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2/24/17

# Internal Report: Genesee and Mohawk Valley Railroad Co. Inc - GVT

**Table 1: Basic Information**

Project Name	GVT
Project Applicant	Genesee and Mohawk Valley Railroad Co. Inc
Project Description	The company built a 25,000-sq. ft. cross dock facility in 2010 and GCEDC supported the project. Genesee and Mohawk Valley Railroad (GMVR) is a third-party logistics provider. They assist local growing companies with increasing warehouse space needs. Local companies can outsource warehouse space and services and have a positive impact on their business by moving from fixed cost to variable cost. This provides a win-win solution for a growing local company and GMVR. GVT is looking to expand this facility due to increase in demand from local customers and is planning to add 12,160 sq.ft. for a total of 37,160 sq.ft.
Project Industry	Rail Transportation
Municipality	Batavia City
School District	Batavia City
Type of Transaction	Tax Exemptions
Project Cost	\$1,011,000

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

	State	Region
<b>Total Employment</b>	<b>9</b>	<b>9</b>
Direct**	0	0
Indirect***	0	0
Induced****	0	0
Temporary Construction (Direct and Indirect)	9	9

**Table 3: Permanent New/Retained Labor Income (Annual) & Average Salary (Annual)**

	State Labor Income	Region Labor Income	Average Salary
<b>Total</b>	<b>\$435,948</b>	<b>\$435,948</b>	<b>\$49,104</b>
Direct**	\$0	\$0	\$0
Indirect***	\$0	\$0	\$0

Induced****	\$0	\$0	\$0
Temporary Construction (Direct and Indirect)	\$435,948	\$435,948	\$49,104

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Table 4: Cost/Benefit Analysis (Discounted Present Value\*)

<b>Total Costs to State and Region</b>	<b>\$129,500</b>
Property Tax Revenue Forgone	\$99,226 ✓
485-B Property Tax Abatement	\$45,625
Above 485-B	\$53,601
Sales Tax Revenue Forgone	\$42,912 ✓
Construction Materials	\$42,912
Other Items	\$0
Other State Incentives	\$0
Other Local Incentives	\$0
Less IDA Fee	-\$12,638
<b>Total Benefits to State and Region</b>	<b>\$522,321</b>
<b>Total State Benefits</b>	<b>\$455,539</b>
Income Tax Revenue	\$14,708
Direct**	\$0
Indirect***	\$0
Induced****	\$0
Construction (Direct and Indirect, over 0 years)	\$14,708
Sales Tax Revenue	\$4,883
Direct**	\$0
Indirect***	\$0
Induced****	\$0
Construction (Direct and Indirect, over 0 years)	\$4,883
Labor Income	\$435,948
<b>Total Regional Benefits</b>	<b>\$66,782</b>
Property Tax/PILOT Revenue	\$61,899
Sales Tax Revenue	\$4,883
Direct**	\$0
Indirect***	\$0
Induced****	\$0
Construction (Direct and Indirect, over Array years)	\$4,883
<b>Benefit to Cost Ratio</b>	<b>4:1</b> ✓

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19

**Table 5: Regional Fiscal Impact (Discounted Present Value\*)**

Total Local Client Incentives	\$108,044
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$66,782
Net Local Revenue	\$-41,262
Total Anticipated Labor Income	\$435,948
Benefit to Cost Ratio	4.7:1

**Table 6: Property Tax Revenue (Discounted Present Value\*)**

<b>Total Property Tax</b>	<b>\$61,899</b>
<b>County Property Tax</b>	<b>\$14,756</b>
<b>City/Village Property Tax</b>	<b>\$13,812</b>
<b>School District Property Tax</b>	<b>\$33,332</b>

\* 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.

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20

# Board Report

Table 1: Basic Information

Project Name	GVT
Project Applicant	Genesee and Mohawk Valley Railroad Co. Inc
Project Description	The company built a 25,000-sq. ft. cross dock facility in 2010 and GCEDC supported the project. Genesee and Mohawk Valley Railroad (GMVR) is a third-party logistics provider. They assist local growing companies with increasing warehouse space needs. Local companies can outsource warehouse space and services and have a positive impact on their business by moving from fixed cost to variable cost. This provides a win-win solution for a growing local company and GMVR. GVT is looking to expand this facility due to increase in demand from local customers and is planning to add 12,160 sq.ft. for a total of 37,160 sq.ft.
Project Industry	Rail Transportation
Municipality	Batavia City
School District	Batavia City
Type of Transaction	Tax Exemptions
Project Cost	\$1,011,000
Direct Employment Expected to Result from Project (Annual FTEs)	0

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21

Figure 1: Estimated State & Regional Benefits / Estimated Project Incentives (Discounted Present Value\*)

