

Response to Goman + York Fiscal & Economic Impact Study

Jennifer Zeronson



LEDYARD OVERVIEW

- Less than 1% of the Town of Ledyard's real estate is commercially or industrially developed.
- For comparison, East Lyme has 9%, Colchester has 10%, Montville has 12%, Stonington has 15%, and Waterford has 26%.

POCD

*“Modern office facilities would attract businesses that would have **little impact on the environment** and would require **little in the way of industrial infrastructure** but would **create jobs and increase the tax base**. Companies involved in financial services, insurance, real estate, software development, and data processing are examples of “low impact” enterprises that should be encouraged.”*

Estimate of Warehouse Job Creation

Economic Impact – Summary of Findings

From the perspective of economic impact, the proposed excavation and conceptual future warehouse/industrial buildings are projected to create and/or sustain approximately 32 FTE site preparation jobs, 45 FTE Construction Jobs, 130 permanent warehouse jobs, and approximately \$5,700,630 in wealth creation in the Norwich-New London Region per year after completion. In short, the proposed development will have a meaningful positive economic impact in the Norwich-New London Region.

Permanent Jobs

To calculate the permanent jobs created by 260,000 square feet of industrial space, we start by considering the industry standard of between one employee per 1,000 square feet and one employee per 2,000 square feet. To be conservative, one employee per 2,000 square feet is used. Therefore, we estimate that 260,000 square feet of industrial space will result in 130 jobs.

Based on the BLS average annual production worker salary of \$58,468, the 130 permanent jobs will result in \$7,600,840 of income, and \$5,700,630 in discretionary spending is estimated to be generated per year in the Norwich-New London Region once construction is completed.

$$\frac{\$58,468}{2,080 \text{ hours/year}} = \$28.11/\text{hour}$$

Indeed Warehouse Job Postings

Driver/Warehouse Associate

BellSimons Companies 3.1 ★
New London, CT 06320

\$18 - \$20 an hour Full-time 8 hour shift

➤ Easily apply

- This role works in all departments within the **warehouse** related to product incoming and outgoing tasks.
- Assists shipping, receiving, transfers, unloading trucks...

Active 7 days ago

Warehouse Associate / Dock Worker/General Labor- 2nd Shift

humano
Taftville, CT 06380

⚡ Typically responds within 1 day

\$17.50 - \$30.00 an hour Full-time Monday to Friday +1

➤ Easily apply

- If you are a experienced **warehouse** worker / freight handler / material handler / top performing distribution center that wants to make great money, keep reading...

Active 5 days ago · More...

Warehouse Worker

US Foods, Inc.
Norwich, CT 06360

⚡ Typically responds within 1 day

\$21.63 - \$28.00 an hour Full-time

Weekends as needed +3

- Experience selecting large scale orders in a **warehouse** or distribution center environment preferred.
- Benefits for this role may include health insurance, pre...

· More...

WAREHOUSE/DELIVERY (FULL TIME)

Eurest
Uncasville, CT 06382

\$22 - \$25 an hour Full-time

➤ Easily apply

- Withdraws merchandise and supplies from the warehouse.
- Collects empty containers and unsold merchandise for return to **warehouse** and/or disposal.

· More...

	<u>Low</u>	<u>Midpoint</u>	<u>High</u>
Driver/Warehouse Associate	\$ 18.00	\$ 19.00	\$ 20.00
Warehouse Associate/Dock Worker/General Labor-2nd shift	\$ 17.50	\$ 23.75	\$ 30.00
Warehouse Worker	\$ 21.63	\$ 24.82	\$ 28.00
Warehouse/Delivery	\$ 22.00	\$ 23.50	\$ 25.00
Average of 4	\$ 19.78	\$ 22.77	\$ 25.75

Versus analysis estimate of \$28.11/hour

POCD

“45% of jobs in CT now pay less than 20\$/hour. This income group represents an emerging segment of Ledyard’s population that has need of affordable housing and potentially expanded municipal services.”

(emphasis mine)



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Real Estate Taxable Property

Year	2023		2037		Delta
	Assessment	%	Assessment	%	
Residential	\$949,888,667	90.9%	\$1,026,686,986	88.6%	-2.3%
Commercial	\$53,570,278	5.1%	\$57,901,425	5.0%	-0.1%
Industrial	\$5,013,540	0.5%	\$34,331,032	3.0%	2.5%
Misc	\$36,472,391	3.5%	\$39,421,177	3.4%	-0.1%
Total	\$1,044,944,876	100.0%	\$1,158,340,620	100.0%	N/A

Two Sections of Goman + York Model

Pertaining to Subject Application Before You

Possible Development

Detailed Fiscal Impact Analysis of Proposed Extraction Site															
	Extraction Period										Development		Stabilized		
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Current Assessment	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$33,104,212	\$33,104,212	\$33,104,212
Real Property	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$40,000	\$40,000	\$1,165,599	\$1,165,599	\$1,165,599
PILOT		\$40,000		\$237,500		\$206,250				\$408,750					
Personal Property	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822			\$116,560	\$116,560	\$116,560
Total	\$20,047	\$60,047	\$20,047	\$257,547	\$20,047	\$226,297	\$20,047	\$20,047	\$20,047	\$428,797	\$562,798	\$40,000	\$1,282,159	\$1,282,159	\$1,282,159

Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11+				
General Gov. Serv.	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 6,800	\$ 6,800	\$ 217,967	\$ 217,967	\$ 217,967
Total	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$6,800	\$6,800	\$217,967	\$217,967	\$217,967

