

Auburn Industrial Development Authority
 Cost-Benefit Analysis: 40-42 South Street Ren
 Meeting Date: 12/17/2025

Project Description:

Rehabilitate the historic, fire damaged apartment building at 40-42 South Street to reactivate 20+ affordable housing units.

Project Budget:

Land & Building Aquisition	\$460,000
Building Construction/ Renovation	\$2,338,535
Soft Costs (Arch., Legal, Eng.)	\$689,864
Environmental Remediation	\$480,918
Contingency	\$273,386
Project Reserves	\$76,013
TOTAL	\$4,318,716

<p>AIDA Abatements & Incentives</p> <p>Property Tax Abatements (581a, no PILOT) Not Applicable</p> <p>Sales & Use Tax Exemption (maximum)</p> <table border="1"> <tr> <td>Estimated taxable costs</td> <td>\$750,000</td> </tr> <tr> <td>Local Sales Tax</td> <td>\$30,000</td> </tr> <tr> <td>State Sales Tax</td> <td>\$30,000</td> </tr> <tr> <td>TOTAL</td> <td>\$60,000</td> </tr> </table> <p>Mortgage Recording Tax Exemption (estimated)</p> <table border="1"> <tr> <td>Mortgage amount</td> <td>\$2,868,000</td> </tr> <tr> <td>Mortgage Recording Tax</td> <td>\$21,510</td> </tr> <tr> <td>TOTAL</td> <td>\$21,510</td> </tr> </table> <p>TOTAL ABATEMENT</p> <table border="1"> <tr> <td>Property Tax</td> <td>\$0.00</td> </tr> <tr> <td>Sales & Use Tax</td> <td>\$60,000</td> </tr> <tr> <td>Mortgage Recording Tax</td> <td>\$21,510</td> </tr> <tr> <td>TOTAL</td> <td>\$81,510.00</td> </tr> </table>	Estimated taxable costs	\$750,000	Local Sales Tax	\$30,000	State Sales Tax	\$30,000	TOTAL	\$60,000	Mortgage amount	\$2,868,000	Mortgage Recording Tax	\$21,510	TOTAL	\$21,510	Property Tax	\$0.00	Sales & Use Tax	\$60,000	Mortgage Recording Tax	\$21,510	TOTAL	\$81,510.00	<p>Total Benefits</p> <p>Additional Property Tax (estimated) Not Applicable</p> <p>Additional Sales Tax Collected (estimated)</p> <table border="1"> <tr> <td>Anticipated growth in sales</td> <td></td> </tr> <tr> <td>Est. 2025 sales tax (pre)</td> <td>\$0</td> </tr> <tr> <td>Est. 2027 sales tax (post)*</td> <td>\$5,947</td> </tr> <tr> <td>Growth in sales tax revenue</td> <td>\$5,947</td> </tr> </table> <p>Additional payroll (estimated)</p> <table border="1"> <tr> <td>Anticipated job creation</td> <td>1.5</td> </tr> <tr> <td>Anticipated payroll increase</td> <td>\$80,000</td> </tr> </table> <p>Net Benefits</p> <table border="1"> <tr> <td>Tax revenue to jurisdictions</td> <td>\$5,947</td> </tr> <tr> <td>Job Creation</td> <td>1.5</td> </tr> <tr> <td>Payroll</td> <td>\$80,000</td> </tr> </table>	Anticipated growth in sales		Est. 2025 sales tax (pre)	\$0	Est. 2027 sales tax (post)*	\$5,947	Growth in sales tax revenue	\$5,947	Anticipated job creation	1.5	Anticipated payroll increase	\$80,000	Tax revenue to jurisdictions	\$5,947	Job Creation	1.5	Payroll	\$80,000
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Qualitative: New household spending, increase housing stock versus current condition, rehabilitate a visible, historic property.

**New Sales Tax Collection is estimated based on anticipated new household spending on certain categories of sales taxable goods, and is expresesed as an annual figure. Assumptions for this calculation include: all units are single occupancy; incomes for half of the units are between \$15,000 and \$29,999 and the other half are between \$30,000 and \$35,040 (60% AMI for 2025 for a 1 person household); 70% of this spending occurs in Cayuga County; 50% of this spending is new to the community. Source for average household spending data is Consumer Expenditure Surveys, U.S. Bureau of Labor Statistics.*