

METALWYZE, INC. & NCBP NEWBURGH LLC COST-BENEFIT ANALYSIS

PREPARED DECEMBER 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 MetalWyze, Inc. and NCBP Newburgh LLC (collectively, the “Applicant”), related to a proposed project located at 106 Pierces Road in the City of Newburgh (the “Site”). The proposed project involves rehabilitating a vacant building into a manufacturing space for metal coil and sheet metal processing, as well as OEM fabrication (the “Project”). As part of the IDA’s deliberations, the IDA requested a cost-benefit analysis from MRB Group to assess the potential impacts of the Project on the City of Newburgh (the “City”) and other jurisdictions.

MRB Group assessed both the one-time impact of construction and the ongoing impact of operations. The economic impacts considered in this analysis include both direct and indirect changes to jobs, wages, and sales resulting from the renovation of the building. There would also be ongoing economic impacts related to the tenant’s 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 Combining direct and indirect impacts, the construction phase of the Project would create two jobs that generate \$151,832 in wages. Upon completion of the Project, we estimate that the resulting employment would be 12 jobs, earning \$1.1 million in annual wages. Escalated at 2% annually, this would equate to \$11.6 million in earnings over the life of the PILOT.

Summary of Economic Impacts			
	Direct	Indirect	Total*
Construction Jobs	2	De Minimus	2
Construction Wages	\$114,267	\$37,565	\$151,832
Ongoing Jobs, Annual	10	2	12
Ongoing Wages, Annual	\$917,500	\$140,064	\$1,057,564
Ongoing Wages, 10 Years**	\$10,046,369	\$1,533,663	\$11,580,032

*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”).

Fiscal Impacts

In terms of fiscal impacts, we estimate that the County would benefit from one-time sales tax revenue of \$996 associated with the construction wages earned during the Site’s renovation. Upon completion of the Project, we estimate the County would benefit from additional sales tax revenue of \$75,994 over the ten-year PILOT term related to the new wages earned from ongoing jobs. Therefore, in total, the fiscal benefits of the proposed Project would be approximately \$76,990 over the life of the PILOT.

The Applicant has requested a PILOT abatement. The proposed PILOT schedule includes net exemptions of \$349,490 over ten years.

Summary of Local Fiscal Benefits	
	Total
Sales Tax, Construction, One-time	\$996
Sales Tax, Operations, 10 Years	\$75,994
Total Fiscal Benefits	\$76,990

Summary of Local Exemptions	
	Total
PILOT Exemption, 10 Years	\$349,490
Total Exemptions	\$349,490

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INTRODUCTION

The City of Newburgh Industrial Development Agency received an application for financial assistance from MetalWyze, Inc. and NCBP Newburgh LLC related to a proposed project located at 106 Pierces Road in the City of Newburgh. The proposed project involves rehabilitating a vacant building into a manufacturing space for metal coil and sheet metal processing, as well as OEM fabrication. As part of the IDA's deliberations, the IDA requested a cost-benefit analysis from MRB Group to assess the potential impacts 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 both direct and indirect changes to jobs, wages, and sales resulting from the renovation of the building. There would also be ongoing economic impacts related to the tenant's 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.²

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 tenant 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.³ 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.

² 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.

³ 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

According to the Applicant, the Project would require approximately \$1 million in construction and renovation spending. The Applicant assumes 30% of these costs will be sourced within Orange County, resulting in \$300,000 spent locally on construction materials and labor.

Local Construction Spending			
	\$ Total	% Local	\$ Local
Materials & Labor	\$1,000,000	30%	\$300,000

Source: Applicant

We use local construction spending of \$300,000 (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 two direct construction jobs earning \$114,267. We then modeled indirect impacts, resulting in fewer than one indirect job (noted as “De Minimus”), \$37,565 in new earnings, and \$113,557 in new sales. Combining direct and indirect impacts, the total one-time construction-phase impacts would be two jobs, \$151,832 in wages, and \$413,557 in sales.

