

# Cost-Benefit Analysis for ZAED Properties

Prepared by Otsego Now using InformAnalytics

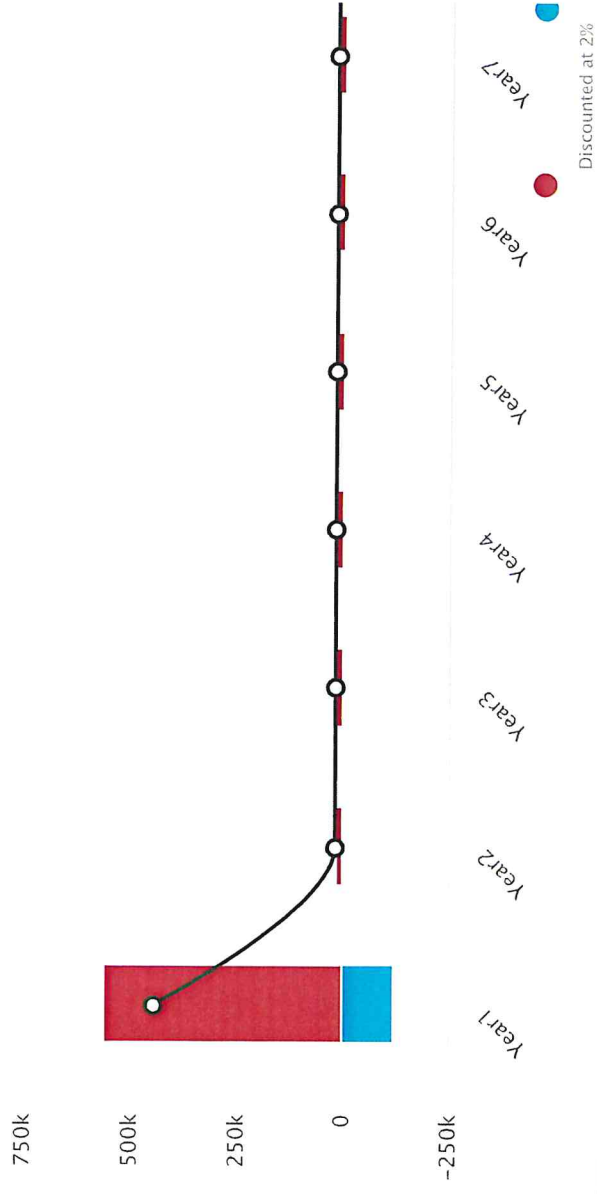
# Executive Summary

INVESTOR	TOTAL JOBS	TOTAL INVESTED	LOCATION	TIMELINE
ZAED Properties, LLC	0 Ongoing: 67 Temporary	\$3.0 Million	10 Chestnut Street, Cooperstown, NY	15 Years

F1 FIGURE 1

Discounted\* Net Benefits for ZAED Properties by Year

Total Net Benefits: \$656,000

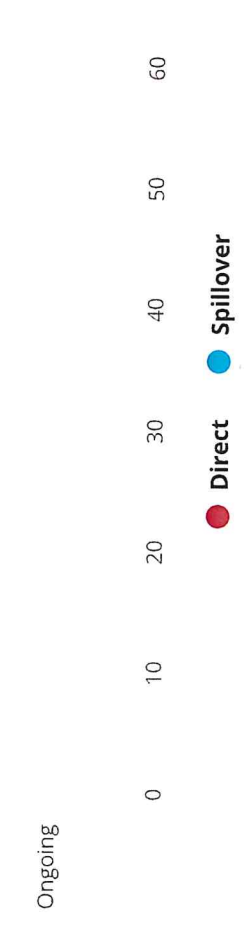


F2 FIGURE 2

Total Jobs

F3 FIGURE 3

Total Payroll



Thousands of Dollars

● Direct ● Spillover

# Proposed Investment

ZAED Properties, LLC proposes to invest \$3.0 million at 10 Chestnut Street, Cooperstown, NY over 15 years. Otsego Now staff summarize the proposed with the following: The construction of a new two story, 16,000 sq ft multi-family apartment building; 21 bedrooms (13 units). Passive house certified, on site solar generation.

