

Making the Case: Best Practices for Cost-Benefit Analysis

Presented by: Jessica Tagliafierro, Director of Impact Analysis

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Cost-Benefit Analysis

**Do the fiscal
benefits of a
project
outweigh the
incentives
being offered?**

Project Costs

- Net property tax loss (if applicable)
- Sales tax exemption
- Mortgage recording tax exemption

Project Benefits

- Net property tax benefit (if applicable)
- New sales tax revenue
- New jobs/employee wages

Cost-Benefit Analysis

Benefit to Cost Ratio

Estimated Public Costs of Project

Property Tax Exemption (otherwise applicable taxes)	\$80,000,000
Sales Tax Exemption	\$25,000,000
Mortgage Recording Tax Exemption	\$5,000,000
Total Costs	\$110,000,000

Estimated Public Benefits of Project

PILOT Revenue	\$90,000,000
New Sales Tax Revenue	\$30,000,000
New Income Tax Revenue	\$30,000,000
Total Benefits	\$150,000,000

Ratio	1.4
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Additional Metrics for Decision Making



New jobs created



Alignment with community plans



Housing: units built, affordable units



Revitalization: downtown corridors, distressed areas



Equity

Best Practices for a Cost-Benefit Analysis



Ask the right questions in your applications



Define and measure “net new” activity



Clearly communicate results



Follow a standardized process

Cost-benefit analyses can also be used to measure the:



Cumulative impact of all
projects



Impact of an industry



Impact of a program

New York State Economic Development Council IDA Impact Dashboard



Region

All

IDA

All

Project Purpose

All

Project Type

All

Year Project Approved

All

Planned Project End Year

All

Year Data As Of

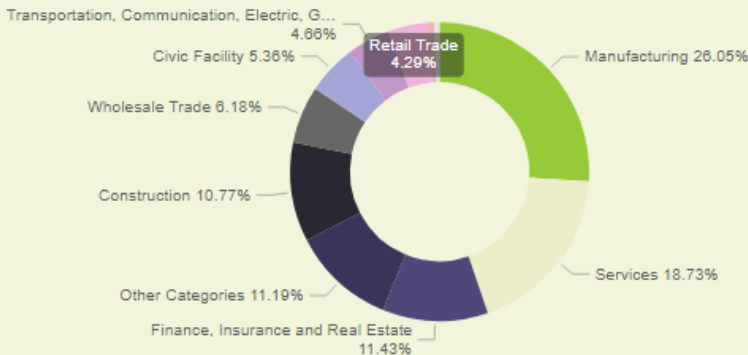
All

Total Active
Projects
4286

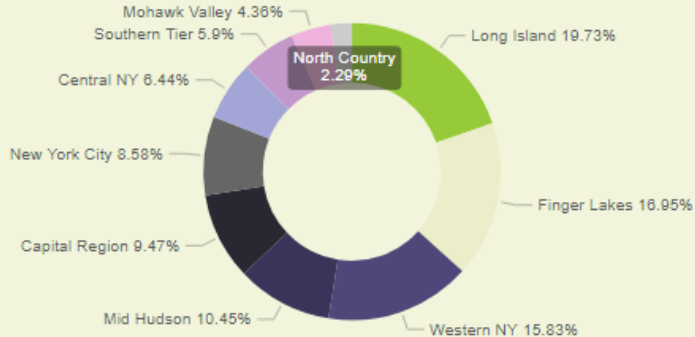


Powered by data from the Office of the
New York State Comptroller.

Project Purpose



Project Region



Project Name	Industrial Development Agency	Project Purpose	Project Type	Project Approved Date
06020501A	Dunkirk Industrial Development Agency	Other Categories	Straight Lease	Friday, January 1, 1988
1 Serv Realty	Hempstead Industrial Development Agency	Manufacturing	Straight Lease	Wednesday, May 28, 2014
10 Curtwright Drive LLC	Amherst Industrial Development Agency	Manufacturing	Straight Lease	Wednesday, July 15, 2015
10 Gold St. Properties LLC	Monroe Industrial Development Agency	Finance, Insurance and Real Estate	Straight Lease	Tuesday, May 17, 2016
10 Market Street Assisted Living Facility	Amsterdam Industrial Development Agency	Continuing Care Retirement Communities	Bonds/Notes Issuance	Monday, August 15, 2016
10 Market Street Assisted Living Facility	Amsterdam Industrial Development Agency	Continuing Care Retirement Communities	Straight Lease	Thursday, February 18, 2016
10 National (Intercounty)	Brookhaven Industrial Development Agency	Wholesale Trade	Straight Lease	Wednesday, November 14, 2018
10 River Street, LLC	Troy Industrial Development Authority	Construction	Straight Lease	Friday, June 16, 2017
100 Pike Plaza	Port Jervis Industrial Development Agency	Retail Trade	Straight Lease	Saturday, March 1, 2014
100 Pike Plaza	Port Jervis Industrial Development Agency	Manufacturing	Straight Lease	Friday, June 1, 2018

Economic Benefits of Projects

Estimated Jobs Created

229K

Avg. Salary of Jobs Created

\$41.1K

Estimated Jobs Retained

281K

Avg. Salary of Jobs Retained

\$64.4K

FTE Construction Jobs Created

35K

\$105.5bn

Total Project Amount

\$1.34bn

New Revenue for Local Governments

Mortgage Recording
Tax Exemption
\$26,665,908

Sales Tax Exemption
\$169,525,103

Property Tax
Exemption
\$1,256,902,928

Thank You!

