

Cost-Benefit Analysis for NP/Winters Long Island Industrial, LLC

Prepared by Town of Brookhaven using InformAnalytics

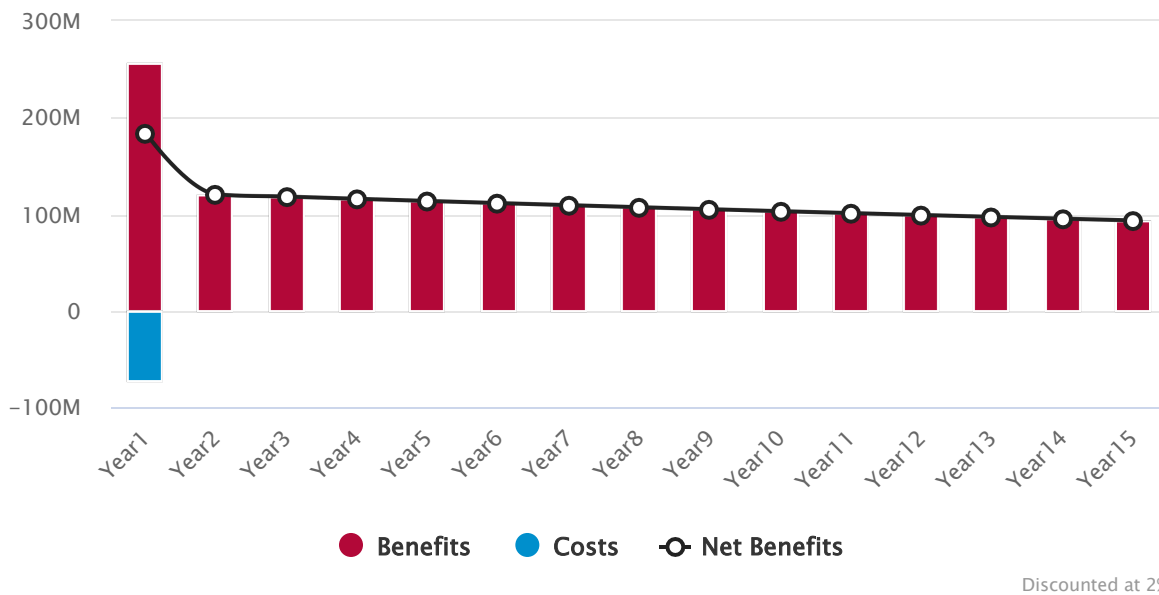
Executive Summary

INVESTOR NP/Winters Long Island Industrial, LLC	TOTAL JOBS 2369 Ongoing; 2016 Temporary	TOTAL INVESTED \$405.5 Million	LOCATION	TIMELINE 15 Years
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F1 FIGURE 1

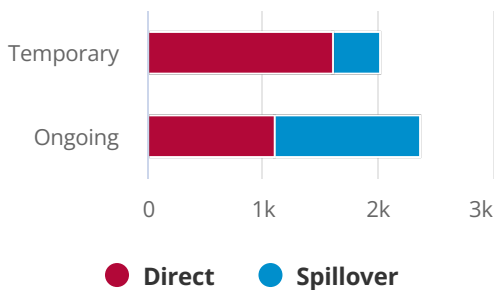
Discounted* Net Benefits for NP/Winters Long Island Industrial, LLC by Year

Total Net Benefits: \$1,662,411,000



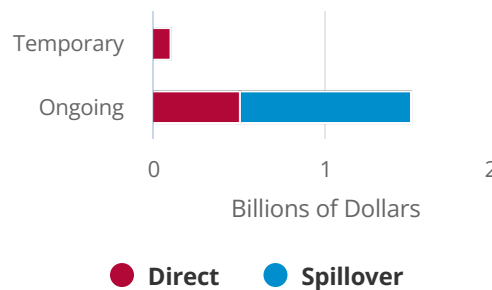
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

NP/Winters Long Island Industrial, LLC proposes to invest \$405.5 million at over 15 years. Town of Brookhaven staff summarize the proposed with the following: Applicant plans to construct approximately 2.5 million square feet of speculative, rail-contiguous warehouse and distribution facilities located on approximately 271 acres. The project will include four buildings. The project will be located east of Sills Road, South of the LIE and on both the North and South sides of the LIRR tracks. The end users have not been secured yet. 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 capital investment by the applicant.

T1 TABLE 1

F4 FIGURE 4

Proposed Investments

Location of Investment

Description	Amount
CONSTRUCTION SPENDING	
	\$235,346,000
OTHER SPENDING	
Due diligence and development soft costs	\$19,603,000
Legal, achitectural/engineering, financial fees	\$33,054,000
Site Work	\$27,182,000
Land aquisition	\$90,295,000
Total Investments	\$405,480,000
Discounted Total (2%)	\$405,480,000

May not sum to total due to rounding.

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 NP/Winters Long Island Industrial, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$13,586,000	\$13,586,000
Mortgage Recording Tax Exemption	\$3,365,000	\$3,365,000
PILOT	\$56,560,000	\$56,560,000
Total Costs	\$73,510,000	\$73,510,000

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	\$632,362,000	\$1,228,262,000	\$1,860,624,000
To Private Individuals	\$624,028,000	\$1,212,074,000	\$1,836,102,000
Temporary Payroll	\$97,470,000	\$27,353,000	\$124,822,000
Ongoing Payroll	\$526,558,000	\$1,184,721,000	\$1,711,279,000
To the Public	\$8,334,000	\$16,188,000	\$24,523,000
Temporary Sales Tax Revenue	\$1,302,000	\$365,000	\$1,667,000
Ongoing Sales Tax Revenue	\$7,033,000	\$15,823,000	\$22,856,000
STATE BENEFITS	\$31,076,000	\$75,635,000	\$106,711,000
To the Public	\$31,076,000	\$75,635,000	\$106,711,000
Temporary Income Tax Revenue	\$5,015,000	\$1,407,000	\$6,423,000
Ongoing Income Tax Revenue	\$18,852,000	\$60,227,000	\$79,079,000
Temporary Sales Tax Revenue	\$1,126,000	\$316,000	\$1,442,000
Ongoing Sales Tax Revenue	\$6,082,000	\$13,685,000	\$19,767,000
Total Benefits to State & Region	\$663,439,000	\$1,303,897,000	\$1,967,336,000
Discounted Total Benefits (2%)	\$592,925,000	\$1,142,997,000	\$1,735,922,000

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	\$1,641,690,000	\$63,845,000	26:1
State	\$94,232,000	\$9,665,000	10:1
Grand Total	\$1,735,922,000	\$73,510,000	24:1

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.