



191 WASHINGTON STREET, LLC COST-BENEFIT ANALYSIS

PREPARED OCTOBER 2025

PREPARED FOR THE CITY OF NEWBURGH IDA



EXECUTIVE SUMMARY

The City of Newburgh Industrial Development Agency (the “IDA”) received an application for financial assistance from 191 Washington Street, LLC (the “Applicant”) related to a proposed project located at 191 Washington Street in the City of Newburgh (the “Site”). The proposed project includes rehabilitating a former school building and constructing two new buildings into affordable apartments, a brewery, and commercial spaces (the “Project”). The IDA requested an economic and fiscal impact analysis from MRB Group to assess the benefits and costs of the Project on the City of Newburgh (the “City”) and other jurisdictions as part of the IDA’s deliberations.

MRB Group assessed both the one-time impact of construction and the impact of ongoing operations. The economic impacts considered in this analysis include direct and indirect changes to jobs, wages, and sales associated with renovating the school building and constructing the two new buildings. There would also be ongoing economic impacts related to the tenants’ anticipated new household spending and on-site employment. The fiscal impacts of the Project include one-time and ongoing new tax revenue as well as the presumed costs of the financial assistance under consideration by the IDA.

Economic Impacts

Using an estimate of locally sourced labor and materials, we assessed the one-time economic impact of construction.¹ The construction phase of the Project would produce approximately 22 direct, on-site construction jobs and 11 indirect jobs. Combining direct and indirect impacts, the construction phase of the Project would create 34 jobs that generate \$3.1 million in wages. Upon completion of the Project, we estimate the

Summary of Economic Impacts			
	Direct	Indirect	Total*
Construction Jobs	22	11	34
Construction Wages	\$2,301,627	\$754,239	\$3,055,866
Ongoing Jobs, Annual	34	7	41
Ongoing Wages, Annual	\$1,830,756	\$541,595	\$2,372,351
Ongoing Wages, 30 Years**	\$74,270,262	\$21,971,449	\$96,241,711

*Totals may not sum due to rounding. **Escalated at 2% annually.

¹ Note that the direct and indirect “Construction Jobs” and “Construction Wages” shown are with respect to Orange 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 of Newburgh (the “City”).

resulting employment to be 41 jobs, earning \$2.4 million in wages annually. Escalated at 2% annually, this would equate to \$96.2 million in earnings over the life of the PILOT.

Fiscal Impacts

In terms of fiscal impacts, we estimate that the County would benefit from one-time sales tax revenue of \$20,054 associated with the construction wages earned during the Site’s renovation and construction. Upon completion of the Project, we estimate the County would benefit from additional sales tax revenue of \$631,586 over the 30-year PILOT term related to the new wages earned from ongoing jobs and new household spending. Under the proposed PILOT terms of the Project, we estimate the Project would generate \$1.1 million in additional property tax revenue for the County, City, and school district. Therefore, in total, the fiscal benefits of the proposed Project would be approximately \$1.8 million over the life of the PILOT.²

Summary of Local Fiscal Benefits	
	Total
Sales Tax, Construction, One-time	\$20,054
Sales Tax, Operations, 30 Years	\$631,586
Increase in Property Tax Revenue, 30 Years	\$1,108,253
Total Fiscal Benefits	\$1,759,894

Summary of Local Exemptions	
	Total
Cost of Sales Tax Exemption	\$375,450
Cost of MRTE	\$101,206
PILOT Exemption, 30 Years	\$633,528
Total Exemptions	\$1,110,185

The Applicant has requested a sales tax exemption, a mortgage recording tax exemption and a PILOT abatement. The estimated cost to the County of the sales tax exemption is \$375,450, and the cost of mortgage recording tax exemption is \$101,206. The proposed PILOT schedule includes net exemptions of \$633,528 over 30 years.

² Note that the proposed IDA PILOT applies only to the commercial portions of the Project. The Applicant has also applied directly to the City of Newburgh for a PILOT that would exempt a portion of the residential assessment, the details of which can be found in the Appendix. In the preparation of this cost-benefit analysis, we have assumed that the request of the Applicant to the City would be granted.

