

Date: January 21, 2025

At a meeting of the Town of Hempstead Industrial Development Agency (the “Agency”), held at Town Hall Old Courtroom, 350 Front Street, Hempstead, New York 11550, on the 21st day of January, 2025, at 9:00 a.m., the following members of the Agency were present:

Present: Thomas J. Grech, Vice Chairman
Rev. Dr. Eric C. Mallette, Treasurer
Jack Majkut, Secretary
Jerry Kornbluth, Member
Jill Ann Mollitor, Member
Guy Savia, Member

Excused: Robert Bedford, Member

Also Present: Frederick E. Parola, Chief Executive Officer
Michael Lodato, Deputy Executive Director
Lorraine Rhoads, Agency Administrator
Laura Tomeo, Deputy Agency Administrator
Arlyn Eames, Deputy Financial Officer
John Ryan, Esq., Agency Counsel
Paul V. O’Brien, Esq., Transaction Counsel

After the meeting had been duly called to order, the Vice announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the acquisition of a leasehold interest in or title to a certain industrial development facility more particularly described herein (JAEP Properties LLC 2025 Facility), and the leasing of the Facility to JAEP Properties LLC.

The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

<u>Voting Aye</u>	<u>Voting Nay</u>	<u>Abstaining</u>
T. Grech		
E. Mallette		
J. Majkut		
J. Kornbluth		
J. Mollitor		
G. Savia		

RESOLUTION OF THE TOWN OF HEMPSTEAD
INDUSTRIAL DEVELOPMENT AGENCY TAKING
OFFICIAL ACTION TOWARD APPOINTING JAEP
PROPERTIES LLC, A NEW YORK LIMITED LIABILITY
COMPANY, ON BEHALF OF ITSELF AND/OR THE
PRINCIPALS OF JAEP PROPERTIES LLC AND/OR AN
ENTITY FORMED OR TO BE FORMED ON BEHALF OF
ANY OF THE FOREGOING AS AGENT OF THE AGENCY
FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING,
INSTALLING AND EQUIPPING AN INDUSTRIAL
DEVELOPMENT FACILITY AND ISSUING A FINDINGS
STATEMENT AND DETERMINATION OF SIGNIFICANCE
PURSUANT TO SEQRA WITH RESPECT TO THE
FACILITY

WHEREAS, JAEP LLC, 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 JAEP Properties LLC 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 1.246 acre parcel of land located at 2283 Grand Avenue, Baldwin, Town of Hempstead, Nassau County, New York (the “**Land**”), the demolition of the existing approximately 11,000 square foot building on the Land, the construction of a four-story approximately 70,863 square foot mixed-use facility consisting of approximately 54 market-rate residential rental units (consisting of approximately 12 one-bedroom apartments and 42 two-bedroom apartments, with five (5) units being subject to a preference for persons with disabilities), approximately 2,344 rentable square feet of ground floor commercial office space, parking for 78 vehicles on the Land and associated site improvements (collectively, the “**Improvements**”), and the acquisition of certain furniture, fixtures, equipment and personal property necessary for the completion thereof (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility would be subleased by the Agency to the Company and further sub-subleased by the Company to future tenants for use as a mixed-use multifamily housing and commercial office facility (the “**Project**”); and

WHEREAS, the Agency will acquire a leasehold interest in the Land and the Improvements and title to the Equipment and will sublease the Land and the Improvements and lease the Equipment to the Company all pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 529 of the Laws of 1971 of the State of New York, as the same may be amended from time to time (collectively, the “**Act**”); and

WHEREAS, the Agency contemplates that it will provide financial assistance to the Company in connection with the Facility, in the form of exemptions from mortgage recording taxes, exemptions from sales and use taxes and abatement of real property taxes, all to be more particularly described in a Final Authorizing Resolution to be adopted by the Agency prior to any closing of the transaction described herein; and

WHEREAS, as of the date of this resolution, no determination for financial assistance has been made; and

WHEREAS, the Act authorizes and empowers the Agency to promote, develop, encourage and assist projects such as the Facility and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, prior to any closing of the transaction described herein, a public hearing (the “**Hearing**”) will be held so that all persons with views in favor of or opposed to either the financial assistance contemplated by the Agency or the location or nature of the Facility can be heard; and

WHEREAS, notice of the Hearing will be given prior to any closing of the transaction described herein, and such notice (together with proof of publication) will be substantially in the form annexed hereto as Exhibit A; and

WHEREAS, the minutes of the Hearing will be annexed hereto as Exhibit B; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the proposed financial assistance is either an inducement to the Company to construct, install and equip the Facility in the Town of Hempstead or is necessary to maintain the competitive position of the Company in its industry; and

WHEREAS, the Agency has required the Company to provide to the Agency a feasibility report (the “**Feasibility Study**” and, together with the other below listed items, collectively, the “**Requisite Materials**”), to enable the Agency to make findings and determinations that the Facility qualifies as a “project” under the Act and that the Facility satisfies all other requirements of the Act, and such Requisite Materials are listed below and attached as Exhibit C hereof:

1. Feasibility Study dated December 4, 2024 prepared by MRB Group;
2. Economic and Fiscal Impact Report dated January 8, 2025 prepared by Camoin Associates;
3. New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq.; and
4. Ryan et al. v. Town of Hempstead Industrial Development Agency et al.; and

WHEREAS, the Agency’s Uniform Tax Exemption Policy and Guidelines, as amended to date (the “**UTEP**”), which UTEP is annexed hereto as Exhibit D, provides for the granting of financial assistance by the Agency for certain projects pursuant to Section I.A.(III) (vacant facilities) and which are in overlay zones, and the Agency contemplates that the proposed financial assistance with respect the granting of an abatement of real property taxes, if approved, would constitute a deviation from the UTEP; and

WHEREAS, the Agency contemplates that, if it approves the Project pursuant to a Final Authorizing Resolution, it would provide financial assistance to the Company in the form of (i) exemptions from sales and use taxes in an amount not to exceed \$914,681.25, in connection with the purchase or lease of equipment, building materials, services or other personal property with respect to the Facility, (ii) exemptions from mortgage recording tax (excluding the portion of the mortgage recording tax allocated to transportation districts referred to in Section 253(2)(a) of the Tax Law of the State of New York), for one or more mortgages securing the principal amount not to exceed \$24,321,757.50 in connection with the financing of the acquisition, construction, installation and equipping of the Facility and any future financing, refinancing or permanent financing of the costs of acquiring, constructing, installing and equipping the Facility, and (iii) abatement of real property taxes (as set forth in the Proposed PILOT Schedule annexed as Exhibit E hereto); provided, however, that all such financial assistance remains subject to further adjustment until the adoption of a Final Authorizing Resolution; and

WHEREAS, pursuant to Article 8 of the New York Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “**SEQR Act**”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (“**NYSDEC**”), being 6 N.Y.C.R.R. Part 617, et. seq., as amended (the “**Regulations**”) and collectively with the SEQR Act, “**SEQRA**”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to undertake the Project; and

WHEREAS, the Town of Hempstead Town Board (the “**Town Board**”) proposed to amend the Town Board Zone Ordinance (the “**BZO**”) in 2019 to create a new overlay district, the Baldwin Mixed Use Overlay District (the “**B-MX Overlay District**”) and accompanying Baldwin Mixed Use Overlay District Guidelines (the “**B-MX Design Guidelines**”), to encourage investment and redevelopment in an approximately 87-acre area in Baldwin that encompasses the Land, and in compliance with SEQRA, the Town Board declared its intent to act as “lead agency,” issued a positive declaration on April 16, 2019 and prepared a Draft Generic Environmental Impact Statement (the “**DGEIS**”) to analyze the potential impacts of the proposed B-MX Overlay District, in which the Town Board undertook a coordinated review, naming the Agency as an Involved Agency; and

WHEREAS, following a public hearing and a public comment period, the Town Board filed a Final Generic Environmental Impact Statement (the “**FGEIS**”) on December 10, 2019 and issued its Findings Statement (the “**Findings Statement**”) on January 21, 2020 relative to its adoption of the proposed B-MX Overlay District, which specified conditions in which a proposed development within the B-MX Overlay District would require additional SEQRA review per 6 NYCRR Part 617.10(d)(2), (3), or (4), among which included if a proposed development seeks a variance from the B-MZ Overlay District requirements or does not substantially conform with the intent of the relevant B-MX Design Guidelines; and

WHEREAS, following the adoption and enactment of the B-MX Overlay District, the Project application was filed pursuant to the requirements of the B-MX Overlay District, contained in BZO §422, which sought variances and a relaxation from several requirements of the B-MX Overlay District and B-MX Design Guidelines, including: (1) a relaxation in the off-

street parking requirement permitted in the B-MX Overlay District by §431.1 D of the BZO from the 83 required spaces to 69 spaces plus additional tandem spaces for a total of 78 spaces; (2) a variance to allow an 10-ft. landscaped buffer along the southern edge of the Land, down from the required 25 ft.; and (3) a variance to permit an 161.5 ft. front yard setback along Harris Avenue, approximately 151.5 ft. more than the required 10 ft.; and

WHEREAS, following the filing of the Project application and noting its need for relaxation and variances to parking, front yard and the landscaped buffer, the Town of Hempstead Design Review Board and the Town Board determined that pursuant to the requirements of SEQRA, the FGEIS, and the Findings Statement, that additional SEQRA analysis was required per §617.10(d) due to the variances and relaxation requests noted; and

