



Mount Vernon Industrial Development Agency

City Hall – 1 Roosevelt Square

Mount Vernon, New York 10550
(914) 665-2300

Shawyn Patterson-Howard

CMFO Mayor/ Chairman

Darren M Morton, Ed.D., CPRP,

Treasurer

Meeting

April 9, 2026, 10:00 am

Agenda

1. Roll Call
2. Approval of Minutes
3. Financial Report
4. Old Business
 - a. GDC – Next Steps
 - b. Library Square Presentation
 - c. Sentinel Project Option for Lease
5. Executive Directors Report
 - a. Budget for Room
 - b. Personnel- Secretary to the Boards
 - c. Sydney Structure/Sevens Structure
 - d. Fire Station
 - e. Zoning Ordinance RFP
 - f. Summit
 - g. Joint meeting with City Council
6. Resolutions
7. New Business

8. Litigation Matter Updates
9. Adjournment

NEXT MEETING- MAY 14, 2026 AT 10:00 AM

**Minutes of the City of Mount Vernon Industrial Development
Meeting
March 12, 2026**

The Annual Meeting of the Board of Directors (“Board”) of the City of Mount Vernon Industrial Development Agency (“Agency”) was held on Thursday, March 12, 2026 at 10:00 AM, in the Mayor’s Conference Room, City Hall, 1 Roosevelt Square, Mount Vernon, New York 10550 and via video conference.

Present: Hon. Shawyn Patterson-Howard
Brian Johnson, Esq.
Stephanie Vanderpool
Chris McDonough (School Board Representative)

Excused: Darren Morton, EdD

Absent: None

Also Present: Darius Chafizadeh, Esq., Harris Beach PLLC (via remote meeting)
Julie Marshall, Harris Beach PLLC (via remote meeting)
Pam Tarlow, First Deputy Commissioner of Planning
Shannon Manesse, CPA, RBT CPAs
Victoria Storrs, Storrs Associates
Andrew Maniglia, Ginsburg Development Companies, LLC
Christoph Stumpf, Ginsburg Development Companies, LLC
Doug Ramsay, Ginsburg Development Companies, LLC

The Meeting was called to order at 10:13 AM by Chair Patterson-Howard. A quorum of members was present.

Approval of Minutes

Minutes of the January 8, 2026 meeting were reviewed.

Motion by S. Vanderpool, seconded by B. Johnson, the minutes were unanimously approved.

Audit Report

Shannon Manesse presented the draft Audit Report for the year ending December 31, 2025. The IDA received a clean un opinion. Ms. Manesse stated that the Agency did not have any findings. The Agency is in a strong financial position. The annual compliance report required under Public Authorities Accountability Act (the PARIS Report) is compiled but Harris Beach Murtha and will be filed with the State Authorities Budget Office prior to the March 31st deadline.

Financial Report

MVIDA has collected \$696K toward first half PILOTs.

To date, the IDA has collected \$18,278.24 (17%) of the total 2026 Administrative Fees.

Lease invoices will be sent to the respective projects in July 2026.

Old Business

Representatives from Ginsburg Development Companies LLC discussed the Heritage House South and Hickory House South project located at 500 E. Sanford Boulevard. Ginsburg is seeking fill an approximately 9,000 square foot vacant space and is seeking an extension of the existing PILOT Agreement through 2045. The current PILOT is set to expire in 2031. Lightbridge Academy, an early childhood education center has expressed interest in the space.

Victoria Storrs presented the *Preliminary 500 E. Sanford Blvd. Retail Plaza Financial Assistance and Impact Analysis*. This is an objective third party review of the proposed project to support IDA board decisions. An extension of the PILOT would constitute a deviation from the existing Policy. The Commercial PILOT schedule was used for the analysis. Current PILOT payments are higher than those estimate with the initials discount in the UTEP which would result in a decrease in revenue for the taxing jurisdictions if enacted. Abatement therefore begins at 50%, estimate to be approximately \$33,000 higher than the last payment under the original PILOT. 50% abatement for an additional 7 years, after which the abatement can “catch up” to the UTEP commercial PILOT. The “clock” for a modified UTEP commercial PILOT starts in 2027 and covers the last five years for the existing PILOT. The extension/revised PILOT is therefore for 15 years, for a combined 20 year PILOT ending in 2045. The project is not seeking a sales tax exemption nor a mortgage recording tax exemption.

Executive Director Report

Pam Tarlow reported that she has met with 4 entrepreneurs and/or non-profit business owners seeking to locate in Mt. Vernon to assist with understanding the planning and permitting process and connecting them with organizations such as the small business administration.

Ms. Tarlow would like to have a discussion on leasing vs. owning. She has created a term sheet and would like to discuss further with the board.

Ms. Tarlow met with a developer that is looking to undertake an owner affordable building (co-op). She will connect the developer with HCR.

Land Use Planning Summit is scheduled for March 28th. Topics of discussion include sale vs. lease agreements, regulations and its affect on development and affordable/workforce housing. Elected officials, department heads and school district are invited to attend.

The Agency has been waiting for information from Urbanomics Report. The information to set the multitier for school is needed.

Job Descriptions for a Director of Economic Development, Business Retention Specialist and Administrative Assistant were previously discussed. Resumes have been received for the Director’s position. The Administrative Assistant could be shared between the IDA and the URA.

The City received a \$996,000 Innovation Grant. Funds will be used to identify city owned properties to be used for economic development purposes. Funding includes staff costs.

FOIL Requests were received for the IDA and URA. They have been submitted to Corporation Counsel rather than Agency Council and the appropriate FOIL Officer.

Website review is needed and legacy documents need to be posted to the website. The meeting is livestreamed. There is no opportunity for public comment.

Resolutions

Resolution 3/2026-1 Authorizing Payment of Invoices

Motion by B. Johnson, seconded by S. Vanderpool, the resolution was unanimously adopted.

Resolution 3/2026-2 Accepting 2025 Audit Report

Motion by B. Johnson, seconded by S. Vanderpool, the resolution was unanimously adopted.

New Business

None.

Report of Agency Counsel

No additional report.

Executive Session

Motion by Chair Patterson-Howard, seconded by S. Vanderpool to enter into executive session to discuss litigation related to the Dominican PILOT and real estate negotiations where value could be significantly affected by public disclosure.

Motion by Chair Patterson-Howard, seconded by B. Johnson to adjourn the meeting at 11:58 AM. The motion was unanimously adopted.

Next meeting is scheduled for April 9, 2026.

Respectfully submitted,

Julie Marshall

Mount Vernon Industrial Development Agency

Financial Statements: 03/31/26	Quarter 1	March
	2026	2026
Income Statement		
Revenue		
PILOT	728,700	354,508
Fees, Rent and Lease	41,233	10,000
Escrow- New Project		
Interest	2,950	1,129
Total Income	772,884	365,638
Expenses		
Salaries and Benefits	-	-
Overhead		
Events		
PILOT Remittance	-	-
Total Expenses	-	-
Net Earnings or (Loss)	772,884	365,638
Balance Sheet		
Chase Escrow accounts	850,656	850,656
Money Mkt Account	817,587	817,587
Pilot Account	1,172,387	1,172,387
Operating Account	1,804,203	1,804,203
PILOTS Receivable	395,775	395,775
Total Assets	5,040,608	5,040,608
Liabilities		
Accounts Payable (Other)	-	-
Accounts Payable (PILOT)	1,172,387	1,172,387
Total Liabilities	1,172,387	1,172,387
Cash Flow Statement		
Operating Cash Flow		
Net Earnings	772,884	365,638
Cash From Operations	772,884	365,638
Net Increase (decrease) in Cash	789,450	364,768
Opening cash balance	2,187,140	2,611,822
Closing cash balance	\$ 2,976,590	\$ 2,976,590

Notes:

(1) Market value per Tri-Party Collateral agreement with MVIDA, Webster Natl Bank & BNY Mellon is \$578,939.10 thru 03/16/26.

