

ECONOMIC AND FISCAL IMPACT ANALYSIS

Glen Isle Mixed-Use Waterfront Development

Glen Cove, New York

Prepared for

RXR Glen Isle Partners, LLC

Submitted by

The Eisen Group (TEG)

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Table of Contents

I. Introduction.....	4
Summary Findings.....	4
Temporary Construction Impacts.....	4
Operational Impacts – Glen Isle Mixed-Use Waterfront Development.....	5
II. Economic and Fiscal Impact.....	7
Temporary Construction Impacts.....	7
Development Costs.....	7
Construction Employment and Material Purchases.....	7
Fiscal Impact.....	8
Ongoing Operation of the Glen Isle Mixed-Use Waterfront Development.....	9
Employment and Earnings.....	9
Fiscal Impacts.....	9
III. Economic and Fiscal Impact Summary – Plan Alternatives.....	13
Summary of Temporary Construction Impacts for Plan Alternatives.....	15
Summary of Ongoing Operational Impacts for Plan Alternatives.....	20
Appendix – Supporting Analysis for Economic and Fiscal Impacts of the FEIS Proposed Action.....	25

Index of Tables/Figures

Table 1: Summary of Construction and Ongoing Economic and Fiscal Impacts.....	6
Table 2: Summary of Construction Period Impacts.....	8
Table 3: Summary of Ongoing Operational Impacts	11
Table 4: Summary of Ongoing Operational Impacts, Less Existing Businesses	12
Table 5: Summary of Development Programs for Plan Alternatives	14
Table 6: Summary of Temporary Construction Impacts – Alternative 1	15
Table 7: Summary of Temporary Construction Impacts – Alternative 2	16
Table 8: Summary of Temporary Construction Impacts – Alternative 3	17
Table 9: Summary of Temporary Construction Impacts – Alternative 4	18
Table 10: Summary of Temporary Construction Impacts – Alternative 5	19
Table 11: Summary of Ongoing Operational Impacts – Alternative 1.....	20
Table 12: Summary of Ongoing Operational Impacts – Alternative 2.....	21
Table 13: Summary of Ongoing Operational Impacts – Alternative 3.....	22
Table 14: Summary of Ongoing Operational Impacts – Alternative 4.....	23
Table 15: Summary of Ongoing Operational Impacts – Alternative 5.....	24
Table 16: Summary of Construction Costs and Employment.....	27
Table 17: Summary of Indirect and Induced Construction Impacts.....	28
Table 18: Estimated Direct Sales Tax and Income Tax Revenues, Construction Phase	29
Table 19: Estimated Mortgage Recording Fee, Construction Phase.....	30
Table 20: Estimated Market Value of Glen Isle Mixed-Use Development Components.....	31
Table 21: Multifamily Condominium Market Value to Assessed Value Conversion	32
Table 22: Projected Annual Property Tax Revenues	33
Table 23: Projected On-Site Retail Sales Tax Revenues.....	34
Table 24: Projected On-Site Hotel Occupancy and Sales Tax Revenues.....	35
Table 25: Estimated Mortgage Recording Fee Revenues, For-Sale Units.....	36
Table 26: Projected Household Income by Residential Product Type.....	37
Table 27: Estimated Retail Spending and Sales Tax Revenues, New Residents	38
Table 28: Estimated Retail Spending and Sales Tax Revenues, Construction Employees	39
Table 29: Estimated On-Site Employment	40
Table 30: Estimated On-site Payroll.....	41
Table 31: Indirect and Induced Operational Impacts, Employment and Payroll	42

GENERAL LIMITING CONDITIONS

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of The Eisen Group (TEG) and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by The Eisen Group from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of May 2011 and The Eisen Group has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by The Eisen Group that any of the projected values or results contained in this study will actually be achieved.

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This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of The Eisen Group. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from The Eisen Group.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Introduction

The Eisen Group (TEG) was retained by RXR Glen Isle Partners, LLC to analyze the economic and fiscal impacts associated with the proposed Glen Isle Mixed-Use Waterfront Development of approximately 56 acres located on the north side of Glen Cove Creek, City of Glen Cove, Nassau County, New York. The analysis is being prepared as part of the required Final Environmental Impact Statement (FEIS) and responds to public comments resulting from the Draft Environmental Impact Statement (DEIS). The following study addresses the employment and revenue benefits associated with the proposal. The analysis includes an assessment of both temporary (construction) and permanent (ongoing) economic impacts. The analysis addresses both job and revenue creation as a result of construction and operation of the new mixed-use development. A detailed analysis is presented within the Appendix of this report, including a summary of projected property, sales, and income tax revenues by year.

It is our understanding that the project will include the following major components:

- A 250-suite luxury hotel, conference, catering and spa complex;
- Approximately 50,000 square feet of office space;
- 860 residential units, including 503 rental apartments, 271 condominium units, and 86 units of workforce housing;
- Approximately 25,000 square feet of retail and restaurants;
- Accessory parking spaces;
- Approximately 19 acres of publicly-accessible open space; and
- Approximately 85 boat slips.

While the aggregate developable area of the Proposed Action is 2.25 million gross square feet, the economic and fiscal benefits presented in the following report were calculated based on a development program of approximately 1.44 million gross square feet. The decrease in gross square footage is attributable to smaller residential units that are appropriately sized to respond to current market conditions at the time of this report, with the understanding that the units could potentially increase in size to respond to future market demand.

Summary Findings

Temporary Construction Impacts

- The primary economic benefits that will accrue to local government during the development of the mixed-use project are employment, earnings, and material sales. In addition to these impacts that occur on-site, there are ripple effects of economic activity on other businesses in Nassau County and the state.
- Analysis of the construction costs of the mixed-use project is used to determine the amounts that are likely to be paid in wages and salaries to labor during construction. Direct labor costs of about \$189.6 million are projected, resulting in a total of 3,484 full-time equivalent jobs (based on average construction wages). Since construction progresses in stages, the total number of employees involved in the development of the project at any one time will likely vary. The total number of direct, indirect and induced jobs is estimated at 6,012.

- Based on the construction costs enumerated above, total material purchases of \$284.5 million are projected. In addition, it is estimated that construction employees will spend about \$8.7 million in retail purchases in the county during the construction time period.
- A significant portion of tax revenues are attributable to the purchase of construction materials, which is estimated to generate a total of \$24.5 million in total sales tax revenues. State income tax revenues attributable to construction employment total approximately \$20.6 million. The Nassau County mortgage recording fee would generate an additional \$5 million in revenues, approximately \$3.6 million of which would accrue to the County and \$1.4 million to the MTA. TEG has estimated that the project will generate \$50.9 million in total tax revenues during the construction period.

Operational Impacts – Glen Isle Mixed-Use Waterfront Development

- Permanent benefits are those that will be achieved once the mixed-use development has been built, the space is fully occupied, and stabilized sales and occupancy levels have been achieved. It is assumed that a short transition time will be required to achieve stabilization.
- Total on-site employment is estimated at 585 full-time equivalent jobs, with the largest number of jobs attributable to ongoing operations at the hotel/spa. As with employment during construction, on-site operations will also generate indirect employment (e.g. those establishments providing goods and services to the on-site facilities). Total indirect and induced employment is estimated at an additional 227. Total wages for both direct and indirect and induced employment are estimated at approximately \$35.5 million.
- At this time, it is assumed that all of the components of the mixed-use development will be subject to city, county, and school district property tax. The market value estimates for the proposed project components reflect current operating income parameters (rents and average sales for for-sale units) for similar or comparable properties in the region. The assessed value of the multifamily condominium component of the project has also been adjusted to reflect the assessment methodology per New York State Real Property Law. Based on the analysis of market value, annual property tax revenues are estimated at \$3.6 million for the City of Glen Cove, \$939,000 million for Nassau County, and nearly \$6.4 million for the Glen Cove School District.
- On-site retail sales (including sales at the spa and catering/conference facility) result in an estimated \$1.6 million in annual sales tax revenues. Additionally, sales and hotel occupancy taxes will be generated as a result of operations at the proposed hotel/spa. Estimated gross room revenue at the 250-suite hotel is estimated at approximately \$14.5 million, generating an annual \$1.7 million in sales and hotel occupancy tax revenues (Nassau County imposes an additional 3% hotel occupancy tax).
- Total annual retail spending in Nassau County attributable to the new residents is estimated at \$9.9 million, generating approximately \$852,000 in annual sales tax revenues. Additionally, the County and MTA will benefit from mortgage recording fees collected as a result of turnover of the condominium units. The annual mortgage recording fee is estimated at approximately \$222,000 million of which just over 70% would accrue to Nassau County.