WHEREAS, the Town Board then declared itself to be “lead agency” (the “**SEQRA Lead Agency**”) and undertook a coordinated review of the Project in accordance with SEQRA in which it consulted with all other Involved and Interested Agencies, but such consultation did not include the Agency as the Agency had not yet received an application or otherwise been contemplated as an Involved Agency, and after its review and consideration of the Project, the Town Board issued a Negative Declaration on February 27, 2024, finding that the Project, as designed, would not result in significant impacts to the environment; and

WHEREAS, now that the Agency has become an “involved agency” with respect to the Project, the Agency desires to (A) concur in the designation of the Town Board as “lead agency” with respect to the Project, (B) acknowledge receipt of the Town Board’s determination with respect to SEQRA (the “**SEQRA Determination**”) for the Project in addition to the record developed by the Town Board during its review of the Project, and (C) issue a Findings Statement in accordance with the requirements of SEQRA; and

WHEREAS, to assist the Agency in its determination, the Agency has also reviewed the full record developed with respect to the approval of the B-MX Overlay District and the B-MX Design Guidelines, in which the Agency was an involved agency, and its consideration combined with the record developed for the Project and the SEQRA Determination will be considered the full record (the “**SEQRA Record**”); and

WHEREAS, the Agency has considered and reviewed the SEQRA Record that was developed by the Town Board acting as SEQRA Lead Agency for the Project, and has reviewed and analyzed the SEQRA Determination by the SEQRA Lead Agency, and said materials are part of the Agency administrative record for the Project; and

WHEREAS, pursuant to SEQRA, the Agency is required, based on the SEQRA Record, to issue its own written findings prior to making a decision on an action;

NOW, THEREFORE, BE IT RESOLVED by the Town of Hempstead Industrial Development Agency (a majority of the members thereof affirmatively concurring) that:

Section 1. Based upon the Agency’s review of the SEQRA Record, the Agency has made the following findings:

(a) The Agency's findings statement attached as Exhibit F, incorporated herein by reference, is issued and adopted for the reasons stated therein (the "**Agency's Findings Statement**").

(b) The Agency hereby certifies that the requirements of 6 NYCRR Part 617 have been met.

(c) The Agency hereby certifies that consistent with social, economic and other essential considerations from among the reasonable alternatives available, the action is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable, and that adverse environmental impacts will be avoided or minimized to the maximum extent practicable.

(d) Considering the SEQRA Record, the Agency hereby adopts the SEQRA Lead Agency's determination that the Project will not have a significant adverse impact upon the environment. The reasons supporting this determination are attached as Exhibit F.

Section 2. In connection with the acquisition, construction, installation and equipping of the Facility, the Agency hereby makes the following determinations and findings based upon the Agency's review of the information provided by the Company with respect to the Facility, including, the Application, the Requisite Materials and other public information:

- (a) There is a lack of affordable, safe, clean and modern rental housing in the Town of Hempstead, Nassau County;
- (b) Such lack of rental housing has resulted in individuals leaving the Town of Hempstead and therefore adversely affecting employers, businesses, retailers, banks, financial institutions, insurance companies, health and legal services providers and other merchants in the Town of Hempstead and otherwise adversely impacting the economic health and well-being of the residents of the Town of Hempstead, employers, and the tax base of the Town of Hempstead;
- (c) The Facility, by providing such rental housing will enable persons to remain in the Town of Hempstead and thereby to support the businesses, retailers, banks, and other financial institutions, insurance companies, health care and legal services providers and other merchants in the Town of Hempstead which will increase the economic health and well-being of the residents of the Town of Hempstead, help preserve and increase permanent private sector jobs in furtherance of the Agency's public purposes as set forth in the Act, and therefore the Agency finds and determines that the Facility is a commercial project within the meaning of Section 854(4) of the Act; and
- (d) The Facility will provide services, i.e., rental housing, which but for the Facility, would not otherwise be reasonably accessible to the residents of the Town of Hempstead.

Section 3. The acquisition, construction, installation and equipping of the Facility by the Agency, the subleasing of the Land and the Improvements to the Company, the leasing of the Equipment to the Company and the provision of financial assistance pursuant to the Act will promote job opportunities, health, general prosperity and the economic welfare of the inhabitants of the Town of Hempstead and the people of the State of New York and improve their standard of living, and thereby serve the public purposes of the Act, and subject to the provisions of this resolution, the same is, therefore, approved.

Section 4. Subject to the provisions of this resolution, the Agency shall (i) acquire, construct, install and equip the Facility; and (ii) lease and sublease the Facility to the Company.

Section 5. The Company is hereby notified that it will be required to comply with Section 875 of the Act. The Company shall be required to agree to the terms of Section 875 pursuant to the Lease and Project Agreement, dated a date to be determined (the "**Lease Agreement**"), by and between the Company and the Agency. The Company is further notified that the tax exemptions and abatements provided pursuant to the Act and the appointment of the Company as agent of the Agency pursuant to this resolution are subject to termination and recapture of benefits pursuant to Sections 859-a and 875 of the Act and the recapture provisions of the Lease Agreement.

Section 6. Counsel to the Agency is authorized and directed to work with Transaction Counsel (Phillips Lytle LLP) to prepare, for submission to the Agency, all documents necessary to affect the transfer of the real estate and personal property described in the foregoing resolution.

Section 7. Notwithstanding the foregoing provisions hereof, this resolution is subject to the Company obtaining any necessary building permits for the acquiring, constructing, installing, equipping and operation of the Facility.

Section 8. The Vice Chairman, the Chief Executive Officer, the Deputy Executive Director and all members of the Agency are hereby authorized and directed (i) to distribute copies of this resolution to the Company and to such other parties as may be required by applicable laws and regulations, and (ii) to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution.

Section 9. Any expenses incurred by the Agency and Transaction Counsel with respect to the Facility shall be paid by the Company. The Company agrees to pay such expenses and further agree to indemnify the Agency, its members, directors, employees and agents and hold the Agency and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Agency in good faith with respect to the Facility.

Section 10. The Agency may publish and issue notices of a public hearing and conduct such public hearing with respect to the location and nature of the Project and the financial assistance, if any, to be granted by the Agency to the Company, in accordance with the provisions of Sections 857 and 859-a of the Act.

Section 11. This resolution shall take effect immediately.

ADOPTED: January 21, 2025

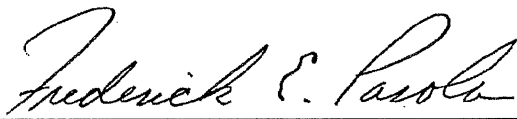
STATE OF NEW YORK)
 : SS.:
COUNTY OF NASSAU)

We, the undersigned Chief Executive Officer and Vice Chairman of the Town of Hempstead Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY:

That we have compared the annexed extract of the minutes of the meeting of the Agency, including the resolutions contained therein, held on January 21, 2025, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the proceedings of the Agency and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

WE FURTHER CERTIFY that (i) all members of the Agency had due notice of said meeting, pursuant to Sections 103a and 104 of the Public Officers Law (Open Meetings Law), (ii) public notice of the time and place of said meeting was duly given in accordance with such Sections 103a and 104, (iii) the meeting in all respects was duly held and was open to the general public, and (iv) there was a quorum present throughout.

IN WITNESS WHEREOF, we have hereunto set our hands as of the 21st day of January, 2025.

By: 
Frederick E. Parola
Chief Executive Officer

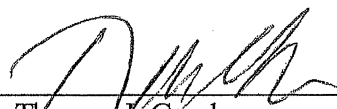
By: 
Thomas J. Grech
Vice Chairman

EXHIBIT A

NOTICE OF PUBLIC HEARING

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 (the “**Agency**”) on the ___ day of _____, 2025, at ___ a.m., local time, at Town of Hempstead Town Hall, Town Hall Courtroom, 350 Front Street, Hempstead, Town of Hempstead, New York, in connection with the following matters:

JAEP Properties LLC, 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 JAEP Properties LLC 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 1.246 acre parcel of land located at 2283 Grand Avenue, Baldwin, Town of Hempstead, Nassau County, New York (the “**Land**”), the demolition of the existing approximately 11,000 square foot building on the Land, the construction of a four-story approximately 70,863 square foot mixed-use facility consisting of approximately 54 market-rate residential rental units (consisting of approximately 12 one-bedroom apartments and 42 two-bedroom apartments, with five (5) units being subject to a preference for persons with disabilities), approximately 2,344 rentable square feet of ground floor commercial office space, parking for 78 vehicles on the Land and associated site improvements (collectively, the “**Improvements**”), and the acquisition of certain furniture, fixtures, equipment and personal property necessary for the completion thereof (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility would be subleased by the Agency to the Company and further sub-subleased by the Company to future tenants for use as a mixed-use multifamily housing and commercial office facility (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 abatement of real property taxes.

The Company has requested that the Agency provide financial assistance to the Company in the form of abatements of real property taxes for a term of up to twenty-five (25) 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 twenty-five (25) years instead of ten (10) years. Copies of the proposed PILOT payment schedule are available on the Agency’s website at 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 twenty-five (25) years.

A representative of the Agency will, at the above-stated time and place, hear and accept oral comments from all persons with views 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@hempsteadny.gov. 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 Project, which can be found on the Agency's website at www.tohida.org.

To the extent practicable, the Hearing will be streamed on the Agency's website in real-time in accordance with Section 857 of the New York State General Municipal Law. A video recording of the Hearing will be posted on the Agency's website, all in accordance with Section 857 of the New York State General Municipal Law.

