

**Broome County Industrial Development Agency
Cost Benefit Incentive Analysis**

Date: 11.5.19
 Project Name/Address: Sam A. Lupo & Sons, Inc./SSE3,LLC
 Project Start Date: 2019
 Project Description: The purpose of the project is to enable Lupo's to maintain current business in a safe and sanitary environment, along with the ability to look for new business. The main building has been purchased. Lupo's will add a 9,000 square foot addition to be used for refrigerated production and coolers to USDA requirements. The existing building will be used for storage, employee areas and administration. There will be two loading docks and enough parking for all employees and four refrigerated trucks. The building will be remodeled along with the addition to also enable the company to be third party audited for food safety and quality. It is anticipated that the remodeling will also increase efficiency.

BENEFIT

Investment: Public/Private/Equity

Building Related Costs	\$ 1,688,500.00	
M&E Costs	\$ 300,000.00	
FF&E Costs	\$ 60,000.00	
Professional Fees/ Development	\$ 65,000.00	
Other Costs	\$55,000.00	
TOTAL INVESTMENT	\$2,168,500.00	<u>\$2,168,500.00</u>

New Mortgages

Jobs	0
New	10
Retained	<u>42.0</u>
TOTAL JOBS	52.0

Term # Years 15 years

TOTAL PAYROLL	\$ 264,693.96	\$ 264,693.96
PILOT PAYMENTS	\$ 583,295.06 (see Pilot Schedule)	\$ 583,295.06
TOTAL BENEFIT	\$ 3,016,489.02	\$ 3,016,489.02

Cost

Property Tax Estimate

Fair Market Value	\$ 1,700,000.00	upon completion
Equalization Rate	4.25%	
Taxable Assessment	\$ 72,250.00	

Tax Rates

County & Town	336.91	Annual tax	\$ 24,341.75
School	658.983943	Annual tax	\$ 47,611.59
ANNUAL TAX	995.893943		\$ 71,953.34 number based on 1st year

Pilot Schedule

Terms/Years	Tax	% Abatement	*Pilot Payment	Abatement
SEE PILOT SCHEDULE			\$ -	
Total				

* Assume a 2% Tax Increase Per Year

PROPERTY TAX ABATEMENT	\$	661,024.04		
SALES TAX ABATEMENT	\$	65,600.00		
MORTGAGE RECORDING TAX				
AGENCY FEE	\$	21,685.00		
TOTAL COST	\$	748,309.04	\$	748,309.04
NET BENEFIT/COST			\$	<u>2,268,179.98</u>

Benefit/Cost Ratio

4.03 to 1

Comments/Additional Revenue:

Any Additional Public Benefits:

SAM A. LUPO & SONS, INC, SSE3,LLC PILOT SCHEDULE

<u>YEAR</u>	<u>FULL TAXES</u>	<u>% INCREASE</u>	<u>PILOT PAYMENT</u>	<u>BENEFIT</u>
2020	\$71,953.34	0%	\$15,267.05	\$56,686.29
2021	\$73,392.41	0%	\$15,267.05	\$58,125.36
2022	\$74,860.25	0%	\$15,267.05	\$59,593.20
2023	\$76,357.46	0%	\$15,267.05	\$61,090.41
2024	\$77,884.61	0%	\$15,267.05	\$62,617.56
2025	\$79,442.30	50%	\$43,610.20	\$35,832.11
2026	\$81,031.15	50%	\$43,610.20	\$37,420.95
2027	\$82,651.77	50%	\$43,610.20	\$39,041.58
2028	\$84,304.81	50%	\$43,610.20	\$40,694.61
2029	\$85,990.90	50%	\$43,610.20	\$42,380.71
2030	\$87,710.72	25%	\$57,781.77	\$29,928.95
2031	\$89,464.93	25%	\$57,781.77	\$31,683.17
2032	\$91,254.23	25%	\$57,781.77	\$33,472.47
2033	\$93,079.32	25%	\$57,781.77	\$35,297.55
2034	\$94,940.90	25%	\$57,781.77	\$37,159.14
	\$1,244,319.11		\$583,295.06	\$661,024.04

Based on an assumed 2% property tax increase per year

Current Assessment \$15,330

Final Assessment: \$72,250