

**WESTCHESTER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
Thursday, May 14, 2020
8:30 AM – 9:30 AM**

Roll Call

Adopt April 9, 2019 Meeting Minutes

New Business

- Presentation of the Economic Impact Statement for Kirby Commons

Ongoing Business

Agency Business

- Resolution to Approve Extension of Project Terms for IDA Projects Delayed Due to COVID-19
- Approval of Business Council of Westchester Sponsorship Increase
- Resolution to Approve Contract with Crafted Creative LLC for On-Going Website Maintenance and Training
- Resolution to Approve Contract with Crafted Creative LLC for Development Of Relocation Services Content on the Agency's Website

Public Comment

Motion to Adjourn Meeting

NEXT MEETING JUNE 11, 2020

**WESTCHESTER COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Thursday, April 9, 2020

8:30 AM – 9:30 AM

PRESENT

Amy Allen
Wiley Harrison
Anthony Justic
Stephen Jones
Joan McDonald
Richard McSpedon

ABSENT

Aleida Frederico

IDA COUNSEL

John Buckley
Michael Curti

IDA STAFF

Ann Marie Berg
Bridget Gibbons

IDA CONSULTANT

Michael Grella

ALSO PRESENT

Janet Giris
Eon Nichols
Bill Heltzel
Kate Roberts

Dustin Downey
Allyson Sackman Nicks
Rebekah Palmer

Roll Call

Noting that in Executive Order 202.1 the Governor relaxed the Open Meetings Law to allow meetings of public bodies to be held remotely by conference call or similar services.

Upon the motion of Mr. McSpedon and seconded by Mr. Harrison the meeting was opened at 8:40 AM.

Adopt March 19, 2019 Meeting Minutes

Upon the motion of Ms. Allen and seconded by Mr. Justic the meeting minute were adopted.

The vote is as follows:

Amy Allen: Y

Wiley Harrison: Y

Steve Jones: Y

Tony Justic: Y

Richard McSpedon: Y

Joan McDonald: Y

New Business

- **Approval of Inducement of Southern Land project**
 - Chairperson McDonald explained for the Board that late last night the City of White Plains notified the Agency that the PILOT was not approved and they were renegotiating it with the project, so she asked the Board to remove it from the agenda.
 - Mr. McSpedon asked for a clarification regarding the affordable housing in the project, as this project was making a donation to the White Plains Affordable Housing fund in lieu of affordable units.
 - Mr. Nichols explained that the City of White Plains asked that the developers make this donation because the City is able to create more affordable housing through the donation than the units that would be made available through the project.

Upon the motion of Mr. McSpedon and seconded by Mr. Harrison the resolution was tabled until the City of White Plains and the Developer are ready to move forward.

Amy Allen: Y
Wiley Harrison: Y
Steve Jones: Y
Tony Justic: Y
Richard McSpedon: Y
Joan McDonald: Y
- **Presentation of Economic Impact Analysis for 199-201 E. Post Road - Chatterton Hill LLC**
 - Mr. Grella presented the executive summary for the 199-201 E. Post Road – Chatterton Hill project. The site is currently vacant and generates \$50,000 in real estate taxes. Chatterton Hill Realty, LLC is an affiliate of Sackman, Inc.

- The proposed project will consist of a mixed-use building including approximately 27,000 sq. ft. of market rate residential rental housing development and 11,500 square feet of retail development. It will be a four story building with 12,000 square feet of restaurant space on the ground floor and three floors of multi-family dwelling, consisting of 18 one-bedroom residential rental units, of which two will be affordable under the City of White Plains regulations.
- The applicant is seeking a mortgage recording tax benefit of \$50,000 and a sales tax exemption of \$190,000, and are negotiating a PILOT agreement with the City of White Plains.
- The positive tax impact is still to be determined as the PILOT is being negotiated. If a 13-year PILOT is approved by the City of White Plains the project would be generating about \$190,000 in tax benefits for the city beginning in 2035.
- There was no action taken.

Ongoing Business

- **1133 Westchester Avenue Project Amendment**
 - Ms. Roberts of Zarin Steinmetz presented a resolution on behalf of the 1133 Westchester Avenue project. Their mortgage was increased and the estimated project costs have increased. They are requesting an increase in mortgage recording tax and sales tax exemption. The project is moving forward and intends to move forward while staying within health and CDC guidelines. Since their project does include affordable housing units.
 - Ms. Allen asked if the mortgage amount stated in the resolution is the most current number given that the mortgage market has changed. Ms. Roberts stated that this number is from late March and that the project only can take 1% exemption
 - Upon the motion of Mr. Justic, and seconded by Ms. Allen, the resolution was adopted. The vote is as follows.
Amy Allen: Y
Wiley Harrison: Y
Steve Jones: Y
Tony Justic: Y
Richard McSpedon: Y
Joan McDonald: Y

Agency Business

- **Approval of Business Council of Westchester sponsorship increase**
 - Ms. Gibbons presented a resolution for the board requesting an increase in approval amount for sponsorship events for the Business Council of Westchester.

- Upon the motion of Mr. Harrison, and seconded by Mr. Jones the resolution was tabled until a later time so the Board can have a majority of voting members present. The vote is as follows:
 Amy Allen: Y
 Wiley Harrison: Y
 Steve Jones: Y
 Tony Justic: Y
 Richard McSpedon: Y
 Joan McDonald: Y
- Discussion of IDA's role in small business assistance
 - Ms. Gibbons briefed the Board on the efforts of the Office of Economic Development to assist Westchester businesses. They are currently conducting a survey to address any needs and have received over 500 responses. One of the biggest needs was help with filling out the applications for the federal assistance programs. Ms. Gibbons stated that the office then solicited volunteers to help these businesses, and received over 300 volunteers. She is also working with WEDC and Community Capital, who are both overwhelmed with requests. Ms. Gibbons stated that the Office of Economic Development will be assisting these two organizations through this volunteer program.
 - The businesses also expressed concern with moving to e-commerce or a predominantly digital storefront. The office has offered workshops for these businesses to assist with adding a digital storefront or more e-commerce capability. The goal is assist businesses with their concerns as they rise up.
 - Ms. Allen asked how the Board can assist in spreading the word for these resources and programs.
 - Mr. Harrison asked how the volunteers will be connected to the businesses who need help with their applications. Ms. Gibbons stated that the volunteers will put their availability on the calendar and the businesses will sign up for time slots.
 - Mr. McSpedon asked how we are reaching out to the Chambers of Commerce and smaller business organizations. Ms. McDonald explained that Shari Rosen Ascher works in the Office of Economic Development as a liaison to the Chambers of Commerce and has been working directly with them to address their concerns.

Public Comment

Motion to Adjourn Meeting

Upon the motion of Mr. Harrison and seconded by Mr. Jones the meeting was adjourned at 9:30 AM.



TO: Chair and Members of the Board
County of Westchester IDA

From: Michael Grella, Economic Development Consultant to the
Office of Economic Development

DATE: May 12, 2020

RE: Kirby Commons IDA Application and
Project Impact Study Executive Summary

Applicant background:

The Gotham Organization, a high-quality mixed-use developer, has partnered with Charter Realty & Development, an experienced retail developer, on the proposed project, Kirby Commons LLC1 ("Kirby Commons" or the "Applicant"). The members of the venture were chosen with the objective of selecting team members who are complementary based on their track record and skill set. Both Gotham and Charter have extensive experience in planning, entitlements, and the creation of vibrant mixed-use. Applicant is proposing to construct a community and lifestyle-focused, transit-oriented residential and retail development ("the Project").

Project description:

The Westchester County Industrial Development Agency (the "Agency") received an application for financial assistance from a Kirby Commons, comprised of parcels presently owned by the Village/Town of Mount Kisco (the "Village" or "Mount Kisco"). The Project premises are located at 17 Britton Lane & 1 Main Street, Mount Kisco, New York (the "Property").

The Project is comprised of approximately 217 residences (259,400 SF) split between two mixed-use buildings including approximately 53,000 SF of retail, 3,000 SF of community facility space plus multiple residential amenities. The Project includes a total of nearly 896 parking spaces (300,600 SF) between the two garages to inclusive of 336 dedicated commuter permit parking spaces.

Per the application, Applicant's planning for the Project is consistent with the six-primary community-driven principles outlined in the Village's RFP for the Property and is consistent with



the Mount Kisco Comprehensive Plan and subsequent rezoning. Further, the Agency and County have had conversations with the Village Mayor who expressed strong support for the Project. Applicant was designated as the developer after a lengthy public competitive process, during which the Village focused heavily on a cost-benefit analysis of the project and is the anchor to the fulfillment of the Village's 2019 Comprehensive Plan.

Project costs:

Land acquisition: \$8.0M

New construction: \$93.1M

Soft Costs: \$14.2M

Development Fee: \$5.8M

Financing Costs: \$9.3M

Total Estimated Project Costs: \$130.5M

Source of Funds:

Debt Financing \$81.6M

Equity: \$34.1M

Empire State Development \$4.0M

Leasehold Payment: \$8.0M

Deferred Fee: \$2.9M

Estimated IDA & Other Government Incentive Benefits:

Applicant is seeking a 30-year PILOT not including the construction period which will commence with an annualized payment of \$200,000 which shall grow at 2.9% per annum.

Estimated Value of PILOT: \$35M

Mortgage Recording Tax Exemption: \$913K (1% of \$91,286,853 mortgage)

Estimated Value of Sales Tax Exemption: \$3.9M (50% materials cost x \$93,143,866 x 8.375%)

Total Estimated IDA Benefits: \$39.8M (before NPV)

Empire State Development (non-IDA, State based benefit): \$4M

Total Estimated State and IDA Assistance: \$43.8M (before NPV)



Economic Impact Report Highlights

Applicant commissioned its own Economic Impact Analysis from Urbanomics that showed the following positive economic impacts over the span of the Project (PILOT agreement period) including, but not limited to:

Westchester County

Output/Business Revenues: \$195.5 million

Jobs: 1,112

Wages: \$80.8 million

The total economic output of the development over the 30-year PILOT period will total \$932.1 million, including wages to local workers of \$357.0 million.

