Garvies Point Workforce, LLC

Cost-Benefit Analysis

Prepared by:

MRB group

Prepared for:
Glen Cove IDA

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Executive Summary

The Glen Cove Industrial Development Agency (the "Agency") received an application for financial assistance from Garvies Point Workforce, LLC (the "Applicant") related to a proposed project located on the east side of Dickson Lane, Glen Cove, NY (the "Site"). The proposed project includes the development of an approximately 59,236 square foot building offering 55 affordable housing units at the City's waterfront and associated furniture, fixtures, and equipment (the "Project"). The Agency requested a cost-benefit analysis from MRB Group in conformity with GML Section 859-a(5) to enumerate the economic benefits and costs of the Project on the City of Glen Cove (the "City") and region, as part of the Agency's deliberations.

MRB Group conducted a thorough assessment of the economic and fiscal impacts of the Project, for both one-time construction impacts and ongoing impacts of operations. The effects considered in this analysis include direct and indirect changes to jobs, sales, and expenditures in the region. Economic impacts associated with estimates of "net new" spending stem from household expenditures of future occupants of the Site. The fiscal impacts of the Project include one-time and ongoing new tax revenue as well as the presumed costs of the financial assistance being considered by the Agency. Below are the results of our analyses.

Using estimates provided by the Applicant of the percentage of locally-sourced labor and materials used in the construction phase of the Project, we were able to assess the one-time economic impact.[1] The construction phase of the Project will produce 51 direct, on-site construction jobs and 29 indirect jobs. Therefore, in total, the construction phase of the Project will create 80 jobs and generate $6.3 million in wages.

Upon completion of the Project, we estimate that the spending of "net new" households will yield 14.5 total jobs, producing a total of $22.0 million of earnings over the 30-year life of the proposed PILOT.

Summary of Economic Impacts

	Direct	Indirect	Total
Construction Jobs	51	29	80
Construction Wages	$4,472,793	$1,814,327	$6,287,120
Ongoing Jobs	14.5	*De minimis*	14.5
Ongoing Wages Over 30 Years	$20,225,590	$1,789,336	$22,014,926

[1] Note that the direct and indirect "Construction Jobs" and "Construction Wages" shown are with respect to Nassau County (the "County"), as such jobs tend to be pulled from a larger labor shed. The direct and indirect "Ongoing Jobs" and "Ongoing Wages" shown are with respect to the City.

In terms of costs of the Project, the Applicant has requested a sales tax exemption, a mortgage recording tax exemption, and a property tax exemption. The cost of the sales tax exemption to the County and State is $1.3 million, and the cost of the mortgage recording tax exemption is $174,375. With respect to the PILOT exemption, the property in question is already subject to a master tax agreement that stipulated certain PILOT payments for the first twenty years of the Project. Since the first twenty years fall under a pre-existing master tax agreement, the cost of inducement with respect to those years of PILOT payments is zero. However, the Applicant is requesting an extension of this PILOT agreement for ten additional years, and we estimate the cost of that extension to be $4.3 million.

Summary of Fiscal Impacts

Costs Over Thirty Years	$
Sales Tax Exemption	$1,328,250
Mortgage Recording Tax Exemption	$174,375
PILOT Exemption	$4,287,014
Benefits Over 30 Years	**$**
Sales Tax, Construction, County	$46,760
Sales Tax, Operations, County	$589,445
PILOT Payments	$3,082,681

In term of fiscal benefits,[2] based upon our estimated construction-phase earnings, we project a one-time sales tax revenue impact to the County of $46,760. Over the life of the PILOT agreement, we estimate that that County will benefit from sales tax revenues of $589,445 related to the new household spending and the new wages being earned from ongoing jobs.[3] Under the existing PILOT and with the ten-year extension thereto, the Project will generate $3.1 million in PILOT payments for the proposed 30-year life of the agreement.

[2] Note that while we report the entire cost of the exemptions to both state and local government, we are reporting only the fiscal benefits that accrue to the County and City.

[3] The County distributes a portion of its entire sales tax collections to its various municipalities based on population. Because of the presumed increase in City population due to the Project, we estimate the City will benefit from $4,192 in additional sales tax revenue distributions annually from the County.