MVIDA SUMMARY_ 2026 PILOT PAYMENTS & OPEN BALANCES

Project	ESCROW Balances	PAYMENTS DUE		PAYMENTS REC'D		OPEN BALANCES	Updated 03/31/26 PAYMENT STATUS
		January	July	January	July		
		First Half 2026	Second Half 2026	First Half 2025	Second Half 2026		
22 South West Street	30,000	89,310.19	89,310.19	(89,310.19)		89,310.19	Paid 12/30/2025
203 Gramatan Ave/ Blue Rio, LLC Project	9,200	50,354.11	50,354.11	(50,354.11)		50,354.11	Paid 12/31/2025
Blue Rio/ Duck Soup		22,254.42	22,254.42	(22,254.42)		22,254.42	Paid 2/13/2026
130 Modern LLC/Macquesten - RESIDENTIAL	69,660	39,224.24	39,224.24	(39,224.24)		39,224.23	Paid 12/31/2025
130 Modern LLC/Macquesten - COMMERCIAL		563.08	563.08	(563.08)		563.08	Paid 12/31/2025
Ace Natural, Inc./Exit 8 Hutch LLC Natural Food		64,478.78	64,478.78	(64,478.78)		64,478.78	Paid 01/31/26
Dominican Magic	20,000					-	
Enclave at Fleetwood Parcel A		67,753.75	67,753.75	(67,753.75)		67,753.75	Paid 1/07/2026
Enclave at Fleetwood Parcel B		44,227.70	44,227.70	(44,227.70)		44,227.69	Paid 1/07/2026
Enclave on 5th Housing Development Fund Company, and Enclave on 5th Residential, LLC	52,400	44,849.18				44,849.18	Annual Pilot
Grace Plaza LLC	17,529	62,756.41				62,756.41	Annual Pilot
Grace Terrace LLC	53,600	35,163.92	35,163.92	(35,163.92)		35,163.92	Paid 1/14/2026
Grace Towers Housing II LLC	49,680	134,901.30				134,901.30	Annual Pilot
Heritage House North (aka Mount Vernon North)		82,182.27	87,113.21	(82,182.27)		87,113.21	Paid 03/13/2026; late interest \$5,752.76
Heritage House South (aka Mount Vernon South)		154,742.59	154,742.59	(154,742.59)		154,742.59	Paid 03/13/2026; late interest \$10,831.98
Oakwood Gardens	20,000	41,551.23	41,551.23	(41,551.23)		41,551.23	Paid 12/31/2025
Warren Place LLC & American Christmas, Inc.		37,500.00	37,500.00	(37,500.00)		37,500.00	Paid 1/07/2026
Regent Hospitality Linen Services	27,750	17,576.43	17,576.43			35,152.87	Unpaid
Target		201,997.36	209,335.07	(201,997.36)		209,335.07	Q2 2026 paid 03/13/2026
Zion Court Apartments LP - RESIDENTIAL	29,000	17,407.24	17,407.24	(17,407.24)		17,407.24	Paid 1/14/2026
Zion Court Apartments LP - COMMERCIAL		1,224.00	1,224.00	(1,224.00)		1,224.00	Paid 1/27/26
Sandford Terrace LLC - NEW PROPOSAL	32,773	17,385.36	17,385.36	(17,385.36)		17,385.36	Paid 02/04/26
Kings Court	57,626	21,691.80				21,691.80	Unpaid
Macedonia Towers		66,796.97		(66,796.97)		-	Paid 02/13/2026
American Christmas	6,576						
1 North Fulton	20,000						
A-Val	54,608						
WP East Acquisitions LLC	20,000						
Petrillo Apartments	20,000	-	-				
Hartley Park Towers	20,000						
Hawkins, Delafield & Woods	50,223						
Sandford Terrace							
TOTAL	850,625	\$ 1,315,892.33	\$ 997,165.33	\$ (1,034,117.21)	\$ -	\$ 1,278,940.45	

Mount Vernon IDA - Status of 2026 Administrative Fees

Updated 03/31/2026

Project Name	Contact Person	Applicant Name	Project Address	Mailing Address	2026 Amount	Status
130 Modern, LLC	Joe Apicella	130 Modern LLC	130 Mount Vernon Avenue	438 Fifth Avenue, Suite 100	6,921.17	
203 Gramatan Avenue		Atlantic Development Group, LLC	203 Gramatan Avenue	155 6th Avenue #3	6,560.43	
Ace Natural	Tor Neuman	Ace Natural	249-257 East Sandford Blvd		6,921.17	
American Christmas, LLC	Paul Genova	American Christmas LLC	30 Warren Place		6,921.17	
Dominican Magic		Luciano Brothers LLC	458 South 10th Street	151 Ludlow Street		2025 fee not paid
Enclave at Fleetwood Project	Margaret Corbett, CFO	Enclave Equities LLC	525-645 North MacQuesten	2 Manhattanville Road, Suite 403	6,523.87	Paid 1/7/26
Enclave on 5th Residential LLC	Margaret Corbett, CFO	Enclave on 5th Residential LLC	15 South Fifth Avenue	2 Manhattanville Road, Suite 403	5,000.00	
Grace Terrace LLC	John Madeo	Grace Terrace Corp./	125-129 South Fifth Avenue	700 White Plains Road	6,719.58	
Grace Plaza	John Madeo	Grace Plaza LLC	153-163 South 5th Avenue	700 White Plains Road	5,000.00	
Grace Towers Project	John Madeo	Grace Towers II LLC	20-28 East Third Street	700 White Plains Road	5,000.00	
Regent Hospitality Linen Services LLC		Regent Hospitality Linen Services LLC	130 South Columbus Avenue	86-02 104th St.	6,719.59	
Target Corp./ Heritage North	Aaron McGuire	GDC Properties LLC and Target	East Sanford Boulevard	245 Saw Mill River Road	5,000.00	Paid 3/13/26
Oakwood Gardens Preservation LLC		Oakwood Gardens Preservation LLC	630 East Lincoln Avenue	641 Lexington Avenue, 15th Floor	6,921.18	
22 South West Street	Joe Apicella	c/o MacQuesten Development	22 South West Street	438 Fifth Avenue, Suite 100	6,921.17	
Macedonia Towers/ Community Housing		Macedonia Towers	150 South Fifth Ave	700 White Plains Road	5,000.00	
Kings Court		Kings Court	117 South Second Ave		5,000.00	
Heritage South		Heritage South	550 East Sandford Blvd	100 Summit Lake Drive, Ste 235,	5,000.00	Paid 3/13/26
Zion Court	Rev. Julius	Zion Court	116 West First Street		5,000.00	Paid 1/27/26
Sanford Terrace	Robert DeBenedictis	470 South Fifth Avenue Corp	470 South Fifth Avenue Corp	PO Box 204	6,754.37	Paid 2/04/26

Uncollected Fees	\$	92,653.18
Collected		15,230.51
TOTAL	\$	107,883.69



FINAL April 1, 2026

Library Square Trinity Financial, Inc.

FINANCIAL ASSISTANCE AND IMPACT ANALYSIS FOR
MOUNT VERNON INDUSTRIAL DEVELOPMENT AGENCY
MOUNT VERNON, NEW YORK



This page intentionally left blank

EXECUTIVE SUMMARY

LIBRARY SQUARE

20 S 2nd Square CM, LLC and Trinity Financial, Inc. (together the Applicant) propose to build a new, 139-unit multifamily housing project at 20 South 2nd Avenue (Project), and requests financial assistance from the City of Mount Vernon IDA (Agency). Storrs Associates, LLC has been engaged by the Agency to conduct an objective, third-party analysis to assist with its evaluation of the application. The Project includes:

- ◆ 138 rental apartments for households earning area median incomes (AMI) of 50% (41 units), 60% (83 units) or 80% (14 units). One unit is reserved for an on-site employee (super.) There will be 59 paid parking spaces for residents.
- ◆ Community indoor space with youth programming, and indoor and outdoor space for arts programs.
- ◆ \$124,732,424 total project costs, \$88,659,183 for construction.
- ◆ The project is a redevelopment of an existing site and \$8,466,919 of construction costs are related to demolition of a former YMCA building, public infrastructure, and public right of way, increasing construction costs above what might have been needed to develop a less complex site. These provide direct benefits to the City.
- ◆ Purchase of the site from the City for \$1,500,000.
- ◆ The Project is the first phase of a two-phase multifamily housing plan, and certain of the site costs, including for infrastructure and right of way, will benefit both projects.

Financial Assistance Requested

- ◆ 30-year Shelter Rent PILOT, conforming to the Agency's Uniform Tax Exemption Policy. Estimated savings during the PILOT period is \$11,963,731.
- ◆ Construction Materials Sale Tax Abatement of \$2,602,102 and Mortgage Recording Tax Abatement of \$1,606,249.
- ◆ Prevailing Wage Requirement: Waived by NYS.

CONCLUSIONS AND RECOMMENDATION

This analysis concludes that the financial assistance is necessary for financial feasibility, and without a PILOT, the Project would not be built. With assistance, the Project is likely to meet NYS Housing Finance Agency and investor expectations and therefore be built.

Estimated Return on Investment for Applicant

The return on an affordable housing project with HFA participation is a Developer's Fee, limited by HFA based on project costs. With the financial assistance, the Applicant is likely to earn a fee that will make the Project an acceptable investment, and is within HFA requirements.

The fee is divided into an up-front fee and a deferred fee that is received from project net cash flow over no more than 15 years. HFA approves both components.

Estimated Economic Benefits in Mount Vernon

- ◆ Project construction is expected to generate 399 direct jobs plus another 51 indirect and induced jobs, and add \$79 million to the city's Gross Regional Product (GRP), the local version of U.S. GDP.
- ◆ In year 1, annual operations are estimated to support 2 jobs for permanent on-site employees. An additional job in the city from facility, household, and worker spending on local goods and services are also estimated. 13 additional workers are expected on-site to provide community services.
- ◆ Operations and household spending add an estimated \$7.4 million annually to GRP in Mount Vernon.