T1 TABLE 1

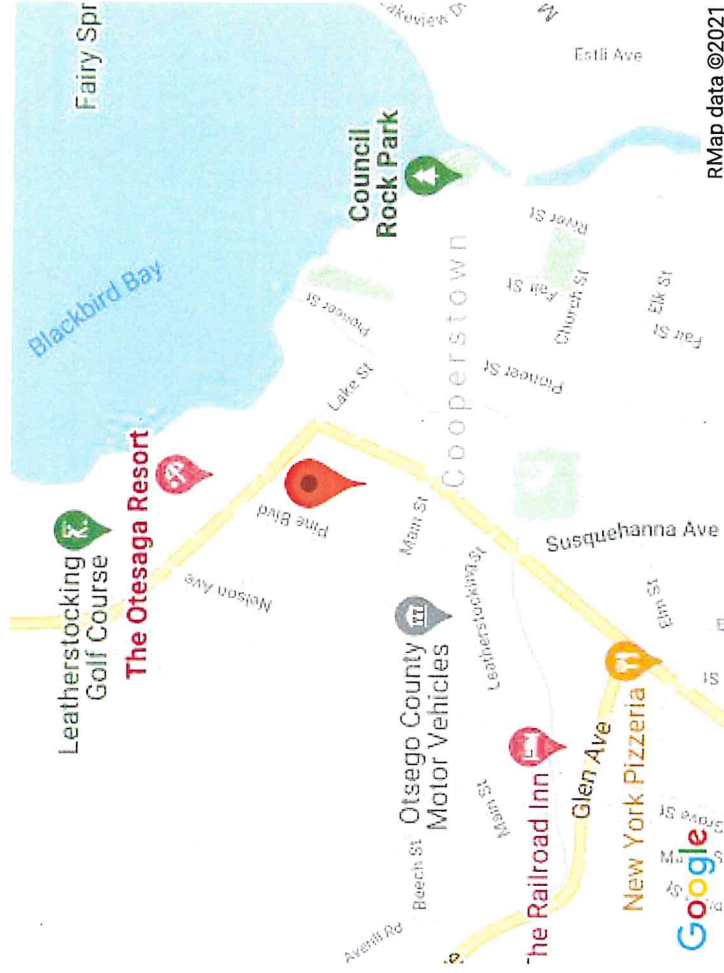
F4 FIGURE 4

## Proposed Investments

## Location of Investment

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Apartment Complex	\$2,859,000
<b>OTHER SPENDING</b>	
ZAED Properties	\$150,000
<b>Total Investments</b>	<b>\$3,009,000</b>
Discounted Total (2%)	\$3,009,000

May not sum to total due to rounding.



RMap data ©2021

# Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Otsego Now. The report calculates the costs and benefits for specified local taxing districts over the first 15 years, with future returns discounted at a 2% rate.

T2 TABLE 2

## Estimated Costs or Incentives

Otsego Now is considering the following incentive package for ZAED Properties, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$103,000	\$103,000
Mortgage Recording Tax Exemption	\$16,000	\$16,000
<b>Total Costs</b>	<b>\$119,000</b>	<b>\$119,000</b>

**May not sum to total due to rounding.**

\* Discounted at 2%

T3 TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
<b>REGIONAL BENEFITS</b>	<b>\$612,000</b>	<b>\$146,000</b>	<b>\$758,000</b>
<b>To Private Individuals</b>	<b>\$376,000</b>	<b>\$144,000</b>	<b>\$520,000</b>
Temporary Payroll	\$376,000	\$144,000	\$520,000
<b>To the Public</b>	<b>\$236,000</b>	<b>\$2,000</b>	<b>\$238,000</b>
Property Tax Revenue	\$231,000	N/A	\$231,000
Temporary Sales Tax Revenue	\$6,000	\$2,000	\$8,000
<b>STATE BENEFITS</b>	<b>\$10,000</b>	<b>\$7,000</b>	<b>\$17,000</b>
<b>To the Public</b>	<b>\$10,000</b>	<b>\$7,000</b>	<b>\$17,000</b>
Temporary Income Tax Revenue	\$5,000	\$5,000	\$9,000
Temporary Sales Tax Revenue	\$6,000	\$2,000	\$8,000
<b>Total Benefits to State &amp; Region</b>	<b>\$622,000</b>	<b>\$154,000</b>	<b>\$775,000</b>
Discounted Total Benefits (2%)	\$622,000	\$154,000	\$775,000

May not sum to total due to rounding.

T4 TABLE 4

### Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$758,000	\$52,000	15:1
State	\$17,000	\$67,000	0:1
<b>Grand Total</b>	<b>\$775,000</b>	<b>\$119,000</b>	<b>7:1</b>

**May not sum to total due to rounding.**

\* Discounted at 2%

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