

**TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY  
BOARD MEETING**

**Nathan L. Bennett Pavilion\*  
One Washington Street, Hempstead, NY  
AGENDA**

**Thursday, February 24, 2022, 9:00 AM**

**\*Notes:**

- Masks are no longer mandated. The Town of Hempstead IDA continues to encourage social distancing at public meetings.
- A livestream of the meeting may also be viewed at [www.tohida.org](http://www.tohida.org) . Select "Watch Meetings"

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The Agenda will include but not be limited to:

**AGENDA:**

- Confirm the presence of a Quorum
- Public Comment with respect to Agenda items

**VILLAGE BUSINESS:**

**Village of Freeport:**

- Consideration of an Authorizing Resolution for **NBD Holding LLC**, 417, 435, 444, 447, and 477 Woodcleft Avenue, Village of Freeport

**Village of Hempstead:**

- Consideration of an Authorizing Resolution for **Estella Housing**, 176 Main Street, Hempstead
- Consideration of a Mortgage Refinance for **Hempstead Lincoln Mercury**, 301 N. Franklin Street, Hempstead

**NEW BUSINESS - Applications, Transaction Resolutions and Presentations:**

- Consideration of an Authorizing Resolution for **Parabit Systems Inc.** , 33-35 Debevoise Avenue, Roosevelt
- Consideration of an Authorizing Resolution for **Inwood Property Development LLC**, 360-370 Bayview Avenue, Inwood
- Consideration of an Amended Inducement Resolution for **43-47 Broadway Realty, LLC**, 17& 21 Langdon Place, 47 Broadway, 90 & 96 Station Plaza, Lynbrook
- Consideration of an Amended Inducement Resolution for **PGD Baldwin Commons LLC**, 785 Merrick Road, Baldwin
- Consideration of a Tenant Consent for **990 Stewart Avenue Holdings**, 990 Stewart Avenue, Garden City – Barnes & Noble
- Consideration of a Tenant Consent for **Equity One Northeast (Regency Centers)**, 900 Old Country Road, Westbury – GNC
- Consideration of a Tenant Consent for **444 Merrick Road LLC**, 444 Merrick Road, Lynbrook – Summit Health

**NEW BUSINESS - Other:**

- CEO's Report
- Summary of Confidential Evaluation of Board Performance 2021
- Summary of Board Self-Evaluation forms
- Compliance Review 2021
- Distribution of new Contact List

**OLD BUSINESS:**

**READING AND APPROVAL OF MINUTES OF PREVIOUS MEETING(s):**

- Consideration and Adoption of the Minutes of January 31, 2022

**REPORT OF THE TREASURER:**

- Financial Statements and Expenditure List: January 25, 2022 – February 17, 2022

**COMMITTEE UPDATES :**

**EXECUTIVE SESSION:**

**ADJOURNMENT**

Chairman Approval: 2/12/22

*PROJECT ABSTRACT*  
*TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY*

**NBD Holding, LLC**  
**Project: 2802-21-20A**

Application Date: 11/23/21    Contact: Kimberly Labrador

Applicant Name and Address:            333 Jericho Turnpike, Suite 126  
Jericho, NY 11753

**Project Address:**                    417, 435, 444, 447 & 477 Woodcleft Avenue  
Freeport, NY 11520

Project:

The applicant intends to construct an 89,836 square foot hotel building on 1.615 acres of land. This building will be under the flag of the Hilton Garden Inn located within the Village of Freeport. The Hotel will consist of 100 rooms including a 125 person capacity ballroom with an attached independently operated 100 person restaurant. This hotel will serve as a tourist destination and will serve guests traveling to the site for leisure and business purposes.

Project Costs:

Land acquisition	\$5,300,000
Building demo/construction	\$26,774,000
Site Work	\$326,000
Machinery and Equipment	\$3,800,000
Legal Fees	\$50,000
Architectural/Engineering Fees	\$1,134,420
Financial Charges	\$5,200,000
Other (consulting fees)	\$1,000,000
Total	\$43,584,420

Employment:

	Full	Part
Present	0	0
1 <sup>st</sup> Year	25	9
2 <sup>nd</sup> Year	30	11

LMA: .100%

Creation: of 35.5 FTE by year 2

Full Time: \$42,000 - \$95,000      Average: \$68,500

Some positions will be created by the to be determined third party restaurant tenant.

Benefits Sought: 20 Year PILOT, Sales Tax Exemption, Mortgage Recording Tax Exemption

Benefit Analysis:

Sales Tax Exemption Renovation, Furnishing and Fixture:

$\$20,060,000 \times 8.625\% = \$1,730,175$

Mortgage  $\$32,000,000 \times .75\% = \$240,000$

Section; 62, Block: 177, Lots: 339, 526, 541, 542, 548

Section; 62, Block: 233, Lots: 2 & 3

Parcels: 7

SD- Freeport 9

Full Assessed Value: \$ 2,408,000

Total Assessment: \$24,080

Current Tax Information: \$133,151.35

General 21: \$16,678.14

School 21/22: \$81,077.36

Village: \$35,395.85

Estimated Taxes Once Built: \$772,824

Applicant Counsel: Dan Deegan/Jessica Leis/ John Gordon

Transaction Counsel: Paul O'Brien



**NBD Holding, LLC**  
**Project: 2802-21-20A**  
**PILOT**

417, 435, 444, 447 & 477 Woodcleft Avenue

Freeport, NY 11520

Current Tax Information:

Section; 62, Block: 177, Lots: 339, 526, 541, 542, 548

Section; 62, Block: 233, Lots: 2 & 3

Parcels: 7

SD- Freeport 9

Current Total Taxes Year: \$133,151.35

Estimated Taxes Once Built: \$772,824.00

Year	Total
1	\$133,151.35
2	\$133,151.35
3	\$133,151.35
4	\$225,000.00
5	\$255,000.00
6	\$280,000.00
7	\$310,000.00
8	\$355,000.00
9	\$400,000.00
10	\$440,000.00
11	\$470,000.00
12	\$510,000.00
13	\$550,000.00
14	\$590,000.00
15	\$630,000.00
16	\$670,000.00
17	\$710,000.00
18	\$750,000.00
19	\$790,000.00
20	\$830,000.00

12/7/21 – DRAFT

This Pilot has NOT been approved by the Hempstead IDA Board

PREPARED FOR:

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

# Economic and Fiscal Impact

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NBD HOLDING, LLC.

Town of Hempstead  
Industrial Development Agency

JANUARY 27, 2021

PREPARED BY:



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Saratoga Springs, NY 12866  
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[www.camoinassociates.com](http://www.camoinassociates.com)

## CAMOIN ASSOCIATES

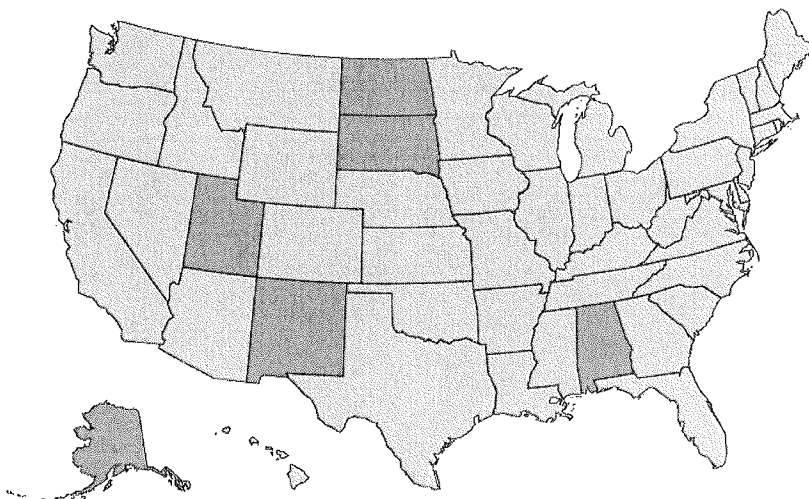
# ABOUT CAMOIN ASSOCIATES

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](http://www.camoinassociates.com). You can also find us on Twitter **@camoinassociate** and on **Facebook**.

## THE PROJECT TEAM

Rachel Selsky  
*Vice President*

Jessica Tagliafierro  
*Senior Research Analyst*



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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 NBD Holding, LLC. The proposed project involves the construction of a 100-room Hilton Garden Inn at 417, 435, 444, 447, and 477 Woodcleft Avenue, Freeport, Town of Hempstead, Nassau County, New York. 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 renovation of the facility 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: renovation spending, on-site jobs, exemptions, and PILOT schedule.

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:

NBD Holding, 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 renovation and operations.*

## 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.*

## 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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Attachment A: What is Economic Impact Analysis? ..... 15

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# EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the "Agency") received an application for financial assistance from NBD Holding, LLC (the "Applicant") for the construction of a 100-room Hilton Garden Inn (the "Project") at 417, 435, 444, 447, and 477 Woodcleft Avenue, Freeport, Town of Hempstead, Nassau County, New York (the "Site"). When complete, the Project will include a 125-person capacity ball room and an attached independently operated 100-person restaurant. The Applicant is seeking a 20-year PILOT agreement 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").

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	10
Direct Jobs	8
Total Earnings	\$ 304,677
Direct Earnings	\$ 206,830
Annual Sales Tax Revenue to County	\$ 2,266
Annual Sales Tax Revenue to Town	\$ 200
Average Annual PILOT Payment	\$ 458,223
Average Annual PILOT Payment to Town	\$ 4,001
Average Annual PILOT Benefit	\$ 296,461
Average Annual PILOT Benefit to Town	\$ 2,589
<b>Average Annual Net Benefit to Town</b>	<b>\$ 2,789</b>

- ◆ The Project supports 10 net new jobs in the town, with nearly \$305,000 in associated earnings. These figures include net new jobs resulting from both on-site direct jobs and indirect/induced activity.
- ◆ The Applicant has negotiated terms of a proposed 20-year PILOT agreement with the Agency, where the applicant would pay an average of \$458,223 each year, of which approximately \$4,000 will be allocated to the Town.
- ◆ On an annual basis, the Project will support an estimated \$2,266 new sales tax revenue in Nassau County, of which \$200 will be allocated to the Town. This is a conservative estimate of sales tax revenue to be generated as this does not include the sales tax revenue generated by the hotel's retail sales.
- ◆ The annual net benefit to the Town will be \$2,798. In this case, this is the sum of the average annual PILOT benefit to the Town and projected new sales tax revenue to the Town.
- ◆ Through negotiations with the Agency the Applicant could have access to a sales tax exemption valued at up to \$1,730,175 and a mortgage recording tax exemption valued at up to \$240,000. 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 2

## Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	1,730,175
Mortgage Tax Exemption	\$	240,000

Source: Applicant, Camoin Associates

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# ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by facility operation and renovation 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 as a result of Project operation, new permanent jobs, and renovation spending.

## CONSTRUCTION PHASE IMPACTS

The Applicant anticipates that private sector investment in the construction of the Project would cost approximately \$33.0 million<sup>1</sup>, of which 70%<sup>2</sup> would be sourced from within the town. This means that there will be over \$23.1 million in net new spending in the town associated with the construction phase of the Project.

Table 3

### Construction Phase Spending

Total Construction Cost	\$ 33,034,420
Percent Sourced from Town	70%
<b>Net New Construction Spending</b>	<b>\$ 23,124,094</b>

Source: Applicant, Camoin Associates

Based on over \$23.1 million worth of net new direct spending associated with the construction phase of the Project, we determined that there would be over \$29.7 million in total one-time construction related spending supporting 193 jobs and an associated over \$12.3 million in earnings over the construction period throughout the town. Table 4 outlines the economic impacts of construction.

Table 4

### Town Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	145 \$	10,111,611 \$	23,124,094
Indirect	21 \$	1,071,959 \$	3,556,601
Induced	27 \$	1,158,156 \$	3,045,788
<b>Total</b>	<b>193 \$</b>	<b>12,341,726 \$</b>	<b>29,726,483</b>

Source: Emsi, Camoin Associates

<sup>1</sup> Includes project costs and provided by the Applicant, excluding acquisition, legal fees, and financial charges.

<sup>2</sup> According to Emsi, approximately 70% of demand by the construction industry is met within the town.



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**IMPACTS OF ON-SITE EMPLOYMENT**

In order to conduct an economic impact analysis, an initial step is to determine what portion of the on-site jobs, sales, and earnings are net new to the region in question; in other words, what portion of the new jobs, sales, and earnings would not occur but for the project. The direct impact of this Project is defined as the sales at the Site from customers who otherwise would have had to go outside of the town in order to find the type of accommodations they desire. For example, a customer may prefer to stay in Town of Hempstead, but if hotels with the amenities desired are unavailable, the customer would have to go to neighboring towns or counties. By increasing the number of hotel rooms and expanding types of accommodation available, the Project will allow the Town of Hempstead to “capture” some of the sales that are currently going to adjacent towns. These captured sales are considered net new sales to the town and are used as the direct input for the economic impact model.

The applicant indicated that the hotel would be operated as a Hilton Garden Inn. Hilton Garden Inn is marketed as a mid-price hotel with high levels of service, but more relaxed than traditional Hilton hotel and resorts. Hilton Garden Inn properties typically include a full cooked-to-order breakfast, 24-7 business centers, fitness centers, and on-site laundry. Nationally, the brand’s major competitors include Hampton by Hilton, Courtyard by Marriott, and Holiday Inn.

Camoin Associates conducted research on the Long Island hotel market to determine the percentage of revenue generated by the hotel that would be net new to the Town of Hempstead. Sales would be net new to the county for two main reasons: (1) Customers who would typically stay at Hilton properties in neighboring towns would decide to stay at the Project because of loyalty to the Hilton and Garden Inn brands, and (2) the Project would be able to satisfy additional demand for rooms in the Town of Hempstead on nights when area hotels have reached 100% occupancy.

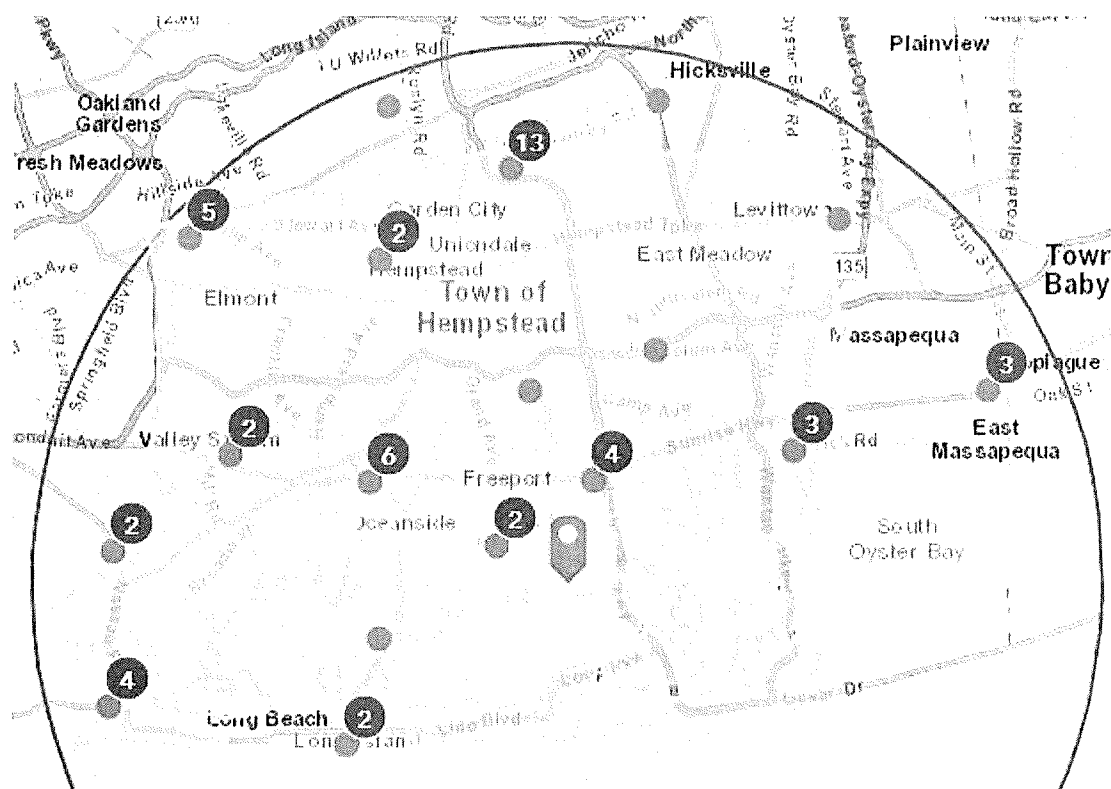
**NET NEW SALES FROM BRAND LOYAL/EXTENDED STAY-PREFERENCE CUSTOMERS**

Brand-loyal customers who would typically stay at Hilton hotels in neighboring towns due to limited Hilton offerings in the Town of Hempstead are likely to stay at the Project. Revenue from these customers would be net new to the town.

Map A on the following page shows the locations of hotels within 10-miles of the site of the hotel in Freeport. Blue shading denotes the Town of Hempstead. According to Esri, there are 54 hotels within 10-miles of the Project, including a Hilton Garden Inn in Westbury, a Courtyard by Marriott in Westbury, and Hampton Inns in Garden City and Rockville Center. Two of these properties are in the Town of Hempstead. The following is more detail on the four comparable properties:

- Hilton Garden Inn - Privado Road, Westbury, New York, 11590 (Town of North Hempstead)
- Courtyard by Marriott - Privado Road, Westbury, New York, 11590 (Town of North Hempstead)
- Hampton Inn – North Avenue, Garden City, New York, 11530 (Town of Hempstead)
- Hampton Inn – Merrick Road, Rockville Center, New York, 11570 (Town of Hempstead)

Map A: Hotel Inventory Within Proximity to the Project Site



These properties, given their proximity and comparable price points, would be the most likely source of brand-loyal, or mid-priced-loyal guests who may shift their demand to the Project, perhaps because it offers them a more convenient location. However, since some of these properties are located within the Town of Hempstead, some guests who shift to the Project would not be net new to the town. The Project could, however, potentially attract loyal Hilton customers who would typically stay at nearby properties in neighboring towns. Revenue from these guests would be considered net new to the town.

#### NET NEW SALES FROM INCREASED SUPPLY OF ROOMS

The second way in which the Project could contribute net new revenue to the Town of Hempstead is by increasing the supply of rooms overall. On nights when hotel occupancy rates in the town approach 100%, the town is foregoing tax revenue due to a lack of supply. According to data from CoStar, the Nassau County hotel occupancy rate prior to the COVID-19 pandemic trended between 82% and 88% (in 2019). Since dropping to 44.0% in March 2020, rates have climbed back up to 73.2% (as of October 2021), indicating that the market (including the Town of Hempstead) is on the rebound and trending towards pre-COVID-19 levels.

#### IMPACT OF NET NEW SALES

Assigning a specific figure to the proportion of "net new" activity is imprecise in this case, but using the market figures provided and our professional judgment, we are conservatively estimating that 20% of sales at the site will be "net new" to the town. Therefore, of the 41 positions<sup>3</sup> created at the hotel, the direct impact of the Project will

<sup>3</sup> Provided by the Applicant. Assumes 30 full-time and 11 part-time jobs.

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be 8 new positions. Using these new jobs as direct inputs into the model, Emsi was used to calculate the economic impacts of the on-site activity. Table 5 details the impact that the on-site activity will have on the Town of Hempstead in terms of employment, earnings, and sales.

Table 5

**Town Economic Impact - On-Site Operations**

	<b>Jobs</b>		<b>Earnings</b>		<b>Sales</b>
Direct	8	\$	206,830	\$	642,090
Indirect	1	\$	45,045	\$	105,404
Induced	1	\$	52,802	\$	129,563
<b>Total</b>	<b>10</b>	<b>\$</b>	<b>304,677</b>	<b>\$</b>	<b>877,056</b>

**Source:** Emsi, Camoin Associates

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# 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)

The Applicant has applied to the Agency for a Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed a 20-year payment schedule 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.<sup>4</sup>

Table 6

### Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments		Town	County	School District	Village
1	\$ 133,151	\$	1,163	\$ 15,515	\$ 81,077	\$ 35,396
2	\$ 133,151	\$	1,163	\$ 15,515	\$ 81,077	\$ 35,396
3	\$ 133,151	\$	1,163	\$ 15,515	\$ 81,077	\$ 35,396
4	\$ 225,000	\$	1,965	\$ 26,218	\$ 137,005	\$ 59,812
5	\$ 255,000	\$	2,227	\$ 29,714	\$ 155,272	\$ 67,787
6	\$ 280,000	\$	2,445	\$ 32,627	\$ 170,495	\$ 74,433
7	\$ 310,000	\$	2,707	\$ 36,123	\$ 188,762	\$ 82,408
8	\$ 355,000	\$	3,100	\$ 41,366	\$ 216,164	\$ 94,370
9	\$ 400,000	\$	3,493	\$ 46,610	\$ 243,565	\$ 106,333
10	\$ 440,000	\$	3,842	\$ 51,271	\$ 267,921	\$ 116,966
11	\$ 470,000	\$	4,104	\$ 54,767	\$ 286,188	\$ 124,941
12	\$ 510,000	\$	4,453	\$ 59,428	\$ 310,545	\$ 135,574
13	\$ 550,000	\$	4,803	\$ 64,089	\$ 334,901	\$ 146,207
14	\$ 590,000	\$	5,152	\$ 68,750	\$ 359,258	\$ 156,841
15	\$ 630,000	\$	5,501	\$ 73,411	\$ 383,614	\$ 167,474
16	\$ 670,000	\$	5,851	\$ 78,072	\$ 407,971	\$ 178,107
17	\$ 710,000	\$	6,200	\$ 82,733	\$ 432,327	\$ 188,741
18	\$ 750,000	\$	6,549	\$ 87,394	\$ 456,683	\$ 199,374
19	\$ 790,000	\$	6,898	\$ 92,055	\$ 481,040	\$ 210,007
20	\$ 830,000	\$	7,248	\$ 96,716	\$ 505,396	\$ 220,640
<b>Total</b>	<b>\$ 9,164,454</b>	<b>\$</b>	<b>80,025</b>	<b>\$ 1,067,887</b>	<b>\$ 5,580,340</b>	<b>\$ 2,436,202</b>
<b>Average</b>	<b>\$ 458,223</b>	<b>\$</b>	<b>4,001</b>	<b>\$ 53,394</b>	<b>\$ 279,017</b>	<b>\$ 121,810</b>

Source: Town of Hempstead IDA, Camoin Associates

<sup>4</sup> 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**

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. Based on the current taxes applicable on the Site as provided by the Town of Hempstead IDA and an assumed annual increase to the tax rate of 2.00%<sup>5</sup> (holding taxable value constant), Table 7 outlines the estimated tax payments made by the building owner without the Project.

Table 7

**Tax Payments without Project**

Year	Total Property Tax Payment		Portion of Payment by Jurisdiction			
	Without Project*		Town	County	School District	Village
1	\$	133,151	\$ 1,163	\$ 15,515	\$ 81,077	\$ 35,396
2	\$	135,814	\$ 1,186	\$ 15,826	\$ 82,699	\$ 36,104
3	\$	138,531	\$ 1,210	\$ 16,142	\$ 84,353	\$ 36,826
4	\$	141,301	\$ 1,234	\$ 16,465	\$ 86,040	\$ 37,562
5	\$	144,127	\$ 1,259	\$ 16,794	\$ 87,761	\$ 38,314
6	\$	147,010	\$ 1,284	\$ 17,130	\$ 89,516	\$ 39,080
7	\$	149,950	\$ 1,309	\$ 17,473	\$ 91,306	\$ 39,861
8	\$	152,949	\$ 1,336	\$ 17,822	\$ 93,132	\$ 40,659
9	\$	156,008	\$ 1,362	\$ 18,179	\$ 94,995	\$ 41,472
10	\$	159,128	\$ 1,390	\$ 18,542	\$ 96,895	\$ 42,301
11	\$	162,311	\$ 1,417	\$ 18,913	\$ 98,833	\$ 43,147
12	\$	165,557	\$ 1,446	\$ 19,292	\$ 100,810	\$ 44,010
13	\$	168,868	\$ 1,475	\$ 19,677	\$ 102,826	\$ 44,890
14	\$	172,245	\$ 1,504	\$ 20,071	\$ 104,882	\$ 45,788
15	\$	175,690	\$ 1,534	\$ 20,472	\$ 106,980	\$ 46,704
16	\$	179,204	\$ 1,565	\$ 20,882	\$ 109,119	\$ 47,638
17	\$	182,788	\$ 1,596	\$ 21,299	\$ 111,302	\$ 48,591
18	\$	186,444	\$ 1,628	\$ 21,725	\$ 113,528	\$ 49,563
19	\$	190,173	\$ 1,661	\$ 22,160	\$ 115,798	\$ 50,554
20	\$	193,976	\$ 1,694	\$ 22,603	\$ 118,114	\$ 51,565
<b>Total</b>	<b>\$</b>	<b>3,235,228</b>	<b>\$ 28,250</b>	<b>\$ 376,985</b>	<b>\$ 1,969,967</b>	<b>\$ 860,026</b>
<b>Average</b>	<b>\$</b>	<b>161,761</b>	<b>\$ 1,413</b>	<b>\$ 18,849</b>	<b>\$ 98,498</b>	<b>\$ 43,001</b>

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes an average annual increase of 2.00%

<sup>5</sup> The tax rate is increased by 2.00% annually, the maximum inflation factor that can be reasonably anticipated into the future. New York State property tax cap legislation limits tax levy growth to an inflation factor set by the State or 2.00%, whichever is less, the amount by which a government entity may increase its annual tax levy (certain exceptions apply)..

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Table 8 calculates the benefit to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Approximately \$296,000 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$5.9 million over the 20-year period.

Table 8

**Tax Policy Comparison (All Jurisdictions)**

<b>Year</b>	<b>Property Tax Payment Without Project</b>	<b>PILOT Payment</b>	<b>Benefit (Cost) of Project</b>
1	\$ 133,151	\$ 133,151	\$ -
2	\$ 135,814	\$ 133,151	\$ (2,663)
3	\$ 138,531	\$ 133,151	\$ (5,379)
4	\$ 141,301	\$ 225,000	\$ 83,699
5	\$ 144,127	\$ 255,000	\$ 110,873
6	\$ 147,010	\$ 280,000	\$ 132,990
7	\$ 149,950	\$ 310,000	\$ 160,050
8	\$ 152,949	\$ 355,000	\$ 202,051
9	\$ 156,008	\$ 400,000	\$ 243,992
10	\$ 159,128	\$ 440,000	\$ 280,872
11	\$ 162,311	\$ 470,000	\$ 307,689
12	\$ 165,557	\$ 510,000	\$ 344,443
13	\$ 168,868	\$ 550,000	\$ 381,132
14	\$ 172,245	\$ 590,000	\$ 417,755
15	\$ 175,690	\$ 630,000	\$ 454,310
16	\$ 179,204	\$ 670,000	\$ 490,796
17	\$ 182,788	\$ 710,000	\$ 527,212
18	\$ 186,444	\$ 750,000	\$ 563,556
19	\$ 190,173	\$ 790,000	\$ 599,827
20	\$ 193,976	\$ 830,000	\$ 636,024
<b>Total</b>	<b>\$ 3,235,228</b>	<b>\$ 9,164,454</b>	<b>\$ 5,929,226</b>
<b>Average</b>	<b>\$ 161,761</b>	<b>\$ 458,223</b>	<b>\$ 296,461</b>

**Source:** Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

**TOWN**

Table 9 calculates the benefit to the Town. The Town would receive approximately \$2,600 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Town would be \$51,775 over the 20-year period.

Table 9

**Tax Policy Comparison for Town**

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 1,163	\$ 1,163	\$ -
2	\$ 1,186	\$ 1,163	\$ (23)
3	\$ 1,210	\$ 1,163	\$ (47)
4	\$ 1,234	\$ 1,965	\$ 731
5	\$ 1,259	\$ 2,227	\$ 968
6	\$ 1,284	\$ 2,445	\$ 1,161
7	\$ 1,309	\$ 2,707	\$ 1,398
8	\$ 1,336	\$ 3,100	\$ 1,764
9	\$ 1,362	\$ 3,493	\$ 2,131
10	\$ 1,390	\$ 3,842	\$ 2,453
11	\$ 1,417	\$ 4,104	\$ 2,687
12	\$ 1,446	\$ 4,453	\$ 3,008
13	\$ 1,475	\$ 4,803	\$ 3,328
14	\$ 1,504	\$ 5,152	\$ 3,648
15	\$ 1,534	\$ 5,501	\$ 3,967
16	\$ 1,565	\$ 5,851	\$ 4,286
17	\$ 1,596	\$ 6,200	\$ 4,604
18	\$ 1,628	\$ 6,549	\$ 4,921
19	\$ 1,661	\$ 6,898	\$ 5,238
20	\$ 1,694	\$ 7,248	\$ 5,554
<b>Total</b>	<b>\$ 28,250</b>	<b>\$ 80,025</b>	<b>\$ 51,775</b>
<b>Average</b>	<b>\$ 1,413</b>	<b>\$ 4,001</b>	<b>\$ 2,589</b>

Source: Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

**COUNTY**

Table 10 calculates the benefit to the County. The County would receive approximately \$34,545 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the County would be nearly \$691,000 over the 20-year period.

Table 10

**Tax Policy Comparison for County**

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 15,515	\$ 15,515	\$ -
2	\$ 15,826	\$ 15,515	\$ (310)
3	\$ 16,142	\$ 15,515	\$ (627)
4	\$ 16,465	\$ 26,218	\$ 9,753
5	\$ 16,794	\$ 29,714	\$ 12,919
6	\$ 17,130	\$ 32,627	\$ 15,497
7	\$ 17,473	\$ 36,123	\$ 18,650
8	\$ 17,822	\$ 41,366	\$ 23,544
9	\$ 18,179	\$ 46,610	\$ 28,431
10	\$ 18,542	\$ 51,271	\$ 32,729
11	\$ 18,913	\$ 54,767	\$ 35,853
12	\$ 19,292	\$ 59,428	\$ 40,136
13	\$ 19,677	\$ 64,089	\$ 44,411
14	\$ 20,071	\$ 68,750	\$ 48,679
15	\$ 20,472	\$ 73,411	\$ 52,938
16	\$ 20,882	\$ 78,072	\$ 57,190
17	\$ 21,299	\$ 82,733	\$ 61,433
18	\$ 21,725	\$ 87,394	\$ 65,668
19	\$ 22,160	\$ 92,055	\$ 69,895
20	\$ 22,603	\$ 96,716	\$ 74,113
<b>Total</b>	<b>\$ 376,985</b>	<b>\$ 1,067,887</b>	<b>\$ 690,903</b>
<b>Average</b>	<b>\$ 18,849</b>	<b>\$ 53,394</b>	<b>\$ 34,545</b>

Source: Town of Hempstead IDA, Camoin Associates



## CAMOIN ASSOCIATES

**SCHOOL DISTRICT**

Table 11 calculates the benefit to the school district. The school district would receive approximately \$180,519 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the school district would be over \$3.6 million over the 20-year period.

Table 11

**Tax Policy Comparison for School District**

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 81,077	\$ 81,077	\$ -
2	\$ 82,699	\$ 81,077	\$ (1,622)
3	\$ 84,353	\$ 81,077	\$ (3,276)
4	\$ 86,040	\$ 137,005	\$ 50,965
5	\$ 87,761	\$ 155,272	\$ 67,512
6	\$ 89,516	\$ 170,495	\$ 80,979
7	\$ 91,306	\$ 188,762	\$ 97,456
8	\$ 93,132	\$ 216,164	\$ 123,031
9	\$ 94,995	\$ 243,565	\$ 148,569
10	\$ 96,895	\$ 267,921	\$ 171,026
11	\$ 98,833	\$ 286,188	\$ 187,355
12	\$ 100,810	\$ 310,545	\$ 209,735
13	\$ 102,826	\$ 334,901	\$ 232,076
14	\$ 104,882	\$ 359,258	\$ 254,375
15	\$ 106,980	\$ 383,614	\$ 276,634
16	\$ 109,119	\$ 407,971	\$ 298,851
17	\$ 111,302	\$ 432,327	\$ 321,025
18	\$ 113,528	\$ 456,683	\$ 343,156
19	\$ 115,798	\$ 481,040	\$ 365,241
20	\$ 118,114	\$ 505,396	\$ 387,282
<b>Total</b>	<b>\$ 1,969,967</b>	<b>\$ 5,580,340</b>	<b>\$ 3,610,373</b>
<b>Average</b>	<b>\$ 98,498</b>	<b>\$ 279,017</b>	<b>\$ 180,519</b>

**Source:** Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

**VILLAGE**

Table 12 calculates the benefit to the Village. The Village would receive approximately \$79,000 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Village would be nearly \$1.6 million over the 20-year period.

Table 12

**Tax Policy Comparison for Village**

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 35,396	\$ 35,396	\$ -
2	\$ 36,104	\$ 35,396	\$ (708)
3	\$ 36,826	\$ 35,396	\$ (1,430)
4	\$ 37,562	\$ 59,812	\$ 22,250
5	\$ 38,314	\$ 67,787	\$ 29,473
6	\$ 39,080	\$ 74,433	\$ 35,353
7	\$ 39,861	\$ 82,408	\$ 42,546
8	\$ 40,659	\$ 94,370	\$ 53,712
9	\$ 41,472	\$ 106,333	\$ 64,861
10	\$ 42,301	\$ 116,966	\$ 74,665
11	\$ 43,147	\$ 124,941	\$ 81,794
12	\$ 44,010	\$ 135,574	\$ 91,564
13	\$ 44,890	\$ 146,207	\$ 101,317
14	\$ 45,788	\$ 156,841	\$ 111,052
15	\$ 46,704	\$ 167,474	\$ 120,770
16	\$ 47,638	\$ 178,107	\$ 130,469
17	\$ 48,591	\$ 188,741	\$ 140,150
18	\$ 49,563	\$ 199,374	\$ 149,811
19	\$ 50,554	\$ 210,007	\$ 159,453
20	\$ 51,565	\$ 220,640	\$ 169,075
<b>Total</b>	<b>\$ 860,026</b>	<b>\$ 2,436,202</b>	<b>\$ 1,576,176</b>
<b>Average</b>	<b>\$ 43,001</b>	<b>\$ 121,810</b>	<b>\$ 78,809</b>

**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 and village.

Table 13

**Summary of Costs to Affected Jurisdictions**

	<b>State and County</b>	
Sales Tax Exemption	\$	1,730,175
Mortgage Tax Exemption	\$	240,000

**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 renovation phase earnings described by the total economic impact of the renovation work (described in the above section) would lead to additional sales tax revenue for the Town. It is assumed that 70%<sup>6</sup> of the construction phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 14

**One-Time Sales Tax Revenue, Construction Phase**

Total New Earnings	\$	12,341,726
Amount Spent in County (70%)	\$	8,639,208
Amount Taxable (25%)	\$	2,159,802
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>91,792</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Sales Tax Revenue</b>	<b>\$</b>	<b>8,099</b>

**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.

<sup>6</sup> According to Emsi, 70% demand for industries in a typical household spending basket is met within Nassau County.

## CAMOIN ASSOCIATES

**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 the county and that 25% of those purchases will be taxable. Table 15 displays the annual tax revenue that the Town will receive.

Table 15

**Annual Sales Tax Revenue, On-Site Operations**

Total New Earnings	\$	304,677
Amount Spent in County (70%)	\$	213,274
Amount Taxable (25%)	\$	53,318
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>2,266</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Tax Revenue</b>	<b>\$</b>	<b>200</b>

**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.

**ADDITIONAL TAX REVENUE – ONGOING HOTEL OPERATIONS**

In addition to the sales tax revenue generated by the earnings of the direct and indirect employment positions created by the Project, there would also be revenue generated from taxes charged directly at the hotel (sales tax and hotel tax). The Applicant does not provide revenue estimates for hotel operation upon completion however, 20% of revenue generated will be net new to the town. From this, the town will receive additional sales tax revenue. Nassau County will also collect net new hotel tax revenue (3% rate).

## 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.

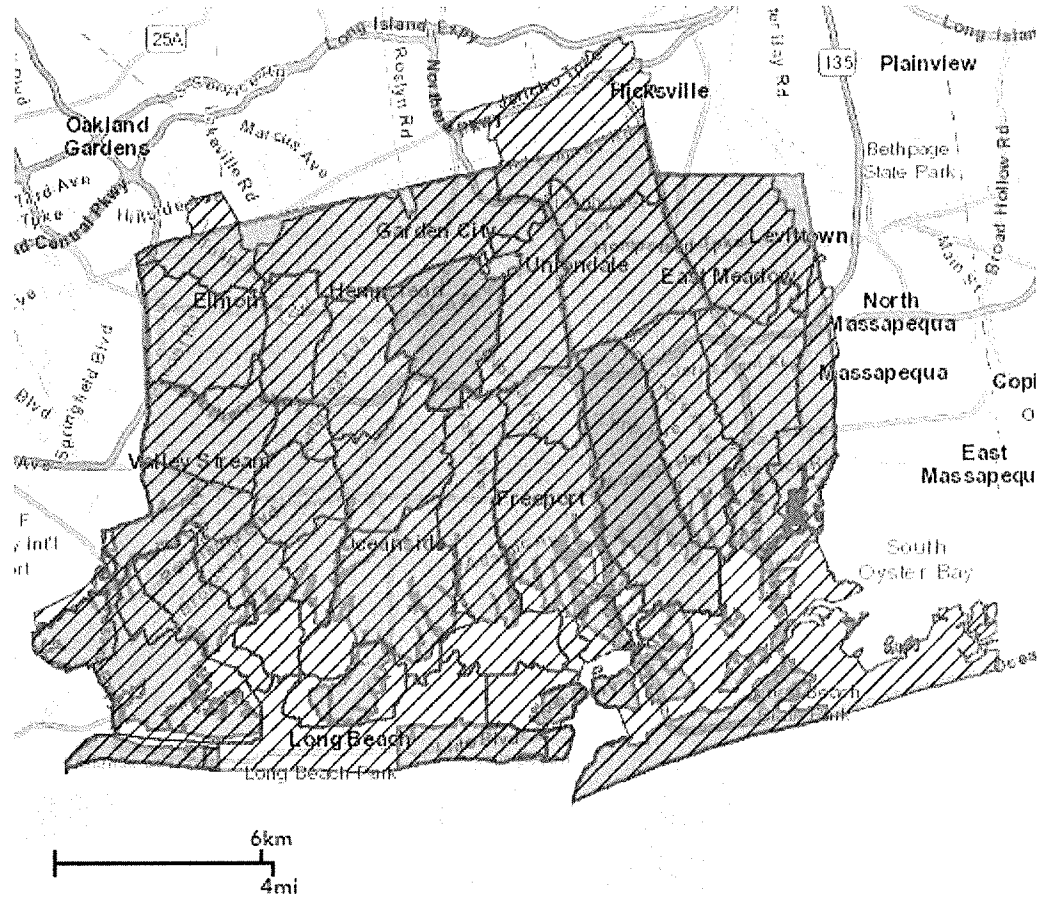
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider 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.

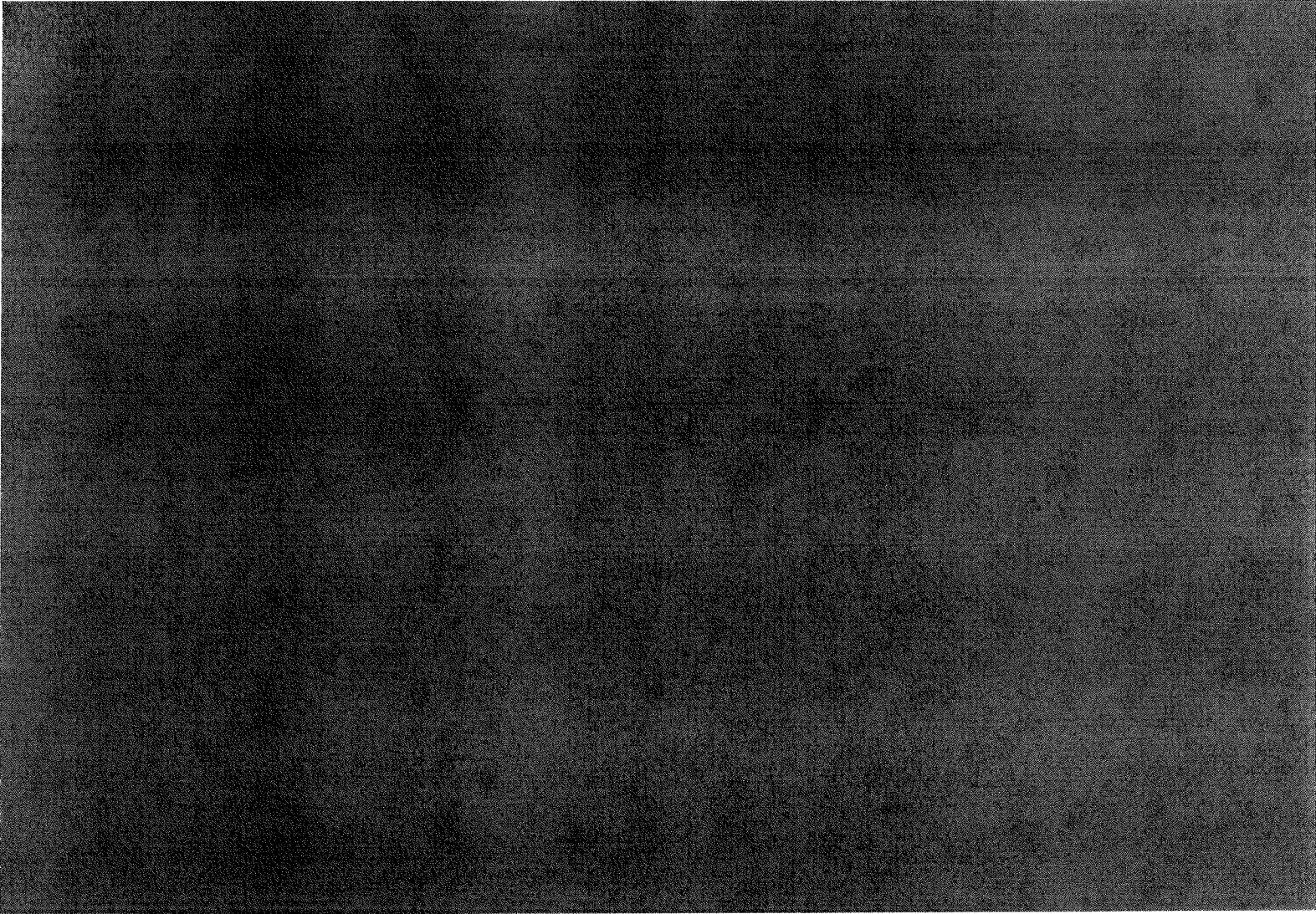
Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players 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.

CAMOIN ASSOCIATES

## ATTACHMENT B: STUDY AREA

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





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IN THE MATTER OF A  
NOTICE OF PUBLIC HEARING  
RE: NBD HOLDING, LLC

-----X

46 N. Ocean Avenue  
Freeport, New York

February 16, 2022  
10:00 a.m.

B E F O R E:

MICHAEL LODATO, Deputy Executive Director

Dolly Fevola  
Court Reporter



## A P P E A R A N C E S :

TOWN OF HEMPSTEAD  
INDUSTRIAL DEVELOPMENT AGENCY  
350 Front Street  
Hempstead, New York 11550  
BY: MICHAEL LODATO, Dep. Exec. Director

## ALSO PRESENT:

TOWN OF HEMPSTEAD

PAUL O'BRIEN, Counsel for IDA

TOWN OF FREEPORT

MAYOR ROBERT T. KENNEDY

HOWARD COLTON  
VILMA LANCASTER  
MARK DEVELLA  
CHIEF MICHAEL SMITH

JOHN GORDON, ESQ. - Forchelli Deegan Terrana

KIMBERLY LABRADOR

MICHAEL WHITE

GRANT NEWBURGER

(PLEDGE OF ALLEGIANCE IS RECITED)

MAYOR KENNEDY: Members of the IDA join me here. Ladies and Gentlemen, please be sure to distinguish your telephone, put them on silence, clear audio for future presentation.

I'd like to go around and introduce everyone so you're familiar with who's on the dais.

CHIEF SMITH: Good morning. Michael Smith, Chief of police.

MR. DAVELLA: Mark Davella, President of the Freeport member IDA.

MS. LANCASTER: Good morning. Vilma Lancaster, member of the IDA.

HEARING OFFICER LODATO: Good morning. Michael Lodato, Deputy Executive Director of the Industrial Development Agency.

MR. COLTON: Howard Colton Freeport.

MAYOR KENNEDY: Robert Kennedy,

Mayor of the Village of Freeport  
IDA.

Please proceed.

HEARING OFFICER LODATO: Good  
morning. My name is Mike Lodato.  
I'm the Deputy Executive Director of  
the Town of Hempstead IDA.

I'm observing it's 10:02 a.m.  
on February 16, 2022. We are here  
to have a Public Hearing of NBD  
Holding, L.L.C. who is looking for  
PILOT benefits and tax benefits and  
sales tax benefits from the Town of  
Hempstead IDA.

I will now submit the Notice of  
Public Hearing into the record.

Notice is hereby given that a  
public hearing pursuant to Title 1  
of Article 18-A of the New York  
State General Municipal Law (the  
"Hearing") will be held by the Town  
of Hempstead Industrial Development  
Agency on the 16th day of February,  
2022, at 10:00 a.m. local time, at

Freeport Village Hall, 46 N. Ocean Avenue, Village of Freeport, Town of Hempstead, New York, in connection with the following matters:

NBD Holding, L.L.C., a limited liability company organized and existing under the laws of the State of New York, on behalf of itself and/or the principals of NBD Holding, L.L.C. and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company") submitted its application for financial assistance (the "Application") to the Town of Hempstead Industrial Development Agency (the "Agency") to enter into a transaction in which the Agency will assist in the acquisition of an interest in an approximately 1.6 acre parcel of land located at 417, 435, 444, 447 & 477 Woodcleft Avenue, Village of Freeport, Town of Hempstead, Nassau County, New York

(the "Land"), the demolition of the existing structures and improvements on the Land, the construction of an approximately 89,836 square foot three-story building on the Land (the "Improvements"), and the acquisition of certain fixtures, equipment and personal property necessary for the completion thereof (the "Equipment"; and together with the Land and the Improvements, the "Facility"), which Facility is to be subleased by the Agency to the Company and used as a 100-room hotel facility and for related banquet and restaurant uses (the "Project"). The Facility would be initially owned, operated and/or managed by the Company.

The Agency contemplates that it would provide financial assistance to the Company in the form of exemptions from mortgage recording taxes in connection with the

financing or any subsequent  
refinancing of the Facility,  
exemptions from sales and use taxes  
and an abatement of real property  
taxes.

The Company has requested that the Agency provide financial assistance to the Company in the form of an abatement of real property taxes for a term of up to 20 years (the "PILOT BENEFIT"). The proposed PILOT Benefit deviates from the Agency's Uniform Tax Exemption Policy and Guidelines, as amended to date (the "Policy"), because the proposed PILOT Benefit would be for a term of up to 20 years instead of 10 years. Copies of the proposed PILOT payment schedule are available on the Agency's website at [www.tohida.org](http://www.tohida.org). The Agency is considering the proposed deviation from the Policy due to the current nature of the property and because

the Company would not undertake the Project and the Project would not be economically viable without a PILOT Benefit for a term of up to 20 years.

A representative of the Agency will, at the above-stated time and place, hear and accept oral comments from all person with view in favor of or opposed to either the Project or the financial assistance requested by the Company. Comments may also be submitted to the Agency in writing or electronically prior to or during the Hearing by e-mailing them to idamail@tohmail.org. Minutes of the Hearing will be transcribed and posted on the Agency's website.

Members of the public have the opportunity to review the application for financial assistance filed by the Company with the Agency and an analysis of the costs and

benefits of the proposed Facility,  
which can be found on the Agency's  
website at [www.tohida.org](http://www.tohida.org).

The Agency anticipates that the  
members of the Agency will consider  
a resolution to approve the Project  
and the financial assistance  
requested by the Company, including  
the proposed 20 year PILOT Benefit,  
at the Agency's Board Meeting (the  
"Board Meeting") to be held on  
February 24, 2022, at 9:00 a.m.  
local time, at 1 Washington Street  
Town Hall Pavilion, Hempstead, New  
York 11550.

If anyone would like to come up  
and speak, please sign in and state  
your name to the stenographer.  
Thank you.

MR. GORDON: John Gordon,  
Forchelli Deegan Terrana, LLP  
representing NBD Holding, the  
applicant.

I just want to say that this is



1 a great project for the Nautical  
2 Mile, for the Village of Freeport,  
3 for the Town of Hempstead. It's  
4 going to bring jobs, construction  
5 jobs, local labor into the building  
6 of the project, as well as the  
7 maintenance of the project.  
8

9 There's going to be a hotel  
10 there. There's going to be  
11 employees from the hotel. There's  
12 going to be a restaurant on site.  
13 It's going to be over a \$43 million  
14 budget of construction costs put in  
15 and it's going to be a tremendous  
16 project for everyone so I'd like to  
17 say that this should be approved.  
18 Thank you.

19 MAYOR KENNEDY: Thank you very  
20 much. Do we have any other comments  
21 from our residents or from the dais?  
22 Please come up and state your name.

23 MR. JONES: My name is David  
24 Jones. I'm a 35-year resident of  
25 the Village and my comment is -- the

1 first one is I want to give thanks  
2 to the IDA for continuing to bring  
3 things to the Village that help us,  
4 you know, stay here longer and have  
5 families here and just do the  
6 wonderful things that it takes to  
7 grow a village.  
8

9 And from my family and the  
10 people who go to the Nautical Mile,  
11 we are in approval of this, Mr.  
12 Mayor, and wanted to just give our  
13 thanks for the efforts that's all.

14 MAYOR KENNEDY: Thank you very  
15 much. Any comments on the Board?

16 MS. LANCASTER: We'd like to  
17 thank the IDA and the Mayor for  
18 allowing us to have this project.

19 As you know, that property has  
20 been sitting there with nothing on  
21 it and in doing this we'll be able  
22 to have more people come into our  
23 community, enjoy it and basically  
24 with the boats and going to the  
25 restaurants and things like that.

We're known as a fishing community  
so why not enjoy what we have.

MAYOR KENNEDY: Agree. Mr.  
Davello?

MR. DAVELLO: I just hope it  
turns out to be the trophy project  
that it's supposed to be. It's a  
destination location that is  
utilized by more than this community  
alone and the Mile is so that the  
tendency down there turn around to  
fill up to the daily walk-along  
outdoor shops that it should be  
along with commerce for the village.  
I think it's positive all the way  
around and I give my approval.

MAYOR KENNEDY: Thank you. I  
just want to make a few comments  
also.

I look forward to this  
development. I think it's great for  
jobs in the village, future jobs in  
the village and looks at the  
construction jobs also. This will

1 be a 43 million dollar development.  
2  
3 There will be many construction  
4 positions opened up. It's economic  
5 development for the Village of  
6 Freeport where we can stabilize our  
7 financial taxes in this village,  
8 bring in extra revenues and secure  
9 our property taxes at a good  
10 reasonable rate with our residents.

11 We look at an annual property  
12 tax revenue of the future, there's  
13 future jobs on the long-term here.  
14 We'll be bringing in, as Vilma has  
15 stated, it will be bringing in and  
16 expanding the boating community.

17 Freeport is known as the  
18 boating capital of the northeast.  
19 Let's continue. Let's bring in  
20 those boats, get that intercoastal  
21 traffic from down south to Main.  
22 Let them stop and stay in a nice  
23 place in the Village of Freeport.

24 I'm looking forward to this job  
25 and I think it will be a great

advantage to the Village of Freeport residence and commercial businesses.

Chief, any comments?

CHIEF SMITH: I'm in favor of this project also, Mayor. I'm with the department for 32 years. I've grown up on Long Island and I think this is going to be probably the biggest draw to Freeport since the start of the Recreation Center and this will be a focal point on the south shore of Long Island.

MAYOR KENNEDY: Thank you. I agree.

Howard Colton, Village attorney?

MR. COLTON: I'm a 50-year resident of the Village of Freeport. I'm very excited about this project. The Nautical Mile needs a destination point. This provides the destination point for the Mile. It's going to help businesses. This is a project that its time has come

and it's definitely needed. Great shot in the arm to the Nautical Mile and the Village of Freeport.

I thank the IDA for hearing this matter and I thank the developer for bringing it to the Village of Freeport and selecting the Village of Freeport.

HEARING OFFICER LODATO: The IDA would like to thank Mayor Kennedy for allowing us to use this Village Hall for this Hearing. This has been very much a joint venture between the IDA and the Village of Freeport. It's a phenomenal project. We look forward to moving along with this. Thank you.

MAYOR KENNEDY: Mike, do we need to close the meeting? Do we have any other comments? Any residents before we close?

HEARING OFFICER LODATO: Normally, we keep it open for 20 minutes and then close it out as

long as no one has any comments.

MR. DAVELLA: Is the developer going to have a formal groundbreaking ceremony by any chance?

MS. LABRADOR: Kimberly Labrador, NBD Holding owners rep.

Yes, we plan on having a formal groundbreaking ceremony as soon as we can get the ground. That looks to be about June 1st.

MAYOR KENNEDY: Thank you.

MR. WHITE: Good morning everyone. My name is Mike White. I'm the business rep for Local 45 which covers the Freeport area. I just had a couple of questions.

Have you guys reached out to the Nassau Suffolk Building Trades yet for the labor for this project?

MR. GORDON: No, not to my knowledge.

MR. WHITE: You have plans of reaching out for a labor agreement?

MR. GORDON: We have to discuss with OSHA.

MR. WHITE: Because I notice that you have a 70 percent proposed requirement of hiring within Freeport and now with the labor agreement we can have a lawful request for labor from 11520 which will suit all your needs. It would suit the Town if we can get new members brought in, not only just carpenters, which I represent, but all the building trades that represent Nassau and Suffolk together. I think that would be a great opportunity, especially because of the size and scope of this project, the environmental impact among state responsible contractors working right on that waterway. We don't damage our waterways here in Freeport and you have my support for sure so long as it's done responsibly with



preventing, not damage, but at least working standard.

And I also have minority contractors that live in the area that we can put to this project as well. I'm hoping that we can work together going forward.

MAYOR KENNEDY: I would be glad to mediate between yourself and the developer. If you need anything, feel free to call my office. We can have a meeting and work out details and further carry discussions.

MS. LANCASTER: Do you have a business card?

MR. WHITE: Absolutely.

MS. LANCASTER: Just a question. Your local, they have a lot of experience in -- because, you know, you're on the water. Bulkheads, all that, you have that type of experience?

MR. WHITE: Surprisingly, Scalamandre & Sons, our top

1 foundation and bulkhead contractors,  
2 is right around the block in  
3 Freeport. They would be perfect for  
4 that work. We do everything from  
5 the piles, bulkheads, all the way up  
6 through the curtains. We cover it  
7 all. And I have an extensive MWBE  
8 list of 51 contractors that will  
9 handle from the beginning all the  
10 way to the end. If you'd like, I  
11 can forward it to you guys if you  
12 have an e-mail.

13  
14 MS. LANCASTER: You can forward  
15 it.

16 MAYOR KENNEDY: I will get you  
17 a card.

18 MR. WHITE: Thank you very  
19 much.

20 MR. JONES: David Jones,  
21 Freeport resident. I just wanted to  
22 know one other question -- the  
23 neighbor across the street. Did it  
24 still include the gas filling  
25 station that's there?

MS. LABRADOR: With regard to the gas station, which is known as Richard's Gas Stop, that will be taken down. That's being demolished. That is out of service. That's part of the project. So the entire area will be level and the project will go from the very end of the canal where Richard's is up to our survey line which is a little bit south of the --

MAYOR KENNEDY: Please explain the details on the boating facility and walkable areas on the water.

MS. LABRADOR: So we will have approximately 22 boat slips that are accessible to the public to come in and dock, and we have to determine with the new management company how that will be handled, whether or not they'll have access to all the amenities, any type of fee, and then the public promenade will be open to all to walk down and view the water.

There will be a back way on the backside on the Woodcleft canal side. They will be able to walk down and view sunset, sunrise, any of those areas.

MAYOR KENNEDY: Beautiful. Looking forward to it.

When is your approximate completion date scheduled for the development and opening?

MS. LABRADOR: We're opening for soft opening by the end of 2024 with a full grand opening by end of winter beginning of Spring '25 based on when we can start building.

MAYOR KENNEDY: As you know, the Village of Freeport has its own Building Department inspectors, Planning Board, Zoning Board so we'll be glad to help accommodate the expeditious completion of this project. Whatever you need, feel free to come into the Mayor's office. We'll try to help.

MS. LABRADOR: We greatly appreciate all the cooperation from the Village to date. It's been extremely helpful.

MAYOR KENNEDY: How many employees are you expecting as full-term positions in the future after your opening?

MS. LABRADOR: At start, we're looking at 30 full-time and then it will all be based upon during high season we expect a significant more amount of part-time employees. It will all be based on how the project progresses, how the Mile progresses, how many people are coming, but to start we're starting at 30.

MAYOR KENNEDY: Your parking is ample parking. I understand you're raising the building so there is parking underneath, correct?

MS. LABRADOR: Yes, on the first level. Due to the flood zone, there cannot be any occupation on

the first level so that will all be parking and stackable car lifts like the ones you see in the City. There will be car lifts underneath plus the parking lot across the street.

And we have an arrangement for private off-site parking and then we also have the offer with the Village to create additional parking as needed.

MAYOR KENNEDY: Okay. Thank you.

HEARING OFFICER LODATO: Mr. Newburger, you want to sign in and say anything?

MR. NEWBURGER: Absolutely.

Grant Newburger. Building Construction Trades counsel of Nassau and Suffolk counties.

Like I just said, on behalf of the building trades, this is a big project. We'd like to be included. I'd like to make sure on the record that we are strongly advocating for

prevailing wage on this project and  
we'd very much like to see a project  
laborer come in as well. Thank you.

HEARING OFFICER LODATO: Thank  
you.

MAYOR KENNEDY: Thank you, sir.

If there is no other comments,  
Mike, please.

HEARING OFFICER LODATO: If  
there are no other comments and no  
one else would like to testify, the  
Town of Hempstead IDA would like to  
close this meeting at 10:21 a.m.  
sine die. Thank you everyone for  
coming.

MAYOR KENNEDY: Thank you,  
Ladies and Gentleman. Please get  
home safe.

(Time noted: 10:21 a.m.)

## CERTIFICATION

I, DOLLY FEVOLA, a Notary Public in  
and for the State of New York, do hereby certify:

THAT the witness whose testimony is herein  
before set forth, was duly sworn by me; and

THAT the within transcript is a true record  
of the testimony given by said witness.

I further certify that I am not related,  
either by blood or marriage, to any of the parties  
to this action; and

THAT I am in no way interested in  
the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto  
set my hand this 17th day of February, 2022.

A handwritten signature in cursive script, reading "Dolly Fevola", is written over a horizontal dashed line.

DOLLY FEVOLA



*PROJECT ABSTRACT*  
*TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY*

**Estella Housing, LLC**

**Project:** 2802 -21-16A

Application Date: 9/27/21      Contact: Ralph Fasano

Applicant Name and Address: Estella Housing, LLC  
c/o concern for Independent Living, INC  
312 Expressway Drive South  
Medford, New York 11763

Project Address:                      176 Main Street  
Hempstead, NY 11550

Project:

The applicant intends to develop a current commercial parking lot located at 176 Main Street within the Village of Hempstead. The proposed project is located within the Village's Downtown Overlay Zone and will create 96 rental units (42 Studios, 34 One Bedroom, 19 Two Bedroom and 1 Superintendent Unit). The total building will be approximately 125,911 square feet inclusive of 5,538 square feet of space for a community service facility. This will be housed on .6193 acres. The residential portion of the project will be 100% affordable, with all units having income restrictions of 60% of the Area Median Income, one unit will be a non-income bearing unit reserved for a site employee.

Project Costs:

Land and/or building acquisition	\$4,800,000
Building Renovation	\$31,321,974
Site Work	\$2,300,000
Machinery and Equipment	\$245,000
Legal Fees	\$275,000
Architectural/Engineering Fees	\$1,772,500
Financial Charges	\$2,005,539
Other (Professional fees, appraisal, survey, title and recording, market study etc. )	\$7,738,662
Total	\$50,458,675

Employment:

	Full	Part
Present	0	0
1 <sup>st</sup> Year	7	0
2 <sup>nd</sup> Year	7	0

LMA : 7

Creation: of 7 FTE by year one

Salary Average: \$70,000

Hourly Wage Earners Range: \$103,000 – \$118,000

Hourly Wage Average: \$110,500

Temporary Construction Jobs: 100

Benefits Sought: 30 Year PILOT

Benefit Analysis:

The Estella project is using tax exempt financing through NY State Housing Finance Agency so that is why they do not need the mortgage or sales tax exemption through the IDA.

Sales Tax Exemption Renovation, Furnishing and Fixture:

\$0 x 8.625% = \$ 0

Mortgage \$0

Current Tax Information:

Section: 34      Block: 522      Lots: 5 & 327

Parcels: 2

SD- Hempstead - 1

Total Taxes: Currently Tax Exempt

(If it were not exempt as per National Development Council Report: \$37,642.00)

Full Assessed Value: \$629,600

Total Assessment: \$6,296

Estimated Taxes Once Built as per SVS Report: \$347,130

Applicant Counsel: Dan Deegan/Jessica Leis

Transaction Counsel: Paul O'Brien

**Estella Housing, LLC**  
DRAFT PILOT

176 Main Street  
Hempstead, NY 11550  
Section: 34      Block: 522      Lots: 5 & 327  
Parcels: 2

SD- Hempstead - 1

If it were not tax exempt as per NDC Report: \$37,642.00

Estimated Taxes Once Built as per SVS Report: \$347,130

- Based upon Shelter Rent Formula used for Affordable/Workforce Housing Developments
- 10% of (Rental Income less Utility Costs)

Year	Total
1	\$37,642.00
2	\$37,642.00
3	\$37,642.00
4	\$95,683.00
5	\$97,597.00
6	\$99,549.00
7	\$101,540.00
8	\$103,570.00
9	\$105,642.00
10	\$107,755.00
11	\$109,910.00
12	\$112,108.00
13	\$114,350.00
14	\$116,637.00
15	\$118,970.00
16	\$121,349.00
17	\$123,776.00
18	\$126,252.00
19	\$128,777.00
20	\$131,352.00
21	\$133,979.00
22	\$136,659.00
23	\$139,392.00
24	\$142,180.00
25	\$145,024.00
26	\$147,924.00
27	\$150,882.00
28	\$153,900.00
29	\$156,978.00
30	\$160,118.00

12/7/21 – DRAFT

This Pilot has NOT been approved by the Hempstead IDA Board

PREPARED FOR:

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

# Economic and Fiscal Impact

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ESTELLA HOUSING, LLC

Town of Hempstead  
Industrial Development Agency

JANUARY 7, 2022

PREPARED BY:



PO Box 3547  
Saratoga Springs, NY 12866  
518.899.2608  
[www.camoinassociates.com](http://www.camoinassociates.com)

CAMOIN ASSOCIATES

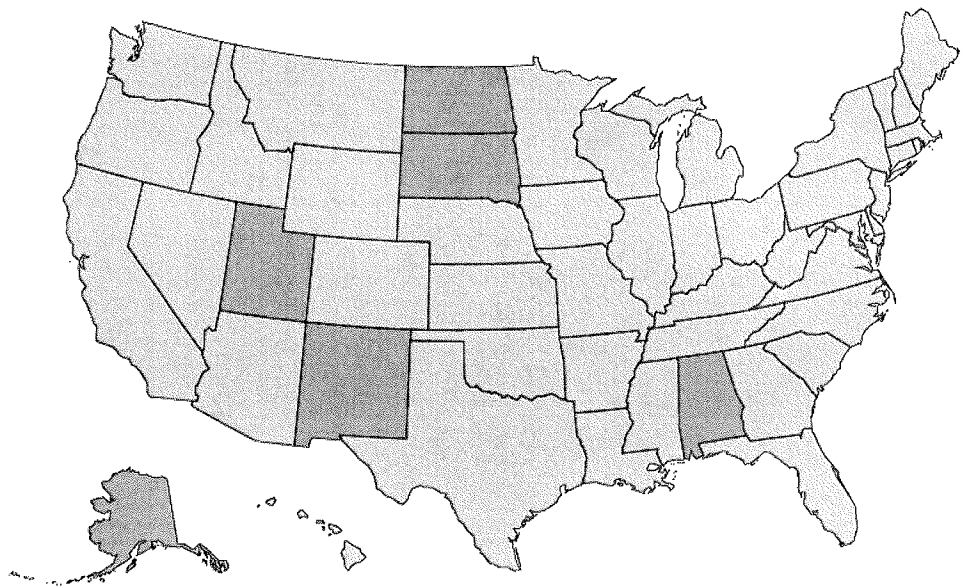
# ABOUT CAMOIN ASSOCIATES

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](http://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

Rachel Selsky  
*Vice President*

Jessica Tagliaferro  
*Senior Analyst*



CAMOIN ASSOCIATES

# 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 Estella Housing, LLC. The proposed project involves construction of a residential apartment building with a total of 96 units (95 rental units plus one super's unit) as well as 5,504 square feet of commercial space at 176 Main 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:**  
Estella Housing, LLC Application  
for Assistance and the Town of  
Hempstead Industrial  
Development Agency

**Geography:**  
Town of Hempstead

**Study Period:**  
2022

**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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Attachment B: Calculating Net New Households .....	18
Attachment C: Study Areas .....	19

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# EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the "Agency") received an application for financial assistance from Estella Housing, LLC (the "Applicant") for the construction of a residential rental building with a total of 96 units (95 rental units plus one super's unit) as well as 5,504 square feet of commercial space (the "Project") at 176 Main Street, Hempstead, New York 11550 (the "Site"). The development will consist entirely of affordable housing units for tenants earning up to 60% of AMI. The Applicant is seeking a 30-year PILOT agreement 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 98% of the units (or 94 units) would be considered as providing "net new" households to the town and village as they allow households to exist in the jurisdictions 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	27
Direct Jobs	19
Total Earnings	\$ 1,440,936
Direct Earnings	\$ 905,556
Annual Sales Tax Revenue to County	\$ 33,334
Annual Sales Tax Revenue to Town	\$ 2,941
Average Annual PILOT Payment	\$ 116,493
Average Annual PILOT Payment to Town	\$ 2,245
Average Annual PILOT Benefit	\$ 116,493
Average Annual PILOT Benefit to Town	\$ 2,245
<b>Average Annual Net Benefit to Town</b>	<b>\$ 5,187</b>

Table 2

## Summary of Benefits to Village

Total Jobs	13
Direct Jobs	12
Total Earnings	\$ 680,146
Direct Earnings	\$ 584,001
Average Annual PILOT Payment	\$ 116,493
Average Annual PILOT Payment to Village	\$ 60,082
Average Annual PILOT Benefit	\$ 116,493
Average Annual PILOT Benefit to Village	\$ 60,082
<b>Average Annual Net Benefit to Village</b>	<b>\$ 60,082</b>

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- ◆ The Project would support 27 net new jobs in the town, with over \$1.4 million in associated earnings. For the Village of Hempstead, 13 jobs and \$680,000 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 with the Agency, where the applicant would pay an average of \$116,493 each year, of which \$2,245 will be allocated to the Town and \$60,082 will be allocated to the Village. The property is currently tax exempt, therefore these figures represent the average annual benefit of the PILOT.
- ◆ The annual net benefit to the Town is estimated to be \$5,187. In this case, this is the sum of the average annual PILOT benefit to the Town and new annual sales tax revenue to the Town. The annual net benefit to the Village is estimated to be \$60,082.

# 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 \$43.4 million<sup>1</sup>, of which 70%<sup>2</sup> would be sourced from within the town. This means that there will be nearly \$30.4 million in net new spending in the town associated with the construction phase of the Project.

Table 3

### Construction Phase Spending - Town

Total Construction Cost	\$ 43,378,136
Percent Sourced from Town	70%
<b>Net New Constuction Spending</b>	<b>\$ 30,364,695</b>

Source: Applicant, Camoin Associates

Based on nearly \$30.4 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be over \$39.0 million in total one-time construction related spending supporting 171 jobs and an associated nearly \$15.8 million in earnings over the construction period throughout the town. Table 4 outlines the economic impacts of construction.

Table 4

### Town Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	127 \$	12,726,439 \$	30,364,695
Indirect	21 \$	1,470,964 \$	4,692,095
Induced	23 \$	1,569,915 \$	3,981,645
<b>Total</b>	<b>171 \$</b>	<b>15,767,318 \$</b>	<b>39,038,435</b>

Source: Emsi, Camoin Associates

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

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

## CAMOIN ASSOCIATES

Of the total construction cost, 30%<sup>3</sup> is assumed to be sourced from within the village. This means that there will be over \$13.0 million in net new spending in the village associated with the construction phase of the Project.

Table 5

**Construction Phase Spending - Village**

Total Construction Cost	\$ 43,378,136
Percent Sourced from Village	30%
<b>Net New Construction Spending</b>	<b>\$ 13,013,441</b>

**Source:** Applicant, Camoin Associates

Based on over \$13.0 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be over \$13.5 million in total one-time construction related spending supporting 53 jobs and an associated over \$5.6 million in earnings over the construction period throughout the village. Table 6 outlines the economic impacts of construction.

Table 6

**Village Economic Impact - Construction Phase**

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	50 \$	5,454,188 \$	13,013,441
Indirect	2 \$	107,052 \$	367,453
Induced	1 \$	56,827 \$	159,311
<b>Total</b>	<b>53 \$</b>	<b>5,618,067 \$</b>	<b>13,540,205</b>

**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 96 units (95 rental units and one super's unit), all targeted to households earning up to 60% of AMI. Camoin Associates conducted a rental demand analysis for the Project site and found that 98% of the units, or 94 units, are net new to the town and village (Table 7). This is based on a review of the data and an understanding of the proposed Project as detailed above.

Table 7

**Net New Households**

	<b>Total Households</b>	<b>Percent Net New</b>	<b>Net New Households</b>
Affordable	96	98%	94
<b>Total</b>	<b>96</b>	<b>98%</b>	<b>94</b>

**Source:** Esri, Camoin Associates

<sup>3</sup> 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 94 net new affordable units will be available to households earning up to 60% of AMI.<sup>4</sup> Therefore, we will consider spending for tenants to be in the \$50,000 to \$69,999 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 \$27,200.

It is assumed that 60%<sup>5</sup> 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 village<sup>6</sup>. 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 8

**Tenant Spending Basket****Affordable Units for Tenants Earning at or below 60% AMI (\$50,000 to \$69,999 Annual Household Income)**

Category	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New Town Spending (94 net new units)	Amount Spent in Village (25%)	Total Net New Village Spending (94 net new units)
Food	\$ 6,026	\$ 3,616	\$ 339,866	\$ 1,507	\$ 141,611
Household furnishings and equipment	\$ 1,793	\$ 1,076	\$ 101,125	\$ 448	\$ 42,136
Apparel and services	\$ 1,208	\$ 725	\$ 68,131	\$ 302	\$ 28,388
Transportation	\$ 9,225	\$ 5,535	\$ 520,290	\$ 2,306	\$ 216,788
Health care	\$ 4,958	\$ 2,975	\$ 279,631	\$ 1,240	\$ 116,513
Entertainment	\$ 2,004	\$ 1,202	\$ 113,026	\$ 501	\$ 47,094
Personal care products and services	\$ 539	\$ 323	\$ 30,400	\$ 135	\$ 12,667
Education	\$ 688	\$ 413	\$ 38,803	\$ 172	\$ 16,168
Miscellaneous	\$ 759	\$ 455	\$ 42,808	\$ 190	\$ 17,837
<b>Total Tenant Spending</b>	<b>\$ 27,200</b>	<b>\$ 16,320</b>	<b>\$ 1,534,080</b>	<b>\$ 6,800</b>	<b>\$ 639,200</b>

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 over \$1.5 million per year of which over \$639,000 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 \$1.5 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.<sup>7</sup> Table 9 outlines the findings of this analysis.

<sup>4</sup> According to the Applicant.

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

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

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

## CAMOIN ASSOCIATES

Table 9

**Town Economic Impact - Household Spending**

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	12 \$	551,960 \$	1,534,080
Indirect	2 \$	145,480 \$	385,134
Induced	2 \$	134,881 \$	340,192
<b>Total</b>	<b>16 \$</b>	<b>832,322 \$</b>	<b>2,259,406</b>

Source: Emsi, Camoin Associates

The following table outlines the impact of the Project on the Village of Hempstead.<sup>8</sup>

Table 10

**Village Economic Impact - Household Spending**

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	5 \$	232,742 \$	639,200
Indirect	0 \$	13,389 \$	36,492
Induced	0 \$	15,649 \$	50,094
<b>Total</b>	<b>5 \$</b>	<b>261,781 \$</b>	<b>725,786</b>

Source: Emsi, Camoin Associates

**IMPACTS OF ON-SITE EMPLOYMENT**

According to the Applicant, seven (7) jobs will be on-site following Project completion. Since 98% of the housing units are considered net new to the town, 98% of the jobs, or seven job (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 11).

Table 11

**Town Economic Impact - On-Site Operations**

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	7 \$	353,596 \$	1,189,270
Indirect	3 \$	179,851 \$	487,535
Induced	1 \$	75,167 \$	190,187
<b>Total</b>	<b>11 \$</b>	<b>608,614 \$</b>	<b>1,866,992</b>

Source: Emsi, Camoin Associates

The following table shows the impact on the village from the seven on-site jobs.

Table 12

**Village Economic Impact - On-Site Operations**

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	7 \$	351,259 \$	1,181,409
Indirect	1 \$	54,836 \$	141,956
Induced	0 \$	12,270 \$	38,497
<b>Total</b>	<b>8 \$</b>	<b>418,365 \$</b>	<b>1,361,862</b>

Source: Emsi, Camoin Associates

<sup>8</sup> The zip code 11550 was used.

## CAMOIN ASSOCIATES

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 13.

Table 13

#### Town Total Annual Economic Impact

	Jobs	Earnings	Sales
Direct	19 \$	905,556 \$	2,723,350
Indirect	5 \$	325,331 \$	872,669
Induced	3 \$	210,048 \$	530,379
<b>Total</b>	<b>27 \$</b>	<b>1,440,936 \$</b>	<b>4,126,398</b>

Source: Emsi, Camoin Associates

Table 14 shows the complete annual economic impact of the Project on the Village of Hempstead.

Table 14

#### Village Total Annual Economic Impact

	Jobs	Earnings	Sales
Direct	12 \$	584,001 \$	1,820,609
Indirect	1 \$	68,225 \$	178,448
Induced	0 \$	27,920 \$	88,591
<b>Total</b>	<b>13 \$</b>	<b>680,146 \$</b>	<b>2,087,648</b>

Source: Emsi, Camoin Associates

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

CAMOIN ASSOCIATES

# 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)

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 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.<sup>9</sup>

Table 15

### Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction				Village
	PILOT Payments		Town	County	School District		
1	\$ 37,642	\$	726	\$ 2,039	\$ 15,463	\$	19,414
2	\$ 37,642	\$	726	\$ 2,039	\$ 15,463	\$	19,414
3	\$ 37,642	\$	726	\$ 2,039	\$ 15,463	\$	19,414
4	\$ 95,683	\$	1,844	\$ 5,183	\$ 39,307	\$	49,349
5	\$ 97,597	\$	1,881	\$ 5,286	\$ 40,093	\$	50,337
6	\$ 99,549	\$	1,919	\$ 5,392	\$ 40,895	\$	51,343
7	\$ 101,540	\$	1,957	\$ 5,500	\$ 41,713	\$	52,370
8	\$ 103,570	\$	1,996	\$ 5,610	\$ 42,547	\$	53,417
9	\$ 105,642	\$	2,036	\$ 5,722	\$ 43,398	\$	54,486
10	\$ 107,755	\$	2,077	\$ 5,837	\$ 44,266	\$	55,576
11	\$ 109,910	\$	2,118	\$ 5,953	\$ 45,151	\$	56,687
12	\$ 112,108	\$	2,161	\$ 6,072	\$ 46,054	\$	57,821
13	\$ 114,350	\$	2,204	\$ 6,194	\$ 46,975	\$	58,977
14	\$ 116,637	\$	2,248	\$ 6,318	\$ 47,915	\$	60,157
15	\$ 118,970	\$	2,293	\$ 6,444	\$ 48,873	\$	61,360
16	\$ 121,349	\$	2,339	\$ 6,573	\$ 49,850	\$	62,587
17	\$ 123,776	\$	2,386	\$ 6,704	\$ 50,847	\$	63,839
18	\$ 126,252	\$	2,433	\$ 6,838	\$ 51,865	\$	65,116
19	\$ 128,777	\$	2,482	\$ 6,975	\$ 52,902	\$	66,418
20	\$ 131,352	\$	2,532	\$ 7,115	\$ 53,960	\$	67,746
21	\$ 133,979	\$	2,582	\$ 7,257	\$ 55,039	\$	69,101
22	\$ 136,659	\$	2,634	\$ 7,402	\$ 56,140	\$	70,483
23	\$ 139,392	\$	2,687	\$ 7,550	\$ 57,263	\$	71,893
24	\$ 142,180	\$	2,740	\$ 7,701	\$ 58,408	\$	73,331
25	\$ 145,024	\$	2,795	\$ 7,855	\$ 59,576	\$	74,797
26	\$ 147,924	\$	2,851	\$ 8,012	\$ 60,767	\$	76,293
27	\$ 150,882	\$	2,908	\$ 8,173	\$ 61,983	\$	77,819
28	\$ 153,900	\$	2,966	\$ 8,336	\$ 63,222	\$	79,375
29	\$ 156,978	\$	3,026	\$ 8,503	\$ 64,487	\$	80,963
30	\$ 160,118	\$	3,086	\$ 8,673	\$ 65,777	\$	82,582
<b>Total</b>	<b>\$ 3,494,779</b>	<b>\$</b>	<b>67,359</b>	<b>\$ 189,294</b>	<b>\$ 1,435,662</b>	<b>\$</b>	<b>1,802,463</b>
<b>Average</b>	<b>\$ 116,493</b>	<b>\$</b>	<b>2,245</b>	<b>\$ 6,310</b>	<b>\$ 47,855</b>	<b>\$</b>	<b>60,082</b>

Source: Town of Hempstead IDA, Camoin Associates

<sup>9</sup> It is typically assumed that each jurisdiction will continue to receive the same portion of the PILOT that they currently receive from the full tax bill. Since the property is currently tax exempt, Camoin Associates applied the distribution of taxes by jurisdiction for neighboring property 163-169 Main Street to the Project.



## CAMOIN ASSOCIATES

## TAX POLICY COMPARISON

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. Table 16 displays the property tax payment associated with the residential portion of the Project. It is assumed that the property will continue to be tax exempt.

Table 16

## Tax Payments without Project

Year	Total Property Tax Payment		Portion of Payment by Jurisdiction				
	Without Project*		Town	County	School District	Village	
1	\$	-	\$	-	\$	-	\$
2	\$	-	\$	-	\$	-	\$
3	\$	-	\$	-	\$	-	\$
4	\$	-	\$	-	\$	-	\$
5	\$	-	\$	-	\$	-	\$
6	\$	-	\$	-	\$	-	\$
7	\$	-	\$	-	\$	-	\$
8	\$	-	\$	-	\$	-	\$
9	\$	-	\$	-	\$	-	\$
10	\$	-	\$	-	\$	-	\$
11	\$	-	\$	-	\$	-	\$
12	\$	-	\$	-	\$	-	\$
13	\$	-	\$	-	\$	-	\$
14	\$	-	\$	-	\$	-	\$
15	\$	-	\$	-	\$	-	\$
16	\$	-	\$	-	\$	-	\$
17	\$	-	\$	-	\$	-	\$
18	\$	-	\$	-	\$	-	\$
19	\$	-	\$	-	\$	-	\$
20	\$	-	\$	-	\$	-	\$
21	\$	-	\$	-	\$	-	\$
22	\$	-	\$	-	\$	-	\$
23	\$	-	\$	-	\$	-	\$
24	\$	-	\$	-	\$	-	\$
25	\$	-	\$	-	\$	-	\$
26	\$	-	\$	-	\$	-	\$
27	\$	-	\$	-	\$	-	\$
28	\$	-	\$	-	\$	-	\$
29	\$	-	\$	-	\$	-	\$
30	\$	-	\$	-	\$	-	\$
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>
<b>Average</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>

Source: Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

Table 17 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 \$116,000 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$3.5 million over the 30-year period.

Table 17

**Tax Policy Comparison (All Jurisdictions)**

<b>Year</b>	<b>Property Tax Payment Without Project</b>	<b>PILOT Payment</b>	<b>Benefit (Cost) of Project</b>
1	\$ -	\$ 37,642	\$ 37,642
2	\$ -	\$ 37,642	\$ 37,642
3	\$ -	\$ 37,642	\$ 37,642
4	\$ -	\$ 95,683	\$ 95,683
5	\$ -	\$ 97,597	\$ 97,597
6	\$ -	\$ 99,549	\$ 99,549
7	\$ -	\$ 101,540	\$ 101,540
8	\$ -	\$ 103,570	\$ 103,570
9	\$ -	\$ 105,642	\$ 105,642
10	\$ -	\$ 107,755	\$ 107,755
11	\$ -	\$ 109,910	\$ 109,910
12	\$ -	\$ 112,108	\$ 112,108
13	\$ -	\$ 114,350	\$ 114,350
14	\$ -	\$ 116,637	\$ 116,637
15	\$ -	\$ 118,970	\$ 118,970
16	\$ -	\$ 121,349	\$ 121,349
17	\$ -	\$ 123,776	\$ 123,776
18	\$ -	\$ 126,252	\$ 126,252
19	\$ -	\$ 128,777	\$ 128,777
20	\$ -	\$ 131,352	\$ 131,352
21	\$ -	\$ 133,979	\$ 133,979
22	\$ -	\$ 136,659	\$ 136,659
23	\$ -	\$ 139,392	\$ 139,392
24	\$ -	\$ 142,180	\$ 142,180
25	\$ -	\$ 145,024	\$ 145,024
26	\$ -	\$ 147,924	\$ 147,924
27	\$ -	\$ 150,882	\$ 150,882
28	\$ -	\$ 153,900	\$ 153,900
29	\$ -	\$ 156,978	\$ 156,978
30	\$ -	\$ 160,118	\$ 160,118
<b>Total</b>	<b>\$ -</b>	<b>\$ 3,494,779</b>	<b>\$ 3,494,779</b>
<b>Average</b>	<b>\$ -</b>	<b>\$ 116,493</b>	<b>\$ 116,493</b>

**Source:** Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

**TOWN**

Table 18 calculates the benefit (or cost) to the Town. The Town would receive approximately \$2,245 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Town would be over \$67,000 over the 30-year period.

Table 18

**Tax Policy Comparison for Town**

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ -	\$ 726	\$ 726
2	\$ -	\$ 726	\$ 726
3	\$ -	\$ 726	\$ 726
4	\$ -	\$ 1,844	\$ 1,844
5	\$ -	\$ 1,881	\$ 1,881
6	\$ -	\$ 1,919	\$ 1,919
7	\$ -	\$ 1,957	\$ 1,957
8	\$ -	\$ 1,996	\$ 1,996
9	\$ -	\$ 2,036	\$ 2,036
10	\$ -	\$ 2,077	\$ 2,077
11	\$ -	\$ 2,118	\$ 2,118
12	\$ -	\$ 2,161	\$ 2,161
13	\$ -	\$ 2,204	\$ 2,204
14	\$ -	\$ 2,248	\$ 2,248
15	\$ -	\$ 2,293	\$ 2,293
16	\$ -	\$ 2,339	\$ 2,339
17	\$ -	\$ 2,386	\$ 2,386
18	\$ -	\$ 2,433	\$ 2,433
19	\$ -	\$ 2,482	\$ 2,482
20	\$ -	\$ 2,532	\$ 2,532
21	\$ -	\$ 2,582	\$ 2,582
22	\$ -	\$ 2,634	\$ 2,634
23	\$ -	\$ 2,687	\$ 2,687
24	\$ -	\$ 2,740	\$ 2,740
25	\$ -	\$ 2,795	\$ 2,795
26	\$ -	\$ 2,851	\$ 2,851
27	\$ -	\$ 2,908	\$ 2,908
28	\$ -	\$ 2,966	\$ 2,966
29	\$ -	\$ 3,026	\$ 3,026
30	\$ -	\$ 3,086	\$ 3,086
<b>Total</b>	<b>\$ -</b>	<b>\$ 67,359</b>	<b>\$ 67,359</b>
<b>Average</b>	<b>\$ -</b>	<b>\$ 2,245</b>	<b>\$ 2,245</b>

Source: Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

**COUNTY**

Table 19 calculates the benefit (or cost) to the County. The County would receive approximately \$6,310 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the County would be over \$189,000 over the 30-year period.

Table 19

**Tax Policy Comparison for County**

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ -	\$ 2,039	\$ 2,039
2	\$ -	\$ 2,039	\$ 2,039
3	\$ -	\$ 2,039	\$ 2,039
4	\$ -	\$ 5,183	\$ 5,183
5	\$ -	\$ 5,286	\$ 5,286
6	\$ -	\$ 5,392	\$ 5,392
7	\$ -	\$ 5,500	\$ 5,500
8	\$ -	\$ 5,610	\$ 5,610
9	\$ -	\$ 5,722	\$ 5,722
10	\$ -	\$ 5,837	\$ 5,837
11	\$ -	\$ 5,953	\$ 5,953
12	\$ -	\$ 6,072	\$ 6,072
13	\$ -	\$ 6,194	\$ 6,194
14	\$ -	\$ 6,318	\$ 6,318
15	\$ -	\$ 6,444	\$ 6,444
16	\$ -	\$ 6,573	\$ 6,573
17	\$ -	\$ 6,704	\$ 6,704
18	\$ -	\$ 6,838	\$ 6,838
19	\$ -	\$ 6,975	\$ 6,975
20	\$ -	\$ 7,115	\$ 7,115
21	\$ -	\$ 7,257	\$ 7,257
22	\$ -	\$ 7,402	\$ 7,402
23	\$ -	\$ 7,550	\$ 7,550
24	\$ -	\$ 7,701	\$ 7,701
25	\$ -	\$ 7,855	\$ 7,855
26	\$ -	\$ 8,012	\$ 8,012
27	\$ -	\$ 8,173	\$ 8,173
28	\$ -	\$ 8,336	\$ 8,336
29	\$ -	\$ 8,503	\$ 8,503
30	\$ -	\$ 8,673	\$ 8,673
<b>Total</b>	<b>\$ -</b>	<b>\$ 189,294</b>	<b>\$ 189,294</b>
<b>Average</b>	<b>\$ -</b>	<b>\$ 6,310</b>	<b>\$ 6,310</b>

**Source:** Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

**SCHOOL DISTRICT**

Table 20 calculates the benefit (or cost) to the school district. The school district would receive approximately \$47,855 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the school district would be over \$1.4 million over the 30-year period.

Table 20

**Tax Policy Comparison for School District**

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ -	\$ 15,463	\$ 15,463
2	\$ -	\$ 15,463	\$ 15,463
3	\$ -	\$ 15,463	\$ 15,463
4	\$ -	\$ 39,307	\$ 39,307
5	\$ -	\$ 40,093	\$ 40,093
6	\$ -	\$ 40,895	\$ 40,895
7	\$ -	\$ 41,713	\$ 41,713
8	\$ -	\$ 42,547	\$ 42,547
9	\$ -	\$ 43,398	\$ 43,398
10	\$ -	\$ 44,266	\$ 44,266
11	\$ -	\$ 45,151	\$ 45,151
12	\$ -	\$ 46,054	\$ 46,054
13	\$ -	\$ 46,975	\$ 46,975
14	\$ -	\$ 47,915	\$ 47,915
15	\$ -	\$ 48,873	\$ 48,873
16	\$ -	\$ 49,850	\$ 49,850
17	\$ -	\$ 50,847	\$ 50,847
18	\$ -	\$ 51,865	\$ 51,865
19	\$ -	\$ 52,902	\$ 52,902
20	\$ -	\$ 53,960	\$ 53,960
21	\$ -	\$ 55,039	\$ 55,039
22	\$ -	\$ 56,140	\$ 56,140
23	\$ -	\$ 57,263	\$ 57,263
24	\$ -	\$ 58,408	\$ 58,408
25	\$ -	\$ 59,576	\$ 59,576
26	\$ -	\$ 60,767	\$ 60,767
27	\$ -	\$ 61,983	\$ 61,983
28	\$ -	\$ 63,222	\$ 63,222
29	\$ -	\$ 64,487	\$ 64,487
30	\$ -	\$ 65,777	\$ 65,777
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,435,662</b>	<b>\$ 1,435,662</b>
<b>Average</b>	<b>\$ -</b>	<b>\$ 47,855</b>	<b>\$ 47,855</b>

**Source:** Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

**VILLAGE**

Table 21 calculates the benefit (or cost) to the Village. The Village would receive approximately \$60,082 more in PILOT revenue annually than it would receive in property taxes without the Project. The total benefit to the Village would be over \$1.8 million over the 30-year period.

Table 21

**Tax Policy Comparison for Village**

<b>Year</b>	<b>Property Tax Payment Without Project</b>	<b>PILOT Payment</b>	<b>Benefit (Cost) of Project</b>
1	\$ -	\$ 19,414	\$ 19,414
2	\$ -	\$ 19,414	\$ 19,414
3	\$ -	\$ 19,414	\$ 19,414
4	\$ -	\$ 49,349	\$ 49,349
5	\$ -	\$ 50,337	\$ 50,337
6	\$ -	\$ 51,343	\$ 51,343
7	\$ -	\$ 52,370	\$ 52,370
8	\$ -	\$ 53,417	\$ 53,417
9	\$ -	\$ 54,486	\$ 54,486
10	\$ -	\$ 55,576	\$ 55,576
11	\$ -	\$ 56,687	\$ 56,687
12	\$ -	\$ 57,821	\$ 57,821
13	\$ -	\$ 58,977	\$ 58,977
14	\$ -	\$ 60,157	\$ 60,157
15	\$ -	\$ 61,360	\$ 61,360
16	\$ -	\$ 62,587	\$ 62,587
17	\$ -	\$ 63,839	\$ 63,839
18	\$ -	\$ 65,116	\$ 65,116
19	\$ -	\$ 66,418	\$ 66,418
20	\$ -	\$ 67,746	\$ 67,746
21	\$ -	\$ 69,101	\$ 69,101
22	\$ -	\$ 70,483	\$ 70,483
23	\$ -	\$ 71,893	\$ 71,893
24	\$ -	\$ 73,331	\$ 73,331
25	\$ -	\$ 74,797	\$ 74,797
26	\$ -	\$ 76,293	\$ 76,293
27	\$ -	\$ 77,819	\$ 77,819
28	\$ -	\$ 79,375	\$ 79,375
29	\$ -	\$ 80,963	\$ 80,963
30	\$ -	\$ 82,582	\$ 82,582
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,802,463</b>	<b>\$ 1,802,463</b>
<b>Average</b>	<b>\$ -</b>	<b>\$ 60,082</b>	<b>\$ 60,082</b>

**Source:** Town of Hempstead IDA, Camoin Associates

## CAMOIN ASSOCIATES

## 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%<sup>10</sup> of the construction phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 22

**One-Time Sales Tax Revenue, Construction Phase**

Total New Earnings	\$	15,767,318
Amount Spent in County (70%)	\$	11,037,123
Amount Taxable (25%)	\$	2,759,281
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>117,269</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Sales Tax Revenue</b>	<b>\$</b>	<b>10,347</b>

**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.

## 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 23 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new households.

Table 23

**Annual Sales Tax Revenue, Household Spending**

Total New Spending	\$	2,259,406
Amount Taxable (30%)	\$	677,822
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>28,807</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Tax Revenue</b>	<b>\$</b>	<b>2,542</b>

**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.

<sup>10</sup> According to Emsi, 70% demand for industries in a typical household spending basket is met within Nassau County.

## CAMOIN ASSOCIATES

**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 24 displays the annual tax revenue that the Town will receive.

Table 24

<b>Annual Sales Tax Revenue, On-Site Operations</b>		
Total New Earnings	\$	608,614
Amount Spent in County (70%)	\$	426,030
Amount Taxable (25%)	\$	106,507
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>4,527</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Tax Revenue</b>	<b>\$</b>	<b>399</b>

**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 SALES TAX REVENUE**

The total annual sales tax revenue that the Town will receive is summarized in Table 25.

Table 25

<b>Total Annual Sales Tax Revenue</b>		
Household Spending	\$	2,542
On-Site Operations	\$	399
<b>New Town Tax Revenue</b>	<b>\$</b>	<b>2,941</b>

**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.

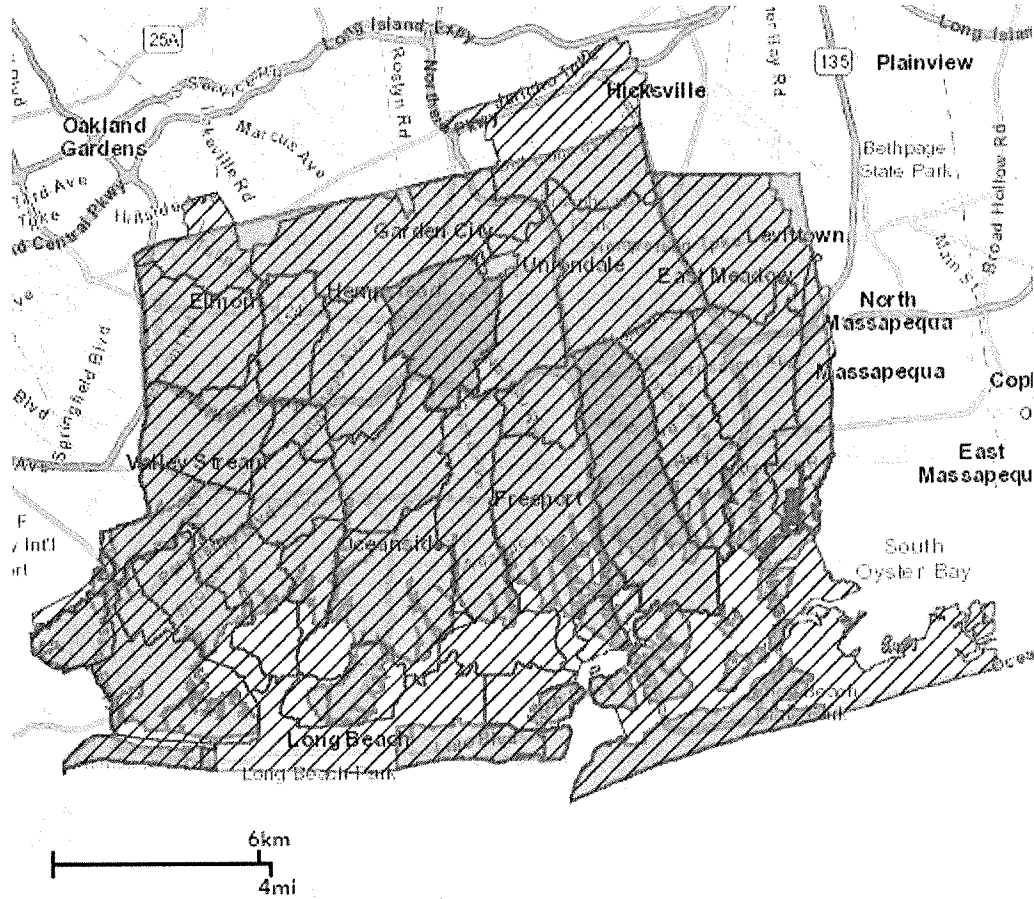
The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

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.

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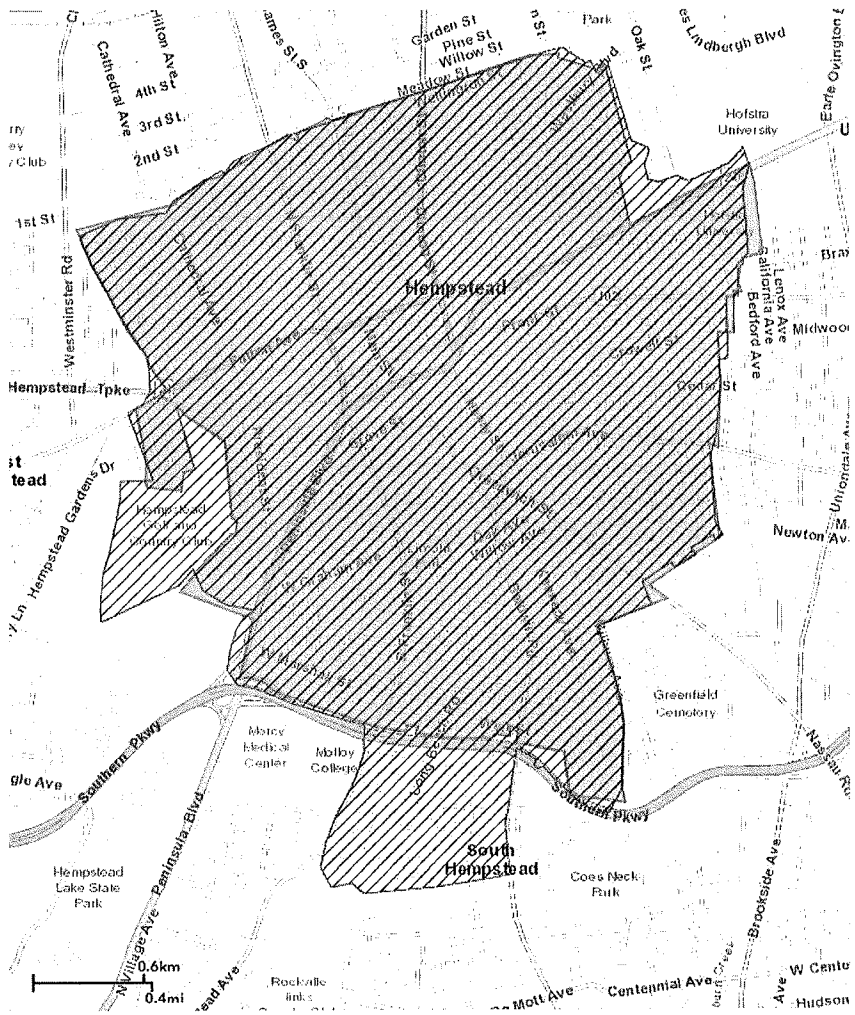
## ATTACHMENT C: STUDY AREAS

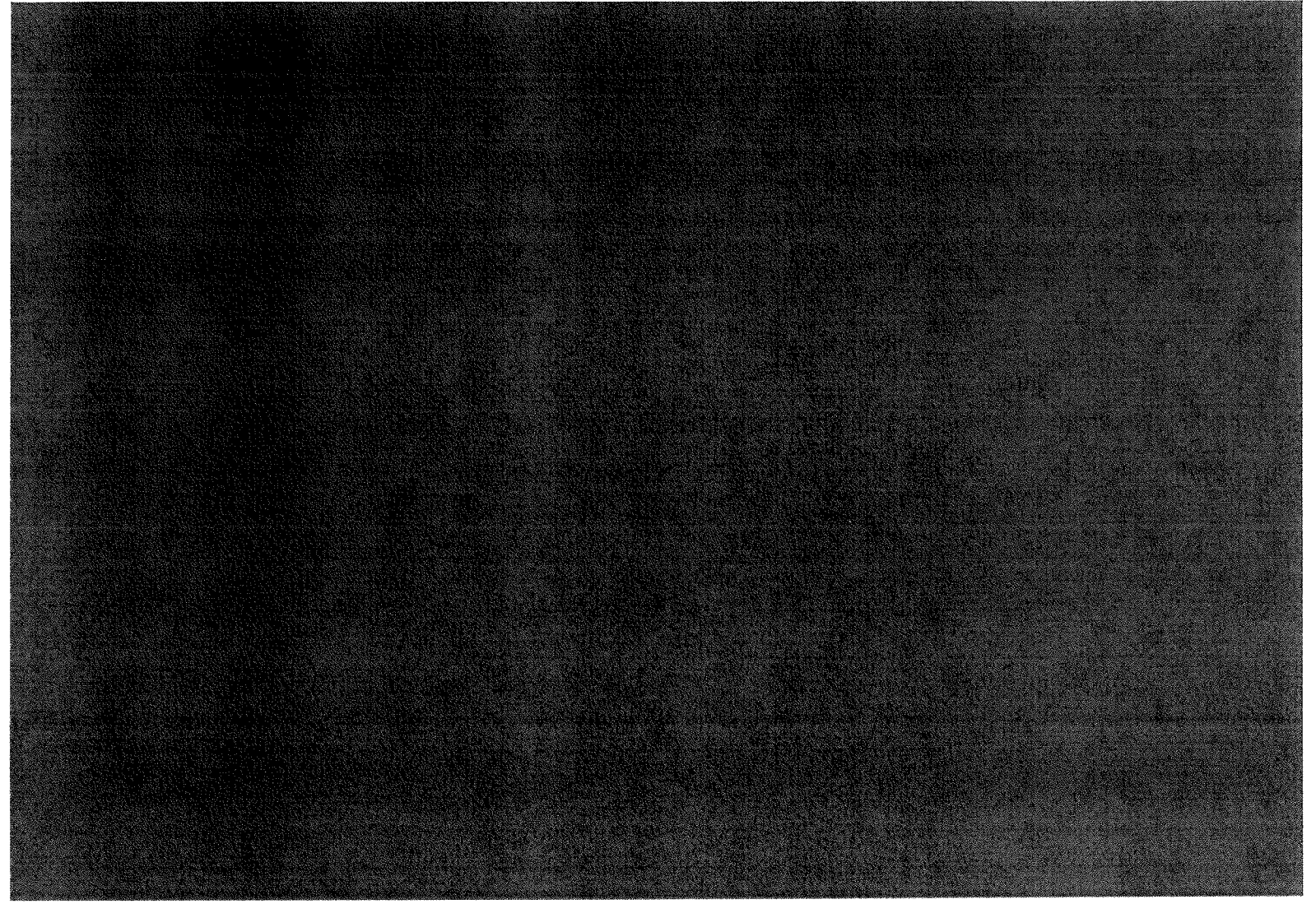
Town of Hempstead (Green) and Zip Code Region (Red outline with dashes)



CAMOIN ASSOCIATES

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





# Leading action to grow your economy

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