



COMPARATIVE 2022
FOOD & BEVERAGE INDUSTRY
OPERATING COSTS

The Boyd Company, Inc.
Location Consultants
Princeton, NJ



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**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 24 regions in the U.S. and Canada. Findings are summarized in Exhibit I and show total annual operating costs ranging from a high of \$62.5 million in the San Francisco/Bay Area Region of California to a low of \$ 34.9 million in the Eastern Ontario Region of Canada.

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 cost elements considered to be most pivotal to the corporate site selection process.

Overall costs were scaled to a hypothetical 300,000 sq. ft. food processing facility employing 500 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 the second quarter of 2022. All costs are in U.S. dollars at an exchange rate of .7900.

Food Processing

The analysis has been structured to be a relevant cost-comparison tool for a broad segment of the over \$2 trillion North American food processing industry, including companies engaged in such sectors as bakery products, snack foods, energy bars, confectionery products, frozen prepared foods, beverage processing, flavoring extracts and other miscellaneous food preparations and kindred products.

Comparative Food Processing Plant Locations

For purposes of comparative economic analysis, major geographically-variable operating costs have been projected for the following series of North American regions housing significant concentrations of food and beverage industry operations.

- Fairfield/Northern CA Region
- Los Angeles/Southern CA Region
- Modesto/Central Valley CA Region
- Salinas/Monterey Bay CA Region
- San Francisco/Bay Area CA Region
- Miami-Fort Lauderdale/South Florida Region
- Twin Falls/Southern ID Region
- Chicago IL Region
- Portland/Southern Maine Region
- Baltimore/Central MD Region
- Minneapolis/St. Paul MN Region
- Omaha/Eastern Nebraska Region
- Henderson/Southern Nevada Region
- Camden/Southern NJ Region
- Brooklyn/Long Island NY Region
- Rochester/Upstate NY Region
- Cincinnati/Southern OH Region
- Eastern Ontario Region
- Allentown/Lehigh Valley PA Region
- Harrisburg/Lebanon Valley PA Region
- Scranton/Northeast PA Region
- Cleveland/East Tennessee Region
- Dallas/North Texas Region
- Tri-Cities/Southeast WA Region

Comparative 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 15 job titles for the model 500-worker 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 costs for electric power and natural gas are presented in Exhibit III. Annual electric costs are based on industrial rate schedules for large power users in each of the 24 surveyed locations.

Comparative Land Acquisition and Construction Costs

Exhibit IV presents comparative costs for the purchase of industrially-zoned land and the construction of new manufacturing facilities in each of the surveyed regions.

Comparative Ad Valorem and Sales Tax Costs

Exhibit V presents comparative ad valorem (property) tax costs in each of the 24 surveyed locations scaled to the land and building specifications of the model plant. Also presented in this exhibit are representative local and state sales tax costs based on a fixed annual purchase of taxable supplies furnishings and other taxable goods associated with the plant.

Total Annual Operating Cost Rankings

Taken from summary Exhibit I are overall annual cost rankings of the 24 surveyed regions.

TOTAL GEOGRAPHICALLY-VARIABLE OPERATING COST RANKING	
Region	Total Annual Operating Costs
Brooklyn/Long Island Region	\$62,505,893
San Francisco/Bay Area Region	\$61,330,180
Camden/Southern NJ Region	\$59,387,569
Omaha/Eastern NE Region	\$53,817,955
Los Angeles/Southern CA Region	\$52,270,452
Minneapolis/St. Paul Region	\$52,210,388
Salinas/Monterey Bay Region	\$52,114,354
Fairfield/Northern CA Region	\$51,118,198
Chicago Region	\$50,337,479
Tri-Cities/Southeast WA Region	\$49,336,633
Modesto/Central Valley Region	\$48,921,712
Henderson/Southern NV Region	\$48,229,317
Rochester/Upstate NY Region	\$47,935,917
Baltimore/Central MD Region	\$47,890,801
Scranton/Northeast PA Region	\$47,707,012
Allentown/Lehigh Valley Region	\$47,614,632
Portland/Southern ME Region	\$47,555,653
Harrisburg/Lebanon Valley Region	\$47,341,766
Dallas/North TX Region	\$46,537,708
Cincinnati/Southern OH Region	\$46,159,331
Miami/South Florida Region	\$46,036,318
Cleveland/East TN Region	\$42,897,060
Twin Falls/Southern ID Region	\$42,542,238
Eastern Ontario Region	\$34,900,245

About Boyd

Devoted exclusively to corporate mobility, The Boyd Company is recognized as the nation's premier authority in comparative business cost analysis. Founded in 1975, Boyd (www.theboydcompany.com) provides independent site selection counsel to leading U.S. and overseas corporations. Boyd clients in the food &

beverage industry include PepsiCo, Nestle, Michael Foods, Gerber Products, Frito-Lay, Godiva Chocolatier and other *Fortune 500* companies both in and out of the food sector.