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INTRODUCTION

The City of Newburgh Industrial Development Agency received an application for financial assistance from 191 Washington Street, LLC, related to a proposed project located at 191 Washington Street in the City of Newburgh. The proposed project includes rehabilitating a former school building and constructing two new buildings into affordable apartments, a brewery, and commercial spaces. As part of its deliberations, the IDA requested an economic and fiscal impact analysis from MRB Group to assess the benefits and costs of the Project on the City of Newburgh and other jurisdictions.

MRB Group assessed both the one-time impact of construction and the impact of ongoing operations. The economic impacts considered in this analysis include direct and indirect changes to jobs, wages, and sales associated with renovating the school building and constructing the two new buildings. There would also be ongoing economic impacts related to tenants' anticipated new household spending at the Site and on-site employment. The fiscal impacts of the Project include one-time and ongoing new tax revenue as well as the presumed costs of the financial assistance under consideration by the IDA.

ECONOMIC IMPACT ANALYSIS

The Project would have economic impacts on the County and City in several ways. These include one-time effects on jobs, earnings, and sales during the construction phase of the Project, which we estimate for the entire County. They also include ongoing impacts to jobs and earnings related to the Project's operations, which we estimate for the City.³

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 that occur on-site related to labor and materials used in the construction of the Project.
- Indirect: Jobs, wages, and sales caused by the Direct impacts, and results 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 created from the operations of the Project (e.g., on-site employment).
- Indirect: Jobs, wages, and sales 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 employees of such businesses spending a portion of their wages locally.

MRB Group employs the Lightcast economic modeling system to estimate the direct and indirect impacts.⁴ We used data from the Applicant and publicly available and proprietary data sources as inputs to the Lightcast modeling system. We adjusted the Lightcast model where needed to match the Project specifics. We then reported the modeling results.

³ 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 ZIP code 12550, which closely approximates the City. A map of ZIP code 12550 in relation to the City's boundaries is included in the Appendix.

⁴ Lightcast, 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 Project will require approximately \$24 million in construction and renovation costs. The Applicant assumes 25% of these costs will be sourced within Orange County.⁵

Local Construction Spending			
	\$ Total	% Local	\$ Local
Materials & Labor	\$24,000,000	25%	\$6,000,000

Source: Applicant

We use local construction spending of \$6 million (direct “Sales” in the table below) in Orange County as an input into the Lightcast economic modeling system. According to Lightcast, this level of local spending would yield approximately 22 direct construction jobs earning \$2.3 million. We then modeled indirect impacts, resulting in an expected 11 new indirect jobs, \$754,239 in new earnings, and \$2.3 million in new sales. Combining direct and indirect impacts, the total one-time construction-phase impacts would be 34 jobs, \$3.1 million in wages, and \$8.3 million in sales.

Economic Impact of Construction, One-Time			
	Direct	Indirect	Total*
Jobs	22	11	34
Earnings	\$2,301,627	\$754,239	\$3,055,866
Sales	\$6,000,000	\$2,276,734	\$8,276,734

Source: Applicant; Lightcast; MRB. *Totals may not sum due to rounding.

⁵ The Applicant has indicated a preference to source local materials and labor to the extent possible. To be conservative, the Applicant currently estimates that 25% of materials and labor costs will be spent in the County.

Operation Phase

An essential distinction between construction and operation phase impacts is the geographic level at which impacts are measured. Primarily driven by ongoing employment at the Site, operational impacts are more localized relative to the County-level construction impacts. Because of this, we consider the economic impact of the operation phase at the City level. In this case, we used ZIP code 12550 to approximate the City’s boundaries, as ZIP codes are the smallest unit of geography considered in our economic modeling system (see Appendix).

