



III.M

Fiscal Impacts

1. Existing Conditions

Property taxes currently generated by the Project Site are outlined in the table below. The site currently generates approximately \$1.6 million in property taxes, including approximately \$72,000 in General Town taxes, \$129,000 in Rockland County taxes, \$371,000 in Village taxes, and \$978,000 for Suffern Central Schools and libraries.

Table III.M-1 Current Site Generated Property Taxes

| Taxing Jurisdiction | Tax Rate | Suffern Map 55.22-1-1 | Tax Rate | Suffern Map 55.37-1-31 | Tax Rate | Montebello Map 55.06-1-1 | Total for Taxing Jurisdiction |
|---------------------------------|-------------|-----------------------|-------------|------------------------|-------------|--------------------------|-------------------------------|
| General Town | 15.072501 | \$59,988.55 | 15.072501 | \$30.15 | 15.072501 | \$12,175.57 | \$72,194.27 |
| County | 27.006798 | \$107,487.06 | 27.006798 | \$54.01 | 27.006798 | \$21,816.09 | \$129,357.16 |
| School/Library | 202.1985522 | \$812,797.74 | 202.1985522 | \$408.44 | 202.1985522 | \$164,969.35 | \$978,175.53 |
| Village Tax | 91.090000 | \$362,538.20 | 91.090000 | \$182.18 | 10.64868 | \$8,602.00 | \$371,322.38 |
| Taxes Subtotal | | \$1,342,811.55 | | \$674.78 | | \$207,563.01 | \$1,551,049.34 |
| Special District Charges | | | | | | | |
| Town Police | | -- | | -- | 30.2087 | \$24,402.59 | \$24,402.59 |
| Ambulance District #1 | 2.554402 | \$10,166.51 | 2.554402 | \$5.11 | 2.554402 | \$2,063.44 | \$12,235.06 |
| Co Comp | 17.870002 | \$6,969.30 | | -- | | -- | \$6,969.30 |

| | | | | | | | |
|--|---------|-----------------------|---------|-----------------|----------|---------------------|-----------------------|
| Materials Recovery | 37.4 | \$37.40 | -- | -- | -- | \$37.40 | |
| Green Waste | | -- | 39.48 | \$39.48 | 39.48 | \$39.48 | \$78.96 |
| Sewer District RR | | -- | | -- | 4.141519 | \$3,345.52 | \$3,345.52 |
| Sol. Waste Disp. | 3.15961 | \$12,575.25 | 3.15961 | \$6.32 | 3.15961 | \$2,552.33 | \$15,133.90 |
| Transfer Station Chg. | 23.01 | \$23.01 | -- | -- | -- | -- | \$23.01 |
| Tallman FD | | -- | | -- | 4.906702 | \$3,963.63 | \$3,963.63 |
| Water Fire Hydrants | | -- | | -- | 1.771002 | \$1,430.61 | \$1,430.61 |
| <i>Special District Charges Subtotal</i> | | <i>\$29,771.47</i> | | <i>\$50.91</i> | | <i>\$37,797.60</i> | <i>\$67,619.98</i> |
| Total | | \$1,372,583.02 | | \$725.69 | | \$245,360.61 | \$1,618,669.32 |

Source: Property Tax Bills

Town/County Taxes based on FY 1/1/2022-12/31/2022

Village Taxes based on FY 6/1/2021 to 5/31/2022

School and Library Taxes based on FY 7/1/2021-6/30/2022

Notes:

-- denotes that the taxing jurisdiction does not apply to this tax lot.

Since Novartis Pharmaceuticals ceased operations on the site in 2017, the site has been largely unused. With no active site population or site utilization, the site does not currently generate a significant demand for community facilities or services.

2. Potential Impacts

For purposes of this analysis, it is estimated that the assessed value for the Project Site would increase from the current \$4,789,800 to \$12,792,600 at full build-out of the project. The current full market is \$46,502,912 and is estimated to increase to \$124,200,000 at full build-out of the project. The assessed value is estimated to be \$102 per square foot at full-build out. This valuation is based on a study of comparable properties in the vicinity, the current market rent, the history of the practices and assessments for the Project Site, as well as anticipated rents.

