

**Broome County Industrial Development Agency
Incentive Analysis**

*Project Name/Address: Hawley Street Members LLC
20 Hawley Street Luxury Student Apartments

Project Description: Compete renovation of the 167,000 sf building located in downtown Binghamton to be used as an apartment complex for college students that will include 293 student apartments arranged in various numbered suites, amenities include a fitness center, student lounge & underground parking. A portion of the first floor, approximately 11,000 sf will be designated for retail uses.

Benefit

Investment

Land				
Building	}	\$	412,000	
M&E/Materials		\$	10,000,000	
Other/Labor		\$	<u>225,000</u>	
 TOTAL INVESTMENT		\$	10,637,000	<u>\$ 10,637,000</u>

Jobs

New			9	
Retained			<u>2</u>	
 TOTAL JOBS			11	
Annual Payroll	\$	200,000	(estimated with benefits)	
Term # Years		10	years	
 TOTAL PAYROLL	\$	2,000,000	\$	2,000,000
PILOT PAYMENTS			(see Pilot Schedule)	<u>\$ 2,732,772</u>
 TOTAL BENEFIT			\$	15,369,772

Cost

*Property Tax Estimate 2011

Fair Market Value \$ 1,282,051
 Equalization Rate 78%

Assessment * \$ 1,000,000 per city assessor/income approach to value
 Assessment ** \$ 4,200,000 post construction agreed upon assessment

Tax Rates 2011

		Pre-improvement		Post construction
Town/County/City	48.626485	Annual tax	\$ 48,626	\$ 204,231
School	36.887395	Annual tax	\$ 36,887	\$ 154,927
ANNUAL TAX	\$ 85,514			\$ 359,158

Pilot Schedule

Terms/Years	Tax	% Abatement	*Pilot Payment	Abatement
1-3	\$ 256,542	Frozen	\$ 256,542	\$ -
4-5	\$ 889,345	50%	\$ 701,816	\$ 359,158
6-10	\$ 1,795,791	25%	\$ 1,774,414	\$ 448,948
Total			\$ 2,732,772	\$ 808,106

TOTAL ABATEMENT		\$ 808,106
SALES TAX ABATEMENT	(8% x 50% material cost)	\$ 400,000
MORTGAGE RECORDING TAX	(1% on Mortgage Recorded - \$10,000,000)	\$ 100,000
AGENCY FEE	(1% Total Project Cost)	\$ (106,370)
TOTAL COST		\$ 1,201,736
NET BENEFIT/COST		\$ 14,168,035

Benefit/Cost Ratio

12.79 to 1

Comments:

- The addition of 293 new student residents.
- Significant economic impact adding to the revitalization of the city and its downtown businesses.

*Tax frozen at pre-improvement level

**Agreed upon assessment post construction

Any project, **industrial or commercial**, which consists of **improving a previously owned facility**, will have taxes **frozen** at the level in place prior to improvements for **3 years**. In years **4 & 5**, any tax **increase over the frozen level** will be **abated by 50%** and in years **6-10, 25%**.