On-Site Employment

According to the Applicant, there will be 15 full-time employees at the proposed brewery in professional, skilled, semi-skilled, and unskilled positions, and three full-time employees in property maintenance positions at the proposed apartments. Tenants have not been identified for the commercial spaces, but the applicant estimates that seven full-time employees would occupy the commercial spaces. In total, an estimated 25 full-time employees would work at the Site. We used the salary ranges provided by the Applicant and average retail earnings to determine a total of \$1.4 million in annual earnings paid to the 25 employees.⁶

On-Site Employment		
	Jobs	Earnings
Brewery	15	\$956,500
Property Maintenance	3	\$152,500
Commercial	7	\$261,412
Total	25	\$1,370,412

Source: Applicant; Lightcast; MRB

According to Lightcast, 25 direct jobs earning \$1.4 million translate to indirect impacts of six jobs earning \$444,625 annually. Together with indirect impacts, the total annual impact of on-site employment in the City would be 31 jobs, \$1.8 million in earnings, and \$9.6 million in sales.

Economic Impact of On-Site Employment, Annual			
	Direct	Indirect	Total*
Jobs	25	6	31
Earnings	\$1,370,412	\$444,625	\$1,815,037
Sales	\$8,214,035	\$1,411,113	\$9,625,147

Source: Applicant; Lightcast; MRB. *Totals may not sum due to rounding.

⁶ The applicant provided salary ranges for the 15 brewery jobs and the three property maintenance jobs. The earnings of the seven commercial retail jobs are calculated based on the average wage for those in sales and related occupations in the County (\$37,344).

Household Spending

According to the Applicant, the Project will create 70 affordable apartments, available to those earning 80% of the local Area Median Income (AMI).

The annual spending estimates were calculated based by household income level using data from the Bureau of Labor Statistics' Consumer Expenditure Survey (CES). The data used is specific to the Northeastern Region of the United States. Residents earning at or below 80% AMI for the Kiryas Joel-Poughkeepsie-Newburgh, NY MSA would spend roughly \$39,945 each year on the goods listed in the table to the right. We estimate that 50% of the new household spending would occur locally.

Total New Household Spending				
	Annual per HH Spend	% Spent Locally	# of Units	Total New Spending
Food	\$10,633	50%	70	\$372,155
Household Furnishings	\$2,558	50%	70	\$89,530
Apparel and Services	\$2,730	50%	70	\$95,550
Transportation	\$12,109	50%	70	\$423,815
Healthcare	\$5,681	50%	70	\$198,835
Entertainment	\$2,916	50%	70	\$102,060
Personal Care Products and Services	\$858	50%	70	\$30,030
Education	\$961	50%	70	\$33,635
Miscellaneous	\$1,011	50%	70	\$35,385
Other	\$488	50%	70	\$17,080
Total	\$39,945	-	70	\$1,398,075

Source: Table 3104, Northeastern region by income before taxes: Average annual expenditures and characteristics, Consumer Expenditure Surveys, 2022-2023; Applicant; HUD User; MRB

Given the 70 total units and average annual household spending, we estimate that \$1.4 million in total new household spending would occur annually in the City. According to Lightcast, annual new household spending of \$1.4 million would translate to nine new direct jobs and \$460,344 in new earnings in the City. Combined with an estimate of indirect impacts, the total annual economic impact of new household spending in the City would be ten jobs, \$557,313 in earnings, and \$1.7 million in sales.

Economic Impact of New Household Spending, Annual			
	Direct	Indirect	Total*
Jobs	9	1	10
Earnings	\$460,344	\$96,969	\$557,313
Sales	\$1,398,075	\$260,580	\$1,658,658

Source: Applicant; Lightcast; MRB. *Totals may not sum due to rounding.

Combined Impacts

The table below shows the aggregate annual impact of on-site employment and the impact of annual new household spending. On an annual basis, the Project would lead to 34 direct jobs earning \$1.8 million in wages. The total annual economic impacts would be 41 jobs, \$2.4 million in earnings, and \$11.3 million in sales. Escalated at 2% per year for 30 years, this totals \$96.2 million in earnings over the term of the proposed PILOT.

Combined Economic Impact of Operations			
	Direct	Indirect	Total*
Jobs, Annual	34	7	41
Earnings, Annual	\$1,830,756	\$541,595	\$2,372,351
Sales, Annual	\$9,612,110	\$1,671,693	\$11,283,806
Earnings, 30 Years**	\$74,270,262	\$21,971,449	\$96,241,711

Source: Applicant; Lightcast; MRB. *Totals may not sum due to rounding. **Escalated at 2% annually.