The expected aggregate 30-year PILOT benefits of Kirby Commons from 2024 (the first year of full operations) to 2053:

Total PILOT payments: \$35.0 million

Mt Kisco: \$16.4 million

Mt Kisco School District: \$15.3 million

Westchester County: \$3.4 million

The annual tax benefits of Kirby Commons beginning in 2054 will exceed the 2053 final year values of:

Mt Kisco: \$1.4 million

Mt Kisco School District: \$1.3 million

Westchester County: \$292,821

Fiscal Impact Summary from Camoin (Economic Impact Consultant to WIDA)

Summary of Benefits to Westchester County - Construction Phase			
Total Jobs			205
On-Site Jobs			123
Total Earnings	\$	24,647,774	
On-Site Earnings	\$	18,949,420	

TOTAL ANNUAL ECONOMIC IMPACT

	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	37	\$ 1,489,332	\$ 4,680,584
Indirect	9	\$ 554,678	\$ 1,667,657
Induced	6	\$ 520,771	\$ 1,307,445
Total	52	\$ 2,564,781	\$ 7,655,685

Source: EMSI, Camoin 310

New Jobs Resulting from Operations and Household Spending

Occupation	New Jobs	Median Annual Earnings
Management	3	\$ 137,196
Business and Financial Operations	2	\$ 80,726
Computer and Mathematical	0	\$ 93,341
Architecture and Engineering	0	\$ 92,858
Life, Physical, and Social Science	0	\$ 80,883
Community and Social Service	0	\$ 51,528
Legal	0	\$ 105,495
Education, Training, and Library	2	\$ 65,409
Arts, Design, Entertainment, Sports, and Media	1	\$ 56,874
Healthcare Practitioners and Technical	1	\$ 88,088
Healthcare Support	0	\$ 33,224
Protective Service	1	\$ 43,000
Food Preparation and Serving Related	6	\$ 26,543
Building and Grounds Cleaning and Maintenance	2	\$ 32,586
Personal Care and Service	1	\$ 27,611
Sales and Related	19	\$ 30,592
Office and Administrative Support	6	\$ 41,911
Farming, Fishing, and Forestry	0	\$ 34,747
Construction and Extraction	1	\$ 58,563
Installation, Maintenance, and Repair	3	\$ 52,517
Production	1	\$ 36,347
Transportation and Material Moving	2	\$ 39,828
Military-only	-	\$ 36,062
Total Jobs and Median Earnings of All Jobs	52	\$ 51,528

Source: EMSI

Project Cost-Benefit Analysis (County Level):

Fiscal Benefits and Costs of Financial Assistance to the County, Updated May 12	
One-time Sales Tax Revenue from Construction Earnings	\$ 172,534
30 Years Sales Tax Revenue from New Activity (1)	\$ 2,253,508
30 Year Property Tax Revenue, PILOT vs. No Project, Present Value	\$ 22,768,547
Total Fiscal Benefits	\$ 25,194,590
Foregone One-Time Sales Tax on Construction Sales (2)	\$ 931,439
Foregone One-Time Mortgage Recording Tax	\$ 831,482
Foregone Parking Revenue (none)	\$ -
Foregone Property Tax Revenue, Present Value	\$ 27,990,129
Total Costs of Financial Assistance	\$ 29,753,050
Benefits to Costs (\$25,194,590 / \$29,753,050)	0.85
(1) Sales tax revenues are escalated at 2% for consumer buying increases, then discounted by 2% to calculate the present value.	
(2) County sales tax rate of 4% on construction materials anticipated to be purchased in the county only.	

Applicant has cited the following justification for seeking government financial assistance:

Applicant noted project incentives are necessary given the high cost structure of development in Westchester County to attract investment and create a sustainable financial model. Without the IDA benefits, the project yield to cost is too low for investors to consider it worth the risk of investment. In addition to the high tax rates in Westchester County, Applicant cited several attributes particular to the project and site that will impact cost:

Parking

The requirement for parking, both as outlined by the Village in their RFP and as required by zoning due to the substantial commercial component, necessitates the construction of two multi-level parking garages.

Construction

Construction adjacent to Metro North's property triggers the need for an Entry Permit from Metro North Railroad. Coordination with Metro North will add time and expense to the overall project schedule and requires insurance coverage above and beyond what is typical, resulting in added cost.



Site Conditions

The south parcel is partially inside the 100-year flood zone. Dewatering may become necessary during construction and add to cost. The Project has to locate back of house/mechanical uses above grade, resulting in less floor area able to be monetized as retail or residential space.

Community Benefit Criteria:

Sustainability:

The Applicant has stated it will integrate proven and effective sustainable design criteria into all aspects of the project including:

Interactive Design

Passive solar shading, green roofs, and responsibly sourced materials are all components that are regularly incorporated into our building designs and are being considered for this project.

Site Improvements

Portions of the rooftops will feature green roofs, and the balance will be white roofing. In addition, landscaping and streetscape design will include plantings to minimize impervious surfaces and catchment areas to reduce storm water runoff and help reduce the burden on the municipal storm water system.

Water Conservation

Water reduction will also be achieved through domestic plumbing fixture specifications use and process load reduction. Low-flow fixtures with demonstrated performance records will be coupled with strategies such as storm water reuse for irrigation systems.

Energy Efficiency

Energy efficient construction and design features will include:

- Improved envelope construction, including increased roof insulation and spectrally selective low-e glazing
- Lighting controls with occupancy sensors in laundry rooms, community rooms, and storage rooms, corridors, and stairwells
- Developer-installed apartment and common lighting with low power density and low mercury content
- ENERGY STAR clothes washers in the residences and common laundry rooms, and
- ENERGY STAR appliances in residential units and communal areas
- Variable refrigerant volume (VRV) system for the residences
- Energy recover for ventilation



- Variable flow exhaust
- Electric and gas meters for process loads and tenant sub-meters will be designed into the building's BMS to help maintain the effectiveness, longevity, and maintainability of the energy savings measures and benefit the future operators of the building.

Labor Union Discussions: Applicant has indicated it plans to reach out to local construction trades and commencing discussions once it has assembled the Project Construction Team.

PREPARED FOR:

Westchester County Industrial Development Agency
148 Martine Avenue
White Plains, NY 10601

Economic and Fiscal Impact

KIRBY COMMONS, LLC

Westchester County
Industrial Development Agency

MAY 12, 2020

PREPARED BY:



120 West Avenue, Suite 303
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com

ABOUT THE STUDY

Camoin 310 was retained by the Westchester County Industrial Development Agency to measure the potential economic and fiscal impacts of a project proposed by Kirby Commons, LLC. The proposed project involves the redevelopment of 17 Britton Lane and 1 Main Street, Mount Kisco. The property, adjacent to the Metro-North Mount Kisco train station and Kirby Plaza, is currently owned by the Village of Mount Kisco and is used for surface parking for the train and downtown amenities. The parcel does not generate real property taxes. Kirby Commons, LLC plans to construct a mixed-use facility that will include 202 market rate and 15 workforce housing units and 53,000 square feet of retail space. The goal of this analysis is to assess the economic, employment and tax impact of the project on Westchester County that result from the construction phase, new household spending, and on-site operations.

The primary tool used in this analysis is the input-output model developed by Economic Modeling Specialists Intl. (EMSI). Primary data used in this study was obtained from the developer's application for financial assistance to the Westchester County Industrial Development Agency and included the following data points: construction spending, estimated payroll, exemptions, and PILOT schedule. Secondary data was collected by Camoin 310 and used to estimate spending by new households.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the "multiplier effect."

STUDY INFORMATION

Data Source:
Kirby Commons, LLC Application
for Assistance and the
Westchester County Industrial
Development Agency

Geography:
Westchester County

Study Period:
2020

Modeling Tool:
EMSI

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on operations and new household spending at county businesses.

INDIRECT IMPACTS

The direct impacts have ripple effects through business to business spending. This spending results from the increase in demand for goods and services in industry sectors that supply both the facility and the businesses receiving the new household spending.

INDUCED IMPACTS

Impacts that result from spending by facility employees, employees of county businesses, and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the county on food, clothing, and other goods and services.

CONTENTS

Executive Summary..... 1

Economic Impact Analysis 3

Fiscal Impact Analysis..... 9

Appendix: PILOT Detail by Jurisdiction

Attachment A: What is Economic Impact Analysis?

Attachment B: Calculating Net New Households

This page intentionally left blank.

EXECUTIVE SUMMARY

The Westchester County Industrial Development Agency (the "Agency") received an application for financial assistance from Kirby Commons, LLC (the "Applicant") for the redevelopment of 17 Britton Lane and 1 Main Street, Mount Kisco (the "Site") with a mixed-use facility that will include 202 market rate and 15 workforce (90% Area Median Income) housing units and 53,000 square feet of retail space.

Camoin 310 conducted a location-specific housing demand analysis for Westchester County to determine the number of new households that would move to the county from elsewhere because of the Project, compared with the number of existing county residents moving into the units. We determined that 50%, or 107 units, could be considered "net new" households. We calculated the total amount of net new spending by these new households to derive job creation and economic activity resulting from the Project. Spending at the planned retail businesses in the Project is included in the total spending by these net new households. Spending by existing residents of the county at these businesses is not considered net new to the county as it is assumed that spending is transferred from other businesses to the ones in the project.

The following is a summary of our findings from this study.

Table 1

Summary of Benefits to Westchester County		
Construction Phase		
Total Jobs		205
On-Site Jobs		123
Total Earnings	\$	24,647,774
On-Site Earnings	\$	18,949,420
One-Time Sales Tax Revenue to County	\$	172,534
Annual Impacts		
Total Jobs		52
Direct Jobs		37
Indirect and Induced Jobs		15
Total Earnings	\$	2,564,781
Direct Earnings	\$	1,489,332
Indirect and Induced Earnings	\$	1,075,449
Estimated Annual Sales Tax Revenue to County	\$	75,117
Fiscal Benefits and Costs of Financial Assistance		
One-time Sales Tax Revenue from Construction Earnings	\$	172,534
30 Years Sales Tax Revenue from New Activity (1)	\$	2,253,508
30 Year Property Tax Revenue, PILOT vs. No Project, Present Value	\$	22,768,547
Total Fiscal Benefits	\$	25,194,590
Foregone One-Time Sales Tax on Construction Sales (2)	\$	931,439
Foregone One-Time Mortgage Recording Tax	\$	831,482
Foregone Parking Revenue (none)	\$	-
Foregone Property Tax Revenue, Present Value	\$	27,990,129
Total Costs of Financial Assistance	\$	29,753,050
Benefits to Costs (\$25,194,590 / \$29,753,050)		0.85

(1) Sales tax revenues are escalated at 2% for consumer buying increases, then discounted by 2% to calculate the present value.

(2) County sales tax rate of 4% on construction materials anticipated to be purchased in the county only.

Construction Impact

- ◆ The Applicant estimates that for a total Project cost of \$130,512,318, \$93,143,866 will be direct construction costs. Construction is anticipated to take two years.
- ◆ The construction of the Project would result in approximately 123 new direct construction jobs (full time equivalent) generating \$18.9 million in direct new earnings on-site and an additional \$5.7 million in indirect and induced earnings. It is estimated that approximately 70% of these new earnings will be spent within Westchester County, supporting additional jobs to total 205 as a result of construction. 25% of that spending is estimated to be subject to county sales tax.
- ◆ Direct sales of materials for the construction of the Project itself will not be subject to sales tax if the IDA grants the requested exemption.

Annual Impact

- ◆ The Project would support 52 net new jobs in the county, with nearly \$2.6 million in associated earnings. Those figures are composed of net new jobs resulting from maintenance and operation of the facility and new economic activity from household spending.
- ◆ The Applicant has requested a sales tax exemption of up to \$2,512,500 and a mortgage tax exemption of approximately \$831,482. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a "cost" to the county since no future revenue stream would exist without the exemptions. In addition, since sales taxes are exempted based on actual purchases, the actual value of the exemption may be lower.
- ◆ Sales associated with the on-site operations and new household spending are estimated to generate \$75,117 of sales tax revenue to the county annually.
- ◆ The Applicant has negotiated a 30-year PILOT agreement with the Village of Mount Kisco, to pay just over \$35 million over the term of the agreement, escalating from \$200,000 to more than \$3 million over the term of the agreement.

