



COMPARATIVE
FOOD & BEVERAGE PROCESSING
INDUSTRY OPERATING COSTS

The Boyd Company, Inc.
Location Consultants
Princeton, NJ



TABLE OF CONTENTS

**COMPARATIVE OPERATING COST ANALYSIS: EXECUTIVE
SUMMARY AND NOTES** 1
INTRODUCTION 1
COMPARATIVE REGIONAL LOCATIONS 1
LABOR COSTS 2
COMPARATIVE ELECTRIC POWER AND NATURAL GAS COSTS 2
COMPARATIVE LAND ACQUISITION AND CONSTRUCTION COSTS 3
COMPARATIVE AD VALOREM AND SALES TAX COSTS 3
TOTAL ANNUAL OPERATING COST RANKINGS 3
ABOUT BOYD 4

COMPARATIVE OPERATING COST ANALYSIS I:5
EXHIBIT I: A COMPARATIVE ANNUAL OPERATING COST
SIMULATION SUMMARY 6
EXHIBIT II: COMPARATIVE ANNUAL LABOR COSTS 7
EXHIBIT III: ANNUAL ELECTRIC POWER AND NATURAL GAS COSTS 8
EXHIBIT IV: PLANT CONSTRUCTION & AMORTIZATION COSTS 9
EXHIBIT V: AD VALOREM & SALES TAX COSTS 10

COMPARATIVE OPERATING COST ANALYSIS II:11
EXHIBIT I: A COMPARATIVE ANNUAL OPERATING COST
SIMULATION SUMMARY 12
EXHIBIT II: COMPARATIVE ANNUAL LABOR COSTS 13
EXHIBIT III: ANNUAL ELECTRIC POWER AND NATURAL GAS COSTS 14
EXHIBIT IV: PLANT CONSTRUCTION & AMORTIZATION COSTS 15
EXHIBIT V: AD VALOREM & SALES TAX COSTS 16

**COMPARATIVE OPERATING COST ANALYSIS:
EXECUTIVE SUMMARY AND NOTES**

Introduction

In the following analysis, major operating costs scaled to a representative food & beverage processing plant are presented for a series of 11 comparative production sites in the U.S. Findings are summarized in Exhibit I and show total annual operating costs ranging from a high of \$31.6 million in Long Island, NY, to a low of \$25.0 million in Scranton/Wilkes Barre, PA.

Annual operating costs were projected solely for comparative purposes, with only major geographically-variable factors being considered. Those costs not varying significantly with geography, including relocation and start-up expenses, were not considered. The independent Boyd analysis focuses on those key geographically-variable cost elements considered to be most pivotal to the corporate site selection process.

Overall costs were scaled to a hypothetical 225,000 sq. ft. production facility employing 350 workers. The format of the cost exhibits will allow the tailoring of cost data and facility specifications to reflect alternate scales of operation and staffing. Geographically-variable operating cost differentials are based on latest available first quarter 2017 figures. The report is designed to be a useful cost-comparison tool for a range of industry sectors, including beverages, dairy products, fruit & vegetable processing, meat & seafood products, snack foods, cookies & crackers, baked goods and other related food processing sectors.

Comparative Locations

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected by Boyd for a series of 11 regional areas in the U.S. housing current and emerging concentrations of food & beverage processing operations.

The 11 comparative locations included in the Boyd analysis are detailed below alphabetically by state.

- Chicago, IL
- Baltimore, MD
- Boston, MA
- Camden/South Jersey, NJ
- Newark/North Jersey, NJ
- Long Island, NY
- Poughkeepsie/Hudson Valley, NY
- Allentown/Bethlehem, PA
- Lancaster County, PA
- Philadelphia, PA
- Scranton/Wilkes Barre, PA

Labor Costs

Annual costs for labor, including direct and indirect production workers, are presented in Exhibit II. Costs are based on a representative mix of production, engineering, I.T., material handling/transportation and office/clerical job descriptions for the model 350-worker food processing plant. Comparative labor costs for management staff were not included as these costs would tend not to vary as significantly by geography, but rather by individual company compensation practices. Fringe benefit costs are included as a percent of annual base payroll costs and are assumed to include all statutory benefits, pay for time not worked, and company-sponsored benefits.

