

CALVERTON ADDICTION TREATMENT CENTER 2018

Calverton Addiction Treatment, LLC and EBDK at Calverton, LLC proposes to build and operate an approximate 135,000 sq. ft. research and treatment facility of six buildings on 39 acres of 95 acre parcel. The facility will be the first of its kind in the NY metropolitan area to undertake state-of-the-art research and inquiry into the causes of opioid, alcohol and other forms of addiction in a first-class in-patient setting. It represents a \$59 million dollar direct investment. The relationship with Northwell Health will permit the Applicant to access the resources of academic institutions such as, the Feinstein Institute, Yale University, the University of Pennsylvania and the Center for Addiction and Substance Abuse. These affiliations are testimony to the regional significance of the facility and clearly show that the services offered by the facility are not otherwise available in the Riverhead regional area.

TAXES/ABATEMENT

- The 95 acre parcel currently generates \$201,787 in property taxes; the proposed project will significantly increase taxes generated by the site, resulting in a substantial increase in revenues distributed to the taxing jurisdictions.
- The property will generate over \$\$7.2 million in property taxes over the next 12 years – which is \$4.9 million more that the current property would be expected to.
- The project could potentially apply for the right to be tax exempt based on their relationship with Northwell Health, but has committed to a PILOT payment even if they become totally exempt.
- The estimated sales and use tax exemption figure represents the maximum amount eligible for exemption for construction materials, building systems and furnishings – the project will have to prove the expenditure and submit documentation to NYS annually.

SCHOOL IMPACT

- At full build-out and phase in of new tax revenue the project is estimated to generate over \$1million in tax revenue; that is a minimum of \$600,000 on an annual basis without adding any expenses toward the Riverhead CSD.

NEED

- The availability of high-quality, full-continuum addiction treatments is virtually non-existent in the New York Metropolitan Area, but the demand for such medical care is strong – especially in Suffolk County where the addiction epidemic is the biggest public health/safety issue facing the County. The proposed project is responsive to the need for a specific type of medical care focused on addiction research treatment and recovery.
- The Project is located within a duly designated urban renewal area. The facility is a Research and Development facility focused on addiction research and will offer a full continuum of addiction treatment focused on addiction research treatment and recovery.

- The IDA believes that a tax deferral for 10 years of the project is a prudent opportunity for the town to invest in the research to fight opioid addiction that will generate significant economic opportunities in Riverhead and the Region without incurring capital outlays;
- The relationship with Northwell Health will permit the Applicant to access the resources of academic institutions in the metropolitan area, including, among others, the Feinstein Institute, Yale University, the University of Pennsylvania and the Center for Addiction and Substance Abuse. These affiliations are testimony to the regional significance of the facility and clearly show that the services offered by the facility are not otherwise available in the Riverhead regional area.
- Significant support for the project has been committed by Empire State Development;

ECONOMIC BENEFITS

- According to the Fiscal and Economic Impact Summary provided by Nelson, Pope & Voorhis, LLC, this project represents approximately \$41 million in construction costs over a 16 month period. This \$41 million, and an induced impact of over \$14.3 million, bringing the total economic impact on output to over \$65.7 million during the construction period.
- Represents a \$59 million direct investment in Riverhead;
- Means 171 construction jobs in Riverhead representing \$16.4 million in collective earnings during the 16 month construction period. This is projected to generate a total annual impact of \$25 million in labor income;
 - The sum of direct, indirect and induced impact results in a total economic impact on output of over \$31.6 million during annual operations.
- Indirect job creation can be expected of approximately 192.6 positions
- Direct jobs is projected to be 50 within 2 years of construction completion with average salaries exceeding \$75,000.

03-05-18