Figure 1

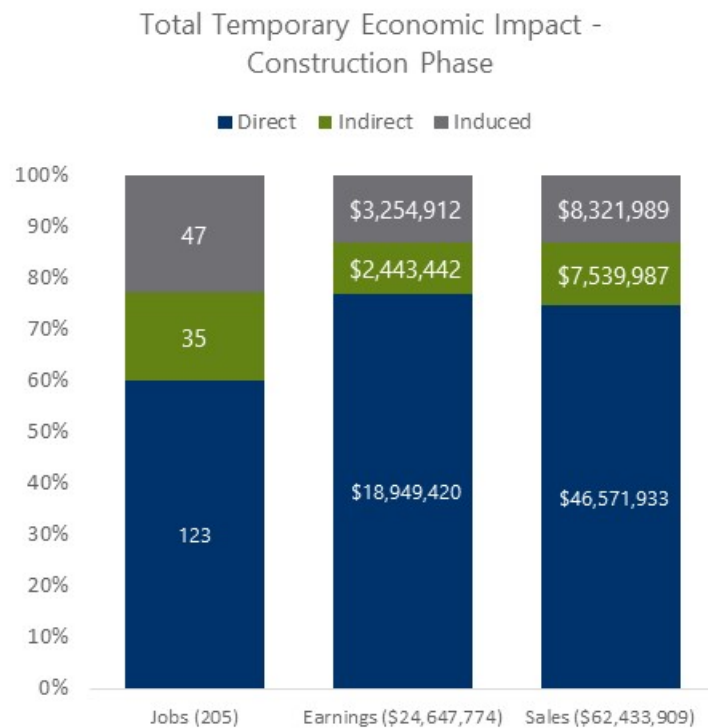
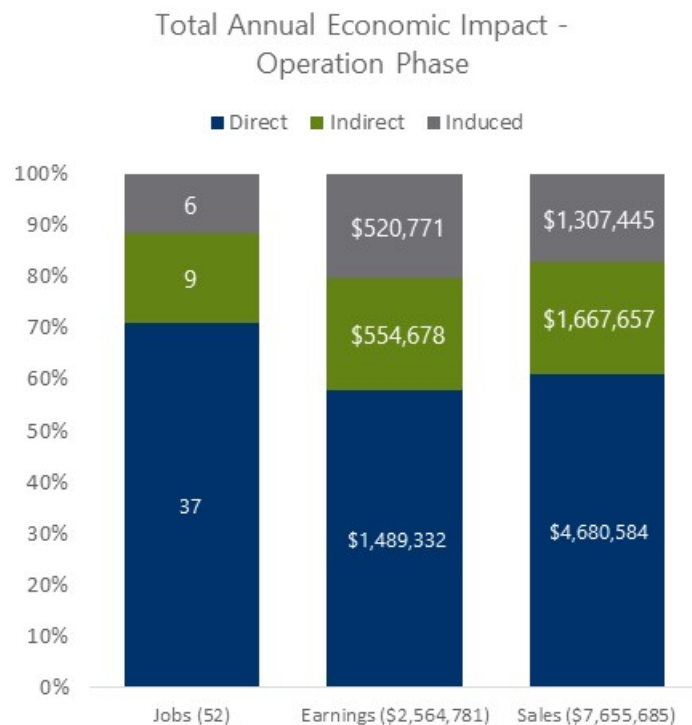


Figure 2



ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated during the construction phase, facility operation, and new resident spending as provided by the Applicant were used as the direct inputs for the economic impact model. Camoin 310 uses the input-output model designed by Economic Modeling Specialists, International (EMSI) to calculate total economic impacts. EMSI allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the county and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Westchester County economy. This is captured in the indirect and induced impacts and is commonly referred to as the “multiplier effect.” See Attachment A for more information on economic impact analysis.

The Project would have economic impacts on the county as a result of Project construction, new permanent jobs, and spending by new tenant households.

CONSTRUCTION PHASE IMPACTS

The Applicant estimates that construction will cost more than \$93 million over a 24-month period¹. Using the Applicant’s anticipation of the amount of direct construction spending sourced within the county, we estimated that there will be \$46.6 million in net new spending in the county associated with the construction phase.

Table 2

Construction Phase Spending

	Total
Total Construction Cost	\$ 93,143,866
Percent Sourced from County	50%
Net New Constuction Spending	\$ 46,571,933

Source: Applicant

Based on the net new direct spending associated with the construction phase of the Project, we determined that the net new construction costs would support 123 direct jobs. Indirect and induced activity as a result of the construction spending generate additional jobs and earnings, for a total of 205 jobs and \$24.6 million of earnings throughout the construction phase. One-time construction related spending (shown as Sales in Table 3 below) aggregates sales and labor costs to calculate direct, indirect, and induced sales of more than \$62.4 million as result of the construction phase.

Table 3

Economic Impact - Construction Phase

	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	123	\$ 18,949,420	\$ 46,571,933
Indirect	35	\$ 2,443,442	\$ 7,539,987
Induced	47	\$ 3,254,912	\$ 8,321,989
Total	205	\$ 24,647,774	\$ 62,433,909

Source: EMSI, Camoin 310

¹ Includes project costs identified as construction costs in the application. The Applicant did not specific the percentages of costs expected to be sourced within Westchester County; based on similar projects this is estimated to be 50%.

IMPACTS OF NEW HOUSEHOLD SPENDING

In order to determine the annual economic impact of the Project on the county, the first step is to calculate the number of households that can be considered “net new” to the county’s economy. In other words, the number of households that, but for the Project, would not exist in Westchester County. With respect to this Project, net new households consist of those currently residing outside of Westchester County who will choose to move to the county because of the Project, and who would otherwise continue to live elsewhere. For this study, we analyzed the demand of rental apartments. For more information on this methodology, see Attachment B.

NET NEW HOUSEHOLDS

Table 4, below, presents the net new households for both the market-rate and workforce (90% of Area Median Income) units. The number of net new households is dependent on the location of a project within the county as well as demand for the type of housing at a given price point. Mount Kisco is near the center of the county; therefore, the Project is expected to attract fewer new residents to the county than if it were located near the border.

Table 4

Net New Households			
	Total Households	Percent Net New	Net New Households
Market-Rate	202	47%	96
Workforce	15	79%	12
Total	217	50%	107

Source: Esri, Camoin 310

SPENDING BY NEW TENANTS

New residents would make purchases in the county, thereby adding new dollars to the Westchester County economy. For this analysis, we researched spending patterns by household income.

Westchester County median family income in 2018 was \$111,240². The Applicant submitted a breakdown of rent by apartment type, and Camoin 310 calculated an average annual rent of \$34,356 for market-rate units. Assuming that 30% of household income is spent on rent, the weighted-average income needed to support a renter household will be approximately \$117,384, just above the county median of \$111,240. Workforce units are estimated to require an income of 90% of Area Median Income, or \$84,325.³

Using a spending basket for the region which details household spending in individual consumer categories by income level⁴ and number of households at that income, we analyzed likely tenant spending. According to the 2018 Consumer Expenditure Survey, households in the market-rate units would have annual expenditures (excluding housing and utility costs) of \$51,215 and households in the workforce units would spend \$34,201.

The second column in Table 5 shows the total spending for both market-rate households by category. It is assumed that 70% of total expenditures would occur within Westchester County and, therefore, have an impact on the Westchester County economy. The fourth column shows the total amount spent in the county.

² Source: U.S. Census Bureau, 2014-2018 American Community Survey 5-Year Estimates

³ Source: Westchester County 2018 Area Median Income (AMI), Sales & Rent Limits, Westchester County Dept. of Planning

⁴ Source: Bureau of Labor Statistics 2018 Consumer Expenditure Survey

Table 5

Tenant Spending Baskets				
Market-Rate Units (\$100,000 to \$200,000+ Annual Household Income)				
			Total Net New	
	Annual per Unit	Amount Spent	County Spending	
Category	Spending Basket	in County (70%)	(96 net new units)	
Food	\$ 11,502	\$ 8,051	\$ 770,358	
Household furnishings and equipment	\$ 3,665	\$ 2,566	\$ 245,478	
Apparel and services	\$ 2,930	\$ 2,051	\$ 196,215	
Transportation	\$ 14,457	\$ 10,120	\$ 968,315	
Health care	\$ 7,000	\$ 4,900	\$ 468,853	
Entertainment	\$ 4,921	\$ 3,445	\$ 329,603	
Personal care products and services	\$ 1,076	\$ 753	\$ 72,069	
Education	\$ 3,635	\$ 2,545	\$ 243,468	
Miscellaneous	\$ 2,030	\$ 1,421	\$ 135,967	
Annual Discretionary Spending	\$ 51,215	\$ 35,851	\$ 3,430,327	
Workforce Units for Tenants Earnings 90% AMI (\$70,000 to \$99,999 Annual Household Income)				
			Total Net New	
	Annual per Unit	Amount Spent	County Spending	
Category	Spending Basket	in County (70%)	(12 net new units)	
Food	\$ 9,001	\$ 6,301	\$ 74,402	
Household furnishings and equipment	\$ 1,971	\$ 1,380	\$ 16,292	
Apparel and services	\$ 2,071	\$ 1,450	\$ 17,119	
Transportation	\$ 9,390	\$ 6,573	\$ 77,617	
Health care	\$ 5,114	\$ 3,580	\$ 42,272	
Entertainment	\$ 3,146	\$ 2,202	\$ 26,005	
Personal care products and services	\$ 785	\$ 550	\$ 6,489	
Education	\$ 1,396	\$ 977	\$ 11,539	
Miscellaneous	\$ 1,327	\$ 929	\$ 10,969	
Annual Discretionary Spending	\$ 34,201	\$ 23,941	\$ 282,704	
Total Net New County Spending			\$ 3,713,031	

Source: 2018 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the county was calculated by multiplying the amount spent in the county by the number of net new units. As shown in the table above, spending in the county by all new households would total \$3,713,031 per year. We used the above spending basket amounts to calculate the direct, indirect, and induced impact of the Project on the county. To do this, we attributed the various spending categories to the NAICS codes found in Table 6.

Table 6

Spending Basket Breakdown by NAICS Code

NAICS Code	Industry	Spending Basket Category
445110	Supermarkets and Other Grocery (except Convenience) Stores	Food
722511	Full-Service Restaurants	Food
442299	All Other Home Furnishings Stores	Household furnishings and equipment
448140	Family Clothing Stores	Apparel and services
441110	New Car Dealers	Transportation
447110	Gasoline Stations with Convenience Stores	Transportation
811111	General Automotive Repair	Transportation
524114	Direct Health and Medical Insurance Carriers	Health Care
622110	General Medical and Surgical Hospitals (Private)	Health Care
512131	Motion Picture Theaters	Entertainment
452319	All Other General Merchandise Stores	Entertainment
452319	All Other General Merchandise Stores	Personal care products and services
452319	All Other General Merchandise Stores	Miscellaneous
611310	Colleges, Universities, and Professional Schools	Education

Source: Camoin 310

Using household spending as the new sales input, Camoin 310 employed EMSI to determine the indirect, induced, and total impact of the net new household spending as a result of the Project. Table 7 outlines the findings of this analysis.

