

Cost-Benefit Analysis for AVR-SP Brookhaven JV, LLC

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR
AVR-SP Brookhaven JV, LLC

TOTAL JOBS
70 Ongoing;
273 Temporary

TOTAL INVESTED
\$72.4 Million

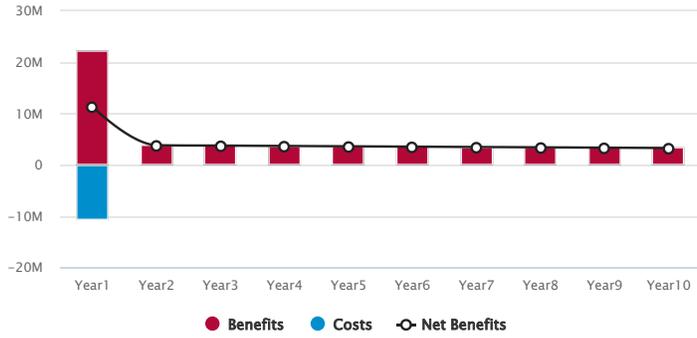
LOCATION
Ramsey and Natcon Drive,
Shirley NY

TIMELINE
10 Years

F1 FIGURE 1

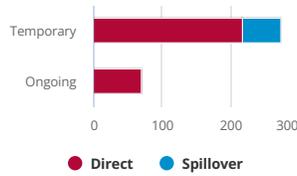
Discounted* Net Benefits for AVR-SP Brookhaven JV, LLC by Year

Total Net Benefits: \$41,917,000



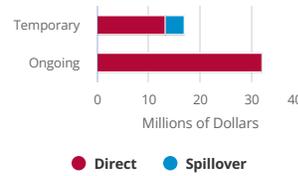
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

AVR-SP Brookhaven JV, LLC proposes to invest \$72.4 million at Ramsey and Natcon Drive, Shirley NY over 10 years. Town of Brookhaven staff summarize the proposed with the following: The applicant plans to develop approximately 48 acres of vacant land.

The approximately \$72 million project will include two spec industrial buildings (150,540 sq ft and 250,540 sq ft) for warehouse/distribution operations or other permitted uses. 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 created and investment by the applicant.

T1 TABLE 1

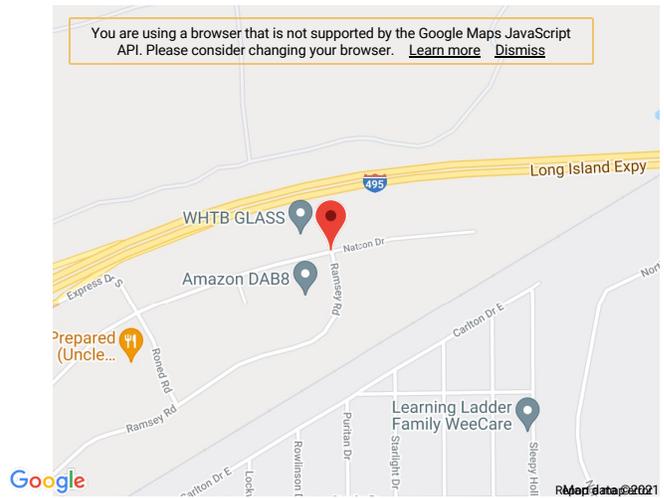
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
	\$31,914,000
OTHER SPENDING	
land aquisition	\$19,570,000
Site Work	\$7,595,000
Legal, architectural, engineering, and financial	\$3,474,000
permits and other fees	\$9,896,000
Total Investments	\$72,448,000
Discounted Total (2%)	\$72,448,000

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 AVR-SP Brookhaven JV, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$1,704,000	\$1,704,000
Mortgage Recording Tax Exemption	\$432,000	\$432,000
PILOT	\$8,612,000	\$8,612,000
Total Costs	\$10,748,000	\$10,748,000

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	\$48,861,000	\$3,759,000	\$52,620,000
To Private Individuals	\$48,217,000	\$3,709,000	\$51,927,000
Temporary Payroll	\$13,217,000	\$3,709,000	\$16,927,000
Ongoing Payroll	\$35,000,000	\$0	\$35,000,000
To the Public	\$644,000	\$50,000	\$694,000
Temporary Sales Tax Revenue	\$177,000	\$50,000	\$226,000
Ongoing Sales Tax Revenue	\$467,000	\$0	\$467,000
STATE BENEFITS	\$2,961,000	\$234,000	\$3,195,000
To the Public	\$2,961,000	\$234,000	\$3,195,000
Temporary Income Tax Revenue	\$680,000	\$191,000	\$871,000
Ongoing Income Tax Revenue	\$1,724,000	\$0	\$1,724,000
Temporary Sales Tax Revenue	\$153,000	\$43,000	\$196,000
Ongoing Sales Tax Revenue	\$404,000	\$0	\$404,000
Total Benefits to State & Region	\$51,823,000	\$3,992,000	\$55,815,000
Discounted Total Benefits (2%)	\$48,673,000	\$3,992,000	\$52,665,000

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	\$49,649,000	\$9,526,000	5:1
State	\$3,017,000	\$1,222,000	2:1
Grand Total	\$52,665,000	\$10,748,000	5:1

May not sum to total due to rounding.

* Discounted at 2%

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