

Cost-Benefit Analysis for The Arboretum at Farmingville (rev)

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR
BRP Farmingville,
LLC/Brookhaven Venture, LLC

TOTAL JOBS
11 Ongoing;
848 Temporary

TOTAL INVESTED
\$141.8 Million

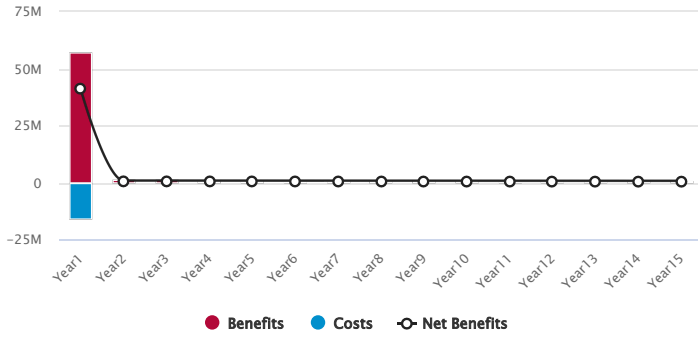
LOCATION
510 Horseblock Rd
Farmingville, NY

TIMELINE
15 Years

F1 FIGURE 1

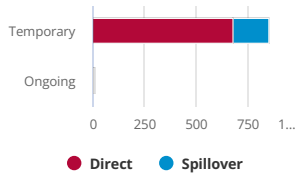
Discounted* Net Benefits for The Arboretum at Farmingville (rev) by Year

Total Net Benefits: \$47,982,000



F2 FIGURE 2

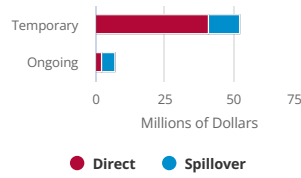
Total Jobs



Discounted at 2%

F3 FIGURE 3

Total Payroll



Proposed Investment

BRP Farmingville, LLC/Brookhaven Venture, LLC proposes to invest \$141.8 million at 510 Horseblock Rd Farmingville, NY over 15 years. Town of Brookhaven staff summarize the proposed with the following: UPDATED November 2021 - The applicant updated the application to reflect increases to the cost of the project, which increase the request for the Mortgage Recording Tax and Sales and Use Tax exemptions. UPDATED March 2021 - The applicant provided a letter updating the application. The updates include increases to the costs of the project, changes to the financing of the project including increases to the amount being financed. As a result of these changes, the project has also requested changes to the mortgage recording tax exemption and the sales and use tax exemption. UPDATED March 2020 - The applicant proposes a new ownership structure in which Brookhaven Venture LLC will be the new "company" and fee owner of the Project. Brookhaven Venture LLC will be 100% owned by BRP Bedrock Brookhaven Manager LLC. BRP Farmingville, LLC will be the developer and day-to-day manager of the project. Proposed acquisition of the Kelly Development project, which is a proposed 62 acre project to be developed in 292 rental units, including 10% affordable units. This project will include a 7 acre public park with buildings that will be used by the Farmingville Chamber, civic, and historic society. A 150,000 gallon per day STP will be constructed - excess gallorage will be available for expansion of the region. The project will include a mix of 164 flats (2 bed/2 bath), 77 townhomes (2 & 3/2.5 baths) and 51 cottages (3 bed/ 2.5 baths). 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, location in an area with inadequate housing supply, alignment with local planning and development efforts, promotes walkable community areas and capital investment by the applicant.

T1 TABLE 1

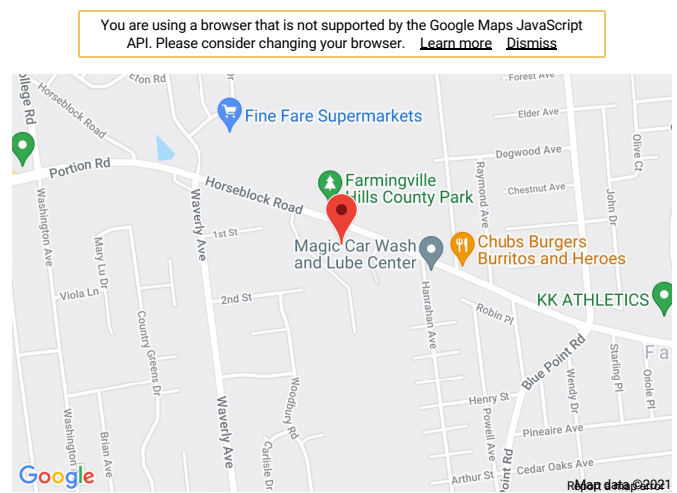
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Housing	\$98,956,000
OTHER SPENDING	
land acquisition	\$20,100,000
legal, architectural and financial charges	\$8,429,000
environmental, municipal, survey, taxes and insurance, development fee, soft cost, loan interest and start up expenses	\$14,304,000
Total Investments	\$141,789,000
Discounted Total (2%)	\$141,789,000

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 BRP Farmingville, LLC/Brookhaven Venture, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$5,121,000	\$5,121,000
Mortgage Recording Tax Exemption	\$678,000	\$678,000
PILOT	\$10,030,000	\$10,030,000
Total Costs	\$15,830,000	\$15,830,000

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	\$43,969,000	\$17,142,000	\$61,111,000
To Private Individuals	\$43,390,000	\$16,916,000	\$60,305,000
Temporary Payroll	\$40,983,000	\$11,501,000	\$52,484,000
Ongoing Payroll	\$2,407,000	\$5,415,000	\$7,821,000
To the Public	\$580,000	\$226,000	\$805,000
Temporary Sales Tax Revenue	\$547,000	\$154,000	\$701,000
Ongoing Sales Tax Revenue	\$32,000	\$72,000	\$104,000
STATE BENEFITS	\$2,696,000	\$1,062,000	\$3,759,000
To the Public	\$2,696,000	\$1,062,000	\$3,759,000
Temporary Income Tax Revenue	\$2,109,000	\$592,000	\$2,701,000
Ongoing Income Tax Revenue	\$86,000	\$275,000	\$361,000
Temporary Sales Tax Revenue	\$473,000	\$133,000	\$606,000
Ongoing Sales Tax Revenue	\$28,000	\$63,000	\$90,000
Total Benefits to State & Region	\$46,665,000	\$18,204,000	\$64,869,000
Discounted Total Benefits (2%)	\$46,343,000	\$17,469,000	\$63,812,000

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	\$60,110,000	\$12,776,000	5:1
State	\$3,702,000	\$3,053,000	1:1
Grand Total	\$63,812,000	\$15,830,000	4:1

May not sum to total due to rounding.

* Discounted at 2%

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