

Cost-Benefit Analysis for South Setauket ILU, LLC

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR

**South Setauket ILU,
LLC (Jefferson's Ferry)**

TOTAL INVESTED

\$120.0 Million

LOCATION

**One Jefferson Ferry
Drive South Setauket,
New York 11720**

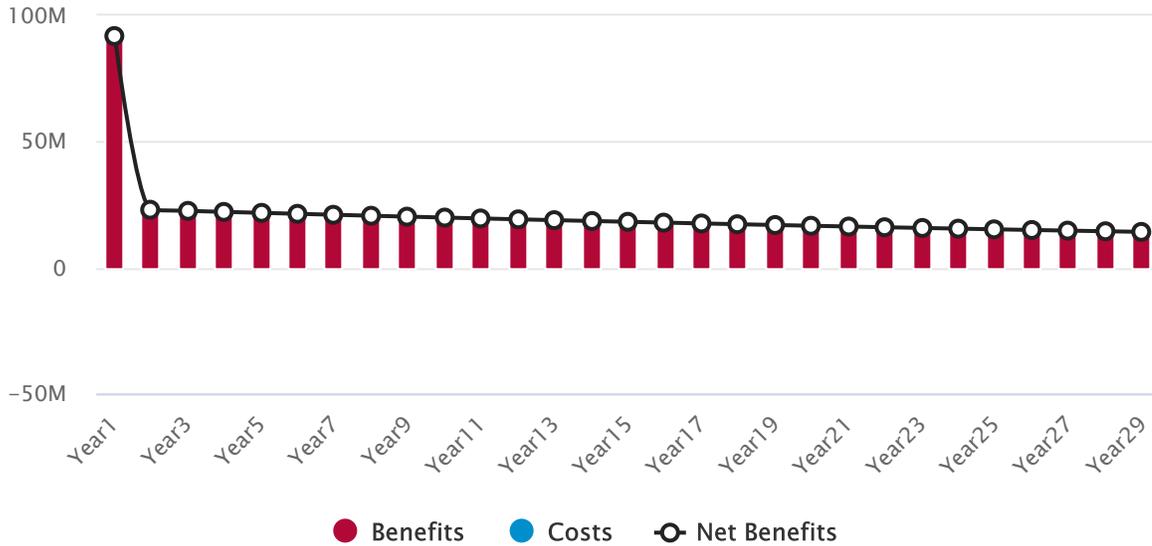
TIMELINE

29 Years

F1 FIGURE 1

Discounted* Net Benefits for South Setauket ILU, LLC by Year

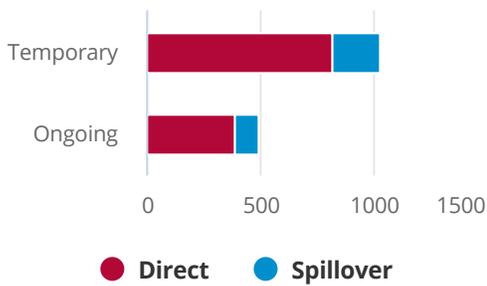
Total Net Benefits: **\$601,779,000**



Discounted at 2%

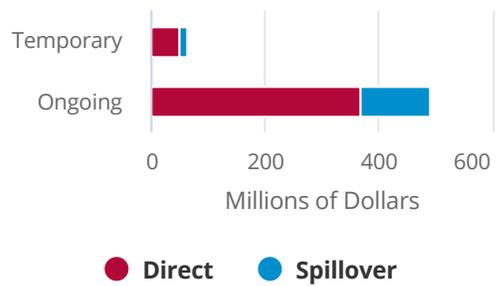
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

South Setauket ILU, LLC (Jefferson's Ferry) proposes to invest \$120.0 million at One Jefferson Ferry Drive South Setauket, New York 11720 over 29 years. Town of Brookhaven staff summarize the proposed with the following: South Setauket ILU, LLC's (ILU) sole member is Jefferson's Ferry, which is a Continuing Care Retirement Community for seniors age 62 and over located on 50 acres on Route 347 and Wireless Rd. ILU will be the tenant of the independent living units per a lease with Jefferson Ferry. There are 220 independent living apartments including 500 sq ft studios, 1,400 sq ft two bedroom apartments, and 28 two- three bedroom cottages ranging from 1,600 to 2,000 sq ft. The facility also includes significant additional resources and facilities including, but not limited to, assisted living suites, skilled nursing suites, a health care center, lounges, dining areas, and recreational areas. They plan to renovate and expand the facility, which will include, but is not limited to, 75 new independent living apartments, improvements to the existing independent living apartments and cottages. The project will include approximately 170,000 sq ft of new construction and 49,000 sq ft of renovated space.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Renovation and expansion	\$120,000,000
Total Investments	\$120,000,000
Discounted Total (2%)	\$120,000,000

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 29 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 South Setauket ILU, LLC (Jefferson's Ferry).

Description	Nominal Value	Discounted Value*
Total Costs	\$0	\$440,000

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	\$543,401,000	\$175,979,000	\$719,380,000
To Private Individuals	\$527,319,000	\$173,659,000	\$700,979,000
Temporary Payroll	\$49,699,000	\$13,947,000	\$63,645,000
Ongoing Payroll	\$477,621,000	\$159,713,000	\$637,333,000
To the Public	\$16,082,000	\$2,319,000	\$18,401,000
Property Tax Revenue	\$9,039,000	N/A	\$9,039,000
Temporary Sales Tax Revenue	\$664,000	\$186,000	\$850,000
Ongoing Sales Tax Revenue	\$6,379,000	\$2,133,000	\$8,512,000
STATE BENEFITS	\$30,379,000	\$10,672,000	\$41,051,000
To the Public	\$30,379,000	\$10,672,000	\$41,051,000
Temporary Income Tax Revenue	\$2,557,000	\$718,000	\$3,275,000
Ongoing Income Tax Revenue	\$21,731,000	\$7,948,000	\$29,679,000
Temporary Sales Tax Revenue	\$574,000	\$161,000	\$735,000
Ongoing Sales Tax Revenue	\$5,517,000	\$1,845,000	\$7,362,000
Total Benefits to State & Region	\$573,780,000	\$186,651,000	\$760,431,000
Discounted Total Benefits (2%)	\$455,334,000	\$146,885,000	\$602,219,000

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	\$569,750,000	\$440,000	1295:1
State	\$32,469,000	\$0	N/A
Grand Total	\$602,219,000	\$440,000	1369:1

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the 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.