Economic Impact of Construction, One-Time			
	Direct	Indirect	Total
Jobs	2	De Minimus	2
Earnings	\$114,267	\$37,565	\$151,832
Sales	\$300,000	\$113,557	\$413,557

Source: Applicant; Lightcast; MRB

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 compared to 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).

According to the Applicant, there are expected to be ten full-time employees at the Site, in professional, skilled, semi-skilled, and unskilled positions. The Applicant also provided the corresponding salary range for each position. Using the ranges, we estimated the average salary per position to determine a total of \$917,500 in annual earnings paid to the 10 employees, as shown in the table to the right.

On-Site Employment		
Job Title	Jobs	Total Earnings
Facilities Manager	1	\$135,000
CNC Programmer	1	\$90,000
Shop Manager	1	\$72,500
Outside Sales Rep	1	\$90,000
Operator 1	1	\$70,000
Operator 2	1	\$70,000
Purchasing	1	\$125,000
Material Handler	1	\$62,500
Controller	1	\$135,000
AP/AY Specialist	1	\$67,500
Total FTE	10	\$917,500

Source: Applicant; MRB

According to Lightcast, ten direct jobs earning \$917,500 translate to indirect impacts of two jobs earning \$140,064 annually. Together with indirect impacts, the total annual impact of on-site employment in the City would be 12 jobs and \$1.1 million in earnings. Escalated at 2% annually, this translates to \$11.6 million in total earnings over ten years.

Economic Impact of Operations			
	Direct	Indirect	Total
Jobs, Annual	10	2	12
Earnings, Annual	\$917,500	\$140,064	\$1,057,564
Earnings, 10 Years*	\$10,046,369	\$1,533,663	\$11,580,032

Source: Applicant; Lightcast; MRB. *Escalated by 2% annually.

FISCAL IMPACT ANALYSIS

The Project would also have fiscal impacts in terms of various new tax revenues as described below.

PILOT Schedule

The Site is currently assessed at \$1.85 million. Due to the nature of the Project, the assessed value of the Site is not expected to increase.

The Applicant has requested a ten-year PILOT term that will abate the taxes paid on the current assessed value. Therefore, there is no increase in property tax revenue as a result of the Project. Since the decrease in property tax revenue is already accounted for as the “cost of abatement” on the following page, the “increase in revenue” in the table to the right is shown as \$0 to avoid double-counting.

Property Tax Revenue							
Year	Current AV	Proposed Abatement	Total Value Subject to PILOT	Tax Rate	Taxes Without Project	Estimated PILOT Revenue	Increase in Revenue*
Year 1	\$1,850,000	100%	\$0	32.3284	\$59,807	\$0	\$0
Year 2	\$1,850,000	90%	\$185,000	32.9749	\$61,004	\$6,100	\$0
Year 3	\$1,850,000	80%	\$370,000	33.6344	\$62,224	\$12,445	\$0
Year 4	\$1,850,000	70%	\$555,000	34.3071	\$63,468	\$19,040	\$0
Year 5	\$1,850,000	60%	\$740,000	34.9933	\$64,738	\$25,895	\$0
Year 6	\$1,850,000	50%	\$925,000	35.6931	\$66,032	\$33,016	\$0
Year 7	\$1,850,000	40%	\$1,110,000	36.4070	\$67,353	\$40,412	\$0
Year 8	\$1,850,000	30%	\$1,295,000	37.1351	\$68,700	\$48,090	\$0
Year 9	\$1,850,000	20%	\$1,480,000	37.8778	\$70,074	\$56,059	\$0
Year 10	\$1,850,000	10%	\$1,665,000	38.6354	\$71,475	\$64,328	\$0
Total	-	-	-	-	\$654,875	\$305,386	\$0

Source: Applicant; MRB.

*There is no increase in revenue because the assessed value of the property is not expected to change. Since the decrease in revenue is already counted as the "cost of abatement," it is not counted here.

Cost of IDA PILOT

The table below displays the difference in estimated property tax revenues under the proposed PILOT and full property taxes that would be generated, should the Project move forward without a PILOT agreement. We calculate the cost of the PILOT to be \$349,490 over ten years.

