Cost-Benefit Analysis for Aspen Muir Woods Infrastructure Project
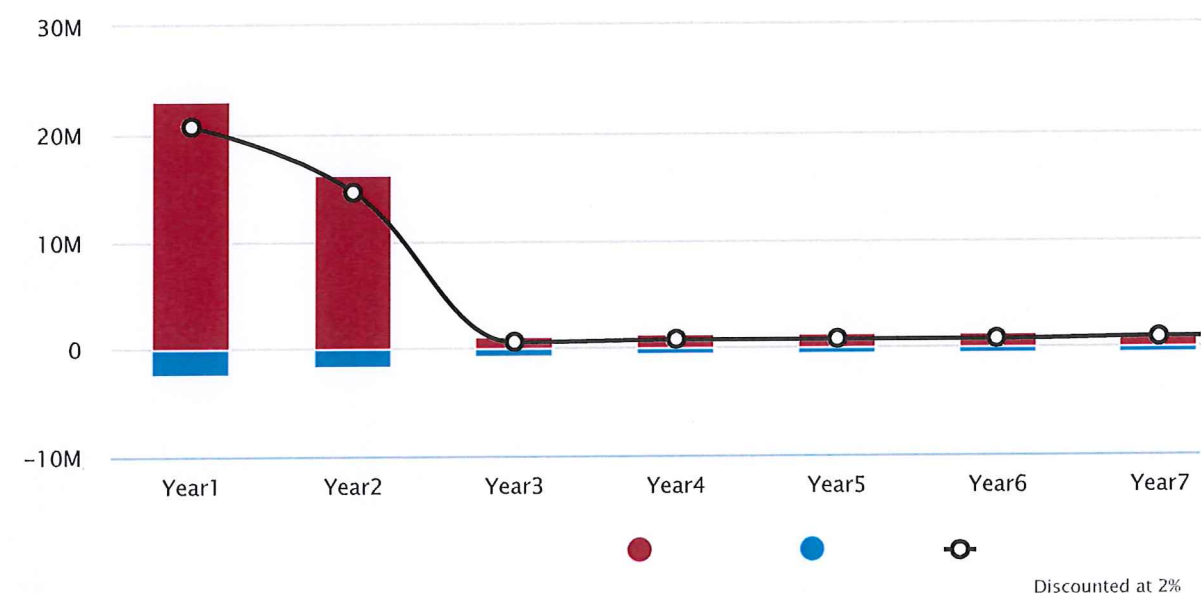
Prepared by this agency using InformAnalytics

Executive Summary

INVESTOR	TOTAL JOBS	TOTAL INVESTED	LOCATION	TIMELINE
Amherst NY Properties KP6, LLC	**20 Ongoing; 677 Temporary**	**$83.3 Million**	**1121 North French**	**10 Years**