In the year 2025, after full build-out of the project, it is estimated that the Project Site would generate a total of \$5,393,102, if a PILOT program were not pursued. This would amount to an increase of approximately \$3,774,433 over the current taxes paid on the Project Site. The following

table shows the estimated property taxes (post-construction) for each taxing jurisdiction, assuming PILOT participation is not included.

Table III.M-2 Estimated Property Taxes (Post-Construction)

| SBL | Address | Town Taxes | County Taxes | School Taxes | Village Taxes | Total Taxes |
|--------------|----------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| 55.22-1-1 | 25 Old Mill Rd | \$113,114.60 | \$202,677.92 | \$1,532,613.87 | \$683,603.12 | \$2,532,009.51 |
| 55.37-1-31 | Route 59 | \$113,114.60 | \$202,677.92 | \$1,532,613.87 | \$683,603.12 | \$2,532,009.51 |
| 55.06-1-1 | 19 Hemion Rd | \$11,723.39 | \$21,005.89 | \$158,842.73 | \$8,282.54 | \$199,854.56 |
| Total | | \$237,952.59 | \$426,361.72 | \$3,224,070.47 | \$1,375,488.79 | \$5,263,873.57 |

Table III.M-3 Estimated Special District Taxes (Post Construction)

| Town Districts | County Districts | Total Special Districts |
|---------------------|-------------------|-------------------------|
| \$42,942.36 | \$6,969.30 | \$49,911.66 |
| \$42,921.43 | - | \$42,921.43 |
| 36,395.36 | - | \$36,395.36 |
| \$122,259.14 | \$6,969.30 | \$129,228.44 |

The Applicant is seeking assistance from the Rockland County Industrial Development Agency (IDA) in the form of a Payment in Lieu of Tax Agreement (PILOT). The Applicant is also seeking other benefits from the Rockland County IDA including the mortgage recording tax exemption and the sales tax abatement on construction materials.

As proposed, the PILOT would be structured over a ten (10) year period. The PILOT payment in year one would be \$1,551,049 based on the current taxes. In year two, the PILOT payment would increase to \$1,922,331 based on the improved property valuation post-construction. In years three through ten the PILOT payment is calculated based on a two percent increase to the estimated full property taxes that would have been paid without a PILOT agreement. Following the ten-year PILOT period with the phased tax increases in years three through ten, standard real estate tax rates would apply. PILOT payments over the ten-year period are shown in the table below.

Table III.M-4 PILOT Payments

| PILOT Year | Full Taxes Without PILOT (Increase Only) | % Abatement | Net Exemption | PILOT Payment | Comments |
|------------|--|-------------|----------------|----------------|--|
| 1 | \$1,000,143.25 | 0% | - | \$1,551,049.34 | Based on Current Taxes |
| 2 | \$3,712,824.23 | 90% | \$3,341,541.81 | \$1,922,331.76 | Based on Improved Property Post-Construction |
| 3 | \$3,818,101.70 | 90% | \$3,436,291.53 | \$1,932,859.51 | Full Taxes have a 2% Increase over Year 2 |
| 4 | \$3,925,484.72 | 80% | \$3,140,387.78 | \$2,336,146.28 | Full Taxes have a 2% Increase over Year 3 |

