



Board Report

Table 1: Basic Information

Project Name	L & M Specialty
Project Applicant	L & M Specialty Fabrication, LLC
Project Description	The company is building a 21,000 sq. ft. facility for the purpose of agriculture and commercial equipment manufacturing and repair.
Project Industry	Fabricated Metal Product Manufacturing
Municipality	Batavia Town
School District	Batavia City
Type of Transaction	Tax Exemptions
Project Cost	\$2,407,000
Mortgage Amount	\$1,730,000

Table 2: Permanent New/Retained Employment (Annual FTEs)

	State	Region
Total Employment	29	29
Direct**	8	8
Indirect***	3	3
Induced****	4	4
Temporary Construction (Direct and Indirect)	14	14

Table 3: State and Regional Impact (Life of project, discounted present value*)

	Direct**	Indirect***	Induced****	Total
Region:				
To private individuals:				
Labor income - Permanent Employment	\$2,565,426	\$1,637,533	\$1,515,523	\$5,718,482
Labor income - Temporary Construction	\$528,825	\$172,885	-	\$701,710
To the public:				
PILOT/Additional revenue	\$77,884	-	-	\$77,884
Sales tax revenue - Permanent Employment	\$28,733	\$18,340	\$16,974	\$64,047
Sales tax revenue - Temporary Construction	\$5,923	\$1,936	-	\$7,859
Total benefits to Region	\$3,206,791	\$1,830,695	\$1,532,496	\$6,569,983
State:				
To the public:				
Income tax revenue - Permanent Employment	\$64,136	\$58,951	\$37,888	\$160,975
Income tax revenue - Temporary Construction	\$17,451	\$6,224	-	\$23,675
Sales tax revenue - Permanent Employment	\$28,733	\$18,340	\$16,974	\$64,047
Sales tax revenue - Temporary Construction	\$5,923	\$1,936	-	\$7,859
Total benefits to State	\$116,242	\$85,452	\$54,862	\$256,556
Grand total of all benefits to Region and State	\$3,323,033	\$1,916,147	\$1,587,358	\$6,826,539

Table 4: Cost/Benefit Analysis

	Discounted value*	Nominal value
Mortgage Tax	\$21,625	\$21,625
Property Tax	\$124,850	\$132,763
Sales Tax	\$77,072	\$77,072
Less IDA Fee	-\$30,088	-\$30,088
Total Incentives (benefits to company)	\$193,459	\$201,372

Cost/Benefit ratio for Region	34:1
Cost/Benefit for Region and State	35:1

Table 5: Regional Revenue (Discounted Present Value*) over life of project

County sales tax	\$71,906
Permanent Employment	\$64,047
Temporary Construction	\$7,859
Total property tax	\$95,090
County	\$28,679
School District	\$66,412
Total	\$166,996

Table 6: Estimated PILOT payments *****

Year	Total PILOT Payments	Full Tax Payments	Difference
1	\$0	\$24,005	\$24,005
2	\$0	\$24,005	\$24,005
3	\$4,425	\$24,005	\$19,580
4	\$4,425	\$24,005	\$19,580
5	\$8,851	\$24,005	\$15,154
6	\$8,851	\$24,005	\$15,154
7	\$13,276	\$24,005	\$10,729
8	\$13,276	\$24,005	\$10,729
9	\$17,702	\$24,005	\$6,303
10	\$17,702	\$24,005	\$6,303
Total	\$88,509	\$240,051	\$151,542

The "Region" is defined as the Rochester metro area plus Genesee County.

* Figures over 10 years and discounted by 2%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

***** Figures assume constant property tax rates. Figures are not discounted.

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