

**YANKEE MARINE GROUP LLC APPLICATION AS REFERS TO  
2217 ROUTE 9N BOAT STORAGE PROJECT FOR BENEFITS FROM THE  
WARREN AND WASHINGTON INDUSTRIAL DEVELOPMENT AGENCY**

From: Chuck Barton, WWIDA Chief Executive Officer

Date: May 5, 2023

The purpose of this memorandum is to set forth the facts and considerations utilized by the Counties of Warren and Washington Industrial Development Agency (“WWIDA”) in rendering a decision to provide financial assistance via investment incentives to Yankee Marine Group LLC (“Yankee”) for the 2217 Route 9N Boat Storage project (“Project”), a boat storage facility in Lake George, New York.

This document sets forth the several factors considered by the WWIDA and is intended to provide a concise record of the issues considered as well as the justification for the investment incentive package, if offered by the WWIDA Board.

**COMPANY AND PROJECT DESCRIPTIONS and PROJECT FEASIBILITY**

Yankee Marina, originally established in 1967, is a family-owned marina located on the east side of Lake George. The second-generation ownership of a new legal entity, Yankee Marine Group LLC, includes two sites. The Lake George Marina & Boat Rentals is located at 3910 Lake Shore Drive, Diamond Point and the Lake George Showroom is located nearby at 3578 Lake Shore Drive.

The experienced full-service marina includes boat sales, service, parts sales, storage, and rentals. New boat brands include Monterey, Nautique, Blackfin, and Godfrey Pontoons. Engine service includes Mercury, Mercruiser, Yamaha, and PCM.

Brodie Land Development LLC, owned by the same second-generation family, has acquired land on 2217 Route 9N located one mile east of Northway Exit 21 towards Lake Luzerne. The site has been cleared and graded for outside boat and equipment storage and proper stormwater control.

The site has also been permitted by the Adirondack Park Agency, Lake George Park Commission, and Town of Lake George for development of up to three rack storage

buildings (100'x110') to store up to 240 boats indoor and an additional 110 boats outdoor. All approvals were secured by fall 2022.

The WWIDA application Project is for two rack storage buildings intended for storage and maintenance operations of up to 160 boats inside and 110 boats outside. (See Buildings 1 and 2 in Site Diagram in Appendix.) The new buildings will enable boat maintenance operations during the winter and thus retention of additional staff year-round. There will be no customer retail operation at the site – the majority of the boats will be transported from the Diamond Point sites.

Despite Yankee's confidence about the strong boat storage market, Yankee is indefinitely holding off from the permitted third storage building due to higher than originally expected construction costs (materials and labor).

The application estimated total project cost is \$3,007,381. The infrastructure cost is \$589,827 (land acquisition is not included). The new building construction is \$2,145,154. The special forklift for boat handling is \$250,000. The estimates are from local vendor quotes, but the work is not yet authorized by Yankee. The targeted occupancy is October 2023 to start boat storage for the upcoming 2023/2024 winter.

Financing for the project will be finalized with Yankee's established local banking institution. Yankee owners recognize the investment incentives are contingent upon the financing arrangement.

## **ANALYSIS OF PILOT AND ABATEMENT REQUEST**

The investment incentives requested by Yankee for the Project is requesting the following:

1. Property tax incentives in the form of a PILOT. In comparing the application to the WWIDA's UTEP, this application is served under the WWIDA Other Eligible Projects with 50% property tax exemption for 5 years and 25% exemption for the next 5 years. The estimated new assessed value of property based on the applicant's estimated investment is \$2,822,781 (assuming the base assessment of the land remains the same). Assuming the traditional assessed value methodology the **estimated property tax savings is \$117,744 over the 10 years.**

(Note the PILOT estimates are based on current tax rates and a projected increase in assessed value. The actual PILOT payments will be based on the then current tax rate and the assessed value as determined by the assessor. Consequently, the actual benefit may vary from the projected estimate.)

2. **State and County sales tax abatement** totaling 7% based on up to \$1,609,934 subject to sales tax. The WWIDA calculates this estimated savings at **\$112,695.**

3. **Mortgage tax abatement** of 1.25% from an estimated financing loan of \$1,787,381. The WWIDA calculates this estimated savings at **\$22,342**.

**The proposed investment incentives are necessary for Yankee to proceed with the project for two storage buildings.** The application states, “During the two-plus year multi-agency approval process...associated building costs increased...by nearly 50%. Our original estimated returns are no longer feasible, and my building order has been put on hold until a solution is found...I am seeking...IDA assistance...so I can proceed with confidence with the development of our boat storage facility.” Furthermore, without the investment incentive, Yankee would need to curb growth projections, use the 2217 Route 9N site for only outdoor boat storage, and continue to lay off staff for the winter.