Table 7

Economic Impact - Household Spending

	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>
Direct	32	\$ 1,272,132	\$ 3,713,031
Indirect	6	\$ 384,868	\$ 1,184,642
Induced	5	\$ 433,211	\$ 1,085,240
Total	43	\$ 2,090,211	\$ 5,982,912

Source: EMSI, Camoin 310

IMPACTS OF ON-SITE EMPLOYMENT

The Applicant did not provide on-site payroll, but anticipates that ten jobs will be created for operations, separate from employment at retail businesses in the Project. Not all of these jobs can be considered net new to the county, just as not all households are net new. The percentage of jobs that are net new is estimated to be the same as the number of net new households, or 50%. Using five new jobs in the industry of "Lessors of Residential Buildings" and industry multipliers, EMSI was used to calculate the indirect and induced economic impact of the on-site operating activity. Table 8 details the impact that the on-site activity will have on Westchester County in terms of employment, earnings, and sales.

Table 8

Economic Impact - On-Site Operations				
	<u>Jobs</u>		<u>Earnings</u>	<u>Sales</u>
Direct	5	\$	217,200	\$ 967,552
Indirect	3	\$	169,810	\$ 483,015
Induced	1	\$	87,560	\$ 222,205
Total	9	\$	474,570	\$ 1,672,772

Source: EMSI, Camoin 310

IMPACT OF NEW RETAIL SPACE

The Project includes 53,000 square feet of new retail space for various purposes. Since the county already has significant retail service businesses, it is assumed that households already in the county will not increase their spending as a result of the new retail space, although they may shift it to the new businesses because of the convenient location. Net new households (50%, or 107) are expected to patronize both these and other county businesses, and increase total retail sales in the county through their household spending.

To avoid double-counting, the new spending of these households at all locations within the county is captured above in the section "Impacts of New Household Spending."

TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of both new household spending and on-site operation and maintenance of the Project is displayed in Table 9. Table 10 lists the type of jobs and median annual earnings, estimated to be created.

Table 9

Total Annual Economic Impact				
	<u>Jobs</u>	<u>Earnings</u>	<u>Sales</u>	
Direct	37	\$ 1,489,332	\$ 4,680,584	
Indirect	9	\$ 554,678	\$ 1,667,657	
Induced	6	\$ 520,771	\$ 1,307,445	
Total	52	\$ 2,564,781	\$ 7,655,685	

Source: EMSI, Camoin 310

Table 10

New Jobs Resulting from Operations and Household Spending			
Occupation	New Jobs	Median Annual Earnings	
Management	3	\$	137,196
Business and Financial Operations	2	\$	80,726
Computer and Mathematical	0	\$	93,341
Architecture and Engineering	0	\$	92,858
Life, Physical, and Social Science	0	\$	80,883
Community and Social Service	0	\$	51,528
Legal	0	\$	105,495
Education, Training, and Library	2	\$	65,409
Arts, Design, Entertainment, Sports, and Media	1	\$	56,874
Healthcare Practitioners and Technical	1	\$	88,088
Healthcare Support	0	\$	33,224
Protective Service	1	\$	43,000
Food Preparation and Serving Related	6	\$	26,543
Building and Grounds Cleaning and Maintenance	2	\$	32,586
Personal Care and Service	1	\$	27,611
Sales and Related	19	\$	30,592
Office and Administrative Support	6	\$	41,911
Farming, Fishing, and Forestry	0	\$	34,747
Construction and Extraction	1	\$	58,563
Installation, Maintenance, and Repair	3	\$	52,517
Production	1	\$	36,347
Transportation and Material Moving	2	\$	39,828
Military-only	-	\$	36,062
Total Jobs and Median Earnings of All Jobs	52	\$	51,528

Source: EMSI

FISCAL IMPACT ANALYSIS

In addition to the economic impact of the Project on the local economy (outlined above), there would also be a fiscal impact on annual real property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions and calculates a benefits/cost ratio.

Not all of the costs of the financial assistance, or forgone revenues, are borne by the county and its constituent communities. Sales tax is paid in the county in which the purchase is made, and as long as the goods and services are purchased in New York State, the state will receive its share of tax revenue. Therefore, for the purposes of estimating the fiscal impacts within Westchester County, the requested financial assistance is adjusted to reflect only the revenues foregone by the county.

FINANCIAL ASSISTANCE REQUESTED BY THE APPLICANT

The table below presents the exemptions *requested by the Applicant*. The sales tax exemption is a maximum; the actual amount of foregone sales tax will be charged on actual expenditures. It will also be collected in the jurisdiction in which the sale is made and at the rates in effect in that jurisdiction.

Sales tax on purchases made in Westchester County is collected by the county and distributed to the state (4%) and the Metropolitan Transportation Authority (0.375%); 4% is retained by the county and shared with local municipalities.

Table 11

Summary of Requested Financial Assistance

Sales Tax Exemption	\$	3,900,399
Mortgage Tax Exemption	\$	831,482
Reduction in Property Taxes	\$	34,990,206

Source: Applicant

PAYMENT IN LIEU OF TAXES (PILOT)

The Applicant has requested a Payment In Lieu of Taxes (PILOT) agreement from the Village of Mount Kisco, with annual payments shown in Table 12. For comparison purposes, the Applicant has also provided an estimate of the taxes that would be owed if the Project were constructed but no PILOT was awarded. This schedule aggregates taxes that would be distributed to Westchester County and to Village of Mount Kisco and the school district in which the Project is located. Comparisons by jurisdiction are included in Appendix A.

The table below calculates the value of the financial assistance requested in the form of the PILOT agreement. It subtracts the PILOT payments from the tax payments that would be due if the Project were completed without a PILOT. This is for information purposes, as the Applicant has stated that without the PILOT, the Project would not be undertaken.

Also presented is a comparison of the taxes currently generated by the Project and the new revenue from the proposed PILOT agreement. Because the site is owned by the Village of Mount Kisco, no taxes are paid and all PILOT revenues are net new to the county and taxing jurisdictions.

Table 12

Comparison of PILOT Schedule with Full Taxes if Project is Undertaken					If Project is Not Undertaken	
Year	Property Tax		PILOT Payment	Foregone Property Tax Revenues	Property Taxes	
	Payment without PILOT				from Site with Current Use	Net New Property Tax Revenues
1	\$ 1,725,795	\$	200,000	\$ (1,525,795)	\$ -	\$ 200,000
2	\$ 1,760,311	\$	210,000	\$ (1,550,311)	\$ -	\$ 210,000
3	\$ 1,795,517	\$	220,500	\$ (1,575,017)	\$ -	\$ 220,500
4	\$ 1,831,427	\$	231,525	\$ (1,599,902)	\$ -	\$ 231,525
5	\$ 1,868,056	\$	243,101	\$ (1,624,955)	\$ -	\$ 243,101
6	\$ 1,905,417	\$	255,256	\$ (1,650,161)	\$ -	\$ 255,256
7	\$ 1,943,525	\$	268,019	\$ (1,675,506)	\$ -	\$ 268,019
8	\$ 1,982,396	\$	281,420	\$ (1,700,976)	\$ -	\$ 281,420
9	\$ 2,022,044	\$	295,491	\$ (1,726,553)	\$ -	\$ 295,491
10	\$ 2,062,485	\$	310,266	\$ (1,752,219)	\$ -	\$ 310,266
11	\$ 2,103,734	\$	403,917	\$ (1,699,817)	\$ -	\$ 403,917
12	\$ 2,145,809	\$	536,452	\$ (1,609,357)	\$ -	\$ 536,452
13	\$ 2,188,725	\$	612,843	\$ (1,575,882)	\$ -	\$ 612,843
14	\$ 2,232,500	\$	692,075	\$ (1,540,425)	\$ -	\$ 692,075
15	\$ 2,277,150	\$	774,231	\$ (1,502,919)	\$ -	\$ 774,231
16	\$ 2,322,693	\$	882,623	\$ (1,440,070)	\$ -	\$ 882,623
17	\$ 2,369,147	\$	1,018,733	\$ (1,350,414)	\$ -	\$ 1,018,733
18	\$ 2,416,530	\$	1,159,934	\$ (1,256,596)	\$ -	\$ 1,159,934
19	\$ 2,464,860	\$	1,306,376	\$ (1,158,484)	\$ -	\$ 1,306,376
20	\$ 2,514,157	\$	1,458,211	\$ (1,055,946)	\$ -	\$ 1,458,211
21	\$ 2,564,441	\$	1,615,598	\$ (948,843)	\$ -	\$ 1,615,598
22	\$ 2,615,729	\$	1,778,696	\$ (837,033)	\$ -	\$ 1,778,696
23	\$ 2,668,044	\$	1,947,672	\$ (720,372)	\$ -	\$ 1,947,672
24	\$ 2,721,405	\$	2,122,696	\$ (598,709)	\$ -	\$ 2,122,696
25	\$ 2,775,833	\$	2,303,941	\$ (471,892)	\$ -	\$ 2,303,941
26	\$ 2,831,350	\$	2,548,215	\$ (283,135)	\$ -	\$ 2,548,215
27	\$ 2,887,977	\$	2,656,938	\$ (231,039)	\$ -	\$ 2,656,938
28	\$ 2,945,736	\$	2,768,992	\$ (176,744)	\$ -	\$ 2,768,992
29	\$ 3,004,651	\$	2,899,488	\$ (105,163)	\$ -	\$ 2,899,488
30	\$ 3,064,744	\$	3,018,773	\$ (45,971)	\$ -	\$ 3,018,773
Total	\$ 70,012,188	\$	35,021,982	\$ (34,990,206)	\$ -	\$ 35,021,982
PV at 2%	\$ 50,758,676	\$	22,768,547	\$ (27,990,129)		\$ 22,768,547

Source: Applicant

SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction phase earnings from the total economic impact of the construction work (described in above section) would lead to additional sales tax revenue for the county. It is assumed that 70%⁵ of the construction phase earnings would be spent within Westchester County and that 25% of those purchases would be taxable.

Table 13

One-Time Sales Tax Revenue Temporary Construction Phase	
Total New Earnings	\$ 24,647,774
Amount Spent in County (70%)	\$ 17,253,442
Amount Taxable (25%)	\$ 4,313,360
County Sales Tax Rate	4.00%
New County Tax Revenue	\$ 172,534

Source: Camoin 310. Note: Excludes 3/8% MTA Tax

As a result of the construction phase employment, the county would receive approximately \$172,534 in new sales tax revenue from the economic impacts of the Project.

SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

In addition to sales tax generated by the construction phase, the county would also receive sales tax revenue from the purchases made by the new households. Table 14 displays the new sales tax revenue that Westchester County would receive annually based on in-county spending by new households.

Table 14

Annual Sales Tax Revenue Net New Household Spending	
Total New Spending	\$ 5,982,914
Amount Taxable (30%)	\$ 1,794,874
County Sales Tax Rate	4.00%
New County Tax Revenue	\$ 71,795

Source: Camoin 310. Note: Excludes 3/8% MTA Tax

Note that the household spending figure has already been adjusted to account for 70% of total spending occurring within the county (see Table 5 above, "Tenant Spending Basket"). Also note that we have used a higher value for "Amount Taxable" as compared to the previous tables (30% rather than 25%) since certain non-taxable items (related to housing expenses) have been removed from the total spending line, increasing the remaining portion taxable.

