

Catskill Veterinary Services, PLLC

Application to County of Sullivan
Industrial Development Agency for
Financial Assistance for

Catskill Veterinary Clinic



Benefit/Cost Analysis

Prepared by:

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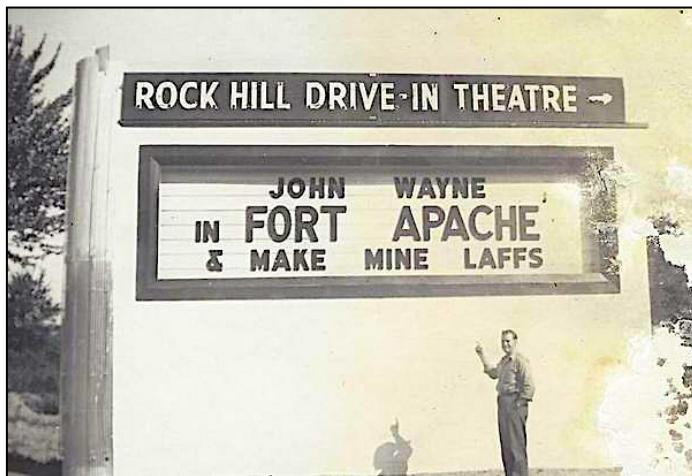
January, 2026

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Background:

Catskill Veterinary Services, PLLC has applied for financial assistance to develop a modern new Veterinary clinic of 20,000 square feet of total floor area, plus an outbuilding in the Town of Thompson. The clinic will be located on a 16.49 acre parcel (s/b/l 32.-1-14.1) at 23 Old Drive In Road, Rock Hill, New York. It was, as the address indicates, previously the site of a drive-in movie theater from 1950 to the 1970s:



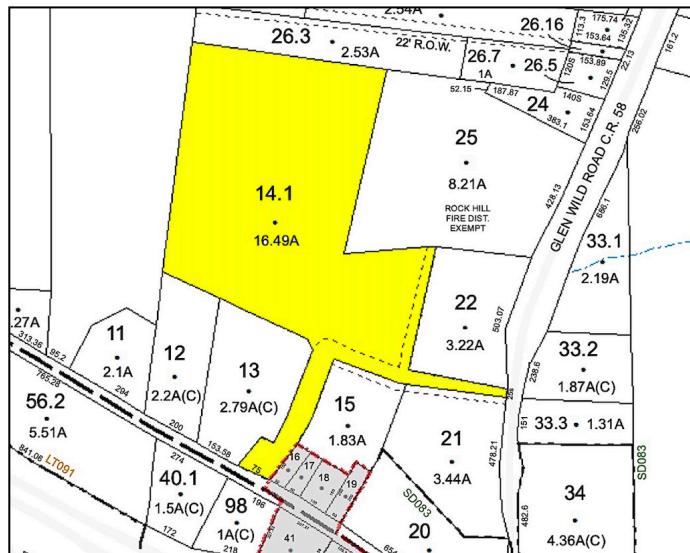
THEN



NOW

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The parcel includes apparent access to both Glen Wild Road and Rock Hill Drive:



The project involves an applicant-estimated \$5,400,000 in costs for the construction of real property improvements plus \$4,395,075 in other development expenses. An estimated 60% of construction costs or \$3,240,000 will be spent on otherwise sales-taxable material and \$750,000 of equipment will also be sales-tax-exempt. There is expected to be a \$9,300,000 mortgage associated with the project. Catskill Veterinary Services, PLLC has applied to the County of Sullivan Industrial Development Agency (IDA) for real property, mortgage and sales tax abatements to assist with bringing this project to completion.



New York State law governing IDAs requires "an analysis of the costs and benefits of the proposed project." Shepstone Management Company, Inc. has been requested by the IDA to provide such an analysis on an independent basis. This study is designed to compare the

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economic benefits of the project, including both direct and indirect revenues generated for local and state government, against the costs to these governments for additional services required. Both direct and indirect costs are considered on this side of the equation as well.

The following is a summary of the findings from this analysis, including supporting materials forming the basis for the conclusions reached regarding benefits and costs related to IDA assistance.

