

Cost-Benefit Analysis for Castle Lanterra Acquisitions, LLC (130 Hempstead Avenue)

Prepared by Hempstead IDA using InformAnalytics

Executive Summary

INVESTOR

Castle Lanterra Acquisitions, LLC (130 Hempstead Avenue)

TOTAL JOBS

**5 Ongoing;
0 Temporary**

TOTAL INVESTED

\$67.6 Million

LOCATION

130 hempstead avenue

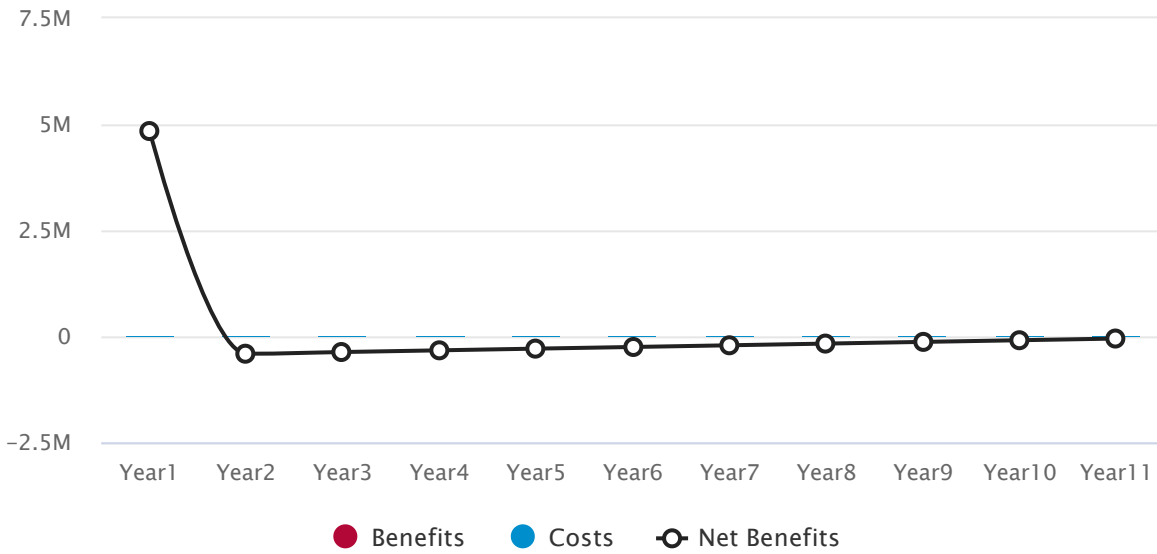
TIMELINE

11 Years

F1 FIGURE 1

Discounted* Net Benefits for Castle Lanterra Acquisitions, LLC (130 Hempstead Avenue) by Year

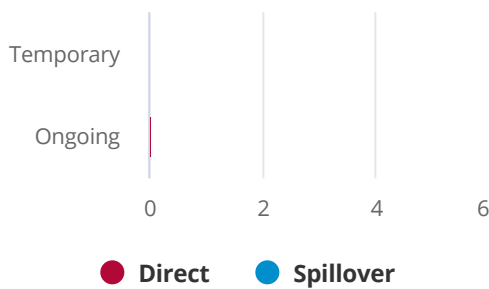
Total Net Benefits: **\$2,530,000**



Discounted at 2%

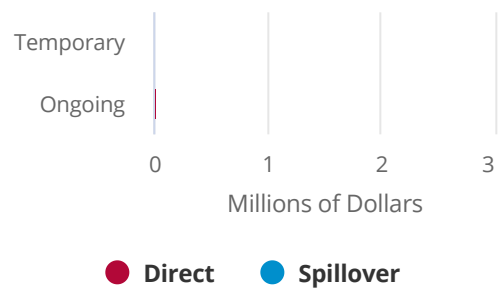
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Castle Lanterra Acquisitions, LLC (130 Hempstead Avenue) proposes to invest \$67.6 million at 130 hempstead avenue over 11 years. Hempstead IDA staff summarize the proposed with the following: The applicant intends to acquire 130 Hempstead Turnpike and acquire remainder of existing TOH IDA PILOT on the property. The 207,976 square foot building is housed on 2.73 acres, and is a 150 unit multi-family complex

T1 TABLE 1

Proposed Investments

Description	Amount
OTHER SPENDING	
Financial Charges	\$1,050,000
Legal Fees	\$135,000
Land/Building Acquisition	\$66,400,000
Total Investments	\$67,585,000
Discounted Total (2%)	\$67,585,000

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 Hempstead IDA. The report calculates the costs and benefits for specified local taxing districts over the first 11 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

Hempstead IDA is considering the following incentive package for Castle Lanterra Acquisitions, LLC (130 Hempstead Avenue).

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$11,648,000	\$10,597,000
Mortgage Recording Tax Exemption	\$538,000	\$538,000
Total Costs	\$12,185,000	\$11,135,000

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	\$10,513,000	\$558,000	\$11,072,000
To Private Individuals	\$2,310,000	\$551,000	\$2,861,000
Ongoing Payroll	\$2,310,000	\$551,000	\$2,861,000
To the Public	\$8,203,000	\$7,000	\$8,211,000
Property Tax Revenue	\$5,047,000	N/A	\$5,047,000
Ongoing Sales Tax Revenue	\$31,000	\$7,000	\$38,000
Purchases Sales Tax Revenue	\$3,126,000	N/A	\$3,126,000
STATE BENEFITS	\$2,844,000	\$33,000	\$2,877,000
To the Public	\$2,844,000	\$33,000	\$2,877,000
Ongoing Income Tax Revenue	\$114,000	\$27,000	\$141,000
Ongoing Sales Tax Revenue	\$27,000	\$6,000	\$33,000
Purchases Sales Tax Revenue	\$2,703,000	N/A	\$2,703,000
Total Benefits to State & Region	\$13,357,000	\$592,000	\$13,949,000
Discounted Total Benefits (2%)	\$13,128,000	\$537,000	\$13,665,000

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	\$10,803,000	\$10,597,000	1:1
State	\$2,861,000	\$538,000	5:1
Grand Total	\$13,665,000	\$11,135,000	1:1

May not sum to total due to rounding.

* Discounted at 2%

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