Comparative Electric Power and Natural Gas Costs

Comparative annual electric power and natural gas costs are presented in Exhibit III. Annual costs reflect industrial rate schedules of the respective local electric utilities serving each area. Natural gas costs are based on an assumed monthly consumption of industrial-use gas.

Comparative Land Acquisition and Construction Costs

Exhibit IV presents comparative costs for the purchase of industrially-zoned land and the construction of new food processing space in each of the 11 surveyed locations.

Comparative Ad Valorem and Sales Tax Costs

Exhibit V presents comparative ad valorem (property) tax costs in each of 11 surveyed production sites scaled to the land and building specifications of the model food processing plant. Also presented in this exhibit are comparative local and state sales tax costs based on a fixed annual purchase of supplies, equipment, furnishings and other taxable goods associated with the plant.

Total Annual Operating Cost Rankings

Taken from summary Exhibit I is a cost ranking of the 11 surveyed locations.

TOTAL GEOGRAPHICALLY-VARIABLE OPERATING COST RANKING: NATIONAL	
Regions	Total Annual Operating Costs
Long Island, NY	\$31,638,536
Newark/North Jersey, NJ	\$30,341,466
Boston, MA	\$29,509,537
Poughkeepsie/Hudson Valley, NY	\$29,421,140
Philadelphia, PA	\$29,249,322
Camden/South Jersey, NJ	\$28,760,328
Chicago, IL	\$28,475,530
Baltimore, MD	\$27,239,553
Allentown/Bethlehem, PA	\$26,667,960
Lancaster County, PA	\$26,335,369
Scranton/Wilkes Barre, PA	\$25,000,087

About Boyd

Devoted exclusively to corporate mobility, The Boyd Company is recognized as one of the nation's premier authorities in comparative business cost analysis. Founded in 1975, Boyd (www.theboydcompany.com) provides independent site selection counsel to leading U.S. and overseas corporations. Food processing clients of Boyd include the likes of PepsiCo, Michael Foods, Mars, Inc., Frito-Lay, Gerber Products and others.

COMPARATIVE OPERATING COST ANALYSIS I

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES I							
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)							
	Chicago	Baltimore	Boston	Camden/South Jersey	Newark/ North Jersey	Long Island	
	IL	MD	MA	NJ	NJ	NY	
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Nonexempt Labor (2)							
Weighted Average Hourly Earnings	\$25.30	\$24.84	\$25.98	\$25.75	\$26.89	\$27.58	
Annual Base Payroll Costs	\$16,859,920	\$16,553,376	\$17,313,072	\$17,159,800	\$17,919,496	\$18,379,312	
Fringe Benefits	\$6,406,770	\$6,290,283	\$6,578,967	\$6,520,724	\$6,809,408	\$6,984,139	
Total Annual Labor Costs	\$23,266,690	\$22,843,659	\$23,892,039	\$23,680,524	\$24,728,904	\$25,363,451	
Electric Power Costs (3)	\$627,156	\$819,754	\$998,868	\$702,120	\$702,120	\$796,754	
Natural Gas Power Costs (4)	\$235,800	\$250,200	\$358,800	\$250,200	\$236,700	\$268,200	
Amortization Costs (5)	\$2,602,004	\$2,276,244	\$2,800,800	\$2,620,212	\$2,973,442	\$3,067,004	
Property and Sales Tax Costs (6)	\$1,743,880	\$1,049,696	\$1,459,030	\$1,507,272	\$1,700,300	\$2,143,127	
Total Annual Geographically-Variable Operating Costs	\$28,475,530	\$27,239,553	\$29,509,537	\$28,760,328	\$30,341,466	\$31,638,536	
NOTES:							
(1) Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.							
(2) See Exhibit II.							
(3) See Exhibit III.							
(4) See Exhibit III.							
(5) See Exhibit IV.							
(6) See Exhibit V.							