### **COMMUNITY AND ECONOMIC IMPACTS:**

Specific community and economic benefits of the Project include:

1. **Support the local boating economy and improve servicing** to year-round residents, seasonal residents, and visitors.
2. **Generate an estimated 32 construction jobs.**
3. **Source construction materials estimated at \$611,774 within Warren County and at \$837,165 within New York State.**
4. **Generate an estimated 2.5 Full-Time Equivalent employment positions** with estimated total annual wages and benefits is \$225,000.
5. **Generate estimated PILOT payments of \$196,240** over ten years.
6. **Generate estimated new local sales tax of over \$900,000** over ten years.
7. **Eliminate boat shrink wrapping waste of over ~100 boats per year.**
8. **Generate Community Cost Benefit Ratio estimated at 1 to 15** over the ten years. The estimated “cost” of all State, County, and Town incentives is \$252,782. The estimated “benefits” to the community is \$3.8 million. (See analysis in the Appendix.)
9. **Generate Community Net Benefit estimated at \$2.9 million** over ten years, adjusted to net present value at 3%. (See analysis in the Appendix.)

In conclusion, approving the Yankee application would enable the Project and be in the economic and community interests of the residents of Warren and Washington Counties.



Warren-Washington Counties Industrial Development Agency

5 Warren Street, Glens Falls, NY 12801

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IDA Project Name: 2217 Route 9N Boat Storage

Project Type: Marina Boat Storage Expansion

Project Street Location: 2217 Route 9N

Project Municipality: Town of Lake George

Parcel Identification: 277.01-1-3

Project Description: Construction of two rack storage buildings

Total Project Investment: \$3,007,381

Project Material Terms: \$2,822,781 in equipment and infrastructure

IDA Benefits Provided: Mortgage, Sales and Use Tax Exemptions, and PILOT

Community Benefits:  
(over ten years)

- a. Support local boating economy
- b. Construction jobs: 32
- c. Generate local materials sales over \$600K
- d. Full-Time Equivalent jobs: 2.5
- e. PILOT payments of \$196K
- f. Generate new sales tax of over \$900K
- g. Eliminate boat shrink wrap waste from over 100 boats/yr.
- h. Community Cost Benefit Ratio: 1 to 15
- i. Net Community Benefit: \$2.9M (NPV)

# Appendix



Yankee Marine Group WWIDA Application  
 Community Cost Benefit Analysis  
 May 5, 2023

Year	Community "Cost"				Community "Benefit"				Net "Benefit"		
	State 4% Sale Tax Exempt.	County 3% Sale Tax Exempt.	Mortgage Tax Exempt.	Net Property Exempt.	TOTAL Exempt.	2.5 FTE Wages & Benefits	32 Const. Jobs Wages & Ben. for 2 months	PILOT Payments		New Sale Tax Generated*	TOTAL
0	(\$64,397)	(\$48,298)	(\$22,342)	(\$15,699)	(\$135,037)	\$225,000	\$400,000	\$15,699	\$36,177	\$400,000	\$264,963
1				(\$15,699)	(\$15,699)	\$225,000		\$15,699	\$48,311	\$276,876	\$261,177
2				(\$15,699)	(\$15,699)	\$225,000		\$15,699	\$61,655	\$302,354	\$273,311
3				(\$15,699)	(\$15,699)	\$225,000		\$15,699	\$73,857	\$314,556	\$286,655
4				(\$15,699)	(\$15,699)	\$225,000		\$15,699	\$86,058	\$326,757	\$298,857
5				(\$7,850)	(\$7,850)	\$225,000		\$23,549	\$97,680	\$346,229	\$311,058
6				(\$7,850)	(\$7,850)	\$225,000		\$23,549	\$109,868	\$358,417	\$338,379
7				(\$7,850)	(\$7,850)	\$225,000		\$23,549	\$120,414	\$368,963	\$350,567
8				(\$7,850)	(\$7,850)	\$225,000		\$23,549	\$133,786	\$382,335	\$361,113
9				(\$7,850)	(\$7,850)	\$225,000		\$23,549	\$151,532	\$400,081	\$374,485
10				(\$7,850)	(\$7,850)	\$225,000	\$0	\$23,549	\$196,240	\$3,765,578	\$392,231
<b>TOTAL</b>	<b>(\$64,397)</b>	<b>(\$48,298)</b>	<b>(\$22,342)</b>	<b>(\$117,745)</b>	<b>(\$252,782)</b>	<b>\$2,250,000</b>	<b>\$400,000</b>	<b>\$196,240</b>	<b>\$919,338</b>	<b>\$3,765,578</b>	<b>\$3,512,796</b>

The Cost to Benefit Ratio is ==> 1 to =====> 14.9

Net Benefits - Net Present Value @ 3% \$2,917,186

\* Conservatively utilized 80% of applicant's estimate.