

**Broome County Industrial Development Agency
Incentive Analysis**

Project Name/Address: L3
 Project Start Date: 2018
 Project End Date: 2019

Project Description: L3 is planning to lease a new facility at 147 Industrial Park Drive to relocate their operations. They will be the sole tenant of this building and will work with the owner on building renovations, including the addition of 20,000 s/f of space, bringing the building total to 100000 sf. L3 has stated their desire to stay in the area and move into a state of the art free standing building. They are seeking a standard pilot and assistance from NYS to retain more than 105 jobs in Broome County. They plan to create an additional 13 jobs with the move.

BENEFIT

Investment: Public/Private/Equity

| | | |
|--------------------------------|-----------------------|------------------------------|
| Land Related Costs | 0 | |
| Building Related Costs | \$8,360,000.00 | |
| Professional Fees/ Development | \$ 1,100,000.00 | |
| Other Costs | | |
| TOTAL INVESTMENT | \$9,460,000.00 | <u>\$9,460,000.00</u> |

New Mortgages

Jobs

| | |
|----------|----------|
| New | 13 |
| Retained | <u>-</u> |

TOTAL JOBS align="right">**13**

Annual Payroll (estimated with benefits)

Term # Years 3 years

TOTAL PAYROLL align="right">\$ 2,400,000.00 align="right">\$ 2,400,000.00

PILOT PAYMENTS align="right">\$ 1,522,667.00 (see Pilot Schedule) align="right">\$1,522,667.00

TOTAL BENEFIT align="right">**\$ 13,382,667**

Cost

Property Tax Estimate

| | |
|-------------------|--------------|
| Fair Market Value | \$ 2,416,000 |
| Equalization Rate | 72% |
| Assessment | \$ 1,740,000 |

Tax Rates

| | | | |
|------------------|--------|------------|-----------|
| Town/City/County | 11.182 | Annual tax | 19,456.80 |
|------------------|--------|------------|-----------|

School 28.445 Annual tax 49,494.30

ANNUAL TAX 39.627 68,951.10

Pilot Schedule

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

* Assume a 2% Tax Increase Per Year

| | | | | |
|------------------------|-----------|-------------------|-----------|-------------------|
| TOTAL ABATEMENT | \$ | 585,927.45 | | |
| SALES TAX ABATEMENT | \$ | 432,000.00 | | |
| MORTGAGE RECORDING TAX | \$ | 70,600.00 | | |
| AGENCY FEE | \$ | 94,600.00 | | |
| TOTAL COST | \$ | 993,927.45 | \$ | 993,927.45 |

NET BENEFIT/COST \$ 12,388,739.55

Benefit/Cost Ratio 13.46 to 1

Comments/Additional Revenue:

Any Additional Public Benefits: This project serves a critical need to retain more than 100 engineering and advanced manufacturing jobs in Broome County. The company would like to stay in Broome but recognizes that relocation to their Arlington, TX location is a viable option. L3 is one of the last remaining companies with a footprint in the simulation industry.

L3 PILOT Schedule

Current Assessment: \$1,740,000.00

Current Tax Rate:

Town 1.451901
 County 9.72694
 School 28.448716
 39.627557

Total

| PILOT TERM | PILOT YEAR | FINAL ASSESSMENT | \$3,700,000 | Property Taxes at Full Assessment | Annual ABATEMENT | Annual abatement \$ at Pilot Payment | Levy Assessment | |
|------------|------------|--------------------------------|-------------|-----------------------------------|----------------------|--------------------------------------|-----------------|----------------|
| year 1 | 2019 | \$1,740,000.00 | | \$ 146,619.90 | frozen @ \$1,740,000 | \$ 1,960,000 | \$ 68,950.98 | \$1,740,000.00 |
| year 2 | 2020 | \$1,740,000.00 | | \$ 149,552.30 | frozen @ \$1,740,000 | \$ 1,960,000 | \$ 68,950.98 | \$1,740,000.00 |
| year 3 | 2021 | \$1,740,000.00 | | \$ 152,543.34 | frozen @ \$1,740,000 | \$ 1,960,000 | \$ 68,950.98 | \$1,740,000.00 |
| year 4 | 2023 | \$1,740,000.00 | | \$ 155,594.21 | frozen @ \$1,740,000 | \$ 1,960,000 | \$ 68,950.98 | \$1,740,000.00 |
| year 5 | 2024 | \$1,740,000.00 | | \$ 158,706.10 | frozen @ \$1,740,000 | \$ 1,960,000 | \$ 68,950.98 | \$1,740,000.00 |
| year 6 | 2025 | 1,740,000 + (50% of) 1,960,000 | | \$ 131,361.64 | 50% | \$980,000 | \$ 108,181.71 | \$2,730,000.00 |
| year 7 | 2026 | 1,740,000 + (50% of) 1,960,000 | | \$ 133,988.87 | 50% | \$980,000 | \$ 108,181.71 | \$2,730,000.00 |
| year 8 | 2027 | 1,740,000 + (50% of) 1,960,000 | | \$ 136,668.65 | 50% | \$980,000 | \$ 108,181.71 | \$2,730,000.00 |
| year 9 | 2028 | 1,740,000 + (50% of) 1,960,000 | | \$ 139,402.02 | 50% | \$980,000 | \$ 108,181.71 | \$2,730,000.00 |
| year 10 | 2029 | 1,740,000 + (50% of) 1,960,000 | | \$ 142,190.06 | 50% | \$980,000 | \$ 108,181.71 | \$2,730,000.00 |
| year 11 | 2030 | 1,740,000 + (75% of) 1,960,000 | | \$ 127,202.67 | 25% | \$490,000 | \$ 127,400.80 | \$3,215,000.00 |
| year 12 | 2031 | 1,740,000 + (75% of) 1,960,000 | | \$ 129,746.72 | 25% | \$490,000 | \$ 127,400.80 | \$3,215,000.00 |
| year 13 | 2032 | 1,740,000 + (75% of) 1,960,000 | | \$ 132,341.66 | 25% | \$490,000 | \$ 127,400.80 | \$3,215,000.00 |
| year 14 | 2033 | 1,740,000 + (75% of) 1,960,000 | | \$ 134,988.49 | 25% | \$490,000 | \$ 127,400.80 | \$3,215,000.00 |
| year 15 | 2034 | 1,740,000 + (75% of) 1,960,000 | | \$ 137,688.26 | 25% | \$490,000 | \$ 127,400.80 | \$3,215,000.00 |
| Year 16 | 2035 | \$3,700,000.00 | | \$ 2,108,594.90 | 0% | \$0 | \$ 1,522,667.45 | \$3,700,000.00 |