Table 1: Summary of Construction and Ongoing Economic and Fiscal Impacts

ECONOMIC IMPACT - CONSTRUCTION PERIOD

	Direct	Indirect	Induced	Total
Jobs (FTE)	3,484	1,371	1,156	6,012
Payroll	\$ 189,693,105	\$ 64,171,534	\$ 47,398,396	\$ 301,263,035
Material Purchases	\$ 284,539,658	\$ -	\$ -	\$ 284,539,658

FISCAL IMPACT - CONSTRUCTION PERIOD

	Nassau County	New York State	Metropolitan Transportation Authority	Total
Income Tax 1/	NA	\$ 20,636,518	NA	\$ 20,636,518
Direct Sales Tax	\$ 12,092,935	\$ 11,381,586	\$ 1,067,024	\$ 24,541,546
Indirect Sales Tax 2/	\$ 367,625	\$ 346,000	\$ 32,438	\$ 746,063
Mortgage Recording Fee	\$ 3,604,705	NA	\$ 1,441,882	\$ 5,046,587
TOTAL:	\$ 16,065,266	\$ 32,364,104	\$ 2,541,343	\$ 50,970,713

1/ Includes indirect and induced income taxes

2/ Resulting from construction employee spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

ECONOMIC IMPACT - ONGOING OPERATIONS

	Direct	Indirect	Induced	Total
Jobs (FTE)	585	102	125	812
Payroll	\$ 25,491,306	\$ 4,745,024	\$ 5,284,768	\$ 35,521,098
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING OPERATIONS

	City of Glen Cove	Nassau County	New York State	Metropolitan Transportation Authority	Glen Cove School District	Total
Income Tax	NA	NA	\$ 1,746,154	NA	NA	\$ 1,746,154
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 1,047,915	\$ 578,160	\$ 54,203	NA	\$ 1,680,278
Property Tax	\$ 3,591,297	\$ 939,468	NA	NA	\$ 6,399,533	\$ 10,930,299
Indirect Sales Tax	NA	\$ 419,763	\$ 395,072	\$ 37,038	NA	\$ 851,873
Mortgage Recording Fee	NA	\$ 158,234	NA	\$ 63,294	NA	\$ 221,528
TOTAL:	\$ 3,591,297	\$ 3,351,631	\$ 3,459,386	\$ 223,909	\$ 6,399,533	\$ 17,025,757

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

I. Economic and Fiscal Impact

The estimates of fiscal and economic benefits presented below are based on build-out of the proposed Glen Isle Mixed-Use Waterfront Development. Construction benefits, commonly referred to as temporary impacts since they occur only during the construction phase of the project, are analyzed as are ongoing permanent, or annually recurring, impacts.

Fiscal and economic benefits occur on two levels – direct and indirect and induced. Direct impacts are those that are directly attributable to the project (e.g. on-site construction and retail sales). Indirect benefits are those that occur as purchases and spending cycle through the local and regional economies. Induced impacts measure the effects of household and institutional spending (e.g. spending by construction workers in the area as a result of wages earned on-site). Purchase of construction materials will have “ripple effects” throughout the local and regional economy as material vendors in turn purchase goods and services needed in their business from other suppliers throughout the region. Similarly, employee earnings will be spent within the local economy, in turn generating successive rounds of spending in the area. Economic impact analysis is based on the theory of input-output analysis, which quantifies the relationships between different sectors of the economy. A multiplier represents the factor by which an initial change in an economic sector is multiplied to arrive at the total change in the economic measure. The indirect and induced impacts was estimated using economic multipliers from IMPLAN (Impact Analysis for Planning), a model which was refined by the Minnesota IMPLAN Group, Inc.

Temporary Construction Impacts

Temporary benefits are those that accrue to local and state governments during the construction phase. The primary economic benefits that will accrue to local government during the development of the mixed-use project are employment, earnings, and material sales. In addition to these impacts that occur on-site, there are ripple effects of economic activity on other businesses in Nassau County and the state.

Development Costs

Based on a cost analysis prepared by VJ Associates, and modified by RXR Glen Isle Partners according to the new development program, total construction costs are estimated at approximately \$474 million (excluding soft costs). A construction project of this magnitude will generate notable economic activity in Glen Cove and the surrounding region, due primarily to the purchase of materials and the employment of workers. The construction costs include fees for road work, utilities, parks, marine work, building construction, and some off-site work (dredging, landscaping, etc.). As mentioned, the \$474 million cost does not include soft costs and is based on current market prices.

Construction Employment and Material Purchases

Analysis of the construction costs of the mixed-use project is used to determine the amounts that are likely to be paid in wages and salaries to labor during construction. Labor costs of about \$190 million are projected, resulting in a total of 3,484 full-time equivalent jobs. Since construction progresses in stages, the total number of employees involved in the development of the project at any one time will likely vary. In addition to direct employment, development of the project would also result in an additional 1,371 and 1,156 in indirect and induced jobs as a result of jobs in businesses providing goods and services for the construction employees. This would in turn generate an additional \$112 million in earnings.

Based on the construction costs enumerated above, total material purchases of \$284 million are projected. In addition, it is estimated that construction employees will spend about \$8.7 million in retail purchases in the county during the construction time period. Employee spending is based on annual construction wages and the percent of spending typically allocated to retail goods (as measured by the U.S. Bureau of Labor Statistics, Consumer Expenditure Survey).

Fiscal Impact

Total temporary tax impacts associated with the construction period are summarized below. The proposed project will result in temporary tax revenues for Nassau County, the State of New York, and the Metropolitan Transportation Authority (MTA).

A significant portion of tax revenues are attributable to the purchase of construction materials, which is estimated to generate a total of \$24.5 million in total sales tax revenues. State income tax revenues attributable to construction employment total approximately \$20.6 million (including indirect and induced jobs). The Nassau County mortgage recording fee would generate an additional \$5 million in revenues, approximately \$3.6 million of which would accrue to the County and \$1.4 million to the MTA.

As reflected in the following table, TEG has estimated that the project will generate \$50.9 million in total tax revenues during the construction period.

Table 2: Summary of Construction Period Impacts

ECONOMIC IMPACT - CONSTRUCTION PERIOD

	Direct	Indirect	Induced	Total
Jobs (FTE)	3,484	1,371	1,156	6,012
Payroll	\$ 189,693,105	\$ 64,171,534	\$ 47,398,396	\$ 301,263,035
Material Purchases	\$ 284,539,658	\$ -	\$ -	\$ 284,539,658

FISCAL IMPACT - CONSTRUCTION PERIOD

	Nassau County	New York State	Metropolitan Transportation Authority	Total
Income Tax 1/	NA	\$ 20,636,518	NA	\$ 20,636,518
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Mortgage Recording Fee	\$ 3,604,705	NA	\$ 1,441,882	\$ 5,046,587
TOTAL:	\$ 16,065,266	\$ 32,364,104	\$ 2,541,343	\$ 50,970,713

1/ Includes indirect and induced income taxes

2/ Resulting from construction employee spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Ongoing Operation of the Glen Isle Mixed-Use Waterfront Development

Permanent benefits are those that will be achieved once the mixed-use development has been built, the space is fully occupied, and stabilized sales and occupancy levels have been achieved. It is assumed that a short transition time will be required to achieve stabilization. The benefits covered in the analysis include property taxes, retail sales (including hotel revenues), employment and earnings, and the off-site spin-off impacts in overall increases in business receipts (output), employment, and earnings. While public financing of infrastructure (e.g. tax increment financing, payment-in-lieu-of-taxes (PILOT), Industrial Development Agency tax-exempt bonds) might be considered later in the development process, it is too early to make accurate assumptions regarding the actual structure of these financing options.

Employment and Earnings

Total employment benefits attributable to the ongoing operations at the proposed development are based on commonly accepted employment ratios by land use type (e.g. 200 square feet of required space per office employee). Total on-site employment is estimated at 585 full-time equivalent jobs, with the largest number of jobs attributable to ongoing operations at the hotel. As with employment during construction, on-site operations will also generate indirect employment (e.g. those establishments providing goods and services to the on-site facilities). Total indirect and induced employment is estimated at an additional 227. Total wages for both direct and indirect and induced employment are estimated at approximately \$35.5 million. Wages are based on a wage and salary survey for the Nassau-Suffolk New York Metropolitan Division (as defined by the Bureau of Labor Statistics).

Fiscal Impacts

Following is a summary of the projected fiscal impacts associated with ongoing operation of the Glen Isle Mixed-Use development project. Inputs for the various tax benefits were obtained from the City of Glen Cove, Nassau County, the New York State Department of Taxation and Finance, and other applicable published sources. Detailed tables are provided within the Appendix.

Property Tax Benefits

The recipients of the real estate tax levies from development, and the amounts that would accrue to each entity, are reflected below. No attempt has been made in this study to estimate the real increases in off-site property taxes from permanent impacts from the new mixed-use development. It is difficult to determine where such impacts would occur as well as the appropriate property values to apply. However, it can be assumed that the off-site property tax impact would be positive.