⁵ A retail leakage analysis of Westchester County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third party proprietary retail spending data, 70% is a reasonable assumption for the amount of in-county spending. (Source: Esri Business Analyst Online Retail Market Profile)

SALES TAX REVENUE – ON-SITE EMPLOYEE EARNINGS

The new earnings generated by on-site jobs that will occur as a result of building occupation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the county. It is assumed that 70% of the earnings would be spent within Westchester County and that 25% of those purchases will be taxable. Table 15 displays the annual tax revenue that the County will receive.

Table 15

Annual Sales Tax Revenue On-Site Operations		
Total New Earnings	\$	474,570
Amount Spent in County (70%)	\$	332,199
Amount Taxable (25%)	\$	83,050
County Sales Tax Rate		4.00%
New County Tax Revenue	\$	3,322

Source: Camoin 310. Note: Excludes 3/8% MTA Tax

TOTAL ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the county will receive is summarized in Table 16, below.

Table 16

Total Annual Sales Tax Revenue		
Household Spending	\$	71,795
On-Site Operations	\$	3,322
New County Tax Revenue	\$	75,117

Source: Camoin 310. Note: Excludes 3/8% MTA Tax

BENEFITS TO COSTS COMPARISON

The Applicant has stated that if no financial assistance is provided, the Project will not be undertaken. However, it is useful to understand the ratio of fiscal benefits to the county, and financial assistance to the Project. This is presented in the table below.

The Applicant has requested \$2,512,500 of sales tax exemption on construction purchases. It is estimated that 50% of construction costs will be spent within the county. The foregone sales tax revenue shown here, solely for the purpose of estimating a benefits / cost ratio, is therefore reduced to \$465,719 to show the effects only in Westchester County.

Table 17

Fiscal Benefits and Costs of Financial Assistance to the County, Updated May 12		
One-time Sales Tax Revenue from Construction Earnings	\$	172,534
30 Years Sales Tax Revenue from New Activity (1)	\$	2,253,508
30 Year Property Tax Revenue, PILOT vs. No Project, Present Value	\$	22,768,547
Total Fiscal Benefits	\$	25,194,590
Foregone One-Time Sales Tax on Construction Sales (2)	\$	931,439
Foregone One-Time Mortgage Recording Tax	\$	831,482
Foregone Parking Revenue (none)	\$	-
Foregone Property Tax Revenue, Present Value	\$	27,990,129
Total Costs of Financial Assistance	\$	29,753,050
Benefits to Costs (\$25,194,590 / \$29,753,050)		0.85

(1) Sales tax revenues are escalated at 2% for consumer buying increases, then discounted by 2% to calculate the present value.

(2) County sales tax rate of 4% on construction materials anticipated to be purchased in the county only.

APPENDIX: PILOT DETAIL BY JURISDICTION

Table A: Requested PILOT Schedule
PILOT AS PRESENTED IN THE APPLICATION.
PILOT schedule in total and by jurisdiction.

PILOT Year	Total PILOT Payment	County PILOT Amount, 10%	Local PILOT Amount, 47%	School PILOT Amount, 44%
1	\$ 200,000	\$ 19,324	\$ 93,512	\$ 87,163
2	\$ 210,000	\$ 20,290	\$ 98,188	\$ 91,521
3	\$ 220,500	\$ 21,304	\$ 103,097	\$ 96,097
4	\$ 231,525	\$ 22,370	\$ 108,252	\$ 100,902
5	\$ 243,101	\$ 23,488	\$ 113,664	\$ 105,947
6	\$ 255,256	\$ 24,663	\$ 119,347	\$ 111,245
7	\$ 268,019	\$ 25,896	\$ 125,315	\$ 116,807
8	\$ 281,420	\$ 27,191	\$ 131,581	\$ 122,647
9	\$ 295,491	\$ 28,550	\$ 138,160	\$ 128,780
10	\$ 310,266	\$ 29,978	\$ 145,068	\$ 135,219
11	\$ 403,917	\$ 39,026	\$ 188,855	\$ 176,033
12	\$ 536,452	\$ 51,831	\$ 250,823	\$ 233,794
13	\$ 612,843	\$ 59,212	\$ 286,541	\$ 267,087
14	\$ 692,075	\$ 66,868	\$ 323,587	\$ 301,617
15	\$ 774,231	\$ 74,805	\$ 361,999	\$ 337,422
16	\$ 882,623	\$ 85,278	\$ 412,679	\$ 384,661
17	\$ 1,018,733	\$ 98,429	\$ 476,319	\$ 443,980
18	\$ 1,159,934	\$ 112,072	\$ 542,339	\$ 505,518
19	\$ 1,306,376	\$ 126,221	\$ 610,809	\$ 569,340
20	\$ 1,458,211	\$ 140,891	\$ 681,801	\$ 635,512
21	\$ 1,615,598	\$ 156,097	\$ 755,389	\$ 704,103
22	\$ 1,778,696	\$ 171,856	\$ 831,647	\$ 775,184
23	\$ 1,947,672	\$ 188,182	\$ 910,654	\$ 848,827
24	\$ 2,122,696	\$ 205,093	\$ 992,488	\$ 925,105
25	\$ 2,303,941	\$ 222,604	\$ 1,077,231	\$ 1,004,094
26	\$ 2,548,215	\$ 246,206	\$ 1,191,443	\$ 1,110,553
27	\$ 2,656,938	\$ 256,711	\$ 1,242,278	\$ 1,157,936
28	\$ 2,768,992	\$ 267,537	\$ 1,294,670	\$ 1,206,771
29	\$ 2,899,488	\$ 280,146	\$ 1,355,685	\$ 1,263,643
30	\$ 3,018,773	\$ 291,671	\$ 1,411,458	\$ 1,315,630
Total	\$ 35,021,982	\$ 3,383,789	\$ 16,374,878	\$ 15,263,140
Present Value	\$ 22,768,547	\$ 2,199,874	\$ 10,645,662	\$ 9,922,897

Source: Applicant. Present Value assumes 2% discount rate.

Table B: Full Tax Payment: Taxes Owed if No PILOT
FULL TAXES AS PROVIDED BY THE APPLICANT.
Full tax payment in total and by jurisdiction if the Project is constructed but not PILOT is in place.

Year	Total Tax Payment	County Tax Portion, 10%	Local Tax Portion, 47%	School Tax Portion, 44%
1	\$ 1,725,795	\$ 166,745	\$ 806,913	\$ 752,129
2	\$ 1,760,311	\$ 170,079	\$ 823,051	\$ 767,172
3	\$ 1,795,517	\$ 173,481	\$ 839,512	\$ 782,515
4	\$ 1,831,427	\$ 176,951	\$ 856,302	\$ 798,165
5	\$ 1,868,056	\$ 180,490	\$ 873,428	\$ 814,129
6	\$ 1,905,417	\$ 184,099	\$ 890,897	\$ 830,411
7	\$ 1,943,525	\$ 187,781	\$ 908,715	\$ 847,019
8	\$ 1,982,396	\$ 191,537	\$ 926,889	\$ 863,960
9	\$ 2,022,044	\$ 195,368	\$ 945,427	\$ 881,239
10	\$ 2,062,485	\$ 199,275	\$ 964,335	\$ 898,864
11	\$ 2,103,734	\$ 203,261	\$ 983,622	\$ 916,841
12	\$ 2,145,809	\$ 207,326	\$ 1,003,295	\$ 935,178
13	\$ 2,188,725	\$ 211,472	\$ 1,023,360	\$ 953,882
14	\$ 2,232,500	\$ 215,702	\$ 1,043,828	\$ 972,959
15	\$ 2,277,150	\$ 220,016	\$ 1,064,704	\$ 992,418
16	\$ 2,322,693	\$ 224,416	\$ 1,085,998	\$ 1,012,267
17	\$ 2,369,147	\$ 228,905	\$ 1,107,718	\$ 1,032,512
18	\$ 2,416,530	\$ 233,483	\$ 1,129,873	\$ 1,053,162
19	\$ 2,464,860	\$ 238,152	\$ 1,152,470	\$ 1,074,226
20	\$ 2,514,157	\$ 242,915	\$ 1,175,519	\$ 1,095,710
21	\$ 2,564,441	\$ 247,774	\$ 1,199,030	\$ 1,117,624
22	\$ 2,615,729	\$ 252,729	\$ 1,223,010	\$ 1,139,977
23	\$ 2,668,044	\$ 257,784	\$ 1,247,471	\$ 1,162,776
24	\$ 2,721,405	\$ 262,939	\$ 1,272,420	\$ 1,186,032
25	\$ 2,775,833	\$ 268,198	\$ 1,297,868	\$ 1,209,752
26	\$ 2,831,350	\$ 273,562	\$ 1,323,826	\$ 1,233,947
27	\$ 2,887,977	\$ 279,033	\$ 1,350,302	\$ 1,258,626
28	\$ 2,945,736	\$ 284,614	\$ 1,377,308	\$ 1,283,799
29	\$ 3,004,651	\$ 290,306	\$ 1,404,855	\$ 1,309,475
30	\$ 3,064,744	\$ 296,112	\$ 1,432,952	\$ 1,335,664
Total	\$ 70,012,188	\$ 6,764,508	\$ 32,734,899	\$ 30,512,432
Present Value	\$ 50,758,676	\$ 4,904,253	\$ 23,732,727	\$ 22,121,443

Source: Applicant. Present Value assumes 2% discount rate.

Table C: Full Tax Payment: Taxes Owed if No Project
Full tax payment on the parcel as currently taxed. The parcel is currently owned by Mount Kisco and does not pay real property taxes to these jurisdictions so all numbers are zero.

Year	Total Tax Payment	County Tax Portion, 10%	Local Tax Portion, 47%	School Tax Portion, 44%
1	\$ -	\$ -	\$ -	\$ -
2	\$ -	\$ -	\$ -	\$ -
3	\$ -	\$ -	\$ -	\$ -
4	\$ -	\$ -	\$ -	\$ -
5	\$ -	\$ -	\$ -	\$ -
6	\$ -	\$ -	\$ -	\$ -
7	\$ -	\$ -	\$ -	\$ -
8	\$ -	\$ -	\$ -	\$ -
9	\$ -	\$ -	\$ -	\$ -
10	\$ -	\$ -	\$ -	\$ -
11	\$ -	\$ -	\$ -	\$ -
12	\$ -	\$ -	\$ -	\$ -
13	\$ -	\$ -	\$ -	\$ -
14	\$ -	\$ -	\$ -	\$ -
15	\$ -	\$ -	\$ -	\$ -
16	\$ -	\$ -	\$ -	\$ -
17	\$ -	\$ -	\$ -	\$ -
18	\$ -	\$ -	\$ -	\$ -
19	\$ -	\$ -	\$ -	\$ -
20	\$ -	\$ -	\$ -	\$ -
21	\$ -	\$ -	\$ -	\$ -
22	\$ -	\$ -	\$ -	\$ -
23	\$ -	\$ -	\$ -	\$ -
24	\$ -	\$ -	\$ -	\$ -
25	\$ -	\$ -	\$ -	\$ -
26	\$ -	\$ -	\$ -	\$ -
27	\$ -	\$ -	\$ -	\$ -
28	\$ -	\$ -	\$ -	\$ -
29	\$ -	\$ -	\$ -	\$ -
30	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -
Present Value	\$ -	\$ -	\$ -	\$ -

Source: Applicant. Present Value assumes 2% discount rate.

