



**Fiscal & Economic Impact Analysis Model**

Date: **3/6/2014**

Company or Project Name: **Liberty Pumps**  
Time Horizon of Full Analysis: **10 years**

- Economic Benefits from Project/Company:
- Project Capital Investment:
- Future Capital Investment - if appropriate
- Wages / Payroll
- Fringes / Benefits:
- Company Production Related Purchases (support COGS/inventory) in NYS
- Other Company Purchases (Supplies, Materials, Equipment (non-capitalized) in NYS
- Sales / Use Taxes Paid
- Property Taxes Paid
- Municipal Special District Taxes Paid (fire district fees et. al.)
- Property Tax Abatement by way of PILOT agreement

Annual \$ Value	Timeframe (Yrs)	Time Horizon Totals	Comments
\$ 9,835,000	project horizon	\$ 9,835,000	
\$ 11,150,000	project horizon	\$ 11,150,000	
\$ 2,296,900	project horizon	\$ 2,296,900	
\$ 12,357,819	project horizon	\$ 12,357,819	
\$ 1,685,737	project horizon	\$ 1,685,737	
\$ -	project horizon	\$ -	
\$ 1,439,295	project horizon	\$ 1,439,295	
\$ 44,805	project horizon	\$ 44,805	
\$ -	project horizon	\$ -	
\$ (863,577)	project horizon	\$ (863,577)	
\$ 620,523		\$ 620,523	
\$ 28,110,979		\$ 28,110,979	

\$ 863,577
\$ 377,600
\$ 93,750
\$ 1,334,927

- Public Costs (tax incentives et.al.) related to Project/Company:
- Industrial Development Agency (IDA) provided Tax Benefits:
- Property Tax Abatements.....
- Sales Tax Exemptions
- Mortgage Tax Exemption
- s/t IDA Tax Benefits
- Empire Zone Benefits (expected to be utilized):
- Income Tax Reduction Credit (TRC)
- Real Property Tax Credit (CRPT)
- Sales Tax Exemption (NY)
- Wage Tax Credit
- Investment Tax Credit
- Employment Incentive Credit
- EZ Capital Credits
- s/t Empire Zone Benefits (expected to be utilized):
- Public Grants / PIF:
- Slate Grants:
- Federal Grants:
- Local Grants/PIF (county/town/village/city)
- s/t Grants/PIF:

\$ -
\$ -
\$ -
\$ -
\$ 1,334,927

Total Public Costs (Public Funding: Grants or Tax Abatements/Exemptions)

<b>Fiscal Impact Analysis:</b>	
Fiscal Impact ROI: (Taxes Paid / Public Costs)	46%
Public Funding % Taxes Paid	215%
<b>Direct Economic Impact Analysis:</b>	
Benefits / Cost Ratio (Direct Ec Impact / Total Public Cost)	21.1
Public Funding % Direct Economic Impact:	4.7%
Private / Public Investment Ratio (Cost or Public Funding / Capital Inv)	7.4
Public Funding % Capital Investment	13.6%

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**Company / Project Level Economic Impact Analysis**

**Company or Project Name:** Liberty Rumps  
36/2014

**NOTE: MAKE ENTRIES IN GRAY-SHADED COLUMNS**

Enter If Start Year is Actual or Projected  
 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 10 Year Totals

	2015	2016	2017	2018	2019	2020	2021	2022	2023	10 Year Totals
A) Employment & Payroll Cost Analysis (Full Time Equivalent - FTE Basis):										
# Full Time Equivalent Employees (FTE)	600,000	1,000,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000	11,550,000
Average Annual Wages per FTE	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Average Hourly Wage based upon standard 2088 hours per work year	23.95	23.95	23.95	23.95	23.95	23.95	23.95	23.95	23.95	238.5
A2) Total Benefit/Payroll Costs of FTE employees	123,600	228,000	278,100	278,100	278,100	278,100	278,100	278,100	278,100	2,298,900
Average Benefit Rate:	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%	20.6%
A3) Total Wages & Benefits - ALL FTE Employees	723,600	1,228,000	1,628,100	1,628,100	1,628,100	1,628,100	1,628,100	1,628,100	1,628,100	13,446,900
A4) Company/Project Revenue:										
A5) Company/Project EBITDA (Earnings B4 Interest Taxes Depr & Amort)										
A6) Company/Project EBT (Earning B4 Taxes)										
A7) Company/Project Legal Entity Type (C Corp, S Corp, LLC, Partnership, Sole Prop.) Enter:										

