

Tompkins County Industrial Development Agency

Administration provided by Ithaca Area Economic Development

Sunbeam Candles – Community Benefits Overview

June 8, 2022

Project Overview

Sunbeam Candles was established in 2004 and moved into a building in the Town of Enfield in 2010. The company handcrafts beeswax candles with a mission to create beautifully handcrafted candles with the least cost to mother earth. Their products are sold primarily in natural foods stores across the country. Sunbeam is a certified living wage employer in Tompkins County. They ship using the US Carbon Neutral Program and do not use any plastic in their packing materials.

Sunbeam Candles is relocating from the current facility which they have outgrown. The project consists of the purchase of two parcels located at 127 and 129 Hornbrook Rd. in the Town of Danby totaling 4.21 acres and the renovation of two 5,000 square foot buildings. The renovations will include electric upgrades, insulation throughout, a new septic, office renovations, new overhead doors, a concrete pad between the buildings and a new solar PV array that will offset a significant portion of the business's electricity needs.

Cost-Benefit Analysis

- Extent to which project would create and/or retain private sector jobs – The project will retain 10 and create 15 new jobs over three years. Projected new payroll over the term of the PILOT is over \$5.1 million.
- Estimated value of tax exemption – 6% of total project costs

Property Tax	\$14,955
Sales Tax	\$24,000
Mortgage Tax	\$1,375
TOTAL	\$40,300
- Estimate of private sector investment to be generated by the project – Total project costs are \$700,000.
- Likelihood of completing project in a timely manner – Purchase offer is in place and bank financing is in process. Estimates for construction have been secured.
- Extent to which project would generate additional sources of revenue for local taxing jurisdictions – An estimated \$14,708 in new property taxes will be paid over the 7-year term of the PILOT.
- Other benefits that might result from the project – see attached cost benefit calculator. Overall costs to the community are \$39,457 and benefits are estimated at \$5,596,123 over the term of the PILOT.

Tompkins County Industrial Development Agency

MRB Cost Benefit Calculator



Date: May 31, 2022
 Project Title: SunBeam Candles, Inc. Relocation
 Project Location: 127/129 Hornbrook Road

Economic Impacts

Summary of Economic Impacts over the Life of the PILOT

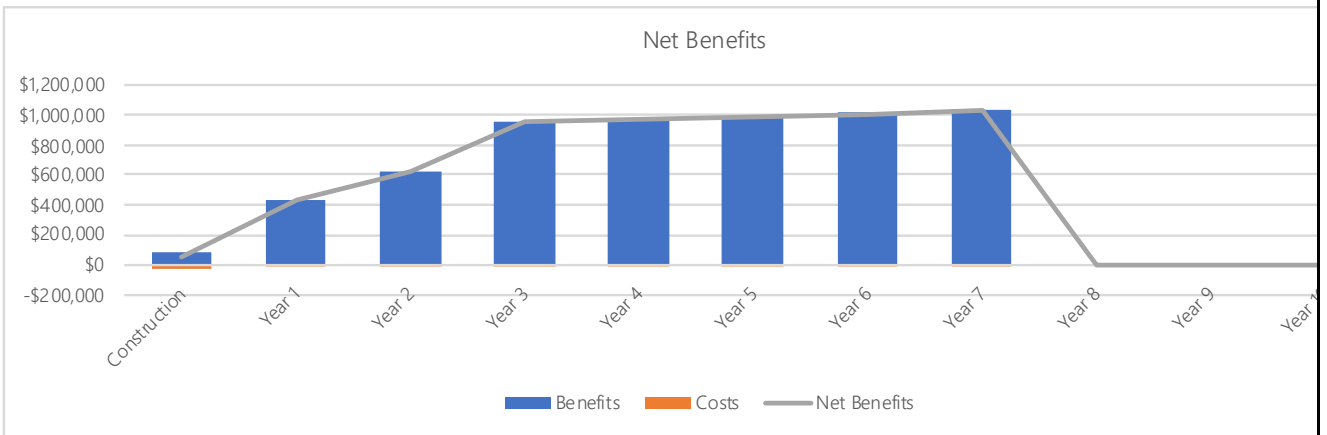
Project Total Investment

\$300,000

Temporary (Construction)			
	Direct	Indirect	Total
Jobs	1	0	1
Earnings	\$62,031	\$14,938	\$76,969
Local Spend	\$150,000	\$46,808	\$196,808

Ongoing (Operations)			
Aggregate over life of the PILOT			
	Direct	Indirect	Total
Jobs	15	3	18
Earnings	\$4,352,418	\$1,314,782	\$5,667,199

Figure 1



Net Benefits chart will always display construction through year 10, irrespective of the length of the PILOT.