Contents

Introduction

The Glen Cove Industrial Development Agency received an application for assistance from Garvies Point Workforce, LLC related to a proposed project located on the east side of Dickson Lane, Glen Cove. The proposed project includes the development of an approximately 59,236 square foot building offering 55 affordable housing units at the City's waterfront and associated furniture, fixtures, machinery, and equipment. The Agency requested a cost-benefit analysis from MRB Group in conformity with GML Section 859-a(5) to enumerate the economic benefits and costs of the Project on the City of Glen Cove and region, as part of the Agency's deliberations.

MRB Group conducted a thorough assessment of the economic and fiscal impacts of the project, for both one-time construction impacts and ongoing impacts of operation. The impacts considered in this analysis include direct and indirect changes to jobs, sales, and expenditures in the region. Economic impacts associated with estimates of "net new" spending stem from household expenditures of future occupants of the Site. The fiscal impacts of the Project include one-time and ongoing new tax revenue as well as the presumed costs of the financial assistance being considered by the Agency.

The following analysis includes a brief profile of affordable housing market trends, followed by an economic and fiscal impact analysis.

Affordable Multifamily Real Estate Market Review

Prior to calculating the economic and fiscal impacts of the Project, we must first determine how many of the future households of the Project can be considered "net new" to the City.

There are several circumstances for which households would be considered net new:

1) Out-of-area residents choosing to relocate to the City because of the Project.
2) Current City residents that would otherwise relocate outside of the City if the option to live in the Project were unavailable.
3) Current City residents that will move into the project, freeing up their former Glen Cove residences that will then be occupied by new City residents.

Therefore, this section of the report provides a review of certain key indicators relating to the current supply and demand trends of affordable housing units in the City of Glen Cove.

Housing Affordability

Housing statistics in the City of Glen Cove indicate strong unmet demand for affordable rental units. The City scored a 57 on the Housing Affordability Index (HAI) in 2019, where a score of 100 represents the national average. Additionally, the average percentage-of-income-spent-on-mortgage[4] was 37%. As a general rule, households spending more than 28% of their income on housing-related costs are said to be "burdened." By analyzing the City's median home value, relative to median household income, we are able to further assess the housing burden of City residents. In the table to the right, we show that the household income threshold is $137,657, representative of the income level needed for a household to be considered "not burdened." This threshold is nearly double the City's median household income of $77,899; such that 60% of households would be deemed "burdened" in a home ownership scenario. Therefore, renter-occupied, affordable units could play an important role in Glen Cove's housing market.

Household Income Threshold

	Glen Cove
Median Home Value, 2019	$599,316
10% Down Payment	$59,932
Loan Amount	$539,384
Avg. Mortgage Payment, 30 Yrs. @ 5%	$2,896
Est Additional Costs	$316
Avg Mortgage Payment and Estimated Additional Costs	$3,212
Household Income Threshold	$137,657
Median Household Income, 2019	$77,899

Source: ESRI, Zillow, MRB Group

[4] Source: Consumer Expenditure Survey, US Bureau of Labor Statistics.

Median contract rent in 2019 was $1,591 for the City of Glen Cove. Applying the same 28% rule, a household income of $68,186 is required to afford a median-priced rental unit without being considered burdened. Roughly 40% of Glen Cove residents would be considered burdened by the median rent prices. Therefore, there is clear demand for additional affordable housing units in the City.

Likewise, "House and Home Expenditures," shown in the table below, encompass annual spending of households on mortgage/rent, insurance, tax, and property maintenance, where appropriate. The Spending Potential Index (SPI) is a composite measure of household expenditures for the specified region as compared to the national average, which is represented by an SPI of 100. Both owner- and renter-occupied units in Glen Cove have significantly higher home expenditures and spending potential as compared to national averages. These SPI figures again demonstrate that housing is in short supply/high demand in the City, indicating that any new affordable units would attract net new households to the area.

2019 Households by Income

	Glen Cove %
<$15,000	9.0%
$15,000 - $24,999	7.4%
$25,000 - $34,999	6.7%
$35,000 - $49,999	11.2%
$50,000 - $74,999	14.0%
$75,000 - $99,000	12.0%
$100,000 - $149,000	13.6%
$150,000 - $199,000	9.6%
$200,000+	16.5%

Source: ESRI

Net New Conclusion

Based on the best available data indicating strong demand for new affordable units, we conclude that all units of the Project represent "net-new" households for the City.