Estimated Fiscal Benefit to Cost Ratio in Mount Vernon over PILOT Term

- ◆ Benefit/cost ratio within Mount Vernon of \$1.91/ \$1.00
- ◆ Net fiscal benefit to Mount Vernon of \$10,414,779
- ◆ *After local costs for public services and education, plus additional investment by Applicant*
\$1.0/9\$1.00 ratio and net benefit of \$2,091,972

Contents of This Report

Summary of Results.....	2
IDA Benefits to Project	3
Project Benefits to Mount Vernon	4
Impact on Schools and City Budget.....	7
Fiscal Benefits and Cost Analysis	10
Project Operations.....	11
Financing Plan	13
PILOT Analysis	15
About this Report.....	19

SUMMARY OF RESULTS

ESTIMATED BENEFITS AND COSTS FOR MOUNT VERNON

Estimated Fiscal Benefits and Costs for Mount Vernon and School District

Fiscal Benefits (Total New Revenue over 30 Years)

Sales Tax from Construction Materials Purchases	\$86,685
One-time Sales Tax Revenue from Construction Labor Per Diem	11,104
Sales Tax Revenue from On-Site Employee Per Diem	24,390
Sales Tax Revenue from Resident Household Spending	225,760
Sales Tax Revenue from Purchases for Operations	145,469
Real Property Transfer Tax	14,000
Mortgage Recording Tax	308,894
<u>Property Tax Revenue from Project if No PILOT is Awarded</u>	<u>21,007,040</u>
Total Fiscal Benefits	\$21,823,342

Fiscal Costs, Foregone Revenue

Estimated Construction Materials Sales Tax Exemption	(86,685)
Estimated Mortgage Recording Tax Exemption	(308,894)
Foregone Property Tax Revenue (Exemption)	<u>(11,012,983)</u>
Estimated Financial Assistance Requested, Total	(\$11,408,562)

Net Fiscal Benefit	10,414,779
Benefit to Cost Ratio	1.91

New Expense and Additional Investment

New Incremental Costs to School District	(\$7,719,822)
New Incremental Costs to City Budget	(3,787,985)
<u>Additional Direct Community Investment by Applicant</u>	<u>3,185,000</u>
Total Expense and Additional Investment	(\$8,322,807)

Net Benefit to Mount Vernon	\$2,091,972
Benefit/Cost Ratio	\$1.09 to \$1.00

Note: All estimates are in current dollars, not discounted.

ESTIMATED ECONOMIC IMPACT & OUTPUT¹

- ◆ 2 direct, permanent jobs at the Project plus another induced by facility and household spending. 13 jobs are anticipated to provide services in the community facility space.
- ◆ \$7,391,604 estimated annual increase to Gross Regional Product.
- ◆ 399 jobs created by construction spending, plus another 51 indirect and induced jobs, for a total of 450 construction-related jobs.
- ◆ \$79,394,198 added to GRP during the construction period.

Jobs and Income - Employees, Operations, and Households

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
New Jobs	15	0	1	16
Labor Income	\$1,184,048	\$7,015	\$72,303	\$1,263,366
Average Income	\$78,937	\$77,943	\$62,872	\$77,793

Value Added, or Contribution to Mount Vernon GRP **\$7,391,604**

Jobs and Worker Income During Construction Period

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
New Jobs	399	51	0	450
Labor Income	\$46,604,810	\$8,850,572	\$15,811	\$55,471,193
Average Income	\$116,915	\$172,257	\$68,743	\$123,206

Value Added, or Contribution to Mount Vernon GRP **\$79,394,198**

- ◆ Direct jobs are at the Project during construction or operation
- ◆ Indirect jobs are supported by business to business purchases
- ◆ Induced jobs are supported by employee and household spending

¹ Totals and averages in tables may not add because of rounding.

IDA BENEFITS TO PROJECT

Storrs Associates analyzed pro forma cashflows and project financing details submitted by the Applicant. With Agency assistance:

- ◆ 174% of the Deferred Developer Fee of \$3,857,618 is estimated to be earned within the 15-year limit imposed by the IRS. Without the Shelter Rent PILOT, only 34% of the fee is expected to be collected, making the Project financially unfeasible.
- ◆ The NYS Housing Finance Agency Developer Fee is anticipated to be \$10,500,000 in total, with \$3,857,618 deferred and \$6,642,382 up front.
- ◆ With the Shelter Rent PILOT, project operations are estimated to generate positive net cash flow each year, and repay debt service, with performance improving over time.
- ◆ Table 2 summarizes the value of the assistance over the life of the PILOT. Details of the PILOT are provided below in PILOT Analysis.

Table 2

Estimated Financial Assistance Requested

	Total Project	City of Mount Vernon	Mount Vernon City School District	Westchester County	State, MTA	Table Reference
<u>Sales Tax Exemption on Construction Materials</u>						
Construction Materials Costs, Estimated	\$31,069,873	\$31,069,873	\$31,069,873	\$31,069,873	\$31,069,873	
Sales Tax Rate Subject to Exemption	<u>8.375%</u>	<u>0.200%</u>	<u>0.079%</u>	<u>3.721%</u>	<u>4.375%</u>	
Estimated Construction Materials Sales Tax Exemption	\$2,602,102	\$62,140	\$24,545	\$1,156,110	\$1,359,307	This table
<u>Mortgage Recording Tax Exemption</u>						
Estimated Mortgage Amount	123,557,614	123,557,614	0	123,557,614	123,557,614	
Mortgage Recording Tax Benefit, Percent of Mortgage	<u>1.30%</u>	<u>0.25%</u>	<u>0</u>	<u>0.75%</u>	<u>0.30%</u>	
Estimated Mortgage Recording Tax Exemption	1,606,249	308,894	0	926,682	370,673	This table
<u>Real Property Tax Abatement</u>						
Estimated Real Property Taxes if no PILOT	\$22,820,571	\$7,641,491	\$13,365,548	\$1,813,531	n/a	Table 12a
Less: Estimated PILOT Tax Payments	<u>(10,856,840)</u>	<u>(3,635,424)</u>	<u>(6,358,632)</u>	<u>(862,784)</u>	<u>n/a</u>	Table 12b
Real Property Tax Abatement	11,963,731	4,006,067	7,006,916	950,747	0	
Estimated Financial Assistance Requested, Total	\$16,172,082	\$4,377,101	\$7,031,461	\$1,877,430	\$1,359,307	

All estimates are current dollars, not present value.

Notes: (1) All materials are estimated to be purchased in Westchester County, using a retail or wholesale supplier. (2) City of Mount Vernon imposes a 2.5% sales tax rate, which is distributed among the City, the School District, and the County according to set formulas. Westchester County imposes a 4.0% sales tax rate and receives a portion of the City's tax. Source: City of Mount Vernon IDA. (3) Total is maximum abatement assuming all materials purchases owe the full 8.375%. Actual abatement will vary depending on sales tax rates at the location of purchase.

Table 1

Comparison of Return on Investment	Applicant Request 10%	
	Shelter Rent for 30 Years	No PILOT, 30 Years
Project Cost	\$124,732,424	\$124,732,424
Developer Equity (Deferred Fee)	\$3,857,618	\$3,857,618
Equity as a Percent of Capital	3.1%	3.1%
<u>Progress Toward Earning Deferred Developer Fee: Target is \$3,857,618</u>		
Net Income first 15 Years	\$6,723,696	\$1,293,271
% of Deferred Fee Earned by Year 15	174%	34%
Cumulative Cash Flow, PILOT Period	\$22,077,409	\$10,113,678
<u>Discount Rate (Internal Rate of Return), Benchmark 9.1% to 15.9%, Average 12.0%</u>		
Return over 30 Years	14.9%	9.4%
<u>Average Debt Service Coverage Ratio, Benchmark 1.25 to 1.85, Average 1.55</u>		
Average	1.67	1.33

Benchmarks: RealtyRates Q1 2026

PROJECT BENEFITS TO MOUNT VERNON

Annual Operations²

As a housing project with on-site support services, The Project is expected to contribute annually to the Mount Vernon economy in multiple ways:

1. The Applicant anticipates 2 direct permanent employees on site for facility operations. These are the direct jobs listed in the Application. An additional 13 jobs are expected to provide services at the community facilities space.
2. Project operating expenses, estimated to begin at \$850,413 per year, will generate local sales and support indirect and induced wages at other businesses in Mount Vernon. A management fee starting at \$176,180 is anticipated.
3. The 138 new households will also support local jobs and GRP through annual spending of a portion of their income in Mount Vernon. The economic impact of the on-site super is included in building operations, not household spending.

