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March 2004

## Project Summary

### ICM Corporation

The Project: The ICM Corporation is asking the Agency to issue up to \$7,000,000 in tax-exempt industrial revenue bonds to finance the construction of a 90,000 square foot corporate headquarter and manufacturing facility on a 15 acre parcel of land in the Hancock Airpark in the Town of Cicero. Project costs include \$3,000,000 for building construction and \$4,000,000 for machinery and equipment.

The ICM Corporation is a privately-owned designer and manufacturer of electronic controls for the residential HVAC industry. The proposed project will expand its manufacturing capabilities and keep the Company in Onondaga County.

Current Facilities: The company currently occupies a 34,000 square foot facility on Daedalus Drive in the Town of Cicero.

Employment: The company has 200 employees and expects employment to increase by 100 over the next three years.

Zoning: The existing site is within an area zoned for light industrial purposes. The proposed activity is in compliance with the zoning.

PILOT Agreement: As a manufacturing project, it qualifies for a direct PILOT agreement with the Agency. The project facility will be located in an Empire Zone. A proposal has been made to integrate the expected EZ benefits with an inverted exemption schedule over a 17 year period. This proposal will be evaluated and a recommendation made to the Agency.

Environmental Review: The status of the project under SEQRA will be reviewed at the April Agency meeting.

Financing: The placement of the bonds will be arranged by the Company.

Agency Fee: The Agency fee is calculated at .0075 of the project cost. If the project cost is \$7,000,000, the Agency fee will be \$52,500.

# Onondaga County Industrial Development Agency

March 2004

## Benefit/Cost Calculation - Estimated Benefits

- A. Assumes project is a project of the Agency for sales and mortgage tax exemption
- B. Assumes project meets the test for a net wealth generating project for PILOT benefit
- C. Assumes Agency will have ownership or control of the property for 10 years for PILOT benefit

<b>1. Project:</b>	<b><u>ICM Corporation</u></b>	<b>2. Type:</b>	Tax exempt bond
<b>3. Location:</b>	William Barry Blvd, Cicero	<b>4. School District:</b>	North Syracuse
<b>5. Tax Parcel(s):</b>	057-02-18.2 (part)	<b>6. Project Number:</b>	3101-04-04B
<b>7. Tax Rates:</b>	Town/hwy                      62.38 School/lib                      331.33 County                              90.18 Village                              0		

<b>8. Sales Tax:</b>			<b>Percent Taxable</b>	<b>Estimated Sales Tax</b>	<b>Amount Exempt</b>
NYS: .0425	<u>Category</u>	<u>Cost</u>			
Onon Co: .03	Land	\$ 375,000	0	\$ -	\$ -
	Site Work	\$ -			
	Building	\$ 3,000,000	0.4	\$ 87,000	\$ 87,000
	Engineering	\$ -			
	Equipment	\$ 4,000,000	0	\$ -	\$ -
	Fees	\$ -	0	\$ -	\$ -
	Other	\$ -	0.5	\$ -	\$ -
	<b>Total</b>	<b>\$ 7,375,000</b>		<b>\$ 87,000</b>	<b>\$ 87,000</b>

<b>9. Mortgage Recording Tax:</b>	<u>Estimated Mtg Amount</u>	<u>Rate</u>	<u>Tax Due</u>	<u>Amount Exempt</u>
	\$ 7,000,000	0.01	\$ 70,000	\$ 70,000

<b>10. Real Property Tax:</b>	<u>Estimated Building Value</u>	<u>Equalization Rate</u>	<u>Assessed Value</u>	<u>Full Tax Years 1-10 3% inflation</u>	<u>PILOT Tax Years 1-10 3% inflation</u>
	\$ 1,700,000	0.075	\$ 127,500	\$ 863,292	\$ 677,402

<b>11. Tax Exempt Bonds:</b>	<u>Amount</u>	<u>Ten Year Interest 6%</u>	<u>Ten Year Interest 4.5%</u>	<u>Savings</u>
	\$ 7,000,000	\$ 3,535,215	\$ 2,651,411	\$ 883,804

<b>12. Total Cost Savings:</b>	A. Sales Tax:	\$ 87,000
	B. Mortgage Recording Tax:	\$ 70,000
	C. PILOT:	\$ 185,890
	D. Bond Interest Savings	\$ 883,804
	<b>Total</b>	<b>\$ 1,226,694</b>

<b>9. Agency Costs:</b>	A. Agency Application Fee:	\$ 500
	B. Agency Administrative Fee:	\$ 52,500
	C. Est. Agency Counsel Fee:	\$ 6,500
	<b>Total</b>	<b>\$ 59,500</b>

**1. Costs as foregone public revenues - Years 1-10**

A. NYS Sales and Use Tax:	\$	87,000
B. Mortgage Recording Tax:	\$	70,000
C. Real Property Tax (10 years):	\$	185,890
D. Bond Interest Savings (10 years):	\$	<u>883,804</u>
<b>Total</b>	<b>\$</b>	<b>1,226,694</b>

**2. Benefits to the local/regional economy - Years 1-10**

A. Total Investment:	\$	7,375,000
B.1. Construction Jobs:		
Total		15
B.2. Construction Payroll:		
Total	\$	1,800,000
C.1. Permanent Jobs		
Retained		200
New		<u>100</u>
Total		300
C.2. Permanent Payroll:		
Total, Ten Years:	\$	112,000,000
D. Project Payments:	\$	<u>59,500</u>
<b>Total</b>	<b>\$</b>	<b>121,234,500</b>