

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

Date: 1.8.2020
 Project Name/Address: Great Eastern Hemp, LLC
 Project Start Date: 2020

Project Description: Acquire, renovate and equip the facility to process locally grown hemp. In addition manufacture, package and distribute hemp derived CBD products.

BENEFIT

Investment: Public/Private/Equity

Building Related Costs	\$ 3,000,000.00	
M&E Costs	\$ 6,500,000.00	
Working Capital	\$ 500,000.00	
Professional Fees/ Development	\$ 300,000.00	
Other Costs	\$700,000.00	
TOTAL INVESTMENT	\$11,000,000.00	<u>\$11,000,000.00</u>

New Mortgages \$1,650,000.00

Jobs

New 40
 Retained 0.0

TOTAL JOBS 40.0

Term # Years 15 years

TOTAL PAYROLL	\$ 1,665,000.00	\$ 1,665,000.00
PILOT PAYMENTS	\$ 841,811.14 (see Pilot Schedule)	\$ 841,811.14
TOTAL BENEFIT	\$ 13,506,811.14	\$ 13,506,811.14

Cost

Property Tax Estimate

Fair Market Value	\$ 2,200,000.00	upon completion
Equalization Rate	4.25%	
Taxable Assessment	\$ 93,500.00	

Tax Rates

County	171.021463	Annual tax	\$ 15,990.50
School	622.255611	Annual tax	\$ 58,180.90
Village	358.4697	Annual tax	\$ 33,516.92
Town of Union	28.149066	Annual tax	\$ 2,631.94
ANNUAL TAX	1179.89584	\$	110,320.26 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 \$ 1,066,003.11

SALES TAX ABATEMENT \$ 80,000.00

MORTGAGE RECORDING TAX

AGENCY FEE \$ 110,000.00

TOTAL COST \$ 1,256,003.11

\$ 1,256,003.11

NET BENEFIT/COST

\$ 12,250,808.03

Benefit/Cost Ratio

10.75 to 1

Comments/Additional Revenue:

Any Additional Public Benefits:

GREAT EASTERN HEMP

<u>YEAR</u>	<u>FULL TAXES</u>	<u>% INCREASE</u>	<u>PILOT PAYMENT</u>	<u>BENEFIT</u>
2020	\$110,320.26	0%	\$0.00	\$110,320.26
2021	\$112,526.67	0%	\$0.00	\$112,526.67
2022	\$114,777.20	0%	\$0.00	\$114,777.20
2023	\$117,072.74	0%	\$0.00	\$117,072.74
2024	\$119,414.20	0%	\$0.00	\$119,414.20
2025	\$121,802.48	50%	\$60,901.24	\$60,901.24
2026	\$124,238.53	50%	\$62,119.27	\$62,119.27
2027	\$126,723.30	50%	\$63,361.65	\$63,361.65
2028	\$129,257.77	50%	\$64,628.88	\$64,628.88
2029	\$131,842.92	50%	\$65,921.46	\$65,921.46
2030	\$134,479.78	25%	\$100,859.84	\$33,619.95
2031	\$137,169.38	25%	\$102,877.03	\$34,292.34
2032	\$139,912.76	25%	\$104,934.57	\$34,978.19
2033	\$142,711.02	25%	\$107,033.26	\$35,677.75
2034	\$145,565.24	25%	\$109,173.93	\$36,391.31
	\$1,907,814.25		\$841,811.14	\$1,066,003.11

Based on an assumed 2% property tax increase per year
 Current Assessment \$0 (No current taxes being paid)
 Final Taxable Assessment: \$93,500