FISCAL IMPACT ANALYSIS

The Project would also have fiscal impacts in terms of various new tax revenues as described below. While sales tax revenues and exemptions are measured for the total Project, the cost of the proposed PILOT abatement is only presented for the commercial portion of the Project, to reflect the fact that the IDA would only be abating that portion of the Project (the “IDA PILOT”). As noted elsewhere and as explained in more detail in the appendix, the Applicant is also requesting assistance from the City in the form of an abatement of the property tax due on the residential portions of the Project (the “Residential PILOT”). For the purposes of this analysis, we have assumed that the Residential PILOT is granted.

PILOT Schedule

The table on the following page displays the Applicant’s proposed IDA PILOT and Residential PILOT schedule. According to the Applicant and confirmed by the IDA, the Site is currently assessed at \$1 million. As estimated by City of Newburgh Assessor, Joanne Majewski, the future assessed value will likely be \$6.4 million upon completion of the Project.

Assessed Value	
Line	Value
Current AV	\$1,000,000
Improvement Value	\$5,390,500
Future AV	\$6,390,500

Source: Applicant; City Assessor

The Applicant has requested a 30-year IDA PILOT term that will abate a portion of the improvement value associated with the commercial portions of the Project. Under the proposed IDA PILOT agreement, the Project would generate \$271,616 in IDA PILOT payments. Under the proposed terms of the Residential PILOT, the Project would generate \$2.2 million in Residential PILOT payments. Collectively, this represents an increase in property tax revenue of \$1.1 million from what the Site would generate absent the Project.

PILOT Revenue						
Year	Current AV	Tax Rate	Taxes Without Project	Residential PILOT Revenue	IDA PILOT Revenue	Increase in Revenue
Year 1	\$1,000,000	34.0902	\$34,090	\$46,655	\$5,709	\$18,274
Year 2	\$1,000,000	34.7720	\$34,772	\$48,054	\$5,880	\$19,163
Year 3	\$1,000,000	35.4675	\$35,467	\$49,496	\$6,057	\$20,085
Year 4	\$1,000,000	36.1768	\$36,177	\$50,981	\$6,239	\$21,042
Year 5	\$1,000,000	36.9003	\$36,900	\$52,510	\$6,426	\$22,036
Year 6	\$1,000,000	37.6383	\$37,638	\$54,085	\$6,618	\$23,066
Year 7	\$1,000,000	38.3911	\$38,391	\$55,708	\$6,817	\$24,134
Year 8	\$1,000,000	39.1589	\$39,159	\$57,379	\$7,022	\$25,242
Year 9	\$1,000,000	39.9421	\$39,942	\$59,101	\$7,232	\$26,391
Year 10	\$1,000,000	40.7410	\$40,741	\$60,874	\$7,449	\$27,582
Year 11	\$1,000,000	41.5558	\$41,556	\$62,700	\$7,673	\$28,817
Year 12	\$1,000,000	42.3869	\$42,387	\$64,581	\$7,903	\$30,097
Year 13	\$1,000,000	43.2346	\$43,235	\$66,518	\$8,140	\$31,424
Year 14	\$1,000,000	44.0993	\$44,099	\$68,514	\$8,384	\$32,799
Year 15	\$1,000,000	44.9813	\$44,981	\$70,569	\$8,636	\$34,224
Year 16	\$1,000,000	45.8809	\$45,881	\$72,686	\$8,895	\$35,700
Year 17	\$1,000,000	46.7986	\$46,799	\$74,867	\$9,162	\$37,230
Year 18	\$1,000,000	47.7345	\$47,735	\$77,113	\$9,436	\$38,815
Year 19	\$1,000,000	48.6892	\$48,689	\$79,426	\$9,719	\$40,457
Year 20	\$1,000,000	49.6630	\$49,663	\$81,809	\$10,011	\$42,157
Year 21	\$1,000,000	50.6563	\$50,656	\$84,263	\$10,311	\$43,919
Year 22	\$1,000,000	51.6694	\$51,669	\$86,791	\$10,621	\$45,743
Year 23	\$1,000,000	52.7028	\$52,703	\$89,395	\$10,939	\$47,632
Year 24	\$1,000,000	53.7568	\$53,757	\$92,077	\$11,268	\$49,588
Year 25	\$1,000,000	54.8320	\$54,832	\$94,839	\$11,606	\$51,613
Year 26	\$1,000,000	55.9286	\$55,929	\$97,684	\$11,954	\$53,709
Year 27	\$1,000,000	57.0472	\$57,047	\$100,615	\$12,312	\$55,880
Year 28	\$1,000,000	58.1881	\$58,188	\$103,633	\$12,682	\$58,127
Year 29	\$1,000,000	59.3519	\$59,352	\$106,742	\$13,062	\$60,453
Year 30	\$1,000,000	60.5389	\$60,539	\$109,945	\$13,454	\$62,860
TOTAL	-	-	-\$1,382,974	\$2,219,611	\$271,616	\$1,108,253

