



APPLICATION SUMMARY

DATE: October 19, 2021

APPLICANT: 587 LLC
c/o NKG Corp
1933 Fulton Street
Brooklyn, NY 11233

PROJECT LOCATION: 350-362 State Street
Rochester, NY 14608

PROJECT SUMMARY: 587 LLC, a real estate holding company, is proposing to redevelop a vacant building in the City of Rochester into an apartment complex. The new building will consist of 16 market rate apartments ranging in size from 453 square feet to 841 square feet. Two of the 16 units will be affordable units for households earning equal or less than 60% AMI. The \$1.2 million project is seeking a real property tax abatement, mortgage recording tax and sales tax exemption. The cost benefit ratio is 7:1.

PROJECT AMOUNT: \$1,276,000 Lease/Leaseback with Abatement
\$33,680 Sales Tax Exemption
\$9,570 Mortgage Recording Tax Exemption

JOBS: EXISTING: 0 FTE
NEW: 1 FTE
REQUIREMENT: 1 FTE

PUBLIC HEARING DATE: October 18, 2021

BENEFIT TO INCENTIVE RATIO: 7:1

SEQR: REVIEWED AND PROCESS IS COMPLETE.

ELIGIBILITY: REHABILITATION OF EXISTING COMMERCIAL BUILDING VACANT FOR A LONG TIME

APPROVED PURPOSE: COMMUNITY DEVELOPMENT

Cost-Benefit Analysis for 587, LLC

Prepared by COMIDA using InformAnalytics

Executive Summary

INVESTOR
587, LLC

TOTAL JOBS
**2 Ongoing;
10 Temporary**

TOTAL INVESTED
\$1.3 Million

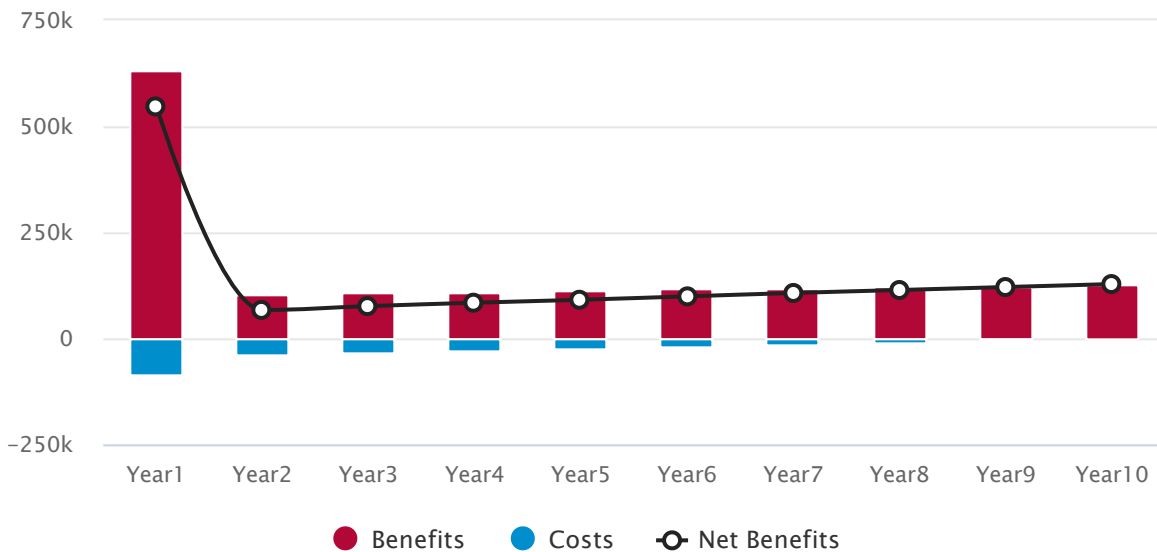
LOCATION
**350-362 State
Street, Rochester,
14608**