Summary of Table 3

Jobs and Income - Employees, Operations, and Households

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
New Jobs	15	0	1	16
Labor Income	\$1,184,048	\$7,015	\$72,303	\$1,263,366
Average Income	\$78,937	\$77,943	\$62,872	\$77,793
Value Added, or Contribution to Mount Vernon GRP				\$7,391,604

Table 3

Economic Impact of Project Operations in Mount Vernon, Annual

Basic Information for Year 1

Building Payroll	\$190,000	Community Facilities Jobs	\$817,868
Operating Purchases	\$850,413		
Management Fee	\$176,180		

Jobs and Worker Income for Project Employees, Operations, and Management

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
New Jobs	2	0	0	2
Labor Income	\$366,180	\$7,015	\$968	\$374,163
Average Income	\$183,090	\$77,943	\$96,789	\$178,173
Value Added, or Contribution to Mount Vernon GRP, Operations				\$5,844,933

Jobs and Worker Income, Resident Household Spending, \$608,850 Annually

	<u>Induced</u>	<u>Total</u>
New Jobs	1	1
Labor Income	\$71,265	\$71,265
Average Income	\$62,513	\$62,513
Value Added, or Contribution to Mount Vernon GRP, Household Spending	\$671,270	

Jobs and Worker Income, On Site Staff for Community Facility Space

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
New Jobs	13	0	0	13
Labor Income	\$817,868	\$0	\$71	\$817,939
Average Income	\$62,913			\$62,918
Value Added, or Contribution to Mount Vernon GRP, On Site Services Jobs				\$875,401

Total Value Added, Operations and Households	\$7,391,604
---	--------------------

² Jobs, wages, and GRP calculated with the IMPLAN input-output model. Purchases estimated by IMPLAN are used to project future jobs, wages, and other purchases. Totals may not add because of rounding.

Construction Period

The Applicant expects a 36-month construction period. Jobs, wages, and GRP contribution calculated here are for the full construction period as if it occurred in a single year, not over the expected timeline.

399 direct construction jobs, and 51 indirect and induced jobs, are estimated to be required to design, build, and finance the project, including site work and infrastructure, building construction, architecture and engineering, and insurance. Purchase of property, reserves, and fees are not included.

Of these jobs, 213 are estimated in this analysis to be in the skilled trades, based on local job trends in the City of Mount Vernon and Westchester County.

All of the construction jobs, regardless of where workers live, are expected to contribute to the Mount Vernon economy because the Project is located in the city. The Applicant expects that 95% of on-site jobs will originate within the 100-mile hiring radius and has stated the construction contract will require local hiring.

Note: The timeframe during which jobs are measured creates a difference between the Applicant's estimate of construction jobs, as provided in the Application, and the estimate prepared by Storrs Associates.

Based on the labor payroll submitted by the Applicant, Storrs Associates estimates a direct labor payroll for 399 workers of \$46,604,810, for an average income of \$116,915 per year for a single 49-week work year, well above regional wages.

Storrs Associates' wage estimate in Table 4 was created with the IMPLAN input-output model using the Applicant's payroll which, at current average wages, would support 213 direct trades workers for an average annual wage of \$53, as shown in Table 4. In practice, these jobs will be spread out across the construction period, and any worker engaged for two years, for example, would count as two jobs: 1 job per year.

Table 4

Economic Impact of Construction in Mount Vernon

Basic Information

Timeframe	Treated as 1 Year for Calculations
Construction Costs	\$88,659,183 Not including project fees or reserves

Jobs and Worker Income During Construction Period

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
New Jobs	399	51	0	450
Labor Income	\$46,604,810	\$8,850,572	\$15,811	\$55,471,193
Average Income	\$116,915	\$172,257	\$68,743	\$123,206
Value Added, or Contribution to Mount Vernon GRP				\$79,394,198

Applicant estimates 300 on-site jobs. Here, construction payroll is used to estimate jobs.

Construction and Trades Workers Detail, All Jobs are Direct

	<u>Direct Trades</u>
New Jobs	213
Hours Worked	424,532
Compensation	\$22,475,510
Days Worked	53,067
Avg Hourly Rate	\$53

As noted on page 4, jobs, wages, and GRP calculated with the IMPLAN input-output model using the Applicant's estimated payroll. Purchases estimated by IMPLAN are used to project future jobs, wages, and other purchases. Totals may not add because of rounding.

Sales Tax Estimates

Table 5

Operations and Construction

The economic activity from Project construction and operation generates sales taxes on a portion of the goods and services purchased. New sales tax revenue generated by the Project is estimated as follows, and shown in Table 5.

- ◆ Within Mount Vernon a sales tax rate of 8.375% applies, with 0.8% of collected taxes retained as city revenue, and 0.316% shared with school district.
- ◆ Construction workers purchase meals, gas, and workday incidentals for each day worked. The NYS per diem for Westchester County, \$50, is used. Workdays are hours worked from Table 4, above, divided by 8-hour days. 75% of purchases are expected to be taxable.
- ◆ The permanent full time workers and full-time-equivalent contracted services staff are expected to purchase meals, gas, and incidentals, but to spend only \$25 per day because of the ongoing nature of the job. 75% of purchases are expected to be taxable.
- ◆ Based on the Applicant's pro forma cash flows, taxable operating expenses are projected, with 75% of the purchases in Mount Vernon and paying sales tax.

Household Spending

The 138 households will begin contributing to the local economy after the Project is complete and residents move in to the new units. Based on the rent costs and the income limits for the affordable units, total household income is calculated and estimated income, after taxes, housing, and savings are estimated using the calculations below.

Annual Household Spending Totals

Income Estimated Based on AMI

Household Income	\$9,225,000
Less: 8% Income Tax	(\$738,000)
Less: Housing	(\$2,767,500)
Less: 2% Savings Rate	(\$184,500)
Income to Spend	\$5,535,000

Spending, Taxes, and Tax Revenue for Mount Vernon

11% of Income Spent in Mount Vernon	\$608,850
-------------------------------------	-----------

Sales Tax Revenue from Project Construction and Operation

On-Site Construction Worker Spending, Construction Period Only

Construction Worker Per Diem, \$50 for 53,067 workdays	\$2,653,328
75% Taxable Spending by Construction Workers, 50% in City	994,998
Sales Tax Retained by City of Mount Vernon and School District	\$11,104

On-Site Worker Spending, Facility Operations and Community Services

First Year On-Site Worker Per Diem, \$25 for 245 Workdays	\$91,875
First Year 50% Taxable Spending in Mount Vernon	45,938
First Year Sales Tax Retained by City of Mount Vernon and Schools	513
Annual Tax over PILOT Period	\$24,390

Facility Operations, Taxable Purchases

First Year Estimated Value of Taxable Purchases	\$850,413
First Year 50% Taxable Spending in Mount Vernon	425,207
First Year Sales Tax Retained by City of Mount Vernon and Schools	4,745
Annual Tax over PILOT Period	\$225,760

Resident Household Spending

First Year Household Income after Housing, Taxes, and Savings	\$5,535,000
First Year 11% Spent in City of Mount Vernon	608,850
First Year 45% Taxable Spending at 8.375% Tax Rate	273,983
First Year Sales Tax Retained by City of Mount Vernon and Schools	3,058
Annual Tax over PILOT Period	\$145,469

Sales Taxes from Operations and Households over PILOT Period	\$395,619
---	------------------

Household and Project spending are estimated to increase 3% annually.

IMPACT ON PUBLIC SERVICES—NEW PUBLIC SCHOOL STUDENTS

Estimate of Enrolled Students

Storrs Associates applied public school enrollment multipliers calculated from data provided directly by the Mount Vernon City School District (MVCSD) on the number of enrolled students currently living in multifamily projects that have received financial assistance from the MVIDA. The District provided a list of projects and the number of enrolled students*. It did not provide data on what type of unit (1 bedroom, 2 bedroom) the students occupied so a single multiplier is calculated and used. Storrs Associates used this data to calculate a multiplier of 0.18118 enrolled students per unit of housing. This multiplier was applied to the units in the Project in order to estimate enrollment from that site.

Although enrollment has been declining significantly over the past five years, with a net loss of -599 students, for the purposes of this analysis Storrs Associates assumes continued enrollment at the 2025-2026 enrollment of 6,480 students¹, plus 18 additional, new students from the Project.

It is important to note that this analysis assumes 18 students will be new to MVCSD, coming from other schools, and the remaining 7 will already be enrolled in District schools but will have moved into the Project, as current City residents will be encouraged to apply for units. The actual costs to MVCSD may actually be lower, if more students move from one neighborhood to another, instead of changing districts. Because of the relative age of the City's housing stock, (68% built before 1959) a 7.8% vacancy rate, and declining enrollment at the District, the units vacated by households moving into the Project are not likely to be reoccupied by families with students.

Furthermore, as MVCSD enrollment declined by 70 students between school years 2025 and 2026, 18 new students would replace only some of those no longer attending. This analysis, however, continues to assume that the Project would create a net increase in enrollment.

- ◆ Based on the grade-by-grade enrollment patterns reported to the NYS Department of Education and published at www.data.ny.gov, students are assumed to be enrolled evenly over each grade, reducing the chance of a sharp increase in any one grade that would directly require an additional teacher; and
- ◆ All grade levels are below MVCSD's target 24:1 student-teacher ratio, with an average of 12.6:1 across the district.

This analysis concludes that the Project will result in a modest increase of 18 public school students, within the current capacity of MVCSD.

