

Economic and Fiscal Impact

CARMAN PLACE APARTMENTS, LLC
COMMERCIAL PORTION

Town of Hempstead
Industrial Development Agency

FEBRUARY 14, 2022

PREPARED BY:



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Carman Place Apartments, LLC (commercial)

The Project

Construction of 22,600 SF of commercial space on Main Street, Bedell Street, and Columbia Street, Hempstead, NY 11550, targeted to retail tenants.

Requested Financial Assistance

- ◆ **PILOT:** 20-year
- ◆ **Sales Tax Exemption:** \$140,000
- ◆ **Mortgage Tax Abatement:** \$22,522.12

Total Annual Economic Impact

Camoin Associates 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 commercial component 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.

Fiscal Benefit or Cost to Town

- ◆ **Average Annual PILOT Payment:** \$1,501
- ◆ **Average Annual Net Benefit:** \$1,094

Summary of Benefits to Town

Average Annual PILOT Payment	\$	72,785
Average Annual PILOT Payment to Town	\$	1,501
Average Annual PILOT Benefit	\$	53,068
Average Annual PILOT Benefit to Town	\$	1,094

Summary of Benefits to Village

Average Annual PILOT Payment (Residential)	\$	72,785
Average Annual PILOT Payment to Village	\$	29,165
Average Annual PILOT Benefit (Residential)	\$	53,068
Average Annual PILOT Benefit to Village	\$	21,264

Economic and Fiscal Impacts of Construction Phase

Construction Phase Spending

Total Construction Cost	\$	4,437,196
Percent Sourced from Town		70%
Net New Constuction Spending	\$	3,106,037

Source: Applicant, Camoin Associates

Construction Phase Spending

Total Construction Cost	\$	4,437,196
Percent Sourced from Village		30%
Net New Constuction Spending	\$	1,331,159

Source: Applicant, Camoin Associates

Town Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	11 \$	1,300,245 \$	3,106,037
Indirect	2 \$	149,530 \$	477,724
Induced	2 \$	161,314 \$	409,111
Total	15 \$	1,611,089 \$	3,992,872

Source: Emsi, Camoin Associates

Village Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	4 \$	557,248 \$	1,331,159
Indirect	0 \$	10,781 \$	37,291
Induced	0 \$	5,863 \$	16,443
Total	4 \$	573,892 \$	1,384,893

Source: Emsi, Camoin Associates

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	1,611,089
Amount Spent in County (70%)	\$	1,127,762
Amount Taxable (25%)	\$	281,941
Nassau County Sales Tax Revenue (4.25%)	\$	11,982
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	1,057

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.

PILOT Payments

Tax Payments with PILOT

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

Source: Town of Hempstead IDA, Camoin Associates

Tax Payments Without Project

Tax Payments without Project

Year	Total		Portion of Payment by Jurisdiction			
	Property Tax Payment	Without Project*	Town	County	School District	Village
1	\$	16,230	\$ 335	\$ 1,026	\$ 8,366	\$ 6,503
2	\$	16,555	\$ 341	\$ 1,046	\$ 8,534	\$ 6,633
3	\$	16,886	\$ 348	\$ 1,067	\$ 8,704	\$ 6,766
4	\$	17,223	\$ 355	\$ 1,088	\$ 8,878	\$ 6,901
5	\$	17,568	\$ 362	\$ 1,110	\$ 9,056	\$ 7,039
6	\$	17,919	\$ 370	\$ 1,132	\$ 9,237	\$ 7,180
7	\$	18,278	\$ 377	\$ 1,155	\$ 9,422	\$ 7,324
8	\$	18,643	\$ 384	\$ 1,178	\$ 9,610	\$ 7,470
9	\$	19,016	\$ 392	\$ 1,202	\$ 9,803	\$ 7,620
10	\$	19,396	\$ 400	\$ 1,226	\$ 9,999	\$ 7,772
11	\$	19,784	\$ 408	\$ 1,250	\$ 10,199	\$ 7,928
12	\$	20,180	\$ 416	\$ 1,275	\$ 10,403	\$ 8,086
13	\$	20,584	\$ 425	\$ 1,301	\$ 10,611	\$ 8,248
14	\$	20,995	\$ 433	\$ 1,327	\$ 10,823	\$ 8,413
15	\$	21,415	\$ 442	\$ 1,353	\$ 11,039	\$ 8,581
16	\$	21,843	\$ 450	\$ 1,380	\$ 11,260	\$ 8,753
17	\$	22,280	\$ 460	\$ 1,408	\$ 11,485	\$ 8,928
18	\$	22,726	\$ 469	\$ 1,436	\$ 11,715	\$ 9,106
19	\$	23,180	\$ 478	\$ 1,465	\$ 11,949	\$ 9,288
20	\$	23,644	\$ 488	\$ 1,494	\$ 12,188	\$ 9,474
Total	\$	394,346	\$ 8,133	\$ 24,918	\$ 203,281	\$ 158,014
Average	\$	19,717	\$ 407	\$ 1,246	\$ 10,164	\$ 7,901

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes an average annual increase of 2.00%

Tax Policy Comparison

Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 16,230	\$ 16,230	\$ -
2	\$ 16,555	\$ 16,230	\$ (325)
3	\$ 16,886	\$ 16,230	\$ (656)
4	\$ 17,223	\$ 23,623	\$ 6,399
5	\$ 17,568	\$ 31,016	\$ 13,448
6	\$ 17,919	\$ 38,408	\$ 20,489
7	\$ 18,278	\$ 45,801	\$ 27,524
8	\$ 18,643	\$ 53,194	\$ 34,551
9	\$ 19,016	\$ 60,587	\$ 41,571
10	\$ 19,396	\$ 67,980	\$ 48,583
11	\$ 19,784	\$ 75,373	\$ 55,588
12	\$ 20,180	\$ 82,765	\$ 62,585
13	\$ 20,584	\$ 90,158	\$ 69,575
14	\$ 20,995	\$ 97,551	\$ 76,556
15	\$ 21,415	\$ 104,944	\$ 83,529
16	\$ 21,843	\$ 112,337	\$ 90,493
17	\$ 22,280	\$ 119,730	\$ 97,449
18	\$ 22,726	\$ 127,122	\$ 104,396
19	\$ 23,180	\$ 134,515	\$ 111,335
20	\$ 23,644	\$ 141,908	\$ 118,264
Total	\$ 394,346	\$ 1,455,702	\$ 1,061,356
Average	\$ 19,717	\$ 72,785	\$ 53,068

Source: Town of Hempstead IDA, Camoin Associates

Tax Policy Comparison

Tax Policy Comparison for Town

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 335	\$ 335	\$ -
2	\$ 341	\$ 335	\$ (7)
3	\$ 348	\$ 335	\$ (14)
4	\$ 355	\$ 487	\$ 132
5	\$ 362	\$ 640	\$ 277
6	\$ 370	\$ 792	\$ 423
7	\$ 377	\$ 945	\$ 568
8	\$ 384	\$ 1,097	\$ 713
9	\$ 392	\$ 1,250	\$ 857
10	\$ 400	\$ 1,402	\$ 1,002
11	\$ 408	\$ 1,554	\$ 1,146
12	\$ 416	\$ 1,707	\$ 1,291
13	\$ 425	\$ 1,859	\$ 1,435
14	\$ 433	\$ 2,012	\$ 1,579
15	\$ 442	\$ 2,164	\$ 1,723
16	\$ 450	\$ 2,317	\$ 1,866
17	\$ 460	\$ 2,469	\$ 2,010
18	\$ 469	\$ 2,622	\$ 2,153
19	\$ 478	\$ 2,774	\$ 2,296
20	\$ 488	\$ 2,927	\$ 2,439
Total	\$ 8,133	\$ 30,022	\$ 21,889
Average	\$ 407	\$ 1,501	\$ 1,094

Source: Town of Hempstead IDA, Camoin Associates

Tax Policy Comparison for Village

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 6,503	\$ 6,503	\$ -
2	\$ 6,633	\$ 6,503	\$ (130)
3	\$ 6,766	\$ 6,503	\$ (263)
4	\$ 6,901	\$ 9,466	\$ 2,564
5	\$ 7,039	\$ 12,428	\$ 5,389
6	\$ 7,180	\$ 15,390	\$ 8,210
7	\$ 7,324	\$ 18,353	\$ 11,029
8	\$ 7,470	\$ 21,315	\$ 13,845
9	\$ 7,620	\$ 24,277	\$ 16,657
10	\$ 7,772	\$ 27,239	\$ 19,467
11	\$ 7,928	\$ 30,202	\$ 22,274
12	\$ 8,086	\$ 33,164	\$ 25,078
13	\$ 8,248	\$ 36,126	\$ 27,878
14	\$ 8,413	\$ 39,089	\$ 30,676
15	\$ 8,581	\$ 42,051	\$ 33,470
16	\$ 8,753	\$ 45,013	\$ 36,261
17	\$ 8,928	\$ 47,975	\$ 39,048
18	\$ 9,106	\$ 50,938	\$ 41,831
19	\$ 9,288	\$ 53,900	\$ 44,612
20	\$ 9,474	\$ 56,862	\$ 47,388
Total	\$ 158,014	\$ 583,298	\$ 425,284
Average	\$ 7,901	\$ 29,165	\$ 21,264

Source: Town of Hempstead IDA, Camoin Associates

Additional Fiscal Impacts

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	140,000
Mortgage Tax Exemption	\$	22,522

Source: Applicant, Camoin Associates

THE PROJECT TEAM

Rachel Selsky
Vice President, Project Principal

Jessica Tagliafierro
Senior Analyst

Leading action to
grow your economy

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

