

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

Date: 3.6.2020
 Project Name/Address: 159 Washington Holding, LLC
 Project Start Date: 2020
 Project Description: Former Ellis Brothers furniture business, 4 story mixed use building in downtown Binghamton. Approximately 20,000 sq ft to be renovated into 27 one- and two-bedroom apartments geared towards young professionals working in downtown Binghamton. Seeking 1st floor commercial tenants. This is a historic building and the front façade will be preserved in accordance with local CAUD and State Historic Preservation guidelines.

BENEFIT

Investment: Public/Private/Equity

Building Related Costs	\$	1,500,000.00	
FF&E Costs	\$	43,200.00	
Professional Fees/ Development	\$	35,000.00	
TOTAL INVESTMENT		\$1,578,200.00	<u>\$1,578,200.00</u>

New Mortgages

Jobs

New	5
Retained	<u>0.0</u>
TOTAL JOBS	5.0

Term # Years 10 years

TOTAL PAYROLL	\$	235,000.00	\$	235,000.00
PILOT PAYMENTS	\$	325,900.76 (see Pilot Schedule)	\$	325,900.76
TOTAL BENEFIT	\$	2,139,100.76	\$	2,139,100.76

Cost

Property Tax Estimate

Fair Market Value	\$	463,000.00	upon completion
Equalization Rate		79.00%	
Taxable Assessment	\$	586,075.00	

Tax Rates

County	9.155881	Annual tax	\$	25,057.27
School	42.754372	Annual tax	\$	5,366.03
City	40.761629	Annual tax	\$	23,889.37
ANNUAL TAX	92.671882		\$	54,312.67 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	\$	268,807.82		
SALES TAX ABATEMENT	\$	50,000.00		
MORTGAGE RECORDING TAX				
AGENCY FEE	\$	15,782.00		
TOTAL COST	\$	334,589.82	\$	334,589.82
NET BENEFIT/COST			\$	1,804,510.94

Benefit/Cost Ratio

6.39 to 1

Comments/Additional Revenue:

Any Additional Public Benefits:

159 Washington Holding, LLC - Standard 10 Year PILOT Schedule (Purchase of Existing Facilities/Commercial)

<u>YEAR</u>	<u>FULL TAXES</u>	<u>% ABATEMENT</u>	<u>PILOT PAYMENT</u>	<u>BENEFIT</u>
2021	\$54,312.67	Frozen	\$11,213.30	\$43,099.37
2022	\$55,398.92	Frozen	\$11,213.30	\$44,185.62
2023	\$56,506.90	Frozen	\$11,213.30	\$45,293.60
2024	\$57,637.04	50%	\$28,818.52	\$28,818.52
2025	\$58,789.78	50%	\$29,394.89	\$29,394.89
2026	\$59,965.58	25%	\$44,974.18	\$14,991.39
2027	\$61,164.89	25%	\$45,873.67	\$15,291.22
2028	\$62,388.19	25%	\$46,791.14	\$15,597.05
2029	\$63,635.95	25%	\$47,726.96	\$15,908.99
2030	\$64,908.67	25%	\$48,681.50	\$16,227.17
TOTALS	\$594,708.58		\$325,900.76	\$268,807.82

Based on an assumed 2% property tax increase per year
 Current Assessment \$121,000
 \$11,213.30 1st year taxes

Assessment Upon Completion - \$463,000
 ER 79%
 Final Taxable Assessment - \$586,075

Years 1-3 Frozen at Current Tax Level
 Years 4 and 5 50% Abatement
 Years 6-10 25% Abatement

School - 42.754372 \$25,057.27
 County - 9.155881 \$5,366.03
 City - 40.761629 \$23,889.37

92.671882 \$54,312.67 Total for new tax amount