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 twenty-five (25) year PILOT Benefit, at the Agency's Board Meeting (the "**Board Meeting**") to be held on [_____] , 2025, at 9:00 a.m. local time, at Town of Hempstead Town Hall, Town Hall Courtroom, 350 Front Street, Hempstead, New York 11550.

Dated: _____, 2025

TOWN OF HEMPSTEAD INDUSTRIAL
DEVELOPMENT AGENCY

By: Frederick E. Parola
Title: Chief Executive Officer

EXHIBIT B

MINUTES OF PUBLIC HEARING
ON FILE WITH THE AGENCY

EXHIBIT C

REQUISITE MATERIALS

1. Feasibility Study dated December 4, 2024 prepared by MRB Group (Exhibit C-1);
2. Economic and Fiscal Impact Report dated January 8, 2025 prepared by Camoin Associates (Exhibit C-2);
3. New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential Developments for IDA Benefits by Anthony Guardino, Esq. (Exhibit C-3); and
4. Ryan et al. v. Town of Hempstead Industrial Development Agency et al. (Exhibit C-4).

Feasibility Study dated December 4, 2024 prepared by MRB Group

JAEP Properties LLC

Economic and Fiscal Impact Analysis

Prepared for:
JAEP Properties LLC

Date:
December 4, 2024

Prepared by:

MRB | *group*

Executive Summary

JAEP Properties LLC (the "Developer") is proposing a residential real estate development project consisting of the construction of an approximately 70,863 square foot building that will contain 54 market-rate apartments (the "Project") in the Town of Hempstead (the "Town") at 2283 Grand Avenue, Baldwin, NY 11510 (the "Site").

The following analysis included an examination of the local market's ability to support the Project and the expected economic and fiscal impacts associated with the Project on Nassau County (the "County"), the Town and the Baldwin Union Free School District (the "School District"). MRB Group modeled the economic impacts of the Project's construction in terms of direct and indirect jobs and earnings in the region. We also modeled the annual economic impacts post-construction based on our estimates of "net new" household spending from future occupants of the Site. In terms of fiscal impacts, we modeled the fiscal benefit of the increase in tax revenue generated by the Project and the fiscal costs associated with the Developer's requested tax abatements.

Market Review Conclusions

Demographic data for the Town of Hempstead shows that the Town's population growth since 2010 has exceeded the growth in housing units over the same period. From a real estate market point of view, the Project appears to be well-positioned in a market characterized by strong demand fundamentals. Over the last ten years, vacancy rates have remained well below 4% in the multifamily rental market, despite persistent and substantial deliveries. A recent analysis from the Regional Plan Association (RPA) has confirmed that there is a critical shortage of rental housing on Long Island, which indicates that any new additional residential units will be quickly leased up.¹

Impact of School Enrollment

A 2019 study from Stony Brook University's Real Estate Institute (REI) measured the impact of market-rate apartments on local school enrollment. They compared data from 14 recent multi-family developments to analyze the number of schoolchildren living in each property. According to the REI study, multi-family developments of a similar size and scope house approximately 0.09 students per unit on average. Assuming full occupancy, we estimate that the 54 units included in the Project would generate approximately 5 students for the School District.

Estimated Impact on Enrollment

Item	Value
Units	54
Average Students per Unit	0.09
Students (Rounded)	5

Source: *2019 REI Study, MRB Group

¹ <https://rpa.org/latest/news-release/meeting-housing-demand-in-nys-release>

Economic Impacts

During the Project's construction phase, we estimate 59 direct jobs will be created, earning \$5.5 million in wages. Combined with the indirect impacts, we estimate the total impact of the Project will be 89 jobs earning \$7.7 million in wages over the construction period.

Upon completion of the Project, there are ongoing economic impacts associated with new household spending and operational employment at the Site. We estimate 23 ongoing (permanent) jobs with earnings of \$1.3 million annually will be created in the Town.² Over the life of the 30-year PILOT, escalated at 2% annually, this equates to \$51.4 million in earnings.

Summary of Economic Impacts

	Direct	Indirect	Total
Construction Jobs	59	30	89
Construction Wages	\$5,492,505	\$2,233,333	\$7,725,838
Ongoing Jobs	16	7	23
Ongoing Wages, 30 Years	\$31,145,417	\$20,253,368	\$51,398,785

Fiscal Impacts

In terms of fiscal benefits, the Project will increase tax revenues for the County, Town, and School District. We estimate that the County will earn sales tax revenue of approximately \$57,461 during the construction period as a result of the earnings from the construction-phase being spent locally. We further estimate that, over the 30-year PILOT term, the County will earn \$44,807 in sales tax revenue from operations and \$1.3 million in sales tax revenue from household spending. Over the life of the proposed PILOT, the Project will generate \$8.2 million more PILOT revenue than property taxes without the Project, allocated proportionally to the applicable taxing jurisdictions. Therefore, we estimate that the fiscal benefits of the Project, including construction and operation phases, would be approximately \$9.6 million.

Summary of Fiscal Benefits, Local Government

Source	Total
Sales Tax, Construction, One-time	\$57,461
Sales Tax, Operations, 30 Years	\$44,807
Sales Tax, Households, 30 Years	\$1,311,896
Increase in Property Tax Revenue, 30 Years	\$8,220,767
Total Fiscal Benefits Over 30 Years	\$9,634,931

² Note that the direct and indirect "Construction Jobs" and "Construction Wages" shown are with respect to Nassau County, as such jobs tend to be pulled from a larger labor shed. The direct and indirect "Ongoing Jobs" and "Ongoing Wages" shown are with respect to the Town of Hempstead.

Fiscal Costs

The Applicant has requested a sales tax exemption and a mortgage recording tax exemption of \$450,713 and \$121,609, respectively (County portion only). We estimate the cost of the PILOT exemption to be \$8.2 million over 30 years. The "cost" of the PILOT exemption is the difference between the anticipated PILOT payments and the estimated taxes on the full assessment. This cost is necessarily theoretical, as the Developer has stated that the Project cannot move forward without a PILOT inducement.

Summary of Exemptions

	Total
Cost of Sales Tax Exemption	\$450,713
Mortgage Recording Tax Exemption	\$121,609
PILOT Exemption, 30 Years	\$8,160,421

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Introduction

JAEP Properties LLC is proposing a residential real estate development project consisting of the construction of an approximately 70,863 square foot building that will contain 54 market-rate apartments in the Town of Hempstead at 2283 Grand Avenue, Baldwin, NY 11510.

The following analysis included an examination of the local market's ability to support the Project and the expected economic and fiscal impacts associated with the Project on Nassau County, the Town and the Baldwin Union Free School District. MRB Group modeled the economic impacts of the Project's construction in terms of direct and indirect jobs and earnings in the region. We also modeled the annual economic impacts post-construction based on our estimates of "net new" household spending from future occupants of the Site. In terms of fiscal impacts, we modeled the fiscal benefit of the increase in tax revenue generated by the Project and the fiscal costs associated with the Developer's requested tax abatements.

Multifamily Real Estate Market Review

Demographics

From 2010 to 2022, the Town of Hempstead's population grew by an estimated 28,654 residents, or nearly 4%. Over the same period, the number of housing units also increased, though at a much slower rate. The table on the right shows the comparison of growth in population and housing units, demonstrating that population growth has significantly exceeded housing unit growth in the Town.

Hempstead Population and Housing Units

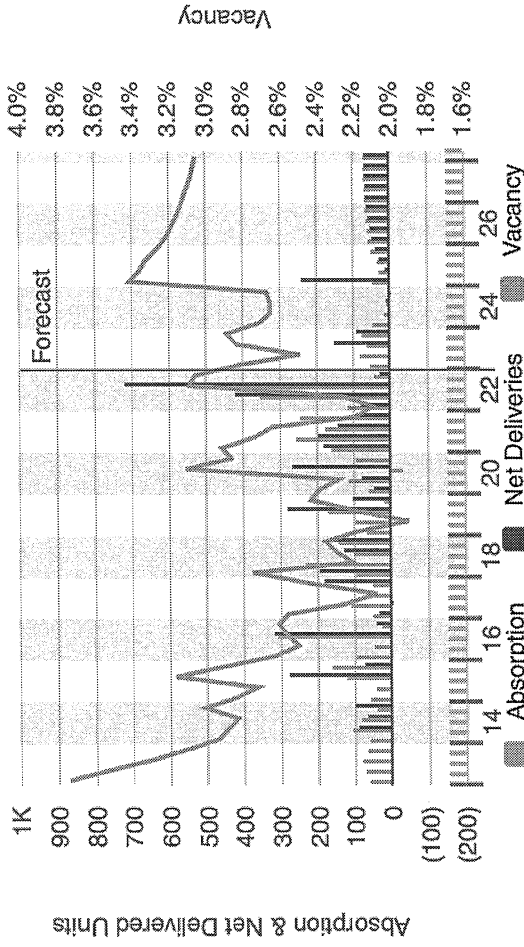
	2010	2022	2010 - 2022
Total Population	759,858	788,512	3.8%
Housing Units	256,776	260,496	1.4%

Source: 2010 US Census; ESRI

Local Real Estate Market

The Town of Hempstead's multifamily real estate market is characterized by strong fundamentals of high demand, low vacancy, and active deliveries. According to data from CoStar, over the last ten years, multifamily (for-rent and for-sale) vacancy rates have consistently remained below 4% and historically averaged around 2.7%. From 2013, there has been a net of 3,857 units delivered in the Town, averaging 386 new units each year. Historical data from 2013 shows that newly delivered units are quickly absorbed in the area's tight housing market.