COMPARATIVE OPERATING COST ANALYSIS I

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES I - EXHIBIT I								
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)								
	Fairfield/ Northern CA Region	Los Angeles/ Southern CA Region	Modesto/ Central Valley Region	Salinas/ Monterey Bay Region	San Francisco/ Bay Area Region	Miami/ South Florida Region	Twin Falls/ Southern ID Region	Chicago Region
Nonexempt Labor (2)								
Weighted Average Hourly Earnings	\$33.34	\$33.89	\$31.98	\$34.00	\$40.34	\$30.22	\$28.62	\$32.60
Annual Base Payroll Costs	\$31,739,680	\$32,263,280	\$30,444,960	\$32,368,000	\$38,403,680	\$28,769,440	\$27,246,240	\$31,035,200
Fringe Benefits	\$11,743,682	\$11,937,414	\$11,264,635	\$11,976,160	\$14,209,362	\$10,644,693	\$10,081,109	\$11,483,024
Total Annual Labor Costs	\$43,483,362	\$44,200,694	\$41,709,595	\$44,344,160	\$52,613,042	\$39,414,133	\$37,327,349	\$42,518,224
Electric Power Costs (3)	\$1,239,396	\$1,026,708	\$1,239,396	\$1,239,396	\$1,239,396	\$500,280	\$431,076	\$412,248
Natural Gas Power Costs (4)	\$743,604	\$743,604	\$743,604	\$743,604	\$743,604	\$388,953	\$248,256	\$543,023
Amortization Costs (5)	\$4,013,977	\$4,354,069	\$3,659,755	\$4,041,027	\$4,765,906	\$3,933,368	\$3,326,668	\$4,103,663
Property and Sales Tax Costs (6)	\$1,637,859	\$1,945,377	\$1,569,362	\$1,746,167	\$1,968,232	\$1,799,584	\$1,208,889	\$2,760,321
Total Annual Geographically- Variable Operating Costs	\$51,118,198	\$52,270,452	\$48,921,712	\$52,114,354	\$61,330,180	\$46,036,318	\$42,542,238	\$50,337,479
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										
		Fairfield/ Northern CA	Los Angeles/ Southern CA	Modesto/ Central Valley	Salinas/ Monterey Bay	San Francisco/ Bay Area	Miami/ South Florida	Twin Falls/ Southern ID	Chicago	
	Number of Workers	Region	Region	Region	Region	Region	Region	Region	Region	
JOB TITLES										
Sanitation	15	\$18.85	\$19.16	\$18.08	\$19.22	\$22.81	\$17.08	\$16.19	\$18.43	
General Helper	50	\$23.62	\$24.00	\$22.65	\$24.08	\$28.57	\$21.40	\$20.27	\$23.09	
Material Handler	40	\$27.54	\$28.00	\$26.42	\$28.09	\$33.32	\$24.96	\$23.64	\$26.93	
Ingredient Stock Clerk	45	\$25.51	\$25.93	\$24.47	\$26.01	\$30.87	\$23.12	\$21.90	\$24.94	
Conveyor Operator	35	\$31.08	\$31.59	\$29.81	\$31.69	\$37.61	\$28.17	\$26.68	\$30.39	
Batchmaker	50	\$35.06	\$35.64	\$33.63	\$35.75	\$42.42	\$31.77	\$30.09	\$34.28	
Spinning Machine Operator	40	\$39.76	\$40.41	\$38.13	\$40.54	\$48.10	\$36.02	\$34.12	\$38.87	
Sorter and Assembler	55	\$25.92	\$26.34	\$24.86	\$26.43	\$31.35	\$23.49	\$22.25	\$25.34	
Production Inspector	35	\$42.17	\$42.86	\$40.45	\$43.00	\$51.02	\$38.22	\$36.20	\$41.23	
Filling/Packaging Machine Operator	40	\$44.56	\$45.30	\$42.74	\$45.44	\$53.92	\$40.38	\$38.24	\$43.57	
Label Machine Operator	35	\$38.40	\$39.03	\$36.83	\$39.15	\$46.45	\$34.79	\$32.95	\$37.54	
Quality Control	15	\$45.79	\$46.54	\$43.92	\$46.69	\$55.40	\$41.49	\$39.30	\$44.77	
Food Technician	25	\$41.64	\$42.32	\$39.94	\$42.46	\$50.38	\$37.74	\$35.74	\$40.71	
Sanitation Technician	15	\$39.22	\$39.87	\$37.62	\$40.00	\$47.46	\$35.54	\$33.67	\$38.35	
Maintenance Mechanic	5	\$36.96	\$37.57	\$35.45	\$37.69	\$44.73	\$33.50	\$31.72	\$36.14	
Total Workers	500									
Weighted Average Hourly Earnings (1)		\$33.34	\$33.89	\$31.98	\$34.00	\$40.34	\$30.22	\$28.62	\$32.60	
Total Annual Base Payroll Costs (2)		\$31,739,680	\$32,263,280	\$30,444,960	\$32,368,000	\$38,403,680	\$28,769,440	\$27,246,240	\$31,035,200	
Fringe Benefits (3)		\$11,743,682	\$11,937,414	\$11,264,635	\$11,976,160	\$14,209,362	\$10,644,693	\$10,081,109	\$11,483,024	
Total Annual Labor Costs		\$43,483,362	\$44,200,694	\$41,709,595	\$44,344,160	\$52,613,042	\$39,414,133	\$37,327,349	\$42,518,224	
NOTES:										