Table III.M-4 PILOT Payments

| PILOT Year | Full Taxes Without PILOT (Increase Only) | % Abatement | Net Exemption | PILOT Payment | Comments |
|--------------------------|--|-------------|------------------------|------------------------|---|
| 5 | \$4,035,015.40 | 80% | \$3,228,012.32 | \$2,358,052.42 | Full Taxes have a 2% Increase over Year 4 |
| 6 | \$4,146,736.70 | 70% | \$2,902,715.69 | \$2,795,070.35 | Full Taxes have a 2% Increase over Year 5 |
| 7 | \$4,260,692.42 | 60% | \$2,556,415.45 | \$3,255,326.31 | Full Taxes have a 2% Increase over Year 6 |
| 8 | \$4,376,927.25 | 50% | \$2,188,463.63 | \$3,739,512.97 | Full Taxes have a 2% Increase over Year 7 |
| 9 | \$4,495,486.78 | 30% | \$1,348,646.04 | \$4,697,890.09 | Full Taxes have a 2% Increase over Year 8 |
| 10 | \$4,616,417.51 | 10% | \$461,641.75 | \$5,705,825.10 | Full Taxes have a 2% Increase over Year 9 |
| Years 1-10 Totals | | | \$22,604,115.98 | \$30,294,064.12 | |

Projected PILOT Benefits to Taxing Jurisdictions

At this time, the PILOT is not final, but if a PILOT is established for the Project, the PILOT payments would be allocated to the General Town, County, School/Library, and Village taxing jurisdictions on a pro rata basis such that each taxing jurisdiction would be allocated approximately the same share or percentage of Project Site taxes that the taxing jurisdiction would receive if there were no PILOT. Based on the schedule of PILOT payment shown in Table III.M-4, the PILOT payment in PILOT year 1 would be based on current taxes. Therefore, payments to the affected taxing jurisdictions in PILOT year 1 would be as shown in Table III.M-1 Current Site Generated Property Taxes. In PILOT year 2, the total PILOT payments to the taxing jurisdictions would increase to \$1,922,331 as shown in Table III.M-4, and the General Town, County, School/Library, and Village taxing jurisdictions would receive PILOT payments as shown in Table M-5 below.

Table III.M-5 PILOT Payments in PILOT Year 2

| Taxing Jurisdiction | Pro Rata Share of Property Taxes | Total for Taxing Jurisdiction |
|-----------------------|----------------------------------|-------------------------------|
| General Town | 4.65% | \$89,388.43 |
| County | 8.34% | \$160,322.47 |
| School/Library | 63.07% | \$1,212,414.64 |
| Village Tax | 23.94% | \$460,206.22 |
| Taxes Subtotal | 100% | \$1,922,331.76 |

Notes:

Share of Property Taxes based on Property Tax Bills.

Town/County Taxes based on FY 1/1/2022-12/31/2022.

Village Taxes based on FY 6/1/2021 to 5/31/2022 (includes taxes to the Village of Suffern and the Village of Montebello).

School and Library Taxes based on FY 7/1/2021-6/30/2022.

As shown in Table III.M-3, the taxes to be paid to the special districts post construction are estimated to be \$129,228.44. Special districts, including those taxing jurisdictions listed in Table III.M-1 under Special District Charges are not subject to the PILOT and will receive full tax payments based on the assessed value of the property. The estimated special district taxes (post construction) by taxing jurisdiction are listed in the table below.

Table III.M-6 Estimated Special District Taxes (Post Construction) By Taxing Jurisdiction

| Taxing Jurisdiction | Pro Rata Share of Property Taxes | Total for Taxing Jurisdiction |
|--|----------------------------------|-------------------------------|
| Town Police | 36.09% | \$46,638.54 |
| Ambulance District #1 | 18.09% | \$23,377.42 |
| Co Comp | 10.31% | \$13,323.45 |
| Materials Recovery | 0.06% | \$77.54 |
| Green Waste | 0.11% | \$142.15 |
| Sewer District RR | 4.95% | \$6,396.81 |
| Sol. Waste Disp. | 22.38% | \$28,921.32 |
| Transfer Station Chg. | 0.03% | \$38.77 |
| Tallman FD | 5.86% | \$7,572.79 |
| Water Fire Hydrants | 2.12% | \$2,739.64 |
| Special District Charges Subtotal | 100% | \$129,228.44 |

IV2 Rockland Logistics Center LLC will seek other benefits from the Rockland County IDA including the mortgage recording tax exemption and the sales tax abatement on construction materials. Rockland County’s mortgage recording tax is 1.05%. IV2 Rockland Logistics will borrow approximately \$236 million through bank financing. Therefore, the estimated mortgage recording tax exemption benefit to IV2 Rockland Logistics Center LLC would be \$2,478,000. Similarly, Rockland County’s sales tax is 8.375%. IV Rockland Logistics Center LLC estimates that \$56.5 million in materials will be purchased for this project. As a result, the project would save approximately \$4,731,875 with the sales and use tax benefit.

