2495 BonaDent Dr, Seneca Falls, NY 13148 over 10 years. Seneca County IDA staff summarize the proposed with the following: Danaren is proposing a 13,650 square foot addition to their manufacturing space in Seneca Falls and is expecting to hire 35 new employees over the next 5 years.

T1 TABLE 1

## Proposed Investments

| Description                           | Amount             |
|---------------------------------------|--------------------|
| <b>CONSTRUCTION SPENDING</b>          |                    |
| 13,650 sq. ft. Manufacturing Addition | \$2,400,000        |
| <b>OTHER SPENDING</b>                 |                    |
| Equipment                             | \$1,250,000        |
| Architecture/Engineering              | \$100,000          |
| <b>Total Investments</b>              | <b>\$3,750,000</b> |
| Discounted Total (2%)                 | \$3,750,000        |

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 Seneca 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

Seneca County IDA is considering the following incentive package for Danaren Dental Laboratories.

| Description                      | Nominal Value    | Discounted Value* |
|----------------------------------|------------------|-------------------|
| Property Tax Exemption           | \$187,000        | \$176,000         |
| Sales Tax Exemption              | \$292,000        | \$292,000         |
| Mortgage Recording Tax Exemption | \$23,000         | \$23,000          |
| <b>Total Costs</b>               | <b>\$502,000</b> | <b>\$491,000</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>\$37,495,000</b> | <b>\$26,889,000</b> | <b>\$64,383,000</b> |
| <b>To Private Individuals</b>               | <b>\$36,085,000</b> | <b>\$26,514,000</b> | <b>\$62,599,000</b> |
| Temporary Payroll                           | \$885,000           | \$280,000           | \$1,165,000         |
| Ongoing Payroll                             | \$35,200,000        | \$26,234,000        | \$61,434,000        |
| <b>To the Public</b>                        | <b>\$1,410,000</b>  | <b>\$374,000</b>    | <b>\$1,784,000</b>  |
| Property Tax Revenue                        | \$900,000           | N/A                 | \$900,000           |
| Temporary Sales Tax Revenue                 | \$12,000            | \$4,000             | \$16,000            |
| Ongoing Sales Tax Revenue                   | \$497,000           | \$370,000           | \$867,000           |
| <b>STATE BENEFITS</b>                       | <b>\$2,238,000</b>  | <b>\$1,643,000</b>  | <b>\$3,882,000</b>  |
| <b>To the Public</b>                        | <b>\$2,238,000</b>  | <b>\$1,643,000</b>  | <b>\$3,882,000</b>  |
| Temporary Income Tax Revenue                | \$40,000            | \$13,000            | \$53,000            |
| Ongoing Income Tax Revenue                  | \$1,689,000         | \$1,256,000         | \$2,945,000         |
| Temporary Sales Tax Revenue                 | \$12,000            | \$4,000             | \$16,000            |
| Ongoing Sales Tax Revenue                   | \$497,000           | \$370,000           | \$867,000           |
| <b>Total Benefits to State &amp; Region</b> | <b>\$39,733,000</b> | <b>\$28,532,000</b> | <b>\$68,265,000</b> |
| <b>Discounted Total Benefits (2%)</b>       | <b>\$36,292,000</b> | <b>\$25,968,000</b> | <b>\$62,261,000</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             | \$58,725,000        | \$330,000        | 178:1        |
| State              | \$3,535,000         | \$161,000        | 22:1         |
| <b>Grand Total</b> | <b>\$62,261,000</b> | <b>\$491,000</b> | <b>127:1</b> |

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

\* Discounted at 2%

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