Table D: Value to the Project of the PILOT Financial Assistance

Calculated as tax receipts on a fully taxed Project (Table B) minus PILOT receipts (Table A). Positive numbers are net benefits to the Project.

PILOT Year	Savings on Total Tax Payment	Savings on County Tax Portion	Savings on Local Tax Portion	Savings on School Tax Portion
1	\$ 1,525,795	\$ 147,421	\$ 713,401	\$ 664,966
2	\$ 1,550,311	\$ 149,789	\$ 724,863	\$ 675,650
3	\$ 1,575,017	\$ 152,177	\$ 736,415	\$ 686,418
4	\$ 1,599,902	\$ 154,581	\$ 748,050	\$ 697,263
5	\$ 1,624,955	\$ 157,002	\$ 759,764	\$ 708,181
6	\$ 1,650,161	\$ 159,437	\$ 771,549	\$ 719,167
7	\$ 1,675,506	\$ 161,886	\$ 783,400	\$ 730,213
8	\$ 1,700,976	\$ 164,347	\$ 795,308	\$ 741,313
9	\$ 1,726,553	\$ 166,818	\$ 807,267	\$ 752,459
10	\$ 1,752,219	\$ 169,298	\$ 819,267	\$ 763,645
11	\$ 1,699,817	\$ 164,235	\$ 794,767	\$ 740,808
12	\$ 1,609,357	\$ 155,494	\$ 752,471	\$ 701,384
13	\$ 1,575,882	\$ 152,260	\$ 736,820	\$ 686,795
14	\$ 1,540,425	\$ 148,834	\$ 720,241	\$ 671,342
15	\$ 1,502,919	\$ 145,211	\$ 702,705	\$ 654,996
16	\$ 1,440,070	\$ 139,138	\$ 673,319	\$ 627,605
17	\$ 1,350,414	\$ 130,476	\$ 631,399	\$ 588,532
18	\$ 1,256,596	\$ 121,411	\$ 587,534	\$ 547,644
19	\$ 1,158,484	\$ 111,932	\$ 541,661	\$ 504,886
20	\$ 1,055,946	\$ 102,024	\$ 493,718	\$ 460,198
21	\$ 948,843	\$ 91,676	\$ 443,641	\$ 413,521
22	\$ 837,033	\$ 80,873	\$ 391,363	\$ 364,793
23	\$ 720,372	\$ 69,602	\$ 336,817	\$ 313,950
24	\$ 598,709	\$ 57,847	\$ 279,932	\$ 260,927
25	\$ 471,892	\$ 45,594	\$ 220,638	\$ 205,658
26	\$ 283,135	\$ 27,356	\$ 132,382	\$ 123,395
27	\$ 231,039	\$ 22,323	\$ 108,024	\$ 100,690
28	\$ 176,744	\$ 17,077	\$ 82,638	\$ 77,028
29	\$ 105,163	\$ 10,161	\$ 49,170	\$ 45,832
30	\$ 45,971	\$ 4,442	\$ 21,494	\$ 20,035
Total	\$ 34,990,206	\$ 3,380,719	\$ 16,360,021	\$ 15,249,292
Present Value	\$ 27,990,129	\$ 2,704,378	\$ 13,087,065	\$ 12,198,546

Note: Present Value assumes 2% discount rate.

Table E: Value to the Jurisdictions: Project with PILOT vs. No Project

Calculated as new tax receipts to each jurisdiction, compared with no Project's being built and tax payments continuing on the parcel as currently used. Positive numbers are net benefits to jurisdiction.

Year	Total Net Benefits, All Jurisdictions	Net Benefits, County Tax Portion	Net Benefits, Local Tax Portion	Net Benefits, School Tax Portion
1	\$ 200,000	\$ 147,421	\$ 713,401	\$ 664,966
2	\$ 210,000	\$ 149,789	\$ 724,863	\$ 675,650
3	\$ 220,500	\$ 152,177	\$ 736,415	\$ 686,418
4	\$ 231,525	\$ 154,581	\$ 748,050	\$ 697,263
5	\$ 243,101	\$ 157,002	\$ 759,764	\$ 708,181
6	\$ 255,256	\$ 159,437	\$ 771,549	\$ 719,167
7	\$ 268,019	\$ 161,886	\$ 783,400	\$ 730,213
8	\$ 281,420	\$ 164,347	\$ 795,308	\$ 741,313
9	\$ 295,491	\$ 166,818	\$ 807,267	\$ 752,459
10	\$ 310,266	\$ 169,298	\$ 819,267	\$ 763,645
11	\$ 403,917	\$ 164,235	\$ 794,767	\$ 740,808
12	\$ 536,452	\$ 155,494	\$ 752,471	\$ 701,384
13	\$ 612,843	\$ 152,260	\$ 736,820	\$ 686,795
14	\$ 692,075	\$ 148,834	\$ 720,241	\$ 671,342
15	\$ 774,231	\$ 145,211	\$ 702,705	\$ 654,996
16	\$ 882,623	\$ 139,138	\$ 673,319	\$ 627,605
17	\$ 1,018,733	\$ 130,476	\$ 631,399	\$ 588,532
18	\$ 1,159,934	\$ 121,411	\$ 587,534	\$ 547,644
19	\$ 1,306,376	\$ 111,932	\$ 541,661	\$ 504,886
20	\$ 1,458,211	\$ 102,024	\$ 493,718	\$ 460,198
21	\$ 1,615,598	\$ 91,676	\$ 443,641	\$ 413,521
22	\$ 1,778,696	\$ 80,873	\$ 391,363	\$ 364,793
23	\$ 1,947,672	\$ 69,602	\$ 336,817	\$ 313,950
24	\$ 2,122,696	\$ 57,847	\$ 279,932	\$ 260,927
25	\$ 2,303,941	\$ 45,594	\$ 220,638	\$ 205,658
26	\$ 2,548,215	\$ 27,356	\$ 132,382	\$ 123,395
27	\$ 2,656,938	\$ 22,323	\$ 108,024	\$ 100,690
28	\$ 2,768,992	\$ 17,077	\$ 82,638	\$ 77,028
29	\$ 2,899,488	\$ 10,161	\$ 49,170	\$ 45,832
30	\$ 3,018,773	\$ 4,442	\$ 21,494	\$ 20,035
Total	\$ 35,021,982	\$ 3,380,719	\$ 16,360,021	\$ 15,249,292
Present Value	\$ 22,768,547	\$ 2,704,378	\$ 13,087,065	\$ 12,198,546

Note: Present Value assumes 2% discount rate.

About this detailed analysis:

PILOT schedules are typically negotiated as an aggregate of the real property taxes owed on a parcel, by the taxing jurisdictions of county, city/town/village, and school district. This aggregation is from the point of view of the property owner, answering the question "what total tax-equivalent will I pay and how does this affect the feasibility of my proposed project?"

Each taxing jurisdiction may have an interest in understanding exactly how the PILOT affects future revenues. This analysis separates the total PILOT, and the taxes that would be paid without the PILOT, into individual jurisdictions. Tables A, B, and C show the PILOT or tax payments first in aggregate, and then for the jurisdictions.

Table D subtracts the PILOT payments from the taxes that would be owed if the project were completed without a PILOT. This shows the value of the assistance to the Applicant. Table E is from the perspective of each jurisdiction. It subtracts the taxes currently being paid on the project from the PILOT payments, showing the net revenue gain to each jurisdiction.

Note: Amounts estimated to be paid to each jurisdiction are based on the current allocation and current tax rates. While it is anticipated that the PILOT payments will be as shown, the amount received by each jurisdiction will differ from the amounts here, depending on changes to the tax rates of each jurisdiction as a proportion of total payments owed on the parcel each year.

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

"Net new" households that move into a geography because of the availability of desired housing contribute to that geography's economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing.

Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by the proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Each project may therefore have a different expectation for net new households, depending on price point, age restriction if any, and location.

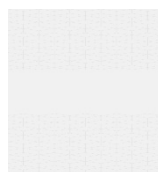
The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify *where* households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a "renter-shed" for a new project. Households that are within the drive time but outside of the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an "implied number renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a "net gap," indicating excess demand for the project, or a "net surplus." To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.



Leading action to grow your economy

Camoin 310
120 West Avenue, Suite 303
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com
[@camoinassociate](#)



COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION

Regarding

AUTHORIZING THE CREATION OF AN ADMINISTRATIVE EXTENSION PROGRAM
TO ALL PROJECTS AFFECTED BY COVID-19

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment, deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes, to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, the County of Westchester Industrial Development Agency (the "Agency") was established by Chapter 788 of the Laws of 1976 of the State of New York, as amended by Chapter 564 of the Laws of 1983 (together with the Enabling Act, the "Act") for the benefit of the County of Westchester (the "County") and the inhabitants thereof; and

WHEREAS, the novel coronavirus, known as COVID-19, is a severe acute respiratory syndrome that has become a global pandemic; and

WHEREAS, on or about January 30, 2020, the World Health Organization designated the COVID-19 outbreak a Public Health Emergency of International Concern; and

WHEREAS, on or about March 7, 2020, Hon. Andrew M. Cuomo, Governor of the State of New York, declared a state of emergency for the entire State of New York; and

WHEREAS, on or about March 16, 2020, Hon. George S. Latimer, County Executive of the County of Westchester, declared a state of emergency for the County of Westchester; and

WHEREAS, on or about March 20, 2020, Governor Cuomo executed the "New York State on PAUSE" executive order, a 10-point policy that, among other things, requires nonessential businesses to close, prohibits nonessential gatherings of individuals, and encourages individuals to remain at home; and

WHEREAS, the number of COVID-19 related deaths in the State of New York has surpassed 20,000; and

WHEREAS, over 1.6 million New Yorkers have filed for unemployment insurance since March 7, 2020; and

WHEREAS, the COVID-19 pandemic has and will continue to have a profound and deleterious effect on the economic development and construction industries; and

WHEREAS, the measures implemented to protect public health, safety and welfare in response to the COVID-19 pandemic have and will continue to create substantial delays and negative cost impacts due to a disruption in supply chains and the unavailability of workers and liquidity; and

WHEREAS, in light of the current state of economic affairs, the Board of Directors of the Agency (“Board”) believe it is in the best interest of the Project(s), as that term is defined in the Enabling Act, to afford relief by way of extending the date of completion of construction, for up to one hundred and twenty days (120), of any improvements as contemplated and described in the transaction documents relating to such Project that has been negatively impacted by the COVID-19 pandemic (the “Administrative Extension”); and

WHEREAS, for ease of administration, the Board believes that delegating the Administrative Extension to Agency staff and counsel is in the best interest of the Agency and the Project(s); and

WHEREAS, any Project applicant, or its designee, requesting the Administrative Extension shall submit a written request to Agency staff and counsel which shall include a statement, or some other evidence, which may be transmitted by mail, electronically or facsimile to the Director of Economic Development (“Director”) for the County of Westchester, setting forth the COVID-19 related hardship that prevents the Project applicant to complete construction in a timely manner (the “Criteria”); and

