

Cost-Benefit Analysis for Port Jefferson Crossing LLC

Prepared by Town of Brookhaven using InformAnalytics

Executive Summary

INVESTOR

Port Jefferson Crossing, LLC (UPDATED 12/2020)

TOTAL INVESTED

\$24.3 Million

LOCATION

1615 Main Street Port Jefferson, NY 11777

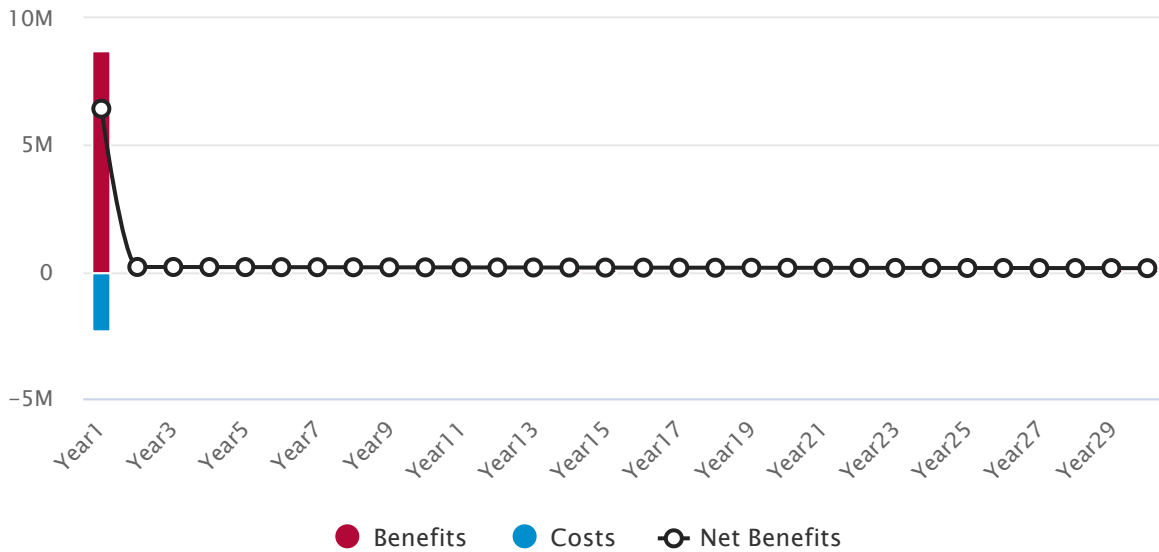
TIMELINE

30 Years

F1 FIGURE 1

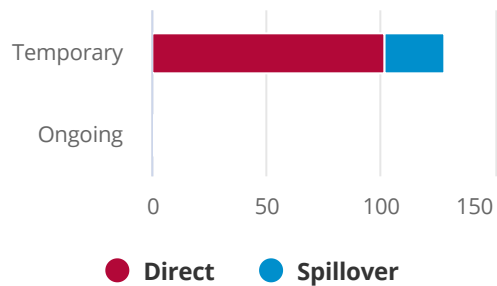
Discounted* Net Benefits for Port Jefferson Crossing LLC by Year

Total Net Benefits: **\$11,091,000**



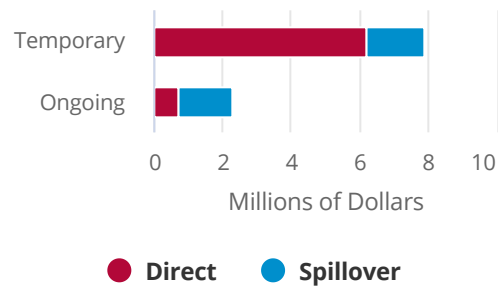
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Port Jefferson Crossing, LLC (UPDATED 12/2020) proposes to invest \$24.3 million at 1615 Main Street Port Jefferson, NY 11777 over 30 years. Town of Brookhaven staff summarize the proposed with the following: UPDATED 12/2020 - The project sent a letter updating their application to include a mortgage amount of \$20,155,651 and requesting the corresponding mortgage recording tax exemption. CDCLI and Confer plan to develop a 70,000sf 100% affordable/workforce 45-unit residential housing transit-oriented development facility at 1609-1615 Main Street in Upper Port Jefferson Village. The project will include 3,100 sf of commercial that will not be part of the PILOT. The existing blighted buildings will be demolished. The project will include 37 one-bedroom units and 8 two-bedroom units and will target households earning between 30-95% of the area median income. 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	
70,000 sf TOD affordable housing	\$14,979,000
OTHER SPENDING	
building/land aquisition	\$2,710,000
legal fees	\$210,000
engineer/architectural	\$1,134,000
financial charges	\$1,919,000
other	\$3,336,000
Total Investments	\$24,288,000
Discounted Total (2%)	\$24,288,000

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 30 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 Port Jefferson Crossing, LLC (UPDATED 12/2020).

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$2,095,000	\$2,095,000
Mortgage Recording Tax Exemption	\$212,000	\$212,000
Total Costs	\$2,306,000	\$2,306,000

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	\$9,557,000	\$3,959,000	\$13,516,000
To Private Individuals	\$7,166,000	\$3,907,000	\$11,073,000
Temporary Payroll	\$6,204,000	\$1,741,000	\$7,944,000
Ongoing Payroll	\$963,000	\$2,166,000	\$3,128,000
To the Public	\$2,391,000	\$52,000	\$2,443,000
Property Tax Revenue	\$2,295,000	N/A	\$2,295,000
Temporary Sales Tax Revenue	\$83,000	\$23,000	\$106,000
Ongoing Sales Tax Revenue	\$13,000	\$29,000	\$42,000
STATE BENEFITS	\$436,000	\$245,000	\$681,000
To the Public	\$436,000	\$245,000	\$681,000
Temporary Income Tax Revenue	\$319,000	\$90,000	\$409,000
Ongoing Income Tax Revenue	\$34,000	\$110,000	\$145,000
Temporary Sales Tax Revenue	\$72,000	\$20,000	\$92,000
Ongoing Sales Tax Revenue	\$11,000	\$25,000	\$36,000
Total Benefits to State & Region	\$9,993,000	\$4,204,000	\$14,197,000
Discounted Total Benefits (2%)	\$9,750,000	\$3,648,000	\$13,398,000

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	\$12,760,000	\$1,123,000	11:1
State	\$638,000	\$1,183,000	1:1
Grand Total	\$13,398,000	\$2,306,000	6:1

May not sum to total due to rounding.

* Discounted at 2%

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