

# Cost-Benefit Analysis for Shop-Rite Supermarkets, Inc at Hudson Heritage

Prepared by Dutchess County IDA using InformAnalytics

# Executive Summary

**INVESTOR**  
Shop-Rite Supermarkets, Inc.

**TOTAL INVESTED**  
\$17.0 Million

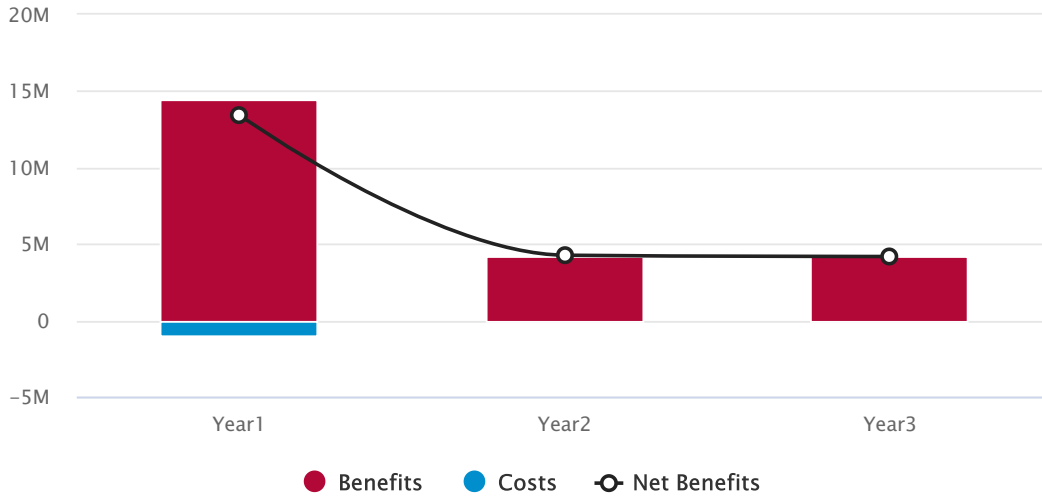
**LOCATION**  
3532 North Road,  
Poughkeepsie, NY 12601

**TIMELINE**  
3 Years

F1 FIGURE 1

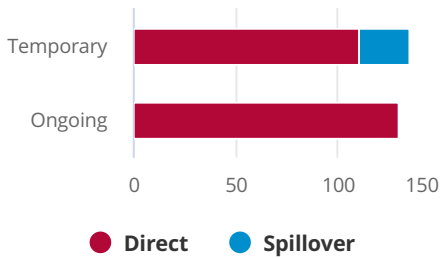
Discounted\* Net Benefits for Shop-Rite Supermarkets, Inc at Hudson Heritage by Year

Total Net Benefits: \$21,853,000



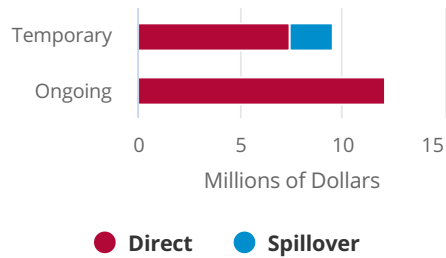
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Shop-Rite Supermarkets, Inc. proposes to invest \$17.0 million at 3532 North Road, Poughkeepsie, NY 12601 over 3 years. Dutchess County IDA staff summarize the proposed with the following: The applicant proposes to construct a 65,000 square foot supermarket at 3532 North Road (Route 9) in the Town of Poughkeepsie. The project is requesting sales tax exemptions for the construction of the supermarket. The supermarket will support the development plans of Hudson Heritage of which this project is part of.

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
65,000 square foot supermarket	\$17,000,000
<b>Total Investments</b>	<b>\$17,000,000</b>
Discounted Total (2%)	\$17,000,000

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 Dutchess County IDA. The report calculates the costs and benefits for specified local taxing districts over the first 3 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 Shop-Rite Supermarkets, Inc..

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$1,042,000	\$1,042,000
<b>Total Costs</b>	<b>\$1,042,000</b>	<b>\$1,042,000</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>\$19,941,000</b>	<b>\$2,093,000</b>	<b>\$22,034,000</b>
<b>To Private Individuals</b>	<b>\$19,755,000</b>	<b>\$2,074,000</b>	<b>\$21,829,000</b>
Temporary Payroll	\$7,391,000	\$2,074,000	\$9,465,000
Ongoing Payroll	\$12,364,000	\$0	\$12,364,000
<b>To the Public</b>	<b>\$186,000</b>	<b>\$20,000</b>	<b>\$205,000</b>
Temporary Sales Tax Revenue	\$70,000	\$20,000	\$89,000
Ongoing Sales Tax Revenue	\$116,000	\$0	\$116,000
<b>STATE BENEFITS</b>	<b>\$985,000</b>	<b>\$129,000</b>	<b>\$1,114,000</b>
<b>To the Public</b>	<b>\$985,000</b>	<b>\$129,000</b>	<b>\$1,114,000</b>
Temporary Income Tax Revenue	\$369,000	\$108,000	\$478,000
Ongoing Income Tax Revenue	\$418,000	\$0	\$418,000
Temporary Sales Tax Revenue	\$74,000	\$21,000	\$95,000
Ongoing Sales Tax Revenue	\$124,000	\$0	\$124,000
<b>Total Benefits to State &amp; Region</b>	<b>\$20,926,000</b>	<b>\$2,222,000</b>	<b>\$23,148,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$20,672,000</b>	<b>\$2,222,000</b>	<b>\$22,895,000</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	\$21,791,000	\$504,000	43:1
State	\$1,103,000	\$537,000	2:1
<b>Grand Total</b>	<b>\$22,895,000</b>	<b>\$1,042,000</b>	<b>22:1</b>

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

\* Discounted at 2%

---

CGR has exercised reasonable professional care and diligence in the the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.