WHEREAS, any extension beyond the Administrative Extension may be granted by the Board, in its sole and absolute discretion, upon application by the Project applicant, or its designee, based on such information as may be reasonably requested by the Board, Agency staff, and Agency counsel; and now

BE IT RESOLVED, that the Director is authorized to grant the Administrative Extension to any Project which meets the Criteria and to do and cause to be done any and all acts and things necessary or proper for carrying out the actions contemplated by and referred to in the resolution, said execution being conclusive evidence of such approval; and be it further

RESOLVED, upon receipt of the Criteria, the Director shall provide the Criteria to Agency counsel for review, investigation and recommendation as to whether the Administrative Extension should be granted, and upon receiving such recommendation determine whether to grant or deny the Administrative Extension; and be it further

RESOLVED, that the Agency shall keep and maintain a record of each Administrative Extension request received by the Director together with the determination as to each such request (and, in the event of a denial of any request, the reasons therefor) in accordance with the record retention policy of and requirements applicable to the Agency and shall provide a report to the Board as to the number of Administrative Extensions received, granted, and denied, which will assist the Board in determining whether further relief is warranted.; and be it further

RESOLVED, that the Director is hereby authorized and directed to execute and deliver such amendments, certificates, agreements, documents and instruments, subject to the approval of Agency counsel, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by these resolutions, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted: May 14, 2020

**COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION**

Regarding the
Business Council of Westchester

WHEREAS, the New York State Industrial Development Agency Act and the Agency's enabling legislation, respectively constituting Article 18-A and Section 923-a of the General Municipal Law (Chapter 24 of the Consolidated Laws of New York) (the "Act") authorizes the Agency (1) to promote the economic welfare, recreational opportunities and prosperity of its inhabitants, and (2) to promote, attract, encourage and develop recreation and economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration; and

WHEREAS, on or about February 13, 2020, the Agency approved participating and attending the Hall of Fame Dinner and Annual Dinner in order to support The Business Council of Westchester, a leading organization committed to promoting and growing the economic competitiveness of Westchester and the Hudson Valley; and

WHEREAS, the original agreement allocated \$15,000 for this effort, and the cost is actually \$17,500 for these marketing efforts; and

WHEREAS, the Agency met in public session to discuss the participation in Marketing efforts and this specific request was raised at the meeting on May 14, 2020 and The Board discussed such request, and

NOW, THEREFORE, the County of Westchester Industrial Development Agency hereby resolves as follows:

BE IT RESOLVED, that the AGENCY is hereby authorized to attend and participate in the Business Council of Westchester as deemed appropriate, at a cost not to exceed \$17,5000, and to do and cause to be done any and all acts and things necessary or proper for carrying out the actions contemplated by and referred to in the resolution, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Executive Director of the Agency is hereby authorized and directed to execute and delivery such other documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by these resolutions, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted: May 14, 2020
White Plains, New York

crafted.

Proposal

Westchester Catalyst Updates + Maintenance

Delivered to



Westchester IDA
April 6, 2020

Overview & Goals

Dear Bridget,

Thanks for taking the time to talk with us and the opportunity to work together on your new project for Westchester IDA.

In our proposals, we try to ensure that we address each of your needs with a solution. Since we worked on the Catalyst site together, we've found that ongoing updates and maintenance has become an important scope and we would like to continue to support your team and be available as needed, quickly + efficiently.

After you go through the proposal, let us know how you'd like to move forward from here.

Warmest Regards,

Peter Mendez & Greg Valvano

Co-Founders of Crafted

Scope of Services

WHAT IS INCLUDED

CATALYST MAINTENANCE & UPDATES

WHAT IS INCLUDED IN THE YEARLY RETAINER

- Maintaining and updating existing pages
- Adding new pages
- Plugin & Wordpress Support - Crafted will ensure all plugins and Wordpress instances are up to date and working properly.

CATALYST SITE MAINTENANCE + UPDATES:

- 5 hours will be included. Any additional hours will be billed monthly at the rate of \$200/hr

Emergency Response SLA

In summary, our technical support SLA includes the following:

- 24/7 monitoring of the app to ensure maximum uptime
- As needed issue resolution (usually within 1 hour for emergencies)
- A project manager will be assigned as a single point of contact and will be responsible for intake and resolution of all issues
- Escalation phone numbers and emails will be distributed to all project stakeholders to ensure someone is available at all times
- We generally work on Eastern Standard Time (EST) and are very responsive (even in off hours)

As part of our support approach, we understand that issues will consistently arise and that they must be properly prioritized. Crafted will categorize issues under 3 separate categories.

1-High Priority

The hosted websites/applications are not operational for multiple users during scheduled availability. A major function of the service is not operational for multiple users during the hours that the service is scheduled for availability to users.

2-Normal Priority

Normal priority is given to digital applications where a minor function of the service is not operational for one or more users (who can continue to use other application functions). A user has questions about the service functionality or needs assistance in using the service. A user needs administrative assistance.

3-Low Priority

A low priority is given to an issue where service is reported as non-operational but does not otherwise block the overall use of the application. Or, enhancement requests that are logged as Priority 3-Low Priority, but are reviewed and scheduled by the service team.

We then use these priority definitions and match them to different service problems that arise:

Measurement	Definition	Performance Target/Service Category
Time to Market for Offline Executions	This is defined based on the amount of time until a tactical execution or report is due.	<p>< 1 Week – High Priority</p> <p>> 1 Week – Normal Priority</p> <p>No Deadline set – Low Priority</p>
Service Availability Percent	The percent of time that the application is available minus the impact time from any events (scheduled or unexpected) other than loss of network or other contingencies	<p>99.95% Uptime Target</p> <p>1 – High Priority</p>

Measurement	Definition	Performance Target/Service Category
User Response Time (Digital Only)	The time taken for the application to complete a user request and return a response	Most pages will load in under 5 Seconds, but no page will load slower than 20 Seconds for any given page. Contingent on how the application is built. 1 – High Priority
Problem Response / Bug Report	The time required for a stakeholder to receive a response after reporting a problem or need to the Account Manager	1-High Priority: Within 1 hour 2-Normal Priority: Within 1 business day 3-Low Priority: Within 2 business days
Problem Circumvention or Feature Enhancement Request	The time required for a user to receive a circumvention or a solution after reporting the need for a feature enhancement to the Account Manager	1-High Priority: Within 2 hours 2-Normal Priority: Within 1 week 3-Low Priority: Within 2 weeks

Timeframe

Services will begin immediately upon signed proposal, and will be ongoing through December 31, 2020. Services renewal will be provided November 1, 2020 for January - December 2021

Phase	# of Weeks
Website Updates + Hosting + Maintenance	ongoing 12 months

Your Investment

Below is the budget we've estimated based on the scope of services outlined earlier in this proposal. If you have any questions about our pricing or need to increase or decrease the scope of work, please leave a comment and let us know.

Deliverables	Total Price
Website Updates+ Maintenance: \$1000/mo x 12 months	\$12,000
Total	\$12,000

Communication

During your project communication will be non-stop with emails, phone calls, and online meetings. Here is how we make it happen.

- Email - hello@craftedny.com is the only email you need to remember. Everyone here regularly checks this account and the person best suited to reply will always do so quickly.
- Phone - (201) 780-7907 is the direct line of your project manager, Rebecca Lazaroff. Your calls are always welcome between 10am and 5pm EST, Monday through Friday.
- Meetings - we use our private conference line at <https://www.uberconference.com/craftedny> for online meetings to review milestones and deliverables.

Statement of Work & Contract

[Note: This is a sample contract - we are not lawyers and recommend you having your own legal counsel review any contract prior to sending out.]

Date: April 6, 2020

Between "us", Crafted, and "you", Westchester IDA

You Westchester IDA, located at 148 Martine Avenue, White Plains NY 10601 are hiring Crafted located at 450 Lexington Avenue, 4th Fl, New York City, New York 10017 to design and develop a digital content and character map for the estimated total price of \$12,000/month as outlined previously.

1.0 SERVICES RENDERED

DESIGN

Design is not included in this contract. If you'd like us to create new designs, we're happy to provide a separate estimate for that. Crafted will be inputting client provided creatives.

TEXT CONTENT

Writing text copy is not included in this contract. If you'd like us to write new content, we're happy to provide a separate estimate for that. Crafted will be inputting client provided copy.

PHOTOGRAPHS

You'll need to supply graphic files to us in an editable, vector digital format. Photographs must be in a high resolution digital format. If you choose to buy stock photographs, we can suggest stock libraries and style of photography/images. If you'd like us to search for photographs for you, we can provide a separate estimate for that. Cost of buying stock photographs or a photo shoot is not included in this contract.

BROWSER TESTING

Browser testing no longer means attempting to make a website look the same in browsers of different capabilities or on devices with different size screens. It does mean ensuring that a person's experience of a design should be appropriate to the capabilities of a browser or device.

DESKTOP BROWSER TESTING

We test our work in current versions of major desktop browsers including those made by Apple (Safari), Google (Chrome), Microsoft (Internet Explorer), and Mozilla Firefox. We'll also test to ensure Microsoft Internet Explorer 8 for Windows users get an appropriate, possibly different, experience. We'll implement a single column design for Internet Explorer 7 and below for Windows but we won't test in other older browsers unless you specify otherwise. If you need an enhanced design for an older browser, we can provide a separate estimate for that.

MOBILE BROWSER TESTING

Testing popular small-screen devices is essential in ensuring that a person's experience of a design is appropriate to the capabilities of the device they're using. We test our work in:

- iOS: Safari
- Android 4.1: Google Chrome, Firefox
- Android 3.2: Browser, Firefox

We currently don't test Blackberry OS or Blackberry QNX, Opera Mobile, Symbian or other mobile browsers. If you need us to test using these, we can provide a separate estimate for that.

TECHNICAL SUPPORT

We're not a website hosting company so we don't offer support for website hosting, email or other services relating to hosting. You may already have professional hosting and you might even manage that hosting in-house; if you do, great. If you don't, we can set up an account for you at one of our preferred hosting providers. We can set up your site on a server, plus any statistics software such as Google Analytics and we can provide a separate estimate for that. After that, any updates to, and management of that server will be up to you.

CHANGES AND REVISIONS

We know from experience that fixed-price contracts are rarely beneficial to you, as they often limit you to your earliest ideas. We don't want to limit your ability to change your mind or make decisions later when you might be better informed. The price at the beginning of this contract is based on the length of time we estimate we'll need to accomplish everything you've told us you want to achieve, but we're happy to be flexible. If you want to change your mind or add anything new, that won't be a problem as we'll provide a separate estimate for to cover the additional work.

ERRORS

We can't guarantee that our work will be error-free (we're human!) so we can't be liable to you or any third-party for damages, including lost profits, lost savings or other incidental, consequential or special damages, even if you've advised us of them.

2.0 MUTUAL COOPERATION

We agree to use our best efforts to fulfill and exceed your expectation on the deliverables listed above. You agree to aid us in doing so by making available to us needed information pertaining to your website and to cooperate with us in expediting the work.

3.0 CHARGES FOR SERVICES PERFORMED

3.1 Functionality or feature requests above and beyond those listed in the budget and/or the functionality specs may be considered out-of-scope and an amendment to the budget will be recommended. Projects that go dormant for longer than 45 days will incur fee to resume work at the discretion of Crafted.