Notwithstanding the benefits to be requested from the Rockland County IDA, the PILOT has been structured such that the taxing jurisdictions will receive substantial payments based on current taxes and increased taxes based on the improved property post-construction in year two. During the ten-year term of the PILOT, the project will generate a total of \$30,294,064 in PILOT payments.

Cost Analysis and Fiscal Impacts to Taxing Jurisdictions

As discussed in **Chapter III.K Community Services and Facilities**, the Proposed Action is expected to introduce approximately 400 full-time and 50 part-time new employees to the Project Site, which in turn, will likely result in an increased demand for some community services and little to no demand for other services. The introduction of a new employment center at the Project Site is expected to result in increased the calls for service and total workload for the police department such as general calls for service including motor vehicle accidents and medical calls. Additional taxes will be generated by the Project Site as shown in **Table III.M-4 PILOT Payments** and **Table III.M-6 Estimated Special District Taxes (Post Construction) by Taxing Jurisdiction**, including special district

taxes associated with Town Police and Ambulance District #1. It is the Applicant's belief that the proposed mitigation measures including outdoor lighting; on-site security measures; and an internal circulation designed to minimize collisions, would fully offset the marginal increase in demand for these services as compared with the prior use and occupation of the site.

Chapter III.K Community Services and Facilities details the ongoing coordination between the Applicant, the Applicant's engineer and the Suffern Fire Department. The Applicant will continue to coordinate with the Suffern Fire Department as the site plan process progresses. Additional taxes will be generated by the Project Site as shown in **Table III.M-4 PILOT Payments** and **Table III.M-6 Estimated Special District Taxes (Post Construction) by Taxing Jurisdiction**. It is the Applicant's belief that the proposed mitigation measures detailed in **Chapter III.K**, together with the significant increase in site generated taxes, would fully offset any incremental increased costs for fire protection services by the Suffern Fire Department

The nature of the Proposed Project as a warehouse and logistics center would not generate new demand on local recreational facilities. The Project Site would generate taxes for the applicable taxing districts responsible for nearby recreational facilities, including the Village of Suffern, Town of Ramapo, and Rockland County. With the additional taxes generated by the Project Site and essentially no measurable demand for these services, it is the Applicant's belief that no adverse impacts on recreational facilities are expected due to the Proposed Action.

Solid waste generated by the Proposed Project would be carted off-site via private carter contracted and paid for by the Applicant. With the additional taxes generated by the Project Site as shown in **Table III.M-4** and **Table III.M-6**, including special district taxes associated with solid waste, and no demand for these services, it is the Applicant's belief that no adverse impacts on solid waste services are expected due to the Proposed Action.

The Project will not generate any residents or school-age children, thus will not burden the School District with additional students or costs. The School District will receive over \$3.85 million annually after the PILOT period and significant monies during the PILOT period, resulting in a significant benefit to the School District without any added costs.

Projected Costs

The Project will result in significant PILOT payments in years one through ten, followed by tax revenue increases after year ten to all applicable taxing jurisdictions. As discussed in **Chapter III.K Community Services and Facilities** of this DEIS, the Proposed Project's tax revenues will be sufficient to off-set anticipated costs:

- › There will be no cost to the Village for solid waste or recycling because the Project would not be eligible for municipal collection service. Therefore, solid waste would be carted off-site via private carter contracted by the Applicant.
- › The Project's road network will consist of privately owned roads, thus there will be no cost to the Village for maintenance such as snow plowing or street maintenance.
- › The Project will not result in any direct increase in resident population. Therefore, there would be no Project generated increase in demand for schools, public recreation facilities or parkland.
- › As illustrated in **Table III.M-3**, the annual revenues to the Village will exceed \$1.64 million after the PILOT period, which would off-set any costs incurred by the Village to serve the Project.