Methods and Assumptions:

The following methods and assumptions were employed for the analysis of this project:

- 1) The existing base assessment is assumed not to change, as any change in this instance, where the purchase price substantially exceeds the current assessed full market value, would only improve the benefit/cost ratio. The projected assessment following proposed improvements is based on the average assessment of market value per square foot from a survey of assessments on other medical facilities in Sullivan County. This provides a rational basis for projecting the likely assessment of this property upon completion. The following table summarizes the data:

| Parcel | Facility | Market Value | Square Feet | Per SF |
|-----------------------------------|-----------------------|---------------------|---------------|-----------------|
| 48.-1-27 | Animal Hospital of SC | \$860,867 | 6,806 | \$126.49 |
| 49.-1-3.6 | Wurtsboro Center | \$2,800,000 | 20,000 | \$140.00 |
| 48.-1-5.4 | Liberty Medical Group | \$1,316,042 | 8,680 | \$151.62 |
| 7.-1-3 | Jeff Animal Hospital | \$861,224 | 4,932 | \$174.62 |
| 115.-6-29 | Sun River Health | \$2,135,468 | 8,000 | \$266.93 |
| 13.-2-2.1 | Garnet | \$6,641,133 | 10,787 | \$615.66 |
| Totals/Average (All) | | \$14,614,734 | 59,205 | \$246.85 |
| Totals/Average (Mid-Range) | | \$7,112,734 | 41,612 | \$170.93 |

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The data indicates a mid-range (absent the lowest and highest figures) average assessed market value of \$170.93 per square foot, which is rounded up to \$175 per square to account for an outbuilding. This yields a total full market value of \$3,500,000.

Further applying the 40.6% equalization rate for the Town of Thompson and leaving out the base value, this yields a projected assessment value for purposes of this analysis of approximately \$1,421,000 as applied to the value of added real property improvements.

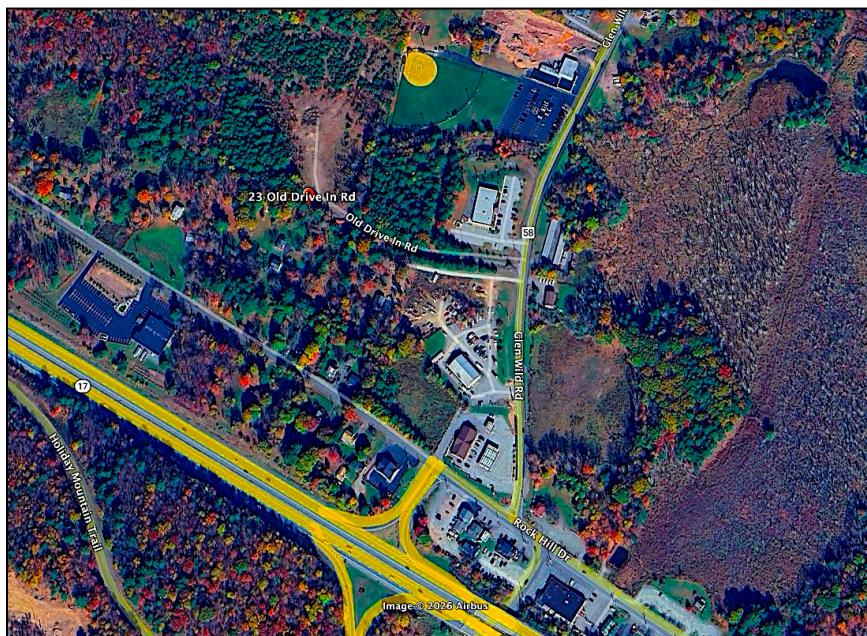
- 2) Real property tax abatement has been requested by the Applicant under the IDA's Uniform Tax Exemption Policy (General Program), will apply to the projected assessment of \$1,421,000 on the net amount of real property improvements. The proposed property improvements will yield economic gains by virtue of the increased taxes on the new real property improvements, which are calculated as a benefit. Abated taxes are treated as a cost.
- 3) Current ad valorem real property tax rates within the Town of Thompson, Sullivan County, are listed in the table following:

| Tax Rates | |
|------------------------|----------------|
| Tax Category | Rate |
| Medicaid | 2.9969 |
| NYS Welfare Mandates | 2.1152 |
| Other NYS Mandates | 3.5362 |
| County Levy | 2.5927 |
| County Total | 11.2410 |
| Town Outside Village | 2.1918 |
| Town to Highway | 2.2741 |
| Town Total | 4.4659 |
| School Tax Rate | 21.9594 |
| Combined Total | 37.6663 |

