

Cost-Benefit Analysis for Middle Country revised

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR
Middle Country
Meadows, LLC

TOTAL INVESTED
\$36.9 Million

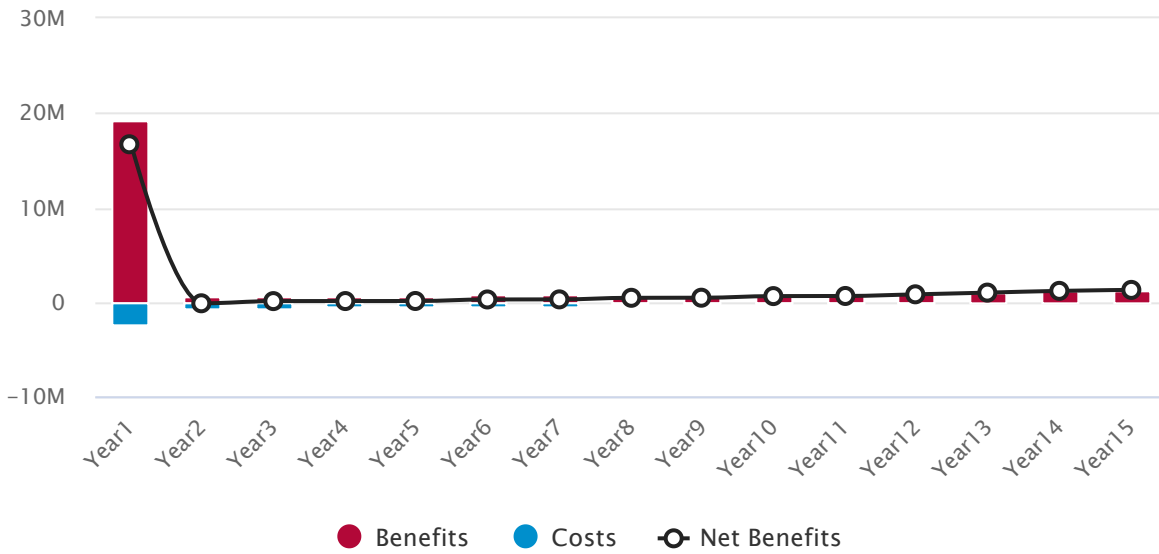
LOCATION
1277 Middle Country
Road Selden, NY 11784

TIMELINE
15 Years

F1 FIGURE 1

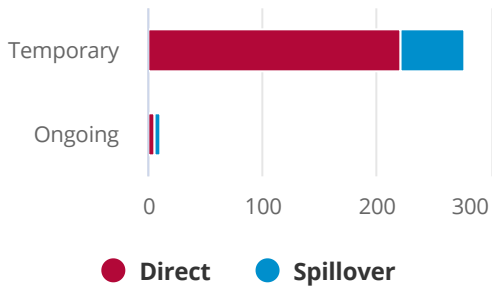
Discounted* Net Benefits for Middle Country revised by Year

Total Net Benefits: \$23,656,000



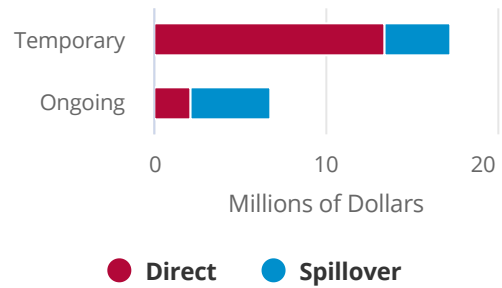
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Middle Country Meadows, LLC proposes to invest \$36.9 million at 1277 Middle Country Road Selden, NY 11784 over 15 years. Town of Brookhaven staff summarize the proposed with the following: Applicant proposes building a senior rental housing development on 13 acres at 1277 Middle Country Road in Selden, NY. This approximately \$37 million development will include 124 rental units (36 will be affordable). 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, alignment with local planning and development efforts and capital investment by the applicant.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
124 unit senior rental apartment complex	\$32,530,000
OTHER SPENDING	
Machinery & equip	\$3,720,000
Amenities	\$665,000
Total Investments	\$36,915,000
Discounted Total (2%)	\$36,915,000

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 15 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 Middle Country Meadows, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$5,970,000	\$5,484,000
Sales Tax Exemption	\$1,500,000	\$1,500,000
Mortgage Recording Tax Exemption	\$225,000	\$225,000
Total Costs	\$7,696,000	\$7,210,000

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	\$21,067,000	\$9,318,000	\$30,385,000
To Private Individuals	\$15,879,000	\$9,195,000	\$25,074,000
Temporary Payroll	\$13,472,000	\$3,781,000	\$17,253,000
Ongoing Payroll	\$2,407,000	\$5,415,000	\$7,821,000
To the Public	\$5,188,000	\$123,000	\$5,311,000
Property Tax Revenue	\$4,976,000	N/A	\$4,976,000
Temporary Sales Tax Revenue	\$180,000	\$50,000	\$230,000
Ongoing Sales Tax Revenue	\$32,000	\$72,000	\$104,000
STATE BENEFITS	\$963,000	\$576,000	\$1,539,000
To the Public	\$963,000	\$576,000	\$1,539,000
Temporary Income Tax Revenue	\$693,000	\$195,000	\$888,000
Ongoing Income Tax Revenue	\$86,000	\$275,000	\$361,000
Temporary Sales Tax Revenue	\$156,000	\$44,000	\$199,000
Ongoing Sales Tax Revenue	\$28,000	\$63,000	\$90,000
Total Benefits to State & Region	\$22,030,000	\$9,894,000	\$31,924,000
Discounted Total Benefits (2%)	\$21,708,000	\$9,159,000	\$30,866,000

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	\$29,385,000	\$6,289,000	5:1
State	\$1,482,000	\$921,000	2:1
Grand Total	\$30,866,000	\$7,210,000	4:1

May not sum to total due to rounding.

* Discounted at 2%

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