Absorption, Net Deliveries & Vacancy



As of Q4 2022, an estimated 260,496 housing units were in the Town of Hempstead. These housing units are primarily owner-occupied, with only 19.4%, or 50,536, of Hempstead's housing units estimated to be renter-occupied. The Town's share of renter-occupied housing is similar to that of Nassau County.

Affordability

Housing affordability data in the Town of Hempstead also indicates demand for additional multi-family residential units. "Hempstead House and Home Expenditures," shown in the table, encompasses the average annual spending of households on mortgage payments (or rent), insurance, tax, and property maintenance for owned dwellings. The Spending Potential Index (SPI) is a composite measure of household expenditures for the specified region compared to national averages. A high SPI means expenditures are relatively high compared to national averages, and an SPI of 100 means expenditures are the same as the national average. At \$28,129 per home, Owned Dwellings in the Town have significantly higher home expenditures than the national average. The Town's SPI of 173 indicates owner-occupied housing may be in short supply/high demand. In this case, the tight housing market drives up the price of owner-occupied housing, indicating that new market-rate rental units would attract "net new" households to the area that would otherwise be priced out of the market. Housing costs of \$7,592 for Rented Dwelling properties are also higher than the national average, with an SPI of 126.

Rental Units

	Total Housing Units	% of all Occupied Units	Renter-Occupied Units
Hempstead	260,496	19.4%	50,536
Nassau County	478,163	18.3%	87,504

Source: ESRI

Hempstead House and Home Expenditures

	Average Amount Spent	SPI
Owned Dwelling	\$28,129	173
Rented Dwelling	\$7,592	126

Source: Consumer Spending data are derived from the 2020 and 2021 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Conclusions from Market Review

We used market statistics to make conclusions regarding a.) the level of support in the market for the Project and b.) the extent to which any of the units of the Project can be considered "net new" to the Town of Hempstead. Considering "net new" units is a factor in the following economic impact analysis.

Determination of Market Support

The Town's demographic trends show a growing population that is outpacing growth in the number of housing units. The Town's real estate market is characterized by strong fundamentals, as discussed previously. These trends and factors support the conclusion that the Project is well-positioned to be supported by the market.

Determination of "Net New"

Before calculating the Project's economic impacts, we must determine how many of the future households of the Project can be considered "net new" to the Town. There are several circumstances under which households would be regarded as "net new":

- Out-of-area residents choosing to relocate to the Town because of the Project
- Current Town residents that would otherwise relocate outside of the Town if the option to live in the Project were unavailable
- Current Town residents that will move into the Project, freeing up their current Hempstead residential space that will then be occupied by households relocating to the Town

Based on the project characteristics and market analysis, we consider all units of the Project as "net new" households for the Town.

Economic Impact Analysis

The Project would have several economic impacts on the County and Town. These impacts include one-time impacts on jobs, earnings, and sales during the construction phase of the Project, which we estimate for the entire County. It also includes ongoing impacts related to household spending and the operations of the Project, which we estimate for the Town.³

Methodology

Both one-time, construction-phase impacts and ongoing, operation-phase impacts have "Direct" and "Indirect" components. For the construction phase:

- Direct jobs, wages, and sales are those that occur on-site related to labor and materials used in the construction of the Project.
- Indirect jobs, wages, and sales are those caused by the Direct impacts and result from business-to-business purchases (e.g., a contractor buying a piece of equipment from a dealer) and from employees spending a portion of their wages locally.

For the operations phase:

- Direct jobs, wages, and sales are those jobs created from the operations of the Project (e.g., onsite employment of a maintenance person) and from new household spending occurring as a result of the Project.
- Indirect jobs, wages, and sales are those caused by the Direct impact, such as business-to-business purchases (e.g., a grocery store serving the new households will purchase goods from a distributor) and from employees of such businesses spending a portion of their wages locally.

To estimate the Direct and Indirect impacts, MRB Group employed the Lightcast⁴ economic modeling system. We used data from the Developer and publicly available and proprietary data sources as inputs to the Lightcast modeling system. We adjusted the Lightcast model where needed to match the Project specifics.

³ By their nature, construction-related impacts tend to be somewhat more diffuse, which is why we report them as County-level impacts. Town-level impacts are measured based on the 29 ZIP codes that closely approximate the Town. See appendix.

⁴ Lightcast, formerly "Emsi," uses data from the U.S. Bureau of Labor Statistics, the U.S. Bureau of Economic Analysis, the U.S. Census, and other public data sources to model economic impacts.

Construction Phase

The Developer has provided estimates of the total cost of construction of the Project and the percentage of labor and materials to be sourced from within the County. As shown in the table to the right, the Developer estimates that 70% of its \$20 million of materials and labor costs⁵ would be spent locally, for a total of \$14.0 million of in-region construction spending. In-region construction spending of \$14.0 million (direct "Sales" in the table) was then used as an input in the Lightcast economic modeling system, assigning the County as the geography of study. This spending results in 59 direct jobs and direct earnings of \$5.5 million. The model estimates that this will cause indirect impacts of 30 new jobs, \$2.2 million in new earnings, and \$6.5 million in new sales. Therefore, the total, one-time, construction-phase impacts would be 89 jobs, \$7.7 million in wages, and \$20.5 million in sales.

Construction Spending In Region

	\$ Total	% County	\$ County
Materials & Labor	\$20,044,550	70%	\$14,031,185

Source: Developer, MRB

Economic Impact of Construction Phase, One-Time

	Direct	Indirect	Total
Jobs	59	30	89
Earnings	\$5,492,505	\$2,233,333	\$7,725,838
Sales	\$14,031,185	\$6,493,216	\$20,524,401

Source: Lightcast, MRB

Operation Phase

Construction phase impacts were measured at the County level to account for their dispersed nature. Conversely, the impacts of the operation phase are estimated at the Town level. We used 29 ZIP Codes that approximate the Town of Hempstead to model operational impacts.⁶

Operation phase impacts come from two sources. The largest source is the effect of "net new" household spending from the new units brought onto the market by the Project. The second source of operation phase impacts is the employment on Site that results from the operations of the Project, including maintenance and management personnel.

⁵ Project budget from the Agency application, minus land, legal, and financing costs.

⁶ A complete list of ZIP Codes included in the economic impact analysis is listed in Appendix A, where they are compared to the Town's boundaries.

To estimate the impact of new household spending, we have utilized average annual household expenditures based on the income bracket associated with the area's median income of \$122,342.⁷ We assume all 54 units of the Project will likely be associated with this level of spending, as all units of the Project will be market-rate.

The large expanse of the Town's geographical boundaries and the high concentration of nearby retailers suggests that most of the households' needs will be served by local businesses. To be conservative, we have estimated that 80% of this spending would occur in the Town of Hempstead. Therefore, given 54 total units and the spending profile shown, we estimate \$1.9 million of new household spending would occur annually in the Town.

To model the economic impact of new household spending, MRB Group applied the household spending categories to one or more industry codes in Lightcast.⁸ This resulted in an estimate of 14 direct jobs and \$677,732 in direct earnings that the spending of the new households will generate. Taken together with an estimate of indirect impacts, total household spending impacts include 21 jobs, \$1.1 million in earnings, and \$3.0 million in sales.

Total New Household Spending

	Annual per HH Spend	% Spent in Town	Units	Total New Spending
Food	\$10,984	80%	54	\$474,509
Household Furnishings and Equipment	\$2,796	80%	54	\$120,787
Apparel and Services	\$2,186	80%	54	\$94,435
Transportation	\$12,641	80%	54	\$546,091
Healthcare	\$6,277	80%	54	\$271,166
Entertainment	\$3,608	80%	54	\$155,866
Education	\$1,839	80%	54	\$79,445
Personal Care Products and Services	\$946	80%	54	\$40,867
Miscellaneous	\$1,259	80%	54	\$54,389
Other	\$513	80%	54	\$22,162
Grand Total	\$43,049		54	\$1,859,717

Source: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics, 2020 - 2021 "Table 3104: Northeastern region by income before taxes: Average annual expenditures and characteristics"

Economic Impact of New Household Spending

	Direct	Indirect	Total
Jobs	14	6	21
Earnings	\$677,732	\$440,740	\$1,118,473
Sales	\$1,859,717	\$1,183,873	\$3,043,590

Source: Lightcast, MRB. Note: May not sum due to rounding.

⁷ We used data from the Consumer Expenditure Survey (CEX) of the Bureau of Labor Statistics as of December 2022, specific to the Northeast and the respective income level.
⁸ For example, for the "Food" line item, we applied one-half of the spending to the "supermarkets and other grocery stores" NAICS code (North American Industrial Classification System) and one-half to the "full service restaurants" NAICS code.

The Developer stated that the on-site employment would consist of 2 full-time jobs for operations and maintenance earning an average of \$45,000 a year, for a total of \$90,000 in annual earnings for both positions. After combining the 2 full-time equivalent (FTE) job direct jobs with the associated indirect impact of the 1 FTE job, the total impacts from operations and maintenance would be 3 FTE jobs, \$148,503 in earnings, and \$473,354 in sales.

The combined impacts of household spending and impacts from operations and maintenance are displayed in the table to the right. As summarized in the last column, we anticipate that the Town will benefit from 23 jobs, \$1.3 million in earnings, and \$3.5 million in sales annually. (Note: some figures may not sum due to rounding).

