



Internal Report: Michigan Seneca Group, Inc. - Michigan Seneca Group, Inc.

Table 1: Basic Information

Project Name	Michigan Seneca Group, Inc.
Project Industry	(531) Real Estate
Municipality	Buffalo City
School District	Buffalo
Project Cost	\$5,712,000
Construction Budget	\$5,016,000
Direct Employment Expected	2 (1 created and 1 retained)
Direct Labor Income	\$37,440
Direct Construction Jobs	37
Direct Construction Labor Income	\$1,927,773
Total Labor Income	\$1,965,213

Table 2: Estimated State & Regional Benefits*

Region	
New Property Tax Revenue (PILOT or Improvements)	\$735,830
Sales Tax Revenue	\$59,571
State	
Income Tax Revenue	\$152,521
Sales Tax Revenue	\$50,165
TOTAL Estimated Revenue	\$998,088

Table 3: Estimated Project Incentives*

Property Tax Savings	\$0
Sales Tax Savings	\$219,450
Mortgage Tax Savings	\$35,000
TOTAL Estimated Incentives	\$254,450



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Table 1: Basic Information

Project Name	Michigan Seneca Group, Inc.
Project Applicant	Michigan Seneca Group, Inc.
Project Industry	Real Estate
Municipality	Buffalo City
School District	Buffalo
Type of Transaction	Tax Exemptions
Project Cost	\$5,712,000
Mortgage Amount	\$3,500,000

Table 2: Permanent New/Retained Employment (Annual FTEs)

	State	Region
Total Employment	56	56
Direct**	2 (1 created and 1 retained)	2 (1 created and 1 retained)
Indirect***	2	2
Induced****	1	1
Temporary Construction (Direct and Indirect)	50	50

Table 3: Permanent New/Retained Labor Income (Annual) & Average Salary (Annual)

	State Labor Income	Region Labor Income	Average Salary
Total	\$2,815,435	\$2,815,435	\$50,598
Direct**	\$37,440	\$37,440	\$18,720
Indirect***	\$128,892	\$128,892	\$54,136
Induced****	\$52,242	\$52,242	\$39,751
Temporary Construction (Direct and Indirect)	\$2,596,861	\$2,596,861	\$51,991

Table 4: Permanent New/Retained Labor Income (Discounted Present Value*)

	State Labor Income	Region Labor Income
Total	\$4,479,045	\$4,479,045
Direct**	\$322,403	\$322,403

Indirect***	\$1,109,915	\$1,109,915
Induced****	\$449,866	\$449,866
Temporary Construction (Direct and Indirect)	\$2,596,861	\$2,596,861

Table 5: Cost/Benefit Analysis (Discounted Present Value^{*})

Total Costs to State and Region	\$254,450
Mortgage Tax Revenue Forgone	\$35,000
State	\$26,250
County	\$8,750
Local	\$0
Sales Tax Revenue Forgone	\$219,450
Construction Materials	\$219,450
Other Items	\$0
Total Benefits to State and Region	\$5,477,133
Total State Benefits	\$4,681,731
Income Tax Revenue	\$152,521
Direct ^{**}	\$3,224
Indirect ^{***}	\$41,067
Induced ^{****}	\$12,146
Construction (Direct and Indirect, over 0 years)	\$96,084
Sales Tax Revenue	\$50,165
Direct ^{**}	\$3,611
Indirect ^{***}	\$12,431
Induced ^{****}	\$5,038
Construction (Direct and Indirect, over 0 years)	\$29,085
Labor Income	\$4,479,045
Total Regional Benefits	\$795,402
Property Tax/PILOT Revenue	\$735,830
Sales Tax Revenue	\$59,571
Direct ^{**}	\$4,288
Indirect ^{***}	\$14,762
Induced ^{****}	\$5,983
Construction (Direct and Indirect, over 0 years)	\$34,538
Benefit to Cost Ratio	5477115.2:1
Overall ROI	21.5:1

Table 6: Regional Fiscal Impact (Discounted Present Value*)

Total Local Client Incentives	\$123,699
Total Anticipated Local Revenue (Property Tax plus Local Sales Tax)	\$795,402
Net Local Revenue	\$671,702
Benefit to Cost Ratio	6.4:1
Overall ROI	42.6:1

Table 7: Property Tax Revenue (Discounted Present Value*)

Total Property Tax	\$735,830
County Property Tax	\$116,481
City/Village Property Tax	\$305,266
School District Property Tax	\$314,083

* Figures over 10 years and discounted by 3.49%

** Direct - The recipient of IDA assistance adds new jobs to the regional economy and/or retains jobs at risk of being lost to another region. Investments that result in displacing existing jobs (e.g., most retail and many service sector industries) do not fall under this definition.

*** Indirect - The recipient of IDA assistance makes purchases from regional firms, which stimulates suppliers to add jobs and payroll that are new to the regional economy or are saved from being lost to competitors outside the region.

**** Induced - The recipient of IDA assistance by adding to and/or retaining payroll stimulates household spending that is new to the regional economy and/or saved from being lost to competitors outside the region.

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Table 4: Employment Breakdown

Project	
Direct**	2 (1 created and 1 retained)
Indirect***	2
Induced****	1
Construction	
Direct	37
Indirect	13

Table 5: Ratios

Benefit to Cost Ratio	3.9:1
Overall ROI	21.5:1

* Figures over 10 years and discounted by 3.49%

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