(1) For mature 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 2022 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 500-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 37 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 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
Fairfield/Northern CA Region	Pacific Gas and Electric	\$1,239,396	15.89	\$743,604	\$1,983,000
Los Angeles/Southern CA Region	Southern California Edison	\$1,026,708	13.16	\$743,604	\$1,770,312
Modesto/Central Valley Region	Pacific Gas and Electric	\$1,239,396	15.89	\$743,604	\$1,983,000
Salinas/Monterey Bay Region	Pacific Gas and Electric	\$1,239,396	15.89	\$743,604	\$1,983,000
San Francisco/Bay Area Region	Pacific Gas and Electric	\$1,239,396	15.89	\$743,604	\$1,983,000
Miami/South Florida Region	Florida Power and Light	\$500,280	6.41	\$388,953	\$889,233
Twin Falls/Southern ID Region	Idaho Power	\$431,076	5.53	\$248,256	\$679,332
Chicago Region	Commonwealth Edison	\$412,248	5.29	\$543,023	\$955,271
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. No incentives or special discounts assumed.					
(2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES I - EXHIBIT IV PLANT CONSTRUCTION AND AMORTIZATION COSTS								
	Fairfield/ Northern CA Region	Los Angeles/ Southern CA Region	Modesto/ Central Valley Region	Salinas/ Monterey Bay Region	San Francisco/ Bay Area Region	Miami/ South Florida Region	Twin Falls/ Southern ID Region	Chicago Region
Site Acquisition: No. of Acres	30	30	30	30	30	30	30	30
Cost per Acre (1)	\$369,500	\$625,500	\$195,500	\$398,500	\$736,500	\$627,500	\$215,500	\$402,500
Site Improvement Cost (2)	--	--	--	--	--	--	--	--
Total Land Cost	\$11,085,000	\$18,765,000	\$5,865,000	\$11,955,000	\$22,095,000	\$18,825,000	\$6,465,000	\$12,075,000
Construction Cost (3)	\$39,459,405	\$37,756,432	\$38,454,069	\$39,064,811	\$41,664,339	\$30,302,737	\$32,000,164	\$40,045,620
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Total Project Investment	\$70,544,405	\$76,521,432	\$64,319,069	\$71,019,811	\$83,759,339	\$69,127,737	\$58,465,164	\$72,120,620
Project Amortization								
Cost of Funds (Interest)	3.0	3.0	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	0.0569	0.0569
Total Annual Amortization Cost	\$4,013,977	\$4,354,069	\$3,659,755	\$4,041,027	\$4,765,906	\$3,933,368	\$3,326,668	\$4,103,663
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 300,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data for the second quarter of 2022.								
(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								
	Fairfield/ Northern CA Region	Los Angeles/ Southern CA Region	Modesto/ Central Valley Region	Salinas/ Monterey Bay Region	San Francisco/ Bay Area Region	Miami/ South Florida Region	Twin Falls/ Southern ID Region	Chicago Region
Real Property Tax Cost								
Land Cost (1)	\$11,085,000	\$18,765,000	\$5,865,000	\$11,955,000	\$22,095,000	\$18,825,000	\$6,465,000	\$12,075,000
Building Cost (2)	\$39,459,405	\$37,756,432	\$38,454,069	\$39,064,811	\$41,664,339	\$30,302,737	\$32,000,164	\$40,045,620
Total	\$50,544,405	\$56,521,432	\$44,319,069	\$51,019,811	\$63,759,339	\$49,127,737	\$38,465,164	\$52,120,620
Effective Tax Rate	\$11.68	\$11.75	\$11.07	\$10.95	\$11.50	\$18.82	\$11.93	\$25.38
Real Property Tax Cost (3)	\$590,359	\$664,127	\$490,612	\$558,667	\$733,232	\$924,584	\$458,889	\$1,322,821
Sales Tax Cost								
Taxable Goods Purchases	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000
Sales Tax Rate (Percent)	8.38	10.25	8.63	9.5	9.88	7.00	6.00	11.50
Total Annual Sales Tax Cost (4)	\$1,047,500	\$1,281,250	\$1,078,750	\$1,187,500	\$1,235,000	\$875,000	\$750,000	\$1,437,500
Total Annual Ad Valorem and Sales Tax Costs	\$1,637,859	\$1,945,377	\$1,569,362	\$1,746,167	\$1,968,232	\$1,799,584	\$1,208,889	\$2,760,321
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 locations.								
(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 - EXHIBIT I									