Source: Applicant; City Assessor; MRB

Cost of IDA PILOT

The table to the right displays the difference in estimated property tax revenues under the proposed IDA PILOT and property taxes due under the 485-b tax exemption⁷ if the Project were built without the IDA PILOT exemption. We calculate the cost of the IDA PILOT to be \$633,528 over the life of the IDA PILOT.

Cost of IDA Abatement - 485-b Tax Revenue vs. PILOT Revenue								
Year	Commercial Current AV	Commercial Improvement Value	485-b Exemption %	Taxable AV	Tax Rate	485-b Full Taxes	IDA PILOT Revenue	Cost of Abatement
Year 1	\$110,000	\$586,750	50%	\$403,375	34.0902	\$13,751	\$5,709	(\$8,042)
Year 2	\$110,000	\$586,750	45%	\$432,713	34.7720	\$15,046	\$5,880	(\$9,166)
Year 3	\$110,000	\$586,750	40%	\$462,050	35.4675	\$16,388	\$6,057	(\$10,331)
Year 4	\$110,000	\$586,750	35%	\$491,388	36.1768	\$17,777	\$6,239	(\$11,538)
Year 5	\$110,000	\$586,750	30%	\$520,725	36.9003	\$19,215	\$6,426	(\$12,789)
Year 6	\$110,000	\$586,750	25%	\$550,063	37.6383	\$20,703	\$6,618	(\$14,085)
Year 7	\$110,000	\$586,750	20%	\$579,400	38.3911	\$22,244	\$6,817	(\$15,427)
Year 8	\$110,000	\$586,750	15%	\$608,738	39.1589	\$23,838	\$7,022	(\$16,816)
Year 9	\$110,000	\$586,750	10%	\$638,075	39.9421	\$25,486	\$7,232	(\$18,254)
Year 10	\$110,000	\$586,750	5%	\$667,413	40.7410	\$27,191	\$7,449	(\$19,742)
Year 11	\$110,000	\$586,750	0%	\$696,750	41.5558	\$28,954	\$7,673	(\$21,281)
Year 12	\$110,000	\$586,750	0%	\$696,750	42.3869	\$29,533	\$7,903	(\$21,630)
Year 13	\$110,000	\$586,750	0%	\$696,750	43.2346	\$30,124	\$8,140	(\$21,984)
Year 14	\$110,000	\$586,750	0%	\$696,750	44.0993	\$30,726	\$8,384	(\$22,342)
Year 15	\$110,000	\$586,750	0%	\$696,750	44.9813	\$31,341	\$8,636	(\$22,705)
Year 16	\$110,000	\$586,750	0%	\$696,750	45.8809	\$31,968	\$8,895	(\$23,073)
Year 17	\$110,000	\$586,750	0%	\$696,750	46.7986	\$32,607	\$9,162	(\$23,445)
Year 18	\$110,000	\$586,750	0%	\$696,750	47.7345	\$33,259	\$9,436	(\$23,823)
Year 19	\$110,000	\$586,750	0%	\$696,750	48.6892	\$33,924	\$9,719	(\$24,205)
Year 20	\$110,000	\$586,750	0%	\$696,750	49.6630	\$34,603	\$10,011	(\$24,592)
Year 21	\$110,000	\$586,750	0%	\$696,750	50.6563	\$35,295	\$10,311	(\$24,983)
Year 22	\$110,000	\$586,750	0%	\$696,750	51.6694	\$36,001	\$10,621	(\$25,380)
Year 23	\$110,000	\$586,750	0%	\$696,750	52.7028	\$36,721	\$10,939	(\$25,781)
Year 24	\$110,000	\$586,750	0%	\$696,750	53.7568	\$37,455	\$11,268	(\$26,188)
Year 25	\$110,000	\$586,750	0%	\$696,750	54.8320	\$38,204	\$11,606	(\$26,599)
Year 26	\$110,000	\$586,750	0%	\$696,750	55.9286	\$38,968	\$11,954	(\$27,015)
Year 27	\$110,000	\$586,750	0%	\$696,750	57.0472	\$39,748	\$12,312	(\$27,435)
Year 28	\$110,000	\$586,750	0%	\$696,750	58.1881	\$40,543	\$12,682	(\$27,861)
Year 29	\$110,000	\$586,750	0%	\$696,750	59.3519	\$41,353	\$13,062	(\$28,291)
Year 30	\$110,000	\$586,750	0%	\$696,750	60.5389	\$42,180	\$13,454	(\$28,726)
TOTAL	-	-	-	-	-	-\$905,144	\$271,616	(\$633,528)

