

**Cost-Benefit Analysis for Adaptive Reuse - Sweet Home Flats - DMG
Investments**

Prepared by this agency using InformAnalytics

Executive Summary

INVESTOR
Amherst Sweethome Rd Property LLC - DMG Investments

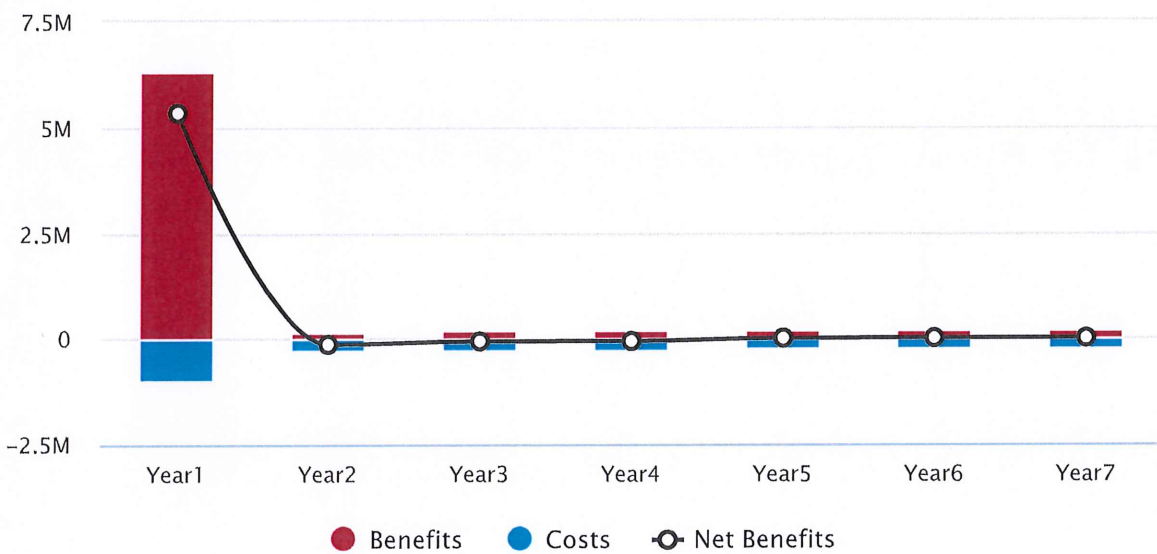
TOTAL INVESTED
\$21.3 Million

LOCATION
1265 Sweet Home Road

TIMELINE
7 Years

F1 FIGURE 1

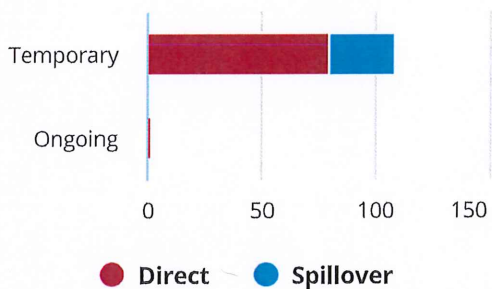
Discounted* Net Benefits for Adaptive Reuse - Sweet Home Flats - DMG Investments by Year Total Net Benefits: **\$5,092,000**



Discounted at 2%

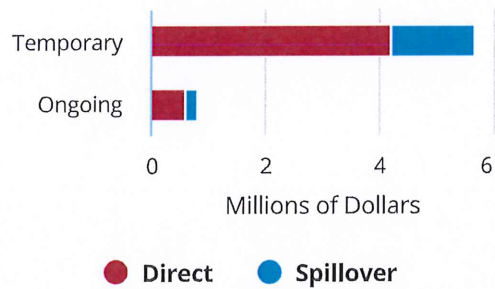
F2 FIGURE 2

Total Jobs



F3 FIGURE 3

Total Payroll



Proposed Investment

Amherst Sweethome Rd Property LLC - DMG Investments proposes to invest \$21.3 million at 1265 Sweet Home Road over 7 years. Agency staff summarize the proposed with the following: Adaptive Reuse of an unfinished hotel property, and new construction adding to the building footprint, into 154 market rate units with a mix of studios and one and two bedroom layouts.