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- 4) This new construction project involves an estimated \$5,400,000 in costs for the construction of real property improvements. An estimated 60% of construction costs or \$3,240,000 will be spent on otherwise sales-taxable material and \$750,000 of equipment will also be sales-tax-exempt.
- 5) It is assumed, for purposes of this analysis, that all project construction activities will occur in 2025-26 with real property tax abatement beginning in 2026.
- 6) The application to the IDA indicates there will be a \$9,300,000 mortgage to which mortgage tax abatement will apply.



- 7) There are expected to be up to 18 full-time equivalent (FTE) construction jobs created at an average salary of \$47,500 for the construction period. There are also an estimated 28

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new FTE permanent jobs to be created at an average salary of \$59,800. An economic multiplier of 2.10 typical for the veterinary industry, is applied to these salaries for purposes of calculating personal income benefits and sales attributable to increased buying power, assuming 75% of construction jobs are filled by local residents.



- 8) The annual costs to local government for providing highway maintenance and other non-educational services in the Town are based on a combined Town and County levy of \$15,852,816 divided by a population of 16,736, yielding a per capita cost of \$947 or \$2340 per household.

- 9) School costs are based on the 0.525 children per household average for Sullivan County in 2025 times a total cost (local tax levy) of \$18,000 per student, which is the latest estimated average figure for the Monticello Central District, where the project is located

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(levy divided by a 2,549 enrollment). A maximum of two additional students is projected.

- 10) Cash flow streams from benefits and costs are net present valued using a discount rate of 3.346% ([current interest rate on the public debt](#)). Net present value figures include actual costs of abatements and other costs for 2025-2026 (construction period) plus discounted values for 2026-2045.

Conclusion:

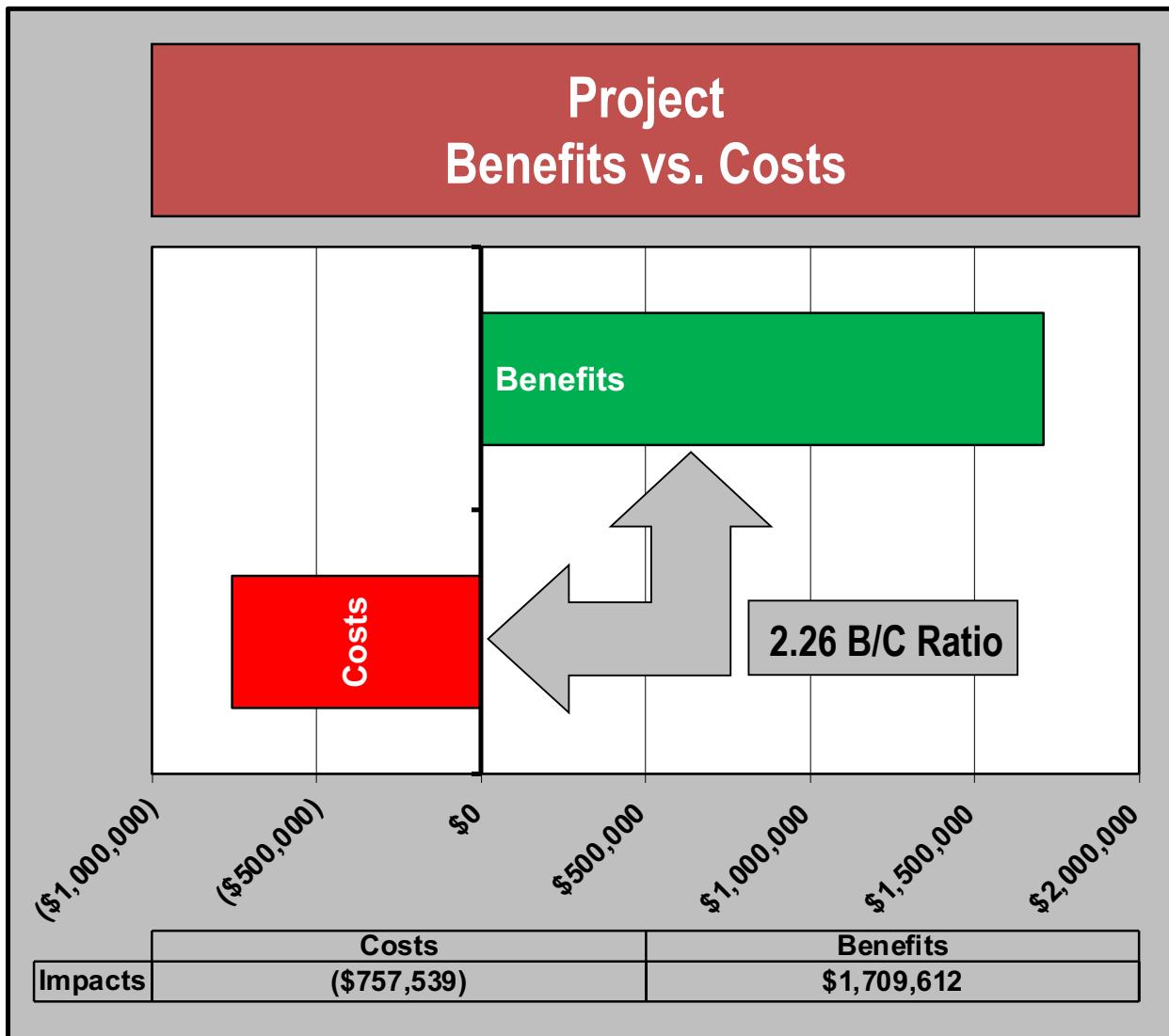
This project will generate estimated costs at net present value of \$579,114 in mortgage, real property and sales tax abatements over the period of the standard PILOT agreement.