Glen Cove House and Home Expenditures

	Average Amount Spent	SPI
Owned Dwelling	$ 17,324	135
Rented Dwelling	$ 8,246	161

Source: Consumer Spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Economic Impact Analysis

The Project would have economic impacts on the County and City in a number of ways. This includes one-time impacts to jobs, earnings, and sales during the construction phase of the Project, which we estimate for the entire County. It also includes ongoing impacts related to household spending and the operations of the Project, which we estimate for the City.[5]

Methodology

Both one-time, construction-phase impacts and ongoing, operation-phase impacts have "Direct" and "Indirect" components. For the construction phase:

- Direct jobs, wages, and sales are those that occur on-site related to labor and materials used in the construction of the Project.
- Indirect jobs, wages, and sales are those caused by the Direct impacts, and result from business-to-business purchases (e.g. a contractor buying a piece of equipment from a dealer) and from employees spending a portion of their wages locally.

For the operation phase:

- Direct jobs, wages, and sales are those jobs created from the operations of the Project (e.g. on-site employment of a maintenance person) and from new household spending occurring as a result of the Project.
- Indirect jobs, wages, and sales are those caused by the Direct impact, such as business-to-business purchases (e.g. a grocery store serving the new households buying goods from a distributor) and from employees of such businesses spending a portion of their wages locally.

To estimate the Direct and Indirect impacts, MRB Group employs the Emsi[6] economic modeling system. We used data from the Applicant, from the Agency, and from publicly-available and proprietary data sources as inputs to the Emsi modeling system. Where needed, we adjusted the Emsi model to best match the Project specifics. We then reported the results of the modeling.

[5] By their nature, construction-related impacts tend to be somewhat more diffuse, which is why we report them as County-level impacts. City-level impacts are measured based on the 11542 ZIP code, which closely approximates the City.

[6] Emsi, formerly "Economic Modeling Systems, Intl.," uses data from the US Bureau of Labor Statistics, the US Bureau of Economic Analysis, the US Census, and other public data sources to model out economic impacts.

Construction Phase

The Applicant provided estimates of the total cost of construction of the Project and the percentage of labor and materials to be sourced within the County. As shown in the table to the right, the Applicant estimates that 50% of its $15.4 million in materials costs and 50% of its $6.6 million in labor costs would be sourced within the County, for a total of $11 million of in-region construction spending.

Construction Spending In Region

	$ Total	% County	$ County
Materials	$15,400,000	50%	$7,700,000
Labor	$6,600,000	50%	$3,300,000
Total	**$22,000,000**	**50%**	**$11,000,000**

Source: Applicant, MRB

Nassau County construction spending of $11 million (direct "Sales" in the table) was used as an input into the Emsi economic modeling system. According to the model, this spending creates 51 direct jobs and direct earnings of approximately $4.5 million. Indirect impacts resulting from direct spending were also modeled, with 29 new jobs, $1.8 million in new earnings and $5.2 million in new sales. Therefore, the total, one-time, construction-phase impacts would be 80 jobs, $6.3 million in wages, and $16.2 million in sales.

Economic Impact of Construction Phase, One-Time

	Direct	Indirect	Total
Jobs	51	29	80
Earnings	$4,472,793	$1,814,327	$6,287,120
Sales	$11,000,000	$5,205,848	$16,205,848

Source: Emsi, MRB

We also note here that, based on the information provided by the Applicant, the Project timeline appears reasonable and should allow the Agency to conclude that the Project will be completed in a timely manner.

Operation Phase

An important distinction between construction and operation phase impacts is the geographical level at which impacts were measured. Because the operational impact will be significantly more localized relative to the County-level construction impacts, the economic impact of the operation phase was considered at the City level. In this case, we have used the 11542 ZIP Code, which is representative of the smallest unit of geography considered in our economic modelling system.

Operation phase impacts come from the effects of net-new household spending from the new units being brought onto the market by the Project and the employment at the Site.

According to the Applicant, this Project will bring to market 55 units of affordable housing, all of which, as noted above, we consider "net new." We used data from the Consumer Expenditure Survey (CEX) of the Bureau of Labor Statistics as of September 2019 specific to the New York metropolitan area. As shown, the typical household spends $39,280 per year in the categories of goods shown. For the purposes of being conservative, we have estimated that only 60% of this spending would occur in the City of Glen Cove. Given 55 units and the spending profile and percentages shown, we estimate that a total of $1.3 million of new household spending would occur annually in the City.

