



APPLICATION SUMMARY

DATE: February 25, 2020

APPLICANT:

Indus Lake Road II, LLC
950 Panorama Trail South
Rochester, NY 14625

PROJECT ADDRESS:

4908 Lake Road
Brockport, NY 14420

PROJECT SUMMARY:

Indus Lake Road II, LLC, a real estate holding company, affiliated with Indus Hospitality Group (IHG) is proposing the renovation of Dollinger's Inn & Suites in the Town of Sweden, NY. IHG acquired the hotel in 2018. Plans include renovating the current 21,000 sq. ft. hotel into a branded 40 unit Best Western Inn & Suites. The project property is contiguous to a distressed census tract. The applicant is seeking approval of mortgage recording tax exemption, sales tax exemption on construction materials, furniture and fixtures and the JobPlus property tax abatement on the increase in assessment due to renovation. The Town of Sweden supports this project. The \$1.3 million project will impact 9 FTEs and is expected to create an additional 3 FTEs over the next three years. The benefit to incentive ratio is 11 : 1.

**PROJECT AMOUNT:
EXEMPTIONS:**

\$1,267,267 – Lease/Leaseback with Abatement
\$ 74,902 – Sales Tax Exemption
\$ 7,604 – Mortgage Recording Tax Exemption

**JOBS: EXISTING:
NEW:
REQUIREMENT:**

9	FTEs
3	FTEs
1	FTEs

PUBLIC HEARING DATE:

February 14, 2020

**BENEFIT TO INCENTIVE
RATIO:**

11 : 1

SEQR:

REVIEWED AND PROCESS IS COMPLETE.

ELIGIBILITY:

REQUESTED SERVICES WITH INCREASE TO TAX REVENUE BASE

APPROVED PURPOSE:

JOB CREATION

Cost-Benefit Analysis for Indus Lake Road II, LLC

Prepared by Imagine Monroe using InformAnalytics

Executive Summary

INVESTOR
Indus Lake Road II, LLC

TOTAL INVESTED
\$1.3 Million

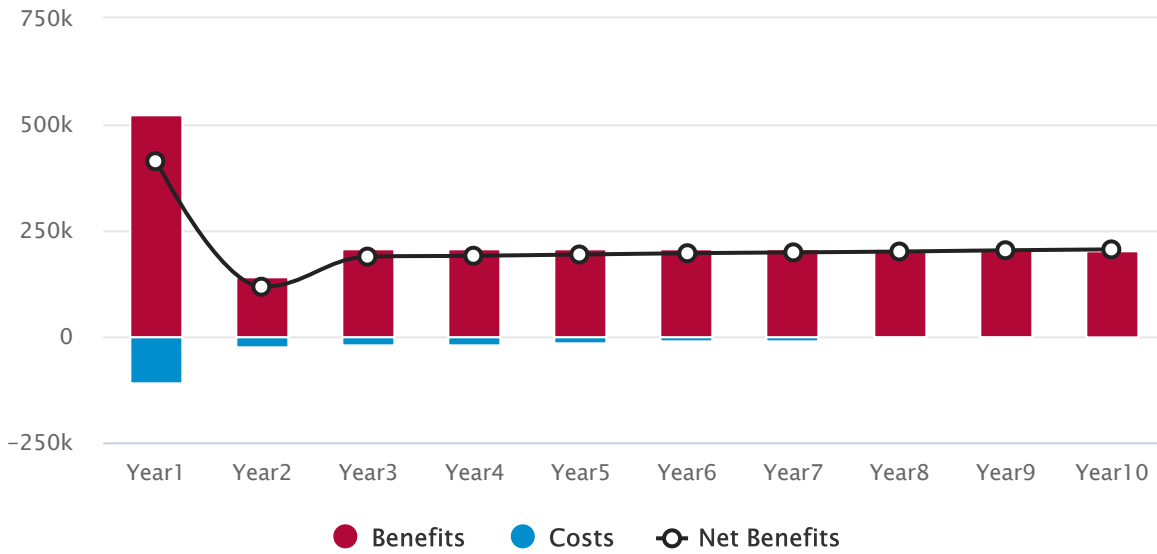
LOCATION
4908 Lake Road
Brockport NY 14420

