

Cost-Benefit Analysis for Arthur May Redevelopment LLC

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR
Arthur May Redevelopment Holdings, LLC

TOTAL INVESTED
\$69.8 Million

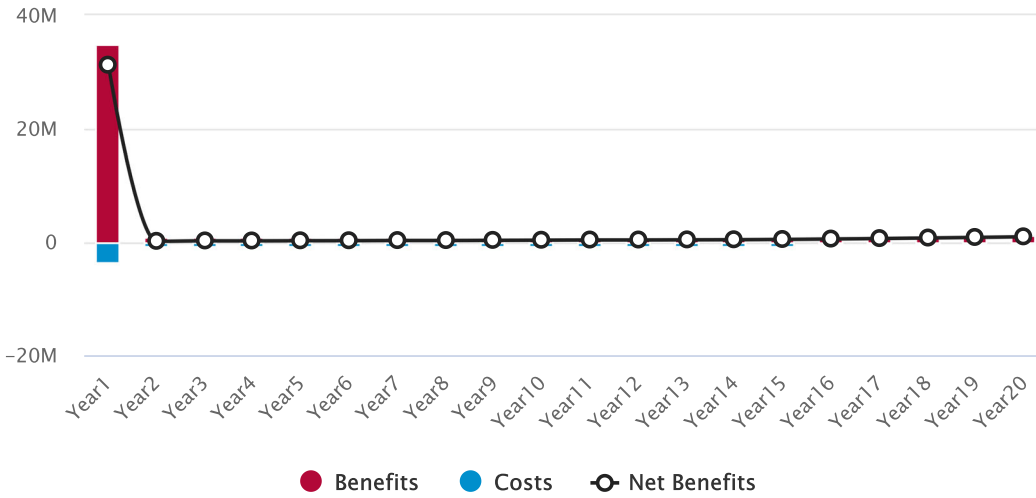
LOCATION
25 and 31 Raymond Avenue, Poughkeepsie, NY 12603

TIMELINE
20 Years

F1 FIGURE 1

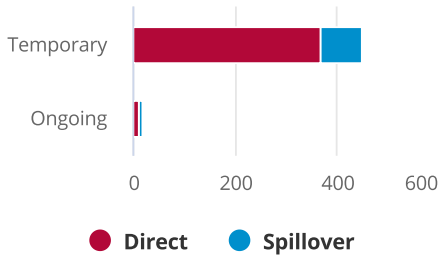
Discounted* Net Benefits for Arthur May Redevelopment LLC by Year

Total Net Benefits: \$40,052,000



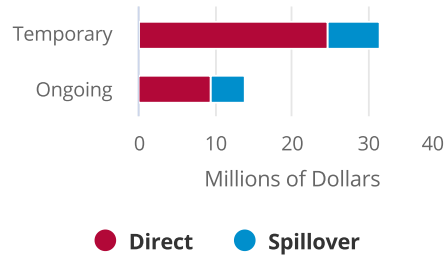
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Arthur May Redevelopment Holdings, LLC proposes to invest \$69.8 million at 25 and 31 Raymond Avenue, Poughkeepsie, NY 12603 over 20 years. Dutchess County IDA staff summarize the proposed with the following: The project will redevelop the former school site into a mixed use development. The project will include approximately 187 market rate residential units, commercial space and a hotel. The project will promote a walkable community within the Arlington Business District. The project will also return the property to a revenue generating asset for the local taxing jurisdictions for the first time in over 95 years.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Residential Units	\$39,900,000
Commercial Units	\$2,100,000
Hotel	\$14,888,000
OTHER SPENDING	
Real Estate	\$2,100,000
Soft Costs	\$10,821,000
Total Investments	\$69,809,000
Discounted Total (2%)	\$69,809,000

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 20 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 Arthur May Redevelopment Holdings, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$13,328,000	\$11,291,000
Sales Tax Exemption	\$2,326,000	\$2,326,000
Mortgage Recording Tax Exemption	\$470,000	\$470,000
Total Costs	\$16,124,000	\$14,087,000

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	\$41,760,000	\$12,468,000	\$54,229,000
To Private Individuals	\$35,972,000	\$12,352,000	\$48,324,000
Temporary Payroll	\$24,733,000	\$6,940,000	\$31,673,000
Ongoing Payroll	\$11,239,000	\$5,412,000	\$16,652,000
To the Public	\$5,788,000	\$116,000	\$5,904,000
Property Tax Revenue	\$5,450,000	N/A	\$5,450,000
Temporary Sales Tax Revenue	\$233,000	\$65,000	\$298,000
Ongoing Sales Tax Revenue	\$106,000	\$51,000	\$157,000
STATE BENEFITS	\$2,095,000	\$763,000	\$2,858,000
To the Public	\$2,095,000	\$763,000	\$2,858,000
Temporary Income Tax Revenue	\$1,236,000	\$362,000	\$1,598,000
Ongoing Income Tax Revenue	\$499,000	\$276,000	\$775,000
Temporary Sales Tax Revenue	\$248,000	\$70,000	\$317,000
Ongoing Sales Tax Revenue	\$113,000	\$54,000	\$167,000
Total Benefits to State & Region	\$43,856,000	\$13,231,000	\$57,086,000
Discounted Total Benefits (2%)	\$41,870,000	\$12,269,000	\$54,138,000

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	\$51,437,000	\$12,417,000	4:1
State	\$2,701,000	\$1,670,000	2:1
Grand Total	\$54,138,000	\$14,087,000	4:1

May not sum to total due to rounding.

* Discounted at 2%

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