TIMELINE
10 Years

F1 FIGURE 1

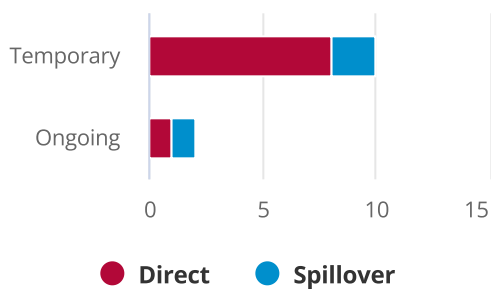
Discounted* Net Benefits for 587, LLC by Year

Total Net Benefits: \$1,431,000



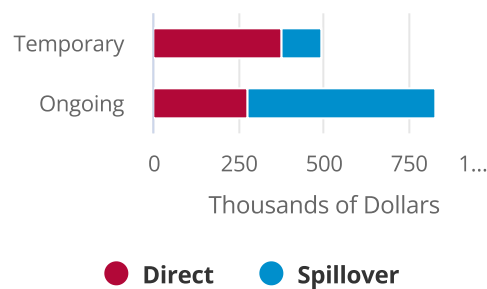
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

587, LLC proposes to invest \$1.3 million at 350-362 State Street, Rochester, 14608 over 10 years. COMIDA staff summarize the proposed with the following: renovation of vacant building

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
renovation	\$1,021,000
OTHER SPENDING	
Building purchase	\$155,000
Soft Costs	\$100,000
Total Investments	\$1,276,000
Discounted Total (2%)	\$1,276,000

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



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 COMIDA. The report calculates the costs and benefits for specified local taxing districts over the first 10 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

COMIDA is considering the following incentive package for 587, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$210,000	\$200,000
Sales Tax Exemption	\$34,000	\$34,000
Mortgage Recording Tax Exemption	\$10,000	\$10,000
Total Costs	\$254,000	\$243,000

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
REGIONAL BENEFITS	\$942,000	\$734,000	\$1,676,000
To Private Individuals	\$677,000	\$725,000	\$1,401,000
Temporary Payroll	\$377,000	\$119,000	\$496,000
Ongoing Payroll	\$300,000	\$606,000	\$906,000
To the Public	\$266,000	\$9,000	\$275,000
Property Tax Revenue	\$257,000	N/A	\$257,000
Temporary Sales Tax Revenue	\$5,000	\$1,000	\$6,000
Ongoing Sales Tax Revenue	\$4,000	\$8,000	\$11,000
STATE BENEFITS	\$36,000	\$43,000	\$80,000
To the Public	\$36,000	\$43,000	\$80,000
Temporary Income Tax Revenue	\$17,000	\$6,000	\$23,000
Ongoing Income Tax Revenue	\$11,000	\$28,000	\$39,000
Temporary Sales Tax Revenue	\$5,000	\$2,000	\$6,000
Ongoing Sales Tax Revenue	\$4,000	\$8,000	\$11,000
Total Benefits to State & Region	\$978,000	\$777,000	\$1,755,000
Discounted Total Benefits (2%)	\$952,000	\$723,000	\$1,674,000

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	\$1,599,000	\$223,000	7:1
State	\$75,000	\$20,000	4:1
Grand Total	\$1,674,000	\$243,000	7:1

May not sum to total due to rounding.

* Discounted at 2%

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APPLICATION SUMMARY

DATE: October 19, 2021

APPLICANT: A50EB LLC
PO Box 18554
Rochester, NY 14618

TENANT/PROJECT LOCATION: Constellation Brands, Inc.
50 East Broad Street
Rochester, NY 14604

PROJECT SUMMARY: A50EB LLC, a real estate holding company, is proposing to redevelop the vacant Aqueduct buildings in the City of Rochester for its tenant, Constellation Brands, Inc. Constellation Brands is relocating its corporate headquarters to downtown Rochester. Previously, Constellation Brands, Inc. was considering relocating its headquarters to Chicago, Illinois. The applicant originally received approval in September 2020 for a mixed-use redevelopment project for the Aqueduct site. In March 2021 the applicant was approved for an increase in project costs. After discussions with Constellation Brands, the applicant has changed course and is focused on being landlord to this Fortune 500 company. The City of Rochester as well as other economic development partners are supportive of the project. The \$82 million project is seeking a custom real property tax abatement, mortgage recording tax and sales tax exemption. The tenant is requesting a sales tax exemption on furniture, fixtures, and equipment. The cost benefit ratio is 9:1.

