

Cost-Benefit Analysis for City of Poughkeepsie - One Dutchess Avenue

Prepared by Dutchess County IDA using InformAnalytics

Executive Summary

INVESTOR
The O'Neill Group
Dutton, LLC

TOTAL INVESTED
\$72.9 Million

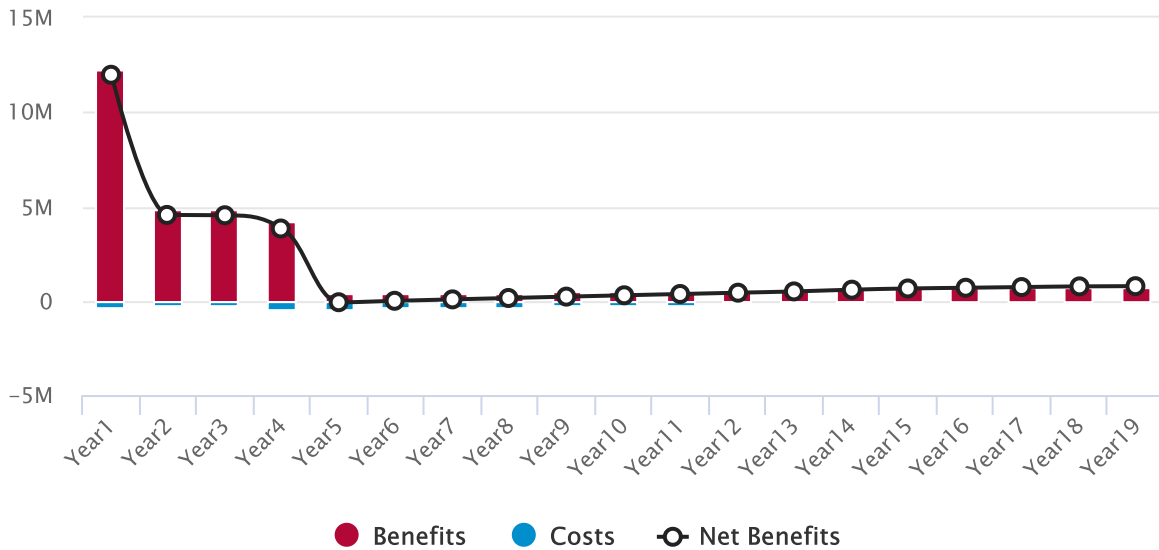
LOCATION
One Dutchess Avenue,
Poughkeepsie, NY
12601

TIMELINE
19 Years

F1 FIGURE 1

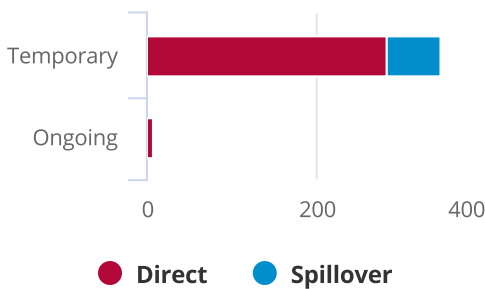
Discounted* Net Benefits for City of Poughkeepsie - One Dutchess Avenue by Year

Total Net Benefits: **\$30,894,000**



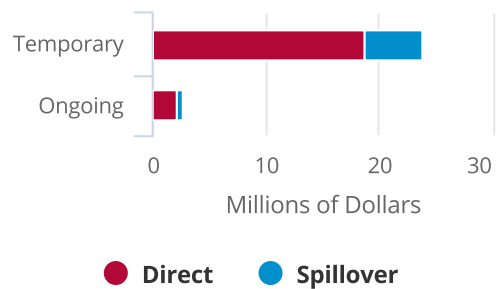
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

The O'Neill Group Dutton, LLC proposes to invest \$72.9 million at One Dutchess Avenue, Poughkeepsie, NY 12601 over 19 years. Dutchess County IDA staff summarize the proposed with the following: Brownfield cleanup of an existing property with redevelopment of a mixed use commercial and residential project including the construction of a new public walkway and park.

T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Phase I (Buildings B, C, and D)	\$20,585,000
Phase II (Buildings E, F, G, H)	\$16,205,000
Phase III (Building A)	\$7,008,000
OTHER SPENDING	
Land	\$19,990,000
Other Fees	\$9,036,000
Equipment	\$96,000
Total Investments	\$72,921,000
Discounted Total (2%)	\$72,043,000

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 19 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 The O'Neill Group Dutton, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$4,396,000	\$3,914,000
Sales Tax Exemption	\$34,000	\$33,000
Total Costs	\$4,430,000	\$3,948,000

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	\$28,366,000	\$6,242,000	\$34,378,000
To Private Individuals	\$21,642,000	\$6,006,000	\$27,649,000
Temporary Payroll	\$19,042,000	\$5,343,000	\$24,385,000
Ongoing Payroll	\$2,600,000	\$664,000	\$3,264,000
To the Public	\$6,724,000	\$236,000	\$6,730,000
Property Tax Revenue	\$6,468,000	N/A	\$6,468,000
Temporary Sales Tax Revenue	\$179,000	\$50,000	\$229,000
Ongoing Sales Tax Revenue	\$24,000	\$6,000	\$31,000
Purchases Sales Tax Revenue	\$2,000	N/A	\$2,000
STATE BENEFITS	\$1,197,000	\$372,000	\$1,570,000
To the Public	\$1,197,000	\$372,000	\$1,570,000
Temporary Income Tax Revenue	\$951,000	\$279,000	\$1,230,000
Ongoing Income Tax Revenue	\$27,000	\$33,000	\$60,000
Temporary Sales Tax Revenue	\$191,000	\$54,000	\$244,000
Ongoing Sales Tax Revenue	\$26,000	\$7,000	\$33,000
Purchases Sales Tax Revenue	\$2,000	N/A	\$2,000
Total Benefits to State & Region	\$29,563,000	\$6,614,000	\$35,948,000
Discounted Total Benefits (2%)	\$28,693,000	\$6,374,000	\$34,842,000

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	\$33,318,000	\$3,931,000	8:1
State	\$1,524,000	\$17,000	89:1
Grand Total	\$34,842,000	\$3,948,000	9:1

May not sum to total due to rounding.

* Discounted at 2%

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