

Town of Hamburg Industrial Development Agency

MRB Cost Benefit Calculator

Date August 1, 2022

Project Title Mission Hills Villas

Project Location 4543 Camp Road, Town of Hamburg, NY

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Date
 Project Title
 Project Location

Construction Phase - Project Assumptions

Project Costs	Project Costs	
Enter total project costs:	Value	
Local Construction Spending*	<input type="text" value="\$12,193,011"/>	
% of locally sourced materials and labor	<input type="text" value="100%"/>	
In-region construction spending	<input type="text" value="\$12,193,011"/>	

Construction Economic Impacts

Industry	NAICS	% of Total Investment	Investment by Type
New Multifamily Building Construction	236116	100%	\$12,193,011
[Not Applicable]	0		\$0
[Not Applicable]	0		\$0
<i>Most projects will only have one line related to construction type.</i>		100%	\$12,193,011

Operation Phase - Project Assumptions

Jobs and Earnings from Operations

NAICS Lookup

Year 1 - Enter NAICS	NAICS	Count	Per Job Annual Earnings	Total Earnings
Lessors of Residential Buildings and Dwelling	531110	2	\$60,000	\$120,000
0				\$0
0				\$0
0				\$0
0				\$0
0				\$0
Total		2		\$120,000

Year 2	NAICS	Count	Per Job Annual Earnings	Total Earnings
Lessors of Residential Buildings and Dwelling	531110	2	\$60,000	\$120,000
0				\$0
0				\$0
0				\$0
0				\$0
0				\$0
Total		2		\$120,000

Year 3+ (Full Employment)	NAICS	Count	Per Job Annual Earnings	Total Earnings
Lessors of Residential Buildings and Dwelling	531110	2	\$60,000	\$120,000
0				\$0
0				\$0
0				\$0
0				\$0
0				\$0
Total		2		\$120,000

Fiscal Impact Assumptions

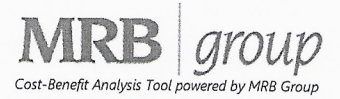
Estimated Costs of Incentives

	%	Value		
Sales Tax Exemption		<input type="text" value="\$479,575"/>	PILOT Term (Years)	<input type="text" value="7"/>
Local Sales Tax Rate	3.50%	<input type="text" value="\$223,802"/>	Escalation Factor	<input type="text" value="2%"/>
State Sales Tax Rate	4.00%	<input type="text" value="\$255,773"/>	Discount Factor	<input type="text" value="2%"/>
Mortgage Recording Tax Exemption		<input type="text" value="\$91,448"/>		
Local	0.25%	<input type="text" value="\$30,483"/>		
State	0.50%	<input type="text" value="\$60,965"/>		
Total Costs		<input type="text" value="\$1,143,648"/>	<i>Includes PILOT exemption, calculated below.</i>	

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Economic Impacts

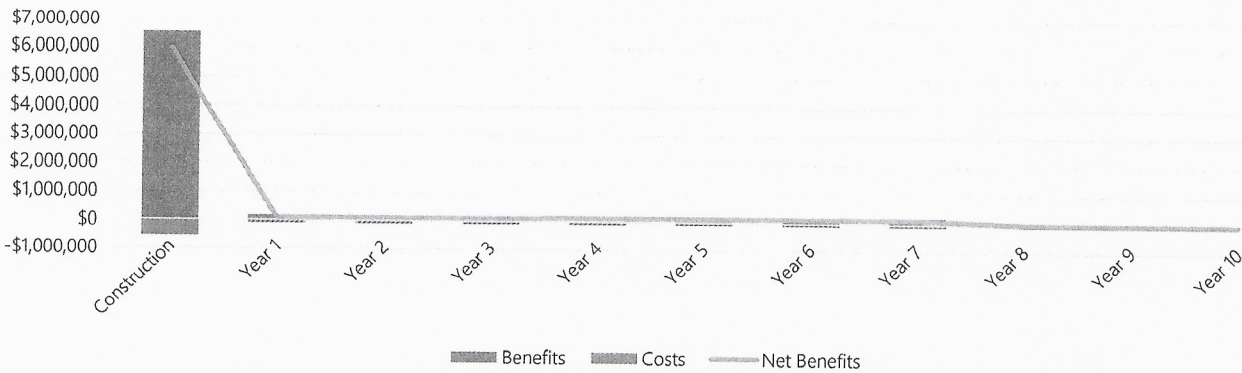
Summary of Economic Impacts over the Life of the PILOT
 Project Total Investment
 \$12,193,011