Economic Impact, Operations of Project

	Direct	Indirect	Total
Jobs	2	1	3
Earnings	\$90,000	\$58,503	\$148,503
Sales	\$306,940	\$166,414	\$473,354

Source: Lightcast, MRB

Combined Economic Impact

	Direct	Indirect	Total
Jobs	16	7	23
Earnings	\$767,732	\$499,244	\$1,266,976
Sales	\$2,166,657	\$1,350,287	\$3,516,944

Source: Lightcast, MRB

Fiscal Impact Analysis

The Project would also have fiscal impacts in terms of new tax revenues.

PILOT Schedule

The table to the right displays the Developer's proposed PILOT schedule. The Developer has requested a 30-year PILOT term that would abate a portion of the improvement value associated with the Project. In Years 1 – 3, the improvement value will be entirely abated. Starting in Year 4, 3.57% of the improvement value will be phased into the PILOT calculation. Each year after, the percentage of the improvement value included in the PILOT payment will increase by 3.57% until the Project is fully taxable in Year 31.

PILOT Schedule - 30 Years

Tax Year	Base Land Tax	Projected Improvement Tax	Improvement Phase-In %	Total Improvement PILOT	Total PILOT
Year 1	\$82,541	\$403,795	0.00%	\$0	\$82,541
Year 2	\$84,192	\$411,871	0.00%	\$0	\$84,192
Year 3	\$85,875	\$420,108	0.00%	\$0	\$85,875
Year 4	\$87,593	\$428,510	3.57%	\$15,306	\$102,899
Year 5	\$89,345	\$437,081	7.14%	\$31,225	\$120,570
Year 6	\$91,132	\$445,822	10.72%	\$47,774	\$138,906
Year 7	\$92,954	\$454,739	14.29%	\$64,973	\$157,927
Year 8	\$94,813	\$463,834	17.86%	\$82,841	\$177,654
Year 9	\$96,710	\$473,110	21.43%	\$101,397	\$198,107
Year 10	\$98,644	\$482,572	25.00%	\$120,662	\$219,306
Year 11	\$100,617	\$492,224	28.58%	\$140,658	\$241,275
Year 12	\$102,629	\$502,068	32.15%	\$161,405	\$264,034
Year 13	\$104,682	\$512,110	35.72%	\$182,926	\$287,607
Year 14	\$106,775	\$522,352	39.29%	\$205,243	\$312,018
Year 15	\$108,911	\$532,799	42.86%	\$228,379	\$337,290
Year 16	\$111,089	\$543,455	46.44%	\$252,359	\$363,448
Year 17	\$113,311	\$554,324	50.01%	\$277,206	\$390,517
Year 18	\$115,577	\$565,410	53.58%	\$302,947	\$418,524
Year 19	\$117,889	\$576,719	57.15%	\$329,606	\$447,495
Year 20	\$120,246	\$588,253	60.72%	\$357,211	\$477,457
Year 21	\$122,651	\$600,018	64.30%	\$385,788	\$508,439
Year 22	\$125,104	\$612,018	67.87%	\$415,365	\$540,469
Year 23	\$127,606	\$624,259	71.44%	\$445,971	\$573,577
Year 24	\$130,158	\$636,744	75.01%	\$477,634	\$607,793
Year 25	\$132,762	\$649,479	78.58%	\$510,387	\$643,148
Year 26	\$135,417	\$662,468	82.16%	\$544,258	\$679,674
Year 27	\$138,125	\$675,718	85.73%	\$579,279	\$717,405
Year 28	\$140,888	\$689,232	89.30%	\$615,484	\$756,372
Year 29	\$143,705	\$703,017	92.87%	\$652,906	\$796,611
Year 30	\$146,580	\$717,077	96.44%	\$691,578	\$838,158
Year 31*	\$149,511	\$731,419	100.00%	\$731,419	\$880,930

*First Year of Full Taxes

Source: Developer; MRB Group

PILOT Revenue

Absent the Project moving forward and assuming 2% annual escalation, the Site would generate an estimated \$3.3 million in property tax revenue over 30 years. Under the proposed PILOT schedule, the Project will generate roughly \$11.6 million over 30 years. As shown in the table to the right, the proposed PILOT payments would therefore generate \$8.2 million more in revenue for the local taxing jurisdictions than the Site without the Project. (Figures may not sum due to rounding.)

PILOT Revenue - 30 Years

Tax Year	Base Land Tax	Total PILOT	Increase in Revenue
Year 1	\$82,541	\$82,541	\$0
Year 2	\$84,192	\$84,192	\$0
Year 3	\$85,875	\$85,875	\$0
Year 4	\$87,593	\$102,899	\$15,306
Year 5	\$89,345	\$120,570	\$31,225
Year 6	\$91,132	\$138,906	\$47,774
Year 7	\$92,954	\$157,927	\$64,973
Year 8	\$94,813	\$177,654	\$82,841
Year 9	\$96,710	\$198,107	\$101,397
Year 10	\$98,644	\$219,306	\$120,662
Year 11	\$100,617	\$241,275	\$140,658
Year 12	\$102,629	\$264,034	\$161,405
Year 13	\$104,682	\$287,607	\$182,926
Year 14	\$106,775	\$312,018	\$205,243
Year 15	\$108,911	\$337,290	\$228,379
Year 16	\$111,089	\$363,448	\$252,359
Year 17	\$113,311	\$390,517	\$277,206
Year 18	\$115,577	\$418,524	\$302,947
Year 19	\$117,889	\$447,495	\$329,606
Year 20	\$120,246	\$477,457	\$357,211
Year 21	\$122,651	\$508,439	\$385,788
Year 22	\$125,104	\$540,469	\$415,365
Year 23	\$127,606	\$573,577	\$445,971
Year 24	\$130,158	\$607,793	\$477,634
Year 25	\$132,762	\$643,148	\$510,387
Year 26	\$135,417	\$679,674	\$544,258
Year 27	\$138,125	\$717,405	\$579,279
Year 28	\$140,888	\$756,372	\$615,484
Year 29	\$143,705	\$796,611	\$652,906
Year 30	\$146,580	\$838,158	\$691,578
Total	\$3,348,520	\$11,569,287	\$8,220,767

Source: Developer, MRB Group

Sales Tax Revenue, Construction Phase

As stated in the economic impact analysis (see page 11), we anticipate approximately \$7.7 million in direct and indirect earnings in the County will be generated during the Project's construction phase. We assume 70% of the newly generated earnings will be spent in Nassau County. We estimate that 25% of that spending amount will be subject to the sales tax. Applying the County's sales tax rate of 4.25%, we conclude that the construction phase earnings will lead to approximately \$57,461 in County sales tax revenue.

Sales Tax Revenue, Operation Phase

We estimate \$148,503 in total new earnings occurring annually within the County during the operation phase associated with new direct and indirect job creation (see page 13). Using the same methodology for estimating sales tax revenue for the construction phase, we estimate the Project will result in \$1,104 in annual sales tax revenue to the County. Escalated at 2% per year for 30 years, this equates to revenue of \$44,807.

Sales Tax Revenue - Construction Phase

Line	Value
Total New Earnings	\$7,725,838
% Spent in County	70%
\$ Spent in County	\$5,408,086
% Taxable	25%
\$ Taxable	\$1,352,022
County Sales Tax Rate	4.250%
\$ County Sales Tax Revenue	\$57,461
Revenue, one-time	\$57,461

Source: MRB

Sales Tax Revenue - Operation Phase

Line	Annual Value
Total New Earnings	\$148,503
% Spent in County	70%
\$ Spent in County	\$103,952
% Taxable	25%
\$ Taxable	\$25,988
County Sales Tax Rate	4.250%
\$ County Sales Tax Revenue	\$1,104
Revenue Over 30 Years	\$44,807

Source: MRB

Sales Tax Revenue, Household Spending

As identified in the table on page 12 (Total New Household Spending), we estimate approximately \$3.0 million of annual direct and indirect sales in the Town associated with the new household spending by residents of the Project. Assuming 25% of those sales are subject to sales tax, we estimate the Project will result in \$32,338 in annual sales tax revenue. Over 30 years, escalated at 2%, we estimate total sales tax revenue of \$1.3 million.

Sales Tax Revenue - Household Spending

Line	Annual Value
New Household Spending	\$3,043,590
% Taxable	25%
\$ Taxable	\$760,898
County Sales Tax Rate	4.250%
\$ County Sales Tax Revenue	\$32,338
Revenue Over 30 Years	\$1,311,896

Source: MRB

Fiscal Costs

Shown to the right is the difference in PILOT payments under the proposed terms and the estimated full property taxes of the Project post-construction. Over 30 years, the project will have a fiscal "cost" of \$8.2 million. However, the Developer has indicated that the Project cannot move forward without an inducement, so this "cost" is theoretical.