Total New Household Spending

	Annual per HH Spend	% Spent in City	Units	Total New Spending
Food	$8,706	60%	55	$287,298
Household Furnishings and Equipment	$4,220	60%	55	$139,260
Apparel and Services	$2,574	60%	55	$84,942
Transportation	$8,494	60%	55	$280,302
Healthcare	$4,787	60%	55	$157,971
Entertainment	$3,154	60%	55	$104,082
Education	$3,007	60%	55	$99,231
Personal Care Products and Services	$858	60%	55	$28,314
Miscellaneous	$1,112	60%	55	$36,696
Other	$2,368	60%	55	$78,144
Total	**$39,280**	**60%**	**55**	**$1,296,240**

Source: "Table 3004. Selected northeastern metropolitan statistical areas: Average annual expenditures and characteristics", New York, Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, September, 2019

By matching the line items of household expenditures with corresponding industry codes in Emsi, we are able to assess the impact of this new household spending.[7] Our analysis reveals that the impact of new household spending will result in an estimated 13 new direct jobs and $495,935 in new earnings in the City. Taken together with an estimate of indirect impacts, total household spending impacts include 13 jobs, $539,768 in earnings, and $1.4 million in sales.

Economic Impact, New Household Spending

	Direct	Indirect	Total
Jobs	13	*De minimis*	13
Earnings	$495,935	$43,833	$539,768
Sales	$1,296,241	$122,683	$1,418,924

Source: Emsi, MRB

[7] For example, for the "Food" line item, we applied half of the spending to the "Supermarkets and other grocery" store NAICS code (North American Industrial Classification System) and half to the "Full service restaurants" NAICS code.

The Applicant also stated that the development would employ one full-time employee at the Site for management and one part-time employee for maintenance. The wages paid to the full- and part-time employees have been stated as $79,526 and $26,935, respectively. According to Emsi, these wages correspond to sales of $245,065. Together with a small amount of Indirect impacts, total impacts of operations and maintenance would be 1.5 jobs, $117,575 in earnings, and $273,194 in sales.

By aggregating the impact of new household spending and operations of the facility, we see the combined impact displayed in the table to the right. As shown, we anticipate that the City will benefit from 14.5 jobs, $657,343 in earnings, and $1.7 million in sales on an annual basis.

Economic Impact, Operations and Maintenance of Project

	Direct	Indirect	Total
Jobs	1.5	*De minimis*	1.5
Earnings	$106,460	$11,115	$117,575
Sales	$245,065	$28,129	$273,194

Source: Emsi, MRB

Economic Impact, Combined Annual Impact

	Direct	Indirect	Total
Jobs	14.5	De minimis	14.5
Earnings	$602,395	$43,833	$657,343
Sales	$1,541,306	$150,812	$1,692,118

Source: Emsi, MRB

Finally, we calculate the cumulative earnings of the 30-year life of the proposed PILOT, below. Escalating wages at 2% annually, we arrive at total 30-year earnings of $22.0 million.

Economic Impact, Cumulative Combined Impact

	Direct	Indirect	Total
Jobs	14.5	De minimis	14.5
Earnings, 30 Years @ 2%	$20,225,590	$1,789,336	$22,014,926

Source: Emsi, MRB

Fiscal Impact Analysis

The Project would also have fiscal impacts in terms of new tax revenues and the cost of tax exemptions, as described below.

Property Tax Revenue Without the Project

The property is already subject to the Block G Master Tax Agreement dated July 1, 2017 between RXR Glen Isle Partners, LLC, the Agency, and the Glen Cove Local Economic Development Corporation (the "Master Tax Agreement"). Until the Project is developed, the Site is charged a PILOT payment equal to the otherwise-applicable taxes on the land value of the Site. Based on the PILOT bill dated April 2, 2021, as provided by the Agency, the full value taxes of the land generate a tax bill of $88,600. To estimate future years, we escalate that amount out at 2% per year for 30 years. These estimates are shown in the table below.