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	100	24	124
Earnings	\$5,116,522	\$1,073,405	\$6,189,927
Local Spend	\$12,193,011	\$3,623,925	\$15,816,936

Ongoing (Operations) Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	2	1	3
Earnings	\$864,485	\$242,142	\$1,106,627

Figure 1

Net Benefits

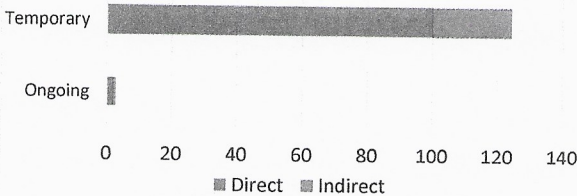


Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

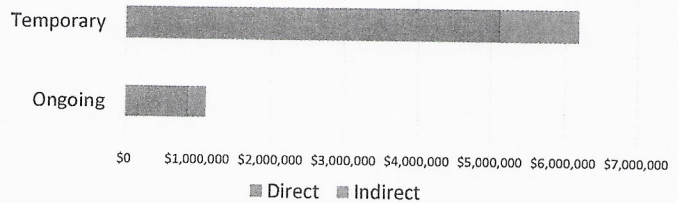
Figure 2

Figure 3

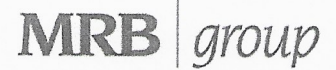
Total Jobs



Total Earnings



Fiscal Impacts



Cost-Benefit Analysis Tool powered by MRB Group

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$572,625	\$530,736
Sales Tax Exemption	\$479,575	\$479,575
Local Sales Tax Exemption	\$223,802	\$223,802
State Sales Tax Exemption	\$255,773	\$255,773
Mortgage Recording Tax Exemption	\$91,448	\$91,448
Local Mortgage Recording Tax Exemption	\$30,483	\$30,483
State Mortgage Recording Tax Exemption	\$60,965	\$60,965
Total Costs	\$1,143,648	\$1,101,759

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$7,540,946	\$7,438,321
To Private Individuals	<u>\$7,296,554</u>	<u>\$7,211,934</u>
Temporary Payroll	\$6,189,927	\$6,189,927
Ongoing Payroll	\$1,106,627	\$1,022,007
Other Payments to Private Individuals	\$0	\$0
To the Public	<u>\$244,392</u>	<u>\$226,387</u>
Increase in Property Tax Revenue	\$101,144	\$91,234
Temporary Jobs - Sales Tax Revenue	\$37,913	\$37,913
Ongoing Jobs - Sales Tax Revenue	\$6,778	\$6,260
Other Local Municipal Revenue	\$98,556	\$90,979
State Benefits	\$379,421	\$375,021
To the Public	<u>\$379,421</u>	<u>\$375,021</u>
Temporary Income Tax Revenue	\$278,547	\$278,547
Ongoing Income Tax Revenue	\$49,798	\$45,990
Temporary Jobs - Sales Tax Revenue	\$43,329	\$43,329
Ongoing Jobs - Sales Tax Revenue	\$7,746	\$7,154
Total Benefits to State & Region	\$7,920,367	\$7,813,341

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$7,438,321	\$785,021	9:1
State	\$375,021	\$316,739	1:1
Grand Total	\$7,813,341	\$1,101,759	7:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

Mission Hills Developer LLC

4534 Clinton St

West Seneca, NY 14224

IDA Financial Benefits to Villages of Mission Hills Villas

- | | |
|--|-----------|
| 1. Decrease to Soft Costs by saving the mortgage recording fee | \$ 94,447 |
| 2. Decrease to Construction Costs by saving the sales tax | \$479,575 |
| 3. Additional decrease to Construction costs, as a result of saving sales tax | \$498,355 |
| 4. Decrease in Property Tax from 7-year Pilot (estimated savings) | \$646,063 |
| 5. Current property tax is \$2113.64, estimated for 7 years would generate \$14,795.48. The new project with Pilot would generate | \$356,996 |
| 6. The Pilot will allow us to reduce annual projected rents by
This reduction will benefit tenants to meet their living expenses. | \$132,000 |
| 7. With the reduction in rents, the sales tax relief, and mortgage recording fee savings, the property will meet the bank required debt cover ratio of 1/23. | |

As you can see, the financial advantages to this project if awarded the Pilot Assistance are significant. Receiving assistance from the IDA is essential to this project. The IDA has assisted in the development of two previous phases of this project, which have both become key components in Hamburg's Senior Housing portfolio. Hamburg's senior housing demand is at an all time high, with less than 1% vacancy rate in the area.

Mission Hills Developer LLC has been developing senior housing for 35+ years. We are confident this project will be as successful as our previous projects, with the IDA Assistance.