At this time, it is assumed that all of the components of the mixed-use project will be subject to city, county, and school district property tax. City and school district property taxes are assessed at 100% of market value while in Nassau County, residential property is assessed at .25% of market value and commercial property at 1% of market value. The market value estimates reflect current operating income parameters (rents and average sales for for-sale units) for similar or comparable properties in the region. Residential rental rates and sale prices are derived from the pricing recommendations presented in the market analyses prepared in by The Weitzman Group and Zimmerman Volk Associates, respectively, on behalf of RXR Glen Isle Partners, LLC. The assessed value of the multifamily condominium component of the project has also been adjusted to reflect the assessment methodology per New York State Real Property Law. Based on the analysis of market value, annual property tax revenues are estimated at \$3.6 million for the City of Glen Cove, \$939,000 million for Nassau County, and nearly \$6.4 million for the Glen Cove School District.

Other Quantifiable Tax Benefits

In addition to property tax benefits, TEG also looked at potential tax benefits accruing as a result of the existing sales tax (on-site, indirect, new resident spending), hotel occupancy tax, personal income tax, and mortgage recording fee.

Sales tax revenues have been estimated based on average store sales for retail centers and restaurants. It should therefore be noted that the estimated sales are not the result of a detailed market analysis of existing supply and potential market demand. Total sales volume is based on an average sales productivity of \$375 per square foot for retail space, \$500 per square foot for the restaurant, \$420 per square foot for the hotel spa, and \$220 per square foot for the hotel catering facility; with total annual retail sales of \$18.5 million estimated. On-site retail sales result in an estimated \$1.6 million in annual sales tax revenues.

Additionally, sales and hotel occupancy taxes will be generated as a result of operations at the proposed hotel/spa. Estimated gross room revenue at the 250 suite hotel is estimated at approximately \$14.5 million (based on 72% occupancy with an average daily room rate of \$220), generating an annual \$1.7 million in sales and hotel occupancy tax revenues (Nassau County imposes an additional 3% hotel occupancy tax).

TEG also looked at potential retail spending (and resultant sales tax revenues) resulting from new residents moving into the proposed rental and for-sale housing. Estimated retail spending for the new residents is based in part on average anticipated rents and sales prices for the proposed housing as well as the U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, which outlines average spending for retail items by household. Based on projected housing costs, it is estimated that the renters of the market rate units would have an average household income of \$117,000, residents of the workforce rentals would have an average household income of \$43,300, the new for-sale unit owners would have household incomes averaging about \$178,000, and the owners of the workforce units would have an average household income of \$77,700. Total annual retail spending in Nassau County attributable to the new residents is estimated at \$9.9 million, generating approximately \$852,000 in annual sales tax revenues.

Additionally, the County and MTA will benefit from mortgage recording fees collected as a result of turnover of the condominium units. Assuming that, on average, 43 condominiums are sold as turnover units every seven years, the annual mortgage recording fee would total approximately \$222,000, of which just over 70% would accrue to Nassau County.

Summary of Fiscal Benefits

As reflected in the following table, total annual tax revenues attributable to ongoing operations are estimated at \$18.8 million. The tax revenue projections break down as follows: the City of Glen Cove - \$3.6 million; Nassau County - \$3.4 million; the State of New York - \$3.5 million; the MTA - \$223,000; and, the Glen Cove School District - \$6.4 million.

Table 3: Summary of Ongoing Operational Impacts

ECONOMIC IMPACT - ONGOING OPERATIONS

	Direct	Indirect	Induced	Total
Jobs (FTE)	585	102	125	812
Payroll	\$ 25,491,306	\$ 4,745,024	\$ 5,284,768	\$ 35,521,098
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING OPERATIONS

	City of Glen Cove	Nassau County	New York State	Metropolitan Transportation Authority	Glen Cove School District	Total
Income Tax	NA	NA	\$ 1,746,154	NA	NA	\$ 1,746,154
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 1,047,915	\$ 578,160	\$ 54,203	NA	\$ 1,680,278
Property Tax	\$ 3,591,297	\$ 939,468	NA	NA	\$ 6,399,533	\$ 10,930,299
Indirect Sales Tax	NA	\$ 419,763	\$ 395,072	\$ 37,038	NA	\$ 851,873
Mortgage Recording Fee	NA	\$ 158,234	NA	\$ 63,294	NA	\$ 221,528
TOTAL:	\$ 3,591,297	\$ 3,351,631	\$ 3,459,386	\$ 223,909	\$ 6,399,533	\$ 17,025,757

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Potential Impact of Property Tax Abatement

As noted in the DEIS, based upon past tax abatement structures, potential reduction in project-generated property tax revenues may be somewhere in the range of 15-40%. Assuming a 40% reduction to be conservative, the project would generate approximately \$2.2 million in City taxes (\$3,591,297 X 0.6 = \$2,154,778) and \$3.8 million in School District taxes (\$6,399,533 X 0.6 = \$3,839,720) annually. However, as discussed above, it is too early to make accurate assumptions regarding the potential fiscal impact of abatement on property taxes, as the terms of such an agreement will need to be negotiated.

Existing Businesses

Development of the Glen Isle Mixed Use project would require the relocation or removal of four existing business located on the site – Nassau Ready Mix, Windsor Fuel Oil Company, Brilliant Electric, and Paramount/Herb Hill Management . If it is assumed that these four businesses would close or relocate out of the area, there would be an estimated loss of 49 on-site, 3 indirect, and 6 induced jobs, resulting in a total estimated loss of \$3.3 million in earnings. Following is a summary of the annual tax revenues and jobs attributable to the proposed project, less the impact of the existing businesses.

Table 4: Summary of Ongoing Operational Impacts, Less Existing Businesses

ECONOMIC IMPACT - ONGOING

	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Jobs (FTE)	536	99	119	754
Payroll	\$ 22,464,806	\$ 4,595,024	\$ 5,134,768	\$ 32,194,598
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING

	<u>City of Glen Cove</u>	<u>Nassau County</u>	<u>New York State</u>	<u>Metropolitan Transportation Authority</u>	<u>Glen Cove School District</u>	<u>Total</u>
Income Tax	NA	NA	\$ 1,518,289	NA	NA	\$ 1,518,289
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 1,047,915	\$ 578,160	\$ 54,203	NA	\$ 1,680,278
Property Tax	\$ 3,591,297	\$ 939,468	NA	NA	\$ 6,399,533	\$ 10,930,299
Indirect Sales Tax	NA	\$ 419,763	\$ 395,072	\$ 37,038	NA	\$ 851,873
Mortgage Recording Fee	NA	\$ 158,234	NA	\$ 63,294	NA	\$ 221,528
TOTAL:	\$ 3,591,297	\$ 3,351,631	\$ 3,231,521	\$ 223,909	\$ 6,399,533	\$ 16,797,891

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

II. Economic and Fiscal Impact Summary – Plan Alternatives

In addition to the development program contemplated by the Proposed Action, TEG also analyzed the potential economic and fiscal impacts resulting from a modified bedroom mix and tenure splits, as well as alternative residential unit counts. The plan alternatives differ from the proposed action in regard to residential bedroom mix, total residential units, and residential tenure (i.e. split between rental and for-sale housing.) Other than the number of hotel suites, the non-residential component in all of the plan alternatives is the same as is shown in the program for the Proposed Action. The plan alternatives are summarized below.

- **FEIS Proposed Action – Modified Bedroom Mix:** Similar to the Proposed Action, the first alternative includes 860 residential units, with a modification to the bedroom mix that increases the proportion of three-bedroom floor plans. The housing tenure split remains the same with 35 percent of the units programmed as for-sale condominiums, and the remaining 65 percent programmed as rental.
- **FEIS Proposed Action – Modified Tenure:** The second alternative is also similar to the Proposed Action and includes an 860-unit residential component. Alternative 2 differs from the Proposed Action in that the residential tenure split changes to approximately 80 percent for-sale condominium and 20 percent rental. The proportional bedroom mix is the same as is shown in the Proposed Action.
- **Alternative 2 – 1,085 residential units/125-suite hotel:** The third alternative includes 1,085 residential units, with the same tenure split and bedroom mix as shown in the Proposed Action. The hotel component in Alternative 2 comprises 125 suites, as compared to the 250 suites shown in the Proposed Action.
- **Alternative 2 – Modified Bedroom Mix:** The fourth alternative also includes 1,085 residential units and 125 hotel suites. The residential tenure split is the same as the Proposed Action and Alternative 3, but with a modification to the bedroom mix that increases the proportion of three-bedroom floor plans.
- **Alternative 2 – Modified Tenure:** Similar to Alternatives 3 and 4, the fifth alternative also includes 1,085 residential units and 125 hotel suites. Alternative 5 differs in that the residential tenure split changes to approximately 80 percent for-sale condominium and 20 percent rental.

