

Cost-Benefit Analysis for North Cross, LLC

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR
North Cross, LLC

TOTAL INVESTED
\$19.4 Million

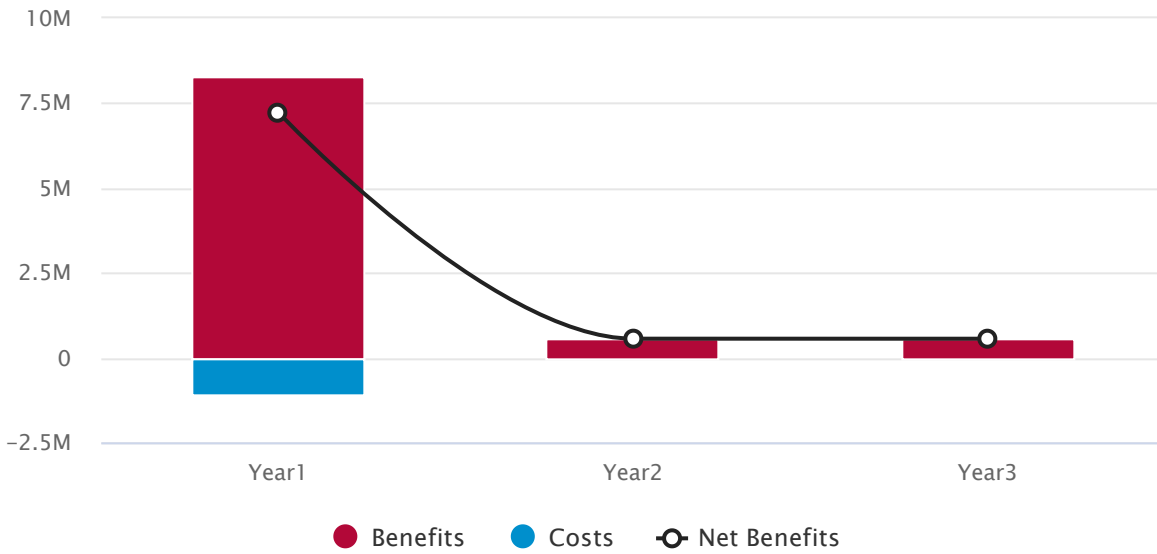
LOCATION
**40 North Cross Road,
Hyde Park**

TIMELINE
3 Years

F1 FIGURE 1

Discounted* Net Benefits for North Cross, LLC by Year

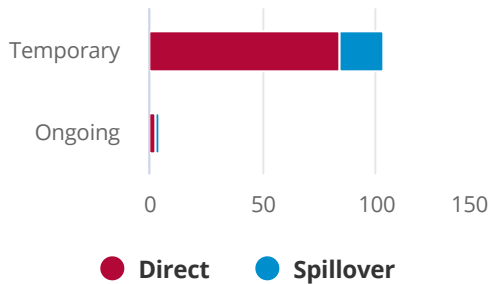
Total Net Benefits: \$8,329,000



Discounted at 2%

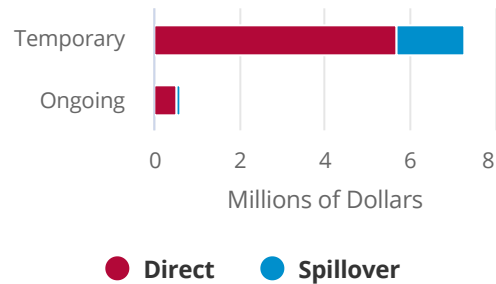
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

North Cross, LLC proposes to invest \$19.4 million at 40 North Cross Road, Hyde Park over 3 years. Dutchess County IDA staff summarize the proposed with the following: The project, also known as the Jeffrey Groves Estates project is an approved 50-unit townhouse rental community that aims to serve as market rate housing to attract young families in the area. The project will consist of eight clustered townhouse buildings on a currently vacant 25 acre lot in Hyde Park. Open space will be integrated into the project offering residents and the public walking and hiking trails.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Townhouse units	\$13,031,000
OTHER SPENDING	
Equipment & Fixtures	\$700,000
Real Estate	\$1,750,000
Professional Services	\$2,240,000
Other taxable	\$1,710,000
Total Investments	\$19,430,000
Discounted Total (2%)	\$19,430,000

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 3 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 North Cross, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$992,000	\$992,000
Mortgage Recording Tax Exemption	\$110,000	\$110,000
Total Costs	\$1,102,000	\$1,102,000

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	\$7,237,000	\$1,732,000	\$8,969,000
To Private Individuals	\$6,160,000	\$1,716,000	\$7,876,000
Temporary Payroll	\$5,665,000	\$1,590,000	\$7,255,000
Ongoing Payroll	\$495,000	\$126,000	\$621,000
To the Public	\$1,077,000	\$16,000	\$1,093,000
Property Tax Revenue	\$1,019,000	N/A	\$1,019,000
Temporary Sales Tax Revenue	\$53,000	\$15,000	\$68,000
Ongoing Sales Tax Revenue	\$5,000	\$1,000	\$6,000
STATE BENEFITS	\$368,000	\$107,000	\$475,000
To the Public	\$368,000	\$107,000	\$475,000
Temporary Income Tax Revenue	\$283,000	\$83,000	\$366,000
Ongoing Income Tax Revenue	\$23,000	\$6,000	\$30,000
Temporary Sales Tax Revenue	\$57,000	\$16,000	\$73,000
Ongoing Sales Tax Revenue	\$5,000	\$1,000	\$6,000
Total Benefits to State & Region	\$7,605,000	\$1,839,000	\$9,444,000
Discounted Total Benefits (2%)	\$7,595,000	\$1,836,000	\$9,431,000

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	\$8,957,000	\$590,000	15:1
State	\$474,000	\$511,000	1:1
Grand Total	\$9,431,000	\$1,102,000	9:1

May not sum to total due to rounding.

* Discounted at 2%

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