Table 6a

New Students Expected, Based on November 2024 Enrollment Data from MVCSD		
Multiplier	# of Units	Public School Students
0.18118	139	25
Net New	70%	18

Table 6b

New Students are Not Expected to Change Student - Teacher Ratio	
Average Distribution of Students Among Grades K-12	7.5%
New Students Per Grade	1.4
Average Student - Teacher Ratio without Project	12.5
Average Student - Teacher Ratio with Project	12.6

* MVCSD did not provide data on the type of units, for example 1 or 2 bedrooms, so a single multiplier was used. MVCSD data was shared only at a summary level to protect the privacy of students.

IMPACT ON PUBLIC SERVICES—NEW PUBLIC SCHOOL COSTS

Costs of Estimated New Students

Storrs Associates analyzed detailed MVCSD budgets for the academic years ending in 2019 through 2024, as reported to the State Department of Education, and budgets for 2025 and 2026 published by the school district but not yet available in the state format. Given the excess capacity and enrollment declines, and stable student-teacher ratio, this analysis assumes that all costs incurred for students from the Project will be school-level instructional costs. MVCSD budgets indicate that 48% of costs are collected from the local real property tax levy, so per-student costs are adjusted downward to reflect this.

Since the Project is not expected to be completed for four years, the estimated levy needed is increased at an annual rate of 1.5% for 4 years (Table 6d.)

This analysis finds that if 70% of the students, or 18, estimated to reside in the Project are new to MVCSD, PILOT payments will not cover the additional student costs in any year. *These are estimates, and the number of students enrolled, the actual PILOT payments, and the student costs will be different.*

Table 6c

MVCSD Budget Summary, 2025-2026 Budget Book

Total Budget	\$272,206,614
Levy after Exclusions	\$131,253,733
Levy as a % of Total Budget	48%

School-Level Spending per Student	\$20,255
Central Administration Spending per Student	\$11,717
Total Spending per Student	\$31,973

Sources: MVCSD website School District budget publications

Table 6d

Estimated Costs of Existing Students and New Enrollees

Allocation of Spending per Existing Student

Total School Level Spending, 2025-2026	\$131,253,733
÷ Existing Students	6,480
= Spending per Existing Student from Residential Levy	\$20,255

Costs of New Students, 70% New to District

New Students from Project	18
x Spending per Existing Students	\$20,255
= Total New Student School-Level Costs	\$364,594
\$ Levy Needed for New Students	\$175,801

Estimate of Costs after 4 Years, When Project is Complete	\$190,293
---	-----------

Table 6e

Effect of New Students on Budget and Levy

\$ PILOT Payment for MVCSD, Year 1	\$146,930
Plus: \$ Estimated Sales Tax from Project Activity	\$2,211
Less: \$ Levy Needed from New Students	(\$190,293)
Year 1 Excess/(Gap) of PILOT over Levy Needed	(\$41,152)
30-Year Excess/(Gap) of PILOT and Sales Tax over Levy Estimates	(\$1,271,491)

IMPACT ON PUBLIC SERVICES—CITY BUDGET EFFECTS

Expected New Households and City of Mount Vernon Adopted Budget for 2026

As with the school enrollment, new costs for general city services are estimated based on (1) anticipated new household counts; and (2) budget projections for the tax levy, adjusted for variable costs, and time, per household.

Similarly to the discussion of new students in the schools, this analysis assumes 70% of Project households will be new to the City.

New tax revenues from the PILOT payment are expected to cover costs of Project households, creating a small estimated excess of \$74,523 over 30 years. Together with the Applicant's up front community investments, this results in a net benefit of \$3,259,523,

Please see About this Report for sources.

Table 7a

City of Mount Vernon Budget and Cost of New Residents

<u>Gross Budget</u>	<u>2026</u>
Appropriations	\$90,186,849
Employee Benefits, City Debt, Misc. Items	\$65,993,703
Gross City Budget	\$156,180,552
<u>Net Budget and Levy</u>	
Less: Estimated Non-Real Property Tax Revenue	(\$75,854,520)
Net City Budget	\$80,326,032
Adjustments to Net City Budget	\$950,000
Net Property Taxes to be Levied	\$81,276,032
<u>Allocation of Levy and Estimate of Variable Expenses</u>	
Residential Portion, 70% of Assessed Value	\$50,144,890
Residential Variable Portion, Estimated at 50%	\$25,072,445
<u>Costs of New Residents, 70% New to City</u>	
Residential Variable Portion of Levy	\$25,072,445
÷ Total Households	28,077
= Household Variable Portion of Levy per Household	\$893
Estimate of Levy after 4 Years, when Project is Complete	\$27,139,221
Household Variable Portion of Levy Per Household	\$967

Table 7b

Effect of PILOT on Budget and Levy, after Completion

\$ PILOT Payment for City, Year 1	\$84,004
Plus: \$ Estimated Sales Tax from Project Activity	\$5,598
Estimated New Households, 70% of Units	97
Less: \$ Levy Needed from Project for New Households	(\$93,374)
Excess/(Gap) of PILOT over Levy Needed, Year 1	(\$3,772)
30-Year Excess/(Gap) of PILOT and Sales Tax over Levy Estimates	\$74,523
Plus: Up Front Additional Community Investment by Applicant	\$3,185,000
Net Excess/(Gap) over 30 Years	\$3,259,523

FISCAL BENEFITS AND COSTS

Table 8

Estimated Fiscal Benefits and Costs of Financial Assistance in Mount Vernon

	City of Mount Vernon	Mount Vernon School District	Total Effects in Mount Vernon
<u>Fiscal Benefits</u>			
One-time Sales Tax Revenue from Construction Materials Purchase	\$62,140	\$24,545	\$86,685
One-time Sales Tax Revenue from Construction Labor Per Diem	7,960	3,144	11,104
Sales Tax Revenue from On-Site Employee Per Diem	17,484	6,906	24,390
Sales Tax Revenue from Purchases for Operations	161,835	63,925	225,760
Sales Tax Revenue from Resident Household Spending	104,279	41,190	145,469
Real Property Transfer Tax	14,000	0	14,000
Mortgage Recording Tax	308,894	0	308,894
<u>Property Tax Revenue from Project if No PILOT is Awarded</u>	<u>7,641,491</u>	<u>13,365,548</u>	<u>21,007,040</u>
Total Fiscal Benefits	\$8,318,083	\$13,505,259	\$21,823,342
<u>Fiscal Costs, Foregone Revenue</u>			
Estimated Construction Materials Sales Tax Exemption	(\$62,140)	(\$24,545)	(\$86,685)
Estimated Mortgage Recording Tax Exemption	(308,894)	0	(\$308,894)
<u>Foregone Property Tax Revenue (Exemption)</u>	<u>(4,006,067)</u>	<u>(7,006,916)</u>	<u>(11,012,983)</u>
Estimated Financial Assistance Requested, Total	(4,377,101)	(7,031,461)	(11,408,562)
Net Fiscal Benefit	\$3,940,982	\$6,473,798	\$10,414,779
Benefit to Cost Ratios	1.90	1.92	1.91
<u>Fiscal Costs, New Expense</u>			
New Incremental Costs to School District	\$0	(\$7,719,822)	(\$7,719,822)
New Incremental Costs to City Budget	<u>(3,787,985)</u>	<u>0</u>	<u>(3,787,985)</u>
Total Costs of Financial Assistance and New Expense	(\$8,165,086)	(\$14,751,283)	(\$22,916,369)
<u>Additional Direct Community Investment by Applicant</u>			
Purchase of parcel from the City of Mount Vernon	\$1,500,000	\$0	\$1,500,000
Investment in establishment of DTOD rezoning	1,000,000	0	1,000,000
Public right of way improvements	485,000	0	485,000
Improvements to City-owned Prospect Avenue Parking Lot	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total Additional Direct Community Investment	\$3,185,000	\$0	\$3,185,000
Total Fiscal Benefits after Additional Investment	\$11,503,083	\$13,505,259	\$25,008,342
Total Fiscal Costs Including New Expense	(\$8,165,086)	(\$14,751,283)	(\$22,916,369)
Net Benefit	\$3,337,997	(\$1,246,024)	\$2,091,972
Benefit/Cost Ratio	\$1.41 to \$1.00	\$0.92 to \$1.00	\$1.09 to \$1.00

(1) 399 workers on site per day, spending \$50 per day, the state's per diem for Westchester County. This accounts for meals, gas, and incidentals, 75% of which is taxable. (2) 2 workers on site per day, spending \$25 per day, 75% of which is taxable, over PILOT Period.

Calculation of the Ratio

A ratio of tax benefits to foregone tax revenue, or savings to the Project, can help evaluate the effects of both the Project and the financial assistance. This is a hypothetical analysis only, as without the requested financial assistance the Project would not be built.

Purpose and Use of this Ratio: New York State requires Industrial Development Agencies to conduct a cost/benefit analysis but does not establish a ratio or benchmark. Storrs Associates calculates a benefit/cost ratio that the Agency can use to compare similar projects over time, and to understand how the Project affects different jurisdictions.