Cost of Abatement - 30 Years

Tax Year	Base Land Tax	Projected Improvement Tax	Full Taxes	Total PILOT	Cost of Abatement
Year 1	\$82,541	\$403,795	\$486,336	\$82,541	\$403,795
Year 2	\$84,192	\$411,871	\$496,062	\$84,192	\$411,871
Year 3	\$85,875	\$420,108	\$505,984	\$85,875	\$420,108
Year 4	\$87,593	\$428,510	\$516,103	\$102,899	\$413,204
Year 5	\$89,345	\$437,081	\$526,425	\$120,570	\$405,856
Year 6	\$91,132	\$445,822	\$536,954	\$138,906	\$398,048
Year 7	\$92,954	\$454,739	\$547,693	\$157,927	\$389,766
Year 8	\$94,813	\$463,834	\$558,647	\$177,654	\$380,993
Year 9	\$96,710	\$473,110	\$569,820	\$198,107	\$371,713
Year 10	\$98,644	\$482,572	\$581,216	\$219,306	\$361,910
Year 11	\$100,617	\$492,224	\$592,841	\$241,275	\$351,566
Year 12	\$102,629	\$502,068	\$604,697	\$264,034	\$340,663
Year 13	\$104,682	\$512,110	\$616,791	\$287,607	\$329,184
Year 14	\$106,775	\$522,352	\$629,127	\$312,018	\$317,109
Year 15	\$108,911	\$532,799	\$641,710	\$337,290	\$304,420
Year 16	\$111,089	\$543,455	\$654,544	\$363,448	\$291,096
Year 17	\$113,311	\$554,324	\$667,635	\$390,517	\$277,118
Year 18	\$115,577	\$565,410	\$680,987	\$418,524	\$262,464
Year 19	\$117,889	\$576,719	\$694,607	\$447,495	\$247,112
Year 20	\$120,246	\$588,253	\$708,499	\$477,457	\$231,042
Year 21	\$122,651	\$600,018	\$722,669	\$508,439	\$214,230
Year 22	\$125,104	\$612,018	\$737,123	\$540,469	\$196,654
Year 23	\$127,606	\$624,259	\$751,865	\$573,577	\$178,288
Year 24	\$130,158	\$636,744	\$766,902	\$607,793	\$159,110
Year 25	\$132,762	\$649,479	\$782,241	\$643,148	\$139,092
Year 26	\$135,417	\$662,468	\$797,885	\$679,674	\$118,211
Year 27	\$138,125	\$675,718	\$813,843	\$717,405	\$96,438
Year 28	\$140,888	\$689,232	\$830,120	\$756,372	\$73,748
Year 29	\$143,705	\$703,017	\$846,722	\$796,611	\$50,111
Year 30	\$146,580	\$717,077	\$863,657	\$838,158	\$25,499
Total	\$3,348,520	\$16,381,188	\$19,729,708	\$11,569,287	\$8,160,421

Source: Applicant, MRB Group

Other Fiscal Costs

The Developer is seeking a sales tax exemption of \$914,681, the local portion of which is \$450,713. The Developer is also requesting a mortgage recording tax exemption (MRTE) of \$182,413, the local portion of which is \$121,609. The tables below show the local share of these costs.

Cost of Sales Tax Exemption, County

Type	Value
Sales Tax Exemption	\$914,681
Local	4.250%
State	4.000%
MCTD	0.375%
Local Exemption	\$450,713

Source: Applicant

Cost of MRTE Exemption, County

Type	Value
MRTE	\$182,413
Local	0.50%
State	0.25%
Local Exemption	\$121,609

Source: Applicant

Appendix A: Zip Codes Used

Town of Hempstead (blue) and 29 ZIP codes outlined in red.



ZIP	Description
11001	Floral Park, NY
11003	Elmont, NY
11010	Franklin Square, NY
11096	Inwood, NY
11510	Baldwin, NY
11518	East Rockaway, NY
11520	Freeport, NY
11530	Garden City, NY
11549	Hempstead, NY
11550	Hempstead, NY
11552	West Hempstead, NY
11553	Uniondale, NY
11554	East Meadow, NY
11557	Hewlett, NY
11558	Island Park, NY
11559	Lawrence, NY
11561	Long Beach, NY
11563	Lynbrook, NY
11565	Malverne, NY
11566	Merrick, NY
11570	Rockville Centre, NY
11572	Oceanside, NY
11575	Roosevelt, NY
11580	Valley Stream, NY
11581	Valley Stream, NY
11598	Woodmere, NY
11710	Bellmore, NY
11756	Levittown, NY
11793	Wantagh, NY

Economic and Fiscal Impact Report dated January 8, 2025 prepared by Camoin Associates

PREPARED FOR:

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

Economic and Fiscal Impact

JAEP PROPERTIES LLC

Town of Hempstead
Industrial Development Agency

JANUARY 8, 2025

PREPARED BY:



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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 JAEP Properties LLC. The proposed project involves the construction of an approximately 70,863 square foot, four-story mixed-use facility consisting of 12 one-bedroom units and 42 2-bedroom units (with preference given to people with disabilities for 5 units), approximately 2,344 square feet of commercial office space, lobby, rental offices, common areas, and associated parking. This analysis aims to provide a complete assessment of the project's total economic, employment, and fiscal impact on the Town of Hempstead that results from construction, new household spending, and on-site operations.

The primary tool used in this analysis is the input-output model developed by Lightcast. 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 called 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.

STUDY INFORMATION

Data Source:

JAEP Properties LLC Application for Assistance, and the Town of Hempstead Industrial Development Agency

Geography:

Town of Hempstead

Study Period:

2023

Modeling Tool:

Lightcast

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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EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the "Agency") received an application for financial assistance from JAEP Properties LLC (the "Applicant") for the construction of an approximately 70,863 square foot, four-story mixed-use facility consisting of 12 one-bedroom units and 42 2-bedroom units (with preference given to people with disabilities for 5 units), approximately 2,344 square feet of commercial office space, lobby, rental offices, common areas, and associated parking (the "Project") at 2283 Grand Avenue, Baldwin, New York 11510 (the "Site"). While preference will be given to people with a disability for 5 of the units, 100% of the residential units will be designated as market-rate. The Applicant is seeking a 25-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 93% of the units (or 50 units) would provide "net new" households to the town as they allow households to exist in the town that would otherwise be located elsewhere. We then computed the total spending associated with these households to derive job creation 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	24
Direct Jobs	17
Total Earnings	\$ 1,373,186
Direct Earnings	\$ 902,131
Annual Sales Tax Revenue to County	\$ 31,595
Annual Sales Tax Revenue to Town	\$ 2,788
Average Annual PILOT Payment	\$ 341,513
Average Annual PILOT Payment to Town	\$ 33,431
Average Annual PILOT Benefit (Cost)	\$ 246,179
Average Annual PILOT Benefit (Cost) to Town	\$ 24,099
Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project	\$ 24,099
Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT	\$ (26,351)

- ◆ The Project would support 24 new jobs in the town, with nearly \$1,373,186 in associated earnings. These figures include net new jobs resulting from both maintenance and operation of the facility and economic activity resulting from new household spending.
- ◆ The Applicant has negotiated the terms of a proposed 25-year PILOT agreement with the Agency. Under this agreement, the Applicant would pay an average of \$341,513 each year, of which \$33,431 will be allocated to the Town.
- ◆ The annual net benefit to the Town is estimated to be \$26,886. In this case, this is the sum of the average annual PILOT cost to the Town and new annual sales tax revenue to the Town.
- ◆ If the Project were to occur without a PILOT, the Town would receive \$26,351 more per year than with the PILOT.
- ◆ Through negotiations with the Agency, the Applicant would have access to a sales tax exemption valued at up to \$914,681.25 and a mortgage tax exemption valued at up to \$182,413.18. However, assuming that the Project would not occur absent IDA benefits, this is not a "cost" to the state and county since no future revenue stream would exist without the exemptions.

CAMOIN ASSOCIATES

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 Lightcast to calculate total economic impacts. Lightcast 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 called the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would have economic impacts on the Town of Hempstead due to 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 \$16.175 million¹, of which 70%² would be sourced from within the town. This means that the town will spend \$11.323 million in net new money on the construction phase of the Project.

Table 2

Construction Phase Spending - Town	
Total Renovation Cost	\$ 16,175,000
Percent Sourced from Town	70%
Net New Renovation Spending	\$ 11,322,500

Source: Applicant, Camoin Associates

Based on \$11.323 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be \$13.714 million in total one-time construction-related spending supporting 49³ jobs and an associated \$5.175 million in earnings throughout the town's construction period. Table 3 outlines the economic impacts of construction.

Table 3

Town Economic Impact - Construction Phase			
	Jobs	Earnings	Sales
Direct	38 \$	4,374,320 \$	11,322,500
Indirect	6 \$	454,735 \$	1,515,583
Induced	5 \$	345,823 \$	875,791
Total	49 \$	5,174,879 \$	13,713,874

Source: Lightcast, Camoin Associates

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

² According to Lightcast, approximately 70% of the town's construction industry demand is met.

³ Based on the total construction costs and town-level spending, our analysis found an estimated 49 direct jobs, lower than the 100 FTE construction jobs mentioned in the application.

IMPACTS OF NEW HOUSEHOLD SPENDING

To determine the annual economic impact of the Project on the county, the first step is to calculate the number of households that can be considered "net new" to the county's economy. In other words, the number of households that, but for the Project, would not exist in the Town of Hempstead. For this Project, net new households consist of those currently residing outside the town who will choose to move to the town because of the Project and who would otherwise continue to live elsewhere. For this study, we analyzed the demand for rental apartments. For more information on this methodology, see Attachment B.

NET NEW HOUSEHOLDS

Based on Camoin Associates' rental market demand analysis, this analysis assumes that 93% of market-rate households will be net new to the town. This is based on a review of the data and an understanding of the proposed Project as detailed above. Therefore, 50 total households are considered to be net new.