Table 5: Summary of Development Programs for Plan Alternatives

HOUSING

	FEIS PROPOSED ACTION			PLAN ALTERNATIVE		
	Proposed Action	Modified Bedroom Mix	Modified Tenure	Alternative 2	Modified Bedroom Mix	Modified Tenure
MF Condo - Market:	271	271	594	342	342	771
MF Condo - Workforce:	30	30	66	38	38	86
MF Rental - Market:	503	503	180	634	634	205
MF Rental - Workforce:	56	56	20	71	71	23
TOTAL:	860	860	860	1,085	1,085	1,085
Market Rate Units:	774	774	774	976	976	976
Workforce Units:	86	86	86	109	109	109
% Workforce:	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%

UNIT MIX

MF Condo

Market Rate - 1 bedroom:	68	63	148	85	80	193
Market Rate - 2 bedroom:	135	127	297	171	159	385
Market Rate - 3 bedroom:	68	81	149	86	103	193
Workforce - 1 bedroom:	4	5	10	6	5	13
Workforce - 2 bedroom:	26	21	56	32	27	73
Workforce - 3 bedroom:	-	4	-	-	6	-
Total	301	301	660	380	380	857

MF Rental

Market Rate - 1 bedroom:	176	166	63	222	209	72
Market Rate - 2 bedroom:	252	236	90	318	299	102
Market Rate - 3 bedroom:	75	101	27	94	126	31
Workforce - 1 bedroom:	8	8	3	11	11	3
Workforce - 2 bedroom:	48	39	17	60	49	20
Workforce - 3 bedroom:	-	9	-	-	11	-
Total	559	559	200	705	705	228

Source: RXR Glen Isle Partners, LLC; The Eisen Group, May 2011

Summary of Temporary Construction Impacts for Plan Alternatives

The temporary economic and fiscal impacts resulting from the Glen Isle Mixed-Use Waterfront Development are primarily driven by the level of expenditure on construction and development activity. TEG's analysis of the plan alternatives indicates that changes in construction and development costs are attributable to two factors – 1) the number of residential units and hotel suites; and 2) the proportional split between for-sale condominiums and rental apartments.

Plan alternatives that include 1,085 residential units and 125 hotel suites will yield more developable gross square footage than the Proposed Action as well as the other plan alternatives that include 860 residential units and 250 hotel suites, which in turn results in higher construction expenditures. Furthermore, holding unit counts constant, plan alternatives with a greater share of condominiums will result in higher construction expenditures relative to plan alternatives with more rentals. This cost difference is due to the higher level of interior finishes and amenities associated with a for-sale housing product.

Based on the same methodology as described above, summaries of the temporary construction impacts resulting from each of the plan alternatives are presented in the tables below.

Table 6: Summary of Temporary Construction Impacts, FEIS Proposed Action – Modified Bedroom Mix

ECONOMIC IMPACT - CONSTRUCTION PERIOD

	Direct	Indirect	Induced	Total
Jobs (FTE)	3,484	1,371	1,156	6,012
Payroll	\$ 189,693,105	\$ 64,171,534	\$ 47,398,396	\$ 301,263,035
Material Purchases	\$ 284,539,658	\$ -	\$ -	\$ 284,539,658

FISCAL IMPACT - CONSTRUCTION PERIOD

	Nassau County	New York State	Metropolitan Transportation Authority	Total
Income Tax 1/	NA	\$ 20,636,518	NA	\$ 20,636,518
Direct Sales Tax	\$ 12,092,935	\$ 11,381,586	\$ 1,067,024	\$ 24,541,546
Indirect Sales Tax 2/	\$ 367,625	\$ 346,000	\$ 32,438	\$ 746,063
Mortgage Recording Fee	\$ 3,604,705	NA	\$ 1,441,882	\$ 5,046,587
TOTAL:	\$ 16,065,266	\$ 32,364,104	\$ 2,541,343	\$ 50,970,713

1/ Includes indirect and induced income taxes

2/ Resulting from construction employee spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 7: Summary of Temporary Construction Impacts, FEIS Proposed Action – Modified Tenure

ECONOMIC IMPACT - CONSTRUCTION PERIOD

	Direct	Indirect	Induced	Total
Jobs (FTE)	4,057	1,675	1,360	7,092
Payroll	\$ 220,923,911	\$ 77,633,006	\$ 55,733,375	\$ 354,290,293
Material Purchases	\$ 331,385,867	\$ -	\$ -	\$ 331,385,867

FISCAL IMPACT - CONSTRUCTION PERIOD

	Nassau County	New York State	Metropolitan Transportation Authority	Total
Income Tax 1/	NA	\$ 24,268,885	NA	\$ 24,268,885
Direct Sales Tax	\$ 14,083,899	\$ 13,255,435	\$ 1,242,697	\$ 28,582,031
Indirect Sales Tax 2/	\$ 428,151	\$ 402,965	\$ 37,778	\$ 868,894
Mortgage Recording Fee	\$ 4,198,179	NA	\$ 1,679,271	\$ 5,877,450
TOTAL:	\$ 18,710,228	\$ 37,927,285	\$ 2,959,746	\$ 59,597,260

1/ Includes indirect and induced income taxes

2/ Resulting from construction employee spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 8: Summary of Temporary Construction Impacts, Alternative 2

ECONOMIC IMPACT - CONSTRUCTION PERIOD

	Direct	Indirect	Induced	Total
Jobs (FTE)	3,652	1,551	1,232	6,435
Payroll	\$ 198,826,773	\$ 71,538,883	\$ 50,468,189	\$ 320,833,845
Material Purchases	\$ 298,240,159	\$ -	\$ -	\$ 298,240,159

FISCAL IMPACT - CONSTRUCTION PERIOD

	Nassau County	New York State	Metropolitan Transportation Authority	Total
Income Tax 1/	NA	\$ 21,977,118	NA	\$ 21,977,118
Direct Sales Tax	\$ 12,675,207	\$ 11,929,606	\$ 1,118,401	\$ 25,723,214
Indirect Sales Tax 2/	\$ 385,326	\$ 362,660	\$ 33,999	\$ 781,986
Mortgage Recording Fee	\$ 3,778,270	NA	\$ 1,511,308	\$ 5,289,579
TOTAL:	\$ 16,838,804	\$ 34,269,385	\$ 2,663,708	\$ 53,771,896

1/ Includes indirect and induced income taxes

2/ Resulting from construction employee spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 9: Summary of Temporary Construction Impacts, Alternative 2 – Modified Bedroom Mix

ECONOMIC IMPACT - CONSTRUCTION PERIOD

	Direct	Indirect	Induced	Total
Jobs (FTE)	3,652	1,551	1,232	6,435
Payroll	\$ 198,826,773	\$ 71,538,883	\$ 50,468,189	\$ 320,833,845
Material Purchases	\$ 298,240,159	\$ -	\$ -	\$ 298,240,159

FISCAL IMPACT - CONSTRUCTION PERIOD

	Nassau County	New York State	Metropolitan Transportation Authority	Total
Income Tax 1/	NA	\$ 21,977,118	NA	\$ 21,977,118
Direct Sales Tax	\$ 12,675,207	\$ 11,929,606	\$ 1,118,401	\$ 25,723,214
Indirect Sales Tax 2/	\$ 385,326	\$ 362,660	\$ 33,999	\$ 781,986
Mortgage Recording Fee	\$ 3,778,270	NA	\$ 1,511,308	\$ 5,289,579
TOTAL:	\$ 16,838,804	\$ 34,269,385	\$ 2,663,708	\$ 53,771,896

1/ Includes indirect and induced income taxes

2/ Resulting from construction employee spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 10: Summary of Temporary Construction Impacts, Alternative 2 – Modified Tenure

ECONOMIC IMPACT - CONSTRUCTION PERIOD

	Direct	Indirect	Induced	Total
Jobs (FTE)	4,411	1,953	1,502	7,865
Payroll	\$ 240,160,095	\$ 89,354,862	\$ 61,499,360	\$ 391,014,317
Material Purchases	\$ 360,240,142	\$ -	\$ -	\$ 360,240,142

FISCAL IMPACT - CONSTRUCTION PERIOD

	Nassau County	New York State	Metropolitan Transportation Authority	Total
Income Tax 1/	NA	\$ 26,784,481	NA	\$ 26,784,481
Direct Sales Tax	\$ 15,310,206	\$ 14,409,606	\$ 1,350,901	\$ 31,070,712
Indirect Sales Tax 2/	\$ 465,430	\$ 438,052	\$ 41,067	\$ 944,550
Mortgage Recording Fee	\$ 4,563,720	NA	\$ 1,825,488	\$ 6,389,209
TOTAL:	\$ 20,339,357	\$ 41,632,138	\$ 3,217,456	\$ 65,188,951

1/ Includes indirect and induced income taxes

2/ Resulting from construction employee spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Summary of Ongoing Operational Impacts for Plan Alternatives

Based on TEG's comparative analysis of ongoing operational impacts, there are two primary factors that differentiate the plan alternatives – 1) the size of the hotel program and its impact on job creation; and 2) the proportional split between for-sale condominiums and rental apartments and the impact on annual tax revenues.