PROJECT OPERATIONS

Rent and Affordability

The Applicant provided details of rents for the Project, shown in the tables below. Storrs Associates calculated an Estimated Household Income needed for each household to pay no more than 30% of annual income in rent. The household income ranges were used to estimate annual household spending using the IMPLAN input-output software.

Table 9a

Residential Unit Rent and Household Income

Unit Type	Income Restriction	Household Income Range (1)	# of Units	Per Unit Monthly Rent	Per Unit Annual Rent	Total Monthly Rent	First Year Income to Project
Studio	50% AMI	\$50,000 - \$70,000	6	\$1,353	\$16,236	\$8,118	\$97,416
1BR	50% AMI	\$50,000 - \$70,000	19	1,442	17,304	27,398	328,776
2BR	50% AMI	\$50,000 - \$70,000	16	1,712	20,544	27,392	328,704
Studio	60% AMI	\$50,000 - \$70,000	12	1,650	19,800	19,800	237,600
1BR	60% AMI	\$50,000 - \$70,000	46	1,760	21,120	80,960	971,520
2BR	60% AMI	\$50,000 - \$70,000	25	2,094	25,128	52,350	628,200
Studio	80% AMI	\$80,000 - \$100,000	2	2,245	26,940	4,490	53,880
1BR	80% AMI	\$80,000 - \$100,000	9	2,398	28,776	21,582	258,984
2BR	80% AMI	\$100,000 - \$150,000	3	2,859	34,308	8,577	102,924
Total			138				\$3,008,004

Operating Snapshot at PILOT Year 7. Year 7 of the PILOT is used to create a snapshot of stabilized Project performance.

The Applicant provided clear, detailed operating information for the full PILOT period. The following factors were reviewed and found to be reasonable for affordable housing projects in Mount Vernon:

- ◆ The Applicant projects a stabilized vacancy rate of 5% for the housing units, just above the 4.4% for the New York metro area and 3.9% for the northeast region.
- ◆ After stabilization, the Applicant expects income for the housing units to increase by 2% per year, which is the escalation factor recommended by NYSHFA for its applicants. This analysis uses a less conservative 2.5% per year, because over time other factors such as annual adjustments to maximum rents published each year can generate revenue increases greater than 2%. Non-tax expenses are expected to increase 3% per year, per NYSHFA. This adjustment is consistent with how MVIDA has asked Storrs Associates to estimate revenue for similar projects, and mitigates the structural imbalance of revenues estimated to increase more slowly than expenses.
- ◆ Net Operating Income (NOI) is stronger with the PILOT, \$1,616,176 compared with \$1,280,491. After debt service, the Project would have low cash flow of \$76,657 without the PILOT, and experience net losses in years 1-5.
- ◆ Non-tax operating expenses are 43% of Effective Gross Income (EGI) in both scenarios. When real property taxes are included, expenses rise in both scenarios, and the benchmark of 56% is exceeded without the PILOT, indicating weaker financial results.

Comparison of Operating Results, Stabilization in Year 7

	<u>Proposed</u>	
	<u>PILOT</u>	<u>No PILOT</u>
<u>Net Income</u>		
Gross Operating Income after Vacancy	\$3,405,249	\$3,405,249
Less: Operating Expenses	(1,789,073)	(2,124,758)
<i>Non-Tax Operating Expenses</i>	(1,452,676)	(1,452,676)
<i>Real Property Tax Expense</i>	(289,464)	(625,149)
Net Income	\$1,616,176	\$1,280,491
NOI as a % of EGI, Benchmark 44%	47%	38%
<u>Net Income after Debt Service</u>		
Debt Service	(\$1,203,834)	(\$1,203,834)
Net Income after Debt Service	\$412,342	\$76,657
Net Income after Debt Service as a % of EGI	12%	2%
Non-Tax Operating Expenses as a % of EGI	43%	43%
Real Property Tax Expense as a % of EGI	9%	18%
Expense Ratio, Benchmark 56%	51%	61%
Benchmark from RealtyRates.com RealtyRates Q1 2026		

Storrs Associates flags projects where expenses increase faster than income as potentially non-feasible over the long term and notifies the Agency of concerns. Here, where expenses are expected to grow more quickly than revenues, the Applicant may experience lower net cashflows if expenses actually increase faster but the costs cannot be passed through. However, this is an operating risk for all projects, especially income-restricted housing, and reflects ordinary uncertainty when making long-term projections, rather than an expectation of substantial declining financial performance at the outset, which could be of concern.

FINANCING PLAN

Capital Structure

The Applicant expects to fund construction with an array of debt, grants, tax credits, and equity.

Each of the anticipated forms of debt will have its own amortization term and final payment date, and interest rate; some of the debt is interest-only for a period of time. Therefore specific terms are not listed for each.

The estimated mortgage recording tax is based on the total debt shown here, plus tax due on a \$49,248,026 construction loan that will be repaid with permanent financing.

To evaluate potential market value of the Project, a fictional sale is estimated after 15 years. "No Tax Effects" uses a market-based capitalization rate to calculate a market value and net sale proceeds without considering real property tax obligations. "Taxes Estimated" adds a "load factor" that discounts the market value in consideration of full taxes on the property. The results is substantially lower net proceeds.

Table 10a

Sources and Uses of Funds

<u>Sources of Funds</u>	<u>Amount</u>	<u>Percent</u>
<u>Equity Investment</u>		
Developer equity	\$3,857,618	3%
HCR Accrued Interest during Construction (not debt)	<u>1,686,756</u>	<u>1%</u>
Total Equity	\$5,544,374	4%
<u>Debt Financing</u>		
First Mortgage	\$14,456,962	12%
HCR New Construction Program (NCP)	19,460,000	16%
HCR Community Investment Fund (CIF)	2,000,000	2%
Westchester County Housing Implementation Fund (HIF)	485,000	0%
Westchester County New Homes Land Acquisition (NHLA)	1,930,000	2%
TBD Gap Financing Source(s)	34,327,626	28%
Congressional Funding for CF Space (via HUD)	<u>1,650,000</u>	<u>1%</u>
Total Debt	74,309,588	60%
<u>Tax Credit Financing</u>		
Federal 4% LIHTC Equity	39,479,002	32%
Source (add name)	<u>5,399,460</u>	<u>4%</u>
Total Tax Credits	44,878,462	36%
Total Sources	\$124,732,424	100%
<u>Uses of Funds</u>		
Property Acquisition	\$1,930,000	2%
Hard Costs	77,674,683	62%
Soft Costs	16,356,293	13%
Developer Fee, Limited by HFA	17,140,940	14%
Financing Costs	<u>11,630,508</u>	<u>9%</u>
Total Uses	\$124,732,424	100%

Source: Applicant

Table 10b

<u>Market Value (NOI/CapRate) after 15 Years</u>	<u>No Tax Effects</u>	<u>Taxes Estimated</u>
Net Income (NOI)	\$2,308,760	\$2,308,760
Capitalization Rate (CapRate)	6.50%	9.50%
Market Value (NOI/CapRate)	35,519,378	24,295,008
Less: Principal Outstanding	<u>(21,970,279)</u>	<u>(21,970,279)</u>
Net Proceeds	\$13,549,098	\$2,324,729

Source: Applicant. CapRate from Storrs Associates Using CoStar.

Developer Fee

The financial return on an affordable housing project with HFA participation is a Developer's Fee, calculated and limited by HFA based on the Project costs.

The fee is a gross number and does not specifically include expenses for development costs such as planning, assembling financing, or approvals. The fee is divided into an up-front fee for project construction and startup, and a deferred fee that is received from project net cash flow over no more than 15 years. HFA approves both components. The Applicant assumes the risk of non-completion, and of insufficient cash flow over 15 years to pay the deferred component. The IRS allows only 15 years for payment of the deferred fee, after which the Developer can no longer collect the fee without a significant tax penalty for investors.

The total Developer Fee is expected to be \$10,500,000, 8.42% of Project costs, subject to final approval by HFA. This is slightly below a common range of 10% - 12% for HFA-supported projects because applicant is not calculating any fee on the property acquisition component. Developer fee as a percent of development costs is well below the HFA cap of 15% for development costs net of acquisition, plus 10% of acquisition costs.

This analysis estimates the deferred fee that will be earned, but actual results will be different, based on project performance.

Table 11a

Calculation and Confirmation of Developer Fee

	<u>Project Costs</u>	<u>Fee Component, %</u>	<u>Fee Component, \$</u>	<u>HFA Fee Cap</u>
Development Costs	\$122,802,424	8.39%	\$10,307,000	15.00%
Property Acquisition Costs	<u>\$1,930,000</u>	10.00%	<u>\$193,000</u>	10.00%
Totals	\$124,732,424	8.42%	\$10,500,000	See Note

Note: HFA calculates the fee as (1) up to 15% of certain construction costs, plus (2) up to 10% of acquisition costs. The aggregate fee is therefore less than 15% for all projects involving an acquisition and the range from the blended formula commonly yields between 10% and 12% to the developer. The fee for development costs is shown here as a percent of all development costs so that it can be compared to other projects in which HFA participates.

