

*****FOR AGENCY USE ONLY*****

COST/BENEFIT ANALYSIS

(As required by Section 869-A3 of New York General Municipal Law)

Project Applicant: **Corning Property Management Corp. (Corning Canton Plant)**

PROJECT #4001-21-11

Project Types and Evaluation Criteria:

Below is a list of various project types and the criteria by which projects will be evaluated by the Agency. The Agency, in its discretion, shall evaluate each project based on the totality of applicable factors, taking into account the total economic impact, and no one factor may be determinative. In any case where a project may be categorized by more than one type listed below, the evaluative criteria for each applicable project type should be applied to the applicable component of the project.

1) Manufacturing/Warehousing/Distribution Project

- a. For Manufacturing/Warehousing/Distribution Projects, the Agency should consider the following criteria, as applicable:
 - i. The information provided in the Cost Benefit Analysis;
 - ii. The capital investment being made by the applicant;
 - iii. The impact, if any, from local labor construction for the project;
 - iv. Wage rates (above median wage for the area);
 - v. Regional wealth creation (percent of sales or customers from outside the area);
 - vi. In region purchases (percentage of overall purchases for project);
 - vii. Research and development;
 - viii. Investments in energy efficiency;
 - ix. Land use factors; and
 - x. Retention/flight risk of applicant.

Project Description:

The construction and operation on the Land to include structures that will add approximately 30,925 square foot of manufacturing and environmental improvements within the main parcel Tax ID: 101.001-1-5.1 a new tax ID will be created (101.001-1-5.1/97 __) for the new construction that will be part of a PILOT.

Project will assist in the retention of 290 jobs at the Canton facility, supporting the company's operations in the County and New York State. Corning is investing an additional \$19,600,000 in the facility, on top of over \$32.7 million in facility investments in the past seven years.

Corning has an excellent global recognition and reputation, demonstrating the County's ability to attract and support top tier employers. Higher technology jobs provide diversification in the workforce and employment opportunities for local college graduates.

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Estimated COST of Agency Assistance

ESTIMATED EXEMPTIONS:

1. Sales and Use Tax Exemption

a. Amount of Project Cost Subject to Tax:		\$ 7,712,398
	Sales and Use Tax Rate	8%
b. Estimated Exemption:		\$ 616,992

2. Mortgage Recording Tax Exemption

a. Projected Amount of Mortgage:		
	Mortgage Recording Tax Rate	0.75%
b. Estimated Exemption:		\$ 0

3. Real Property Tax Exemption

	Property Location	Town of DeKalb
a. Investment in Real Property	Total Project Cost	\$ 4,639,000
b. Pre-project Assessment	a new tax ID will be created	0
c. Projected Post-project Assessment		2,000,250
d. Equalization Rate (for reference only)		93%
e. Increase in Assessed Value of Property		2,000,250
f. Total Applicable Tax Rates per \$1,000		37.09
g. Ten Year Total Taxes	(e x f x 10)	741,893
h. PILOT Payments with Standard IDA PILOT	(g x .25)	185,473
i. Net Exemption Amount	(g – h)	\$ 556,420

4. Interest Exemption [Bond Only]

a. Total Estimated Interest Expense	(Assuming Taxable interest)	N/A
b. Total Estimated Interest Expense	(Assuming Tax Exempt Interest)	
c. Interest Exemption	(a – b)	\$0

TOTAL ESTIMATED EXEMPTIONS

\$ 1,173,412

Comments: Amount of project cost subject to sales tax was determined by totaling construction material, site work, furniture and fixtures, non-exempt machinery and equipment, construction labor and engineering costs assumed to be subject to sales tax without IDA involvement. Projected post-project assessment is based 60% of the non-environmental building construction cost. This construction cost is estimated to be \$3,333,7500, which will make the estimated increase \$2,000,250.

Estimated BENEFIT of Agency Assistance

EMPLOYMENT

Do not include construction jobs relating to the Project.

COMPARISON:

- Full Time: Permanent employee who works 30 or more hours each week, and does so on a regularly-scheduled basis.
- Part Time Temporary/Seasonal: Any employee who works fewer than 30 hours each week, and does so on an occasional, temporary or as-needed basis.

- A:** Insert the number of full time and part time jobs that currently exist within your company at the time of application.
- B:** Indicate the average annual wage for each job type listed in A (full time, part time, or other).
- C:** Indicate the average annual Benefit for each job type listed in A (full time, part time, or other).
- D:** Insert the number of jobs to be created during year 1 of the project for each job type (full time, part time, or other).
- E:** Insert the number of jobs to be created during year 2 of the project for each job type (full time, part time, or other).
- F:** Insert the number of jobs to be created during year 3 of the project for each job type (full time, part time, or other).
- G:** The total number of jobs to be created for each job type (full time, part time, or other) will automatically calculate.

Jobs	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Current Jobs	Average Annual Wage	Average Annual Benefit Cost	Number of Jobs Created Year 1	Number of Jobs Created Year 2	Number of Jobs Created Year 3	Total New Jobs Created
Full Time							
Management		\$	\$				
Professional	65	\$	\$	3			3
Administrative	23	\$	\$				
Production	202	\$	\$	17			17
Independent Contractor		\$	\$				
Other:		\$	\$				
Total		\$	\$	20			20
Part Time							
Management		\$	\$				
Professional		\$	\$				
Administrative		\$	\$				
Production		\$	\$				
Independent Contractor		\$	\$				
Other:		\$	\$				
Total		\$	\$				

ESTIMATED OTHER BENEFITS:

<input type="checkbox"/>	Sales Tax Revenue (New Product)	This project will result in the manufacturing or selling of a new product, and the estimated amount of annual sales taxes that will be generated on retail sales of the new project is \$
<input type="checkbox"/>	Sales Tax Revenue (Existing Product)	This project will result in increased production or sales of an existing product, and the estimated amount of annual sales tax that will be generated on the retail sales of the increased production is \$
<input checked="" type="checkbox"/>	Real Property Taxes	The amount of annual real property taxes that will be payable on the project at the end of the PILOT Agreement is \$74,189 (using assumed increase in assessed value of \$2,000,250. This estimate is based on 60% of the construction cost).
<input checked="" type="checkbox"/>	Construction Jobs	This project will help generate approximately 20 construction jobs.

<input checked="" type="checkbox"/>	Community and Regional Benefit	<i>Corning is a world leader in innovative material sciences. Advanced materials manufacturing is a primary industrial segment in the global search being undertaken by OCO Global on behalf of the New York Power Authority. The project includes a significant investment in pollution control equipment as part of the plant's supporting infrastructure. A strong local Corning operation, which this project supports, is key to the materials and advanced manufacturing cluster in the North Country. Additionally, to "Retain and expand existing employers within the County by prioritizing activities that assist in ensuring viability through more profitable operations" is listed as one of five major goals in the St. Lawrence County Comprehensive Economic Development strategy adopted by the County and IDA in 2017.</i>
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