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)									
	Portland/ Southern ME Region	Baltimore/ Central MD Region	Minneapolis/ St. Paul Region	Omaha/ Eastern NE Region	Henderson/ Southern NV Region	Camden/ Southern NJ Region	Brooklyn/ Long Island Region	Rochester/ Upstate NY Region	
Nonexempt Labor (2)									
Weighted Average Hourly Earnings	\$31.79	\$31.84	\$33.72	\$36.56	\$32.17	\$39.45	\$40.85	\$31.52	
Annual Base Payroll Costs	\$30,264,080	\$30,311,680	\$32,101,440	\$34,805,120	\$30,625,840	\$37,556,400	\$38,889,200	\$30,007,040	
Fringe Benefits	\$11,197,710	\$11,215,322	\$11,877,533	\$12,877,894	\$11,331,561	\$13,895,868	\$14,389,004	\$11,102,605	
Total Annual Labor Costs	\$41,461,790	\$41,527,002	\$43,978,973	\$47,683,014	\$41,957,401	\$51,452,268	\$53,278,204	\$41,109,645	
Electric Power Costs (3)	\$695,124	\$526,200	\$585,348	\$534,900	\$513,204	\$657,960	\$944,472	\$477,816	
Natural Gas Power Costs (4)	\$712,209	\$738,372	\$347,093	\$488,953	\$365,116	\$685,465	\$598,837	\$598,837	
Amortization Costs (5)	\$3,167,580	\$3,439,824	\$4,210,090	\$3,299,271	\$3,851,956	\$4,049,491	\$4,756,318	\$3,672,235	
Property and Sales Tax Costs (6)	\$1,518,950	\$1,659,403	\$3,088,884	\$1,811,817	\$1,541,640	\$2,542,385	\$2,928,062	\$2,077,384	
Total Annual Geographically- Variable Operating Costs	\$47,555,653	\$47,890,801	\$52,210,388	\$53,817,955	\$48,229,317	\$59,387,569	\$62,505,893	\$47,935,917	
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										
		Portland/ Southern ME	Baltimore/ Central MD	Minneapolis/ St. Paul	Omaha/ Eastern NE	Henderson/ Southern NV	Camden/ Southern NJ	Brooklyn/ Long Island	Rochester/ Upstate NY	
	Number of Workers	Region	Region	Region	Region	Region	Region	Region	Region	
JOB TITLES										
Sanitation	15	\$17.97	\$18.00	\$19.06	\$20.67	\$18.19	\$22.30	\$23.09	\$17.82	
General Helper	50	\$22.51	\$22.55	\$23.88	\$25.90	\$22.79	\$27.94	\$28.93	\$22.33	
Material Handler	40	\$26.26	\$26.30	\$27.86	\$30.20	\$26.57	\$32.59	\$33.74	\$26.04	
Ingredient Stock Clerk	45	\$24.32	\$24.35	\$25.80	\$27.97	\$24.61	\$30.18	\$31.25	\$24.12	
Conveyor Operator	35	\$29.63	\$29.67	\$31.44	\$34.08	\$29.99	\$36.77	\$38.08	\$29.39	
Batchmaker	50	\$33.42	\$33.48	\$35.46	\$38.45	\$33.83	\$41.48	\$42.95	\$33.15	
Spinning Machine Operator	40	\$37.90	\$37.96	\$40.21	\$43.59	\$38.36	\$47.03	\$48.70	\$37.59	
Sorter and Assembler	55	\$24.71	\$24.75	\$26.21	\$28.42	\$25.01	\$30.66	\$31.75	\$24.50	
Production Inspector	35	\$40.20	\$40.27	\$42.65	\$46.24	\$40.69	\$49.89	\$51.66	\$39.87	
Filling/Packaging Machine Operator	40	\$42.48	\$42.55	\$45.07	\$48.86	\$42.99	\$52.72	\$54.59	\$42.13	
Label Machine Operator	35	\$36.60	\$36.66	\$38.83	\$42.10	\$37.04	\$45.42	\$47.04	\$36.30	
Quality Control	15	\$43.65	\$43.72	\$46.31	\$50.21	\$44.18	\$54.17	\$56.10	\$43.29	
Food Technician	25	\$39.69	\$39.75	\$42.11	\$45.66	\$40.17	\$49.26	\$51.01	\$39.37	
Sanitation Technician	15	\$37.39	\$37.45	\$39.67	\$43.01	\$37.84	\$46.40	\$48.05	\$37.08	
Maintenance Mechanic	5	\$35.24	\$35.29	\$37.38	\$40.53	\$35.66	\$43.73	\$45.28	\$34.95	
Total Workers	500									
Weighted Average Hourly Earnings (1)		\$31.79	\$31.84	\$33.72	\$36.56	\$32.17	\$39.45	\$40.85	\$31.52	
Total Annual Base Payroll Costs (2)		\$30,264,080	\$30,311,680	\$32,101,440	\$34,805,120	\$30,625,840	\$37,556,400	\$38,889,200	\$30,007,040	
Fringe Benefits (3)		\$11,197,710	\$11,215,322	\$11,877,533	\$12,877,894	\$11,331,561	\$13,895,868	\$14,389,004	\$11,102,605	
Total Annual Labor Costs		\$41,461,790	\$41,527,002	\$43,978,973	\$47,683,014	\$41,957,401	\$51,452,268	\$53,278,204	\$41,109,645	
NOTES:										
(1) For mature 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 2022 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 500-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 37 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 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