	2015	2016	2017	2018	2019	2020	2021	2022	2023	10 Year Totals
B) Company / Project Investments, Purchases, Tax Payments:										
B1) Current Company/Economic Development Project Capital Investment Plan:										
B2) Future Capital Investment Plans - If appropriate										
B3) Company Average Yrly Production Related Purchases (COGS/inventory) in NYS										
B4) Other Company Purchases (Supplies, Materials, Equipment (non-capitalized) in NYS										
B5) Sales / Use Taxes Paid										
B6) Property Taxes Paid										
B7) Real Property Tax Abatement/Exemption - IF PILOT in Place (enter negatives for row above by year)										
B8) PILOT (Payment In Lieu Of Tax) Agreement payments made										
B9) Municipal Special District Taxes Paid (fire/water district fees et. al.)										
B10) Total Company/Project Investments, Purchases & Tax Payments:										
C) Total Company/Project Direct Fiscal Impact (taxes paid = B5-B6+B7+B8+B9):										
C2) Total Direct Economic Impact (A3+B10)										

	2015	2016	2017	2018	2019	2020	2021	2022	2023	10 Year Totals
D) Public Costs (tax incentives et.al.) related to Project/Company:										
D1) Property Tax Abatements:										
D2) Sales Tax Exemptions										
D3) Mortgage Tax Exemption										
D4) et al. IDA Tax Benefits										
Empire Zone Benefits (expected to be utilized):										
D5) Income Tax Reduction Credit (TRC)										
D6) Real Property Tax Credit (GRTT)										
D7) Sales Tax Exemption (NY)										
D8) Wage Tax Credit										
D9) Investment Tax Credit										
D10) Employment Incentive Credit										
D11) EZ Capital Credits										
D12) et al. Empire Zone Benefits (expected to be utilized):										
Public Grants / PIF:										
D13) State Grants:										
D14) Federal Grants:										
D15) Local Grants/PIF (county/town/village/city)										
D16) et al. Grants/PIF:										
Total Public Costs [Public Funding: Grants or Tax Abatements/Exemptions] (D4+D12+D16)										

	Current View	10 Year View
Fiscal Impact Analysis:		
Fiscal Impact ROI: (Taxes Paid / Public Costs)	6%	48%
Public Funding % Taxes Paid	100%	215%
Direct Economic Impact Analysis:		
Benefits / Cost Ratio (Direct Es Impact / Total Public Cost)	16.42	21.09
Public Funding % Direct Economic Impact	6%	5%
Private / Public Investment Ratio (Capital Inv / Public Funding)	16.4	7.4
Public Funding % Capital Investment	6%	14%

**A) Note - this pilot is proposed to be structured differently than the normal proposed GCDC PILOT due to a potential PIF to be set up to support additional infrastructure construction at Apponee here pending approval of Bergen County, Town of Bergen and Byron-Bergen School District. Input 3/6/14**



\*Note: Total Company project is \$983,500. The difference between the \$983,500 and \$818,500 is manufacturing equipment which is tax exempt under NYS Law 507 (w/ES) not included when benefits were calculated. *from 3/6/14*

**Project Profile:**

**Company:** R/J Properties/Liberty Pumps 2014  
**Project Description:** non-mfg equipment  
**Project Cost:** \$ 818,500  
**Project Cost to be Financed via Mortgage:** \$ 4,720,000  
**Estimated Assessed value of Real Property/Building upon completion\*:** \$ 7,500,000  
**Jobs Created: next 3 years:** 100,000 sq ft  
**Jobs Retained: next 3 years:** 27 sq ft

