



## **Suffolk IDA approves \$137.4 million investment for The Ferncliff Hotel**

May 14, 2024 - Long Island

Hauppauge, NY The Suffolk County Industrial Development Agency (IDA) has preliminarily approved a transaction to assist The Ferncliff Hotel – 125 Spagnoli LLC to construct a 402,450 s/f building that will establish a four-story, 299 room luxury, extended-stay hotel. With an investment exceeding more than \$137.4 million by 125 Spagnoli LLC, a subsidiary of The Beechwood Organization, the project will create 22 new jobs while generating accommodations for business, tourist, corporate, local and international travelers.

“Unlike other hotels in the area, what The Ferncliff has proposed satisfies an accommodation need in the area that has growing demand for all types of travelers,” said Kelly Murphy, Suffolk County IDA’s acting executive director. “What they’re creating will establish a home away from home for individuals traveling to our region, whether for business or leisure. This extended-stay concept, along with its unparalleled amenities and strategic location, is poised to be a significant destination for travelers.”

The Ferncliff Hotel’s 299 luxury extended-stay suites comprise studio, one-, two-, and three-bedroom units, which will be available for overnight, weekly, monthly or a longer-term stay. The hotel will also feature amenities, including two interior courtyards, fitness center, swimming pools with surrounding patios, restaurant, bar, dog park, grilling stations and a rooftop patio. Given its mix of room sizes and amenities, The Ferncliff is expecting to attract long-term stay guests, corporate travelers, snowbirds, locals in transition moving to and from homes in the area, conference and leisure visitors to Melville and the surrounding Huntington and Babylon townships.

“We’re excited for the opportunity to create The Ferncliff Hotel, which will satisfy the growing need for extended-stay accommodations in the region,” said Steven Dubb, principal, The Beechwood Organization. “Without the IDA’s support of this project, it simply could not happen. We’re confident based on our experience in the hotel market, and the studies that have been completed for this project, that this hotel will be an economic generator for the County for decades to come.

A market study conducted by HVS found, among many things, that there is a scarcity of upscale, extended-stay lodging facilities in the area and that, given its location, will provide an opportunity to attract visitors who would have otherwise stayed in Manhattan. The hotel will also generate more in sales tax, hotel occupancy tax and PILOT payment revenues in excess of the revenues currently being collected by the property.

Currently, the site generates nearly \$300,000 per year in property taxes. In the first year of its agreement with the Suffolk IDA, the property will generate more than \$504,000—an increase of more than \$200,000 in year one alone. Over the course of the IDA's 15-year agreement, nearly \$12 million in property taxes will be collected, which is significantly more than the \$4.5 million that would have been collected if the project did not happen. Moreover, based on a cost-benefit analysis by Grow America, the project is expected to provide a net public benefit exceeding \$18.1 million.

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