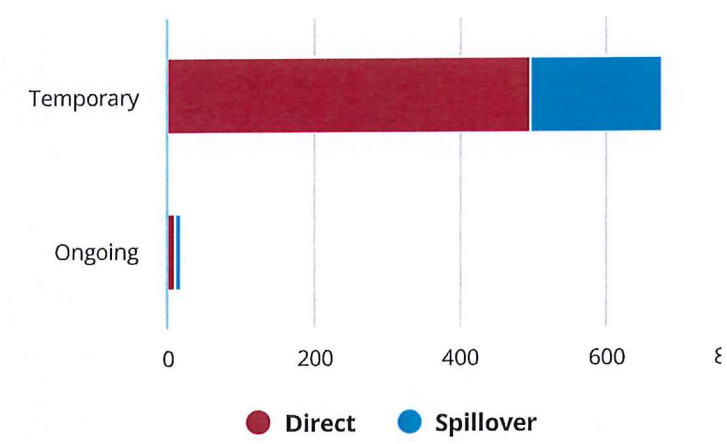**F1** FIGURE 1

Discounted* Net Benefits for Aspen Muir Woods Infrastructure Project by Year

Total Net Benefits: **$41,529,000**

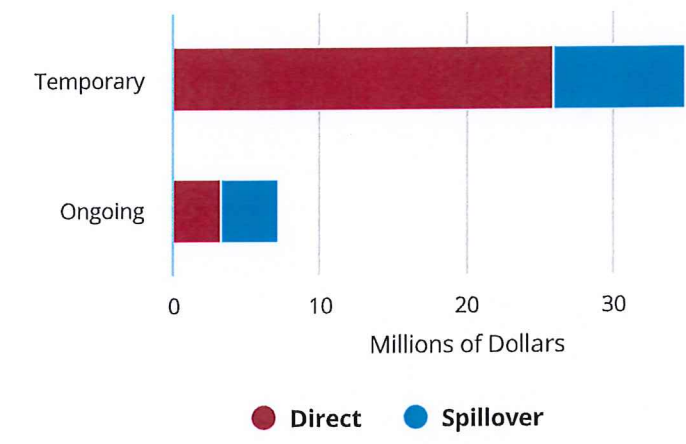

Discounted at 2%

F2 FIGURE 2

Total Jobs

● Direct   ● Spillover

F3 FIGURE 3

Total Payroll

Millions of Dollars

● Direct   ● Spillover

Proposed Investment

Amherst NY Properties KP6, LLC proposes to invest $83.3 million at 1121 North French over 10 years. Agency staff summarize the proposed with the following: Aspen Heights, through Amherst NY Properties KP6, LLC, is proposing to construct and manage a multi-phase student housing development on the Muir Woods parcel to include 830 beds in cottage/townhome style units.. The developer is faced with preliminary estimates of at least $5,000,000 in extraordinary off-site public benefit infrastructure expenses as directed by the New York State Department of Transportation and others. Included in these costs is design allowance for a future NFTA-Metro Light Rail or Enhanced Transit Stop. Construction costs, through material and labor increases caused by the pandemic, impact the feasibility of the project.
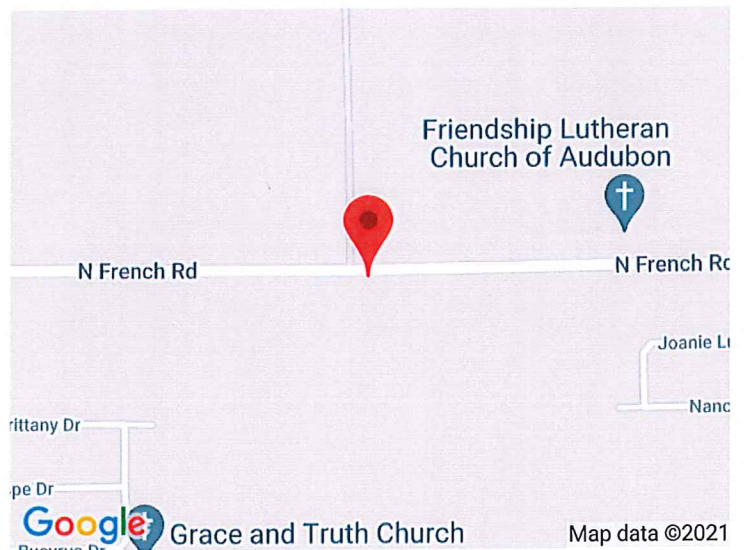
T1 TABLE 1

Proposed Investments

Description	Amount
CONSTRUCTION SPENDING	
Project Development	$68,025,000
OTHER SPENDING	
Soft Costs	$10,749,000
Land Acquisition	$4,500,000
Total Investments	**$83,274,000**
Discounted Total (2%)	**$82,740,000**

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 10 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 NY Properties KP6, LLC.

Description	Nominal Value	Discounted Value*
Property Tax Exemption	$5,849,000	$5,399,000
Sales Tax Exemption	$2,262,000	$2,244,000
Mortgage Recording Tax Exemption	$406,000	$406,000
Total Costs	$8,516,000	$8,049,000

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	**$34,366,000**	**$13,617,000**	**$47,982,000**
To Private Individuals	**$29,802,000**	**$13,392,000**	**$43,194,000**
Temporary Payroll	$26,144,000	$9,074,000	$35,218,000
Ongoing Payroll	$3,658,000	$4,318,000	$7,977,000
To the Public	**$4,564,000**	**$224,000**	**$4,788,000**
Property Tax Revenue	$4,064,000	N/A	$4,064,000
Temporary Sales Tax Revenue	$438,000	$152,000	$590,000
Ongoing Sales Tax Revenue	$61,000	$72,000	$134,000
STATE BENEFITS	**$1,868,000**	**$826,000**	**$2,694,000**
To the Public	**$1,868,000**	**$826,000**	**$2,694,000**
Temporary Income Tax Revenue	$1,278,000	$444,000	$1,722,000
Ongoing Income Tax Revenue	$170,000	$193,000	$362,000
Temporary Sales Tax Revenue	$369,000	$128,000	$497,000
Ongoing Sales Tax Revenue	$52,000	$61,000	$113,000
Total Benefits to State & Region	**$36,234,000**	**$14,442,000**	**$50,676,000**
Discounted Total Benefits (2%)	$35,646,000	$13,933,000	$49,579,000

May not sum to total due to rounding.

Benefit to Cost Ratio

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

Description	Benefit*	Cost*	Ratio
Region	$46,947,000	$6,753,000	7:1
State	$2,632,000	$1,297,000	2:1
Grand Total	$49,579,000	$8,049,000	6:1

May not sum to total due to rounding.
* Discounted at 2%

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