

Cost-Benefit Analysis for 925 Waverly Ave Associates, LLC

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR

925 Waverly Ave.
Associates, LLC/
Visiontron Corp.

TOTAL INVESTED

\$13.8 Million

LOCATION

925 Waverly Ave
Holtsville, NY

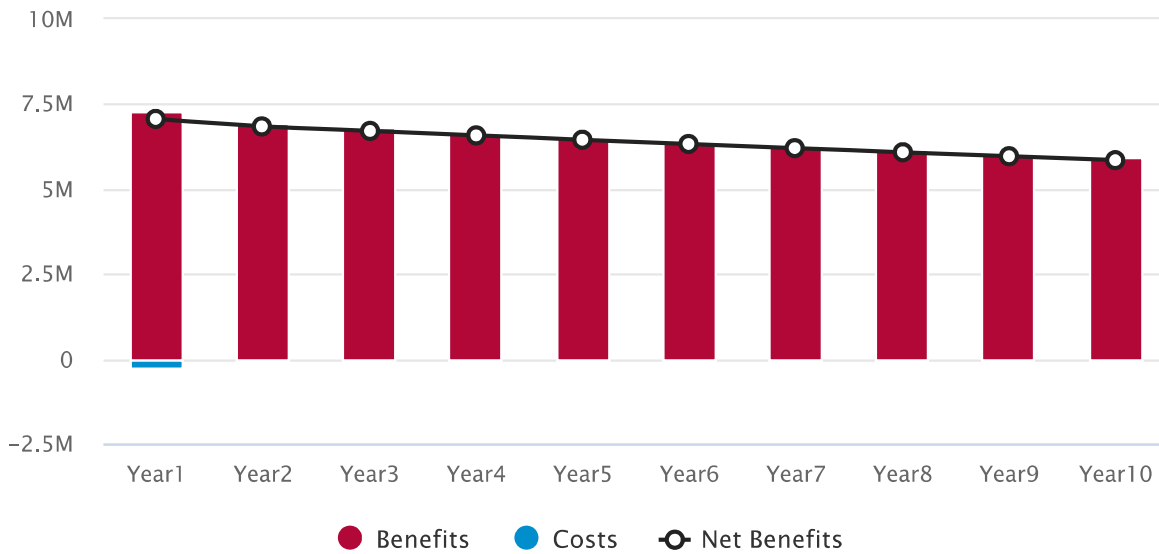
TIMELINE

10 Years

F1 FIGURE 1

Discounted* Net Benefits for 925 Waverly Ave Associates, LLC by Year

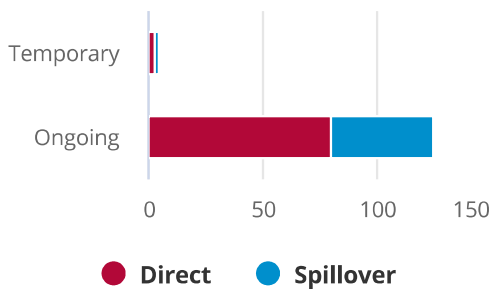
Total Net Benefits: \$64,034,000



Discounted at 2%

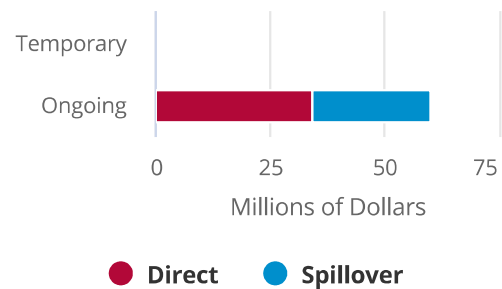
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

925 Waverly Ave. Associates, LLC/ Visiontron Corp. proposes to invest \$13.8 million at 925 Waverly Ave Holtsville, NY over 10 years. Town of Brookhaven staff summarize the proposed with the following: Visiontron Corp., a manufacturer of crowd control products for private and public venues, proposes to purchase an existing approximately 80,000 sf building located at 925 Waverly Ave in Holtsville. The project cost is approximately \$13.8 million. Topaz Lighting Corp., which is currently located in 925 Waverly Ave plans to remain in approximately 12,000sf for approximately 1 year or less. Visiontron is currently located in Hauppauge and plans to relocate to Holtsville to consolidate and grow its business. They currently have 74 employees and will hire 6 additional. 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, job creation and regional wealth creation by the applicant..

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Purchase new building	\$400,000
OTHER SPENDING	
machinery and equipment	\$400,000
Building	\$12,749,000
legal and financial	\$295,000
Total Investments	\$13,844,000
Discounted Total (2%)	\$13,844,000

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 10 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 925 Waverly Ave. Associates, LLC/ Visiontron Corp..

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$834,000	\$766,000
Sales Tax Exemption	\$48,000	\$48,000
Mortgage Recording Tax Exemption	\$93,000	\$93,000
Total Costs	\$975,000	\$907,000

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	\$37,865,000	\$29,043,000	\$66,907,000
To Private Individuals	\$37,366,000	\$28,660,000	\$66,026,000
Temporary Payroll	\$166,000	\$46,000	\$212,000
Ongoing Payroll	\$37,200,000	\$28,613,000	\$65,813,000
To the Public	\$499,000	\$383,000	\$882,000
Temporary Sales Tax Revenue	\$2,000	\$621	\$3,000
Ongoing Sales Tax Revenue	\$497,000	\$382,000	\$879,000
STATE BENEFITS	\$2,133,000	\$1,818,000	\$3,951,000
To the Public	\$2,133,000	\$1,818,000	\$3,951,000
Temporary Income Tax Revenue	\$9,000	\$2,000	\$11,000
Ongoing Income Tax Revenue	\$1,693,000	\$1,485,000	\$3,177,000
Temporary Sales Tax Revenue	\$2,000	\$537	\$2,000
Ongoing Sales Tax Revenue	\$430,000	\$331,000	\$760,000
Total Benefits to State & Region	\$39,997,000	\$30,861,000	\$70,858,000
Discounted Total Benefits (2%)	\$36,661,000	\$28,280,000	\$64,941,000

May not sum to total due to rounding.

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	\$61,320,000	\$792,000	77:1
State	\$3,621,000	\$115,000	31:1
Grand Total	\$64,941,000	\$907,000	72:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the production and design of the InformAnalytics™ tool. However, the data used is provided by users. InformAnalytics does not independently verify, validate or audit the data supplied by users. CGR makes no representations or warranties with respect to the accuracy of the data supplied by users.