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

**SERIES I - EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

		Chicago	Baltimore	Boston	Camden/South Jersey	Newark/ North Jersey	Long Island	
	Number of	IL	MD	MA	NJ	NJ	NY	
	Workers	Metro Area	Metro Area					
JOB TITLES								
Sanitation	20	\$16.10	\$15.81	\$16.53	\$16.39	\$17.11	\$17.55	
General Helper	40	\$17.47	\$17.16	\$17.94	\$17.79	\$18.57	\$19.05	
Material Handler	25	\$21.65	\$21.26	\$22.23	\$22.04	\$23.01	\$23.60	
Ingredient Stock Clerk	20	\$21.55	\$21.16	\$22.13	\$21.93	\$22.90	\$23.49	
Conveyor Operator	25	\$26.34	\$25.87	\$27.05	\$26.81	\$28.00	\$28.71	
Batchmaker, Jr.	35	\$26.09	\$25.62	\$26.79	\$26.56	\$27.73	\$28.44	
Spinning Machine Operator, Jr.	20	\$28.58	\$28.07	\$29.36	\$29.10	\$30.39	\$31.16	
Sorter and Assembler	55	\$19.91	\$19.55	\$20.45	\$20.27	\$21.17	\$21.71	
Production Inspector	15	\$35.75	\$35.11	\$36.72	\$36.40	\$38.01	\$38.97	
Filling/Packaging Machine Operator, Jr.	25	\$29.64	\$29.10	\$30.44	\$30.17	\$31.51	\$32.31	
Label Machine Operator, Jr.	15	\$26.42	\$25.94	\$27.13	\$26.89	\$28.08	\$28.80	
Quality Control	20	\$38.78	\$38.08	\$39.83	\$39.48	\$41.23	\$42.28	
Food Technician	15	\$35.28	\$34.64	\$36.23	\$35.91	\$37.50	\$38.45	
Sanitation Technician	10	\$33.20	\$32.60	\$34.10	\$33.80	\$35.29	\$36.19	
Maintenance Mechanic	10	\$31.28	\$30.72	\$32.13	\$31.84	\$33.25	\$34.10	
Total Workers	350							
Weighted Average Hourly Earnings (1)		\$25.30	\$24.84	\$25.98	\$25.75	\$26.89	\$27.58	
Total Annual Base Payroll Costs (2)		\$16,859,920	\$16,553,376	\$17,313,072	\$17,159,800	\$17,919,496	\$18,379,312	
Fringe Benefits (3)		\$6,406,770	\$6,290,283	\$6,578,967	\$6,520,724	\$6,809,408	\$6,984,139	
Total Annual Labor Costs		\$23,266,690	\$22,843,659	\$23,892,039	\$23,680,524	\$24,728,904	\$25,363,451	
NOTES:								
(1)	For mature food processing plant in third year of operation based on current wage rates and benefit practices. Comparative labor costs reflect field research, Boyd food industry sources, and comparative Boyd BizCosts® wage data placing plant in competitive hiring position in each labor market area. Job titles reflect a representative mix of key direct and indirect job functions for a 350-worker production facility.							
(2)	Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature plant.							
(3)	Based on an estimated 38 percent of total annual base payroll costs. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.							