Table 11b

Developer Fee Timing

Up Front Developer Fee	\$6,642,382	63%
Deferred Developer Fee	<u>\$3,857,618</u>	<u>37%</u>
Total Developer Fee	\$10,500,000	100%

PILOT ANALYSIS

Notes and Disclaimers

This PILOT analysis is an estimate based on currently available information, including operating information from the Applicant, and the actual Project revenue, Shelter Rent calculation, assessed value, tax rates, and tax obligations may be different.

Methodology

1. Calculate the taxes on the current, or unimproved, value and escalate by 2% annually.
2. Calculate an estimated future/full market value after completion of the Project, and estimate taxes using the income approach recommended by the city's Assessor.
3. Calculate the increase in assessment from the Project and create a PILOT schedule that pays 10% of Shelter Rent each year. Shelter Rent is gross income, less utility costs.
4. Calculate the savings to the Project from the PILOT, annually and over the life of the PILOT, discounted to present value.

Summary results are presented in Table 12a and Figure 1. The annual abatement schedule is included on the next page.

Table 12a

Real Property Tax Comparisons and New Revenue from Project Comparison of Taxes on Full Value of Project, and Project with PILOT

	<u>City of Mount Vernon</u>	<u>School District</u>	<u>County</u>	<u>All Jurisdictions</u>
Taxes without PILOT	\$7,641,491	\$13,365,548	\$1,813,531	\$22,820,571
Less: PILOT Payments	(3,635,424)	(6,358,632)	(862,784)	(10,856,840)
Foregone Revenue	\$4,006,067	\$7,006,916	\$950,747	\$11,963,731
<u>Net New Taxes Compared with No Project</u>				
PILOT Payments	\$3,635,424	\$6,358,632	\$862,784	\$10,856,840
Less: Taxes without Project	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net New Tax Revenue	\$3,635,424	\$6,358,632	\$862,784	\$10,856,840

All taxes are current value, not discounted. The parcel is currently owned by the City of Mount Vernon and is tax exempt.

Figure 1

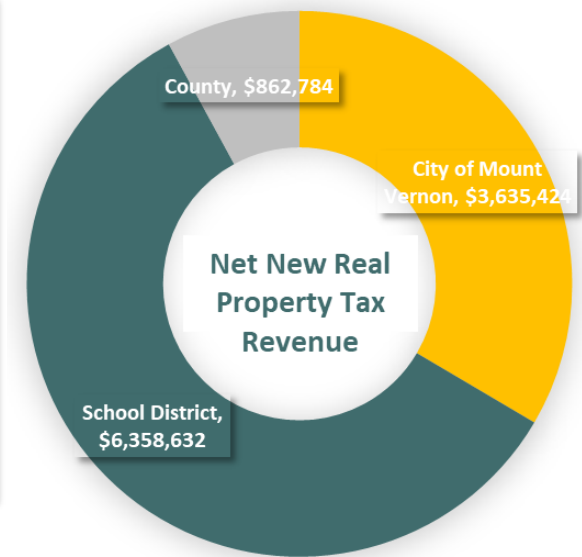


Table 12b

Shelter Rent PILOT, Basis for Calculation and Estimated Annual Payments

PILOT Year	Gross Rental Income	Less: Utility Costs Paid by Project	= Basis for Calculation	Percent of Shelter Rent Paid as PILOT	PILOT Payment	Estimated Payments at Full Taxes	52% Percent Abatement	Estimated Annual Savings
1	\$2,936,336	(427,630)	\$2,508,706	10.00%	250,871	612,891	59%	\$362,020
2	\$3,009,744	(440,459)	2,569,285	10.00%	256,929	625,149	59%	368,221
3	\$3,084,988	(453,673)	2,631,315	10.00%	263,132	637,652	59%	374,521
4	\$3,162,112	(467,283)	2,694,830	10.00%	269,483	650,405	59%	380,922
5	\$3,241,165	(481,301)	2,759,864	10.00%	275,986	663,413	58%	387,427
6	\$3,322,194	(495,740)	2,826,454	10.00%	282,645	612,891	54%	330,246
7	\$3,405,249	(510,613)	2,894,637	10.00%	289,464	625,149	54%	335,685
8	\$3,490,381	(525,931)	2,964,450	10.00%	296,445	637,652	54%	341,207
9	\$3,577,640	(541,709)	3,035,931	10.00%	303,593	650,405	53%	346,812
10	\$3,667,081	(557,960)	3,109,121	10.00%	310,912	663,413	53%	352,501
11	\$3,758,758	(574,699)	3,184,059	10.00%	318,406	676,681	53%	358,275
12	\$3,852,727	(591,940)	3,260,787	10.00%	326,079	690,215	53%	364,136
13	\$3,949,045	(609,698)	3,339,347	10.00%	333,935	704,019	53%	370,084
14	\$4,047,771	(627,989)	3,419,782	10.00%	341,978	718,099	52%	376,121
15	\$4,148,966	(646,829)	3,502,137	10.00%	350,214	732,461	52%	382,247
16	\$4,252,690	(666,234)	3,586,456	10.00%	358,646	747,110	52%	388,464
17	\$4,359,007	(686,221)	3,672,786	10.00%	367,279	762,052	52%	394,773
18	\$4,467,982	(706,807)	3,761,175	10.00%	376,118	777,293	52%	401,176
19	\$4,579,682	(728,011)	3,851,670	10.00%	385,167	792,839	51%	407,672
20	\$4,694,174	(749,852)	3,944,322	10.00%	394,432	808,696	51%	414,264
21	\$4,811,528	(772,347)	4,039,181	10.00%	403,918	824,870	51%	420,952
22	\$4,931,816	(795,518)	4,136,299	10.00%	413,630	841,367	51%	427,737
23	\$5,055,112	(819,383)	4,235,728	10.00%	423,573	858,194	51%	434,621
24	\$5,181,490	(843,965)	4,337,525	10.00%	433,753	875,358	50%	441,606
25	\$5,311,027	(869,284)	4,441,743	10.00%	444,174	892,865	50%	448,691
26	\$5,443,802	(895,362)	4,548,440	10.00%	454,844	910,722	50%	455,878
27	\$5,579,897	(922,223)	4,657,674	10.00%	465,767	928,936	50%	463,169
28	\$5,719,395	(949,890)	4,769,505	10.00%	476,951	947,515	50%	470,565
29	\$5,862,380	(978,387)	4,883,993	10.00%	488,399	966,465	49%	478,066
30	\$6,008,939	(1,007,738)	5,001,201	10.00%	<u>500,120</u>	<u>985,794</u>	49%	<u>485,674</u>
				Totals	\$10,856,840	\$22,820,571		\$11,963,731

Table 13a

SUPPLEMENTAL TABLE: ESTIMATED PILOT and Foregone Revenue, City of Mount Vernon							
PILOT Year	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, City	Estimated City Costs	Excess/(gap)	Add Sales Tax	Adjusted Excess/(gap)
1	\$205,227	\$84,004	(\$121,223)	(\$93,374)	(\$9,369)	\$5,598	(\$3,772)
2	209,332	86,033	(123,299)	(95,241)	(9,208)	5,710	(3,499)
3	213,518	88,110	(125,409)	(97,146)	(9,036)	5,824	(3,212)
4	217,789	90,237	(127,552)	(99,089)	(8,852)	5,940	(2,912)
5	222,145	92,414	(129,730)	(101,071)	(8,656)	6,059	(2,597)
6	205,227	94,644	(110,583)	(103,092)	(8,448)	6,180	(2,268)
7	209,332	96,927	(112,405)	(105,154)	(8,227)	6,304	(1,923)
8	213,518	99,265	(114,254)	(107,257)	(7,992)	6,430	(1,562)
9	217,789	101,658	(116,130)	(109,402)	(7,744)	6,558	(1,185)
10	222,145	104,109	(118,035)	(111,590)	(7,481)	6,690	(791)
11	226,587	106,619	(119,969)	(113,822)	(7,203)	6,823	(380)
12	231,119	109,188	(121,931)	(116,098)	(6,910)	6,960	49
13	235,741	111,818	(123,923)	(118,420)	(6,602)	7,099	497
14	240,456	114,512	(125,944)	(120,789)	(6,277)	7,241	964
15	245,265	117,269	(127,996)	(123,204)	(5,935)	7,386	1,451
16	250,171	120,093	(130,078)	(125,668)	(5,576)	7,534	1,958
17	255,174	122,984	(132,190)	(128,182)	(5,198)	7,684	2,486
18	260,277	125,943	(134,334)	(130,745)	(4,802)	7,838	3,036
19	265,483	128,974	(136,509)	(133,360)	(4,387)	7,995	3,608
20	270,793	132,076	(138,717)	(136,028)	(3,952)	8,155	4,203
21	276,209	135,252	(140,956)	(138,748)	(3,496)	8,318	4,822
22	281,733	138,504	(143,228)	(141,523)	(3,019)	8,484	5,465
23	287,367	141,834	(145,533)	(144,354)	(2,520)	8,654	6,134
24	293,115	145,242	(147,872)	(147,241)	(1,998)	8,827	6,829
25	298,977	148,732	(150,245)	(150,185)	(1,453)	9,003	7,550
26	304,956	152,305	(152,651)	(153,189)	(884)	9,183	8,299
27	311,055	155,963	(155,092)	(156,253)	(290)	9,367	9,077
28	317,276	159,707	(157,569)	(159,378)	329	9,554	9,884
29	323,622	163,541	(160,081)	(162,566)	975	9,746	10,721
30	330,094	167,466	(162,628)	(165,817)	1,649	9,940	11,589
Total	\$7,641,491	\$3,635,424	(\$4,006,067)	(\$3,787,985)	(\$152,561)	\$227,084	\$74,523

Source: Applicant, Storrs Associates. All numbers are current value.

