

Cost-Benefit Analysis for Port Development, LLC

Prepared by Town of Brookhaven using InformAnalytics

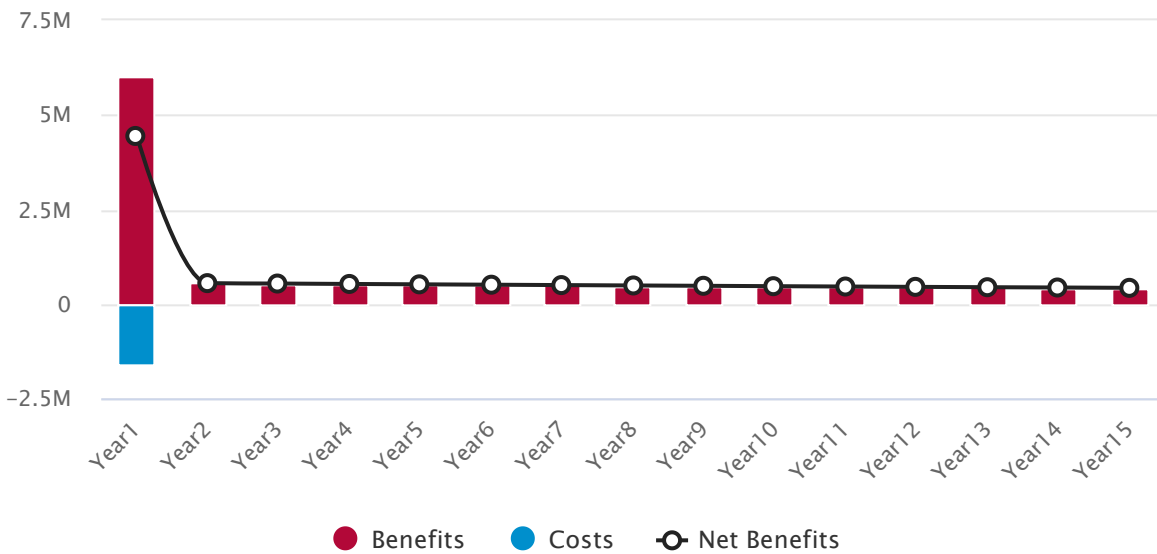
Executive Summary

INVESTOR Port Development, LLC	TOTAL JOBS 11 Ongoing; 77 Temporary	TOTAL INVESTED \$15.3 Million	LOCATION 1 North Country Road, Port Jefferson, NY	TIMELINE 15 Years
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F1 FIGURE 1

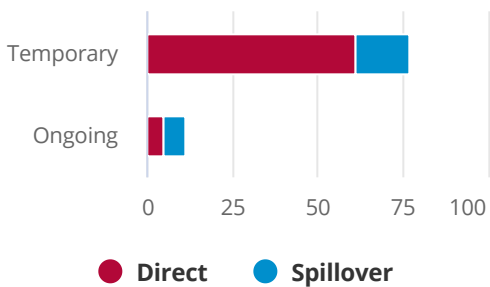
Discounted* Net Benefits for Port Development, LLC by Year

Total Net Benefits: \$11,202,000



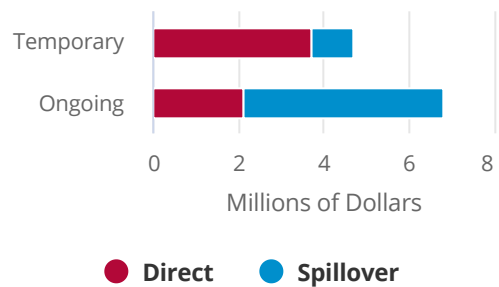
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Port Development, LLC proposes to invest \$15.3 million at 1 North Country Road, Port Jefferson, NY over 15 years. Town of Brookhaven staff summarize the proposed with the following: Applicant proposes to demolish the existing structures and construct an approx. 48,000sf facility including 36 residential apartments (32 one bedroom @ approx 700-800 sf and 4 two bedroom @ approx 1,200 sf) including 7 affordable/workforce apartments. 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, promoting transit oriented or walkable community areas and capital investment by the applicant.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Housing	\$9,000,000
OTHER SPENDING	
Land acquisition	\$2,350,000
Site Work	\$368,000
Machinery and equipment	\$2,052,000
Legal, Architectural, Engineering, financial charges	\$1,065,000
Insurance, bonds, permits	\$420,000
Total Investments	\$15,255,000
Discounted Total (2%)	\$15,255,000

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 Port Development, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$279,000	\$279,000
Mortgage Recording Tax Exemption	\$76,000	\$76,000
PILOT	\$1,236,000	\$1,236,000
Total Costs	\$1,592,000	\$1,592,000

May not sum to total due to rounding.

* Discounted at 2%

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	\$6,396,000	\$6,547,000	\$12,943,000
To Private Individuals	\$6,134,000	\$6,461,000	\$12,595,000
Temporary Payroll	\$3,727,000	\$1,046,000	\$4,773,000
Ongoing Payroll	\$2,407,000	\$5,415,000	\$7,821,000
To the Public	\$263,000	\$86,000	\$349,000
Temporary Sales Tax Revenue	\$50,000	\$14,000	\$64,000
Ongoing Sales Tax Revenue	\$32,000	\$72,000	\$104,000
Purchases Sales Tax Revenue	\$181,000	N/A	\$181,000
STATE BENEFITS	\$505,000	\$404,000	\$909,000
To the Public	\$505,000	\$404,000	\$909,000
Temporary Income Tax Revenue	\$192,000	\$54,000	\$246,000
Ongoing Income Tax Revenue	\$86,000	\$275,000	\$361,000
Temporary Sales Tax Revenue	\$43,000	\$12,000	\$55,000
Ongoing Sales Tax Revenue	\$28,000	\$63,000	\$90,000
Purchases Sales Tax Revenue	\$156,000	N/A	\$156,000
Total Benefits to State & Region	\$6,902,000	\$6,951,000	\$13,852,000
Discounted Total Benefits (2%)	\$6,579,000	\$6,215,000	\$12,795,000

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	\$11,943,000	\$1,386,000	9:1
State	\$852,000	\$206,000	4:1
Grand Total	\$12,795,000	\$1,592,000	8:1

May not sum to total due to rounding.

* Discounted at 2%

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