

**Broome County Industrial Development Agency  
Incentive Analysis**

\*Project Name/Address: Franklin Estates- American Horizons Group

Project Description: Located in the Village of Endicott the Franklin Estates Project consists of the renovation of a two family house on East Franklin St and the construction of 26 new two family houses along East Franklin St, Groats St and Overton St for a total of 54 two-bedroom units. The project is geared to the 55 and older retired population. The project includes extensive land development costs for the project to move forward.

**BENEFIT**

Investment

Land Related Costs	\$2,140,000.00	
Building Related Costs	\$5,490,000.00	
Machinery & Equipment	\$100,000.00	
FF&E	\$350,000.00	
Working Capital	\$50,000.00	
Professional Fees/ Development	\$175,000.00	
<b>TOTAL INVESTMENT</b>	<b>\$8,305,000.00</b>	<b><u>\$8,305,000.00</u></b>

New Mortgages \$7,500,000.00

Jobs

New	5
Retained	<u>-</u>

TOTAL JOBS 5

Annual Payroll \$150,000 (estimated with benefits)

Term # Years 20 years

TOTAL PAYROLL \$ 3,000,000 \$ 3,000,000

PILOT PAYMENTS (see Pilot Schedule) \$ 5,894,303

TOTAL BENEFIT \$ 17,199,303

**Cost**

Pilot Schedule

Terms/Years	Tax	% Abatement	*Pilot Payment	Abatement
1-22			\$ 5,894,000	\$ 1,719,717
				\$ -
<b>Total</b>			<b>\$ 5,894,000</b>	<b>\$ 1,719,717</b>

TOTAL ABATEMENT		\$1,719,717
SALES TAX ABATEMENT		\$ 330,000
MORTGAGE RECORDING TAX	1% of \$7,500,000	\$ 75,000
AGENCY FEE	(1% Total Project Cost)	\$ <u>(83,050)</u>
<b>TOTAL COST</b>		\$ 2,041,667
<b>NET BENEFIT/COST</b>		\$ <u>15,157,636</u>

**Benefit/Cost Ratio** 8.42 to 1

Comments: The project will create 54 units of much needed senior housing. This parcel of land to be developed was left undeveloped by a previous developer which had a significant negative impact on the property values of the surrounding residential neighborhood

Total Assessment of the as built project as determined by the Village of Endicott is \$5,560,000. As a result total taxes would be \$295,308. Assuming a 2% tax increase per year total taxes over the term of the PILOT would amount to \$7,614,020. PILOT Payments total \$5,894,303 which equals a tax savings to the Project of \$1,719,717.