Portland/Southern ME Region	Central Maine Power	\$695,124	8.91	\$712,209	\$1,407,333
Baltimore/Central MD Region	Baltimore Gas and Electric	\$526,200	6.75	\$738,372	\$1,264,572
Minneapolis/St. Paul Region	Northern States Power	\$585,348	7.50	\$347,093	\$932,441
Omaha/Eastern NE Region	Omaha Public Power	\$534,900	6.86	\$488,953	\$1,023,853
Henderson/Southern NV Region	Nevada Power	\$513,204	6.58	\$365,116	\$878,320
Camden/Southern NJ Region	PSE&G	\$657,960	8.44	\$685,465	\$1,343,425
Brooklyn/Long Island Region	Consolidated Edison	\$944,472	12.11	\$598,837	\$1,543,309
Rochester/Upstate NY Region	Rochester Gas & Electric	\$477,816	6.13	\$598,837	\$1,076,653
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. No incentives or special discounts assumed.					
(2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on latest monthly state averages for industrial-use gas.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES II - EXHIBIT IV									
PLANT CONSTRUCTION AND AMORTIZATION COSTS									
	Portland/ Southern ME Region	Baltimore/ Central MD Region	Minneapolis/ St. Paul Region	Omaha/ Eastern NE Region	Henderson/ Southern NV Region	Camden/ Southern NJ Region	Brooklyn/ Long Island Region	Rochester/ Upstate NY Region	
Site Acquisition: No. of Acres	30	30	30	30	30	30	30	30	
Cost per Acre (1)	\$125,500	\$266,500	\$457,500	\$223,500	\$389,500	\$423,500	\$567,500	\$278,500	
Site Improvement Cost (2)	--	--	--	--	--	--	--	--	
Total Land Cost	\$3,765,000	\$7,995,000	\$13,725,000	\$6,705,000	\$11,685,000	\$12,705,000	\$17,025,000	\$8,355,000	
Construction Cost (3)	\$31,904,243	\$32,458,851	\$40,266,041	\$31,278,670	\$36,011,947	\$38,463,561	\$46,565,832	\$36,183,394	
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	
Total Project Investment	\$55,669,243	\$60,453,851	\$73,991,041	\$57,983,670	\$67,696,947	\$71,168,561	\$83,590,832	\$64,538,394	
Project Amortization									
Cost of Funds (Interest)	3.0	3.0	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	0.0569	0.0569	
Total Annual Amortization Cost	\$3,167,580	\$3,439,824	\$4,210,090	\$3,299,271	\$3,851,956	\$4,049,491	\$4,756,318	\$3,672,235	
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 300,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data for the second quarter of 2022.									
(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								
	Portland/ Southern ME Region	Baltimore/ Central MD Region	Minneapolis/ St. Paul Region	Omaha/ Eastern NE Region	Henderson/ Southern NV Region	Camden/ Southern NJ Region	Brooklyn/ Long Island Region	Rochester/ Upstate NY Region
Real Property Tax Cost								
Land Cost (1)	\$3,765,000	\$7,995,000	\$13,725,000	\$6,705,000	\$11,685,000	\$12,705,000	\$17,025,000	\$8,355,000
Building Cost (2)	\$31,904,243	\$32,458,851	\$40,266,041	\$31,278,670	\$36,011,947	\$38,463,561	\$46,565,832	\$36,183,394
Total	\$35,669,243	\$40,453,851	\$53,991,041	\$37,983,670	\$47,696,947	\$51,168,561	\$63,590,832	\$44,538,394
Effective Tax Rate	\$23.31	\$22.48	\$38.62	\$29.60	\$10.36	\$33.49	\$28.59	\$24.19
Real Property Tax Cost (3)	\$831,450	\$909,403	\$2,085,134	\$1,124,317	\$494,140	\$1,713,635	\$1,818,062	\$1,077,384
Sales Tax Cost								
Taxable Goods Purchases	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000
Sales Tax Rate (Percent)	5.50	6.00	8.03	5.50	8.38	6.63	8.88	8.00
Total Annual Sales Tax Cost (4)	\$687,500	\$750,000	\$1,003,750	\$687,500	\$1,047,500	\$828,750	\$1,110,000	\$1,000,000
Total Annual Ad Valorem and Sales Tax Costs	\$1,518,950	\$1,659,403	\$3,088,884	\$1,811,817	\$1,541,640	\$2,542,385	\$2,928,062	\$2,077,384
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 locations.								
(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 III