Taxes Without Project

Year #	Year	Amount	Year #	Year	Amount
Year 1	2022	$90,372	Year 16	2037	$121,628
Year 2	2023	$92,179	Year 17	2038	$124,061
Year 3	2024	$94,023	Year 18	2039	$126,542
Year 4	2025	$95,903	Year 19	2040	$129,073
Year 5	2026	$97,821	Year 20	2041	$131,655
Year 6	2027	$99,778	Year 21	2042	$134,288
Year 7	2028	$101,773	Year 22	2043	$136,973
Year 8	2029	$103,809	Year 23	2044	$139,713
Year 9	2030	$105,885	Year 24	2045	$142,507
Year 10	2031	$108,003	Year 25	2046	$145,357
Year 11	2032	$110,163	Year 26	2047	$148,264
Year 12	2033	$112,366	Year 27	2048	$151,230
Year 13	2034	$114,613	Year 28	2049	$154,254
Year 14	2035	$116,906	Year 29	2050	$157,339
Year 15	2036	$119,244	Year 30	2051	$160,486

PILOT Payments with Project

The Master Tax Agreement allows for the payment of $55,000 in the first year of the operations of the Project, once complete, to the affected taxing jurisdictions (i.e. $1,000 per unit). In every year thereafter for twenty years, that base amount of $55,000 is inflated at 2% per year. As per the new proposed PILOT, for years 21-30, the PILOT payments would be calculated based upon a formula applied to the rents charged by the Applicant. These values were provided to us by the Applicant in a document entitled, "Georgica Green Residential Affordable Development, Garvies Point, PILOT Analysis" and bearing the logo of the NDC. (MRB Group did not independently verify these figures.) The table, below, shows the anticipated PILOT payments to be made by the Project over the thirty years, totaling $3.1 million.

PILOT Payments with Project

Year #	Year	Amount	Year #	Year	Amount
Year 1	2022	$55,000	Year 16	2037	$74,023
Year 2	2023	$56,100	Year 17	2038	$75,503
Year 3	2024	$57,222	Year 18	2039	$77,013
Year 4	2025	$58,366	Year 19	2040	$78,554
Year 5	2026	$59,534	Year 20	2041	$80,125
Year 6	2027	$60,724	Year 21	2042	$159,486
Year 7	2028	$61,939	Year 22	2043	$162,676
Year 8	2029	$63,178	Year 23	2044	$165,929
Year 9	2030	$64,441	Year 24	2045	$169,248
Year 10	2031	$65,730	Year 25	2046	$172,633
Year 11	2032	$67,045	Year 26	2047	$176,085
Year 12	2033	$68,386	Year 27	2048	$179,607
Year 13	2034	$69,753	Year 28	2049	$183,199
Year 14	2035	$71,148	Year 29	2050	$186,863
Year 15	2036	$72,571	Year 30	2051	$190,600
30-Year Total PILOT Payments				$3,082,681	

Cost of PILOT Exemption

As per the requirements of GML Section 859-a(5), we calculate the hypothetical cost[8] of the property tax exemption by comparing the otherwise-applicable taxes to what the Project will generate in PILOT revenue. Because the Master Tax Exemption is already in place with respect to Years 1-20, and because the Applicant is not asking for any change to the amounts to be paid in those first 20 years, there is no difference between the PILOT payments to be made under the exemption being proposed and payments due under the Master Tax Agreement. However, there is a difference between the PILOT payments proposed to be made during Years 21-30 and the otherwise applicable property taxes for that same period.

To calculate the otherwise applicable taxes for Years 21-30, we rely on a report entitled "Real Property Assessment Analysis & Real Estate Tax Forecast," prepared by Standard Valuation Services and dated June 15, 2016 (Ref: SVS File #948316). Specifically, we refer to page 110 of that report for the table entitled, "Block G – Workforce Rental Apartments – 40 Year Tax Revenue Forecast." In the table to the right, we report the estimated full value property taxes for the years in question in the column marked "Otherwise Applicable Property Tax" and compare it to the estimated PILOT payments from above. As shown, the hypothetical cost of the exemption for Years 21-30 is $4.3 million.

Cost of PILOT Exemption

Year #	Year	Otherwise Applicable Property Tax	PILOT Payment with Project	Difference
Year 21	2042	$557,332	$159,486	-$397,846
Year 22	2043	$567,085	$162,676	-$404,409
Year 23	2044	$577,009	$165,929	-$411,080
Year 24	2045	$587,107	$169,248	-$417,859
Year 25	2046	$597,381	$172,633	-$424,748
Year 26	2047	$607,835	$176,085	-$431,750
Year 27	2048	$618,472	$179,607	-$438,865
Year 28	2049	$629,296	$183,199	-$446,097
Year 29	2050	$640,308	$186,863	-$453,445
Year 30	2051	$651,514	$190,600	-$460,914
Total, Years 21-30				-$4,287,014

[8] We denote this cost as "hypothetical," as the Applicant has stated that, without the exemption, the Project cannot move forward and thus the value against which these taxes are levied would not exist.

