

Cost-Benefit Analysis for GGSP Investments LLC

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR
GGSP Investments, LLC

TOTAL JOBS
**6 Ongoing;
0 Temporary**

TOTAL INVESTED
\$119.8 Million

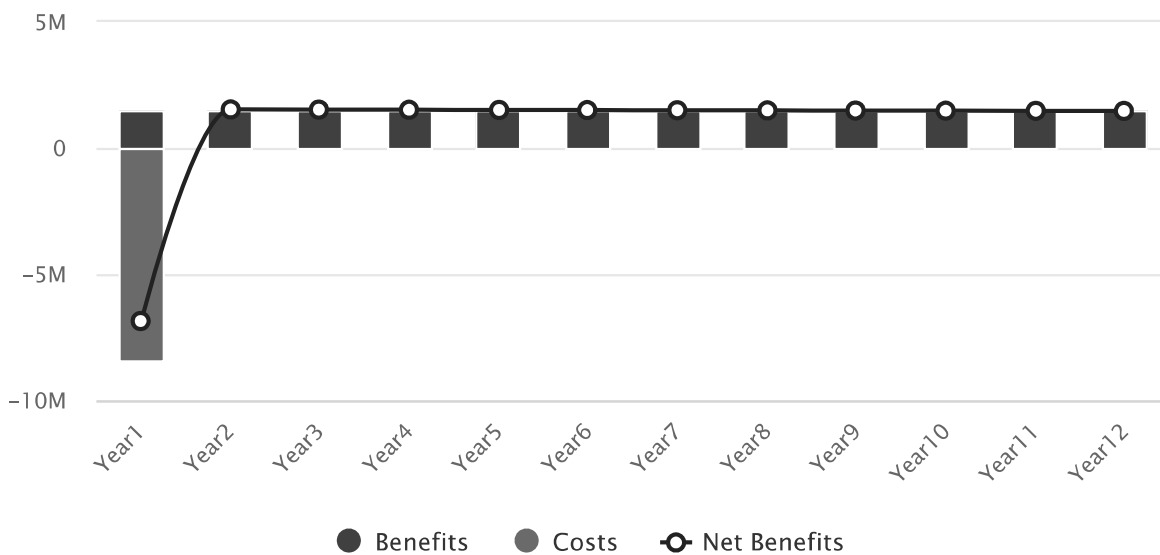
LOCATION
**588 North Bicycle
Path Port
Jefferson Station,
NY**

TIMELINE
12 Years

F1 FIGURE 1

Discounted* Net Benefits for GGSP Investments LLC by Year

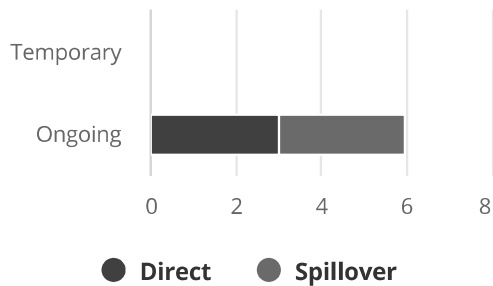
Total Net Benefits: \$9,669,000



Discounted at 2%

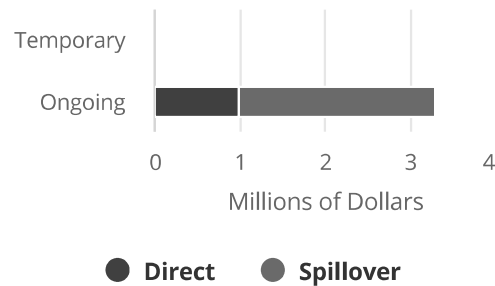
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

GGSP Investments, LLC proposes to invest \$119.8 million at 588 North Bicycle Path Port Jefferson Station, NY over 12 years. Town of Brookhaven staff summarize the proposed with the following: Proposes purchasing the Vistas at PJ project, which is a 245 unit senior rental housing facility of approximately 27 acres on North Bicycle Path in Port Jefferson Station. They are requesting an assignment of the existing PILOT and a mortgage recording tax exemption. 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 investment by the applicant.

T1 TABLE 1

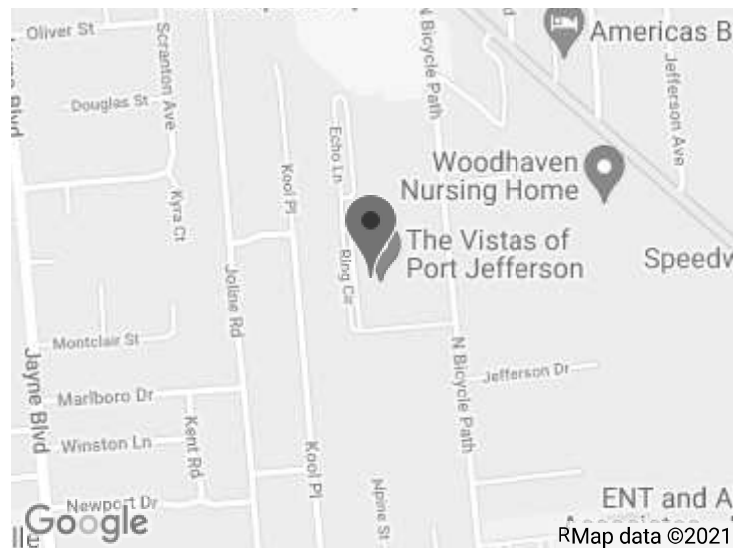
Proposed Investments

Description	Amount
OTHER SPENDING	
building acquisition	\$118,000,000
closing costs	\$1,800,000
Total Investments	\$119,800,000
Discounted Total (2%)	\$119,800,000

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 12 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 GGSP Investments, LLC.

Description	Nominal Value	Discounted Value*
Mortgage Recording Tax Exemption	\$194,000	\$194,000
Property Tax Exemption	\$8,200,000	\$8,200,000
Total Costs	\$8,394,000	\$8,394,000

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	\$15,619,000	\$2,634,000	\$18,252,000
To Private Individuals	\$1,155,000	\$2,599,000	\$3,754,000
Ongoing Payroll	\$1,155,000	\$2,599,000	\$3,754,000
To the Public	\$14,463,000	\$35,000	\$14,498,000
Property Tax Revenue	\$14,448,000	N/A	\$14,448,000
Ongoing Sales Tax Revenue	\$15,000	\$35,000	\$50,000
STATE BENEFITS	\$55,000	\$162,000	\$217,000
To the Public	\$55,000	\$162,000	\$217,000
Ongoing Income Tax Revenue	\$41,000	\$132,000	\$173,000
Ongoing Sales Tax Revenue	\$13,000	\$30,000	\$43,000
Total Benefits to State & Region	\$15,673,000	\$2,796,000	\$18,469,000
Discounted Total Benefits (2%)	\$15,549,000	\$2,513,000	\$18,063,000

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	\$17,868,000	\$8,200,000	2:1
State	\$195,000	\$194,000	1:1
Grand Total	\$18,063,000	\$8,394,000	2:1

May not sum to total due to rounding.

* Discounted at 2%

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