

## Cost-Benefit Analysis for Surf Land USA LLC / Long Island Surf Park LLC

Prepared by Town of Brookhaven using InformAnalytics

## Executive Summary

**INVESTOR**  
Surf Land USA LLC

**TOTAL JOBS**  
78 Ongoing;  
20 Temporary

**TOTAL INVESTED**  
\$24.2 Million

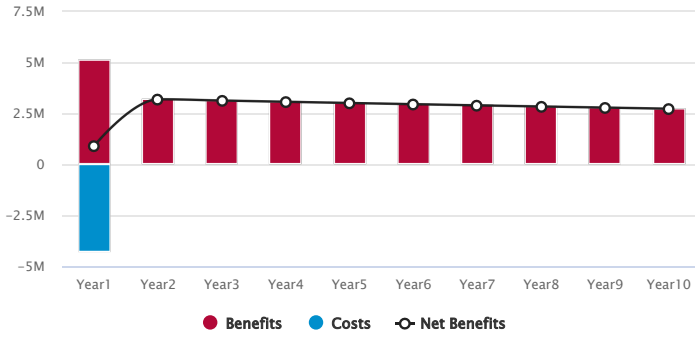
**LOCATION**  
91 Precision Drive Shirley, NY

**TIMELINE**  
10 Years

F1 FIGURE 1

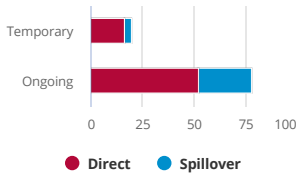
Discounted\* Net Benefits for Surf Land USA LLC / Long Island Surf Park LLC by Year

Total Net Benefits: \$27,338,000



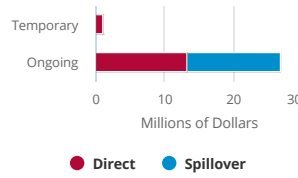
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll





## Proposed Investment

Surf Land USA LLC proposes to invest \$24.2 million at 91 Precision Drive Shirley, NY over 10 years. Town of Brookhaven staff summarize the proposed with the following: Applicant proposes to build a recreational facility on 3.5 acres of vacant land at 91 Precision Drive Shirley, NY. The year-round outdoor surf park will include the surf pool and a 6,750 sf club house. The project is expect to cost \$24 million, and they are requesting a mortgage recording tax exemption, sales & use tax exemptions and a PILOT. 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 investment by the applicant.

T1 TABLE 1

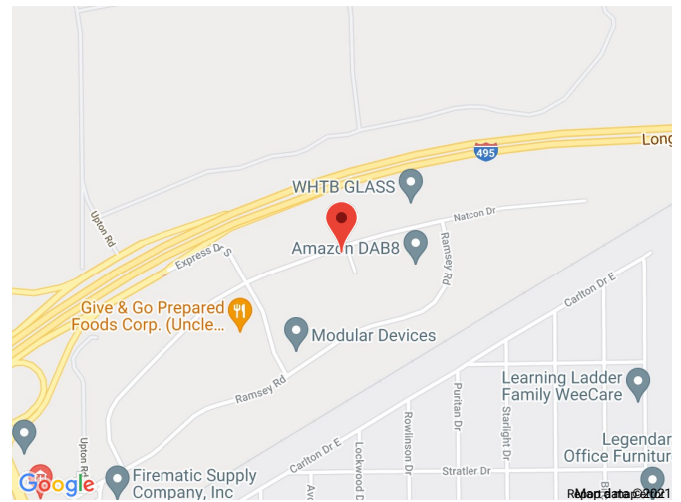
### Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
	\$2,375,000
<b>OTHER SPENDING</b>	
land aquisition	\$415,000
site work	\$100,000
machinery and equipment	\$21,000,000
legal fees	\$75,000
architectural/engineering fees	\$250,000
Total Investments	\$24,215,000
Discounted Total (2%)	\$24,215,000

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 Surf Land USA LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$1,898,000	\$1,898,000
Mortgage Recording Tax Exemption	\$75,000	\$75,000
PILOT	\$2,300,000	\$2,300,000
Total Costs	\$4,272,000	\$4,272,000

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

\* Discounted at 2%

T3 TABLE 3

## State &amp; 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>\$16,649,000</b>	<b>\$15,450,000</b>	<b>\$32,099,000</b>
<b>To Private Individuals</b>	<b>\$15,471,000</b>	<b>\$15,246,000</b>	<b>\$30,717,000</b>
Temporary Payroll	\$984,000	\$276,000	\$1,260,000
Ongoing Payroll	\$14,488,000	\$14,970,000	\$29,458,000
<b>To the Public</b>	<b>\$1,178,000</b>	<b>\$204,000</b>	<b>\$1,382,000</b>
Temporary Sales Tax Revenue	\$13,000	\$4,000	\$17,000
Ongoing Sales Tax Revenue	\$193,000	\$200,000	\$393,000
Purchases Sales Tax Revenue	\$971,000	N/A	\$971,000
<b>STATE BENEFITS</b>	<b>\$1,278,000</b>	<b>\$948,000</b>	<b>\$2,226,000</b>
<b>To the Public</b>	<b>\$1,278,000</b>	<b>\$948,000</b>	<b>\$2,226,000</b>
Temporary Income Tax Revenue	\$51,000	\$14,000	\$65,000
Ongoing Income Tax Revenue	\$209,000	\$758,000	\$967,000
Temporary Sales Tax Revenue	\$11,000	\$3,000	\$15,000
Ongoing Sales Tax Revenue	\$167,000	\$173,000	\$340,000
Purchases Sales Tax Revenue	\$840,000	N/A	\$840,000
Total Benefits to State & Region	\$17,927,000	\$16,398,000	\$34,325,000
Discounted Total Benefits (2%)	\$16,615,000	\$14,995,000	\$31,610,000

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	\$29,498,000	\$3,318,000	9:1
State	\$2,112,000	\$955,000	2:1
Grand Total	\$31,610,000	\$4,272,000	7:1

**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.