

# **Cost-Benefit Analysis for 205 Osborn Ave, LLC**

Prepared by Riverhead IDA using InformAnalytics

# Executive Summary

**INVESTOR**  
205 Osborn  
Avenue LLC

**TOTAL JOBS**  
4 Ongoing;  
125 Temporary

**TOTAL INVESTED**  
\$19.6 Million

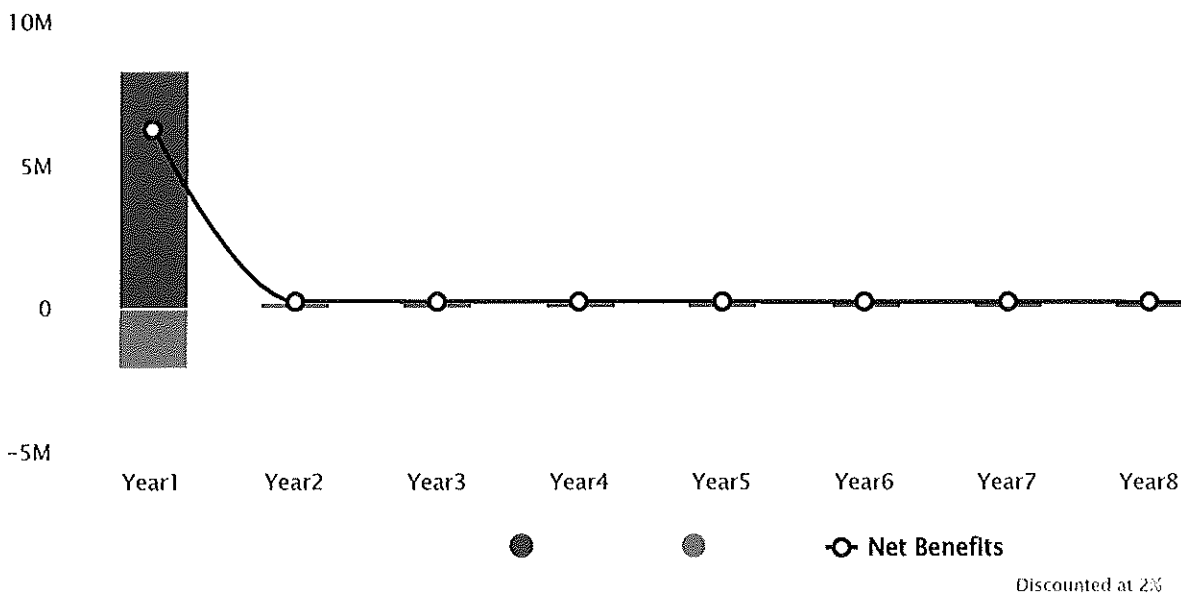
**LOCATION**  
205 Osborn  
Avenue,  
Riverhead, NY  
11901

**TIMELINE**  
10 Years

**F1** FIGURE 1

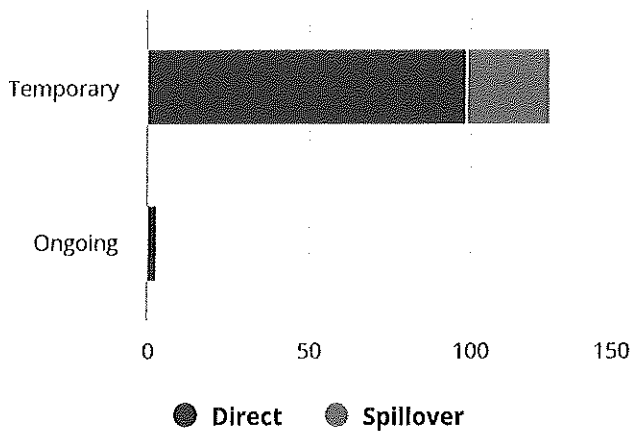
Discounted\* Net Benefits for 205 Osborn Ave, LLC by Year

