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 22 affordable housing units.

Project Budget:

Land & Building Aquisition	$460,000
Building Construction/ Renovation	$4,286,158
Soft Costs (Arch., Legal, Eng.)	$180,750
Financing Costs	$182,235
Carrying Costs	$311,179
TOTAL	**$5,420,322**

AIDA Abatements & Incentives

Property Tax Abatements (581a, no PILOT)

Not Applicable

Sales & Use Tax Exemption (maximum)

Estimated taxable costs	$1,364,000
Local Sales Tax	$54,560
State Sales Tax	$54,560
TOTAL	**$109,120**

Mortgage Recording Tax Exemption (estimated)

Mortgage amount	$3,739,000
Mortgage Recording Tax	$28,043
TOTAL	**$28,043**

TOTAL ABATEMENT

Property Tax	$0.00
Sales & Use Tax	$109,120
Mortage Recording Tax	$28,043
TOTAL	**$137,162.50**

Total Benefits

Additional Property Tax (estimated)

Not Applicable

Additional Sales Tax Collected (estimated)

Anticipated growth in sales	
Est. 2025 sales tax (pre)	$0
Est. 2028 sales tax (post)*	$5,947
Growth in sales tax revenue	**$5,947**

Additional payroll (estimated)

Anticipated job creation	1.5
Anticipated payroll increase	**$80,000**

Net Benefits

Tax revenue to jurisdictions	$5,947
Job Creation	1.5
Payroll	$80,000

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 spendng 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.*