Table 4

Net New Households			
	Total Households	Percent Net New	Net New Households
Market-Rate Units	54	93%	50
Total	54	93%	50

Source: Lightcast, Camoin Associates

SPENDING BY NEW TENANTS

New residents would make purchases in the county, thereby adding new dollars to the economy of Nassau County. For this analysis, we researched spending patterns by household income to differentiate the spending by workforce housing tenants versus market-rate tenants.

According to Esri, the Town of Hempstead's median income in 2024 was \$134,348. Therefore, we will consider spending for those residents in the market-rate units at 150% AMI to be in the \$200,000+ spending basket, per the Bureau of Labor Statistics' 2022 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 2022 Consumer Expenditure Survey, households with incomes in this range have annual expenditures (excluding housing and utility costs) of \$79,217 for the market-rate units.

The second column in the tables below shows the household spending by category. It is assumed that 60% of total expenditure would occur within the Town of Hempstead, impacting the town's economy. The fourth column shows the total amount spent in the town.

Table 5

Tenant Spending Basket

Market-Rate Units (150% AMI) (\$200,000+ Annual Household Income)

Category	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New County Spending (50 net new units)
Food	\$ 18,094	\$ 10,856	\$ 542,820
Household furnishings and equipment	\$ 5,115	\$ 3,069	\$ 153,450
Apparel and services	\$ 5,075	\$ 3,045	\$ 152,250
Transportation	\$ 21,170	\$ 12,702	\$ 635,100
Health care	\$ 10,493	\$ 6,296	\$ 314,790
Entertainment	\$ 8,519	\$ 5,111	\$ 255,570
Personal care products and services	\$ 1,759	\$ 1,055	\$ 52,770
Education	\$ 7,044	\$ 4,226	\$ 211,320
Miscellaneous	\$ 1,948	\$ 1,169	\$ 58,440
Total Tenant Spending	\$ 79,217	\$ 47,530	\$ 2,376,510

Source: 2022 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the county was calculated by multiplying the amount spent in the town by the number of net new units. As shown in the tables above, spending in the town by all net new households would total approximately \$2,376,510 per year. The above spending basket amounts were used to calculate the direct, indirect, and total impact of the Project on the county.

Using \$2,376,510 as the new sales input, Camoin Associates used Lightcast to determine the project's indirect, induced, and total impact on the Town of Hempstead.⁴ Table 6 outlines the findings of this analysis.

Table 6

Town Economic Impact - Household Spending

	Jobs	Earnings	Sales
Direct	15 \$	793,760 \$	2,376,510
Indirect	3 \$	213,840 \$	546,815
Induced	2 \$	191,494 \$	495,715
Total	20 \$	1,199,094 \$	3,419,040

Source: Lightcast, Camoin Associates

⁴ Analysis uses the 33 zip codes that are predominantly located within the Town of Hempstead (see Attachment C).

IMPACTS OF ON-SITE EMPLOYMENT

According to the Applicant, two (2) full-time jobs will be on-site following Project completion. Since 93% of the housing units are considered net new to the town, 93% of the jobs, or 2 jobs (due to rounding), are considered net new. The table below details the impact that these jobs will have on the Town of Hempstead (7).

Table 7

Town Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	2 \$	108,371 \$	317,158
Indirect	1 \$	47,052 \$	125,585
Induced	0 \$	18,669 \$	47,980
Total	3 \$	174,092 \$	490,723

Source: Lightcast, Camoin Associates

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 8. Note, numbers may be off due to rounding.

Table 8

Town Total Annual Economic Impact

	Jobs	Earnings	Sales
Direct	17 \$	902,131 \$	2,693,668
Indirect	4 \$	260,892 \$	672,400
Induced	3 \$	210,163 \$	543,695
Total	24 \$	1,373,186 \$	3,909,763

Source: Lightcast, Camoin Associates

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 25-year PILOT payment schedule based on the current tax rate, taxable value, and assessed value of the Project. Based on the proposed terms of the PILOT, Camoin Associates calculated the potential impact on the affected jurisdictions.⁵

Table 9

Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments	Town	County	School District	Special Districts	
1	\$ 44,272	\$ 4,334	\$ 6,770	\$ 26,817	\$ 6,350	
2	\$ 44,272	\$ 4,334	\$ 6,770	\$ 26,817	\$ 6,350	
3	\$ 44,272	\$ 4,334	\$ 6,770	\$ 26,817	\$ 6,350	
4	\$ 140,000	\$ 13,705	\$ 21,410	\$ 84,804	\$ 20,082	
5	\$ 165,000	\$ 16,152	\$ 25,233	\$ 99,947	\$ 23,668	
6	\$ 180,000	\$ 17,620	\$ 27,527	\$ 109,033	\$ 25,819	
7	\$ 200,000	\$ 19,578	\$ 30,586	\$ 121,148	\$ 28,688	
8	\$ 220,000	\$ 21,536	\$ 33,644	\$ 133,263	\$ 31,557	
9	\$ 240,000	\$ 23,494	\$ 36,703	\$ 145,377	\$ 34,426	
10	\$ 260,000	\$ 25,452	\$ 39,762	\$ 157,492	\$ 37,295	
11	\$ 275,000	\$ 26,920	\$ 42,056	\$ 166,578	\$ 39,446	
12	\$ 300,000	\$ 29,367	\$ 45,879	\$ 181,722	\$ 43,032	
13	\$ 340,000	\$ 33,283	\$ 51,996	\$ 205,951	\$ 48,770	
14	\$ 365,000	\$ 35,730	\$ 55,819	\$ 221,095	\$ 52,356	
15	\$ 400,000	\$ 39,156	\$ 61,172	\$ 242,296	\$ 57,376	
16	\$ 440,000	\$ 43,072	\$ 67,289	\$ 266,525	\$ 63,114	
17	\$ 475,000	\$ 46,498	\$ 72,641	\$ 287,726	\$ 68,134	
18	\$ 495,000	\$ 48,456	\$ 75,700	\$ 299,841	\$ 71,003	
19	\$ 515,000	\$ 50,414	\$ 78,759	\$ 311,956	\$ 73,872	
20	\$ 535,000	\$ 52,371	\$ 81,817	\$ 324,071	\$ 76,741	
21	\$ 550,000	\$ 53,840	\$ 84,111	\$ 333,157	\$ 78,892	
22	\$ 560,000	\$ 54,819	\$ 85,640	\$ 339,214	\$ 80,327	
23	\$ 570,000	\$ 55,798	\$ 87,170	\$ 345,271	\$ 81,761	
24	\$ 580,000	\$ 56,777	\$ 88,699	\$ 351,329	\$ 83,196	
25	\$ 600,000	\$ 58,734	\$ 91,758	\$ 363,444	\$ 86,065	
Total	\$ 8,537,816	\$ 835,772	\$ 1,305,682	\$ 5,171,691	\$ 1,224,672	
Average	\$ 341,513	\$ 33,431	\$ 52,227	\$ 206,868	\$ 48,987	
Present Value*	\$ 3,314,244	\$ 324,433	\$ 506,845	\$ 2,007,568	\$ 475,398	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes a 6.25% discount rate.

⁵ 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.

CAMOIN ASSOCIATES

TAX POLICY COMPARISON

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. Table 10 displays the property tax payment without the Project.

Table 10

Tax Payments without Project

Year	Total		Portion of Payment by Jurisdiction							
	Property Tax Payment Without Project**		Town	County	School District	Village				
1	\$	74,409	\$	7,284	\$	11,379	\$	45,073	\$	10,673
2	\$	75,897	\$	7,430	\$	11,607	\$	45,974	\$	10,887
3	\$	77,415	\$	7,578	\$	11,839	\$	46,893	\$	11,105
4	\$	78,964	\$	7,730	\$	12,076	\$	47,831	\$	11,327
5	\$	80,543	\$	7,884	\$	12,317	\$	48,788	\$	11,553
6	\$	82,154	\$	8,042	\$	12,564	\$	49,764	\$	11,784
7	\$	83,797	\$	8,203	\$	12,815	\$	50,759	\$	12,020
8	\$	85,473	\$	8,367	\$	13,071	\$	51,774	\$	12,260
9	\$	87,182	\$	8,534	\$	13,333	\$	52,810	\$	12,505
10	\$	88,926	\$	8,705	\$	13,599	\$	53,866	\$	12,756
11	\$	90,704	\$	8,879	\$	13,871	\$	54,943	\$	13,011
12	\$	92,518	\$	9,057	\$	14,149	\$	56,042	\$	13,271
13	\$	94,369	\$	9,238	\$	14,432	\$	57,163	\$	13,536
14	\$	96,256	\$	9,423	\$	14,720	\$	58,306	\$	13,807
15	\$	98,181	\$	9,611	\$	15,015	\$	59,472	\$	14,083
16	\$	100,145	\$	9,803	\$	15,315	\$	60,662	\$	14,365
17	\$	102,148	\$	9,999	\$	15,621	\$	61,875	\$	14,652
18	\$	104,191	\$	10,199	\$	15,934	\$	63,112	\$	14,945
19	\$	106,275	\$	10,403	\$	16,252	\$	64,375	\$	15,244
20	\$	108,400	\$	10,611	\$	16,578	\$	65,662	\$	15,549
21	\$	110,568	\$	10,824	\$	16,909	\$	66,975	\$	15,860
22	\$	112,779	\$	11,040	\$	17,247	\$	68,315	\$	16,177
23	\$	115,035	\$	11,261	\$	17,592	\$	69,681	\$	16,501
24	\$	117,336	\$	11,486	\$	17,944	\$	71,075	\$	16,831
25	\$	119,682	\$	11,716	\$	18,303	\$	72,496	\$	17,167
Total	\$	2,383,348	\$	233,307	\$	364,484	\$	1,443,688	\$	341,870
Average	\$	95,334	\$	9,332	\$	14,579	\$	57,748	\$	13,675
Present Value*	\$	1,119,820	\$	109,620	\$	171,253	\$	678,319	\$	160,628

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes a 6.25% discount rate.