Sales Tax Revenue, Construction Phase

As our economic impact analysis states, we anticipated approximately $6.3 million in total new earnings in the County during the construction phase of the project. We assume 70% of this newly generated construction phase spending will be spent in Nassau County. From there, we estimate 25% of that spending amount will be subject to the sales tax. Applying the County's sales tax rate of 4.25%, we conclude that the construction phase earnings will likely lead to approximately $47,000 in County sales tax revenue.

Sales Tax Revenue - Construction Phase

Line	Value
Total New Earnings	$6,287,120
% Spent in County	70%
$ Spent in County	$4,400,984
% Taxable	25%
$ Taxable	$1,100,246
County Sales Tax Rate	4.25%
$ County Sales Tax Revenue	$46,760

Source: Applicant, MRB

Sales Tax Revenue, Operation Phase

During the operation phase, we estimated $657,343 in total new earnings and $1.3 million in new household spending occurring within the County. Using the same methodology as above, we estimate the project will result in $14,530 in annual sales tax revenue to the County. Escalating that figure at 2% per year for the life of the PILOT, we estimate total operation phase sales tax revenue to be $589,445.

Sales Tax Revenue - Operation Phase

Line	Value
Total New Earnings	$657,343
New Household Spending	$1,296,240
% Spent in County	70%
$ Spent in County	$1,367,508
% Taxable	25%
$ Taxable	$341,877
County Sales Tax Rate	4.25%
$ County Sales Tax Revenue	$14,530
Total - 30 Years @ 2%	**$589,445**

Source: MRB

New Sales Tax Distributions to City

The County's sales tax revenues are distributed to its constituent cities, towns, and villages according to a set distribution formula that is based on population.[9] Therefore, to the extent that the Project increases the population of the City, the City would receive additional sales tax distributions from the County.

By using the population figure of 26,964 for the City of Glen Cove from the 2010 US Census, we are able to estimate the anticipated population increase and subsequent sales tax distribution stemming from the Project. Under the assumption of 1.5 persons per household, the 55 affordable housing units will attract approximately 83 "net new" residents to the City of Glen Cove, representative of an approximate 0.3% increase in population. Noting that the City has budgeted $1.4 million in "local government assistance program" revenues in its 2020 budget (the name given by the County for these distributions of sales tax), we are able to estimate the proportional increase in sales tax distributions, relative to the population increase. We estimate that the Project will lead to $4,192 in new annual revenues from these sales tax distributions from the County. Over 30 years and escalating at 2%, this equals $170,049 in revenue for the City over the life of the PILOT.

New Sales Tax Distributions to City

Line	Value
Population (2010 Census)	26,964
New Households	55
Persons per HH	1.50
New Persons	83
% Increase in Population	0.30596%
Sales Tax Distributions to City (2020)	$1,370,000
Increase in Distributions to City (est.)	$4,192
Total - 30 Years @ 2%	**$170,049**

Source: City 2020 Budget, US Census, MRB

[9] Of the overall 4.25% tax rate imposed by the County, "First 3.00%: Retained by County. Additional 0.75%: The County distributes one-third to fund a local government assistance program for the three towns and two cities within the County. The assistance is distributed quarterly, on a per capita basis, based on the most recent decennial census. Villages also receive assistance, in an amount not to exceed one-sixth of the 0.75% remaining after the towns and cities have received their funding. Additional 0.50%: Retained by County." Source: "Local Government Sales Taxes in New York State: 2015 Update." New York State Comptroller, Division of Local Government and School Accountability, March 2015.

Cost of Exemptions

The Applicant has requested an exemption from the sales and use tax, which would result in a benefit of $1.3 million to the Applicant. Note that this includes state and local sales tax. The Applicant is also requesting a mortgage recording tax exemption valued at $174,375. Finally, as noted above, the estimated cost of the PILOT exemption is $4.3 million.

Cost of Exemptions

Type	$
Sales Tax Exemption	$1,328,250
Mortgage Recording Tax Exemption	$174,375
PILOT Exemption	$4,287,014

Source: Applicant, MRB