Source: Applicant; City Assessor; MRB

⁷ The 485-b tax exemption is an element of New York’s Real Property Tax law that allows an as-of-right exemption for certain qualifying commercial and industrial projects for a period of ten years. The City, County, and School District all participate in the 485-b program. The Applicant would essentially have an automatic right to such an abatement if an IDA PILOT were not granted. We therefore compare the potential IDA PILOT to what the Applicant would pay absent the IDA PILOT.

Sales Tax Revenue, Construction Phase

As our economic impact analysis states, we anticipate approximately \$3.1 million in direct and indirect earnings in the County would be generated during the Project’s construction phase. We assume 70% of the newly generated earnings would be spent in Orange County. From there, we estimate that 25% of that spending amount would be subject to the sales tax. Applying the County’s sales tax rate of 3.75%, we conclude that the commercial construction phase earnings would lead to approximately \$20,054 in County sales tax revenue over the duration of construction.

Sales Tax Revenue - Construction Phase	
Line	Value
Total New Earnings	\$3,055,866
% Spent in County	70%
\$ Spent in County	\$2,139,106
% Taxable	25%
\$ Taxable	\$534,776
County Sales Tax Rate	3.75%
\$ County Sales Tax Revenue	\$20,054

Source: MRB; Orange County

Sales Tax Revenue, Operation Phase

Using a similar methodology, we estimate the sales tax revenue generated from the new earnings stemming from on-site employment and new household spending. We estimated \$2.4 million in total new earnings would occur annually within the City during the operation phase. Given the projected earnings, we estimate the Project would result in \$15,569 in annual sales tax revenue to the County. Escalated at 2% per year for 30 years, this totals \$631,586 in revenue over the term of the proposed PILOT.

Sales Tax Revenue - Operation Phase	
Line	Value
Total New Earnings	\$2,372,351
% Spent in County	70%
\$ Spent in County	\$1,660,645
% Taxable	25%
\$ Taxable	\$415,161
County Sales Tax Rate	3.75%
\$ County Sales Tax Revenue	\$15,569
Revenue Over 30 Years*	\$631,586

Source: MRB; Orange County. *Escalated at 2% annually.

Cost of Sales Tax Exemption

The Applicant has requested an exemption for construction-phase sales and use tax valued at \$813,475. This is composed of County sales tax revenue (with a rate of 3.75%), state sales tax revenue (4.0%) and the MCTD sales tax revenue (0.375%). Isolating the cost to the County (“County Exemption”) from the total amount reported, we arrive at local cost of \$375,450.

