

# Cost-Benefit Analysis for S&S Atlantic Realty, LLC

Prepared by Hempstead IDA using InformAnalytics

# Executive Summary

**INVESTOR**  
S&S Atlantic Realty, LLC

**TOTAL INVESTED**  
\$3.5 Million

**LOCATION**  
418 Atlantic Ave,  
Oceanside, NY

**TIMELINE**  
15 Years

FIGURE 1

Discounted\* Net Benefits for S&S Atlantic Realty, LLC by Year

Total Net Benefits: \$3,633,000

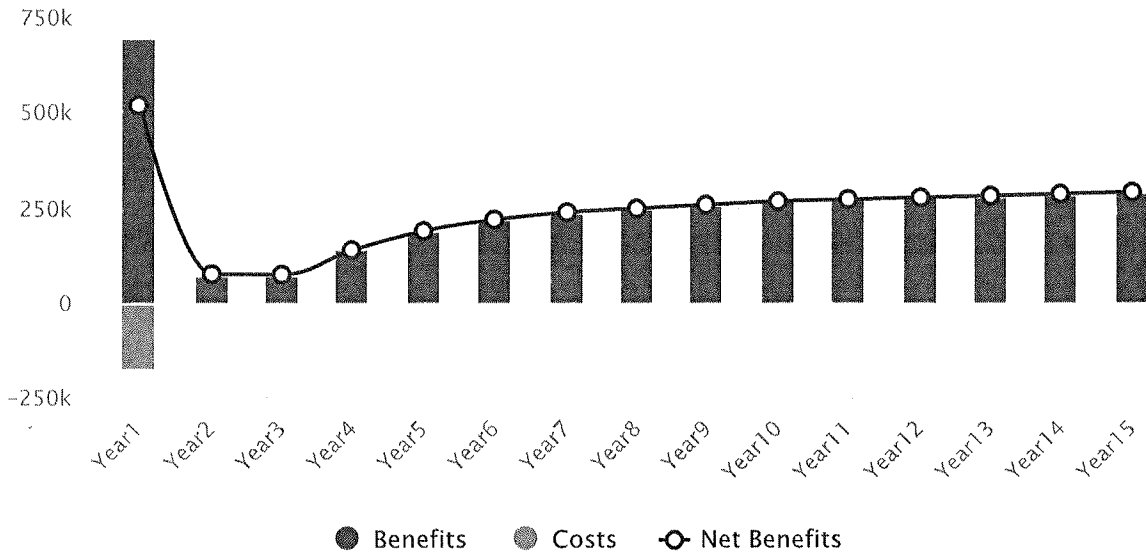


FIGURE 2

Total Jobs

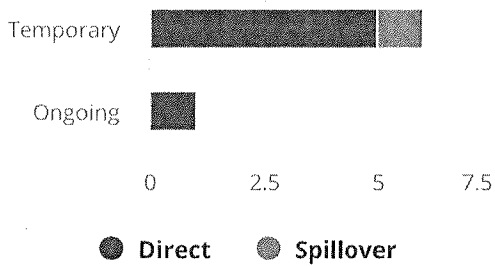
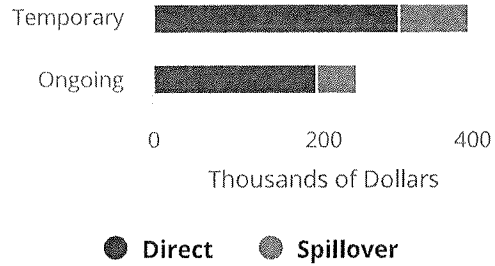


FIGURE 3

Total Payroll



# Proposed Investment

S&S Atlantic Realty, LLC proposes to invest \$3.5 million at 418 Atlantic Ave, Oceanside, NY over 15 years. Hempstead IDA staff summarize the proposed with the following: The applicant intends to demolish the current six residential units, as well as four commercial units on the 1.2 acres of property. The applicant seeks to construct a residential rental complex of approximately 21,500 square feet. The project will consist of 23 two bedroom apartments and 1 studio.