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES I - EXHIBIT III					
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS					
Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Total Annual Electric Power and Natural Gas Costs
Chicago, IL	Commonwealth Edison Company	\$627,156	8.04	\$235,800	\$862,956
Baltimore, MD	Baltimore Gas & Electric Company	\$819,754	10.51	\$250,200	\$1,069,954
Boston, MA	Boston Edison Company	\$998,868	12.81	\$358,800	\$1,357,668
Camden/South Jersey, NJ	PSE&G	\$702,120	9.00	\$250,200	\$952,320
Newark/North Jersey, NJ	PSE&G	\$702,120	9.00	\$236,700	\$938,820
Long Island, NY	Long Island Power Authority	\$796,754	10.21	\$268,200	\$1,064,954
NOTES:					
(1) Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.					
(2) Annual costs reflect an assumed monthly use of 75,000 therms of natural gas. Gas prices reflect latest two-year city gate annual averages for 2016 and 2015 for each of the surveyed locations. Not included are city gate to plant site meter charges which would vary by utility district schedules and the local plant site location.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES I - EXHIBIT IV PLANT CONSTRUCTION AND AMORTIZATION COSTS						
	Chicago IL Metro Area	Baltimore MD Metro Area	Boston MA Metro Area	Camden/South Jersey NJ Metro Area	Newark/ North Jersey NJ Metro Area	Long Island NY Metro Area
Site Acquisition: No. of Acres	25	25	25	25	25	25
Cost per Acre (1)	\$163,500	\$98,500	\$198,500	\$210,500	\$410,500	\$317,500
Site Improvement Cost (2)	--	--	--	--	--	--
Total Land Cost	\$4,087,500	\$2,462,500	\$4,962,500	\$5,262,500	\$10,262,500	\$7,937,500
Construction Cost (3)	\$21,641,916	\$17,541,789	\$24,260,697	\$20,786,922	\$21,994,834	\$25,964,156
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Total Project Investment	\$45,729,416	\$40,004,289	\$49,223,197	\$46,049,422	\$52,257,334	\$53,901,656
Project Amortization						
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0	3.0
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569	0.0569
Total Annual Amortization Cost	\$2,602,004	\$2,276,244	\$2,800,800	\$2,620,212	\$2,973,442	\$3,067,004
NOTES:						
(1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.						
(2) Land preparation costs limited to normal grading and held constant for purposes of analysis.						
(3) Based on construction of fully equipped 225,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.						
(4) Assumes 25-year level amortization payments at 3.0 percent.						

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES I - EXHIBIT V							
AD VALOREM AND SALES TAX COSTS							
	Chicago	Baltimore	Boston	Camden/South Jersey	Newark/ North Jersey	Long Island	
	IL	MD	MA	NJ	NJ	NY	
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Real Property Tax Cost							
Land Cost (1)	\$4,087,500	\$2,462,500	\$4,962,500	\$5,262,500	\$10,262,500	\$7,937,500	
Building Cost (2)	\$21,641,916	\$17,541,789	\$24,260,697	\$20,786,922	\$21,994,834	\$25,964,156	
Total	\$25,729,416	\$20,004,289	\$29,223,197	\$26,049,422	\$32,257,334	\$33,901,656	
Effective Tax Rate	\$27.94	\$22.48	\$28.54	\$30.99	\$31.01	\$37.76	
Real Property Tax Cost (3)	\$718,880	\$449,696	\$834,030	\$807,272	\$1,000,300	\$1,280,127	
Sales Tax Cost							
Taxable Goods Purchases	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	
Sales Tax Rate (Percent)	10.25	6.00	6.25	7.00	7.00	8.63	
Total Annual Sales Tax Cost (4)	\$1,025,000	\$600,000	\$625,000	\$700,000	\$700,000	\$863,000	
Total Annual Ad Valorem and Sales Tax Costs	\$1,743,880	\$1,049,696	\$1,459,030	\$1,507,272	\$1,700,300	\$2,143,127	
NOTES:							
(1) See Exhibit IV.							
(2) See Exhibit IV.							
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire and special assessment districts within each surveyed metropolitan area.							
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.							

COMPARATIVE OPERATING COST ANALYSIS II

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES II					
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)					
	Poughkeepsie/Hudson Valley	Allentown/Bethlehem	Lancaster County	Philadelphia	Scranton/Wilkes Barre
	NY	PA	PA	PA	PA
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Nonexempt Labor (2)					
Weighted Average Hourly Earnings	\$26.66	\$24.16	\$23.93	\$26.44	\$22.79
Annual Base Payroll Costs	\$17,766,224	\$16,100,224	\$15,946,952	\$17,619,616	\$15,187,256
Fringe Benefits	\$6,751,165	\$6,118,085	\$6,059,842	\$6,695,454	\$5,771,157
Total Annual Labor Costs	\$24,517,389	\$22,218,309	\$22,006,794	\$24,315,070	\$20,958,413
Electric Power Costs (3)	\$519,252	\$495,444	\$495,444	\$422,412	\$495,444
Natural Gas Power Costs (4)	\$316,800	\$190,800	\$190,800	\$220,500	\$120,600
Amortization Costs (5)	\$2,462,246	\$2,464,492	\$2,391,255	\$2,744,732	\$2,285,403
Property and Sales Tax Costs (6)	\$1,605,453	\$1,298,915	\$1,251,076	\$1,546,608	\$1,140,227
Total Annual Geographically-Variable Operating Costs	\$29,421,140	\$26,667,960	\$26,335,369	\$29,249,322	\$25,000,087
NOTES:					
(1)	Includes all major geographically-variable operating costs. Start-up and relocation costs not considered.				
(2)	See Exhibit II.				
(3)	See Exhibit III.				
(4)	See Exhibit III.				
(5)	See Exhibit IV.				
(6)	See Exhibit V.				