As shown in the analysis for the Proposed Action, the hotel component generates the most jobs of all the proposed land uses. As the hotel component decreases in size to accommodate a larger residential program, the level of on-site job creation, and the resulting indirect and induced employment, will also decrease.

Holding residential unit counts constant, plan alternatives with a greater share of condominiums will result in higher annual tax revenues. This is due to the higher market value of for-sale housing relative to rental housing, and the related increase in property tax levies and mortgage recording fees. Furthermore, residents of owner-occupied housing are expected to be more affluent than residents who rent their homes and will spend more on retail goods and services in Nassau County, which would then result in higher sales tax revenues.

Based on the same methodology as described above, summaries of the ongoing operational impacts resulting from each of the plan alternatives are presented in the tables below.

Table 11: Summary of Ongoing Operational Impacts, FEIS Proposed Action – Modified Bedroom Mix

ECONOMIC IMPACT - ONGOING

	Direct	Indirect	Induced	Total
Jobs (FTE)	585	102	125	812
Payroll	\$ 25,491,306	\$ 4,745,024	\$ 5,284,768	\$ 35,521,098
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING

	City of Glen Cove	Nassau County	New York State	Metropolitan Transportation Authority	Glen Cove School District	Total
Income Tax	NA	NA	\$ 1,746,154	NA	NA	\$ 1,746,154
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 1,047,915	\$ 578,160	\$ 54,203	NA	\$ 1,680,278
Property Tax	\$ 3,572,126	\$ 933,326	NA	NA	\$ 6,366,666	\$ 10,872,117
Indirect Sales Tax	NA	\$ 418,325	\$ 393,717	\$ 36,911	NA	\$ 848,953
Mortgage Recording Fee	NA	\$ 160,622	NA	\$ 64,249	NA	\$ 224,871
TOTAL:	\$ 3,572,126	\$ 3,346,438	\$ 3,458,032	\$ 224,737	\$ 6,366,666	\$ 16,967,998

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 12: Summary of Ongoing Operational Impacts, FEIS Proposed Action – Modified Tenure

ECONOMIC IMPACT - ONGOING

	Direct	Indirect	Induced	Total
Jobs (FTE)	585	102	125	812
Payroll	\$ 25,491,306	\$ 4,745,024	\$ 5,284,768	\$ 35,521,098
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING

	City of Glen Cove	Nassau County	New York State	Metropolitan Transportation Authority	Glen Cove School District	Total
Income Tax	NA	NA	\$ 1,746,154	NA	NA	\$ 1,746,154
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 1,047,915	\$ 578,160	\$ 54,203	NA	\$ 1,680,278
Property Tax	\$ 3,891,921	\$ 1,035,786	NA	NA	\$ 6,914,915	\$ 11,842,622
Indirect Sales Tax	NA	\$ 498,361	\$ 469,045	\$ 43,973	NA	\$ 1,011,379
Mortgage Recording Fee	NA	\$ 345,746	NA	\$ 138,298	NA	\$ 484,044
TOTAL:	\$ 3,891,921	\$ 3,714,057	\$ 3,533,360	\$ 305,849	\$ 6,914,915	\$ 18,360,102

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 13: Summary of Ongoing Operational Impacts, Alternative 2

ECONOMIC IMPACT - ONGOING

	Direct	Indirect	Induced	Total
Jobs (FTE)	469	95	113	678
Payroll	\$ 22,242,330	\$ 4,404,987	\$ 4,810,300	\$ 31,457,616
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING

	City of Glen Cove	Nassau County	New York State	Metropolitan Transportation Authority	Glen Cove School District	Total
Income Tax	NA	NA	\$ 1,523,600	NA	NA	\$ 1,523,600
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 523,958	\$ 289,080	\$ 27,101	NA	\$ 840,139
Property Tax	\$ 3,487,849	\$ 955,955	NA	NA	\$ 6,165,137	\$ 10,608,941
Indirect Sales Tax	NA	\$ 529,601	\$ 498,448	\$ 46,730	NA	\$ 1,074,779
Mortgage Recording Fee	NA	\$ 198,928	NA	\$ 79,571	NA	\$ 278,499
TOTAL:	\$ 3,487,849	\$ 2,994,692	\$ 3,051,128	\$ 222,777	\$ 6,165,137	\$ 15,921,583

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 14: Summary of Ongoing Operational Impacts, Alternative 2 – Modified Bedroom Mix

ECONOMIC IMPACT - ONGOING

	Direct	Indirect	Induced	Total
Jobs (FTE)	469	95	113	678
Payroll	\$ 22,242,330	\$ 4,404,987	\$ 4,810,300	\$ 31,457,616
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING

	City of Glen Cove	Nassau County	New York State	Metropolitan Transportation Authority	Glen Cove School District	Total
Income Tax	NA	NA	\$ 1,523,600	NA	NA	\$ 1,523,600
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 523,958	\$ 289,080	\$ 27,101	NA	\$ 840,139
Property Tax	\$ 3,463,923	\$ 948,289	NA	NA	\$ 6,124,119	\$ 10,536,331
Indirect Sales Tax	NA	\$ 527,500	\$ 496,470	\$ 46,544	NA	\$ 1,070,514
Mortgage Recording Fee	NA	\$ 201,869	NA	\$ 80,748	NA	\$ 282,617
TOTAL:	\$ 3,463,923	\$ 2,987,866	\$ 3,049,150	\$ 223,768	\$ 6,124,119	\$ 15,848,826

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Table 15: Summary of Ongoing Operational Impacts, Alternative 2 – Modified Tenure

ECONOMIC IMPACT - ONGOING

	Direct	Indirect	Induced	Total
Jobs (FTE)	469	95	113	678
Payroll	\$ 22,241,290	\$ 4,404,585	\$ 4,809,982	\$ 31,455,856
Direct Retail Sales - On Site	\$ 18,500,000	\$ -	\$ -	\$ 18,500,000

FISCAL IMPACT - ONGOING

	City of Glen Cove	Nassau County	New York State	Metropolitan Transportation Authority	Glen Cove School District	Total
Income Tax	NA	NA	\$ 1,523,528	NA	NA	\$ 1,523,528
Direct Sales Tax 1/	NA	\$ 786,250	\$ 740,000	\$ 69,375	NA	\$ 1,595,625
Hotel Occupancy Tax	NA	\$ 523,958	\$ 289,080	\$ 27,101	NA	\$ 840,139
Property Tax	\$ 3,887,518	\$ 1,084,006	NA	NA	\$ 6,850,319	\$ 11,821,843
Indirect Sales Tax	NA	\$ 633,679	\$ 596,404	\$ 55,913	NA	\$ 1,285,995
Mortgage Recording Fee	NA	\$ 447,866	NA	\$ 179,146	NA	\$ 627,012
TOTAL:	\$ 3,887,518	\$ 3,475,758	\$ 3,149,012	\$ 331,535	\$ 6,850,319	\$ 17,694,142

1/ Resulting from new resident spending within the area

Note: Indirect and induced impacts calculated using multipliers from the IMPLAN Model

Source: The Eisen Group, May 2011

Summary Findings of Alternatives Analysis

Construction Impacts

- Modifying the bedroom mix of the FEIS Proposed Action has no effect on the level of construction employment, wages, and tax revenues generated during the construction period.
- All other alternative program scenarios result in a higher level of construction employment, construction wages, and tax revenues than the development program shown in the FEIS Proposed Action.

Ongoing Operational Impacts

- Total permanent employment and payroll will not be affected by modifications to the bedroom mix or tenure of the 860 housing units shown in the FEIS Proposed Action.
- Alternative 2 results in fewer permanent jobs and lower total payroll than the FEIS Proposed Action due to the smaller hotel program, as hospitality uses generate more jobs than residential uses.
- Three of the five alternative program scenarios result in a lower level of annual tax revenues than the amount generated by the program shown in the FEIS Proposed Action. Alternative 2 with the modified bedroom mix results in the lowest level of annual tax revenues, estimated at approximately \$15.8 million, or roughly seven percent lower than the projected annual tax yield generated by the FEIS Proposed Action development program.
- Decreasing the size of the project's hotel component has a slightly negative effect on annual tax revenue generation due to lower hotel occupancy taxes, fewer jobs, and lower assessed values on a per square foot basis of residential uses relative to a hotel.
- Holding the total unit count constant, scenarios with a greater share of 3-bedroom units will result in lower annual tax revenues as compared to those scenarios with fewer 3-bedroom units. This is attributable to the fact that 3-bedroom units have a lower market value on a per square basis relative to housing units with fewer bedrooms.
- Holding the total unit count constant, scenarios with a greater share of condominium units will result in higher annual tax revenues as compared to those scenarios that include more rental units. This outcome is due to several characteristics of condominium units, including: the condominium component of the project will generate slightly higher assessed values and property taxes on a per unit basis; condominiums will be occupied by more affluent households that will in turn spend a greater share of their income on retail goods and services in Nassau County; and an increase in mortgage recording fees as a result of a greater share of owner-occupied homes.