T1 TABLE 1

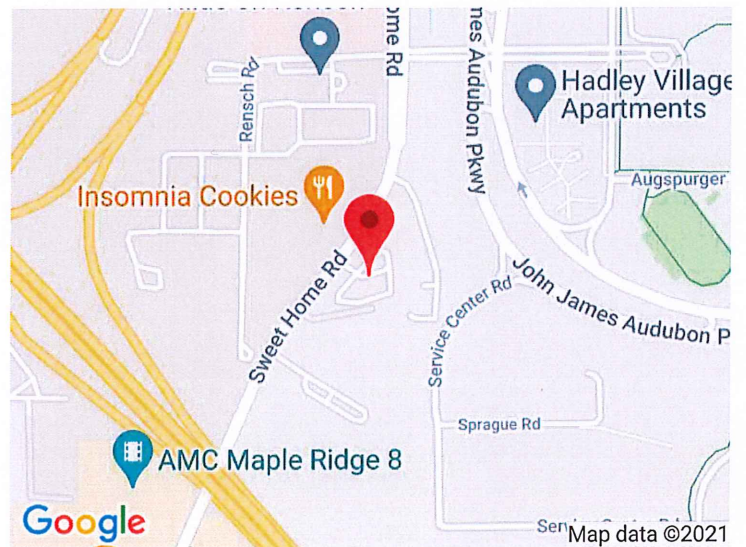
Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Project Development	\$11,000,000
OTHER SPENDING	
Land/Building Acquisition	\$5,750,000
Equipment	\$443,000
Soft Costs	\$4,146,000
Total Investments	\$21,339,000
Discounted Total (2%)	\$21,339,000

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 the agency. The report calculates the costs and benefits for specified local taxing districts over the first 7 years, with future returns discounted at a 2% rate.

T2 TABLE 2

Estimated Costs or Incentives

The agency is considering the following incentive package for Amherst Sweethome Rd Property LLC - DMG Investments.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	\$1,839,000	\$1,741,000
Sales Tax Exemption	\$520,000	\$520,000
Mortgage Recording Tax Exemption	\$143,000	\$143,000
Total Costs	\$2,502,000	\$2,405,000

May not sum to total due to rounding.

* Discounted at 2%

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	\$5,469,000	\$1,671,000	\$7,140,000
To Private Individuals	\$4,886,000	\$1,644,000	\$6,529,000
Temporary Payroll	\$4,228,000	\$1,467,000	\$5,695,000
Ongoing Payroll	\$658,000	\$176,000	\$834,000
To the Public	\$583,000	\$28,000	\$611,000
Property Tax Revenue	\$502,000	N/A	\$502,000
Temporary Sales Tax Revenue	\$71,000	\$25,000	\$95,000
Ongoing Sales Tax Revenue	\$11,000	\$3,000	\$14,000
STATE BENEFITS	\$306,000	\$102,000	\$408,000
To the Public	\$306,000	\$102,000	\$408,000
Temporary Income Tax Revenue	\$207,000	\$72,000	\$278,000
Ongoing Income Tax Revenue	\$30,000	\$7,000	\$37,000
Temporary Sales Tax Revenue	\$60,000	\$21,000	\$80,000
Ongoing Sales Tax Revenue	\$9,000	\$2,000	\$12,000
Total Benefits to State & Region	\$5,775,000	\$1,773,000	\$7,548,000
Discounted Total Benefits (2%)	\$5,735,000	\$1,762,000	\$7,497,000

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	\$7,092,000	\$2,071,000	3:1
State	\$405,000	\$333,000	1:1
Grand Total	\$7,497,000	\$2,405,000	3:1

May not sum to total due to rounding.

* Discounted at 2%

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