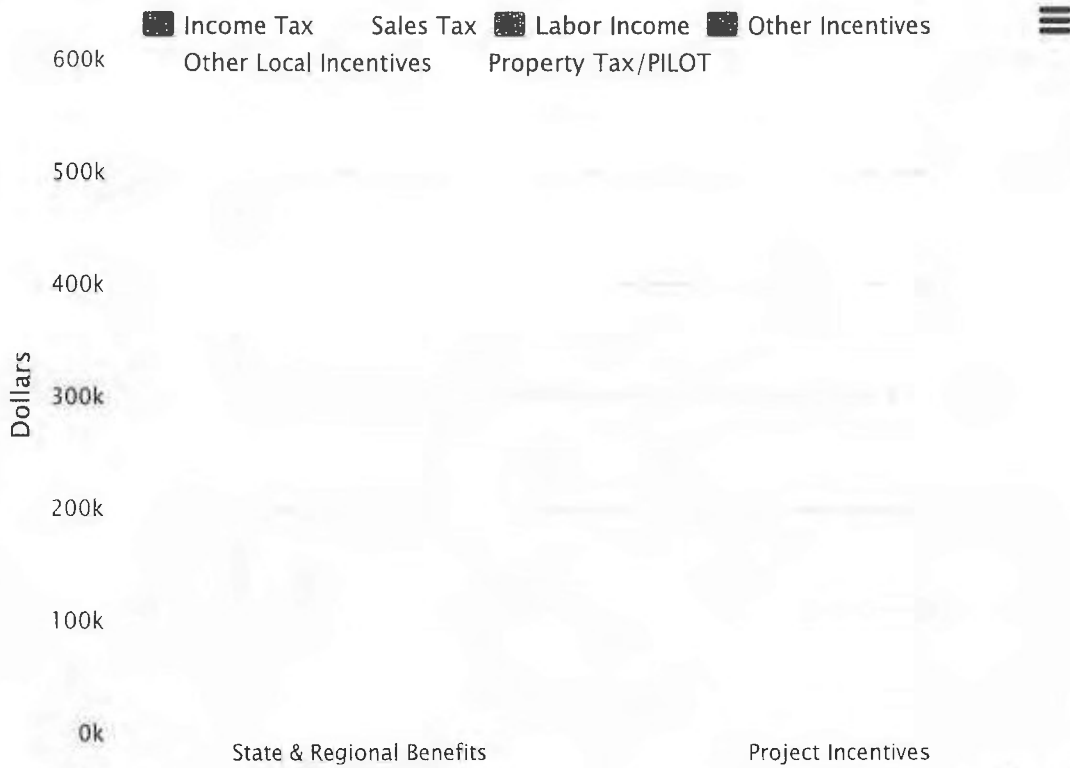


Table 2: Estimated State & Regional Benefits / Estimated Project Incentives Analysis (Discounted Present Value\*)

<b>Total State and Regional Benefits</b>	<b>\$522,321</b>	
<b>Total Project Incentives</b>	<b>\$129,500</b>	
<b>Benefit to Cost Ratio</b>	<b>4:1</b>	
<b>Projected Employment</b>	<b>State</b>	<b>Region</b>
<b>Total Employment</b>	<b>9</b>	<b>9</b>
Direct**	0	0
Indirect***	0	0
Induced****	0	0
Temporary Construction (Direct and Indirect)	9	9

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22

**Table 3: Estimated State & Regional Benefits (Discounted Present Value\*)**

<b>Total State and Regional Benefits</b>	<b>\$522,321</b>
Income Tax Revenue	\$14,708
Property Tax/PILOT Revenue	\$61,899
Sales Tax Revenue	\$9,765
Labor Income	\$435,948

**Table 4: Estimated Project Incentives (Discounted Present Value\*)**

<b>Total Project Incentives</b>	<b>\$129,500</b>
Property Tax	\$99,226
Sales Tax	\$42,912
Other State Incentives	\$0
Other Local Incentives	\$0
Less IDA Fee	-\$12,638

\* 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.

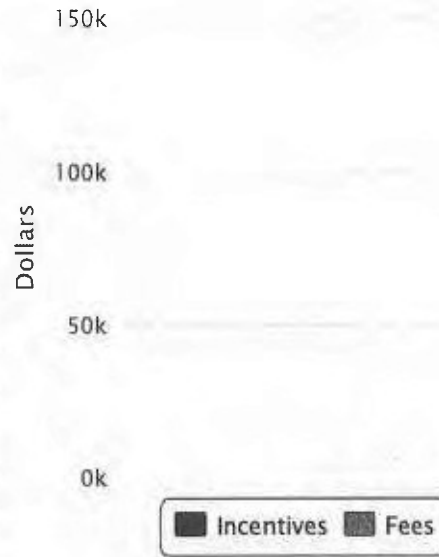
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# Incentives for the Genesee and Mohawk Valley Railroad Co. Inc GVT Project

Table 1: Estimated Incentives & Fees\*

<b>Total Project Incentives</b>	<b>\$142,138</b>
Property Tax	\$99,226
Sales Tax	\$42,912
Other State Incentives	\$0
Other Local Incentives	\$0
<b>Total Project Fees</b>	<b>\$20,638</b>
Fixed Fee	\$12,638
Legal Fees	\$8,000
<b>Net Project Incentives</b>	<b>\$121,500</b>



\* Figures over 10 years and discounted by 2%.

Table 2: Estimated Property Tax Paid\*\*

Year	Total
1	\$0
2	\$0
3	\$3,517
4	\$3,517
5	\$7,034
6	\$7,034
7	\$10,551
8	\$10,551
9	\$14,069
10	\$14,069
Total	\$70,343

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

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24