PROJECT AMOUNT: \$70,449,101 Applicant
\$12,295,959 Tenant
\$2,539,092 Applicant Sales Tax Exemption
\$174,379 Applicant Mortgage Recording Tax Exemption
\$983,677 Tenant Sales Tax Exemption

JOBS: EXISTING: 342 FTEs
NEW: 49 FTEs
REQUIREMENT: 34 FTEs

PUBLIC HEARING DATE: October 18, 2021

BENEFIT TO INCENTIVE RATIO: 9:1

SEQR: REVIEWED AND PROCESS IS COMPLETE.

ELIGIBILITY: LOCAL TAX JURISDICTION SPONSORED PILOT

APPROVED PURPOSE: JOB CREATION

Cost-Benefit Analysis for A50EB, LLC

Prepared by COMIDA using InformAnalytics

Executive Summary

INVESTOR
A50EB, LLC

TOTAL JOBS
**227 Ongoing;
573 Temporary**

TOTAL INVESTED
\$82.7 Million

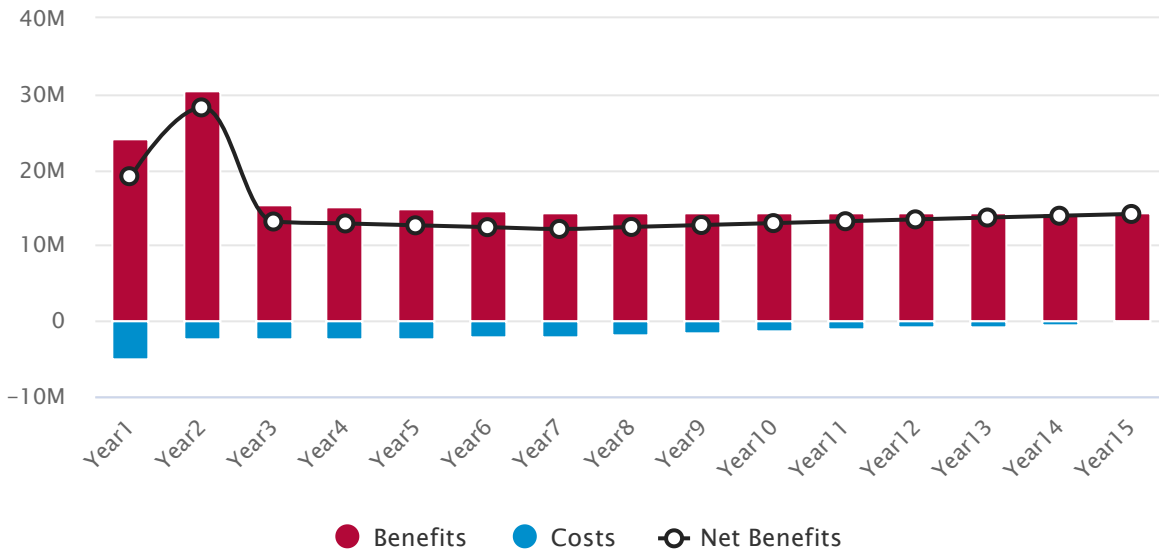
LOCATION
**50 East Broad
Street, Rochester,
NY 14694**

