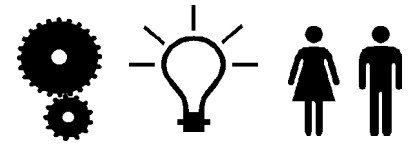


Annual Operating Cost Comparison



	Worcester County, Maryland	Hartford/ New Britain, Connecticut	Nassau/Suffolk, New York	Newark, NJ	Philadelphia, PA	Norfolk, VA	Goldsboro, NC	Florence, SC
Rent	62,500	87,500	87,500	125,000	118,750	112,500	75,000	75,000
Utilities	92,045	133,512	148,540	136,300	135,220	82,848	85,882	92,341
Real Property Tax	9,500*	17,500	43,750	22,500	18,750	10,000	6,700	8,300
Corporate Personal								
Property Tax	18,500*	7,150	0	0	0	32,000	24,400	4,410
Insurance (Fire & Liability)	2,000	5,000	5,000	4,375	5,000	2,500	2,000	2,000
Labor	977,600	1,464,320	1,191,840	1,391,520	1,414,400	1,178,320	1,071,200	1,040,000
Unemployment Ins.	7,650	26,400	14,350	23,250	15,600	3,600	4,235	7,000
Workers' Compensation	23,462	59,598	55,659	48,286	55,303	22,624	25,387	29,848
Total	1,193,257	1,800,980	1,546,639	1,751,231	1,763,023	1,444,392	1,295,404	1,259,579

Assumes: 1) 25,000 sq. ft. building in suburbs, 2) triple net lease (average price), 3) 300 KW, 120MWH, no incentive rates, 4) original cost of machinery & equipment (not depreciated): \$2 million, original cost of office equipment: \$100,000, 5) no tax incentives, 6) 50 employees @ average manufacturing wage, 7) UI: 50 employees @ average employer contribution rate as a percent of taxable wages, 8) workers' compensation: average comparative cost for manufacturers

***Note:** Tax exemptions would reduce real and personal property tax liability to approximately \$5,000/year for the first five years. The real property tax exemption phases out over the next five years so in the eleventh year the liability would be \$9,500. The personal property tax exemption phases out over the next three years so in the eighth and subsequent years, after full depreciation, the liability would be \$18,500. Virginia and North Carolina **cannot** offer tax abatements; South Carolina can offer tax abatements on the county portion **only** (20% of tax liability). Of course, equipment can be depreciated in Virginia, North Carolina and South Carolina; depreciation schedules vary.

Worcester County Economic Development Department, October 1998

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