**SERIES III - EXHIBIT I
COMPARATIVE ANNUAL OPERATING COST SIMULATION SUMMARY(1)**

	Cincinnati/ Southern OH Region	Eastern Ontario Region	Allentown/ Lehigh Valley Region	Harrisburg/ Lebanon Valley Region	Scranton/ Northeast PA Region	Cleveland/ East TN Region	Dallas/ North TX Region
Nonexempt Labor (2)							
Weighted Average Hourly Earnings	\$30.32	\$24.69	\$31.36	\$31.30	\$31.75	\$28.53	\$30.00
Annual Base Payroll Costs	\$28,864,640	\$23,504,880	\$29,854,720	\$29,797,600	\$30,226,000	\$27,160,560	\$29,000,000
Fringe Benefits	\$10,679,917	\$4,465,927	\$11,046,246	\$11,025,112	\$11,183,620	\$10,049,407	\$10,000,000
Total Annual Labor Costs	\$39,544,557	\$27,970,807	\$40,900,966	\$40,822,712	\$41,409,620	\$37,209,967	\$40,000,000
Electric Power Costs (3)	\$495,348	\$580,356	\$447,420	\$447,420	\$447,420	\$524,232	\$490,000
Natural Gas Power Costs (4)	\$654,651	\$311,695	\$539,535	\$539,535	\$539,535	\$482,558	\$320,000
Amortization Costs (5)	\$3,540,570	\$3,415,104	\$3,692,352	\$3,530,123	\$3,476,056	\$2,945,631	\$3,400,000
Property and Sales Tax Costs (6)	\$1,924,205	\$2,622,283	\$2,034,359	\$2,001,976	\$1,834,381	\$1,734,672	\$2,100,000
Total Annual Geographically- Variable Operating Costs	\$46,159,331	\$34,900,245	\$47,614,632	\$47,341,766	\$47,707,012	\$42,897,060	\$46,000,000
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 III - EXHIBIT II COMPARATIVE ANNUAL LABOR COSTS										
		Cincinnati/ Southern OH Region	Eastern Ontario Region	Allentown/ Lehigh Valley Region	Harrisburg/ Lebanon Valley Region	Scranton/ Northeast PA Region	Cleveland/ East TN Region	Dallas/ North Texas Region	Tri Cities/ Southeast WA Region	
JOB TITLES	Number of Workers									
Sanitation	15	\$17.14	\$13.96	\$17.73	\$17.69	\$17.95	\$16.14	\$17.38	\$18.80	
General Helper	50	\$21.47	\$17.49	\$22.21	\$22.17	\$22.49	\$20.21	\$21.78	\$23.55	
Material Handler	40	\$25.04	\$20.40	\$25.91	\$25.85	\$26.23	\$23.57	\$25.40	\$27.47	
Ingredient Stock Clerk	45	\$23.19	\$18.89	\$23.99	\$23.94	\$24.29	\$21.83	\$23.52	\$25.44	
Conveyor Operator	35	\$28.26	\$23.02	\$29.24	\$29.17	\$29.60	\$26.60	\$28.66	\$31.00	
Batchmaker	50	\$31.88	\$25.97	\$32.98	\$32.91	\$33.39	\$30.00	\$32.33	\$34.97	
Spinning Machine Operator	40	\$36.15	\$29.44	\$37.39	\$37.32	\$37.86	\$34.02	\$36.66	\$39.65	
Sorter and Assembler	55	\$23.57	\$19.19	\$24.38	\$24.33	\$24.68	\$22.18	\$23.90	\$25.85	
Production Inspector	35	\$38.34	\$31.23	\$39.66	\$39.58	\$40.16	\$36.09	\$38.88	\$42.05	
