

**ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
COST/BENEFIT ANALYSIS
Required by §859-a(3) of the
New York General Municipal Law**

**TO BE ATTACHED TO AND MADE PART OF APPLICATION TO THE
OCIDA**

NAME OF APPLICANT: MOHAWK, ADIRONDACK & NORTHERN
RAILROAD CORPORATION;

GENESEE & MOHAWK VALLEY RAILROAD CO.,
INC.

DESCRIPTION OF PROJECT: PROVISION OF SHORTLINE RAIL SERVICE
WITHIN ONEIDA COUNTY

**NAME OF ALL SUBLESSEES OR
OTHER OCCUPANTS OF FACILITY:** NONE

PRINCIPALS OR PARENT OF APPLICANT: GENESEE VALLEY
TRANSPORTATION CO., INC.

**PRINCIPALS OF ANY SUBLESSEE
OR OCCUPANT:** _____

PRODUCT/SERVICES: RAIL SERVICE TO INDUSTRIES IN ONEIDA
COUNTY

ESTIMATED DATE OF COMPLETION OF PROJECT:

EXISTING PROJECT

TYPE OF FINANCING/STRUCTURE: _____ Tax-Exempt Financing
_____ Taxable Financing

_____ Sale/Leaseback
_____ Other _____

NO FINANCING REQUIRED

TYPES OF BENEFITS RECEIVED:

_____ Taxable Financing
_____ Tax-Exempt Bonds
_____ Sales Tax Until Completion Date
_____ Mortgage Tax Abatement
XX Real Property Tax Abatement

PROJECT COSTS – CAPITAL INVESTMENT

Land _____ Cost per Acre _____
Existing Building _____
Rehab of Existing Building _____
Construction of New Building _____ Cost per Sq Ft. _____
Addition or Expansion _____ Cost per Sq Ft. _____
Engineering and Architectural Fees _____
Equipment _____ Cost per Sq Ft. _____
Legal Fees
 Bank, Bond, Transaction, Company,
 Credit Provider, Trustee _____
Finance Charges
 Title Insurance, Environmental
 Review, Bank Commitment Fee,
 Appraisals, etc. _____
Agency Fee _____

TOTAL COST OF PROJECT -0-

Job Revolving Fund Loan _____
Other Grants or Loans _____

COMPANY INFORMATION

Existing Jobs 13
Created Jobs (Year 3) _____
Retained Jobs 13

EARNINGS INFORMATION

County Spec Average Direct Jobs \$ _____
County Spec Average Indirect Jobs \$ _____
County Spec Average Construction Jobs \$ _____

MULTIPLIER INFORMATION

Indirect Job Rate 2.5 MULTIPLIER RATE LIKELY IS GREATER THAN 2.5 FOR THIS PROJECT. IT IS ESTIMATED THAT COMPANIES SERVED BY THE APPLICANTS WITHIN ONEIDA COUNTY EMPLOY 1050 PERSONS. WITHOUT RAIL SERVICE, MANY OF THESE JOBS WOULD DISAPPEAR. RECENTLY, THE APPLICANTS WERE INSTRUMENTAL IN THE DECISION BY EAST COAST OLIVE OIL TO REMAIN IN ONEIDA COUNTY AND NOT TO RELOCATE IN NEW JERSEY, SAVING UP TO 135 JOBS FOR ONEIDA COUNTY. ADDITIONALLY, MANY MANUFACTURERS WILL NOT CONSIDER LOCATING NEW FACILITIES IN LOCATIONS WITHOUT RAIL SERVICE.

Sales Tax Rate (9.5%)

Mortgage Tax Rate (1%)

Assumed Real Property Tax Rate Per Thousand for Municipality where project is located: _____

Assumed Real Property Assessment of facility where IDA assistance is being sought: _____

Assumed NYS Income Tax rate on earnings 4.25%: _____

Note: \$1,000,000 in construction expenditures generates 22 person – years of employment

CALCULATION OF BENEFITS (3 – YEAR PERIOD)

NYS PERSONAL INCOME TAX RECEIVED

	<u>Total Earnings</u>	<u>Revenues</u>
Direct Jobs		
Created	_____	_____
Existing	_____	_____
Indirect Jobs		
Created	_____	_____
Existing	_____	_____
Construction		
Person Years	_____	_____
TOTALS	_____	_____

TAXABLE GOODS AND SERVICES

	<u>Spending Rate</u>	<u>Expenditures</u>	<u>State and Local Sales Tax Revenues</u> <small>(Expenditure Column x .0825)</small>
Direct Jobs			
Created <small>(total earnings for direct jobs created x .36)</small>	36.0%	_____	_____
Existing <small>(total earnings for direct jobs existing x .36)</small>	36.0%	_____	_____
Indirect Jobs			
Created <small>(total earnings for indirect jobs created x .36)</small>	36.0%	_____	_____
Existing <small>(total earnings for indirect jobs existing x .36)</small>	36.0%	_____	_____
Construction			
Person yrs. <small>(total earnings for construction person yrs. x .36)</small>	36.0%	_____	_____
Totals	_____	_____	_____

Local (3 year) real property tax benefit (assuming _____% of jobs existing and created own a residence) with an average assessment of \$_____ and the remainder of jobs existing created pay real property taxes through rent based on an average assessment per apartment of \$_____.

Real Property Taxes Paid \$_____

COSTS

Real Property Taxes Abated on Improvements
Only (3-year period) \$ _____

Mortgage Tax Abated \$ _____

Estimated Sales Tax Abated During Construction Period
\$ _____

NOTE: If there is a tax-exempt financing of all or a portion of the project cost, there is a neutral cost/benefit because of lower interest rates by reason of exclusion of interest from gross income of bondholders for purposes of Federal and State income taxes. Taxable financing carries the same cost/benefit for State Income Tax purposes. Such cost/benefits cannot be quantified.