

Cost-Benefit Analysis for Copy of Eastdale Village 13021602

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR
MHTC Development, LLC

TOTAL INVESTED
\$88.9 Million

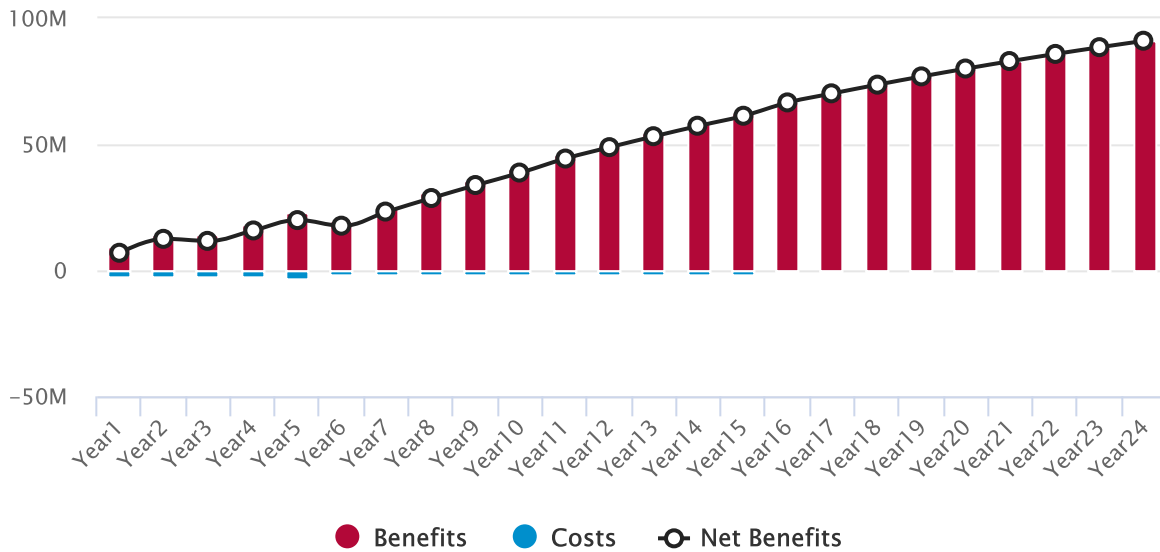
LOCATION
**928 Dutchess Turnpike,
Poughkeepsie, NY
12603**

TIMELINE
24 Years

F1 FIGURE 1

Discounted* Net Benefits for Copy of Eastdale Village 13021602 by Year

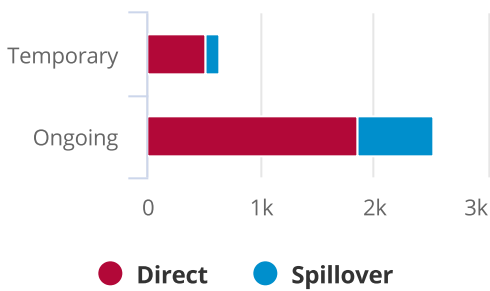
Total Net Benefits: \$1,190,735,000



Discounted at 2%

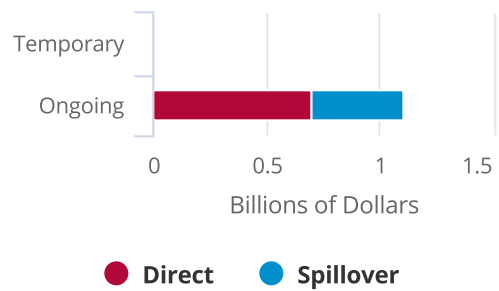
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

MHTC Development, LLC proposes to invest \$88.9 million at 928 Dutchess Turnpike, Poughkeepsie, NY 12603 over 24 years. Dutchess County IDA staff summarize the proposed with the following: The applicant proposes to develop a new Town Center in the Town of Poughkeepsie, to be known as Eastdale Village. The project is a mixed use development which will include rental residential units, commercial uses, accessory buildings and infrastructure.

T1 TABLE 1

Proposed Investments

| Description | Amount |
|------------------------------|---------------------|
| CONSTRUCTION SPENDING | |
| Commercial | \$79,670,000 |
| OTHER SPENDING | |
| real estate | \$3,887,000 |
| professional services | \$5,388,000 |
| Total Investments | \$88,944,000 |
| Discounted Total (2%) | \$85,976,000 |

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 24 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 MHTC Development, LLC.

| Description | Nominal Value | Discounted Value* |
|----------------------------------|---------------------|---------------------|
| Property Tax Exemption | \$35,212,000 | \$29,152,000 |
| Sales Tax Exemption | \$4,256,000 | \$4,109,000 |
| Mortgage Recording Tax Exemption | \$776,000 | \$776,000 |
| Total Costs | \$40,244,000 | \$34,037,000 |

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 | \$1,058,220,000 | \$505,986,000 | \$1,563,789,000 |
| To Private Individuals | \$1,007,674,000 | \$500,947,000 | \$1,508,621,000 |
| Temporary Payroll | \$34,638,000 | \$9,719,000 | \$44,356,000 |
| Ongoing Payroll | \$973,037,000 | \$491,228,000 | \$1,464,265,000 |
| To the Public | \$50,545,000 | \$5,040,000 | \$55,168,000 |
| Property Tax Revenue | \$40,972,000 | N/A | \$40,972,000 |
| Temporary Sales Tax Revenue | \$326,000 | \$91,000 | \$417,000 |
| Ongoing Sales Tax Revenue | \$9,156,000 | \$4,622,000 | \$13,779,000 |
| STATE BENEFITS | \$54,517,000 | \$30,498,000 | \$85,015,000 |
| To the Public | \$54,517,000 | \$30,498,000 | \$85,015,000 |
| Temporary Income Tax Revenue | \$1,730,000 | \$508,000 | \$2,238,000 |
| Ongoing Income Tax Revenue | \$42,688,000 | \$24,970,000 | \$67,658,000 |
| Temporary Sales Tax Revenue | \$347,000 | \$97,000 | \$445,000 |
| Ongoing Sales Tax Revenue | \$9,751,000 | \$4,923,000 | \$14,674,000 |
| Total Benefits to State & Region | \$1,112,736,000 | \$536,485,000 | \$1,648,804,000 |
| Discounted Total Benefits (2%) | \$831,364,000 | \$393,809,000 | \$1,224,772,000 |

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 | \$1,162,138,000 | \$31,142,000 | 37:1 |
| State | \$62,634,000 | \$2,895,000 | 22:1 |
| Grand Total | \$1,224,772,000 | \$34,037,000 | 36:1 |

May not sum to total due to rounding.

* Discounted at 2%

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