The net present valued project benefits consist of real property taxes associated with improvements (\$\$679,735), payroll gains (\$25,746,922), and sales taxes from those payroll gains (\$1,029,877) that, altogether, total \$26,776,799 combined over the analysis period. Leaving aside the personal income gains per se, the net present value of benefits amounts to \$279,088 compared to the costs.

This yields a positive benefit/cost ratio of 2.26. The ratio, which includes payroll gains, is 35.35.

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Project Cost/Benefit Analysis

Costs (2025/26-2045)

| | |
|--|------------------|
| Sales Tax Abatements (County) | \$159,600 |
| Sales Tax Abatements (State) | \$159,600 |
| Mortgage Tax Abatements | \$93,000 |
| Real Property Tax Reductions Net of 485-b Benefits | \$166,914 |
| Sub-Total (Value of All Abatements) = | \$579,114 |

| | |
|--|------------------|
| Net Present Value of Abatements | \$528,204 |
| Additional School Costs | \$210,421 |
| Variable Highway & Other Municipal Costs | \$18,914 |
| Total Costs (Net Present Value)= | \$757,539 |

Benefits (Net Present Value, (2025/26-2045)

| | |
|--|--------------------|
| Property Taxes Related to Improvements | \$679,735 |
| Sales Taxes (General - From Gains in Buying Power) | |
| County | \$514,938 |
| State | \$514,938 |
| Sub-Total = | \$1,029,877 |

| | |
|---|---------------------|
| Personal Income Gains Related to New Jobs | \$12,260,439 |
| Personal Income Gains Related to Multiplier Effects | \$13,486,483 |
| Sub-Total (Income Gains) = | \$25,746,922 |

Total Benefits = \$26,776,799

Gross Excess Benefits Over Costs = \$26,019,260
 Net Excess Benefits Over Costs = \$272,337