TIMELINE
15 Years

F1 FIGURE 1

Discounted* Net Benefits for A50EB, LLC by Year

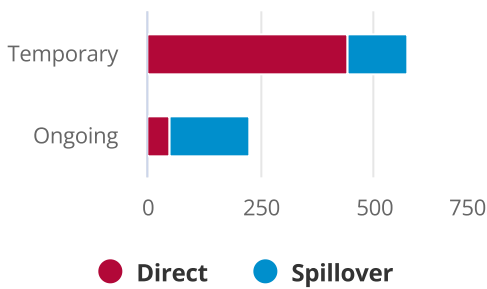
Total Net Benefits: \$216,692,000



Discounted at 2%

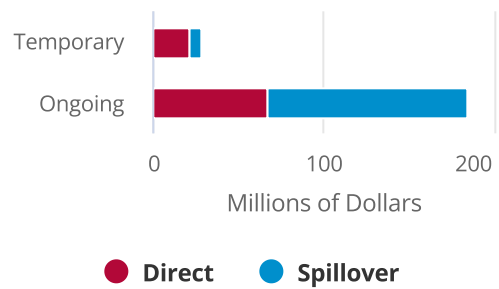
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

A50EB, LLC proposes to invest \$82.7 million at 50 East Broad Street, Rochester, NY 14694 over 15 years. COMIDA staff summarize the proposed with the following: Renovation of vacant building

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Acqueduct landlord	\$58,239,000
Acqueduct tenant	\$0
OTHER SPENDING	
Land	\$4,850,000
FF&E	\$6,992,000
AV	\$2,564,000
IT	\$1,835,000
Soft Costs	\$1,600,000
Other Costs	\$2,260,000
Carry Costs	\$2,600,000
Commission	\$900,000
Security	\$905,000
Total Investments	\$82,745,000
Discounted Total (2%)	\$82,174,000

F4 FIGURE 4

Location of Investment



May not sum to total due to rounding.

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 COMIDA. 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

COMIDA is considering the following incentive package for A50EB, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$25,010,000	\$22,459,000
Sales Tax Exemption	\$3,523,000	\$3,523,000
Mortgage Recording Tax Exemption	\$174,000	\$174,000
Total Costs	\$28,707,000	\$26,156,000

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
REGIONAL BENEFITS	\$114,318,000	\$142,779,000	\$257,097,000
To Private Individuals	\$99,235,000	\$141,024,000	\$240,259,000
Temporary Payroll	\$21,478,000	\$6,795,000	\$28,273,000
Ongoing Payroll	\$77,757,000	\$134,229,000	\$211,986,000
To the Public	\$15,083,000	\$1,755,000	\$16,838,000
Property Tax Revenue	\$13,365,000	N/A	\$13,365,000
Temporary Sales Tax Revenue	\$267,000	\$85,000	\$352,000
Ongoing Sales Tax Revenue	\$967,000	\$1,670,000	\$2,638,000
Purchases Sales Tax Revenue	\$483,000	N/A	\$483,000
STATE BENEFITS	\$7,320,000	\$8,571,000	\$15,890,000
To the Public	\$7,320,000	\$8,571,000	\$15,890,000
Temporary Income Tax Revenue	\$962,000	\$326,000	\$1,288,000
Ongoing Income Tax Revenue	\$4,609,000	\$6,459,000	\$11,068,000
Temporary Sales Tax Revenue	\$272,000	\$86,000	\$358,000
Ongoing Sales Tax Revenue	\$985,000	\$1,700,000	\$2,685,000
Purchases Sales Tax Revenue	\$492,000	N/A	\$492,000
Total Benefits to State & Region	\$121,638,000	\$151,349,000	\$272,987,000
Discounted Total Benefits (2%)	\$110,394,000	\$132,454,000	\$242,849,000

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	\$228,772,000	\$24,321,000	9:1
State	\$14,077,000	\$1,835,000	8:1
Grand Total	\$242,849,000	\$26,156,000	9:1

May not sum to total due to rounding.

* Discounted at 2%

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