Cost of Sales Tax Exemption, County	
Line	Value
Sales Tax Exemption	\$813,475
County	3.75%
State	4%
MCTD	0.375%
County Exemption	\$375,450

Source: Applicant; MRB

Cost of MRTE Exemption

The Applicant has also requested a mortgage recording tax exemption (MRTE) valued at \$212,533. This amount is composed of a state portion (0.5%), a County portion (0.5%) and an MCTD portion (0.05%). Isolating the cost to the County (“County Exemption”) from the total amount reported, we arrive at a local cost of \$101,206.

Cost of MRTE Exemption, County	
Line	Value
MRTE	\$212,533
County	0.5%
State	0.5%
MCTD	0.05%
County Exemption	\$101,206

Source: Applicant; MRB

COST BENEFIT SUMMARY

Cost Benefit Analysis of IDA Assistance	
Local Costs (Construction - Year 30)	\$1,110,185
Sales Tax Exemption	\$375,450
Mortgage Tax Exemption	\$101,206
Real Property Tax Exemption	\$633,528
Local Benefits (Construction - Year 30)	\$101,057,470
Sales Tax, Construction, One-time	\$20,054
Sales Tax, Operations, 30 Years	\$631,586
Property Tax Revenue Increase, 30 Years	\$1,108,253
Sub-Total Tax Benefits	\$1,759,894
Total New Earnings - Construction	\$3,055,866
Total New Earnings - Operations	\$96,241,711
Sub-Total (New Earnings)	\$99,297,577
Benefits to Costs Ratio	91.03
Tax Benefits to Tax Costs Ratio	1.59

APPENDIX

Value of Both Proposed PILOT Abatements

As noted in the body of this report, the Applicant has applied to the City of Newburgh for the Residential PILOT. The City has the option of providing this Residential PILOT under New York’s Real Property Tax law, given the fact that the residential units in question are subject to a regulatory agreement with HCR capping rents and requiring that the units be rented to income-qualifying individuals.

As required by law, the cost-benefit analysis in the body of this report compares the costs of the IDA assistance (including the sales tax exemption, the mortgage recording tax exemption, and the IDA PILOT) to the benefits of the Project.

To supplement that analysis, we present in the table to the right the costs of both the IDA PILOT and the Residential PILOT if both are granted. Consistent with the body of the report, we show the property taxes due on the commercial portions of the Project under the 485-b tax exemption against the IDA PILOT revenue. For the residential portions of the project, we show two additional columns:

- the “Residential Full Taxes”, which are the payments that would be due on the residential portion of the Project absent the Residential PILOT, and
- the “Residential PILOT Revenue”, which is the Applicant’s proposed payments to the City under the Residential PILOT.