Gross Benefits to Costs Ratio = 35.35

Net Benefits to Costs Ratio = 2.26

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| Economic Analysis of Project and Requested Tax Abatement Program | | | | | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| DESCRIPTION | FISCAL YEAR | Construct | | 2026 | | 2027 | | 2028 | | 2029 | |
| | | 1 | Startup | 3 | 2 | 4 | 3 | 5 | 6 | 7 | 8 |
| Sales Tax Abatement | | \$319,200 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Mortgage Tax Abatement | | \$93,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Real Property Tax Abatement | | \$1,024 | \$1,044 | \$1,065 | \$1,086 | \$1,108 | \$1,130 | \$1,153 | \$1,176 | \$1,199 | \$1,223 |
| Highway/Other Costs | | \$0 | \$12,280 | \$12,526 | \$12,776 | \$13,032 | \$13,292 | \$13,558 | \$13,829 | \$14,106 | \$14,388 |
| School Costs | | \$0 | \$27,297 | \$29,235 | \$31,240 | \$33,313 | \$35,457 | \$37,673 | \$39,963 | \$42,330 | \$44,776 |
| Real Property Taxes on New Property Value | | \$14,087 | \$14,369 | \$14,656 | \$14,949 | \$15,248 | \$15,553 | \$15,864 | \$16,182 | \$16,505 | \$16,835 |
| Total Real Property Taxes Without Project | | \$14,087 | \$41,666 | \$43,892 | \$46,189 | \$48,562 | \$51,010 | \$53,537 | \$56,145 | \$58,836 | \$61,612 |
| Total Real Property Taxes With Project | | \$855,000 | \$865,616 | \$878,928 | \$892,507 | \$706,357 | \$720,484 | \$734,894 | \$749,692 | \$764,584 | \$779,875 |
| Personal Income - Construction Employment | | \$940,500 | \$732,178 | \$746,821 | \$761,758 | \$776,993 | \$792,533 | \$808,383 | \$824,551 | \$841,042 | \$857,863 |
| Indirect Income Benefits | | \$71,820 | \$55,912 | \$57,030 | \$58,171 | \$59,334 | \$60,521 | \$61,731 | \$62,966 | \$64,225 | \$65,510 |
| Added Sales Tax (General) | | | | | | | | | | | |

| Economic Analysis of Project and Requested Tax Abatement Program | | | | | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|
| DESCRIPTION | FISCAL YEAR | 2037 | | 2038 | | 2039 | | 2040 | | 2041 | |
| | | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 2045 |
| Sales Tax Abatement | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Mortgage Tax Abatement | | \$15,273 | \$13,848 | \$12,359 | \$10,805 | \$9,186 | \$7,495 | \$5,733 | \$3,889 | \$1,988 | \$0 |
| Real Property Tax Abatement | | \$1,298 | \$1,324 | \$1,351 | \$1,378 | \$1,405 | \$1,433 | \$1,462 | \$1,491 | \$1,521 | \$1,551 |
| Highway/Other Costs | | \$15,269 | \$15,574 | \$15,886 | \$16,203 | \$16,527 | \$16,858 | \$17,195 | \$17,539 | \$17,880 | \$28,374 |
| School Costs | | \$52,608 | \$55,391 | \$58,264 | \$61,231 | \$64,292 | \$67,452 | \$70,712 | \$74,075 | \$77,545 | \$100,070 |
| Real Property Taxes on New Property Value | | \$17,866 | \$18,223 | \$18,588 | \$18,950 | \$19,339 | \$19,725 | \$20,120 | \$20,522 | \$20,933 | \$679,735 |
| Total Real Property Taxes Without Project | | \$73,614 | \$76,852 | \$80,190 | \$83,631 | \$87,177 | \$90,832 | \$94,598 | \$98,478 | \$102,356 | \$319,200 |
| Total Real Property Taxes With Project | | \$70,474 | \$84,162 | \$86,104 | \$87,826 | \$89,531 | \$91,374 | \$93,203 | \$95,664 | \$98,478 | \$93,300 |
| Personal Income - Construction Employment | | \$827,610 | \$907,150 | \$928,578 | \$947,150 | \$966,093 | \$985,415 | \$1,005,123 | \$1,025,225 | \$1,045,730 | \$1,066,645 |
| Indirect Income Benefits | | \$69,519 | \$70,910 | \$72,328 | \$73,774 | \$75,250 | \$76,755 | \$78,290 | \$79,856 | \$81,453 | \$1,430,328 |
| Added Sales Tax (General) | | | | | | | | | | | \$1,029,377 |

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