

# Economic and Fiscal Impact

110 GRAHAM REALTY, LLC

Town of Hempstead  
Industrial Development Agency

DECEMBER 12, 2022

PREPARED BY:



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# 110 Graham Realty, LLC

## The Project

Renovation of an existing 103,000 SF automotive repair/service center at 110 W. Graham Avenue, Hempstead, NY 11550 to accommodate additional parking and compliance upgrades from Mercedes-Benz USA Evolution.

## Requested Financial Assistance

- ◆ **PILOT:** 2-year extension to an existing PILOT, which is expiring on 12/31/22.
- ◆ **Sales Tax Exemption:** \$107,812.50

## Total Annual Economic Impact

- ◆ **Jobs:** 12
- ◆ **Earnings:** \$747,552
- ◆ **Sales:** \$1,729,256

## Fiscal Benefit or Cost to Town

- ◆ **Annual Sales Tax Revenue:** \$491
- ◆ **Average Annual PILOT Payment:** \$11,922
- ◆ **Average Annual Net Benefit:** \$1,486

## Summary of Benefits to Town

Total Jobs	12
Direct Jobs	10
Total Earnings	\$ 747,552
Direct Earnings	\$ 576,109
Annual Sales Tax Revenue to County	\$ 5,560
Annual Sales Tax Revenue to Town	\$ 491
Average Annual PILOT Payment	\$ 405,000
Average Annual PILOT Payment to Town	\$ 11,922
Average Annual PILOT Benefit	\$ 33,815
Average Annual PILOT Benefit to Town	\$ 995
<b>Average Annual Net Benefit to Town</b>	<b>\$ 1,486</b>

# Economic and Fiscal Impacts of Renovation Phase

## Renovation Phase Spending - Town

Total Renovation Cost	\$	1,475,000
Percent Sourced from Town		70%
<b>Net New Renovation Spending</b>	<b>\$</b>	<b>1,032,500</b>

Source: Applicant, Camoin Associates

## Town Economic Impact - Renovation Phase

	Jobs	Earnings	Sales
Direct	4 \$	389,970 \$	1,032,500
Indirect	1 \$	49,114 \$	152,287
Induced	1 \$	55,122 \$	142,468
<b>Total</b>	<b>6 \$</b>	<b>494,206 \$</b>	<b>1,327,255</b>

Source: Lightcast, Camoin Associates

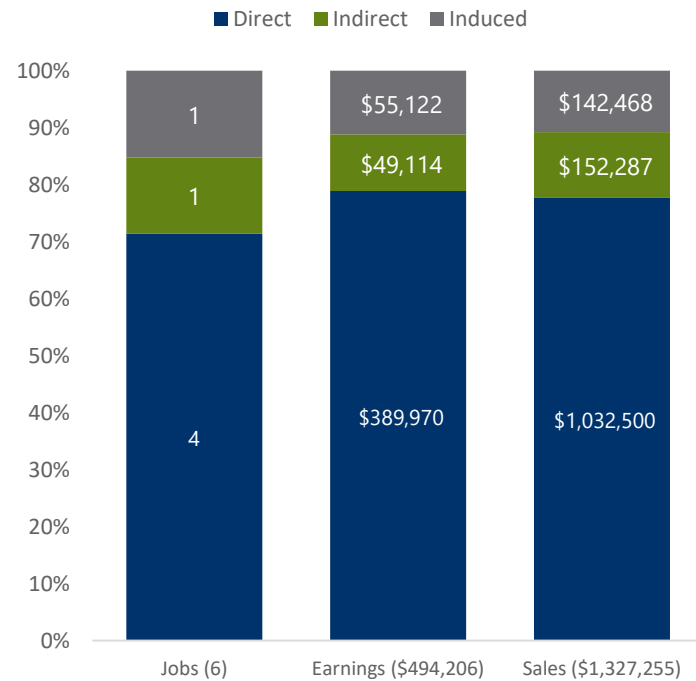
## One-Time Sales Tax Revenue, Renovation Phase

Total New Earnings	\$	494,206
Amount Spent in County (70%)	\$	345,945
Amount Taxable (25%)	\$	86,486
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>3,676</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Sales Tax Revenue</b>	<b>\$</b>	<b>324</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 Economic Impact - Renovation Phase



# Economic and Fiscal Impacts of Annual Operations

## Town Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	10 \$	576,109 \$	1,274,329
Indirect	1 \$	68,385 \$	192,159
Induced	1 \$	103,059 \$	262,767
<b>Total</b>	<b>12 \$</b>	<b>747,552 \$</b>	<b>1,729,256</b>

Source: Lightcast, Camoin Associates

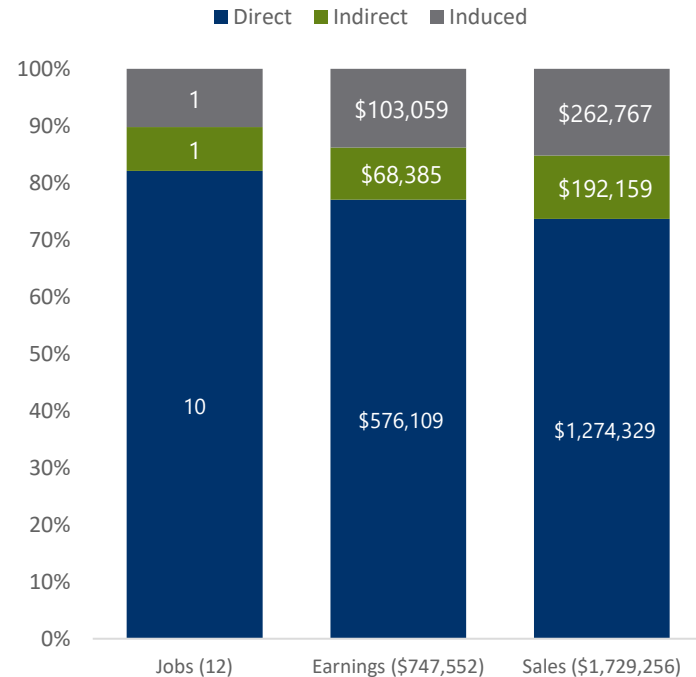
## Annual Sales Tax Revenue, On-Site Operations

Total New Earnings	\$ 747,552
Amount Spent in County (70%)	\$ 523,287
Amount Taxable (25%)	\$ 130,822
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$ 5,560</b>
New Town Sales Tax Revenue Portion*	0.375%
<b>New Town Tax Revenue</b>	<b>\$ 491</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 Economic Impact



# PILOT Payments

## Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments		Town	County	School District	Village
1	\$ 400,000	\$	11,775	\$ 33,514	\$ 253,337	\$ 101,374
2	\$ 410,000	\$	12,070	\$ 34,352	\$ 259,670	\$ 103,908
<b>Total</b>	<b>\$ 810,000</b>	<b>\$</b>	<b>23,845</b>	<b>\$ 67,866</b>	<b>\$ 513,007</b>	<b>\$ 205,283</b>
<b>Average</b>	<b>\$ 405,000</b>	<b>\$</b>	<b>11,922</b>	<b>\$ 33,933</b>	<b>\$ 256,504</b>	<b>\$ 102,641</b>

Source: Town of Hempstead IDA, Camoin Associates

## Tax Payments without Project

Year	Total		Portion of Payment by Jurisdiction			
	Property Tax Payment Without Project*		Town	County	School District	Village
1	\$ 367,510	\$	10,819	\$ 30,792	\$ 232,759	\$ 93,140
2	\$ 374,860	\$	11,035	\$ 31,408	\$ 237,415	\$ 95,003
<b>Total</b>	<b>\$ 742,370</b>	<b>\$</b>	<b>21,854</b>	<b>\$ 62,199</b>	<b>\$ 470,174</b>	<b>\$ 188,143</b>
<b>Average</b>	<b>\$ 371,185</b>	<b>\$</b>	<b>10,927</b>	<b>\$ 31,100</b>	<b>\$ 235,087</b>	<b>\$ 94,071</b>

Source: Town of Hempstead IDA, Camoin Associates

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

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

# Tax Policy Comparison

## Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 367,510	\$ 400,000	\$ 32,490
2	\$ 374,860	\$ 410,000	\$ 35,140
<b>Total</b>	<b>\$ 742,370</b>	<b>\$ 810,000</b>	<b>\$ 67,630</b>
<b>Average</b>	<b>\$ 371,185</b>	<b>\$ 405,000</b>	<b>\$ 33,815</b>

Source: Town of Hempstead IDA, Camoin Associates

## Tax Policy Comparison for Town

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 10,819	\$ 11,775	\$ 956
2	\$ 11,035	\$ 12,070	\$ 1,034
<b>Total</b>	<b>\$ 21,854</b>	<b>\$ 23,845</b>	<b>\$ 1,991</b>
<b>Average</b>	<b>\$ 10,927</b>	<b>\$ 11,922</b>	<b>\$ 995</b>

Source: Town of Hempstead IDA, Camoin Associates

## Tax Policy Comparison for County

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 30,792	\$ 33,514	\$ 2,722
2	\$ 31,408	\$ 34,352	\$ 2,944
<b>Total</b>	<b>\$ 62,199</b>	<b>\$ 67,866</b>	<b>\$ 5,666</b>
<b>Average</b>	<b>\$ 31,100</b>	<b>\$ 33,933</b>	<b>\$ 2,833</b>

Source: Town of Hempstead IDA, Camoin Associates

# Tax Policy Comparison

## Tax Policy Comparison for School District

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 232,759	\$ 253,337	\$ 20,577
2	\$ 237,415	\$ 259,670	\$ 22,256
<b>Total</b>	<b>\$ 470,174</b>	<b>\$ 513,007</b>	<b>\$ 42,833</b>
<b>Average</b>	<b>\$ 235,087</b>	<b>\$ 256,504</b>	<b>\$ 21,417</b>

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	\$ 93,140	\$ 101,374	\$ 8,234
2	\$ 95,003	\$ 103,908	\$ 8,906
<b>Total</b>	<b>\$ 188,143</b>	<b>\$ 205,283</b>	<b>\$ 17,140</b>
<b>Average</b>	<b>\$ 94,071</b>	<b>\$ 102,641</b>	<b>\$ 8,570</b>

Source: Town of Hempstead IDA, Camoin Associates

## Summary of Costs to Affected Jurisdictions

	State and County
Sales Tax Exemption	\$ 107,813

Source: Applicant, Camoin Associates

## THE PROJECT TEAM

Jessica Tagliaferro  
*Senior Analyst*

Leading action to  
grow your economy

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