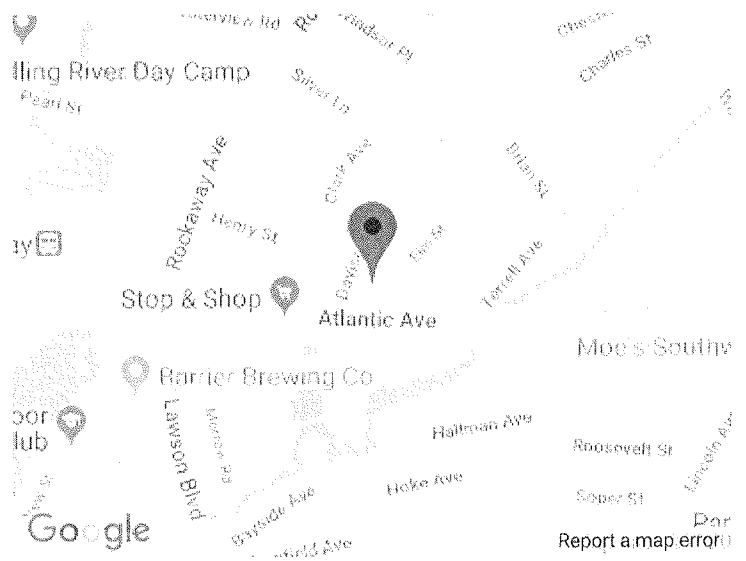
TABLE 1

## Proposed Investments

Description	Amount
<b>CONSTRUCTION SPENDING</b>	
The applicant seeks to construct a residential rental complex of approximately 21,500 square feet. The project will consist of 23 two bedroom apartments and 1 studio.	\$700,000
<b>OTHER SPENDING</b>	
Architectural	\$150,000
Legal Fees	\$50,000
Building	\$2,600,000
<b>Total Investments</b>	<b>\$3,500,000</b>
Discounted Total (2%)	\$3,500,000

FIGURE 4

## Location of Investment



May not sum to total due to rounding.

# 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 Hempstead IDA. The report calculates the costs and benefits for specified local taxing districts over the first 15 years, with future returns discounted at a 2% rate.

 TABLE 2

## Estimated Costs or Incentives

Hempstead IDA is considering the following incentive package for S&S Atlantic Realty, LLC.

Description	Nominal Value	Discounted Value*
Sales Tax Exemption	\$148,000	\$148,000
Mortgage Recording Tax Exemption	\$28,000	\$28,000
<b>Total Costs</b>	<b>\$176,000</b>	<b>\$176,000</b>

**May not sum to total due to rounding.**

\* Discounted at 2%

 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
<b>REGIONAL BENEFITS</b>	<b>\$3,567,000</b>	<b>\$137,000</b>	<b>\$3,704,000</b>
To Private Individuals	\$514,000	\$135,000	\$649,000
Temporary Payroll	\$290,000	\$81,000	\$371,000
Ongoing Payroll	\$224,000	\$53,000	\$277,000
To the Public	\$3,054,000	\$2,000	\$3,055,000
Property Tax Revenue	\$2,917,000	N/A	\$2,917,000
Temporary Sales Tax Revenue	\$4,000	\$1,000	\$5,000
Ongoing Sales Tax Revenue	\$3,000	\$713	\$4,000
Purchases Sales Tax Revenue	\$130,000	N/A	\$130,000
<b>STATE BENEFITS</b>	<b>\$136,000</b>	<b>\$8,000</b>	<b>\$144,000</b>
To the Public	\$136,000	\$8,000	\$144,000
Temporary Income Tax Revenue	\$15,000	\$4,000	\$19,000
Ongoing Income Tax Revenue	\$3,000	\$3,000	\$6,000
Temporary Sales Tax Revenue	\$3,000	\$940	\$4,000
Ongoing Sales Tax Revenue	\$3,000	\$617	\$3,000
Purchases Sales Tax Revenue	\$112,000	N/A	\$112,000
<b>Total Benefits to State &amp; Region</b>	<b>\$3,703,000</b>	<b>\$145,000</b>	<b>\$3,848,000</b>
Discounted Total Benefits (2%)	\$3,672,000	\$137,000	\$3,809,000

**May not sum to total due to rounding.**

TABLE 4

**Benefit to Cost Ratio**

The following benefit to cost ratios were calculated using the discounted totals.

Description	Benefit*	Cost*	Ratio
Region	\$3,666,000	\$79,000	46:1
State	\$143,000	\$97,000	1:1
<b>Grand Total</b>	<b>\$3,809,000</b>	<b>\$176,000</b>	<b>22:1</b>

**May not sum to total due to rounding.**

\* Discounted at 2%

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