Figure 2

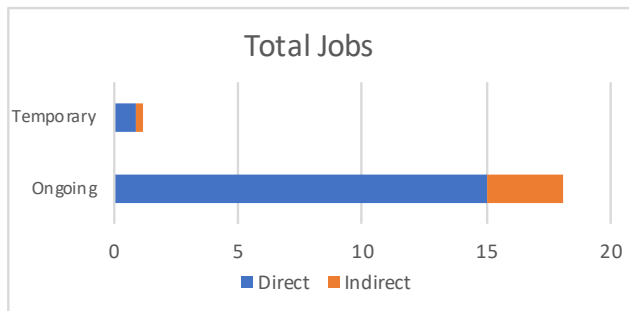
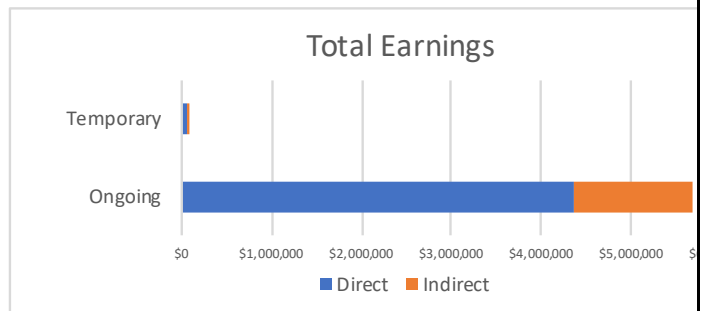


Figure 3



Fiscal Impacts

Estimated Costs of Exemptions

	Nominal Value	Discounted Value*
Property Tax Exemption	\$14,955	\$14,082
Sales Tax Exemption	\$24,000	\$24,000
Local Sales Tax Exemption	\$12,000	\$12,000
State Sales Tax Exemption	\$12,000	\$12,000
Mortgage Recording Tax Exemption	\$1,375	\$1,375
Local Mortgage Recording Tax Exemption	\$0	\$0
State Mortgage Recording Tax Exemption	\$1,375	\$1,375
Total Costs	\$40,330	\$39,457

State and Local Benefits

	Nominal Value	Discounted Value*
Local Benefits	\$5,799,085	\$5,321,990
To Private Individuals	\$5,744,168	\$5,271,788
Temporary Payroll	\$76,969	\$76,969
Ongoing Payroll	\$5,667,199	\$5,194,819
Other Payments to Private Individuals	\$0	\$0
To the Public	\$54,917	\$50,202
Increase in Property Tax Revenue	\$14,708	\$13,300
Temporary Jobs - Sales Tax Revenue	\$539	\$539
Ongoing Jobs - Sales Tax Revenue	\$39,670	\$36,364
Other Local Municipal Revenue	\$0	\$0
State Benefits	\$298,697	\$274,133
To the Public	\$298,697	\$274,133
Temporary Income Tax Revenue	\$3,464	\$3,464
Ongoing Income Tax Revenue	\$255,024	\$233,767
Temporary Jobs - Sales Tax Revenue	\$539	\$539
Ongoing Jobs - Sales Tax Revenue	\$39,670	\$36,364
Total Benefits to State & Region	\$6,097,782	\$5,596,123

Benefit to Cost Ratio

	Benefit*	Cost*	Ratio
Local	\$5,321,990	\$26,082	204:1
State	\$274,133	\$13,375	20:1
Grand Total	\$5,596,123	\$39,457	142:1

*Discounted at 2%

Additional Comments from IDA

Does the IDA believe that the project can be accomplished in a timely fashion? Yes

Sunbeam Candles, Inc. Cost Benefit Analysis

2-May-22

Assumptions

\$ 195,000	Current Assessment (land est. 45k; improvement 150K)
\$ 150,000	Increase in Assessment
2.00%	Annual Tax Rate/Assessment Increase

7-Year Schedule

	Rates
County	3.310940
Town	6.450780
Village	0.000000
School (ICSD)	16.837842
Total	26.599562

Year	Abatement Multipliers	Taxable Value
1	0.9000	150,000
2	0.7700	153,000
3	0.6400	156,060
4	0.5100	159,181
5	0.3900	162,365
6	0.2600	165,612
7	0.1300	168,924

Note: These are estimates - Actual payments and savings are based on assessed values and tax rates each year

Year	Abatement	County	Town	Village	School	New Taxes Paid	Existing Taxes Paid	Total Taxes Paid	County	City	Village	School	Total Taxes Abated
1	90%	50	97	-	253	399	5,187	5,586	447	871	-	2,273	3,591
2	77%	117	227	-	593	936	5,291	6,227	390	760	-	1,984	3,134
3	64%	186	362	-	946	1,494	5,396	6,891	331	644	-	1,682	2,657
4	51%	258	503	-	1,313	2,075	5,504	7,579	269	524	-	1,367	2,159
5	39%	328	639	-	1,668	2,634	5,614	8,249	210	408	-	1,066	1,684
6	26%	406	791	-	2,064	3,260	5,727	8,987	143	278	-	725	1,145
7	13%	487	948	-	2,475	3,909	5,841	9,750	73	142	-	370	584
Total		1,831	3,567	0	9,310	14,708	38,561	53,269	1,861	3,627	0	9,466	14,955

Project Costs	\$ 700,000
Hard Costs	\$ 345,000
Sales Taxes Abatement	
construction	300,000
ff&e	0
Total	24,000

Mortgage Recording Tax Abatement	550,000
Mortgage	0
Total	1,375

Fees with Property Tax Abatement	
IDA	\$3,450
IDA Attorney	\$1,139
IDA app	\$1,000
Total	\$5,589

Summary	
\$ 14,955	Total Property Tax Abatement
\$ 24,000	Sales Tax Abatement
\$ 1,375	Mortgage Recording Tax Abatement
\$ 40,330	Total IDA Incentives

Incentive as a % of:	
Construction	12%
Project Costs	6%