Net Fiscal Impact	\$1,467	\$41,467	\$1,467	\$238,967	\$1,467	\$207,717	\$1,467	\$1,467	\$1,467	\$410,217	\$555,998	\$33,200	\$1,064,192	\$1,064,192	\$1,064,192
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10 year Quarry Operation

Pertaining to Subject Application Before You

Detailed Fiscal Impact Analysis of Proposed Extraction Site												
	Extraction Period										Development	
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Current Assessment	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602
Real Property	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$40,000	\$40,000
PILOT		\$40,000		\$237,500		\$206,250				\$408,750		
Personal Property	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822		
Total	\$20,047	\$60,047	\$20,047	\$257,547	\$20,047	\$226,297	\$20,047	\$20,047	\$20,047	\$428,797	\$562,798	\$40,000

Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11+
General Gov. Serv.	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 6,800 \$ 6,800
Total	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$6,800 \$6,800

Net Fiscal Impact	\$1,467	\$41,467	\$1,467	\$238,967	\$1,467	\$207,717	\$1,467	\$1,467	\$1,467	\$410,217	\$555,998	\$33,200
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10 year Quarry Operation

**Detailed Fiscal Impact Analysis of Proposed Extraction
Extraction Period**

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Assessment	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602
Real Property	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225
PILOT		\$40,000		\$237,500		\$206,250				\$408,750
Personal Property	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822
Total	\$20,047	\$60,047	\$20,047	\$257,547	\$20,047	\$226,297	\$20,047	\$20,047	\$20,047	\$428,797

Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General Gov. Serv.	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580
Total	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580

Net Fiscal Impact	\$1,467	\$41,467	\$1,467	\$238,967	\$1,467	\$207,717	\$1,467	\$1,467	\$1,467	\$410,217
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TIPPING FEE

The Applicant is cognizant of the fact that the industrial regrading of the southerly portion of the Applicant's property to ready it for future industrial development (and the production of ratables for the Town of Ledyard) is a long term proposition. In order to provide suitable compensation to the Town of Ledyard, in lieu of taxes, the Applicant is proposing a payment in lieu of taxes ("PILOT") for the duration of the proposed extraction operation¹. The PILOT proposed is at the rate of \$0.25 per cubic yard of stone material extracted and exported from the site.² In conjunction with the proposed PILOT payment, the Applicant proposes to provide to the Town of Ledyard, on a semi-annual basis, verification of the amount of stone which has been exported from the project together with a payment of the PILOT required for the amount so exported.

Detailed Fiscal Impact Analysis of Proposed Extraction										
Extraction Period										
Revenue	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Current Assessment	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602	\$517,602
Real Property	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225	\$18,225
PILOT		\$40,000		\$237,500		\$206,250				\$408,750
Personal Property	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822	\$1,822
Total	\$20,047	\$60,047	\$20,047	\$257,547	\$20,047	\$226,297	\$20,047	\$20,047	\$20,047	\$428,797

Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
General Gov. Serv.	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580	\$ 18,580
Total	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580	\$18,580

Net Fiscal Impact	\$1,467	\$41,467	\$1,467	\$238,967	\$1,467	\$207,717	\$1,467	\$1,467	\$1,467	\$410,217
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Tipping Fee	
Year 2	\$ 40,000
Year 4	\$ 237,500
Year 6	\$ 206,250
Year 10	\$ 408,750
Total	\$ 892,500
Per Year - 10 years	\$ 89,250

Materiality of Tipping Fee (PILOT)

Impact to Ledyard town income

Cost to educate a Ledyard student

\$892,500 over 10 years =
\$89,250 per year

\$16,871 (2022-23)

$$\frac{\$89,250}{\$16,871} = 5.29 \text{ students/year}$$

Materiality of Tipping Fee (PILOT) - continued

$$\frac{5.29 \text{ students}}{2,421 \text{ total enrollment}} = .002 \text{ (0.2\%)} \text{ of total enrollment}$$

Total benefit of Tipping Fee is that it would “pay” for 5.29 students, which is 0.002 (0.2%) of total enrollment

Possible Future Development



Possible Development

Revenue	
Current Assessment	\$
Real Property	
PILOT	
Personal Property	
Total	\$

Expenditures	
General Gov. Serv.	
Total	\$

Net Fiscal Impact	
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Site	Development		Stabilized		
	Year 11	Year 12	Year 13	Year 14	Year 15
	\$517,602	\$517,602	\$33,104,212	\$33,104,212	\$33,104,212
\$40,000	\$40,000	\$1,165,599	\$1,165,599	\$1,165,599	
		\$116,560	\$116,560	\$116,560	
\$562,798	\$40,000	\$1,282,159	\$1,282,159	\$1,282,159	

Year 11+				
\$ 6,800	\$ 6,800	\$ 217,967	\$ 217,967	\$ 217,967
\$6,800	\$6,800	\$217,967	\$217,967	\$217,967

\$555,998	\$33,200	\$1,064,192	\$1,064,192	\$1,064,192
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Materiality of Potential Future Tax Revenue*

Potential Net Tax Revenue

Total Ledyard Town Budget

\$1,064,192

\$67,430,573

Beginning in year 13

$$\frac{\$1,064,192}{\$67,430,573} = 1.6\% \text{ potential increase}$$

*net

Summary

- Tipping fee “pays” for 5.29 students (.002 of total enrollment) for 10 years
- *Possible, future, estimated* benefits that are not material
- Risk that Cashman will profit from aggregate and never develop further
- Possible future low paying jobs, draining town resources

This application is NOT the answer!