Cost of Abatement - Full Taxes vs. PILOT Revenue							
Year	Future AV	Proposed Abatement	Total Value Subject to PILOT	Tax Rate	Full Taxes	Estimated PILOT Revenue	Cost of Abatement
Year 1	\$ 1,850,000	100%	\$ -	32.3284	\$ 59,807	\$ -	\$ (59,807)
Year 2	\$ 1,850,000	90%	\$ 185,000	32.9749	\$ 61,004	\$ 6,100	\$ (54,903)
Year 3	\$ 1,850,000	80%	\$ 370,000	33.6344	\$ 62,224	\$ 12,445	\$ (49,779)
Year 4	\$ 1,850,000	70%	\$ 555,000	34.3071	\$ 63,468	\$ 19,040	\$ (44,428)
Year 5	\$ 1,850,000	60%	\$ 740,000	34.9933	\$ 64,738	\$ 25,895	\$ (38,843)
Year 6	\$ 1,850,000	50%	\$ 925,000	35.6931	\$ 66,032	\$ 33,016	\$ (33,016)
Year 7	\$ 1,850,000	40%	\$ 1,110,000	36.4070	\$ 67,353	\$ 40,412	\$ (26,941)
Year 8	\$ 1,850,000	30%	\$ 1,295,000	37.1351	\$ 68,700	\$ 48,090	\$ (20,610)
Year 9	\$ 1,850,000	20%	\$ 1,480,000	37.8778	\$ 70,074	\$ 56,059	\$ (14,015)
Year 10	\$ 1,850,000	10%	\$ 1,665,000	38.6354	\$ 71,475	\$ 64,328	\$ (7,148)
Total	-	-	-	-	\$654,875	\$305,386	\$(349,490)

Source: Applicant; MRB

Sales Tax Revenue, Construction Phase

As our economic impact analysis states, we anticipate that approximately \$151,832 in direct and indirect earnings would be generated in the County 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 construction phase earnings would lead to approximately \$996 in County sales tax revenue over the duration of construction.

Local Sales Tax Revenue - Construction Phase	
	Value
Total Construction Earnings	\$151,832
% Spent in County	70%
\$ Spent in County	\$106,282
% Taxable	25%
\$ Taxable	\$26,571
County Sales Tax Rate	3.75%
\$ County Sales Tax Revenue	\$996

Source: Applicant; Lightcast; NYS Dept of Taxation & Finance; MRB

Sales Tax Revenue, Operation Phase

Using a similar methodology to the one above, we estimate the sales tax revenue generated from the new earnings resulting from on-site employment. We estimated \$1.1 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 \$6,940 in annual sales tax revenue to the County. Escalated at 2% per year for ten years, this totals \$75,994 in revenue.

Local Sales Tax Revenue - Operation Phase	
	Value
Total Operations Earnings - Year 1	\$1,057,564
% Spent in County	70%
\$ Spent in County	\$740,295
% Taxable	25%
\$ Taxable	\$185,074
County Sales Tax Rate	3.75%
\$ County Sales Tax Revenue - Year 1	\$6,940
\$ County Sales Tax Revenue - 10 Years*	\$75,994

Source: Applicant; Lightcast; NYS Dept of Taxation & Finance; MRB.

*Escalated at 2% annually.

COST-BENEFIT SUMMARY

Cost-Benefit Analysis, Local Impact	
Local Costs	\$349,490
Real Property Tax Exemption, 10 Years	\$349,490
Local Benefits	\$11,808,855
Sales Tax, Construction, One-time	\$996
Sales Tax, Operations, 10 Years	\$75,994
Sub-Total Tax Benefits	\$76,990
Total New Earnings - Construction	\$151,832
Total New Earnings - Operations	\$11,580,032
Sub-Total (New Earnings)	\$11,731,864
Tax Benefits to Costs Ratio	0.22
All Benefits to Costs Ratio	33.79

Source: MRB

APPENDIX

City of Newburgh ZIP Code Approximation

