

Cost-Benefit Analysis for 14 Glover, LLC

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR

**14 Glover, LLC -
Updated 12/2020 and
4/2020**

TOTAL INVESTED

\$0

LOCATION

**14 glover street
yaphank, ny**

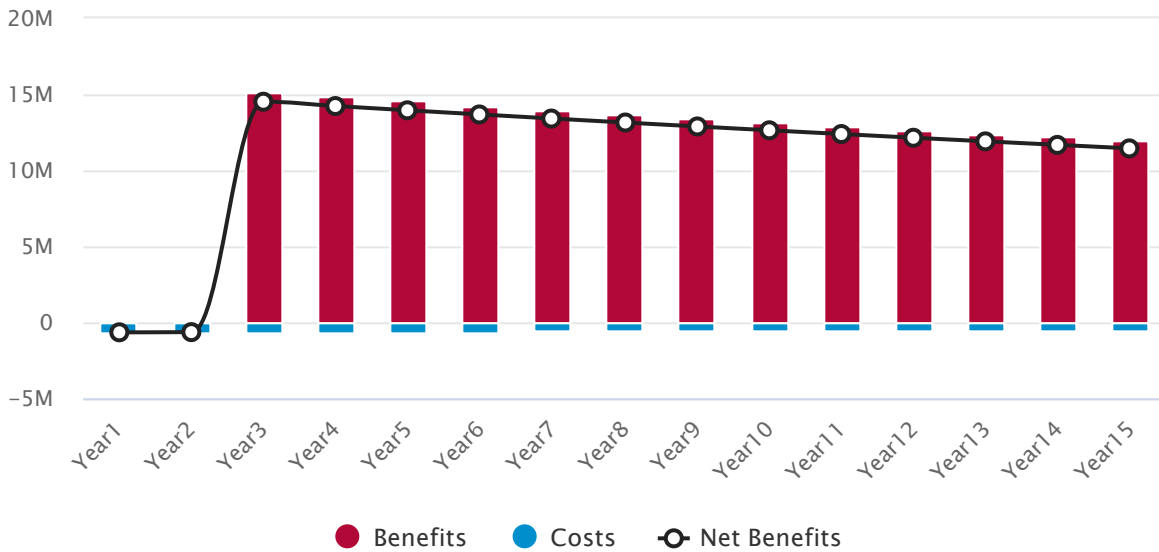
TIMELINE

15 Years

F1 FIGURE 1

Discounted* Net Benefits for 14 Glover, LLC by Year

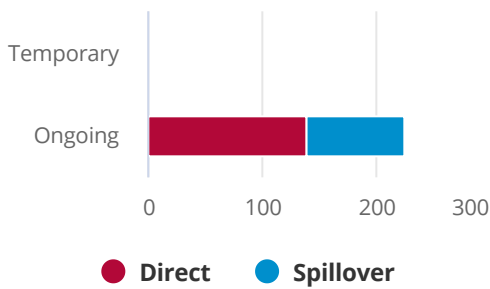
Total Net Benefits: **\$166,687,000**



Discounted at 2%

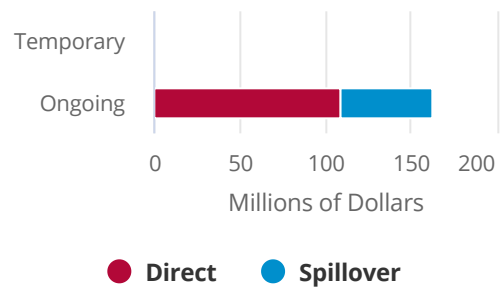
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

14 Glover, LLC - Updated 12/2020 and 4/2020 proposes to invest \$0 at 14 glover street yaphank, ny over 15 years. Town of Brookhaven staff summarize the proposed with the following: UPDATED - In November 2020, the project requested an reduction of its PILOT payments to zero. An application to the Town of Brookhaven Assessor's Office is being made to avail the project of exemptions from real property taxes. UPDATED - In March 2020, the project requested an extension of its completion and job creation

dates as well as a request to reduce the 2020 second half PILOT payment to zero. The first half 2020 PILOT was paid in a timely fashion. 14 Glover LLC, whose sole member is Brookhaven Health Care Services Foundation will purchase the "Foley" Center from Suffolk County. The Foundation is the sole member of the Brookhaven Memorial Hospital Medical Center (BMHMC). The Facility is a 5 story, approximately 185,574 sq ft building located on 14.06 acres in Yaphank. BMHMC will occupy the first floor of the Facility for hospital purposes, including out-patient clinical programs and business offices. It is anticipated that the second and third floors will be leased to a for-profit assisted living/memory care facility and the fourth and fifth floors will be leased to a for-profit substance abuse provider. We anticipate that this project will be completed in a timely fashion. As per our Uniform Project Evaluation Criteria Policy, the criteria met for this project include, but are not limited to, vacancy of site, increased revenue to the local taxing jurisdictions, and capital investment by the applicant.

T1 TABLE 1

Proposed Investments

Description	Amount
Total Investments	\$0
Discounted Total (2%)	\$0

May not sum to total due to rounding.

F4 FIGURE 4

Location of Investment



Cost-Benefit Analysis

A cost-benefit analysis of this proposed investment was conducted using InformAnalytics, an economic impact model developed by CGR. The report estimates the impact that a potential project will have on the local economy based on information provided by Town of Brookhaven. The report calculates the costs and benefits for specified local taxing districts over the first 15 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Town of Brookhaven is considering the following incentive package for 14 Glover, LLC - Updated 12/2020 and 4/2020.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$9,860,000	\$8,616,000
Total Costs	\$9,860,000	\$8,616,000

May not sum to total due to rounding.

* Discounted at 2%

T3 TABLE 3

State & Regional Impact (Life of Project)

The following table estimates the total benefits from the project over its lifetime.

Description	Direct	Spillover	Total
REGIONAL BENEFITS	\$129,155,000	\$63,763,000	\$192,918,000
To Private Individuals	\$127,453,000	\$62,922,000	\$190,375,000
Ongoing Payroll	\$127,453,000	\$62,922,000	\$190,375,000
To the Public	\$1,702,000	\$840,000	\$2,543,000
Ongoing Sales Tax Revenue	\$1,702,000	\$840,000	\$2,543,000
STATE BENEFITS	\$8,031,000	\$3,884,000	\$11,915,000
To the Public	\$8,031,000	\$3,884,000	\$11,915,000
Ongoing Income Tax Revenue	\$6,558,000	\$3,157,000	\$9,716,000
Ongoing Sales Tax Revenue	\$1,472,000	\$727,000	\$2,199,000
Total Benefits to State & Region	\$137,186,000	\$67,647,000	\$204,832,000
Discounted Total Benefits (2%)	\$117,408,000	\$57,894,000	\$175,303,000

May not sum to total due to rounding.

T4 TABLE 4

Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$165,106,000	\$8,616,000	19:1
State	\$10,197,000	\$0	N/A
Grand Total	\$175,303,000	\$8,616,000	20:1

May not sum to total due to rounding.

* Discounted at 2%

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