Filling/Packaging Machine Operator	40	\$40.52	\$33.00	\$41.91	\$41.83	\$42.44	\$38.13	\$41.09	\$44.44	
Label Machine Operator	35	\$34.91	\$28.44	\$36.11	\$36.04	\$36.56	\$32.85	\$35.40	\$38.29	
Quality Control	15	\$41.64	\$33.91	\$43.07	\$42.98	\$43.61	\$39.18	\$42.22	\$45.67	
Food Technician	25	\$37.86	\$30.84	\$39.16	\$39.08	\$39.65	\$35.63	\$38.39	\$41.52	
Sanitation Technician	15	\$35.67	\$29.05	\$36.89	\$36.82	\$37.35	\$33.57	\$36.17	\$39.12	
Maintenance Mechanic	5	\$33.61	\$27.37	\$34.77	\$34.69	\$35.20	\$31.63	\$34.08	\$36.86	
Total Workers	500									
Weighted Average Hourly Earnings (1)		\$30.32	\$24.69	\$31.36	\$31.30	\$31.75	\$28.53	\$30.75	\$33.25	
Total Annual Base Payroll Costs (2)		\$28,864,640	\$23,504,880	\$29,854,720	\$29,797,600	\$30,226,000	\$27,160,560	\$29,274,000	\$31,654,000	
Fringe Benefits (3)		\$10,679,917	\$4,465,927	\$11,046,246	\$11,025,112	\$11,183,620	\$10,049,407	\$10,831,380	\$11,711,980	
Total Annual Labor Costs		\$39,544,557	\$27,970,807	\$40,900,966	\$40,822,712	\$41,409,620	\$37,209,967	\$40,105,380	\$43,365,980	
NOTES:										
(1) For mature 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 2022 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 500-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 37 percent of total annual base payroll costs for U.S. locations. Eastern Ontario assumes a rate of 19 percent. 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 III - EXHIBIT III					
ANNUAL ELECTRIC POWER 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
Cincinnati/Southern OH Region	Duke Energy Ohio	\$495,348	6.35	\$654,651	\$1,149,999
Eastern Ontario Region	Hydro One	\$580,356	7.44	\$311,695	\$892,051
Allentown/Lehigh Valley Region	Pennsylvania Power and Light	\$447,420	5.74	\$539,535	\$986,955
Harrisburg/Lebanon Valley Region	Pennsylvania Power and Light	\$447,420	5.74	\$539,535	\$986,955
Scranton/Northeast PA Region	Pennsylvania Power and Light	\$447,420	5.74	\$539,535	\$986,955
Cleveland/East TN Region	Cleveland Utilities	\$524,232	6.72	\$482,558	\$1,006,790
Dallas/North TX Region	Oncor Electric	\$497,808	6.38	\$320,930	\$818,738
Tri-Cities/Southeast WA Region	Benton PUD	\$427,908	5.49	\$527,325	\$955,233
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. No incentives or special discounts assumed.					
(2) Annual costs reflect an assumed monthly use of 50,000 therms of natural gas. Gas prices are based on latest monthly state and regional averages for industrial-use gas.					

