

Cost-Benefit Analysis for Sun River revised

Prepared by Town of Brookhaven using InformAnalytics

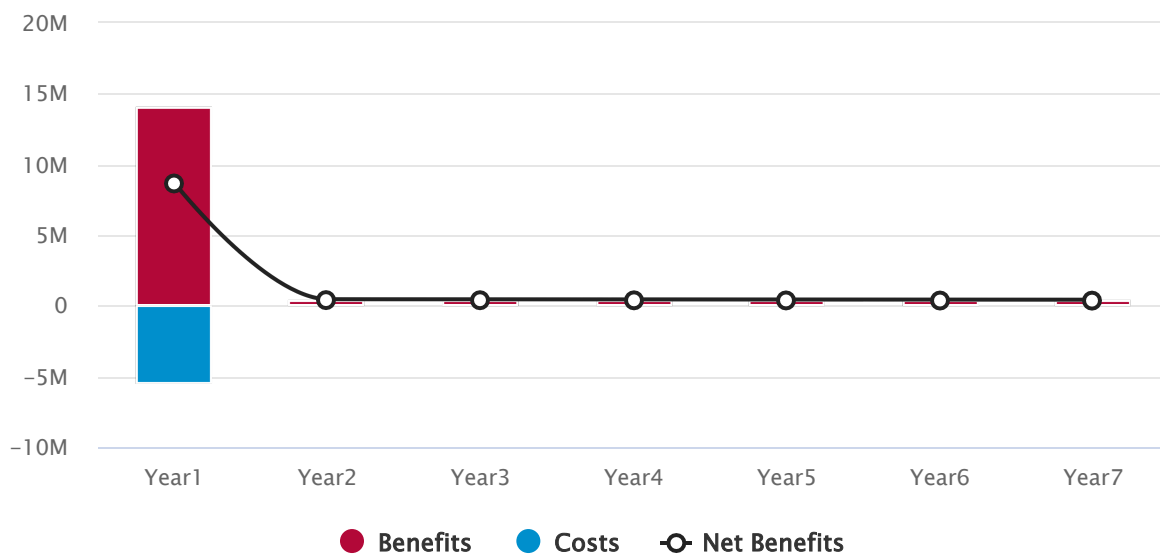
Executive Summary

INVESTOR Sun River Town Homes LLC	TOTAL JOBS 7 Ongoing; 209 Temporary	TOTAL INVESTED \$40.6 Million	LOCATION	TIMELINE 7 Years
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F1 FIGURE 1

Discounted* Net Benefits for Sun River revised by Year

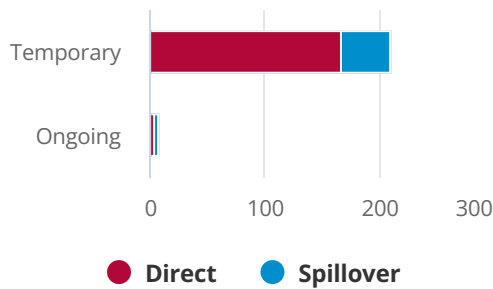
Total Net Benefits: **\$10,910,000**



Discounted at 2%

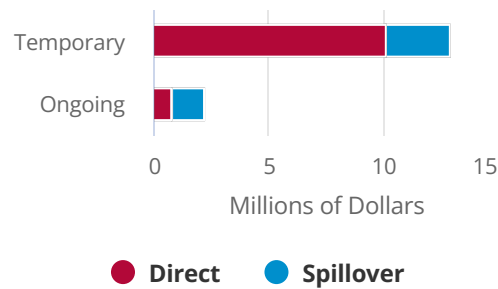
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Sun River Town Homes LLC proposes to invest \$40.6 million at over 7 years. Town of Brookhaven staff summarize the proposed with the following: UPDATED 2021 - The applicant has indicated that the total project costs have increased from \$40,582,608 and the sales and use tax exemption has also increased as a result. Applicant proposes constructing 125 rental town homes (including 13 workforce and 13 affordable units) on approximately 27 acres of land. This project will be located adjacent to the existing Pine Hills complex - north of Sunrise Highway between Jerusalem Hollow Rd and Moriches Middle Island Rd. This project will cost approximately \$31 million, will be approximately 200,000 sf, and will include both 2 and 3 bedroom units. Please note that this project impacts Eastport South Manor School District, Center Moriches School District, and William Floyd School District as well as other taxing jurisdictions. 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	
125 Rental Town Homes	\$24,409,000
OTHER SPENDING	
Machinery & equipment	\$2,092,000
Land	\$557,000
legal, architectural, engineering and financial fees	\$2,500,000
Site work	\$7,697,000
Soft costs	\$3,329,000
Total Investments	\$40,583,000
Discounted Total (2%)	\$40,583,000

F4 FIGURE 4

Location of Investment

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 7 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 Sun River Town Homes LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$1,580,000	\$1,580,000
Mortgage Recording Tax Exemption	\$256,000	\$256,000
PILOT	\$3,632,000	\$3,632,000
Total Costs	\$5,467,000	\$5,467,000

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	\$11,162,000	\$4,342,000	\$15,503,000
To Private Individuals	\$10,919,000	\$4,284,000	\$15,203,000
Temporary Payroll	\$10,109,000	\$2,837,000	\$12,946,000
Ongoing Payroll	\$810,000	\$1,447,000	\$2,257,000
To the Public	\$243,000	\$57,000	\$300,000
Temporary Sales Tax Revenue	\$135,000	\$38,000	\$173,000
Ongoing Sales Tax Revenue	\$11,000	\$19,000	\$30,000
Purchases Sales Tax Revenue	\$97,000	N/A	\$97,000
STATE BENEFITS	\$767,000	\$269,000	\$1,036,000
To the Public	\$767,000	\$269,000	\$1,036,000
Temporary Income Tax Revenue	\$520,000	\$146,000	\$666,000
Ongoing Income Tax Revenue	\$37,000	\$73,000	\$110,000
Temporary Sales Tax Revenue	\$117,000	\$33,000	\$150,000
Ongoing Sales Tax Revenue	\$9,000	\$17,000	\$26,000
Purchases Sales Tax Revenue	\$84,000	N/A	\$84,000
Total Benefits to State & Region	\$11,928,000	\$4,610,000	\$16,539,000
	\$11,871,000	\$4,507,000	\$16,378,000

Discounted Total Benefits
(2%)

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	\$15,351,000	\$4,479,000	3:1
State	\$1,027,000	\$988,000	1:1
Grand Total	\$16,378,000	\$5,467,000	3:1

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.