TIMELINE
10 Years

F1 FIGURE 1

Discounted* Net Benefits for Indus Lake Road II, LLC by Year

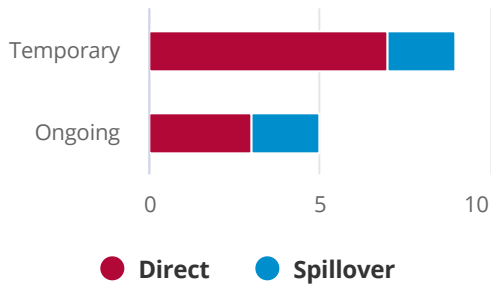
Total Net Benefits: \$2,103,000



Discounted at 2%

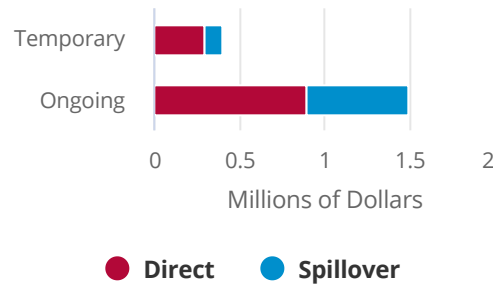
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Indus Lake Road II, LLC proposes to invest \$1.3 million at 4908 Lake Road Brockport NY 14420 over 10 years. Imagine Monroe staff summarize the proposed with the following: Transform existing 21,000 +/- square foot hotel into a newly renovated 40 unit Best Western Inn & Suites

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Renovation of 21,000 sq ft hotel	\$867,000
OTHER SPENDING	
Furniture & Fixtures	\$400,000
Total Investments	\$1,267,000
Discounted Total (2%)	\$1,267,000

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 Imagine Monroe. 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

Imagine Monroe is considering the following incentive package for Indus Lake Road II, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$143,000	\$135,000
Sales Tax Exemption	\$74,000	\$74,000
Mortgage Recording Tax Exemption	\$8,000	\$8,000
Total Costs	\$225,000	\$217,000

May not sum to total due to rounding.

* Discounted at 2%

T3 TABLE 3

State & Regional Impact (Life of Project)

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

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$1,556,000	\$820,000	\$2,376,000
To Private Individuals	\$1,365,000	\$810,000	\$2,175,000
Temporary Payroll	\$320,000	\$101,000	\$421,000
Ongoing Payroll	\$1,045,000	\$709,000	\$1,754,000
To the Public	\$191,000	\$10,000	\$201,000
Property Tax Revenue	\$174,000	N/A	\$174,000
Temporary Sales Tax Revenue	\$4,000	\$1,000	\$5,000
Ongoing Sales Tax Revenue	\$13,000	\$9,000	\$22,000
STATE BENEFITS	\$69,000	\$48,000	\$117,000
To the Public	\$69,000	\$48,000	\$117,000
Temporary Income Tax Revenue	\$14,000	\$5,000	\$19,000
Ongoing Income Tax Revenue	\$38,000	\$33,000	\$70,000
Temporary Sales Tax Revenue	\$4,000	\$1,000	\$5,000
Ongoing Sales Tax Revenue	\$13,000	\$9,000	\$22,000
Total Benefits to State & Region	\$1,625,000	\$868,000	\$2,493,000
Discounted Total Benefits (2%)	\$1,523,000	\$798,000	\$2,321,000

May not sum to total due to rounding.

T4 TABLE 4

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	\$2,212,000	\$177,000	12:1
State	\$109,000	\$40,000	3:1
Grand Total	\$2,321,000	\$217,000	11:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.