

Economic and Fiscal Impact

110 GRAHAM REALTY, LLC

Town of Hempstead
Industrial Development Agency

FEBRUARY 6, 2023

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:** \$11,236
- ◆ **Average Annual Net Benefit:** \$217

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	\$ 11,236
Average Annual PILOT Cost	\$ (9,854)
Average Annual PILOT Cost to Town	\$ (273)
Average Annual Net Benefit to Town	\$ 217

Economic and Fiscal Impacts of Renovation Phase

Renovation Phase Spending - Town

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

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
Total	6 \$	494,206 \$	1,327,255

Source: Lightcast, Camoin Associates

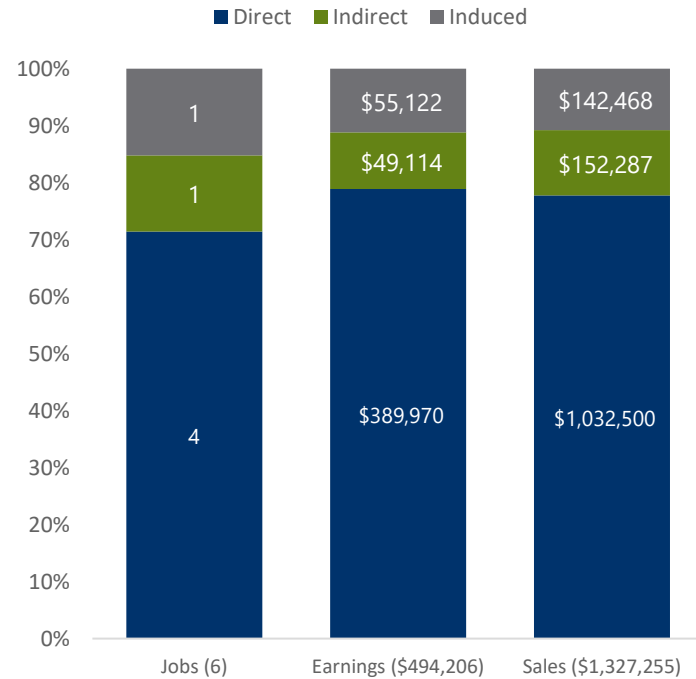
One-Time Sales Tax Revenue, Renovation Phase

Total New Earnings	\$	494,206
Amount Spent in County (70%)	\$	345,945
Amount Taxable (25%)	\$	86,486
Nassau County Sales Tax Revenue (4.25%)	\$	3,676
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	324

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
Total	12 \$	747,552 \$	1,729,256

Source: Lightcast, Camoin Associates

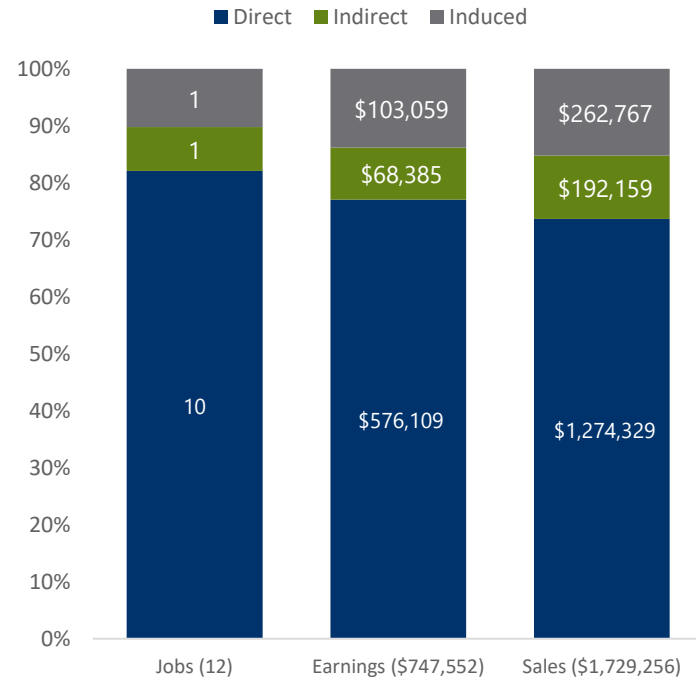
Annual Sales Tax Revenue, On-Site Operations

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

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
Total	\$ 810,000	\$	23,845	\$ 67,866	\$ 513,007	\$ 205,283
Average	\$ 405,000	\$	11,922	\$ 33,933	\$ 256,504	\$ 102,641

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	\$ 410,746	\$	11,395	\$ 32,433	\$ 253,764	\$ 113,155
2	\$ 418,961	\$	11,623	\$ 33,081	\$ 258,839	\$ 115,418
Total	\$ 829,707	\$	23,018	\$ 65,514	\$ 512,602	\$ 228,573
Average	\$ 414,854	\$	11,509	\$ 32,757	\$ 256,301	\$ 114,286

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	\$ 410,746	\$ 400,000	\$ (10,746)
2	\$ 418,961	\$ 410,000	\$ (8,961)
Total	\$ 829,707	\$ 810,000	\$ (19,707)
Average	\$ 414,854	\$ 405,000	\$ (9,854)

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	\$ 11,395	\$ 11,097	\$ (298)
2	\$ 11,623	\$ 11,375	\$ (249)
Total	\$ 23,018	\$ 22,472	\$ (547)
Average	\$ 11,509	\$ 11,236	\$ (273)

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	\$ 32,433	\$ 31,584	\$ (849)
2	\$ 33,081	\$ 32,374	\$ (708)
Total	\$ 65,514	\$ 63,958	\$ (1,556)
Average	\$ 32,757	\$ 31,979	\$ (778)

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	\$ 253,764	\$ 247,124	\$ (6,639)
2	\$ 258,839	\$ 253,302	\$ (5,536)
Total	\$ 512,602	\$ 500,427	\$ (12,175)
Average	\$ 256,301	\$ 250,213	\$ (6,088)

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	\$ 113,155	\$ 110,194	\$ (2,960)
2	\$ 115,418	\$ 112,949	\$ (2,469)
Total	\$ 228,573	\$ 223,144	\$ (5,429)
Average	\$ 114,286	\$ 111,572	\$ (2,715)

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

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Leading action to
grow your economy

Saratoga Springs, NY
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