

Cost-Benefit Analysis for 44 Ramsey LLC

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR
44 Ramsey Road
Owner, LLC

TOTAL JOBS
98 Ongoing;
0 Temporary

TOTAL INVESTED
\$9.3 Million

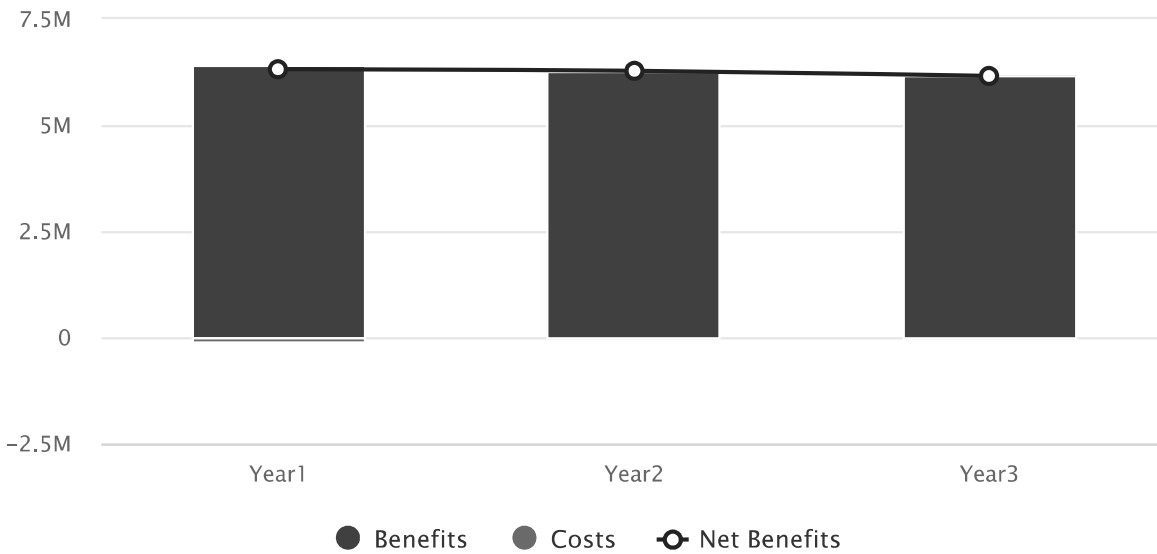
LOCATION
44 Ramsey Rd
Shirley, NY

TIMELINE
3 Years

F1 FIGURE 1

Discounted* Net Benefits for 44 Ramsey LLC by Year

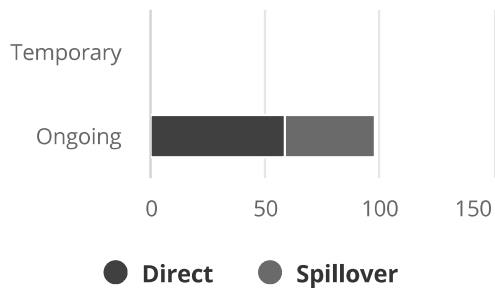
Total Net Benefits: \$18,753,000



Discounted at 2%

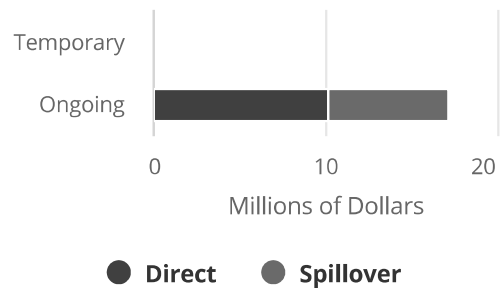
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

44 Ramsey Road Owner, LLC proposes to invest \$9.3 million at 44 Ramsey Rd Shirley, NY over 3 years. Town of Brookhaven staff summarize the proposed with the following: UPDATED September 2021 - An updated application (dated 8/31/2021) indicating that the owner of the facility will now be 44 Ramsey Road Owner, LLC, which is a joint venture between affiliates of Rockpoint Group, LLC and BEB Capital. The updated application requests an assignment of the existing project documents and agreements - they are requesting no new benefits. WARCO LLC, the current owner of the facility at 44 Ramsey Road Shirley, NY is proposing to sell the building to 44 Ramsey Road Owner, LLC. Frank Lowe Rubber and Gasket, the tenant, will remain at the location through the term of the IDA agreements and this sale will have no impact on the operation or the employment numbers. The PILOT is in place through the 2023-2024 year. We expect 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, jobs retained and capital investment by the applicant.

T1 TABLE 1

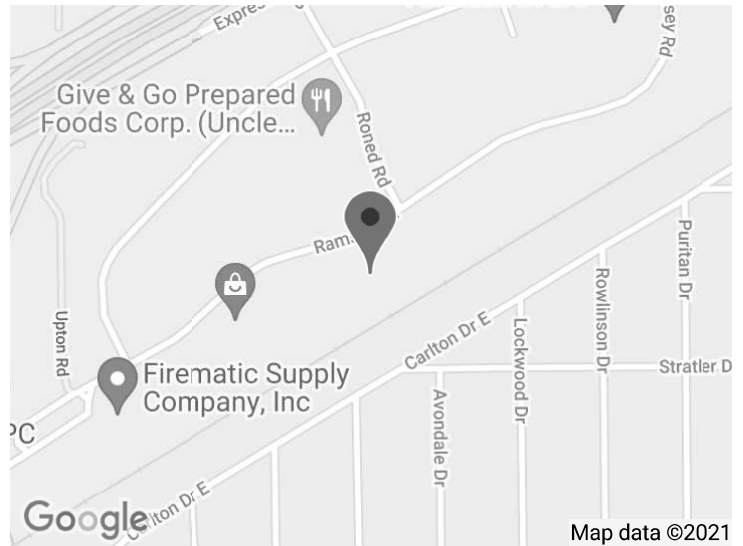
Proposed Investments

Description	Amount
OTHER SPENDING	
building acquisition	\$9,250,000
Total Investments	\$9,250,000
Discounted Total (2%)	\$9,250,000

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 3 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 44 Ramsey Road Owner, LLC.

Description	Nominal Value	Discounted Value*
Property tax exemption	\$85,000	\$85,000
Total Costs	\$85,000	\$85,000

May not sum to total due to rounding.

* Discounted at 2%

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	\$10,886,000	\$7,236,000	\$18,123,000
To Private Individuals	\$10,368,000	\$7,141,000	\$17,509,000
Ongoing Payroll	\$10,368,000	\$7,141,000	\$17,509,000
To the Public	\$518,000	\$95,000	\$614,000
Property Tax Revenue	\$380,000	N/A	\$380,000
Ongoing Sales Tax Revenue	\$138,000	\$95,000	\$234,000
STATE BENEFITS	\$631,000	\$451,000	\$1,081,000
To the Public	\$631,000	\$451,000	\$1,081,000
Ongoing Income Tax Revenue	\$511,000	\$368,000	\$879,000
Ongoing Sales Tax Revenue	\$120,000	\$82,000	\$202,000
Total Benefits to State & Region	\$11,517,000	\$7,687,000	\$19,204,000
Discounted Total Benefits (2%)	\$11,300,000	\$7,538,000	\$18,838,000

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	\$17,777,000	\$85,000	209:1
State	\$1,060,000	\$0	N/A
Grand Total	\$18,838,000	\$85,000	222:1

May not sum to total due to rounding.

* Discounted at 2%

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