

Cost-Benefit Analysis for 165 Overlook Road LLC

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR
165 Overlook Road, LLC

TOTAL INVESTED
\$22.8 Million

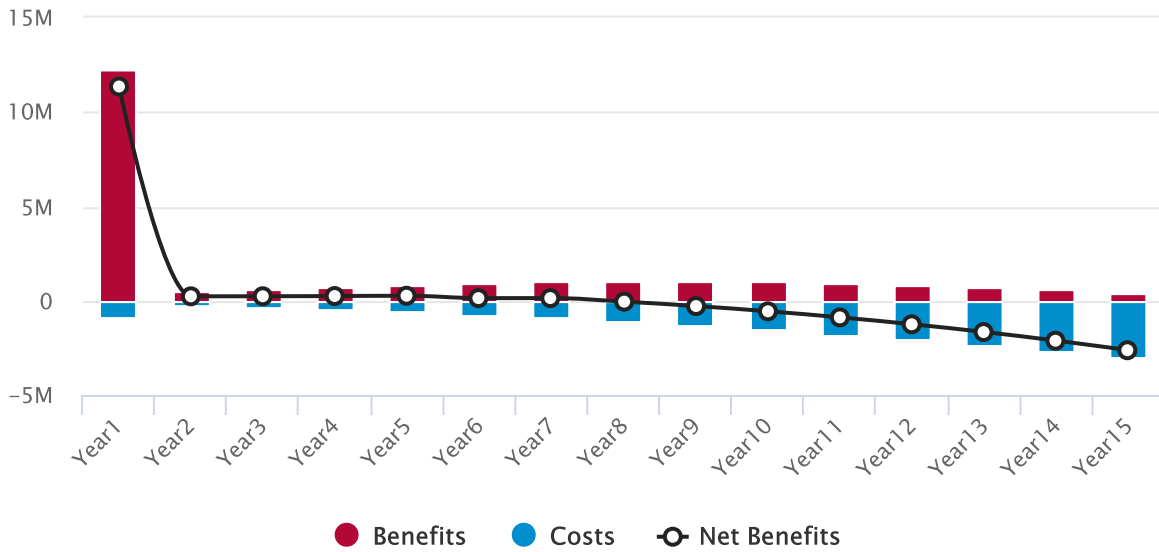
LOCATION
**165 Overlook Road,
Poughkeepsie, NY
12601**

TIMELINE
15 Years

F1 FIGURE 1

Discounted* Net Benefits for 165 Overlook Road LLC by Year

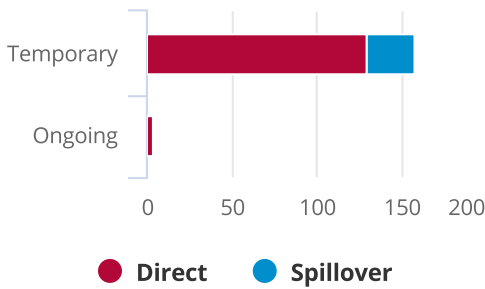
Total Net Benefits: **\$3,093,000**



Discounted at 2%

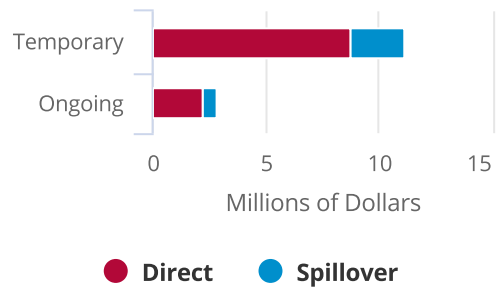
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

165 Overlook Road, LLC proposes to invest \$22.8 million at 165 Overlook Road, Poughkeepsie, NY 12601 over 15 years. Dutchess County IDA staff summarize the proposed with the following: The construction of new multi-unit residential structures and renovation of existing structures to create 91 market rate rental units in the Town of LaGrange.