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

**SERIES II - EXHIBIT II
COMPARATIVE ANNUAL LABOR COSTS**

		Poughkeepsie/Hudson Valley	Allentown/Bethlehem	Lancaster County	Philadelphia	Scranton/Wilkes Barre
	Number of	NY	PA	PA	PA	PA
	Workers	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
JOB TITLES						
Sanitation	20	\$16.97	\$15.37	\$15.23	\$16.82	\$14.50
General Helper	40	\$18.42	\$16.68	\$16.53	\$18.26	\$15.74
Material Handler	25	\$22.82	\$20.67	\$20.48	\$22.62	\$19.50
Ingredient Stock Clerk	20	\$22.71	\$20.57	\$20.38	\$22.52	\$19.41
Conveyor Operator	25	\$27.76	\$25.15	\$24.92	\$27.53	\$23.73
Batchmaker, Jr.	35	\$27.50	\$24.91	\$24.68	\$27.26	\$23.50
Spinning Machine Operator, Jr.	20	\$30.13	\$27.30	\$27.04	\$29.87	\$25.75
Sorter and Assembler	55	\$20.99	\$19.02	\$18.84	\$20.81	\$17.94
Production Inspector	15	\$37.69	\$34.14	\$33.82	\$37.36	\$32.21
Filling/Packaging Machine Operator, Jr.	25	\$31.24	\$28.30	\$28.04	\$30.97	\$26.70
Label Machine Operator, Jr.	15	\$27.85	\$25.23	\$24.99	\$27.61	\$23.80
Quality Control	20	\$40.88	\$37.04	\$36.69	\$40.53	\$34.94
Food Technician	15	\$37.18	\$33.69	\$33.37	\$36.86	\$31.78
Sanitation Technician	10	\$34.99	\$31.70	\$31.41	\$34.70	\$29.91
Maintenance Mechanic	10	\$32.97	\$29.87	\$29.59	\$32.69	\$28.18
Total Workers	350					
Weighted Average Hourly Earnings (1)		\$26.66	\$24.16	\$23.93	\$26.44	\$22.79
Total Annual Base Payroll Costs (2)		\$17,766,224	\$16,100,224	\$15,946,952	\$17,619,616	\$15,187,256
Fringe Benefits (3)		\$6,751,165	\$6,118,085	\$6,059,842	\$6,695,454	\$5,771,157
Total Annual Labor Costs		\$24,517,389	\$22,218,309	\$22,006,794	\$24,315,070	\$20,958,413
NOTES:						
(1) For mature food processing plant in third year of operation based on current wage rates and benefit practices. Comparative labor costs reflect field research, Boyd food industry sources, and comparative Boyd BizCosts® wage data placing plant in competitive hiring position in each labor market area. Job titles reflect a representative mix of key direct and indirect job functions for a 350-worker production facility.						
(2) Assumes 1,904 hours worked per year per employee based on 12 paid holidays and a two-week vacation for mature plant.						
(3) Based on an estimated 38 percent of total annual base payroll costs. Costs include all statutory benefits, pay for time not worked and company-sponsored benefits.						

