

Cost Benefit Analysis

4/2/2004

Project Name/Address: Gannett Satellite Information Network, Inc., Johnson City dba Press & Sun-Bulletin Project

Project Description:

See Attached Narrative

Benefit

| | | |
|------------|----|-------------------|
| Investment | | |
| Building | \$ | 12,597,987 |
| Land/Site | \$ | 2,254,514 |
| Equipment | \$ | 317,613 |
| Soft Cost | \$ | 1,410,853 |
| New Press | \$ | <u>35,000,000</u> |

TOTAL INVESTMENT \$ 51,580,967

Jobs

New 65 Full Time, 32 Part Time
Retained

TOTAL JOBS 65 Full Time, 32 Part Time

Annual Payroll \$ 2,803,238

Term (# Years) x Annual Payroll 15 years x \$2,803,238

TOTAL PAYROLL \$ 42,048,570

*PILOT PAYMENTS \$ 3,167,962

TOTAL BENEFIT \$ 96,797,499

Cost

| | | |
|---|----|------------|
| Property Tax Estimate | | |
| Fair Market Value | \$ | 12,500,000 |
| Equalization Rate | | 6.58% |
| Assessment | \$ | 822,500 |
| (Fair Market Value x Equalization Rate) | | |

Tax Rates

| | | |
|-------------|---------------|----------|
| Town/County | 140.50 | per 1000 |
| School | <u>373.05</u> | per 1000 |
| | 513.55 | |

ANNUAL TAX \$ 422,394.88
(Assessment (per 1000) x combined taxes)

Pilot Schedule

| Terms/Years | Tax | % Abatement | *Pilot Payment | Abatement | |
|--|--------------|-------------|---------------------|---------------|-------------------|
| 1-5 | \$ 2,111,974 | 75% | \$ 527,994 | \$ 1,583,981 | 1,919,902 |
| 6-10 | \$ 2,111,974 | 50% | \$ 1,055,987 | \$ 1,055,987 | 5,279,935 |
| 11-15 | \$ 2,111,974 | 25% | \$ 1,583,981 | \$ 527,994 | 2,639,970 |
| | | | \$ <u>3,167,962</u> | \$ 3,167,962 | <u>15,839,807</u> |
| TOTAL | | | | \$ 3,167,962 | |
| SALES TAX ABATEMENT (\$12,597,987/2 = 6,298,993 x 8.25%) | | | | \$ 519,667 | 2,639,970 |
| MORTGAGE RECORDING TAX | | | | \$ - | 5,279,935 |
| AGENCY FEE | | | | \$ (91,452) | 1,583,981 |
| TOTAL COST | | | | \$ 3,596,177 | <u>7,919,905</u> |
| NET BENEFIT/COST | | | | \$ 93,201,322 | |

Comments:

Major capital investments by world class corporation in state of the art printing technology.
Anchor in the reclamation of a significant brownfield site (former Endicott Johnson Shoe Company).
Significant improvement to a major gateway to the community.
Significant increase in value to the site with potential for increased tax revenue.