

**PUBLIC HEARING COMMENTS
THE PROPOSED BRR BROTHERS III, LLC/ SULLIVAN COUNTY FABRICATION,
INC. PROJECT**

Public Hearing Date:
Monday, April 4, 2016
11:00 am

Location:
Town of Fallsburg Court Room, South Fallsburg, NY

Attendees: See separate sign in sheet.

All legal requirements to hold the public hearing have been met.

Jen Flad opened the public hearing at 11:00 am.

Ken Walter: Distributed and summarized his written comments (attached).

Robert Kaplan: Expressed support for this project and the IDA in general. Stated that he is grateful that this business is willing to take the risk and invest in this project. Noted that, even with IDA abatements, taxes paid to the municipalities are never less than if the project were not developed. Stated that no new taxes would be generated if the project were not developed.

Pamela Zaitchick: Stated that she is happy the Resnicks seek to redevelop the egg farm and reuse the buildings. Cited the improvements that the Resnick family has made to various communities, and their history of success in business. Noted that their property on Wild Turnpike is an eyesore and expressed concern that it will get worse if the project is developed. Stated that Wild Turnpike is a rural road and expressed concern about increasing traffic.

There being no further public comment, Ms. Flad closed the public hearing at 11:16 am.

Jen Flad
April 4, 2016

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BRR Brothers III, LLC ("BRR") and Sullivan County Fabrication, Inc.

average		total	disposable income @				
salary	employees	salaries	50%	45%	40%	35%	30%
\$ 40,000	7	\$ 280,000	\$ 140,000	\$126,000	\$112,000	\$98,000	\$ 84,000
sales tax @		8%	\$ 11,200	\$ 10,080	\$ 8,960	\$ 7,840	\$ 6,720
Estimated sales tax generated by project			\$191,484	\$191,484	\$191,484	\$191,484	\$191,484
Sullivan County's share @ 50%			\$95,742	\$95,742	\$95,742	\$95,742	\$95,742
Years to recapture lost sales tax			8.55	19.00	21.37	24.42	28.49
years @ 30% spent in SC county			21.37	23.75	26.71	30.53	35.62
years @ 50% spent in SC county			17.10	19.00	21.37	24.42	28.49
Approximately		30% & 20%	50%				
House hold		SC & Town	Total	School			
2141		1242	3383	3383	6766		

I have read through the application and cost-benefit analysis of Sullivan County Fabrication, Inc. Asking for tax abatements through the IDA. This is

Over the years I listened to the IDA talk about the need of business plans for anyone who wanted to borrow money to start a business, for example, the cheese Mobile. The business plan should list type of job with description, if it's retained or not, and the salary range. The business plan should describe the product or service being rendered and the market our customer base is switching to serve. Business plan in place, is like Shepstone Management Company, Inc. could provide a Benefit/Cause Analysis report and be more custom to the applicant's presentation and less boilerplate wording.

The above information for this project was gleaned from the application and the CBA. Based on the number of new employees it will take for anywhere from 17 to 35 years to recoup the abated County portion of the sales tax, provided the business is still around. The abated mortgage tax only affects the county, but also affects the town, because a portion of those taxes come back to the town.

Without a PILOT in place is impossible for anyone in the public to know if this is a good deal or not the taxpayer. Anytime there are real property tax abatements, all taxpayers and businesses within the taxing jurisdictions of the town and county have to make up the shortfall in increased tax rates per thousand. For our County to grow economically we have to see our tax rates go down and taxes go down to make it more enticing for families and businesses to want to come here in Sullivan County.

A simple spreadsheet should be provided shows the following:

present assessed valuation

real property taxes broken out to special districts, town, county and school with percentage

new assessed valuation the pilot program

real property taxes broken out to special districts, town, county and school with percentage

on the Real Property Tax Abatement Schedule there should be two additional columns that shows the abated amount and the pilot amount.

Thank you. Kenneth Walter, Grahamsville, New York