

Economic and Fiscal Impact

PARABIT REALTY, LLC &
PARABIT SYSTEMS, INC

Town of Hempstead
Industrial Development Agency

JANUARY 21, 2022

PREPARED BY:



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Parabit Realty, LLC & Parabit Systems Inc.

The Project

7,820 SF expansion of an existing facility at 33-35 Debevoise Avenue, Roosevelt, NY 11575 to meet the demands of current growth in manufacturing kiosks and ATM Access Control systems for banks.

Requested Financial Assistance

- ◆ **PILOT:** 10-year extension to an existing PILOT, which has 2-years remaining.
- ◆ **Sales Tax Exemption:** \$185,437.5050
- ◆ **Mortgage Tax Abatement:** \$18,937.50

Total Annual Economic Impact

- ◆ **Jobs:** 17
- ◆ **Earnings:** \$1,346,359
- ◆ **Sales:** \$4,618,310

Fiscal Benefit or Cost to Town

- ◆ **Annual Sales Tax Revenue:** \$884
- ◆ **Average Annual PILOT Payment:** \$18,777
- ◆ **Average Annual PILOT Cost:** \$1,334

Summary of Benefits to Town

Total Jobs	17
Direct Jobs	13
Total Earnings	\$ 1,346,359
Direct Earnings	\$ 991,685
Annual Sales Tax Revenue to County	\$ 10,014
Annual Sales Tax Revenue to Town	\$ 884
Average Annual PILOT Payment	\$ 111,075
Average Annual PILOT Payment to Town	\$ 18,777
Average Annual PILOT Cost	\$ (7,891)
Average Annual PILOT Cost to Town	\$ (1,334)

Economic and Fiscal Impacts of Construction Phase

Construction Phase Spending - Town

Total Construction Cost	\$	2,810,000
Percent Sourced from Town		70%
Net New Construction Spending	\$	1,967,000

Source: Applicant, Camoin Associates

Town Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	11	\$ 813,427	\$ 1,967,000
Indirect	1	\$ 94,816	\$ 302,930
Induced	1	\$ 102,738	\$ 260,595
Total	13	\$ 1,010,981	\$ 2,530,525

Source: Emsi, Camoin Associates

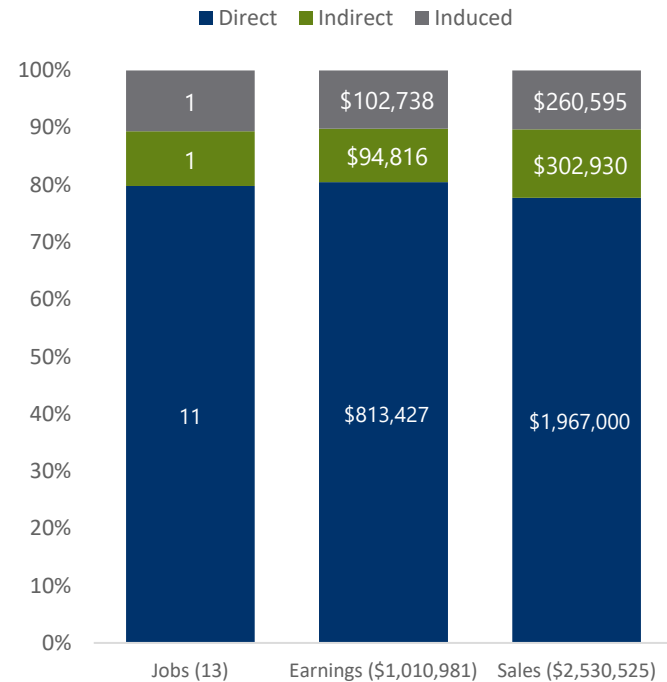
One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	1,010,981
Amount Spent in County (70%)	\$	707,687
Amount Taxable (25%)	\$	176,922
Nassau County Sales Tax Revenue (4.25%)	\$	7,519
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	663

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.

Total Economic Impact - Construction Phase



Economic and Fiscal Impacts of Annual Operations

Town Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	13	\$ 991,685	\$ 3,701,244
Indirect	2	\$ 197,891	\$ 517,844
Induced	2	\$ 156,784	\$ 399,223
Total	17	\$ 1,346,359	\$ 4,618,310

Source: Emsi, Camoin Associates

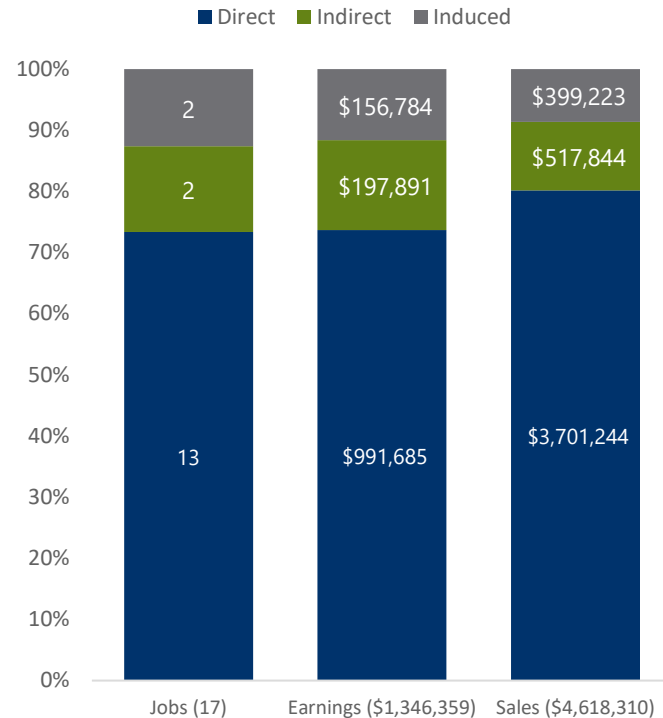
Annual Sales Tax Revenue, On-Site Operations

Total New Earnings	\$ 1,346,359
Amount Spent in County (70%)	\$ 942,452
Amount Taxable (25%)	\$ 235,613
Nassau County Sales Tax Revenue (4.25%)	\$ 10,014
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 884

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.

Total Annual Economic Impact



PILOT Payments

Tax Payments with PILOT

Year	PILOT Payments	Total	Town Portion
Existing PILOT	\$ 81,451	\$	13,769
Existing PILOT	\$ 84,709	\$	14,320
1	\$ 84,709	\$	14,320
2	\$ 84,709	\$	14,320
3	\$ 91,327	\$	15,439
4	\$ 100,000	\$	16,905
5	\$ 105,000	\$	17,750
6	\$ 110,000	\$	18,595
7	\$ 120,000	\$	20,286
8	\$ 130,000	\$	21,976
9	\$ 140,000	\$	23,667
10	\$ 145,000	\$	24,512
Total	\$ 1,110,745	\$	187,769
Average	\$ 111,075	\$	18,777

Source: Town of Hempstead IDA, Camoin Associates

Tax Payments without Project

Year	Property Tax Payment Without Project*	Total	Town Portion
Existing PILOT	\$ 104,428	\$	17,653
Existing PILOT	\$ 106,516	\$	18,006
1	\$ 108,647	\$	18,366
2	\$ 110,820	\$	18,734
3	\$ 113,036	\$	19,108
4	\$ 115,297	\$	19,491
5	\$ 117,603	\$	19,880
6	\$ 119,955	\$	20,278
7	\$ 122,354	\$	20,684
8	\$ 124,801	\$	21,097
9	\$ 127,297	\$	21,519
10	\$ 129,843	\$	21,950
Total	\$ 1,189,650	\$	1,189,650
Average	\$ 118,965	\$	20,111

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes an average annual increase of 2.00%

The current total property tax payment without project is calculated based on a 2.00% annual increase to value of what the current taxes would be without the current PILOT, as provided by the applicant.

Tax Policy Comparison

Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 108,647	\$ 84,709	\$ (23,938)
2	\$ 110,820	\$ 84,709	\$ (26,111)
3	\$ 113,036	\$ 91,327	\$ (21,709)
4	\$ 115,297	\$ 100,000	\$ (15,297)
5	\$ 117,603	\$ 105,000	\$ (12,603)
6	\$ 119,955	\$ 110,000	\$ (9,955)
7	\$ 122,354	\$ 120,000	\$ (2,354)
8	\$ 124,801	\$ 130,000	\$ 5,199
9	\$ 127,297	\$ 140,000	\$ 12,703
10	\$ 129,843	\$ 145,000	\$ 15,157
Total	\$ 1,189,650	\$ 1,110,745	\$ (78,905)
Average	\$ 118,965	\$ 111,075	\$ (7,891)

Source: Town of Hempstead IDA, Camoin Associates

Tax Policy Comparison for Town

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 18,366	\$ 14,320	\$ (4,047)
2	\$ 18,734	\$ 14,320	\$ (4,414)
3	\$ 19,108	\$ 15,439	\$ (3,670)
4	\$ 19,491	\$ 16,905	\$ (2,586)
5	\$ 19,880	\$ 17,750	\$ (2,130)
6	\$ 20,278	\$ 18,595	\$ (1,683)
7	\$ 20,684	\$ 20,286	\$ (398)
8	\$ 21,097	\$ 21,976	\$ 879
9	\$ 21,519	\$ 23,667	\$ 2,147
10	\$ 21,950	\$ 24,512	\$ 2,562
Total	\$ 201,108	\$ 187,769	\$ (13,339)
Average	\$ 20,111	\$ 18,777	\$ (1,334)

Source: Town of Hempstead IDA, Camoin Associates

Summary of Costs to Affected Jurisdictions - Other Exemptions

	State and County
Sales Tax Exemption	\$ 185,438
Mortgage Tax Exemption	\$ 18,938

Source: Applicant, Camoin Associates

THE PROJECT TEAM

Rachel Selsky
Vice President, Project Principal

Jessica Tagliafierro
Senior Analyst

Leading action to
grow your economy

Saratoga Springs, NY
Richmond, VA
Portland, ME
Boston, MA