- › Rockland County would receive approximately \$509,541 annually after the PILOT period.
- › The Project will not generate any residents or school-age children, thus will not burden the School District with additional students or costs. The School District will receive over \$3.85 million annually after the PILOT period and significant monies during the PILOT period.
- › Although there would be no residential population on the site, there would be a new worker population on the site, which could introduce a marginal increase in the use of police, fire, and emergency services responding to on-site calls for emergencies. It is anticipated that this increase in emergency services for the worker population would be offset by PILOT payments, property taxes after the end of the PILOT program, revenues generated to the corresponding taxing jurisdictions, and through mitigation measures as outlined in **Chapter III.K Community Services and Facilities**. Proposed mitigation measures include the use of private security measures, adequate site access, and a fire suppression system.
- › There will also be significant Building Permit fees paid the Village of Suffern.

Given these factors, no significant adverse fiscal impacts are anticipated as a result of the Proposed Project. Tax revenues generated by the Project will be sufficient to off-set anticipated costs.

Net Fiscal Benefits

The following table illustrates the estimated property taxes the first year after the term of the PILOT (year 11), at which time total taxes, not including the special district charges, would be approximately \$6.29 million, including annual Village taxes over \$1.64 million and School District and Library taxes over \$3.85 million.

Table III.M-7 Estimated Property Taxes (Post-PILOT/Year 11)

| SBL | Address | Town Taxes | County Taxes | School Taxes | Village Taxes | Total Taxes |
|---------------|------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| 55.22-1-1 | 25 Old Mill Road | \$135,182.42 | \$242,218.87 | \$1,831,615.44 | \$816,969.01 | \$3,025,985.74 |
| 55.37-1-31 | Route 59 | \$135,182.42 | \$242,218.87 | \$1,831,615.44 | \$816,969.01 | \$3,025,985.74 |
| 55.06-1-1 | 19 Hemion Road | \$14,010.54 | \$25,103.98 | \$189,831.77 | \$9,898.41 | \$238,844.69 |
| Totals | | \$284,375.37 | \$509,541.72 | \$3,853,062.66 | \$1,643,836.43 | \$6,290,816.18 |

Project Employment

In addition to the economic benefits realized from an increase in local property taxes, there would be a number of additional direct and indirect economic benefits associated with the Proposed Action. An input-output methodology employing IMPLAN software was used to determine the economic impact of the Proposed Action on the Rockland County economy. Construction spending would provide a significant benefit to the local, regional, and state economies. This investment, during both construction and operation, would also spur secondary economic benefits. As worker wages and payments to suppliers are spent and recirculated in the area economy, additional jobs, income, and revenue would be created in a variety of industries, such as eating and drinking establishments, health care, retail stores, wholesalers, and service providers. It is expected that a portion of this benefit would be captured locally. In the short-term, it is estimated that an annual average of

approximately 643 jobs would be supported by construction over a two-year period. This includes approximately 384 direct jobs, approximately 90 indirect jobs, and approximately 169 induced jobs.
¹OBJ

The estimated construction budget (\$132.9 million) phased over the projected two-year construction period was applied to the IMPLAN model for the New York City Metropolitan Area (including Rockland County) to estimate overall economic activity, including total annual labor income, related to construction. The model indicates that the annual direct construction expenditures would result in annual labor income of approximately \$49.8 million, with an average employee compensation (wages and benefits) of approximately \$77,575. Annual economic output is anticipated to be approximately \$112.3 million to the region during the construction period.

Table III.M-8 Construction Period Economic Impacts

| Impact Type | Jobs | Labor Income | Output |
|-----------------|------------|---------------------|----------------------|
| Direct Effect | 384 | \$31,468,760 | \$65,824,839 |
| Indirect Effect | 90 | \$7,613,651 | \$17,820,304 |
| Induced Effect | 169 | \$10,729,059 | \$28,648,357 |
| Total | 643 | \$49,811,471 | \$112,293,500 |

Source: Impact Summary, Minnesota IMPLAN Group, Inc.