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES II - EXHIBIT III					
ANNUAL ELECTRIC POWER AND NATURAL GAS COST COMPARISONS					
					Total Annual
Location	Electric Utility Company	Annual Electric Power Cost (1)	Annual Cost Per kWh (cents)	Annual Natural Gas Cost (2)	Electric Power and Natural Gas Costs
Poughkeepsie/Hudson Valley, NY	Central Hudson Gas & Electric	\$519,252	6.66	\$316,800	\$836,052
Allentown/Bethlehem, PA	PPL	\$495,444	6.35	\$190,800	\$686,244
Lancaster County, PA	PPL	\$495,444	6.35	\$190,800	\$686,244
Philadelphia, PA	PECO Energy Company	\$422,412	5.42	\$220,500	\$642,912
Scranton/Wilkes Barre, PA	PPL	\$495,444	6.35	\$120,600	\$616,044
NOTES:					
(1) Based on assumed monthly demand of 1,000 kW and 650,000 kWh monthly consumption. Annual costs reflect comparative industrial general service rates.					
(2) Annual costs reflect an assumed monthly use of 75,000 therms of natural gas. Gas prices reflect latest two-year city gate annual averages for 2016 and 2015 for each of the surveyed locations. Not included are city gate to plant site meter charges which would vary by utility district schedules and the local plant site location.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES II - EXHIBIT IV					
PLANT CONSTRUCTION AND AMORTIZATION COSTS					
	Poughkeepsie/Hudson Valley	Allentown/Bethlehem	Lancaster County	Philadelphia	Scranton/Wilkes Barre
	NY	PA	PA	PA	PA
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Site Acquisition: No. of Acres	25	25	25	25	25
Cost per Acre (1)	\$159,500	\$154,500	\$129,500	\$294,500	\$79,500
Site Improvement Cost (2)	--	--	--	--	--
Total Land Cost	\$3,987,500	\$3,862,500	\$3,237,500	\$7,362,500	\$1,987,500
Construction Cost (3)	\$19,285,714	\$19,450,193	\$18,788,079	\$20,875,328	\$18,177,750
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Total Project Investment	\$43,273,214	\$43,312,693	\$42,025,579	\$48,237,828	\$40,165,250
Project Amortization					
Cost of Funds (Interest)	3.0	3.0	3.0	3.0	3.0
Payment Factor (4)	0.0569	0.0569	0.0569	0.0569	0.0569
Total Annual Amortization Cost	\$2,462,246	\$2,464,492	\$2,391,255	\$2,744,732	\$2,285,403
NOTES:					
(1) Boyd estimate only. Actual negotiated costs would vary by site specifics, including location, access, visibility, etc. Costs reflect fully serviced industrially-zoned land within a controlled industrial park setting.					
(2) Land preparation costs limited to normal grading and held constant for purposes of analysis.					
(3) Based on construction of fully equipped 225,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data.					
(4) Assumes 25-year level amortization payments at 3.0 percent.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES II - EXHIBIT V					
AD VALOREM AND SALES TAX COSTS					
	Poughkeepsie/Hudson Valley	Allentown/Bethlehem	Lancaster County	Philadelphia	Scranton/Wilkes Barre
	NY	PA	PA	PA	PA
	Metro Area	Metro Area	Metro Area	Metro Area	Metro Area
Real Property Tax Cost					
Land Cost (1)	\$3,987,500	\$3,862,500	\$3,237,500	\$7,362,500	\$1,987,500
Building Cost (2)	\$19,285,714	\$19,450,193	\$18,788,079	\$20,875,328	\$18,177,750
Total	\$23,273,214	\$23,312,693	\$22,025,579	\$28,237,828	\$20,165,250
Effective Tax Rate	\$34.05	\$29.98	\$29.56	\$26.44	\$26.79
Real Property Tax Cost (3)	\$792,453	\$698,915	\$651,076	\$746,608	\$540,227
Sales Tax Cost					
Taxable Goods Purchases	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Sales Tax Rate (Percent)	8.13	6.00	6.00	8.00	6.00
Total Annual Sales Tax Cost (4)	\$813,000	\$600,000	\$600,000	\$800,000	\$600,000
Total Annual Ad Valorem and Sales Tax Costs	\$1,605,453	\$1,298,915	\$1,251,076	\$1,546,608	\$1,140,227
NOTES:					
(1) See Exhibit IV.					
(2) See Exhibit IV.					
(3) Based on nominal real property tax rate and assessment practices at each location based on \$1,000 of valuation. Petitions for abatements and lower assessments not considered. Effective tax rates are considered representative property tax levy amounts. Actual rates will vary based on alternate municipal, school, fire and special assessment districts within each surveyed metropolitan area.					
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods.					