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES III - EXHIBIT IV								
PLANT CONSTRUCTION AND AMORTIZATION COSTS								
	Cincinnati/ Southern OH Region	Eastern Ontario Region	Allentown/ Lehigh Valley Region	Harrisburg/ Lebanon Valley Region	Scranton/ Northeast PA Region	Cleveland/ East TN Region	Dallas/ North Texas Region	Tri Cities/ Southeast WA Region
Site Acquisition: No. of Acres	30	30	30	30	30	30	30	30
Cost per Acre (1)	\$298,500	\$85,500	\$301,500	\$276,500	\$248,500	\$147,500	\$387,500	\$259,500
Site Improvement Cost (2)	--	--	--	--	--	--	--	--
Total Land Cost	\$8,955,000	\$2,565,000	\$9,045,000	\$8,295,000	\$7,455,000	\$4,425,000	\$11,625,000	\$7,785,000
Construction Cost (3)	\$33,269,434	\$37,454,400	\$35,846,944	\$33,745,829	\$33,635,619	\$27,343,566	\$29,330,288	\$33,013,081
Machinery and Equipment	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Total Project Investment	\$62,224,434	\$60,019,400	\$64,891,944	\$62,040,829	\$61,090,619	\$51,768,566	\$60,955,288	\$60,798,081
Project Amortization								
Cost of Funds (Interest)	3.0	3.0	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	0.0569	0.0569
Total Annual Amortization Cost	\$3,540,570	\$3,415,104	\$3,692,352	\$3,530,123	\$3,476,056	\$2,945,631	\$3,468,356	\$3,459,411
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 300,000 sq. ft. industrial building. Geographic differentials in building costs are based on latest BizCosts® construction cost index data for the second quarter of 2022.								
(4) Assumes 25-year level amortization payments at 3.0 percent.								

**A COMPARATIVE OPERATING
COST ANALYSIS**

**FOOD & BEVERAGE PROCESSING
INDUSTRY SITE SELECTION**

SERIES III - EXHIBIT V AD VALOREM AND SALES TAX COSTS								
	Cincinnati/ Southern OH Region	Eastern Ontario Region	Allentown/ Lehigh Valley Region	Harrisburg/ Lebanon Valley Region	Scranton/ Northeast PA Region	Cleveland/ East TN Region	Dallas/ North Texas Region	Tri Cities/ Southeast WA Region
Real Property Tax Cost								
Land Cost (1)	\$8,955,000	\$2,565,000	\$9,045,000	\$8,295,000	\$7,455,000	\$4,425,000	\$11,625,000	\$7,785,000
Building Cost (2)	\$33,269,434	\$37,454,400	\$35,846,944	\$33,745,829	\$33,635,619	\$27,343,566	\$29,330,288	\$33,013,081
Total	\$42,224,434	\$40,019,400	\$44,891,944	\$42,040,829	\$41,090,619	\$31,768,566	\$40,955,288	\$40,798,081
Effective Tax Rate	\$22.48	\$24.92	\$28.61	\$29.78	\$26.39	\$16.24	\$27.20	\$11.79
Real Property Tax Cost (3)	\$949,205	\$997,283	\$1,284,359	\$1,251,976	\$1,084,381	\$515,922	\$1,113,984	\$481,009
Sales Tax Cost								
Taxable Goods Purchases	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000
Sales Tax Rate (Percent)	7.80	13.00	6.00	6.00	6.00	9.75	8.25	8.60
Total Annual Sales Tax Cost (4)	\$975,000	\$1,625,000	\$750,000	\$750,000	\$750,000	\$1,218,750	\$1,031,250	\$1,075,000
Total Annual Ad Valorem and Sales Tax Costs	\$1,924,205	\$2,622,283	\$2,034,359	\$2,001,976	\$1,834,381	\$1,734,672	\$2,145,234	\$1,556,009
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 locations.								
(4) Based on prevailing local and state sales tax levies on taxable purchases of supplies, furnishings, equipment and other taxable goods. The combined Ontario and Federal sales tax cost does not reflect certain input tax credits which are available to manufacturers.								