Appendix – Supporting Analysis for Economic and Fiscal Impacts of the FEIS Proposed Action

Table 16: Summary of Construction Costs and Employment

CONSTRUCTION EMPLOYMENT & WAGES				
	Construction Cost	Construction Employment 1/	Construction Wages / Worker	Total Construction Wages
Building - Non-Residential				
Office:	\$ 13,059,081	96	\$ 54,450	\$ 5,223,632
Retail:	\$ 5,140,257	38	\$ 54,450	\$ 2,056,103
Restaurant:	\$ 4,231,716	31	\$ 54,450	\$ 1,692,686
Hotel:	\$ 106,019,149	779	\$ 54,450	\$ 42,407,660
Marina:	\$ 3,653,900	27	\$ 54,450	\$ 1,461,560
Building - Residential				
MF Condominium - Market:	\$ 127,580,928	937	\$ 54,450	\$ 51,032,371
MF Rental - Market:	\$ 110,832,177	814	\$ 54,450	\$ 44,332,871
Workforce Housing:	\$ 18,550,600	136	\$ 54,450	\$ 7,420,240
Infrastructure/Other				
Road Work & Utilities:	\$ 28,902,408	212	\$ 54,450	\$ 11,560,963
Parks and Site Amenities:	\$ 12,852,145	94	\$ 54,450	\$ 5,140,858
Marine Work:	\$ 24,800,834	182	\$ 54,450	\$ 9,920,334
Offsite Work:	\$ 18,609,568	137	\$ 54,450	\$ 7,443,827
TOTAL/AVERAGE:	\$ 474,232,764	3,484	\$ 54,450	\$ 189,693,105
1/ Employment figures represent FTE jobs				
Source: RXR Glen Isle Partners, LLC; The Eisen Group, May 2011				

Table 17: Summary of Indirect and Induced Construction Impacts

CONSTRUCTION EMPLOYMENT

	Direct	Indirect	Induced
Building - Non-Residential			
Office:	96	22	29
Retail:	38	9	11
Restaurant:	31	7	9
Hotel:	779	176	236
Marina:	27	7	8
Building - Residential			
MF Condominium - Market:	937	495	333
MF Rental - Market:	814	430	289
Workforce Housing:	136	72	48
Infrastructure/Other			
Road Work & Utilities:	212	52	65
Parks and Site Amenities:	94	23	29
Marine Work:	182	45	56
Offsite Work:	137	34	42
TOTAL:	3,484	1,371	1,156

CONSTRUCTION PAYROLL

	Direct	Indirect	Induced
Building - Non-Residential			
Office:	\$ 5,223,632	\$ 1,160,528	\$ 1,193,025
Retail:	\$ 2,056,103	\$ 456,802	\$ 469,593
Restaurant:	\$ 1,692,686	\$ 376,062	\$ 386,592
Hotel:	\$ 42,407,660	\$ 9,421,654	\$ 9,685,479
Marina:	\$ 1,461,560	\$ 347,733	\$ 338,654
Building - Residential			
MF Condominium - Market:	\$ 51,032,371	\$ 21,996,578	\$ 13,619,685
MF Rental - Market:	\$ 44,332,871	\$ 19,108,880	\$ 11,831,701
Workforce Housing:	\$ 7,420,240	\$ 3,198,360	\$ 1,980,338
Infrastructure/Other			
Road Work & Utilities:	\$ 11,560,963	\$ 2,750,571	\$ 2,678,757
Parks and Site Amenities:	\$ 5,140,858	\$ 1,223,107	\$ 1,191,173
Marine Work:	\$ 9,920,334	\$ 2,360,234	\$ 2,298,612
Offsite Work:	\$ 7,443,827	\$ 1,771,027	\$ 1,724,787
TOTAL:	\$ 189,693,105	\$ 64,171,534	\$ 47,398,396

Source: IMPLAN; The Eisen Group, May 2011

Table 18: Estimated Direct Sales Tax and Income Tax Revenues, Construction Phase

ESTIMATED DIRECT SALES TAX AND INCOME TAX REVENUES - CONSTRUCTION PHASE		
Breakout of Construction Materials and Wages		
Construction Materials:	60.0%	\$ 284,539,658
Direct Construction Wages:	40.0%	\$ 189,693,105
TOTAL:	100.0%	\$ 474,232,764
Indirect/Induced Construction Wages:		\$ 111,569,930
Sales Tax Rate		
County:		4.25%
State:		4.00%
MCTD:		0.375%
Estimated Direct Sales Tax Revenue		
County:		\$ 12,092,935
State:		\$ 11,381,586
MCTD:		\$ 1,067,024
TOTAL:		\$ 24,541,546
State Income Tax		
Income Tax Rate 1/:		6.85%
Estimated Income Tax Revenue		
Direct Income Tax Revenues:		\$ 12,993,978
Indirect/Induced Income Tax Revenues:		\$ 7,642,540
TOTAL:		\$ 20,636,518
1/ Based on 2010 New York State income tax rate, married filed jointly earning over \$40,000 or single earning over \$20,000		

Source: RXR Glen Isle Partners, LLC; The Eisen Group, May 2011

Table 19: Estimated Mortgage Recording Fee, Construction Phase

ESTIMATED MORTGAGE RECORDING FEE - CONSTRUCTION PHASE	
Breakout of Hard and Soft Costs	Total
Hard Costs:	\$ 474,232,764
Soft Costs 1/:	\$ 126,551,403
TOTAL:	\$ 600,784,166
Amount Financed	80.00%
Estimated Mortgage	\$ 480,627,333
Mortgage Recording Fee	
County:	0.75%
MTA:	0.30%
Estimated Mortgage Recording Fee Revenue	
County:	\$ 3,604,705
MTA:	\$ 1,441,882
TOTAL:	\$ 5,046,587
Source: RXR Glen Isle Partners, LLC; The Eisen Group, May 2011	

Table 20: Estimated Market Value of Glen Isle Mixed-Use Development Components

<u>Use</u>	<u>Number/ Sq. Ft.</u>	<u>Income Units</u>	<u>Amt.</u>	<u>Occupancy %</u>	<u>As % of Total Income</u>	<u>Net Operating Income</u>	<u>Capitalization Rate</u>	<u>Market Value</u>
Office	50,000 sf	Rent/SF/Yr	\$ 40.00	95.0%	80.0%	\$ 1,500,000	9.00%	\$ 16,666,667
Hotel	250 suites	Avg Daily Rate	\$ 220.00	72.0%	35.0%	\$ 5,058,900	9.00%	\$ 56,210,000
Hotel Space	15,000 sf	Rent + 5% gross	\$ 45.00	--		\$ 975,000	9.00%	\$ 10,833,333
Hotel Catering/Conf.	14,400 sf	Rent + 10% gross	\$ 40.00	--		\$ 876,000	9.00%	\$ 9,733,333
Retail	20,000 sf	Rent/SF/Yr	\$ 38.00	95.0%	70.0%	\$ 494,000	9.00%	\$ 5,488,889
Restaurant	5,000 sf	Rent/SF/Yr	\$ 45.00	95.0%	70.0%	\$ 146,250	9.00%	\$ 1,625,000
Marina - Transient	57 slips	Cost/LF/Day	\$ 3.50	80.0%	80.0%	\$ 919,296	9.00%	\$ 10,214,400
Marina - Seasonal	28 slips	Cost/LF/Season	\$ 250.00	100.0%	80.0%	\$ 616,000	7.00%	\$ 8,800,000
Rental Units - Market								
1 bedroom	176 units	Rent/Unit/Month	\$ 1,834			Calculated Below		
2 bedroom	252 units	Rent/Unit/Month	\$ 2,666			Calculated Below		
3 bedroom	75 units	Rent/Unit/Month	\$ 3,151					
Subtotal	503 units		\$ 2,447	95.0%	75.0%	\$ 10,339,954	8.50%	\$ 121,646,518
Rental Units - Workforce								
1 bedroom	8 units	Rent/Unit/Month	\$ 972			Calculated Below		
2 bedroom	48 units	Rent/Unit/Month	\$ 1,101			Calculated Below		
3 bedroom	units	Rent/Unit/Month	\$ -					
Subtotal	56 units		\$ 1,083	95.0%	75.0%	\$ 509,334	8.50%	\$ 5,992,165
Condo Units - Market								
1 bedroom	68 units	Sale Price/Unit	\$ 534,493			Calculated Below		
2 bedroom	135 units	Sale Price/Unit	\$ 744,299			Calculated Below		
3 bedroom	68 units	Sale Price/Unit	\$ 891,543					
Subtotal	271 units		\$ 728,601	NA	NA	NA	NA	\$ 197,450,803
Condo Units - Workforce								
1 bedroom	4 units	Sale Price/Unit	\$ 290,628			Calculated Below		
2 bedroom	26 units	Sale Price/Unit	\$ 342,169			Calculated Below		
3 bedroom	units	Sale Price/Unit	\$ -					
Subtotal	30 units		\$ 335,297	NA	NA	NA	NA	\$ 10,058,908
TOTAL MARKET VALUE								\$ 454,720,016

