

Cost-Benefit Analysis for City of Poughkeepsie - CNN Spruce LLCa

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR

**City of Poughkeepsie -
CNN Spruce LLC**

TOTAL INVESTED

\$8.2 Million

LOCATION

46 Spruce Street

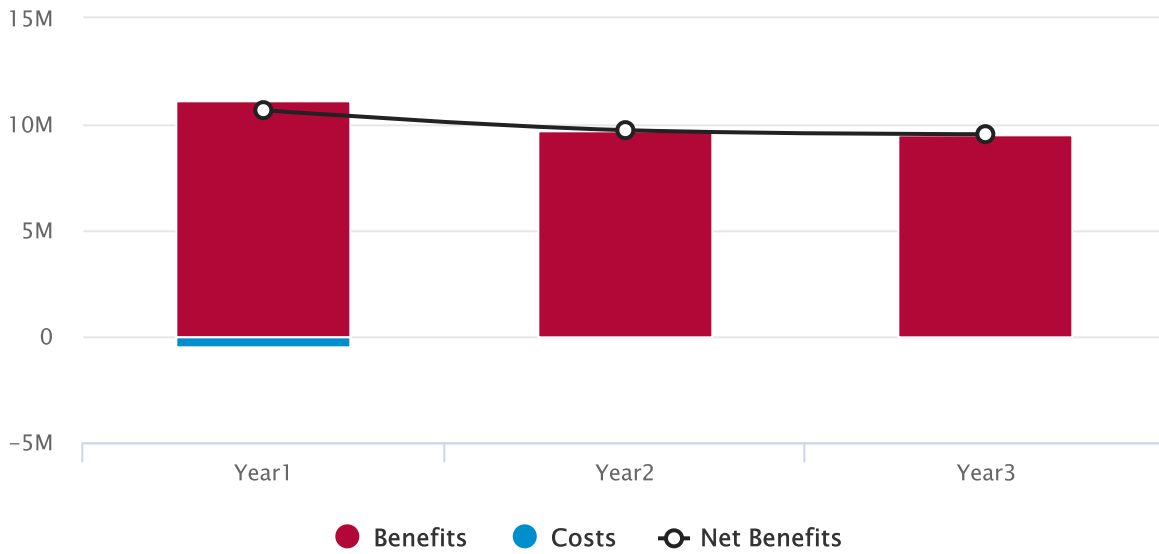
TIMELINE

3 Years

F1 FIGURE 1

Discounted* Net Benefits for City of Poughkeepsie - CNN Spruce LLCa by Year

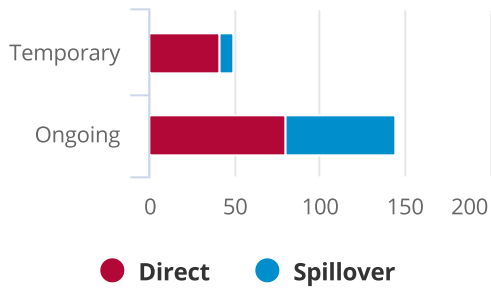
Total Net Benefits: **\$29,929,000**



Discounted at 2%

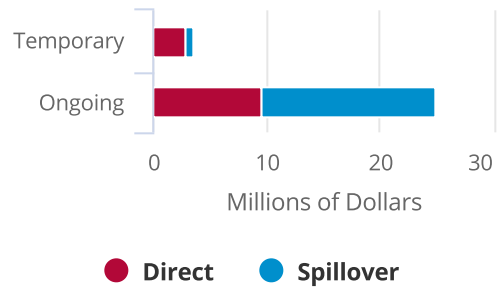
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

City of Poughkeepsie - CNN Spruce LLC proposes to invest \$8.2 million at 46 Spruce Street over 3 years. Dutchess County IDA staff summarize the proposed with the following: The applicant plans to invest \$8,161,000 to construct one (1) multifamily and one (1) office building on property located at 110 Delafield Street, 112 Delafield Street, 46 Spruce Street, 48 Spruce Street, 52 Spruce Street and 54 Spruces Street.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Commercial / Professional use	\$3,051,000
Commercial / Residential	\$3,330,000
OTHER SPENDING	
Infrastructure	\$850,000
Professional Fees	\$280,000
Real Estate	\$650,000
Total Investments	\$8,161,000
Discounted Total (2%)	\$8,161,000

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 City of Poughkeepsie - CNN Spruce LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$386,000	\$386,000
Mortgage Recording Tax Exemption	\$63,000	\$63,000
Total Costs	\$449,000	\$449,000

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	\$12,755,000	\$16,528,000	\$29,250,000
To Private Individuals	\$12,629,000	\$16,348,000	\$28,977,000
Temporary Payroll	\$2,774,000	\$778,000	\$3,553,000
Ongoing Payroll	\$9,855,000	\$15,570,000	\$25,425,000
To the Public	\$126,000	\$180,000	\$273,000
Temporary Sales Tax Revenue	\$26,000	\$7,000	\$33,000
Ongoing Sales Tax Revenue	\$93,000	\$147,000	\$239,000
STATE BENEFITS	\$698,000	\$1,010,000	\$1,708,000
To the Public	\$698,000	\$1,010,000	\$1,708,000
Temporary Income Tax Revenue	\$139,000	\$41,000	\$179,000
Ongoing Income Tax Revenue	\$432,000	\$806,000	\$1,238,000
Temporary Sales Tax Revenue	\$28,000	\$8,000	\$36,000
Ongoing Sales Tax Revenue	\$99,000	\$156,000	\$255,000
Total Benefits to State & Region	\$13,453,000	\$17,538,000	\$30,958,000
Discounted Total Benefits (2%)	\$13,229,000	\$17,182,000	\$30,378,000

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	\$28,702,000	\$187,000	154:1
State	\$1,676,000	\$262,000	6:1
Grand Total	\$30,378,000	\$449,000	68:1

May not sum to total due to rounding.

* Discounted at 2%

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