

Project Summary

Syracuse Research Corporation
6225 Running Ridge Road, Cicero

The Project: The Syracuse Research Corporation is asking the Agency to issue approximately \$18,000,000 in tax-exempt 501-c-3 bonds to finance the construction and equipping of a 120,000 square foot research facility to be located next to the existing facility the Town of Cicero. Total project cost is estimated to be \$18,000,000 and includes \$250,000 for land acquisition, \$14,000,000 for building construction, \$1,530,000 for machinery and equipment, \$1,500,000 for engineering, and \$720,000 in legal and financial charges.

Syracuse Research Corporation was founded in 1957 as a not-for-profit research and development company focusing primarily on engineering, environmental research and information technology. The company has recently secured major contracts with the Department of Defense and Environmental Protection Agency.

Current Facilities: The Company currently occupies a 77,000 square foot office, research and light manufacturing facility. The acquisition of the existing facility was financed in 1997 with Agency-issued bonds in the amount of \$6,325,000.

Employment: The Corporation currently has 390 employees at this location. It will add 125 within one year of completion of the project.

Zoning: The proposed site is zoned Regional Commercial and the proposed use is permitted in the zone.

PILOT Agreement: The Corporation is a not-for-profit corporation and is exempt from real property taxes. Therefore there will be no basis for a PILOT agreement with the Agency.

Environmental Review: The status of the project under SEQRA will be reviewed at the October Agency meeting. The project exceeds 100,000 square feet and appears to be a Type I action under SEQRA, requiring the designation of a lead agency for SEQRA purposes.

Financing: The Agency will issued qualified tax-exempt bonds to finance the project, with credit enhancement provided by the company.

Agency Fee: The Agency fee is .0075 of the bond amount. If the bond amount for the project is \$18,000,000, the Agency fee will be \$135,000.00.

Benefit/Cost Calculation - Estimated Benefits

- A. Assumes project is a project of the Agency and qualifies for tax-exempt bonds
- B. Assumes the applicant is a 501(c)(3) not-for-profit corporation
- C. Assumes the applicant is exempt from sales tax and real estate taxes

1. Project:	<u>Syracuse Research Corp.</u>	2. Type:	Tax-Exempt bond
3. Location:	7502 Round Pond Road Cicero	4. School District:	North Syracuse
5. Tax Parcel(s):	056-02-32.0	6. Project Number:	3101-05-15B
7. Tax Rates:	Town/hwy 64.8106 School/lib 362.802502 County 90.2325 Village 0 517.845602		

8. Sales Tax:		Percent Taxable	Estimated Sales Tax	Amount Exempt
	Category	Cost		
NYS: .04	Land	\$ 250,000	\$ -	\$ -
Onon Co: .04	Site Work	\$ -	\$ -	\$ -
	Building	\$ 14,000,000	\$ -	\$ -
	Engineering	\$ 1,500,000	\$ -	\$ -
	Equipment	\$ 1,530,000	\$ -	\$ -
	Fees	\$ 285,000	\$ -	\$ -
	Other	\$ 435,000	\$ -	\$ -
	Total	\$ 18,000,000	\$ -	\$ -

9. Mortgage Recording Tax:	Estimated Mtg Amount	Rate	Tax Due	Amount Exempt
	\$ 18,000,000	0.01	\$ 180,000	\$ 180,000

10. Real Property Tax:	Estimated Building Value	Equalization Rate	Assessed Value	Full Tax Years 1-10 3% inflation	PILOT Tax Years 1-10 3% inflation
	Exempt	0.057	n/a	n/a	n/a

11. Tax Exempt Bonds:	Amount	Ten Year Interest 6%	Ten Year Interest 4.5%	Savings
	\$18,000,000	\$9,090,607	\$ 6,653,125	\$ 2,437,482

12. Total Cost Savings:		
A. Sales Tax:		\$ -
B. Mortgage Recording Tax:		\$ 180,000
C. PILOT:		\$ -
D. Bond Interest Savings		\$ 2,437,482
Total		\$ 2,617,482

9. Agency Costs:		
A. Agency Application Fee:		\$ 500
B. Agency Administrative Fee:		\$ 135,000
C. Est. Agency Counsel Fee:		\$ 9,000
Total		\$ 144,500

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

A. NYS Sales and Use Tax:	
B. Mortgage Recording Tax:	\$ 180,000
C. Real Property Tax (10 years):	
D. Bond Interest Savings (10 years):	<u>\$ 2,437,482</u>
Total	\$ 2,617,482

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

A. Total Investment:	\$ 18,000,000
B.1. Construction Jobs:	
Total	No Estimate
B.2. Construction Payroll:	
Total	\$ 8,400,000
C.1. Permanent Jobs	
Retained	390
New	<u>125</u>
Total	515
C.2. Permanent Payroll:	
Total, Ten Years:	\$ 196,000,000
D. Project Payments:	<u>\$ 144,500</u>
Total	\$ 222,544,500