Table 13b

SUPPLEMENTAL TABLE: ESTIMATED PILOT and Foregone Revenue, Mount Vernon City School District

PILOT Year	Total Estimated Taxes without PILOT	PILOT Payments	Foregone Revenue, School District	Estimated School District Costs	Excess/(gap)	Add Sales Tax	Adjusted Excess/(gap)
1	\$358,958	\$146,930	(\$212,028)	(\$190,293)	(\$43,363)	\$2,211	(\$41,152)
2	366,137	150,478	(215,659)	(194,099)	(43,621)	2,255	(41,366)
3	373,460	154,111	(219,349)	(197,981)	(43,870)	2,300	(41,570)
4	380,929	157,831	(223,098)	(201,940)	(44,110)	2,346	(41,763)
5	388,548	161,640	(226,908)	(205,979)	(44,340)	2,393	(41,946)
6	358,958	165,540	(193,418)	(210,099)	(44,559)	2,441	(42,118)
7	366,137	169,533	(196,604)	(214,301)	(44,768)	2,490	(42,278)
8	373,460	173,622	(199,838)	(218,587)	(44,965)	2,540	(42,425)
9	380,929	177,808	(203,121)	(222,959)	(45,150)	2,591	(42,560)
10	388,548	182,095	(206,453)	(227,418)	(45,323)	2,642	(42,680)
11	396,318	186,484	(209,835)	(231,966)	(45,482)	2,695	(42,787)
12	404,245	190,978	(213,267)	(236,605)	(45,628)	2,749	(42,879)
13	412,330	195,579	(216,751)	(241,338)	(45,759)	2,804	(42,955)
14	420,576	200,290	(220,286)	(246,164)	(45,875)	2,860	(43,014)
15	428,988	205,113	(223,875)	(251,088)	(45,974)	2,917	(43,057)
16	437,567	210,051	(227,516)	(256,109)	(46,058)	2,976	(43,082)
17	446,318	215,108	(231,211)	(261,232)	(46,124)	3,035	(43,089)
18	455,245	220,284	(234,960)	(266,456)	(46,172)	3,096	(43,076)
19	464,350	225,585	(238,765)	(271,785)	(46,201)	3,158	(43,043)
20	473,637	231,011	(242,626)	(277,221)	(46,210)	3,221	(42,989)
21	483,110	236,567	(246,543)	(282,765)	(46,199)	3,286	(42,913)
22	492,772	242,255	(250,517)	(288,421)	(46,166)	3,351	(42,815)
23	502,627	248,078	(254,549)	(294,189)	(46,111)	3,418	(42,693)
24	512,680	254,040	(258,639)	(300,073)	(46,033)	3,487	(42,546)
25	522,933	260,144	(262,789)	(306,074)	(45,930)	3,556	(42,374)
26	533,392	266,393	(266,999)	(312,196)	(45,803)	3,627	(42,175)
27	544,059	272,791	(271,269)	(318,440)	(45,649)	3,700	(41,949)
28	554,940	279,340	(275,600)	(324,809)	(45,468)	3,774	(41,694)
29	566,039	286,046	(279,993)	(331,305)	(45,259)	3,850	(41,410)
30	577,360	292,910	(284,449)	(337,931)	(45,021)	3,926	(41,094)
Total	\$13,365,548	\$6,358,632	(\$7,006,916)	(\$7,719,822)	(\$1,361,190)	\$89,698	(\$1,271,491)

Source: Applicant, Storrs Associates. All numbers are current value.

ABOUT THIS REPORT

SCOPE OF SERVICES - FINANCIAL ASSISTANCE AND IMPACT ANALYSIS

The purpose of the report is to provide a consistent, accurate, and reliable analysis of a proposed project that has asked the Agency for financial assistance. The three basic components are:

1. Evaluate the capital structure, operating assumptions, and financial performance of the Project, calculate return on investment, and provide an opinion on whether the requested financial assistance is necessary and reasonable. This includes drafting a PILOT schedule for the Agency's approval.
2. Estimate the economic impact of construction, ongoing project operations, and household spending using jobs, labor income, and contribution to the Gross Regional Product (GRP) of the City of Mount Vernon. Estimate the incremental cost of serving of new students and residents at the Project.
3. Create a benefit/cost analysis that compares new tax revenue resulting from the Project with the costs of the financial assistance.

DATA SOURCES

Real Estate Market and Capitalization Rate

CoStar is an industry leader in commercial real estate information, analytics, and news. It provides clients both data and research tools to understand transactions, trends, assets, and market players down to individual community levels. Data ranges from market overviews of rents, Market Capitalization, occupancy, and net income, to fine-grained data on individual buildings, including loan performance and tax assessments.



School and Public Services Costs

NYS Department of Education, Mount Vernon City School District Budgets; City of Mount Vernon Budgets; Student enrollment at multifamily housing projects receiving MVIDA assistance provided by the Mount Vernon City School District.

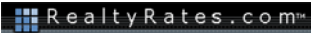
Westchester County 2023 Median Income & Rent Program Guidelines Area Median Income (AMI) Sales & Rent Limits were used to confirm monthly rent levels.

Demographic and Housing Information




Esri is an internationally-recognized provider of Geographic Information Systems (GIS) and demographic data and visualization tools. Esri's demographic data is gathered from the U.S. Census, the Bureau of Labor Statistics, and Bureau of Economic Analysis. Esri uses current and historical data to create estimates of future demographic characteristics. Any estimates used by Storrs Associates are clearly labeled as such.

Market Benchmarks and Trends

 RealtyRates.com™ is a comprehensive resource of real estate investment and development news, trends, analytics, and market research that support real estate professionals involved with more than 50 income producing and sell-out property types throughout the U.S. RealtyRates.com™ is the publisher of the award-winning Investor, Developer and Market Surveys, providing data essential to the appraisal, evaluation, disposition and marketing of investment and development real estate nationwide

Economic Impact

 IMPLAN is a regional economic analysis software application that is designed to estimate the impact or ripple effect (specifically backward linkages) of a given economic activity within a specific geographic area through the implementation of its Input-Output model. Studies, results, and reports that rely on IMPLAN data or applications are limited by the researcher's assumptions concerning the subject or event being modeled. Studies such as this one are in no way endorsed or verified by IMPLAN Group, LLC unless otherwise stated by a representative of IMPLAN. IMPLAN® model, 2022 Data, using inputs provided by the user and IMPLAN Group LLC, IMPLAN System (data and software), 16905 Northcross Dr., Suite 120, Huntersville, NC 28078 www.IMPLAN.com.

STORRS ASSOCIATES

Storrs Associates, LLC is a partner and advisor to public and private entities seeking to encourage economic growth and to make direct public and private investments. We deliver client-driven, high quality advice, customized analyses and reports, public speaking and learning sessions, and transaction management.

Victoria Storrs, the company President, founded the firm in 2021 to provide direct, responsive service to municipal governments and the public and private organizations who work with and for them. She has worked with municipal governments for more than 20 years, beginning as an investment banker at First Albany Corporation and managing debt financings for state public authorities. She taught money and capital markets at the State University of New York at Albany School of Business, and has been a development finance and economic development consultant since 2014.

Storrs Associates, LLC is located in Albany County, NY, and serves clients throughout New York and the Northeast. Learn more at www.storrsassociates.com and on [LinkedIn](#).

This report was prepared by Victoria Storrs, President and Founder.
Vstorrs@storrsassociates.com
(518) 512-9537

Terms of Use

This report was created for the Mount Vernon Industrial Development Agency, for its sole and exclusive use, which includes publication by the Agency in connection with its review of a project's request for financial assistance.

This report and the data generated may not be reproduced in any form or manner without attribution to Storrs Associates, LLC.



Storrs Associates, LLC is not a registered Municipal Advisor and does not provide advice regarding capital markets or publicly financed debt.

This page intentionally left blank

THIS REPORT WAS PREPARED BY STORRS ASSOCIATES, LLC FOR
MOUNT VERNON INDUSTRIAL DEVELOPMENT AGENCY
MOUNT VERNON, NY

