

Cost-Benefit Analysis for Hudson Heritage (EFG/Saber Heritage SC, LLC) #13021901

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR
EFG/Saber Heritage SC, LLC

TOTAL INVESTED
\$284.6 Million

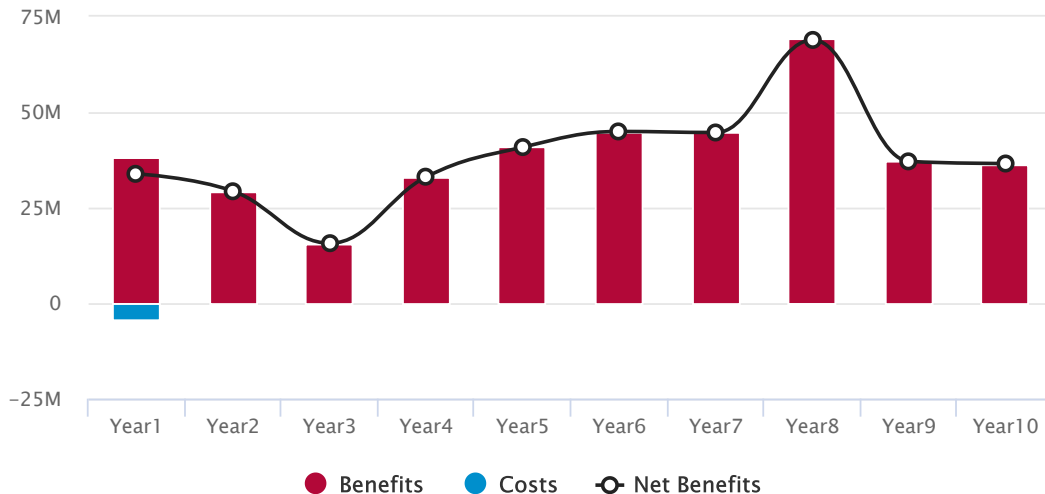
LOCATION
3532 North Road (Route 9),
Poughkeepsie, NY 12601

TIMELINE
10 Years

F1 FIGURE 1

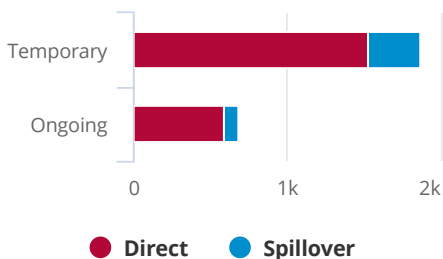
Discounted* Net Benefits for Hudson Heritage (EFG/Saber Heritage SC, LLC) #13021901 by Year

Total Net Benefits: \$384,975,000



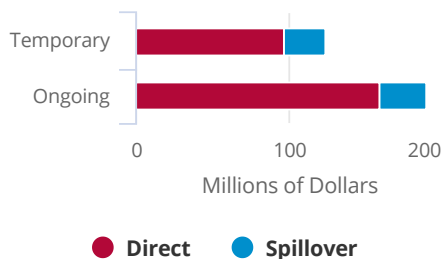
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

EFG/Saber Heritage SC, LLC proposes to invest \$284.6 million at 3532 North Road (Route 9), Poughkeepsie, NY 12601 over 10 years.

Dutchess County IDA staff summarize the proposed with the following: EFG / Saber Heritage SC, LLC proposes to redevelop the former Hudson River Psychiatric Center in the Town of Poughkeepsie into a mixed use community to be known as Hudson Heritage. The proposed community consists of up to 750 residences and up 430,000 square feet of commercial space. The Developer will also preserve to the extent practical some of the existing structures including the former Administration Building and the former Director's residence. The project will also include replaces and upgrading the public sewer and water lines, make off-site roadway improvements, clean up sewage spills and restore the "Great Lawn" for public use.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Commercial East of Winslow Road	\$58,306,000
Ring Road Multi-Family	\$23,220,000
Medical Office Building	\$15,824,000
Commercial West of Winslow	\$13,954,000
Hotel	\$24,286,000
Administration Building	\$22,211,000
Education / Performing Arts Center	\$18,791,000
South - Multi-Family	\$61,088,000
OTHER SPENDING	
Soft Costs	\$21,809,000
Interest	\$2,021,000
MOB Interest	\$684,000
Soft Cost	\$8,633,000
Soft costs	\$7,418,000
MOB Development Costs	\$684,000
soft costs	\$5,670,000
Total Investments	\$284,599,000
Discounted Total (2%)	\$268,471,000

F4 FIGURE 4

Location of Investment

May not sum to total due to rounding

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 10 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 EFG/Saber Heritage SC, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$3,289,000	\$3,214,000
Mortgage Recording Tax Exemption	\$1,987,000	\$1,987,000
Total Costs	\$5,276,000	\$5,201,000

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	\$339,573,000	\$65,565,000	\$403,893,000
To Private Individuals	\$281,202,000	\$63,990,000	\$345,193,000
Temporary Payroll	\$103,336,000	\$28,994,000	\$132,330,000
Ongoing Payroll	\$177,867,000	\$34,996,000	\$212,863,000
To the Public	\$58,371,000	\$1,575,000	\$58,700,000
Property Tax Revenue	\$54,747,000	N/A	\$54,747,000
Temporary Sales Tax Revenue	\$972,000	\$273,000	\$1,245,000
Ongoing Sales Tax Revenue	\$1,674,000	\$329,000	\$2,003,000
Purchases Sales Tax Revenue	\$705,000	N/A	\$705,000
STATE BENEFITS	\$16,441,000	\$3,941,000	\$20,382,000
To the Public	\$16,441,000	\$3,941,000	\$20,382,000
Temporary Income Tax Revenue	\$5,163,000	\$1,514,000	\$6,677,000
Ongoing Income Tax Revenue	\$7,710,000	\$1,786,000	\$9,496,000
Temporary Sales Tax Revenue	\$1,036,000	\$291,000	\$1,326,000
Ongoing Sales Tax Revenue	\$1,782,000	\$351,000	\$2,133,000
Purchases Sales Tax Revenue	\$751,000	N/A	\$751,000
Total Benefits to State & Region	\$356,014,000	\$69,506,000	\$424,275,000
Discounted Total Benefits (2%)	\$328,725,000	\$62,612,000	\$390,176,000

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	\$371,595,000	\$1,557,000	239:1
State	\$18,582,000	\$3,644,000	5:1
Grand Total	\$390,176,000	\$5,201,000	75:1

May not sum to total due to rounding.

* Discounted at 2%

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