Cost of Abatement - City and IDA Assistance							
Year	Residential Future AV	Tax Rate	485-b Full Taxes	Residential Full Taxes	Residential PILOT Revenue	IDA PILOT Revenue	Cost of PILOT Abatement
Year 1	\$5,693,750	34.0902	\$13,751	\$194,101	\$46,655	\$5,709	(\$155,489)
Year 2	\$5,693,750	34.7720	\$15,046	\$197,983	\$48,054	\$5,880	(\$159,095)
Year 3	\$5,693,750	35.4675	\$16,388	\$201,943	\$49,496	\$6,057	(\$162,778)
Year 4	\$5,693,750	36.1768	\$17,777	\$205,982	\$50,981	\$6,239	(\$166,539)
Year 5	\$5,693,750	36.9003	\$19,215	\$210,101	\$52,510	\$6,426	(\$170,380)
Year 6	\$5,693,750	37.6383	\$20,703	\$214,303	\$54,085	\$6,618	(\$174,303)
Year 7	\$5,693,750	38.3911	\$22,244	\$218,589	\$55,708	\$6,817	(\$178,308)
Year 8	\$5,693,750	39.1589	\$23,838	\$222,961	\$57,379	\$7,022	(\$182,398)
Year 9	\$5,693,750	39.9421	\$25,486	\$227,420	\$59,101	\$7,232	(\$186,574)
Year 10	\$5,693,750	40.7410	\$27,191	\$231,969	\$60,874	\$7,449	(\$190,837)
Year 11	\$5,693,750	41.5558	\$28,954	\$236,608	\$62,700	\$7,673	(\$195,190)
Year 12	\$5,693,750	42.3869	\$29,533	\$241,340	\$64,581	\$7,903	(\$198,390)
Year 13	\$5,693,750	43.2346	\$30,124	\$246,167	\$66,518	\$8,140	(\$201,633)
Year 14	\$5,693,750	44.0993	\$30,726	\$251,091	\$68,514	\$8,384	(\$204,919)
Year 15	\$5,693,750	44.9813	\$31,341	\$256,112	\$70,569	\$8,636	(\$208,248)
Year 16	\$5,693,750	45.8809	\$31,968	\$261,235	\$72,686	\$8,895	(\$211,621)
Year 17	\$5,693,750	46.7986	\$32,607	\$266,459	\$74,867	\$9,162	(\$215,038)
Year 18	\$5,693,750	47.7345	\$33,259	\$271,788	\$77,113	\$9,436	(\$218,498)
Year 19	\$5,693,750	48.6892	\$33,924	\$277,224	\$79,426	\$9,719	(\$222,003)
Year 20	\$5,693,750	49.6630	\$34,603	\$282,769	\$81,809	\$10,011	(\$225,551)
Year 21	\$5,693,750	50.6563	\$35,295	\$288,424	\$84,263	\$10,311	(\$229,144)
Year 22	\$5,693,750	51.6694	\$36,001	\$294,193	\$86,791	\$10,621	(\$232,781)
Year 23	\$5,693,750	52.7028	\$36,721	\$300,076	\$89,395	\$10,939	(\$236,463)
Year 24	\$5,693,750	53.7568	\$37,455	\$306,078	\$92,077	\$11,268	(\$240,189)
Year 25	\$5,693,750	54.8320	\$38,204	\$312,199	\$94,839	\$11,606	(\$243,959)
Year 26	\$5,693,750	55.9286	\$38,968	\$318,443	\$97,684	\$11,954	(\$247,774)
Year 27	\$5,693,750	57.0472	\$39,748	\$324,812	\$100,615	\$12,312	(\$251,633)
Year 28	\$5,693,750	58.1881	\$40,543	\$331,309	\$103,633	\$12,682	(\$255,536)
Year 29	\$5,693,750	59.3519	\$41,353	\$337,935	\$106,742	\$13,062	(\$259,484)
Year 30	\$5,693,750	60.5389	\$42,180	\$344,693	\$109,945	\$13,454	(\$263,475)
TOTAL	-	-	\$905,144	\$7,874,310	\$2,219,611	\$271,616	(\$6,288,227)

Source: Applicant; City Assessor; MRB

To show the combined costs of the two proposed PILOTs, we add together the columns “485-b Full Taxes” and “Residential Full Taxes” and then subtract “Residential PILOT Revenue” and “IDA PILOT Revenue”. The value of the two abatements combined is approximately \$6.3 million.

As a further demonstration, we recreate the summary table from the last page of the body of the report below, substituting the combined value of the two proposed PILOTs and recalculating the ratios.

Cost Benefit Analysis for the City	
Local Costs (Construction - Year 30)	\$6,764,883
Sales Tax Exemption	\$375,450
Mortgage Tax Exemption	\$101,206
Real Property Tax Exemption	\$6,288,227
Local Benefits (Construction - Year 30)	\$101,057,470
Sales Tax, Construction, One-time	\$20,054
Sales Tax, Operations, 30 Years	\$631,586
Property Tax Revenue Increase, 30 Years	\$1,108,253
Sub-Total Tax Benefits	\$1,759,894
Total New Earnings - Construction	\$3,055,866
Total New Earnings - Operations	\$96,241,711
Sub-Total (New Earnings)	\$99,297,577
Benefits to Costs Ratio	14.94
Tax Benefits to Tax Costs Ratio	0.26

City of Newburgh ZIP Code Approximation