Table 21: Multifamily Condominium Market Value to Assessed Value Conversion

MULTIFAMILY CONDOMINIUM - ASSESSED VALUE ADJUSTMENTS 1/

	<u>Size Units</u>	<u>Amount</u>	<u>Income Units</u>	<u>Amount</u>	<u>As % of Total Income</u>	<u>Net Operating Income</u>	<u>Capitalization Rate</u>	<u>Market Value</u>
MF Condo								
Market	Units	271	Rent/Unit/Mo	\$ 3,671	75.0%	\$ 8,954,280	8.50%	\$105,344,473
Workforce	Units	30	Rent/Unit/Mo	\$ 1,083	75.0%	\$ 292,347	8.50%	\$ 3,439,380
Total		301		\$ 3,413		\$ 9,246,628		\$108,783,854

1/ NY State law requires an assessment of residential condominium buildings as if they were residential apartment buildings. TEG applied income and expense information from the rental component of the proposed project. Market rate monthly rental income is based on average unit size of 1,350 NRSF, and a rental rate of \$2.72 PSF. Workforce monthly rental income is based on average unit size of 1,063 NRSF, and a rental rate of \$1.02 PSF.

Source: City of Glen Cove; Nassau County; The Eisen Group, May 2011

Table 22: Projected Annual Property Tax Revenues

PROPERTY TAX REVENUE CALCULATIONS

Land Use	Market Value	Assessed Value	Tax Rate 1/			Annual Property Tax Revenue		
			City (per \$1,000)	County (per \$100)	Glen Cove School District (per \$1,000)	City	County	Glen Cove School District
<u>Residential</u>								
MF Condo - Market	\$ 197,450,803	\$ 105,344,473	6.30986	80.865	10.817463	\$ 664,709	\$ 212,967	\$ 1,139,560
MF Condo - Workforce	\$ 10,058,908	\$ 3,439,380	6.30986	80.865	10.817463	\$ 21,702	\$ 6,953	\$ 37,205
MF Rental - Market	\$ 121,646,518	\$ 121,646,518	6.30986	80.865	10.817463	\$ 767,573	\$ 245,924	\$ 1,315,907
MF Rental - Workforce	\$ 5,992,165	\$ 5,992,165	6.30986	80.865	10.817463	\$ 37,810	\$ 12,114	\$ 64,820
Total: Residential	\$ 335,148,394	\$ 236,422,537				\$ 1,491,793	\$ 477,958	\$ 2,557,492
<u>Non-Residential</u>								
Office	\$ 16,666,667	\$ 16,666,667	17.55855	38.597	32.131715	\$ 292,643	\$ 64,328	\$ 535,529
Retail	\$ 5,488,889	\$ 5,488,889	17.55855	38.597	32.131715	\$ 96,377	\$ 21,185	\$ 176,367
Restaurant	\$ 1,625,000	\$ 1,625,000	17.55855	38.597	32.131715	\$ 28,533	\$ 6,272	\$ 52,214
Hospitality	\$ 76,776,667	\$ 76,776,667	17.55855	38.597	32.131715	\$ 1,348,087	\$ 296,335	\$ 2,466,966
Marina	\$ 19,014,400	\$ 19,014,400	17.55855	38.597	32.131715	\$ 333,865	\$ 73,390	\$ 610,965
Total: Non-Residential	\$ 119,571,622	\$ 119,571,622				\$ 2,099,504	\$ 461,511	\$ 3,842,041
TOTAL - ALL USES	\$ 454,720,016	\$ 355,994,159				\$ 3,591,297	\$ 939,468	\$ 6,399,533

1/ Tax rates based on 2010-2011 assessment year

Note: City and School District assessed at 100% of market value. For Nassau County, residential property is assessed at 0.25% of market value and commercial at 1.0% of market value, respectively.

Source: City of Glen Cove; Nassau County; The Eisen Group, May 2011

Table 23: Projected On-Site Retail Sales Tax Revenues

	<u>Retail</u>	<u>Restaurant</u>	<u>Hotel Spa</u>	<u>Hotel Catering</u>	<u>Total</u>
Gross Annual Sales					
Square Feet:	20,000	5,000	15,000	14,400	54,400
Vacancy Rate:	5.0%	5.0%	5.0%	5.0%	5.0%
Occupied Square Feet:	19,000	4,750	14,250	13,680	51,680
Stabilized Sales Productivity Target:	\$ 375	\$ 500	\$ 421	\$ 219	\$ 358
Estimated Gross Annual Sales:	\$7,125,000	\$2,375,000	\$6,000,000	\$ 3,000,000	\$ 18,500,000
Sales Tax Rate					
County:	4.250%	4.250%	4.250%	4.250%	4.250%
State:	4.000%	4.000%	4.000%	4.000%	4.000%
MCTD:	0.375%	0.375%	0.375%	0.375%	0.375%
Estimated Annual Sales Tax Revenues					
County:	\$ 302,813	\$ 100,938	\$ 255,000	\$ 127,500	\$ 786,250
State:	\$ 285,000	\$ 95,000	\$ 240,000	\$ 120,000	\$ 740,000
MCTD:	\$ 26,719	\$ 8,906	\$ 22,500	\$ 11,250	\$ 69,375
TOTAL:	\$ 614,531	\$ 204,844	\$ 517,500	\$ 258,750	\$ 1,595,625

Source: The Eisen Group, May 2011

Table 24: Projected On-Site Hotel Occupancy and Sales Tax Revenues

	Hotel
Total Rooms:	250
Occupancy:	72.0%
Average Daily Rate:	\$ 220.00
Estimated Gross Room Revenue (Stablilized Year):	\$ 14,454,000
Hotel & Motel Occupancy Tax	
County:	3.00%
Sales Tax Rate	
County:	4.25%
State:	4.00%
MCTD:	0.375%
Estimated Annual Occupancy & Sales Tax Revenues	
County:	\$ 1,047,915
State:	\$ 578,160
MCTD:	\$ 54,203
TOTAL:	\$ 1,680,278

Source: The Eisen Group, May 2011

Table 25: Estimated Mortgage Recording Fee Revenues, For-Sale Units

	Market Rate	Workforce	Total
Total Number of Condo Units:	271	30	301
Average Cost:	\$ 728,601	\$ 249,034	\$ 680,803
Average Turnover Rate (Years of Occpancy):	7.0	7.0	7.0
Average Number of Units Financed Annually 1/:	39	4	43
Amount Financed:	70.0%	90.0%	71.0%
Estimated Mortgage per Unit:	\$ 510,021	\$ 224,130	\$ 483,426
Annual Mortgage Total:	\$ 19,890,800	\$ 896,521	\$ 20,787,322
Mortgage Recording Fee			
County:	0.75%	0.75%	
MTA:	0.30%	0.30%	
Estimated Mortgage Recording Fee Revenues			
County:	\$ 149,181	\$ 6,724	\$ 155,905
MTA:	\$ 59,672	\$ 2,690	\$ 62,362
TOTAL:	\$ 208,853	\$ 9,413	\$ 218,267

1/ Assumes turnover rate of seven years.

