

# **Cost-Benefit Analysis for Orange Inn, LLC (10 yr PILOT)**

Prepared by Orange County IDA using InformAnalytics

# Executive Summary

INVESTOR  
**Orange Inn, LLC (10 yr PILOT)**

TOTAL INVESTED  
**\$3.3 Million**

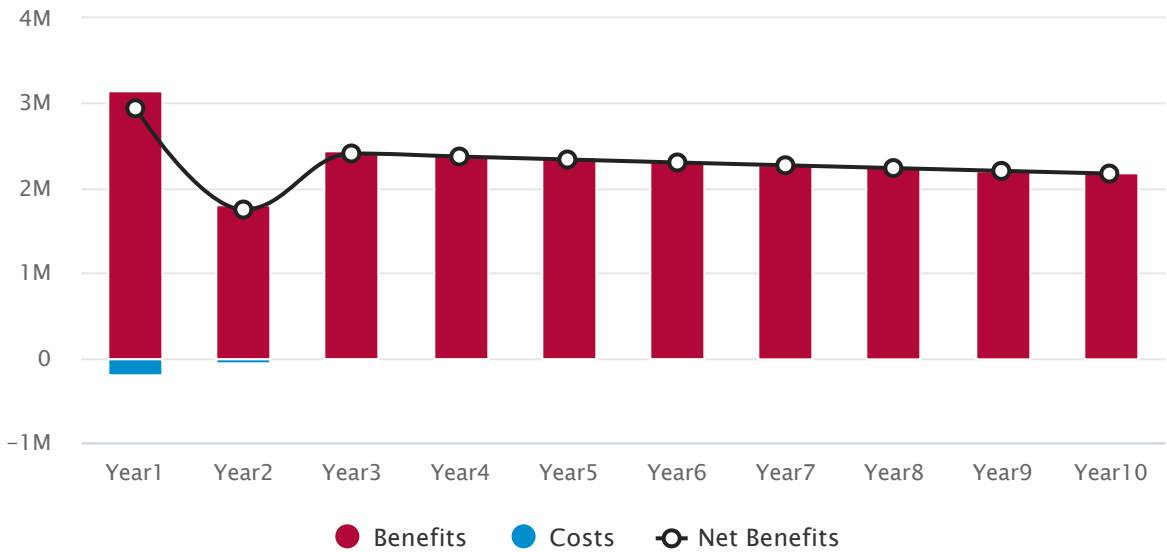
LOCATION  
**159-167 Main Street  
Goshen, NY 10924**

TIMELINE  
**10 Years**

F1 FIGURE 1

Discounted\* Net Benefits for Orange Inn, LLC (10 yr PILOT) by Year

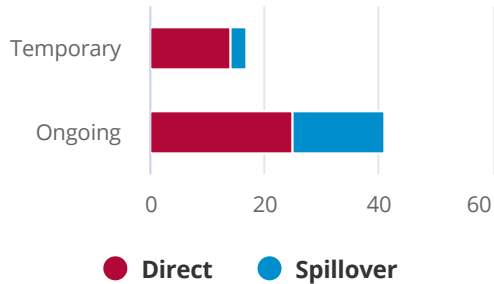
Total Net Benefits: **\$22,967,000**



Discounted at 2%

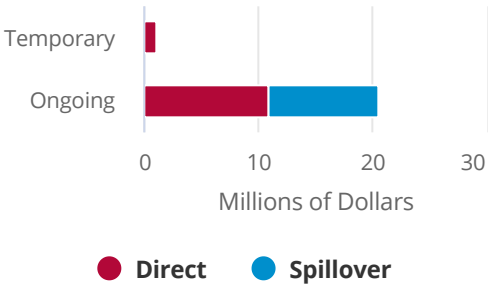
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



# Proposed Investment

Orange Inn, LLC (10 yr PILOT) proposes to invest \$3.3 million at 159-167 Main Street Goshen, NY 10924 over 10 years. Orange County IDA staff summarize the proposed with the following: Historic restaurant and hotel. Restoration of facility and addition of conference center.

T1 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Historic Hotel and Restaurant with Convention Center	\$2,210,000
<b>OTHER SPENDING</b>	
Equipment	\$1,000,000
Engineering	\$90,000
<b>Total Investments</b>	<b>\$3,300,000</b>
Discounted Total (2%)	\$3,300,000

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 Orange County IDA. 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

Orange County IDA is considering the following incentive package for Orange Inn, LLC (10 yr PILOT).

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$317,000	\$299,000
Sales Tax Exemption	\$146,000	\$146,000
Total Costs	\$463,000	\$445,000

May not sum to total due to rounding.

\* Discounted at 2%

### State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
<b>REGIONAL BENEFITS</b>	<b>\$13,140,000</b>	<b>\$10,980,000</b>	<b>\$24,120,000</b>
To Private Individuals	\$12,761,000	\$10,878,000	\$23,639,000
Temporary Payroll	\$961,000	\$270,000	\$1,230,000
Ongoing Payroll	\$11,800,000	\$10,608,000	\$22,408,000
To the Public	\$379,000	\$102,000	\$481,000
Property Tax Revenue	\$259,000	N/A	\$259,000
Temporary Sales Tax Revenue	\$9,000	\$3,000	\$12,000
Ongoing Sales Tax Revenue	\$111,000	\$100,000	\$211,000
<b>STATE BENEFITS</b>	<b>\$735,000</b>	<b>\$667,000</b>	<b>\$1,403,000</b>
To the Public	\$735,000	\$667,000	\$1,403,000
Temporary Income Tax Revenue	\$48,000	\$14,000	\$62,000
Ongoing Income Tax Revenue	\$559,000	\$544,000	\$1,104,000
Temporary Sales Tax Revenue	\$10,000	\$3,000	\$12,000
Ongoing Sales Tax Revenue	\$118,000	\$106,000	\$225,000
<b>Total Benefits to State &amp; Region</b>	<b>\$13,875,000</b>	<b>\$11,647,000</b>	<b>\$25,523,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$12,765,000</b>	<b>\$10,646,000</b>	<b>\$23,412,000</b>

May not sum to total due to rounding.

**Benefit to Cost Ratio**

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$22,126,000	\$369,000	60:1
State	\$1,286,000	\$75,000	17:1
Grand Total	\$23,412,000	\$445,000	53:1

**May not sum to total due to rounding.**

\* Discounted at 2%

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