Total Net Benefits: \$8,311,000



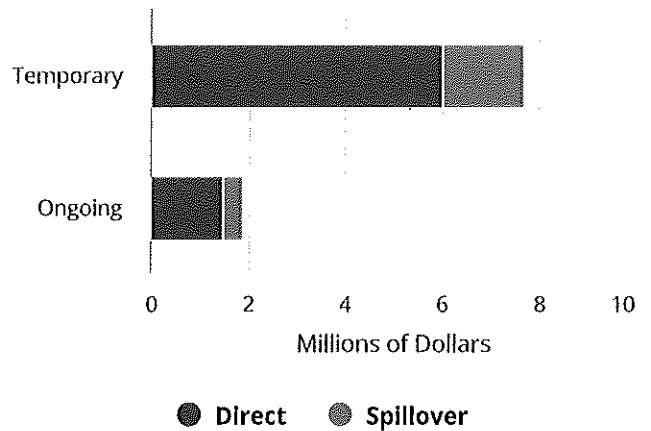
**F2** FIGURE 2

Total Jobs



**F3** FIGURE 3

Total Payroll



# Proposed Investment

205 Osborn Avenue LLC proposes to invest \$19.6 million at 205 Osborn Avenue, Riverhead, NY 11901 over 10 years. Riverhead IDA staff summarize the proposed with the following: Mixed commercial use of 37 highly amenitized market rate rental units with ground floor worksmart co working space.

141 TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
Construction of 41,867 sq mixed use building	\$14,548,000
<b>OTHER SPENDING</b>	
Legal fees	\$75,000
Machinery and Equipment	\$300,000
Professional Fees	\$1,213,000
Finance Charges	\$908,000
Land Acquisition	\$2,550,000
<b>Total Investments</b>	<b>\$19,594,000</b>
Discounted Total (2%)	\$19,594,000

May not sum to total due to rounding.

142 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 Riverhead 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.

12 TABLE 2

## Estimated Costs or Incentives

Riverhead IDA is considering the following incentive package for 205 Osborn Avenue LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$702,000	\$702,000
Mortgage Recording Tax Exemption	\$118,000	\$118,000
PROPERTY TAX DEFERRMENT	\$1,255,000	\$1,255,000
	\$0	\$0
<b>Total Costs</b>	<b>\$2,075,000</b>	<b>\$2,075,000</b>

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
<b>REGIONAL BENEFITS</b>	<b>\$7,785,000</b>	<b>\$2,181,000</b>	<b>\$9,966,000</b>
To Private Individuals	\$7,669,000	\$2,152,000	\$9,821,000
Temporary Payroll	\$6,025,000	\$1,691,000	\$7,716,000
Ongoing Payroll	\$1,644,000	\$461,000	\$2,105,000
To the Public	\$116,000	\$29,000	\$145,000
Temporary Sales Tax Revenue	\$80,000	\$23,000	\$103,000
Ongoing Sales Tax Revenue	\$22,000	\$6,000	\$28,000
Purchases Sales Tax Revenue	\$14,000	N/A	\$14,000
<b>STATE BENEFITS</b>	<b>\$495,000</b>	<b>\$136,000</b>	<b>\$631,000</b>
To the Public	\$495,000	\$136,000	\$631,000
Temporary Income Tax Revenue	\$310,000	\$87,000	\$397,000
Ongoing Income Tax Revenue	\$85,000	\$24,000	\$108,000
Temporary Sales Tax Revenue	\$70,000	\$20,000	\$89,000
Ongoing Sales Tax Revenue	\$19,000	\$5,000	\$24,000
Purchases Sales Tax Revenue	\$12,000	N/A	\$12,000
<b>Total Benefits to State &amp; Region</b>	<b>\$8,280,000</b>	<b>\$2,316,000</b>	<b>\$10,597,000</b>
<b>Discounted Total Benefits (2%)</b>	<b>\$8,116,000</b>	<b>\$2,270,000</b>	<b>\$10,386,000</b>

May not sum to total due to rounding.

104 TABLE 4

### Benefit to Cost Ratio

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$9,768,000	\$1,710,000	6:1
State	\$618,000	\$365,000	2:1
Grand Total	\$10,386,000	\$2,075,000	5:1

May not sum to total due to rounding.

\* Discounted at 2%

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