Source: The Eisen Group, May 2011

Table 26: Projected Household Income by Residential Product Type

HOUSING PROGRAM

	MF Condo - Market	MF Condo - Workforce	MF Rental - Market	MF Rental - Workforce	Total
Number of Units					
1 bedroom:	68	4	176	8	256
2 bedroom:	135	26	252	48	461
3 bedroom:	68	-	75	-	143
TOTAL:	271	30	503	56	860
Annual Housing Cost					
1 bedroom:	\$ 26,201	\$ 18,317	\$ 22,012	\$ 11,663	\$ 22,743
2 bedroom:	\$ 36,486	\$ 21,566	\$ 31,989	\$ 13,215	\$ 30,763
3 bedroom:	\$ 43,704	\$ -	\$ 37,813	\$ -	\$ 40,614
TOTAL:	\$ 35,716	\$ 21,132	\$ 29,367	\$ 12,993	\$ 30,014
Housing Costs % of Annual Income	20.0%	27.2%	25.0%	30.0%	
Average Household Income					
1 bedroom:	\$ 131,005	\$ 67,322	\$ 88,048	\$ 38,875	\$ 97,598
2 bedroom:	\$ 182,428	\$ 79,261	\$ 127,958	\$ 44,050	\$ 132,426
3 bedroom:	\$ 218,518	\$ -	\$ 151,250	\$ -	\$ 183,237
TOTAL:	\$ 178,580	\$ 77,669	\$ 117,466	\$ 43,311	\$ 130,507
Total Household Income					
1 bedroom:	\$ 8,908,310	\$ 269,286	\$15,496,395	\$ 311,000	\$ 24,984,991
2 bedroom:	\$24,627,796	\$ 2,060,776	\$32,245,302	\$ 2,114,400	\$ 61,048,274
3 bedroom:	\$14,859,205	\$ -	\$11,343,754	\$ -	\$ 26,202,959
TOTAL:	\$48,395,310	\$ 2,330,063	\$59,085,452	\$ 2,425,400	\$ 112,236,225

Source: The Eisen Group, May 2011

Table 27: Estimated Retail Spending and Sales Tax Revenues, New Residents

RESIDENT SPENDING POTENTIAL

	MF Condo - Market	MF Condo - Workforce	MF Rental - Market	MF Rental - Workforce	Total
Total Resident Income:	\$48,395,310	\$ 2,330,063	\$59,085,452	\$ 2,425,400	\$ 112,236,225
% Disposable:	80.0%	80.0%	80.0%	80.0%	80.0%
Total Disposable Income:	\$38,716,248	\$ 1,864,050	\$47,268,361	\$ 1,940,320	\$ 89,788,980
% Spent on Retail Goods & Services:	22.0%	22.0%	22.0%	22.0%	22.0%
Total Retail Spending:	\$ 8,517,575	\$ 410,091	\$10,399,040	\$ 426,870	\$ 19,753,576
Estimated Spending in Nassau County:	50.0%	50.0%	50.0%	50.0%	50.0%
Total Nassau County Spending:	\$ 4,258,787	\$ 205,046	\$ 5,199,520	\$ 213,435	\$ 9,876,788

ESTIMATED SALES TAX REVENUE

	MF Condo - Market	MF Condo - Workforce	MF Rental - Market	MF Rental - Workforce	Total
Total Nassau County Spending:	\$ 4,258,787	\$ 205,046	\$ 5,199,520	\$ 213,435	\$ 9,876,788
Sales Tax Rate					
County:	4.25%	4.25%	4.25%	4.25%	4.250%
State:	4.00%	4.00%	4.00%	4.00%	4.000%
MCTD:	0.375%	0.38%	0.375%	0.375%	0.375%
Estimated Annual Sales Tax Revenues					
County:	\$ 180,998	\$ 8,714	\$ 220,980	\$ 9,071	\$ 419,763
State:	\$ 170,351	\$ 8,202	\$ 207,981	\$ 8,537	\$ 395,072
MCTD:	\$ 15,970	\$ 769	\$ 19,498	\$ 800	\$ 37,038
TOTAL:	\$ 367,320	\$ 17,685	\$ 448,459	\$ 18,409	\$ 851,873

Source: US Department of Labor Bureau of Labor Statistics, Consumer Expenditure Survey; The Eisen Group, May 2011

Table 28: Estimated Retail Spending and Sales Tax Revenues, Construction Employees

CONSTRUCTION EMPLOYMENT SPENDING	
Retail Spending Potential	Total
Estimated Total Employment	3,484
Mean Annual Income	\$ 54,450
Total Annual Construction Employment Income	\$ 189,693,105
% Disposable:	80.0%
Total Disposable Income:	\$ 151,754,484
% Spent on Retail Goods & Services:	19.0%
Total Retail Spending:	\$ 28,833,352
Estimated Spending in Nassau County:	30.0%
TOTAL NASSAU COUNTY SPENDING:	\$ 8,650,006
Sales Tax Rate	
County:	4.25%
State:	4.00%
MCTD:	0.375%
Estimated Annual Indirect Sales Tax Revenues	
County:	\$ 367,625
State:	\$ 346,000
MCTD:	\$ 32,438
TOTAL:	\$ 746,063

Source: RXR Glen Isle Partners, LLC; The Eisen Group, May 2011

Table 29: Estimated On-Site Employment

COMMERCIAL EMPLOYMENT

	Office	Retail	Restaurant	Total
Total NRSF:	50,000	20,000	5,000	75,000
Vacancy:	5.0%	5.0%	5.0%	
Occupied NRSF:	47,500	19,000	4,750	71,250
NRSF per Employee:	200	500	200	
Estimated # of Employees:	238	38	24	299

HOSPITALITY EMPLOYMENT

	Hotel
Total Keys:	250
Average Daily Room Rate:	\$ 220.00
Occupancy Rate:	72.0%
Daily Room Revenue per Key:	\$ 158.40
Room Revenue as % of Total Revenue:	60.0%
Estimated Total Annual Revenue:	\$24,090,000
Estimated Annual Operating Expenses:	65.0%
Estimated Labor Costs:	44.5%
Average Annual Wages - Hospitality Sector:	\$ 28,000
Estimated # of Employees:	249

MARINA EMPLOYMENT

	Transient	Seasonal	Total
Total Slips:	57	28	85
Slips / Employee	40	40	40
Estimated # of Employees:	1	1	2

RESIDENTIAL EMPLOYMENT

	MF Condo	MF Rental	Total
Total Units:	301	559	860
Units / Employee	25	25	25
Estimated # of Employees:	12	22	34

Source: RXR Glen Isle Partners, LLC; The Eisen Group, May 2011

Table 30: Estimated On-site Payroll

Land Use	Employees	Average Annual Wage	Total Wages	Income Tax Rate 1/	State Income Tax Revenue
Office:	238	\$ 67,593	\$ 16,053,279	6.85%	\$ 1,099,650
Retail:	38	\$ 25,690	\$ 976,220	6.85%	\$ 66,871
Restaurant:	24	\$ 23,000	\$ 546,250	6.85%	\$ 37,418
Hotel:	249	\$ 28,000	\$ 6,968,033	6.85%	\$ 477,310
Marina:	2	\$ 25,000	\$ 53,125	6.85%	\$ 3,639
Residential - For Sale:	12	\$ 26,000	\$ 313,040	6.85%	\$ 21,443
Residential - Rental:	22	\$ 26,000	\$ 581,360	6.85%	\$ 39,823
TOTAL	585	\$ 43,602	\$ 25,491,306	6.85%	\$ 1,746,154

1/ Based on 2010 New York State income tax rate, married filed jointly earning over \$40,000 or single earning over \$20,000

Note: Wages based on data from most recent Bureau of Labor Statistics Quarterly Census of Employment and Wages for Nassau County

Source: US Department of Labor, Bureau of Labor Statistics; The Eisen Group, May 2011

Table 31: Indirect and Induced Operational Impacts, Employment and Payroll

ONGOING EMPLOYMENT IMPACT 1/

Land Use	Direct Employment	Indirect Employment	Induced Employment	Total Employment Impact
Office:				
Business/Financial Operations:	59	38	26	123
Computer/Mathematical Sciences:	59	11	15	86
Arch/Engineering:	59	8	21	89
Administrative Support:	59	15	22	96
Retail:	38	2	4	44
Restaurant:	24	2	3	29
Hotel:	249	17	27	293
Marina:	2	N/A		2
Residential Building Support:	34	8	7	49
TOTAL	585	102	125	812

ONGOING PAYROLL IMPACT

Land Use	Direct Payroll	Indirect Payroll	Induced Payroll	Total Payroll Impact
Office:				
Business/Financial Operations:	\$ 7,424,668	\$ 1,378,923	\$ 1,477,478	\$ 10,281,069
Computer/Mathematical Sciences:	\$ 3,287,869	\$ 333,544	\$ 763,054	\$ 4,384,467
Arch/Engineering:	\$ 2,919,490	\$ 652,117	\$ 805,136	\$ 4,376,743
Administrative Support:	\$ 2,421,252	\$ 935,070	\$ 570,586	\$ 3,926,907
Retail:	\$ 976,220	\$ 121,466	\$ 158,937	\$ 1,256,623
Restaurant:	\$ 546,250	\$ 116,460	\$ 143,046	\$ 805,756
Hotel:	\$ 6,968,033	\$ 861,759	\$ 1,092,803	\$ 8,922,595
Marina:	\$ 53,125	N/A		\$ 53,125
Residential Building Support:	\$ 894,400	\$ 345,685	\$ 273,728	\$ 1,513,812
TOTAL	\$ 25,491,306	\$ 4,745,024	\$ 5,284,768	\$ 35,521,098

1/ Employment figures represent FTE jobs.

Source: IMPLAN; The Eisen Group, May 2011

