

## Cost-Benefit Analysis for Long Island Avenue Holding, LLC

Prepared by Town of Brookhaven using InformAnalytics

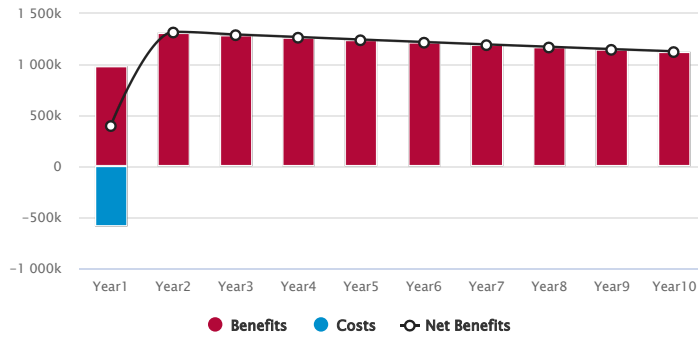
## Executive Summary

INVESTOR <b>Long Island Avenue Holding, LLC</b>	TOTAL JOBS <b>26 Ongoing; 15 Temporary</b>	TOTAL INVESTED <b>\$2.9 Million</b>	LOCATION <b>109 Long Island Ave, Yaphank, NY</b>	TIMELINE <b>10 Years</b>
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F1 FIGURE 1

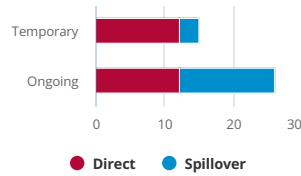
Discounted\* Net Benefits for Long Island Avenue Holding, LLC by Year

Total Net Benefits: \$11,336,000



F2 FIGURE 2

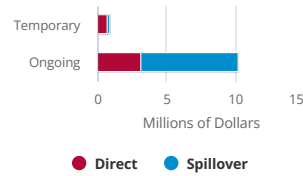
Total Jobs



Discounted at 2%

F3 FIGURE 3

Total Payroll





## Proposed Investment

Long Island Avenue Holding, LLC proposes to invest \$2.9 million at 109 Long Island Ave, Yaphank, NY over 10 years. Town of Brookhaven staff summarize the proposed with the following: UPDATED 2021 The construction of this project was delayed due to the COVID-19 pandemic. As a result, they have requested that we extend their completion date and sales tax exemption end date to May 20, 2024 and postpone the start of their PILOT to the 2024/25 tax year. They also requested that we postpone when their job creation requirement starts. This project proposes building a single story 15,000 sf building, which will consist of six 2,125 sf warehouse units each with 375 sf of dedicated office space. They plan to lease all unit to third parties. It is a \$2.9 million project. 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 capital investment by the applicant.

T1 TABLE 1

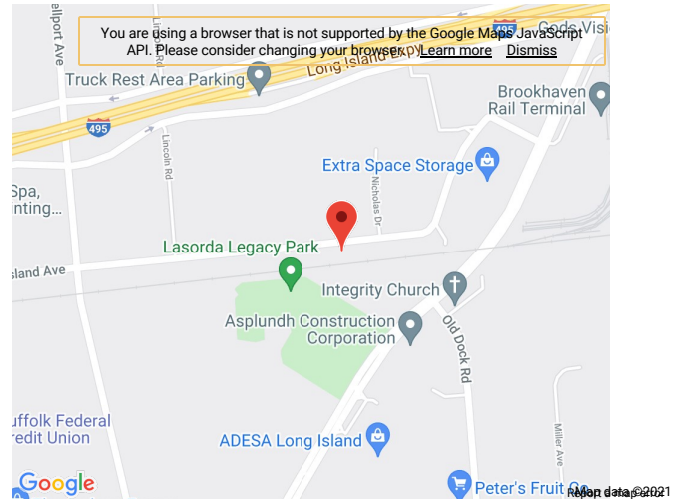
### Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
15,000 sf building consisting of six 2,125 sf warehouse units	\$1,700,000
<b>OTHER SPENDING</b>	
land aquisition	\$512,000
Machinery & Equipment	\$100,000
legal, architect, engineer and financial fees	\$620,000
Total Investments	\$2,932,000
Discounted Total (2%)	\$2,932,000

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 Long Island Avenue Holding, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$78,000	\$78,000
Mortgage Recording Tax Exemption	\$16,000	\$16,000
PILOT	\$490,000	\$490,000
Total Costs	\$584,000	\$584,000

**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
<b>REGIONAL BENEFITS</b>	<b>\$4,230,000</b>	<b>\$8,101,000</b>	<b>\$12,331,000</b>
<b>To Private Individuals</b>	<b>\$4,170,000</b>	<b>\$7,995,000</b>	<b>\$12,164,000</b>
Temporary Payroll	\$704,000	\$198,000	\$902,000
Ongoing Payroll	\$3,465,000	\$7,797,000	\$11,263,000
<b>To the Public</b>	<b>\$60,000</b>	<b>\$107,000</b>	<b>\$167,000</b>
Temporary Sales Tax Revenue	\$9,000	\$3,000	\$12,000
Ongoing Sales Tax Revenue	\$46,000	\$104,000	\$150,000
Purchases Sales Tax Revenue	\$5,000	N/A	\$5,000
<b>STATE BENEFITS</b>	<b>\$212,000</b>	<b>\$499,000</b>	<b>\$711,000</b>
<b>To the Public</b>	<b>\$212,000</b>	<b>\$499,000</b>	<b>\$711,000</b>
Temporary Income Tax Revenue	\$36,000	\$10,000	\$46,000
Ongoing Income Tax Revenue	\$124,000	\$396,000	\$520,000
Temporary Sales Tax Revenue	\$8,000	\$2,000	\$10,000
Ongoing Sales Tax Revenue	\$40,000	\$90,000	\$130,000
Purchases Sales Tax Revenue	\$4,000	N/A	\$4,000
Total Benefits to State & Region	\$4,442,000	\$8,600,000	\$13,043,000
Discounted Total Benefits (2%)	\$4,100,000	\$7,820,000	\$11,920,000

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	\$11,269,000	\$532,000	21:1
State	\$651,000	\$52,000	13:1
Grand Total	\$11,920,000	\$584,000	20:1

**May not sum to total due to rounding.**

\* Discounted at 2%

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