4.0 TERMS OF PAYMENT

4.1 BILLING SCHEDULE

We're sure you understand how important it is as a small business that you pay the invoices that we send you promptly. We're also sure you'll want to maintain a positive working relationship and keep the project moving forward, so you agree to stick tight to the following payment schedule.

The total budget for this project: \$24,862

Crafted will invoice Westchester IDA for fifty per cent (50%) of the initial fees at point of this signed contract agreement which will act as the deposit. The remaining 50% will be billed monthly as the service hours are spent or when the project is launched.

Westchester IDA will supply Crafted with all necessary purchase order numbers and other internal information required for invoice processing before the close of the month of work (if applicable).

4.3 CLIENT AGREEMENT TO PAY

We know from experience that fixed-price contracts are rarely beneficial to you, as they often limit you to your earliest ideas. We don't want to limit your ability to change your mind or make decisions later when you might be better informed. The price at the beginning of this contract is based on the length of time we estimate we'll need to accomplish everything you've told us you want to achieve, but we're happy to be flexible. If you want to change your mind or add anything new, that won't be a problem as we'll provide a separate estimate for to cover the additional work.

4.4 COLLECTION COSTS

In the event that we incur legal fees, costs and disbursements in an effort to collect our invoices, in addition to interest on the unpaid balance, you agree to reimburse us for these expenses.

5.0 CANCELLATION OF PLANS

You have the right to modify, reject, cancel or stop any and all plans or work in process. However, you agree to reimburse us for all costs and expenses we incurred prior to your change in instructions, and which relate to non-cancelable commitments, and to defend, indemnify and hold us harmless for any liability relating to such action. We agree to use our best efforts to minimize such costs and expenses.

6.0 RESPONSIBILITIES OF CRAFTED AND WESTCHESTER IDA

6.1 CRAFTED'S RESPONSIBILITY FOR RELEASES

We shall obtain releases, licenses, permits or other authorization to use testimonials, copyrighted materials, photographs, art work or any other property or rights belonging to third parties obtained by us for use in performing services for you (If applicable).

6.2 CLIENT RESPONSIBILITY FOR RELEASES

You guarantee that all elements of text, images, or other artwork you provide are either owned by your good selves, or that you have permission to use them. We'll own the unique combination of these elements that constitutes a complete design and we'll license that to you, exclusively and in perpetuity for this project only, unless we agree otherwise. We can provide a separate estimate for that.

6.3 CLIENT RESPONSIBILITY FOR ACCURACY

You shall be responsible for the accuracy, completeness and propriety of information concerning your products and services which you furnish to us verbally or in writing in connection with the performance of this Agreement.

7.0 CONFIDENTIALITY

Crafted acknowledges its responsibility, both during and after the term of its appointment, to use all reasonable efforts to preserve the confidentiality of any proprietary or confidential information or data developed by Crafted on behalf of Westchester IDA or disclosed by Westchester IDA to Crafted.

Westchester IDA will supply Crafted with all necessary purchase order numbers and other internal information required for invoice processing before the close of the month of work (if applicable).

8.0 TERM AND TERMINATION

8.1 PERIOD OF AGREEMENT AND NOTICE OF TERMINATION

This Agreement shall become effective as of DATE HERE and shall continue until terminated by either party upon not less than 60 days' notice in writing given by either party to the other.

8.2 TERMINATION FOR CAUSE

Either party to this Agreement may terminate the Agreement if the other party defaults in the performance of any of its material duties and obligations and the default is not cured within thirty (30) days of the receipt of notice of said default, or if the default is not reasonably curable within said period of time, unless the defaulting party commences cure within said period of time and diligently proceeds to cure the default.

In addition, either party may immediately terminate this Agreement by giving written notice to the other party if the other party is insolvent or has a petition brought by or against it under the insolvency laws of any jurisdiction, if the other party makes an assignment for the benefit of creditors, if a trustee, or similar agent is appointed with respect to any property or business of the other party, or in the case of the Client, if the Client materially breaches its obligations to make payment pursuant to this Agreement.

8.3 PAYMENT FOR NON-CANCELABLE MATERIALS?

Any non-cancelable materials, services, etc., we have properly committed ourselves to purchase for your account, (either specifically or as part of a plan such as modules, photography and/or external services) shall be paid for by you, in accordance with the provisions of this Agreement. We agree to use our best efforts to minimize such liabilities immediately upon written notification from you. We will provide written proof, upon request of the Westchester IDA, that any such materials and services, are non cancelable.

Any non-cancelable materials, services, etc., we have properly committed ourselves to purchase for your account, (either specifically or as part of a plan such as modules, photography and/or external services) shall be paid for by you, in accordance with the provisions of this Agreement. We agree to use our best efforts to minimize such liabilities immediately upon written notification from you. We will provide written proof, upon request of the Westchester IDA, that any such materials and services, are non cancelable.

8.4 MATERIALS UNPAID FOR

If upon termination there exist any materials furnished by us or any services performed by us for which you have not paid us in full, until such time as you have paid us in full you agree not to use any such materials, in whole or in part, or the product of such services.

8.5 TRANSFER OF MATERIALS

Upon termination of this agreement, provided that there is no outstanding indebtedness then owing by Westchester IDA to Crafted, Crafted shall transfer, assign and make available to Westchester IDA all property and materials in its possession or control belonging to Westchester IDA. Westchester IDA agrees to pay for all costs associated with the transfer of materials.

9.0 GENERAL PROVISIONS

9.1 GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the Province/ State of STATE/PROVINCE.

9.2 REPRESENTATIONS AND WARRANTIES

The parties each individually represent and warrant that each has full power and authority to enter into this Agreement and to perform all of their obligations hereunder without violating the legal or equitable rights of any third party.

9.3 ENTIRE AGREEMENT

Except as otherwise set forth or referred to in this Agreement, this Agreement constitutes the sole and entire Agreement and understanding between the parties hereto as to the subject matter hereof, and supersedes all prior discussions, agreements and understandings of every kind and nature between them as to such subject matter.

9.4 SEVERABILITY

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, then that provision will be fully severable. In such instance, this Agreement will be construed and enforced as if the illegal, invalid, or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement will remain in full force and effect.

Bridget Gibbons, to accept this contract, click the Accept button and sign at the prompt. You will be emailed a copy for your records

Next Steps

Please read the contract on the previous page to make sure you understand all the details involved with us working together. It's really important to us that everything is transparent and understood from the beginning so that we lay a solid foundation for a great working relationship.

If you have any questions at all, please let us know. We're happy to clarify any points and there may be some items that we can sort out together. We're committed to finding the best way to work together.

1. Once you feel confident about everything and are ready to move forward, please click the 'sign here' button below.
2. Sign in the box that pops up to make the acceptance official.
3. Once we receive notification of your acceptance, we'll contact you shortly to sort out next steps and get the project rolling.
4. We'll email you a separate copy of the signed contract for your records.
5. If you'd like to speak to us by phone, don't hesitate to call .

Peter Mendez,
Crafted

Bridget Gibbons
Westchester IDA

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION

Regarding

A CONTRACT FOR THE MAINTENANCE OF THE AGENCY'S WEBSITE WITH
CRAFTED CREATIVE INC.

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment, deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes, to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, the County of Westchester Industrial Development Agency (the "Agency") was established by Chapter 788 of the Laws of 1976 of the State of New York, as amended by Chapter 564 of the Laws of 1983 (together with the Enabling Act, the "Act") for the benefit of the County of Westchester (the "County") and the inhabitants thereof; and

WHEREAS, a well-designed and easily navigable website is essential in the Agency's efforts to meet compliance regulations set by the Public Authorities Law and the Authorities Budget Office and achieving the Agency's goals of attracting and retaining business in order to promote economic development and job growth; and

WHEREAS, on April 18, 2019, the Board of Directors of the Agency unanimously adopted a resolution authorizing the Agency to enter into a contract with Crafted Creative Inc., a New York corporation with offices at 450 Lexington Avenue, 4th Floor, New York, New York 10017 ("Crafted"), to redesign the Agency's website; and

WHEREAS, in 2019, the Agency unveiled a new and dynamic website, designed by Crafted, called "The Catalyst" to position Westchester County as the place to live, work and visit; and

WHEREAS, following the successful launch of "The Catalyst", ongoing technical site maintenance and updates are critical to keeping content both vibrant and relevant; and

WHEREAS, since Crafted designed "The Catalyst", it is in the best interest of the Agency to harness its knowledge, expertise and skill to perform these services; and

BE IT RESOLVED, that the Agency is hereby authorized to enter into a proposed contract with Crafted for a sum not to exceed \$24,862 to maintain and update to “The Catalyst”; and to do and cause to be done any and all acts and things necessary or proper for carrying out the actions contemplated by and referred to in the resolution and associated services agreement, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Executive Director of the Agency is hereby authorized and directed to execute and deliver such other documents and instruments, subject to the approval of counsel, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by these resolutions, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted: May 14, 2020

COUNTY OF WESTCHESTER INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION

Regarding

A CONTRACT FOR THE DEVELOPMENT OF RELOCATION SERVICES CONTENT ON
THE AGENCY'S WEBSITE WITH CRAFTED CREATIVE INC.

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment, deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes, to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their prosperity and standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, the County of Westchester Industrial Development Agency (the "Agency") was established by Chapter 788 of the Laws of 1976 of the State of New York, as amended by Chapter 564 of the Laws of 1983 (together with the Enabling Act, the "Act") for the benefit of the County of Westchester (the "County") and the inhabitants thereof; and

WHEREAS, a well-designed and easily navigable website is essential to achieving the Agency's goals of attracting and retaining business in order to promote economic development and job growth; and

WHEREAS, on April 18, 2019, the Board of Directors of the Agency unanimously adopted a resolution authorizing the Agency to enter into a contract with Crafted Creative Inc., a New York corporation with offices at 450 Lexington Avenue, 4th Floor, New York, New York 10017 ("Crafted"), to redesign the Agency's website; and

WHEREAS, in 2019, the Agency unveiled a new and dynamic website, designed by Crafted, called "The Catalyst" to position the County as the place to live, work and visit; and

WHEREAS, attracting new business and investment in the County is a top priority for the Agency; and

WHEREAS, Agency staff has determined that the development of content on "The Catalyst" website, specifically aimed at relocation services, will only further enhance the Agency's effort at creating an attractive business climate; and

WHEREAS, showcasing data resources, advocacy, and expertise on “The Catalyst” website by way of location rentals testimonials, video media, and links to relocation support services (“Relocation Content”) will further promote the County’s strengths, including location, infrastructure, skilled workforce, institutions of higher education, and quality of life; and .

WHEREAS, since Crafted designed “The Catalyst”, it is in the best interest of the Agency to harness its knowledge, expertise and skill to create and execute the Relocation Content; and

BE IT RESOLVED, that the Agency is hereby authorized to enter into a proposed contract with Crafted for a sum not to exceed \$26,260 to create the Relocation Content on “The Catalyst” website; and to do and cause to be done any and all acts and things necessary or proper for carrying out the actions contemplated by and referred to in the resolution and associated services agreement, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Executive Director of the Agency is hereby authorized and directed to execute and deliver such other documents and instruments, subject to the approval of counsel, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by these resolutions, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted: May 14, 2020