

PROJECT SUMMARY
SOPS, LLC
(Sun Orchard Fruit Company)



Applicant:	SOPS, LLC (Sun Orchard Fruit Company)	
Project Location:	2087 Transit Road Burt, New York	
Assistance:	15 Year Industrial PILOT Sales tax abatements Mortgage Recording tax abatement	
Description:	<p>Sun Orchard Fruit Company is a fourth-generation, family-owned company. Sun Orchard Fruit Company operates a fresh apple packing facility at its location at 2087 Transit Road in the Town of Newfane. Sun Orchard packs and ships approximately 500,000 cartons of apples annually.</p> <p>The company is proposing construction of a 24,000 square foot addition to house a new production line. The expansion is needed because of projected increases in apple supply and demand. The facility will enable Sun Orchard to pack the increased supply more effectively and efficiently and provide a higher quality product to meet demand.</p>	
Project Costs:	Land Construction Sitework Furniture/fixtures/software Equipment Soft costs <p style="text-align: right;">TOTAL</p>	\$ 5,000 \$ 1,385,000 \$ 115,000 \$ 45,000 \$ 1,926,000 \$ <u>7,000</u> \$ 3,483,000
Employment:	Currently at Facility: 54 New Jobs at Facility: 12 within 3 years Total New Annual Payroll: \$234,000 Skills: Managerial, Production	

REGIONAL ECONOMIC IMPACT ANALYSIS SOPS

Utilizing IMPLAN Pro modeling software, an economic impact analysis was conducted to measure new investment and employment for the project. IMPLAN Pro is a widely accepted software application and an industry standard for economic impact modeling measuring employment and salary impacts and facility output on the community for a given project.

The impacts can be measured on an annual basis except for finite activities, such as economic activity occurring as a result of construction investment.

New Capital Investment: New Construction	\$1,385,000
Direct Employment: New Jobs New Annual Payroll	12 \$234,000
<p>New Jobs Impact: The 12 new jobs will:</p> <ul style="list-style-type: none"> ➤ Support an additional 1.5 induced effect jobs in the county at an estimated value of \$52,000 ➤ Contribute \$4,800 in sales taxes annually 	

COST BENEFIT ANALYSIS

SOPS (Sun Orchard Fruit Company) 2087 Transit Road Burt, New York	Applicant Benefit	Community Benefit
Estimated Property Tax Exemptions for improvements (15-year PILOT)	\$400,000	
Estimated Annual Real Property Taxes paid at conclusion of PILOT		\$45,000
Estimated Sales Tax Exemptions on construction and furnishing building	\$218,000	
Project will add 14 new jobs and new annual payroll of \$234,000		\$234,000
Estimated annual labor income of induced jobs created		\$52,000
The new jobs will pay an estimated \$4,800 in sales tax annually		\$4,800
The new facility and permanent jobs will have a positive effect on community businesses such as restaurants, stores, entertainment, transportation, and professional service providers		\$300,000
TOTAL	\$618,000	\$635,800

DEFINITIONS

Direct Effects

The set of expenditures applied to the predictive model for impact analysis. It is a series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes.

Indirect Effects

The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers.

Induced Effects

The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity.