

PREPARED FOR:

Town of Hempstead Industrial Development Agency
350 Front Street, Room 234-A
Hempstead, NY 11550

Economic and Fiscal Impact

CARMAN PLACE APARTMENTS, LLC

Town of Hempstead
Industrial Development Agency

JANUARY 5, 2021

PREPARED BY:



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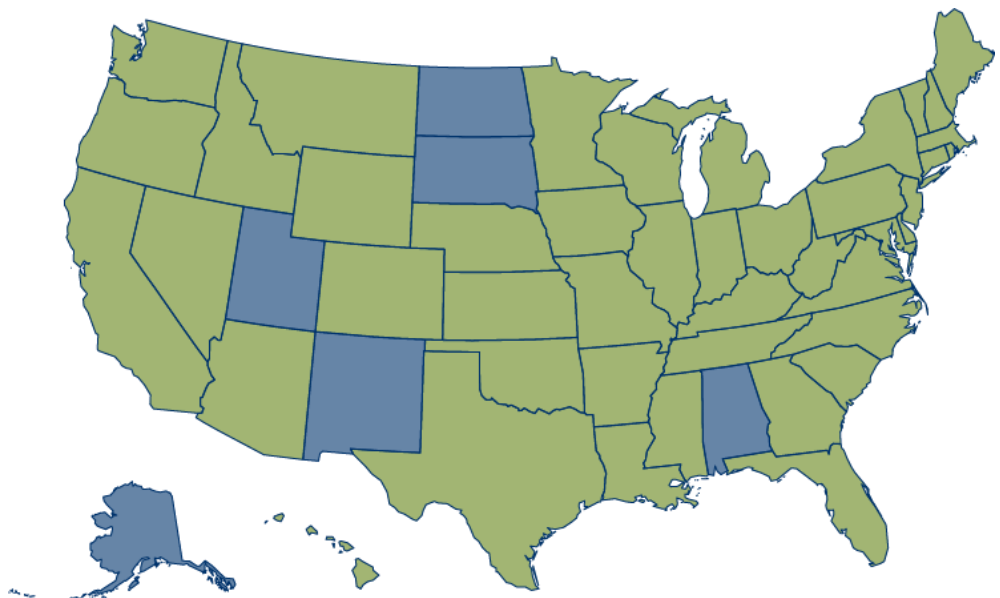
ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 44 states and garnered attention from national media outlets including Marketplace (NPR), Crain’s New York Business, Forbes magazine, The New York Times, and The Wall Street Journal. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. We are based in Saratoga Springs, NY, with regional offices in Portland, ME; Boston, MA; Richmond, VA and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociate).

THE PROJECT TEAM

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ABOUT THE STUDY

Camoin Associates was retained by the Town of Hempstead Industrial Development Agency to measure the potential economic and fiscal impacts of a project proposed by Carman Place Apartments, LLC. The proposed project involves construction of two residential buildings with a total of 228 units (227 rental units plus one super’s unit) as well as 22,600 square feet of commercial space at 155-162, 163-169, 171, 173-175, and 177-179 Main Street and 122 and 126 Bedell Street, Hempstead, New York 11550. The goal of this analysis is to provide a complete assessment of the total economic, employment and tax impact of the project on the Town of Hempstead that result from the new household spending and on-site operations.

The primary tool used in this analysis is the input-output model developed by Economic Modeling Specialists Intl. (Emsi). Primary data used in this study was obtained from the developer’s application for financial assistance to the Town of Hempstead Industrial Development Agency and included the following data points: on-site jobs, exemptions, and PILOT schedule. Secondary data was collected by Camoin Associates and used to estimate spending by new households.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the “multiplier effect.” Note that previous impact reports commissioned by the Town of Hempstead Industrial Development Agency were presented in only three categories: direct impact, indirect impact, and total impact. Prior to 2020, Camoin Associates included both the indirect and induced impacts in the “indirect impact” category. Beginning in 2020, the indirect and induced impacts will be reported separately to allow for more accurate interpretation of results.

STUDY INFORMATION

Data Source:
Carman Place Apartments, LLC
Application for Assistance and the
Town of Hempstead Industrial
Development Agency

Geography:
Town of Hempstead

Study Period:
2021

Modeling Tool:
Emsi

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on operations and new household spending at town businesses.

INDIRECT IMPACTS

The direct impacts have ripple effects through business to business spending. This spending results from the increase in demand for goods and services in industry sectors that supply both the facility and the businesses receiving the new household spending.

INDUCED IMPACTS

Impacts that result from spending by facility employees, employees of town businesses, and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the town on food, clothing, and other goods and services.

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EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the “Agency”) received an application for financial assistance from Carman Place Apartments, LLC (the “Applicant”) for the construction of two residential buildings with a total of 228 units (227 rental plus one super’s unit) as well as 22,600 square feet of commercial space (the “Project”) at 155-162, 163-169, 171, 173-175, and 177-179 Main Street and 122 and 126 Bedell Street, Hempstead, New York 11550 (the “Site”). The development will consist entirely of workforce housing units for tenants earning up to \$116,910. The Applicant is seeking a sales tax exemption, mortgage recording tax exemption, and a PILOT agreement. Both a commercial and shelter rent formulas will be used, resulting in two PILOT agreements (30 year PILOT on residential portion and 20 year PILOT on commercial portion) from the Agency. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on the Town of Hempstead (the “Town”).

Camoin Associates conducted a market analysis and determined that 85% of the units (or 194 units) would be considered as providing “net new” households to the town as they allow households to exist in the town that would otherwise locate elsewhere. We then computed the total spending associated with these households to derive job creation resulting from the Project. The following is a summary of our findings from this study, with details below and in the following sections.

Table 1

Summary of Benefits to Town	
Total Jobs	46
Direct Jobs	34
Total Earnings	\$ 2,444,399
Direct Earnings	\$ 1,594,158
Annual Sales Tax Revenue to Town	\$ 6,619
Average Annual PILOT Payment (Residential)	\$ 420,254
Average Annual PILOT Payment to Town	\$ 8,667
Average Annual PILOT Benefit (Residential)	\$ 128,677
Average Annual PILOT Benefit to Town	\$ 2,654
Average Annual PILOT Payment (Commercial)	\$ 72,785
Average Annual PILOT Payment to Town	\$ 1,501
Average Annual PILOT Benefit (Commercial)	\$ 53,068
Average Annual PILOT Benefit to Town	\$ 1,094
Average Annual Net Benefit to Town	\$ 10,368

Table 2

Summary of Benefits to Village	
Total Jobs	18
Direct Jobs	17
Total Earnings	\$ 843,230
Direct Earnings	\$ 768,982
Average Annual PILOT Payment (Residential)	\$ 420,254
Average Annual PILOT Payment to Village	\$ 168,395
Average Annual PILOT Benefit (Residential)	\$ 128,677
Average Annual PILOT Benefit to Village	\$ 51,561
Average Annual PILOT Payment (Commercial)	\$ 72,785
Average Annual PILOT Payment to Village	\$ 29,165
Average Annual PILOT Benefit (Commercial)	\$ 53,068
Average Annual PILOT Benefit to Village	\$ 21,264
Average Annual Net Benefit to Village	\$ 72,825

- ◆ The Project would support 46 net new jobs in the town, with over \$2.4 million in associated earnings. For the Village of Hempstead, 18 jobs and \$843,000 in associated earnings would be supported. These figures include net new jobs resulting from both maintenance and operation of the facility as well as economic activity that results from new household spending.
- ◆ The Applicant has negotiated terms of a proposed 30-year PILOT agreement on the residential portion with the Agency, where the applicant would pay an average of \$420,254 each year, of which \$8,667 will be allocated to the Town and \$168,395 will be allocated to the Village. As compared to the otherwise applicable property taxes this PILOT represents an average annual benefit to the Town and Village of \$2,654 and \$51,561, respectively.
- ◆ The Applicant has negotiated terms of a proposed 20-year PILOT agreement on the commercial portion with the Agency, where the applicant would pay an average of \$72,785 each year, of which \$1,501 will be allocated to the Town and \$29,165 will be allocated to the village. This PILOT represents an average annual benefit to the Town and Village of \$1,094 and \$21,264, respectively.
- ◆ The annual net benefit to the Town is estimated to be \$10,368. In this case, this is the sum of the average annual PILOT benefit to the Town (both residential and commercial) and new annual sales tax revenue to the Town. The annual net benefit to the Village is estimated to be \$72,825.
- ◆ Through negotiations with the Agency the Applicant could have access to a sales tax exemption valued at up to \$3,553,199 and a mortgage recording tax exemption valued at up to \$474,150. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a “cost” to the state and county since no future revenue stream would exist without the exemptions.

Table 3

Summary of Costs to Affected Jurisdictions	
	State and County
Sales Tax Exemption	\$ 3,553,199
Mortgage Tax Exemption	\$ 474,150

Source: Applicant, Camoin Associates

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by facility operation and new resident spending as provided by the Applicant were used as the direct inputs for the economic impact model. Camoin Associates uses the input-output model designed by Economic Modeling Specialists, International (Emsi) to calculate total economic impacts. Emsi allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the town and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Town of Hempstead’s economy. This is captured in the indirect and induced impacts and is commonly referred to as the “multiplier effect.” See Attachment A for more information on economic impact analysis.

The Project would have economic impacts upon the Town of Hempstead and the Village of Hempstead as a result of Project construction, operation, and spending by new tenant households.

CONSTRUCTION PHASE IMPACTS

The Applicant estimates that private sector investment in the construction of the Project would cost approximately \$93.4 million¹, of which 70%² would be sourced from within the town. This means that there will be nearly \$65.4 million in net new spending in the town associated with the construction phase of the Project.

Table 4

Construction Phase Spending	
Total Construction Cost	\$ 93,414,645
Percent Sourced from Town	70%
Net New Constuction Spending	\$ 65,390,252

Source: Applicant, Camoin Associates

Based on nearly \$65.4 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be nearly \$84.1 million in total one-time construction related spending supporting 366 jobs and an associated nearly \$34.0 million in earnings over the construction period throughout the town. Table 5 outlines the economic impacts of construction.

Table 5

Town Economic Impact - Construction Phase			
	Jobs	Earnings	Sales
Direct	273	\$ 27,406,336	\$ 65,390,252
Indirect	44	\$ 3,167,716	\$ 10,104,409
Induced	49	\$ 3,380,805	\$ 8,574,456
Total	366	\$ 33,954,858	\$ 84,069,117

Source: Emsi, Camoin Associates

¹ Includes project costs as provided by the Applicant, excluding acquisition, legal fees, and financial charges.

² According to Emsi, approximately 70% of construction industry demand is met within the town.

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Of the total construction cost, 30%³ is assumed to be sourced from within the village. This means that there will be over \$28.0 million in net new spending in the village associated with the construction phase of the Project.

Table 6

Construction Phase Spending	
Total Construction Cost	\$ 93,414,645
Percent Sourced from Village	30%
Net New Constuction Spending	\$ 28,024,394

Source: Applicant, Camoin Associates

Based on over \$28.0 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be nearly \$29.2 million in total one-time construction related spending supporting 113 jobs and an associated nearly \$12.1 million in earnings over the construction period throughout the village. Table 7 outlines the economic impacts of construction.

Table 7

Village Economic Impact - Construction Phase			
	Jobs	Earnings	Sales
Direct	107 \$	11,745,573 \$	28,024,394
Indirect	4 \$	230,535 \$	791,308
Induced	2 \$	122,378 \$	343,077
Total	113 \$	12,098,485 \$	29,158,779

Source: Emsi, Camoin Associates

IMPACTS OF NEW HOUSEHOLD SPENDING

To determine the annual economic impact of the Project on the town, the first step is to calculate the number of households that can be considered “net new” to the town and village economy. In other words, the number of households that, but for the Project, would not exist in the Town and Village of Hempstead. With respect to this Project, net new households consist of those who are able to live in the jurisdictions as a result of the Project and would otherwise choose to live elsewhere. See Attachment B for more information on this methodology.

The Applicant proposes to construct 228 units (227 rental units and one super’s unit), all targeted to households earning up to \$116,910. Camoin Associates conducted a rental demand analysis for the Project site and found that 85% of the units, or 194 units, are net new to the town and village (Table 8). This is based on a review of the data and an understanding of the proposed Project as detailed above.

Table 8

Net New Households			
	Total Households	Percent Net New	Net New Households
Workforce	228	85%	194
Total	228	85%	194

Source: Esri, Camoin Associates

³ According to Emsi, approximately 30% of construction industry demand is met within the village.

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SPENDING BY NEW TENANTS

These residents make purchases in the town and village, thereby adding new dollars to the Town and Village of Hempstead’s economies. For this analysis, we researched spending patterns by household income to determine the spending by tenants.

The 194 net new workforce units will be available to households earning up to \$116,910.⁴ Therefore, we will consider spending for tenants to be in the \$70,000 to \$99,999 spending basket, the spending basket that most closely resembles likely tenants, per the Bureau of Labor Statistics’ 2020 Consumer Expenditure Survey.

Using a spending basket for the region which details household spending in individual consumer categories by income level, we analyzed likely tenant spending. According to the 2020 Consumer Expenditure Survey, households in workforce units have annual expenditures (excluding housing and utility costs) of \$33,157.

It is assumed that 60%⁵ of total expenditures would occur within the Town of Hempstead and, therefore, have an impact on the town’s economy and that 25% of expenditures would occur within the village⁶. The total net new spending columns show the total amount spent in the town and village, based on the number of net new units.

Table 9

Tenant Spending Basket

Workforce Units for Tenants Earning at or below \$116,910 (\$70,000 to \$99,999 Annual Household Income)

Category	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New Town Spending (194 net new units)	Amount Spent in Village (25%)	Total Net New Village Spending (194 net new units)
Food	\$ 7,475	\$ 4,485	\$ 870,090	\$ 1,869	\$ 362,538
Household furnishings and equipment	\$ 2,396	\$ 1,438	\$ 278,894	\$ 599	\$ 116,206
Apparel and services	\$ 1,145	\$ 687	\$ 133,278	\$ 286	\$ 55,533
Transportation	\$ 11,098	\$ 6,659	\$ 1,291,807	\$ 2,775	\$ 538,253
Health care	\$ 5,745	\$ 3,447	\$ 668,718	\$ 1,436	\$ 278,633
Entertainment	\$ 2,694	\$ 1,616	\$ 313,582	\$ 674	\$ 130,659
Personal care products and services	\$ 652	\$ 391	\$ 75,893	\$ 163	\$ 31,622
Education	\$ 893	\$ 536	\$ 103,945	\$ 223	\$ 43,311
Miscellaneous	\$ 1,059	\$ 635	\$ 123,268	\$ 265	\$ 51,362
Total Tenant Spending	\$ 33,157	\$ 19,894	\$ 3,859,475	\$ 8,289	\$ 1,608,115

Source: 2020 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the town and the village was calculated by multiplying the amount spent in each region by the number of net new units. As shown in the table above, spending in the town by all new households would total nearly \$3.9 million per year of which \$1.6 million would occur within the village. We used the above spending basket amounts to calculate the direct, indirect, and total impact of the Project on the town and the village.

Using \$3.9 million as the new sales input, Camoin Associates employed Emsi to determine the indirect, induced, and total impact of the Project on the Town of Hempstead.⁷ Table 10 outlines the findings of this analysis.

⁴ According to the Applicant.

⁵ According to Emsi, 60% of demand for industries in a typical household spending basket is met within the Town of Hempstead.

⁶ According to Emsi, 25% of demand for industries in a typical household spending basket is met within the Village of Hempstead.

⁷ Analysis uses the 33 zip codes that are predominantly located within the Town of Hempstead (see Attachment C).

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Table 10

Town Economic Impact - Household Spending

	Jobs	Earnings	Sales
Direct	30 \$	1,392,103 \$	3,859,475
Indirect	6 \$	363,628 \$	961,787
Induced	4 \$	340,889 \$	859,745
Total	40 \$	2,096,619 \$	5,681,006

Source: Emsi, Camoin Associates

The following table outlines the impact of the Project on the Village of Hempstead.⁸

Table 11

Village Economic Impact - Household Spending

	Jobs	Earnings	Sales
Direct	13 \$	586,801 \$	1,608,115
Indirect	1 \$	33,251 \$	90,557
Induced	0 \$	39,745 \$	127,252
Total	14 \$	659,797 \$	1,825,923

Source: Emsi, Camoin Associates

IMPACTS OF ON-SITE EMPLOYMENT

According to the Applicant, five (5) jobs will be on-site following Project completion. Since 85% of the housing units are considered net new to the town, 85% of the jobs, or four (4) jobs (due to rounding), are considered to be net new. The table below detail the impact that these jobs will have on the Town of Hempstead (Table 12).

Table 12

Town Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	4 \$	202,055 \$	679,583
Indirect	2 \$	102,772 \$	278,592
Induced	1 \$	42,953 \$	108,678
Total	7 \$	347,779 \$	1,066,852

Source: Emsi, Camoin Associates

The following table shows the impact on the village from the one on-site job.

Table 13

Village Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	4 \$	182,181 \$	577,904
Indirect	0 \$	1,252 \$	1,943
Induced	0 \$	0 \$	1
Total	4 \$	183,433 \$	579,848

Source: Emsi, Camoin Associates

⁸ The zip code 11550 was used.

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Camoin Associates also considered the extent to which any of the retail space would bring new retail sales to the town and village. We determined that, because of the generic nature of the retail space and the availability of retail throughout the town and village, none of the retail space would be “net new” to the Town or Village of Hempstead. The retail component of the Project is not expected to induce any more retail spending within the jurisdictions than would otherwise occur elsewhere in the town and village absent the retail space, and therefore the retail component per se would not generate net new sales or jobs.

TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of both new household spending as well as on-site operation and maintenance of the Project on the Town of Hempstead in Table 14.

Table 14

Town Total Annual Economic Impact

	Jobs	Earnings	Sales
Direct	34 \$	1,594,158 \$	4,539,057
Indirect	7 \$	466,400 \$	1,240,378
Induced	5 \$	383,841 \$	968,423
Total	46 \$	2,444,399 \$	6,747,859

Source: Emsi, Camoin Associates

Table 15 shows the complete annual economic impact of the Project on the Village of Hempstead.

Table 15

Village Total Annual Economic Impact

	Jobs	Earnings	Sales
Direct	17 \$	768,982 \$	2,186,018
Indirect	1 \$	34,503 \$	92,500
Induced	0 \$	39,746 \$	127,254
Total	18 \$	843,230 \$	2,405,771

Source: Emsi, Camoin Associates

Note that town impacts are inclusive of village impacts. Town and village impacts should not be added together.

FISCAL IMPACT ANALYSIS

In addition to the economic impact of the Project on the local economies (outlined above), there would also be a fiscal impact in terms of annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

PAYMENT IN LIEU OF TAXES (PILOT): RESIDENTIAL PORTION

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a 30-year PILOT payment schedule on the residential portion of the Project based on the current tax rate, taxable value, and assessed value of the Project. Based on the terms of the PILOT as proposed, Camoin Associates calculated the potential impact on the affected jurisdictions.⁹

Table 16

Tax Payments with PILOT						
Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments		Town	County	School District	Village
1	\$ 215,620	\$	4,447	\$ 13,625	\$ 111,150	\$ 86,399
2	\$ 215,620	\$	4,447	\$ 13,625	\$ 111,150	\$ 86,399
3	\$ 215,620	\$	4,447	\$ 13,625	\$ 111,150	\$ 86,399
4	\$ 341,276	\$	7,038	\$ 21,565	\$ 175,924	\$ 136,749
5	\$ 347,913	\$	7,175	\$ 21,984	\$ 179,346	\$ 139,408
6	\$ 354,676	\$	7,315	\$ 22,411	\$ 182,832	\$ 142,118
7	\$ 361,569	\$	7,457	\$ 22,847	\$ 186,385	\$ 144,880
8	\$ 368,594	\$	7,602	\$ 23,291	\$ 190,006	\$ 147,695
9	\$ 375,753	\$	7,749	\$ 23,743	\$ 193,697	\$ 150,564
10	\$ 383,049	\$	7,900	\$ 24,204	\$ 197,458	\$ 153,487
11	\$ 390,485	\$	8,053	\$ 24,674	\$ 201,291	\$ 156,467
12	\$ 398,062	\$	8,210	\$ 25,153	\$ 205,197	\$ 159,503
13	\$ 405,784	\$	8,369	\$ 25,641	\$ 209,177	\$ 162,597
14	\$ 413,653	\$	8,531	\$ 26,138	\$ 213,234	\$ 165,750
15	\$ 421,672	\$	8,696	\$ 26,645	\$ 217,368	\$ 168,963
16	\$ 429,844	\$	8,865	\$ 27,161	\$ 221,580	\$ 172,238
17	\$ 438,171	\$	9,037	\$ 27,687	\$ 225,873	\$ 175,574
18	\$ 446,657	\$	9,212	\$ 28,223	\$ 230,247	\$ 178,975
19	\$ 455,304	\$	9,390	\$ 28,770	\$ 234,705	\$ 182,440
20	\$ 464,116	\$	9,572	\$ 29,327	\$ 239,247	\$ 185,971
21	\$ 473,095	\$	9,757	\$ 29,894	\$ 243,876	\$ 189,568
22	\$ 482,244	\$	9,946	\$ 30,472	\$ 248,592	\$ 193,234
23	\$ 491,567	\$	10,138	\$ 31,061	\$ 253,398	\$ 196,970
24	\$ 501,067	\$	10,334	\$ 31,661	\$ 258,295	\$ 200,777
25	\$ 510,747	\$	10,533	\$ 32,273	\$ 263,285	\$ 204,656
26	\$ 520,611	\$	10,737	\$ 32,896	\$ 268,370	\$ 208,608
27	\$ 530,661	\$	10,944	\$ 33,531	\$ 273,550	\$ 212,635
28	\$ 540,901	\$	11,155	\$ 34,178	\$ 278,829	\$ 216,738
29	\$ 551,335	\$	11,371	\$ 34,838	\$ 284,208	\$ 220,919
30	\$ 561,966	\$	11,590	\$ 35,510	\$ 289,688	\$ 225,179
Total	\$ 12,607,632	\$	260,016	\$ 796,652	\$ 6,499,105	\$ 5,051,859
Average	\$ 420,254	\$	8,667	\$ 26,555	\$ 216,637	\$ 168,395

Source: Town of Hempstead IDA, Camoin Associates

⁹ It is assumed that each jurisdiction will continue to receive the same portion of the PILOT that they currently receive from the full tax bill.

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TAX POLICY COMPARISON: RESIDENTIAL PORTION

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. Table 17 displays the property tax payment associated with the residential portion of the Project.

Table 17

Tax Payments without Project

Year	Total Property Tax Payment		Portion of Payment by Jurisdiction							
	Without Project*		Town	County	School District	Village				
1	\$	215,621	\$	4,447	\$	13,625	\$	111,150	\$	86,399
2	\$	219,933	\$	4,536	\$	13,897	\$	113,373	\$	88,127
3	\$	224,332	\$	4,627	\$	14,175	\$	115,641	\$	89,889
4	\$	228,819	\$	4,719	\$	14,459	\$	117,954	\$	91,687
5	\$	233,395	\$	4,813	\$	14,748	\$	120,313	\$	93,521
6	\$	238,063	\$	4,910	\$	15,043	\$	122,719	\$	95,391
7	\$	242,824	\$	5,008	\$	15,344	\$	125,173	\$	97,299
8	\$	247,681	\$	5,108	\$	15,650	\$	127,677	\$	99,245
9	\$	252,634	\$	5,210	\$	15,963	\$	130,230	\$	101,230
10	\$	257,687	\$	5,314	\$	16,283	\$	132,835	\$	103,255
11	\$	262,841	\$	5,421	\$	16,608	\$	135,492	\$	105,320
12	\$	268,097	\$	5,529	\$	16,941	\$	138,201	\$	107,426
13	\$	273,459	\$	5,640	\$	17,279	\$	140,965	\$	109,575
14	\$	278,929	\$	5,753	\$	17,625	\$	143,785	\$	111,766
15	\$	284,507	\$	5,868	\$	17,977	\$	146,660	\$	114,002
16	\$	290,197	\$	5,985	\$	18,337	\$	149,594	\$	116,282
17	\$	296,001	\$	6,105	\$	18,704	\$	152,586	\$	118,607
18	\$	301,921	\$	6,227	\$	19,078	\$	155,637	\$	120,979
19	\$	307,960	\$	6,351	\$	19,459	\$	158,750	\$	123,399
20	\$	314,119	\$	6,478	\$	19,849	\$	161,925	\$	125,867
21	\$	320,401	\$	6,608	\$	20,246	\$	165,164	\$	128,384
22	\$	326,809	\$	6,740	\$	20,650	\$	168,467	\$	130,952
23	\$	333,345	\$	6,875	\$	21,063	\$	171,836	\$	133,571
24	\$	340,012	\$	7,012	\$	21,485	\$	175,273	\$	136,242
25	\$	346,813	\$	7,153	\$	21,914	\$	178,778	\$	138,967
26	\$	353,749	\$	7,296	\$	22,353	\$	182,354	\$	141,747
27	\$	360,824	\$	7,442	\$	22,800	\$	186,001	\$	144,582
28	\$	368,040	\$	7,590	\$	23,256	\$	189,721	\$	147,473
29	\$	375,401	\$	7,742	\$	23,721	\$	193,515	\$	150,423
30	\$	382,909	\$	7,897	\$	24,195	\$	197,386	\$	153,431
Total	\$	8,747,323	\$	180,402	\$	552,726	\$	4,509,155	\$	3,505,039
Average	\$	291,577	\$	6,013	\$	18,424	\$	150,305	\$	116,835

Source: Town of Hempstead IDA, Camoin Associates

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Table 18 calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Nearly \$129,000 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$3.9 million over the 30-year period.

Table 18

Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 215,621	\$ 215,620	\$ (1)
2	\$ 219,933	\$ 215,620	\$ (4,313)
3	\$ 224,332	\$ 215,620	\$ (8,712)
4	\$ 228,819	\$ 341,276	\$ 112,457
5	\$ 233,395	\$ 347,913	\$ 114,518
6	\$ 238,063	\$ 354,676	\$ 116,613
7	\$ 242,824	\$ 361,569	\$ 118,745
8	\$ 247,681	\$ 368,594	\$ 120,913
9	\$ 252,634	\$ 375,753	\$ 123,119
10	\$ 257,687	\$ 383,049	\$ 125,362
11	\$ 262,841	\$ 390,485	\$ 127,644
12	\$ 268,097	\$ 398,062	\$ 129,965
13	\$ 273,459	\$ 405,784	\$ 132,325
14	\$ 278,929	\$ 413,653	\$ 134,724
15	\$ 284,507	\$ 421,672	\$ 137,165
16	\$ 290,197	\$ 429,844	\$ 139,647
17	\$ 296,001	\$ 438,171	\$ 142,170
18	\$ 301,921	\$ 446,657	\$ 144,736
19	\$ 307,960	\$ 455,304	\$ 147,344
20	\$ 314,119	\$ 464,116	\$ 149,997
21	\$ 320,401	\$ 473,095	\$ 152,694
22	\$ 326,809	\$ 482,244	\$ 155,435
23	\$ 333,345	\$ 491,567	\$ 158,222
24	\$ 340,012	\$ 501,067	\$ 161,055
25	\$ 346,813	\$ 510,747	\$ 163,934
26	\$ 353,749	\$ 520,611	\$ 166,862
27	\$ 360,824	\$ 530,661	\$ 169,837
28	\$ 368,040	\$ 540,901	\$ 172,861
29	\$ 375,401	\$ 551,335	\$ 175,934
30	\$ 382,909	\$ 561,966	\$ 179,057
Total	\$ 8,747,323	\$ 12,607,632	\$ 3,860,309
Average	\$ 291,577	\$ 420,254	\$ 128,677

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

TOWN

Table 19 calculates the benefit (or cost) to the Town. The Town would receive approximately \$2,654 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Town would be nearly \$76,000 over the 30-year period.

Table 19

Tax Policy Comparison for Town

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 4,447	\$ 4,447	\$ (0)
2	\$ 4,536	\$ 4,447	\$ (89)
3	\$ 4,627	\$ 4,447	\$ (180)
4	\$ 4,719	\$ 7,038	\$ 2,319
5	\$ 4,813	\$ 7,175	\$ 2,362
6	\$ 4,910	\$ 7,315	\$ 2,405
7	\$ 5,008	\$ 7,457	\$ 2,449
8	\$ 5,108	\$ 7,602	\$ 2,494
9	\$ 5,210	\$ 7,749	\$ 2,539
10	\$ 5,314	\$ 7,900	\$ 2,585
11	\$ 5,421	\$ 8,053	\$ 2,633
12	\$ 5,529	\$ 8,210	\$ 2,680
13	\$ 5,640	\$ 8,369	\$ 2,729
14	\$ 5,753	\$ 8,531	\$ 2,779
15	\$ 5,868	\$ 8,696	\$ 2,829
16	\$ 5,985	\$ 8,865	\$ 2,880
17	\$ 6,105	\$ 9,037	\$ 2,932
18	\$ 6,227	\$ 9,212	\$ 2,985
19	\$ 6,351	\$ 9,390	\$ 3,039
20	\$ 6,478	\$ 9,572	\$ 3,093
21	\$ 6,608	\$ 9,757	\$ 3,149
22	\$ 6,740	\$ 9,946	\$ 3,206
23	\$ 6,875	\$ 10,138	\$ 3,263
24	\$ 7,012	\$ 10,334	\$ 3,322
25	\$ 7,153	\$ 10,533	\$ 3,381
26	\$ 7,296	\$ 10,737	\$ 3,441
27	\$ 7,442	\$ 10,944	\$ 3,503
28	\$ 7,590	\$ 11,155	\$ 3,565
29	\$ 7,742	\$ 11,371	\$ 3,628
30	\$ 7,897	\$ 11,590	\$ 3,693
Total	\$ 180,402	\$ 260,016	\$ 79,614
Average	\$ 6,013	\$ 8,667	\$ 2,654

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

COUNTY

Table 20 calculates the benefit (or cost) to the County. The County would receive approximately \$8,131 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the County would be nearly \$244,000 over the 30-year period.

Table 20

Tax Policy Comparison for County

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 13,625	\$ 13,625	\$ (0)
2	\$ 13,897	\$ 13,625	\$ (273)
3	\$ 14,175	\$ 13,625	\$ (550)
4	\$ 14,459	\$ 21,565	\$ 7,106
5	\$ 14,748	\$ 21,984	\$ 7,236
6	\$ 15,043	\$ 22,411	\$ 7,369
7	\$ 15,344	\$ 22,847	\$ 7,503
8	\$ 15,650	\$ 23,291	\$ 7,640
9	\$ 15,963	\$ 23,743	\$ 7,780
10	\$ 16,283	\$ 24,204	\$ 7,921
11	\$ 16,608	\$ 24,674	\$ 8,066
12	\$ 16,941	\$ 25,153	\$ 8,212
13	\$ 17,279	\$ 25,641	\$ 8,361
14	\$ 17,625	\$ 26,138	\$ 8,513
15	\$ 17,977	\$ 26,645	\$ 8,667
16	\$ 18,337	\$ 27,161	\$ 8,824
17	\$ 18,704	\$ 27,687	\$ 8,983
18	\$ 19,078	\$ 28,223	\$ 9,146
19	\$ 19,459	\$ 28,770	\$ 9,310
20	\$ 19,849	\$ 29,327	\$ 9,478
21	\$ 20,246	\$ 29,894	\$ 9,648
22	\$ 20,650	\$ 30,472	\$ 9,822
23	\$ 21,063	\$ 31,061	\$ 9,998
24	\$ 21,485	\$ 31,661	\$ 10,177
25	\$ 21,914	\$ 32,273	\$ 10,359
26	\$ 22,353	\$ 32,896	\$ 10,544
27	\$ 22,800	\$ 33,531	\$ 10,732
28	\$ 23,256	\$ 34,178	\$ 10,923
29	\$ 23,721	\$ 34,838	\$ 11,117
30	\$ 24,195	\$ 35,510	\$ 11,314
Total	\$ 552,726	\$ 796,652	\$ 243,925
Average	\$ 18,424	\$ 26,555	\$ 8,131

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

SCHOOL DISTRICT

Table 21 calculates the benefit (or cost) to the school district. The school district would receive approximately \$66,332 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the school district would be nearly \$2.0 million over the 30-year period.

Table 21

Tax Policy Comparison for School District

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 111,150	\$ 111,150	\$ (0)
2	\$ 113,373	\$ 111,150	\$ (2,223)
3	\$ 115,641	\$ 111,150	\$ (4,491)
4	\$ 117,954	\$ 175,924	\$ 57,971
5	\$ 120,313	\$ 179,346	\$ 59,033
6	\$ 122,719	\$ 182,832	\$ 60,113
7	\$ 125,173	\$ 186,385	\$ 61,212
8	\$ 127,677	\$ 190,006	\$ 62,330
9	\$ 130,230	\$ 193,697	\$ 63,466
10	\$ 132,835	\$ 197,458	\$ 64,623
11	\$ 135,492	\$ 201,291	\$ 65,799
12	\$ 138,201	\$ 205,197	\$ 66,995
13	\$ 140,965	\$ 209,177	\$ 68,212
14	\$ 143,785	\$ 213,234	\$ 69,449
15	\$ 146,660	\$ 217,368	\$ 70,707
16	\$ 149,594	\$ 221,580	\$ 71,986
17	\$ 152,586	\$ 225,873	\$ 73,287
18	\$ 155,637	\$ 230,247	\$ 74,610
19	\$ 158,750	\$ 234,705	\$ 75,955
20	\$ 161,925	\$ 239,247	\$ 77,322
21	\$ 165,164	\$ 243,876	\$ 78,712
22	\$ 168,467	\$ 248,592	\$ 80,125
23	\$ 171,836	\$ 253,398	\$ 81,562
24	\$ 175,273	\$ 258,295	\$ 83,022
25	\$ 178,778	\$ 263,285	\$ 84,507
26	\$ 182,354	\$ 268,370	\$ 86,016
27	\$ 186,001	\$ 273,550	\$ 87,549
28	\$ 189,721	\$ 278,829	\$ 89,108
29	\$ 193,515	\$ 284,208	\$ 90,692
30	\$ 197,386	\$ 289,688	\$ 92,302
Total	\$ 4,509,155	\$ 6,499,105	\$ 1,989,950
Average	\$ 150,305	\$ 216,637	\$ 66,332

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

VILLAGE

Table 22 calculates the benefit (or cost) to the Village. The Village would receive approximately \$51,561 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Village would be over \$1.5 million over the 30-year period.

Table 22

Tax Policy Comparison for Village

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 86,399	\$ 86,399	\$ (0)
2	\$ 88,127	\$ 86,399	\$ (1,728)
3	\$ 89,889	\$ 86,399	\$ (3,491)
4	\$ 91,687	\$ 136,749	\$ 45,062
5	\$ 93,521	\$ 139,408	\$ 45,887
6	\$ 95,391	\$ 142,118	\$ 46,727
7	\$ 97,299	\$ 144,880	\$ 47,581
8	\$ 99,245	\$ 147,695	\$ 48,450
9	\$ 101,230	\$ 150,564	\$ 49,334
10	\$ 103,255	\$ 153,487	\$ 50,232
11	\$ 105,320	\$ 156,467	\$ 51,147
12	\$ 107,426	\$ 159,503	\$ 52,077
13	\$ 109,575	\$ 162,597	\$ 53,022
14	\$ 111,766	\$ 165,750	\$ 53,984
15	\$ 114,002	\$ 168,963	\$ 54,962
16	\$ 116,282	\$ 172,238	\$ 55,956
17	\$ 118,607	\$ 175,574	\$ 56,967
18	\$ 120,979	\$ 178,975	\$ 57,995
19	\$ 123,399	\$ 182,440	\$ 59,041
20	\$ 125,867	\$ 185,971	\$ 60,104
21	\$ 128,384	\$ 189,568	\$ 61,184
22	\$ 130,952	\$ 193,234	\$ 62,282
23	\$ 133,571	\$ 196,970	\$ 63,399
24	\$ 136,242	\$ 200,777	\$ 64,534
25	\$ 138,967	\$ 204,656	\$ 65,688
26	\$ 141,747	\$ 208,608	\$ 66,861
27	\$ 144,582	\$ 212,635	\$ 68,054
28	\$ 147,473	\$ 216,738	\$ 69,265
29	\$ 150,423	\$ 220,919	\$ 70,496
30	\$ 153,431	\$ 225,179	\$ 71,748
Total	\$ 3,505,039	\$ 5,051,859	\$ 1,546,820
Average	\$ 116,835	\$ 168,395	\$ 51,561

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

PAYMENT IN LIEU OF TAXES (PILOT): COMMERCIAL PORTION

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a 20-year PILOT payment schedule on the commercial portion of the Project based on the current tax rate, taxable value, and assessed value of the Project. Based on the terms of the PILOT as proposed, Camoin Associates calculated the potential impact on the affected jurisdictions.¹⁰

Table 23

Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments		Town	County	School District	Village
1	\$ 16,230	\$ 335	\$ 1,026	\$ 8,366	\$ 6,503	
2	\$ 16,230	\$ 335	\$ 1,026	\$ 8,366	\$ 6,503	
3	\$ 16,230	\$ 335	\$ 1,026	\$ 8,366	\$ 6,503	
4	\$ 23,623	\$ 487	\$ 1,493	\$ 12,177	\$ 9,466	
5	\$ 31,016	\$ 640	\$ 1,960	\$ 15,988	\$ 12,428	
6	\$ 38,408	\$ 792	\$ 2,427	\$ 19,799	\$ 15,390	
7	\$ 45,801	\$ 945	\$ 2,894	\$ 23,610	\$ 18,353	
8	\$ 53,194	\$ 1,097	\$ 3,361	\$ 27,421	\$ 21,315	
9	\$ 60,587	\$ 1,250	\$ 3,828	\$ 31,232	\$ 24,277	
10	\$ 67,980	\$ 1,402	\$ 4,296	\$ 35,043	\$ 27,239	
11	\$ 75,373	\$ 1,554	\$ 4,763	\$ 38,854	\$ 30,202	
12	\$ 82,765	\$ 1,707	\$ 5,230	\$ 42,665	\$ 33,164	
13	\$ 90,158	\$ 1,859	\$ 5,697	\$ 46,476	\$ 36,126	
14	\$ 97,551	\$ 2,012	\$ 6,164	\$ 50,287	\$ 39,089	
15	\$ 104,944	\$ 2,164	\$ 6,631	\$ 54,097	\$ 42,051	
16	\$ 112,337	\$ 2,317	\$ 7,098	\$ 57,908	\$ 45,013	
17	\$ 119,730	\$ 2,469	\$ 7,565	\$ 61,719	\$ 47,975	
18	\$ 127,122	\$ 2,622	\$ 8,033	\$ 65,530	\$ 50,938	
19	\$ 134,515	\$ 2,774	\$ 8,500	\$ 69,341	\$ 53,900	
20	\$ 141,908	\$ 2,927	\$ 8,967	\$ 73,152	\$ 56,862	
Total	\$ 1,455,702	\$ 30,022	\$ 91,983	\$ 750,399	\$ 583,298	
Average	\$ 72,785	\$ 1,501	\$ 4,599	\$ 37,520	\$ 29,165	

Source: Town of Hempstead IDA, Camoin Associates

¹⁰ It is assumed that each jurisdiction will continue to receive the same portion of the PILOT that they currently receive from the full tax bill.

CAMOIN ASSOCIATES

TAX POLICY COMPARISON: COMMERCIAL PORTION

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. Table 24 displays the property tax payment associated with the commercial portion of the Project.

Table 24

Tax Payments without Project

Year	Total Property Tax Payment		Portion of Payment by Jurisdiction			
		Without Project*	Town	County	School District	Village
1	\$	16,230	\$ 335	\$ 1,026	\$ 8,366	\$ 6,503
2	\$	16,554	\$ 341	\$ 1,046	\$ 8,533	\$ 6,633
3	\$	16,885	\$ 348	\$ 1,067	\$ 8,704	\$ 6,766
4	\$	17,223	\$ 355	\$ 1,088	\$ 8,878	\$ 6,901
5	\$	17,567	\$ 362	\$ 1,110	\$ 9,056	\$ 7,039
6	\$	17,919	\$ 370	\$ 1,132	\$ 9,237	\$ 7,180
7	\$	18,277	\$ 377	\$ 1,155	\$ 9,422	\$ 7,324
8	\$	18,643	\$ 384	\$ 1,178	\$ 9,610	\$ 7,470
9	\$	19,015	\$ 392	\$ 1,202	\$ 9,802	\$ 7,619
10	\$	19,396	\$ 400	\$ 1,226	\$ 9,998	\$ 7,772
11	\$	19,784	\$ 408	\$ 1,250	\$ 10,198	\$ 7,927
12	\$	20,179	\$ 416	\$ 1,275	\$ 10,402	\$ 8,086
13	\$	20,583	\$ 424	\$ 1,301	\$ 10,610	\$ 8,248
14	\$	20,995	\$ 433	\$ 1,327	\$ 10,823	\$ 8,413
15	\$	21,415	\$ 442	\$ 1,353	\$ 11,039	\$ 8,581
16	\$	21,843	\$ 450	\$ 1,380	\$ 11,260	\$ 8,752
17	\$	22,280	\$ 459	\$ 1,408	\$ 11,485	\$ 8,927
18	\$	22,725	\$ 469	\$ 1,436	\$ 11,715	\$ 9,106
19	\$	23,180	\$ 478	\$ 1,465	\$ 11,949	\$ 9,288
20	\$	23,643	\$ 488	\$ 1,494	\$ 12,188	\$ 9,474
Total	\$	394,335	\$ 8,133	\$ 24,917	\$ 203,276	\$ 158,009
Average	\$	19,717	\$ 407	\$ 1,246	\$ 10,164	\$ 7,900

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes an average annual increase of 2.00%

CAMOIN ASSOCIATES

Table 25 calculates the benefit (or cost) to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Over \$53,000 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$1.1 million over the 20-year period.

Table 25

Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 16,230	\$ 16,230	\$ 0
2	\$ 16,554	\$ 16,230	\$ (324)
3	\$ 16,885	\$ 16,230	\$ (655)
4	\$ 17,223	\$ 23,623	\$ 6,400
5	\$ 17,567	\$ 31,016	\$ 13,448
6	\$ 17,919	\$ 38,408	\$ 20,490
7	\$ 18,277	\$ 45,801	\$ 27,524
8	\$ 18,643	\$ 53,194	\$ 34,551
9	\$ 19,015	\$ 60,587	\$ 41,571
10	\$ 19,396	\$ 67,980	\$ 48,584
11	\$ 19,784	\$ 75,373	\$ 55,589
12	\$ 20,179	\$ 82,765	\$ 62,586
13	\$ 20,583	\$ 90,158	\$ 69,575
14	\$ 20,995	\$ 97,551	\$ 76,556
15	\$ 21,415	\$ 104,944	\$ 83,529
16	\$ 21,843	\$ 112,337	\$ 90,494
17	\$ 22,280	\$ 119,730	\$ 97,450
18	\$ 22,725	\$ 127,122	\$ 104,397
19	\$ 23,180	\$ 134,515	\$ 111,335
20	\$ 23,643	\$ 141,908	\$ 118,265
Total	\$ 394,335	\$ 1,455,702	\$ 1,061,367
Average	\$ 19,717	\$ 72,785	\$ 53,068

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

TOWN

Table 26 calculates the benefit (or cost) to the Town. The Town would receive approximately \$1,094 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Town would be \$21,889 over the 20-year period.

Table 26

Tax Policy Comparison for Town

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 335	\$ 335	\$ 0
2	\$ 341	\$ 335	\$ (7)
3	\$ 348	\$ 335	\$ (14)
4	\$ 355	\$ 487	\$ 132
5	\$ 362	\$ 640	\$ 277
6	\$ 370	\$ 792	\$ 423
7	\$ 377	\$ 945	\$ 568
8	\$ 384	\$ 1,097	\$ 713
9	\$ 392	\$ 1,250	\$ 857
10	\$ 400	\$ 1,402	\$ 1,002
11	\$ 408	\$ 1,554	\$ 1,146
12	\$ 416	\$ 1,707	\$ 1,291
13	\$ 424	\$ 1,859	\$ 1,435
14	\$ 433	\$ 2,012	\$ 1,579
15	\$ 442	\$ 2,164	\$ 1,723
16	\$ 450	\$ 2,317	\$ 1,866
17	\$ 459	\$ 2,469	\$ 2,010
18	\$ 469	\$ 2,622	\$ 2,153
19	\$ 478	\$ 2,774	\$ 2,296
20	\$ 488	\$ 2,927	\$ 2,439
Total	\$ 8,133	\$ 30,022	\$ 21,889
Average	\$ 407	\$ 1,501	\$ 1,094

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

COUNTY

Table 27 calculates the benefit (or cost) to the County. The County would receive approximately \$3,353 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the County would be over \$67,000 over the 20-year period.

Table 27

Tax Policy Comparison for County

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 1,026	\$ 1,026	\$ 0
2	\$ 1,046	\$ 1,026	\$ (20)
3	\$ 1,067	\$ 1,026	\$ (41)
4	\$ 1,088	\$ 1,493	\$ 404
5	\$ 1,110	\$ 1,960	\$ 850
6	\$ 1,132	\$ 2,427	\$ 1,295
7	\$ 1,155	\$ 2,894	\$ 1,739
8	\$ 1,178	\$ 3,361	\$ 2,183
9	\$ 1,202	\$ 3,828	\$ 2,627
10	\$ 1,226	\$ 4,296	\$ 3,070
11	\$ 1,250	\$ 4,763	\$ 3,513
12	\$ 1,275	\$ 5,230	\$ 3,955
13	\$ 1,301	\$ 5,697	\$ 4,396
14	\$ 1,327	\$ 6,164	\$ 4,837
15	\$ 1,353	\$ 6,631	\$ 5,278
16	\$ 1,380	\$ 7,098	\$ 5,718
17	\$ 1,408	\$ 7,565	\$ 6,158
18	\$ 1,436	\$ 8,033	\$ 6,597
19	\$ 1,465	\$ 8,500	\$ 7,035
20	\$ 1,494	\$ 8,967	\$ 7,473
Total	\$ 24,917	\$ 91,983	\$ 67,066
Average	\$ 1,246	\$ 4,599	\$ 3,353

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

SCHOOL DISTRICT

Table 28 calculates the benefit (or cost) to the school district. The school district would receive approximately \$27,356 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the school district would be \$547,124 over the 20-year period.

Table 28

Tax Policy Comparison for School District

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 8,366	\$ 8,366	\$ 0
2	\$ 8,533	\$ 8,366	\$ (167)
3	\$ 8,704	\$ 8,366	\$ (338)
4	\$ 8,878	\$ 12,177	\$ 3,299
5	\$ 9,056	\$ 15,988	\$ 6,932
6	\$ 9,237	\$ 19,799	\$ 10,562
7	\$ 9,422	\$ 23,610	\$ 14,188
8	\$ 9,610	\$ 27,421	\$ 17,811
9	\$ 9,802	\$ 31,232	\$ 21,430
10	\$ 9,998	\$ 35,043	\$ 25,045
11	\$ 10,198	\$ 38,854	\$ 28,656
12	\$ 10,402	\$ 42,665	\$ 32,262
13	\$ 10,610	\$ 46,476	\$ 35,865
14	\$ 10,823	\$ 50,287	\$ 39,464
15	\$ 11,039	\$ 54,097	\$ 43,059
16	\$ 11,260	\$ 57,908	\$ 46,649
17	\$ 11,485	\$ 61,719	\$ 50,234
18	\$ 11,715	\$ 65,530	\$ 53,816
19	\$ 11,949	\$ 69,341	\$ 57,392
20	\$ 12,188	\$ 73,152	\$ 60,964
Total	\$ 203,276	\$ 750,399	\$ 547,124
Average	\$ 10,164	\$ 37,520	\$ 27,356

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

VILLAGE

Table 22 calculates the benefit (or cost) to the Village. The Village would receive approximately \$21,264 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Village would be over \$425,000 over the 20-year period.

Table 29

Tax Policy Comparison for Village

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 6,503	\$ 6,503	\$ 0
2	\$ 6,633	\$ 6,503	\$ (130)
3	\$ 6,766	\$ 6,503	\$ (263)
4	\$ 6,901	\$ 9,466	\$ 2,564
5	\$ 7,039	\$ 12,428	\$ 5,389
6	\$ 7,180	\$ 15,390	\$ 8,210
7	\$ 7,324	\$ 18,353	\$ 11,029
8	\$ 7,470	\$ 21,315	\$ 13,845
9	\$ 7,619	\$ 24,277	\$ 16,658
10	\$ 7,772	\$ 27,239	\$ 19,468
11	\$ 7,927	\$ 30,202	\$ 22,274
12	\$ 8,086	\$ 33,164	\$ 25,078
13	\$ 8,248	\$ 36,126	\$ 27,879
14	\$ 8,413	\$ 39,089	\$ 30,676
15	\$ 8,581	\$ 42,051	\$ 33,470
16	\$ 8,752	\$ 45,013	\$ 36,261
17	\$ 8,927	\$ 47,975	\$ 39,048
18	\$ 9,106	\$ 50,938	\$ 41,832
19	\$ 9,288	\$ 53,900	\$ 44,612
20	\$ 9,474	\$ 56,862	\$ 47,388
Total	\$ 158,009	\$ 583,298	\$ 425,288
Average	\$ 7,900	\$ 29,165	\$ 21,264

Source: Town of Hempstead IDA, Camoin Associates

CAMOIN ASSOCIATES

OTHER EXEMPTIONS

There are additional benefits to working with the Agency including a one-time sales tax exemption on construction materials and furniture, fixtures, and equipment as well as a mortgage recording tax exemption. Tax exemptions are for the state and county taxes and are not applicable to the town.

Table 30

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	3,553,199
Mortgage Tax Exemption	\$	474,150

Source: Applicant, Camoin Associates

The additional incentives offered by the Agency will benefit the Applicant but will not negatively affect the taxing jurisdictions because, without the Project, the Town by definition would not be receiving any associated sales tax or mortgage tax revenue.

SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction phase earnings described by the total economic impact of the construction work (described in the above section) would lead to additional sales tax revenue for the Town. It is assumed that 70%¹¹ of the construction phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 31

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	33,954,858
Amount Spent in County (70%)	\$	23,768,400
Amount Taxable (25%)	\$	5,942,100
Nassau County Sales Tax Revenue (4.25%)	\$	252,539
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	22,283

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

¹¹ According to Emsi, 70% demand for industries in a typical household spending basket is met within Nassau County.

CAMOIN ASSOCIATES

SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

As a result of the Project, the Town would receive sales tax revenue from the purchases made by the households. Table 32 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new households.

Table 32

Annual Sales Tax Revenue, Household Spending	
Total New Spending	\$ 5,681,006
Amount Taxable (30%)	\$ 1,704,302
Nassau County Sales Tax Revenue (4.25%)	\$ 72,433
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 6,391

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

Note that the household spending figure has already been adjusted to account for 60% of total spending occurring within the town (see table entitled "Tenant Spending Baskets"). It is assumed that 30% of purchases will be taxable, based on the spending baskets of tenants and the understanding that certain non-taxable items (related to housing expenses) have been removed from the total spending line, this increasing the remaining portion taxable.

SALES TAX REVENUE – EMPLOYEE EARNINGS

The earnings generated by on-site jobs that will occur as a result of building operation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the town. It is assumed that 70% of the earnings would be spent within Nassau County and that 25% of those purchases will be taxable. Table 33 displays the annual tax revenue that the Town will receive.

Table 33

Annual Sales Tax Revenue, On-Site Operations	
Total New Earnings	\$ 347,779
Amount Spent in County (70%)	\$ 243,446
Amount Taxable (25%)	\$ 60,861
Nassau County Sales Tax Revenue (4.25%)	\$ 2,587
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 228

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

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TOTAL ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the Town will receive is summarized in Table 34.

Table 34

Total Annual Sales Tax Revenue	
Household Spending	\$ 6,391
On-Site Operations	\$ 228
New Town Tax Revenue	\$ 6,619

Source: Town of Hempstead IDA, Camoin Associates

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

“Net new” households that move into a geography because of the availability of desired housing contribute to that geography’s economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing.

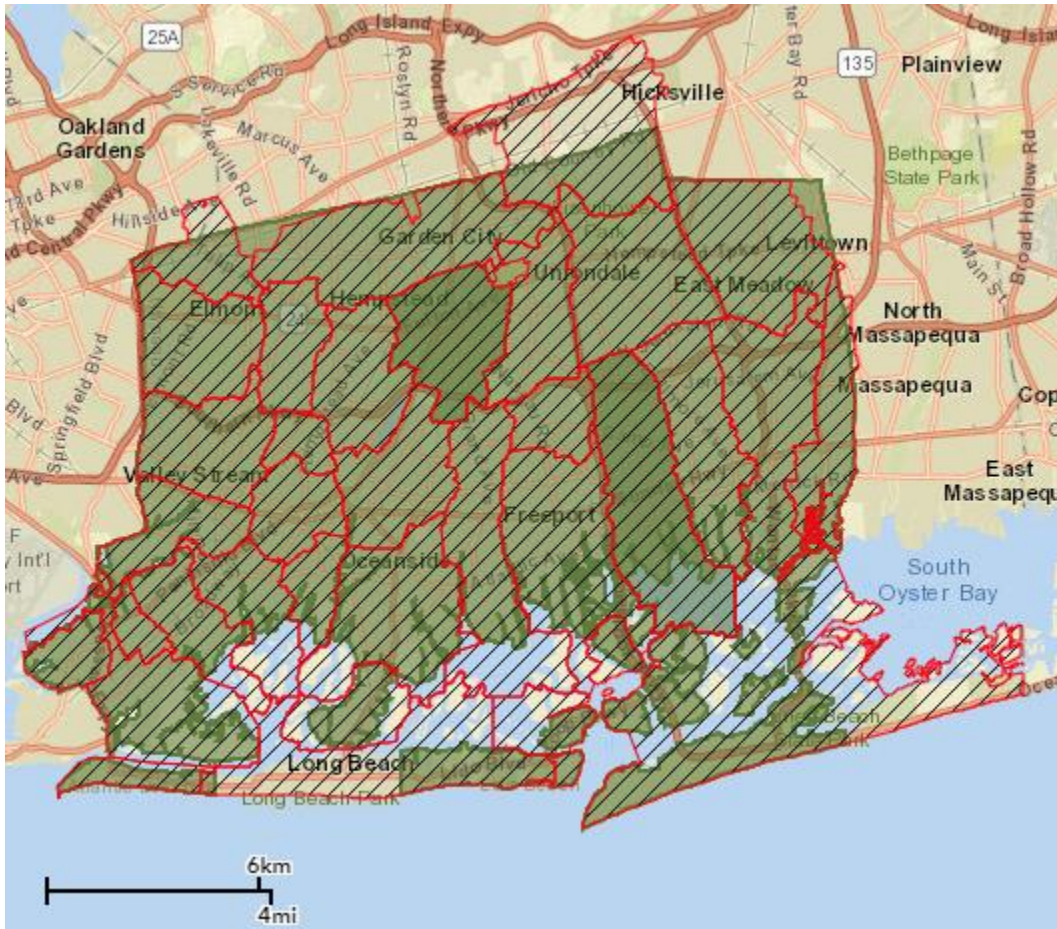
Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by the proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Each project may therefore have a different expectation for net new households, depending on price point, age restriction if any, and location.

The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify *where* households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a “renter-shed” for a new project. Households that are within the drive time but outside of the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an “implied number renting” for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a “net gap,” indicating excess demand for the project, or a “net surplus.” To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.

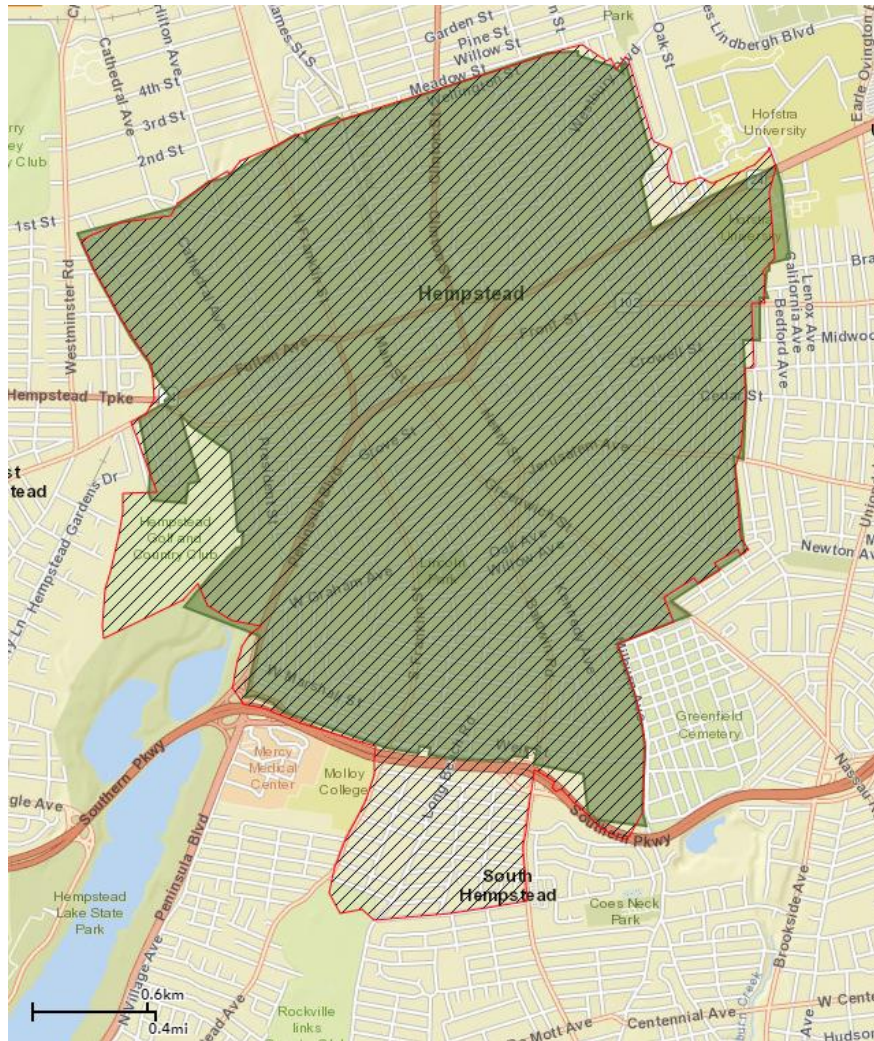
ATTACHMENT C: STUDY AREAS

Town of Hempstead (Green) and Zip Code Region (Red outline with dashes)



CAMOIN ASSOCIATES

Village of Hempstead (Green) and Hempstead Zip Code 11550 (Red outline with dashes)



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