**Inputs:** building cost: \$ 7,500,000  
 non-mfg equipment: \$ 220,000  
 60% bldg cost + non mfg equip

**Date:** 3/3/14  
**Start Date:**

**Applicable GCEDC Products:**

**Financial Assistance: Cost Reduction Through Tax Savings:**  
**Sale/Leaseback (SLB):**  
 Sales Tax Exemption (Savings): \$ 377,600  
 Mortgage Tax Exemption (Savings): \$ 93,750  
 Real Property Tax Abatement (PILOT): \$ 377,600  
 Average Abatement (savings %) over project life: 0%  
 PILOT Term in years: 10  
 Gross Property Tax Costs: \$ 143,930  
 Payment Schedule (% Real Property Taxes Paid): 0%  
 Net Required Property Tax payments per PILOT: \$ 431,789  
 PILOT Real Property Tax Savings (Next taxable year): \$ 431,789  
 Total Tax Savings via Sale/Leaseback (SLB): \$ 863,577

**Financing: Cost Reduction via low cost financing (below prime rate):**

**Revolving Loan Fund (RLF):**  
 Loan Factors: \$ 615,280  
 Interest Rate Savings: \$ 903,139  
 Gross Cost Savings via GCEDC programs: \$ 1,334,927

**Participation Fees (Costs):**

GCEDC Application Fee (non-refundable): \$ 250  
 GCEDC Project Fee (% Total Project Cost): \$ 81,850  
 Legal Fees: SLB (Contract Development, Documentation, Filing fees) \$ 100  
 Legal Fees: RLF (Contract Development, Documentation, Filing fees) \$ 100  
 Total Participation Fees: \$ 82,100

**Summary:**

Total Costs Savings / Benefits via GCEDC programs (after participation f): \$ 1,252,827  
 Total Benefits as % Total Project Cost: 10%  
 Return on Investment (ROI) = Net Savings / Participation Fees: 649%

Project Lifetime	1 Year View	3 Year View	Sq Ft Assessed
	\$ 377,600	\$ 377,600	81,400
	\$ 93,750	\$ 93,750	7,600
			11,000
			100,000
			3,965,000
			* \$ 39.65

**NOTE: PILOT REAL PROPERTY TAX ABATEMENT EFFECTIVE DATE DEPENDS UPON DATE OF SALE LEASE BACK (SLB) CLOSING COMPARED TO MUNICIPALITIES TAXABLE STATUS DATE.**

- 1) IF SLB CLOSING PRIOR TO TAXABLE STATUS DATE - PILOT WILL BE EFFECTED IN FOLLOWING TAXABLE YEAR AND CURRENT YEAR TAX BILLS WILL BE ADJUSTED ACCORDINGLY.
- 2) IF SLB CLOSING IS SUBSEQUENT TO MUNICIPALITIES TAXABLE STATUS DATE - THERE WILL BE A 12 MONTH DELAY IN PILOT IMPLEMENTATION.

**PLEASE PLAN CASH FLOW NEEDS ACCORDINGLY!**

Gross Property Tax Per Year \$ 143,930

Year of Exemption	% of Paid Taxes	Net Savings	Municipalities Receive/ Tax to be Paid	Total
1	0%	\$143,930	\$ -	\$143,930
2	0%	\$143,930	\$ -	\$143,930
3	20%	\$115,144	\$ 28,786	\$143,930
4	20%	\$115,144	\$ 28,786	\$143,930
5	40%	\$86,358	\$ 57,572	\$143,930
6	40%	\$86,358	\$ 57,572	\$143,930
7	60%	\$57,572	\$ 86,358	\$143,930
8	60%	\$57,572	\$ 86,358	\$143,930
9	80%	\$28,786	\$ 115,144	\$143,930
10	80%	\$28,786	\$ 115,144	\$143,930
<b>Total</b>		<b>\$863,577</b>	<b>\$575,718</b>	<b>\$1,439,295</b>