T1 TABLE 1

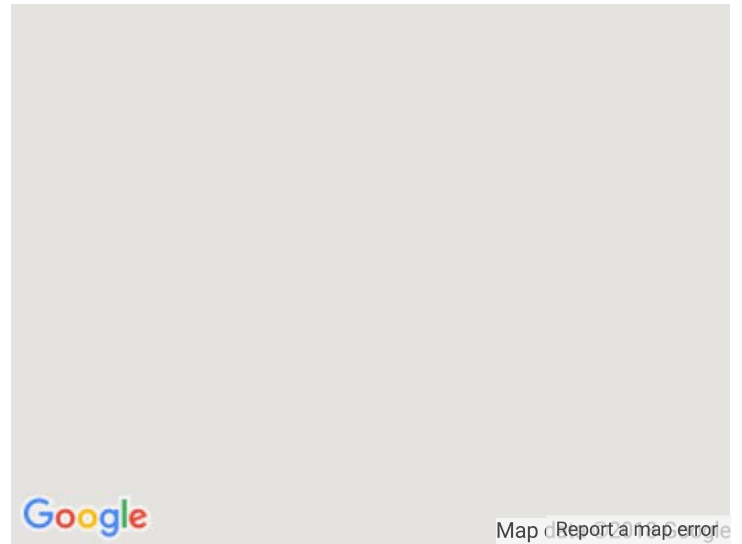
Proposed Investments

| Description | Amount |
|---|---------------------|
| CONSTRUCTION SPENDING | |
| Construction of 91 Market Rate Rental units | \$19,977,000 |
| OTHER SPENDING | |
| Real Estate | \$2,701,000 |
| Other expenses | \$152,000 |
| Total Investments | \$22,830,000 |
| Discounted Total (2%) | \$22,830,000 |

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 Dutchess County IDA. 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

Dutchess County IDA is considering the following incentive package for 165 Overlook Road, LLC.

| Description | Nominal Value | Discounted Value* |
|----------------------------------|---------------------|---------------------|
| Property Tax Exemption | \$23,592,000 | \$19,324,000 |
| Sales Tax Exemption | \$589,000 | \$589,000 |
| Mortgage Recording Tax Exemption | \$192,000 | \$192,000 |
| Total Costs | \$24,372,000 | \$20,105,000 |

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 | \$19,685,000 | \$3,198,000 | \$22,779,000 |
| To Private Individuals | \$11,235,000 | \$3,088,000 | \$14,323,000 |
| Temporary Payroll | \$8,685,000 | \$2,437,000 | \$11,122,000 |
| Ongoing Payroll | \$2,550,000 | \$651,000 | \$3,201,000 |
| To the Public | \$8,449,000 | \$111,000 | \$8,456,000 |
| Property Tax Revenue | \$8,321,000 | N/A | \$8,321,000 |
| Temporary Sales Tax Revenue | \$82,000 | \$23,000 | \$105,000 |
| Ongoing Sales Tax Revenue | \$24,000 | \$6,000 | \$30,000 |
| STATE BENEFITS | \$658,000 | \$191,000 | \$849,000 |
| To the Public | \$658,000 | \$191,000 | \$849,000 |
| Temporary Income Tax Revenue | \$434,000 | \$127,000 | \$561,000 |
| Ongoing Income Tax Revenue | \$112,000 | \$33,000 | \$144,000 |
| Temporary Sales Tax Revenue | \$87,000 | \$24,000 | \$111,000 |
| Ongoing Sales Tax Revenue | \$26,000 | \$7,000 | \$32,000 |
| Total Benefits to State & Region | \$20,343,000 | \$3,389,000 | \$23,628,000 |
| Discounted Total Benefits (2%) | \$20,001,000 | \$3,301,000 | \$23,198,000 |

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 | \$22,371,000 | \$19,609,000 | 1:1 |
| State | \$827,000 | \$495,000 | 2:1 |
| Grand Total | \$23,198,000 | \$20,105,000 | 1:1 |

May not sum to total due to rounding.

* Discounted at 2%

CGR has exercised reasonable professional care and diligence in the 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.