The Proposed Project is expected to be fully operational in 2025 and to generate approximately 400 full time and 50 part time new jobs. Salaries are expected to range from \$15 to \$20 per hour for hourly employees and \$35,000 to \$105,000 for salaried positions, per the table below.

¹ *Employment* is defined to include full and part time annual average jobs for both employees and self-employed workers. Seasonal workers are accounted for in this definition of employment.

Direct Effect is a series of (or single) production changes or expenditures made by producers/consumers as a result of an activity or policy. These initial changes are determined by an analyst to be a result of this activity or policy (i.e., construction jobs directly related to on-site activity).

Indirect Effect is the impact of local industries buying goods and services from other local industries (i.e., jobs supported from construction-related spending).

Induced Effect is the response by an economy to an initial change (Direct Effect) that occurs through re-spending of income by a component of Value Added. Money is recirculated through the household spending patterns causing further local economic activity (i.e., jobs created through household spending of income from direct jobs).

Labor Income includes employee compensation (wages and benefits paid to employees) and proprietor income (profits earned by self-employed individuals).

Output is the value of production and is equal to Labor Income, other property type income, indirect business taxes, plus intermediate expenditures (monies spent purchasing goods and services to create an industry's production).

Table III.M-9 Operational Job Types and Salaries

| Job Category | Salary Range |
|----------------|--------------------|
| Management | \$75,000-\$105,000 |
| Professional | \$65,000-\$90,000 |
| Administrative | \$35,000-\$60,000 |
| Production | \$15-\$20 per hour |

Source: IV2 Rockland Logistics Center LLC

The operational jobs to be generated by the Proposed Project would support an additional approximately 103 indirect and approximately 141 induced jobs, primarily in the real estate, employment services, eating and drinking establishments, health care, management, and wholesale trade industries. Combined, there would be approximately 694 direct, indirect, and induced jobs associated with operations of the Proposed Project. Annual labor income is estimated to be approximately \$41.6 million, with an average employee compensation of approximately \$59,866. Annual economic output for operations is estimated to be approximately \$98.4 million.

Table III.M-10 Economic Impacts of Operations

| Impact Type | Jobs | Labor Income | Output |
|----------------------|------------|---------------------|---------------------|
| Direct Effect | 450 | \$25,372,200 | \$54,115,791 |
| Indirect Effect | 103 | \$7,225,868 | \$20,370,396 |
| Induced Effect | 141 | \$8,960,827 | \$23,927,785 |
| Total Effects | 694 | \$41,558,894 | \$98,413,972 |

Table III.M-11 Direct, Indirect, and Induced Jobs by Industry (Top Ten)

| Industry | Jobs | % of Total |
|--------------------------------|------------|-------------|
| Warehousing and Storage | 467 | 67% |
| Real Estate | 28 | 4% |
| Employment Services | 11 | 2% |
| Full-Service Restaurants | 8 | 1% |
| Hospitals | 7 | 1% |
| Management Consulting Services | 6 | 1% |
| Services to Buildings | 5 | 1% |
| Wholesale Trade | 5 | 1% |
| Limited-Service Restaurants | 5 | 1% |
| Couriers and Messengers | 5 | 1% |
| Other | 147 | 20% |
| Total Effects | 694 | 100% |

3. Mitigation Measures

The Proposed Project will generate substantial PILOT payments to the General Town, County, School/Library, and Village taxing jurisdictions, resulting in an increase over current property taxes for these taxing jurisdictions. Special districts are not subject to the PILOT and will be paid full tax payments based on the assessed value of the property. The Proposed Project would result in a net positive impact for taxing jurisdictions based on the improved property valuation post-construction. Approximately 450 new direct jobs plus an additional approximate 103 indirect and approximate 141 induced jobs would result in significant economic output, which would support local and regional businesses, workers, and residents.

It is not anticipated that the Proposed Project would result in any adverse impacts to the taxing jurisdictions or local economy and no mitigation is required.