

# Cost-Benefit Analysis for Hatfield Metal Fab, Inc

Prepared by Dutchess County IDA using InformAnalytics

# Executive Summary

**INVESTOR**  
**Hatfield Metal Fab, Inc**

**TOTAL INVESTED**  
**\$4.2 Million**

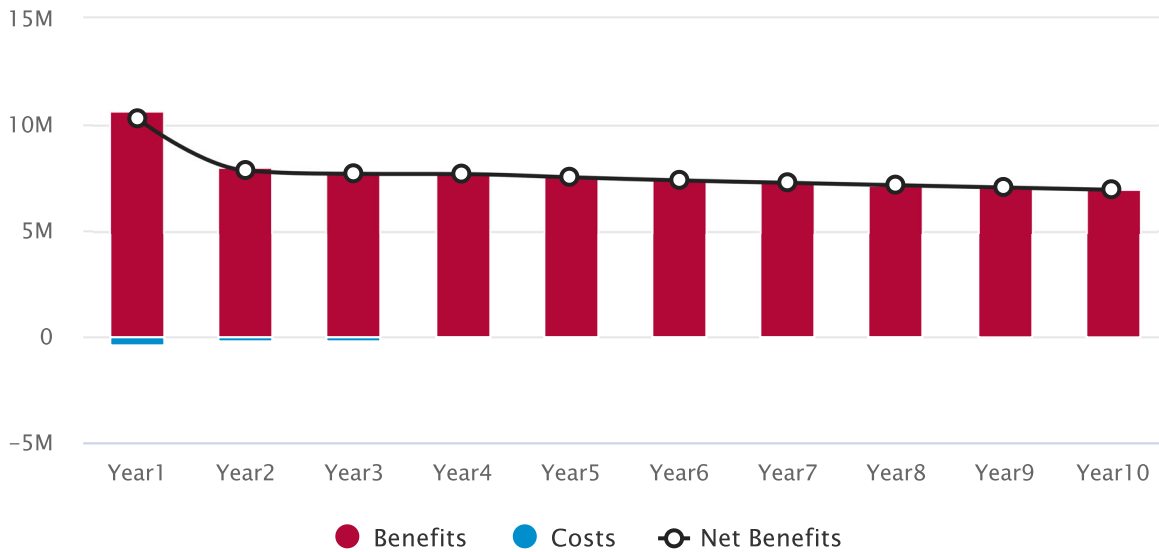
**LOCATION**  
**16 Hatfield Lane,**  
**Poughkeepsie, NY**  
**12603**

**TIMELINE**  
**10 Years**

F1 FIGURE 1

Discounted\* Net Benefits for Hatfield Metal Fab, Inc by Year

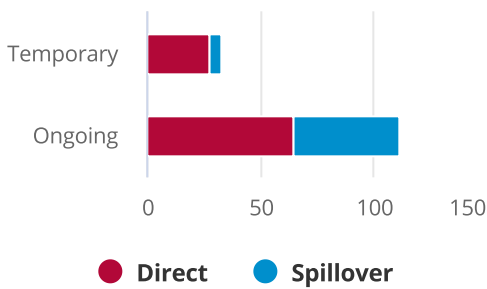
Total Net Benefits: \$76,812,000



Discounted at 2%

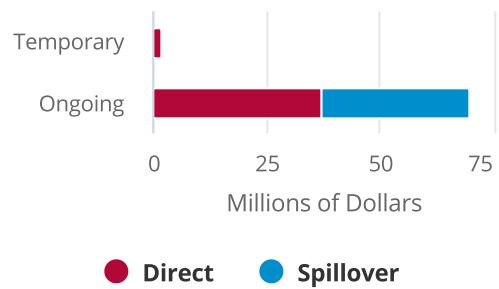
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Hatfield Metal Fab, Inc proposes to invest \$4.2 million at 16 Hatfield Lane, Poughkeepsie, NY 12603 over 10 years. Dutchess County IDA staff summarize the proposed with the following: The Applicant plans to expand his current site to construct a \$30,000 square foot addition of the weld and machining area to enable HMF to contract larger projects to remain competitive and to meet their needs of their clients

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Expansion	\$4,146,000
<b>OTHER SPENDING</b>	
Professional Services	\$80,000
<b>Total Investments</b>	<b>\$4,226,000</b>
Discounted Total (2%)	\$4,226,000

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 10 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 Hatfield Metal Fab, Inc.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$913,000	\$860,000
Sales Tax Exemption	\$186,000	\$186,000
<b>Total Costs</b>	<b>\$1,099,000</b>	<b>\$1,046,000</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>\$43,141,000</b>	<b>\$36,793,000</b>	<b>\$79,933,000</b>
<b>To Private Individuals</b>	<b>\$42,097,000</b>	<b>\$36,450,000</b>	<b>\$78,547,000</b>
Temporary Payroll	\$1,802,000	\$506,000	\$2,308,000
Ongoing Payroll	\$40,295,000	\$35,944,000	\$76,238,000
<b>To the Public</b>	<b>\$1,044,000</b>	<b>\$343,000</b>	<b>\$1,387,000</b>
Property Tax Revenue	\$647,000	N/A	\$647,000
Temporary Sales Tax Revenue	\$17,000	\$5,000	\$22,000
Ongoing Sales Tax Revenue	\$379,000	\$338,000	\$717,000
<b>STATE BENEFITS</b>	<b>\$2,525,000</b>	<b>\$2,233,000</b>	<b>\$4,758,000</b>
<b>To the Public</b>	<b>\$2,525,000</b>	<b>\$2,233,000</b>	<b>\$4,758,000</b>
Temporary Income Tax Revenue	\$90,000	\$26,000	\$116,000
Ongoing Income Tax Revenue	\$2,013,000	\$1,842,000	\$3,855,000
Temporary Sales Tax Revenue	\$18,000	\$5,000	\$23,000
Ongoing Sales Tax Revenue	\$404,000	\$360,000	\$764,000
<b>Total Benefits to State &amp; Region</b>	<b>\$45,666,000</b>	<b>\$39,026,000</b>	<b>\$84,692,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$42,056,000</b>	<b>\$35,802,000</b>	<b>\$77,858,000</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	\$73,486,000	\$950,000	77:1
State	\$4,371,000	\$96,000	46:1
<b>Grand Total</b>	<b>\$77,858,000</b>	<b>\$1,046,000</b>	<b>74:1</b>

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

\* Discounted at 2%

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