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

CAMOIN ASSOCIATES

The following table calculates the property tax payments that would be made assuming the Project occurs, but no PILOT is received. This is simply for illustrative purposes, as it is assumed that the Project would not be completed without financial assistance.

Table 11

Tax Payments with Project without PILOT

Year	Total		Portion of Payment by Jurisdiction			
	Property Tax Payment Without Project**		Town	County	School District	Village
1	\$	476,661	\$ 46,661	\$ 72,895	\$ 288,732	\$ 68,373
2	\$	486,194	\$ 47,594	\$ 74,353	\$ 294,507	\$ 69,740
3	\$	495,918	\$ 48,546	\$ 75,840	\$ 300,397	\$ 71,135
4	\$	505,836	\$ 49,517	\$ 77,357	\$ 306,405	\$ 72,558
5	\$	515,953	\$ 50,507	\$ 78,904	\$ 312,533	\$ 74,009
6	\$	526,272	\$ 51,517	\$ 80,482	\$ 318,784	\$ 75,489
7	\$	536,798	\$ 52,547	\$ 82,092	\$ 325,159	\$ 76,999
8	\$	547,534	\$ 53,598	\$ 83,734	\$ 331,663	\$ 78,539
9	\$	558,484	\$ 54,670	\$ 85,409	\$ 338,296	\$ 80,109
10	\$	569,654	\$ 55,764	\$ 87,117	\$ 345,062	\$ 81,712
11	\$	581,047	\$ 56,879	\$ 88,859	\$ 351,963	\$ 83,346
12	\$	592,668	\$ 58,017	\$ 90,636	\$ 359,002	\$ 85,013
13	\$	604,521	\$ 59,177	\$ 92,449	\$ 366,182	\$ 86,713
14	\$	616,612	\$ 60,360	\$ 94,298	\$ 373,506	\$ 88,447
15	\$	628,944	\$ 61,568	\$ 96,184	\$ 380,976	\$ 90,216
16	\$	641,523	\$ 62,799	\$ 98,108	\$ 388,596	\$ 92,021
17	\$	654,353	\$ 64,055	\$ 100,070	\$ 396,368	\$ 93,861
18	\$	667,440	\$ 65,336	\$ 102,071	\$ 404,295	\$ 95,738
19	\$	680,789	\$ 66,643	\$ 104,113	\$ 412,381	\$ 97,653
20	\$	694,405	\$ 67,976	\$ 106,195	\$ 420,628	\$ 99,606
21	\$	708,293	\$ 69,335	\$ 108,319	\$ 429,041	\$ 101,598
22	\$	722,459	\$ 70,722	\$ 110,485	\$ 437,622	\$ 103,630
23	\$	736,908	\$ 72,136	\$ 112,695	\$ 446,374	\$ 105,703
24	\$	751,646	\$ 73,579	\$ 114,949	\$ 455,302	\$ 107,817
25	\$	766,679	\$ 75,051	\$ 117,248	\$ 464,408	\$ 109,973
Total	\$	15,267,595	\$ 1,494,554	\$ 2,334,861	\$ 9,248,182	\$ 2,189,997
Average	\$	610,704	\$ 59,782	\$ 93,394	\$ 369,927	\$ 87,600
Present Value*	\$	7,173,504	\$ 702,219	\$ 1,097,038	\$ 4,345,274	\$ 1,028,974

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes a 6.25% discount rate.

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

CAMOIN ASSOCIATES

Table 12 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. On average, \$246,179 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$6,154,468 over the 25 years. The Applicant will pay \$269,191 less on average per year under the PILOT compared to paying full taxes on the final development.

Table 12

Tax Policy Comparison (All Jurisdictions)

Year	A		B		C	
	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT	Benefit (Cost) of Project to Municipalities (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)	
1	\$ 74,409	\$ 44,272	\$ 476,661	\$ (30,137)	\$ 432,389	
2	\$ 75,897	\$ 44,272	\$ 486,194	\$ (31,625)	\$ 441,922	
3	\$ 77,415	\$ 44,272	\$ 495,918	\$ (33,143)	\$ 451,646	
4	\$ 78,964	\$ 140,000	\$ 505,836	\$ 61,036	\$ 365,836	
5	\$ 80,543	\$ 165,000	\$ 515,953	\$ 84,457	\$ 350,953	
6	\$ 82,154	\$ 180,000	\$ 526,272	\$ 97,846	\$ 346,272	
7	\$ 83,797	\$ 200,000	\$ 536,798	\$ 116,203	\$ 336,798	
8	\$ 85,473	\$ 220,000	\$ 547,534	\$ 134,527	\$ 327,534	
9	\$ 87,182	\$ 240,000	\$ 558,484	\$ 152,818	\$ 318,484	
10	\$ 88,926	\$ 260,000	\$ 569,654	\$ 171,074	\$ 309,654	
11	\$ 90,704	\$ 275,000	\$ 581,047	\$ 184,296	\$ 306,047	
12	\$ 92,518	\$ 300,000	\$ 592,668	\$ 207,482	\$ 292,668	
13	\$ 94,369	\$ 340,000	\$ 604,521	\$ 245,631	\$ 264,521	
14	\$ 96,256	\$ 365,000	\$ 616,612	\$ 268,744	\$ 251,612	
15	\$ 98,181	\$ 400,000	\$ 628,944	\$ 301,819	\$ 228,944	
16	\$ 100,145	\$ 440,000	\$ 641,523	\$ 339,855	\$ 201,523	
17	\$ 102,148	\$ 475,000	\$ 654,353	\$ 372,852	\$ 179,353	
18	\$ 104,191	\$ 495,000	\$ 667,440	\$ 390,809	\$ 172,440	
19	\$ 106,275	\$ 515,000	\$ 680,789	\$ 408,725	\$ 165,789	
20	\$ 108,400	\$ 535,000	\$ 694,405	\$ 426,600	\$ 159,405	
21	\$ 110,568	\$ 550,000	\$ 708,293	\$ 439,432	\$ 158,293	
22	\$ 112,779	\$ 560,000	\$ 722,459	\$ 447,221	\$ 162,459	
23	\$ 115,035	\$ 570,000	\$ 736,908	\$ 454,965	\$ 166,908	
24	\$ 117,336	\$ 580,000	\$ 751,646	\$ 462,664	\$ 171,646	
25	\$ 119,682	\$ 600,000	\$ 766,679	\$ 480,318	\$ 166,679	
Total	\$ 2,383,348	\$ 8,537,816	\$ 15,267,595	\$ 6,154,468	\$ 6,729,779	
Average	\$ 95,334	\$ 341,513	\$ 610,704	\$ 246,179	\$ 269,191	
Present Value*	\$ 1,119,820	\$ 3,314,244	\$ 7,173,504	\$ 2,194,424	\$ 3,859,260	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

CAMOIN ASSOCIATES

TOWN

Table 13 calculates the benefit (or cost) to the Town. The Town would receive approximately \$24,099 more in PILOT revenue annually than in property taxes without the Project. The total benefit to the Town would be \$602,464 over the 25 years.

Table 13

Tax Policy Comparison for Town

Year	A		B		C	
	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT	Benefit (Cost) of Project to Municipalities (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)	
1	\$ 7,284	\$ 4,334	\$ 46,661	\$ (2,950)	\$ 42,327	
2	\$ 7,430	\$ 4,334	\$ 47,594	\$ (3,096)	\$ 43,260	
3	\$ 7,578	\$ 4,334	\$ 48,546	\$ (3,244)	\$ 44,212	
4	\$ 7,730	\$ 13,705	\$ 49,517	\$ 5,975	\$ 35,812	
5	\$ 7,884	\$ 16,152	\$ 50,507	\$ 8,268	\$ 34,355	
6	\$ 8,042	\$ 17,620	\$ 51,517	\$ 9,578	\$ 33,897	
7	\$ 8,203	\$ 19,578	\$ 52,547	\$ 11,375	\$ 32,969	
8	\$ 8,367	\$ 21,536	\$ 53,598	\$ 13,169	\$ 32,062	
9	\$ 8,534	\$ 23,494	\$ 54,670	\$ 14,959	\$ 31,177	
10	\$ 8,705	\$ 25,452	\$ 55,764	\$ 16,747	\$ 30,312	
11	\$ 8,879	\$ 26,920	\$ 56,879	\$ 18,041	\$ 29,959	
12	\$ 9,057	\$ 29,367	\$ 58,017	\$ 20,310	\$ 28,649	
13	\$ 9,238	\$ 33,283	\$ 59,177	\$ 24,045	\$ 25,894	
14	\$ 9,423	\$ 35,730	\$ 60,360	\$ 26,307	\$ 24,630	
15	\$ 9,611	\$ 39,156	\$ 61,568	\$ 29,545	\$ 22,411	
16	\$ 9,803	\$ 43,072	\$ 62,799	\$ 33,269	\$ 19,727	
17	\$ 9,999	\$ 46,498	\$ 64,055	\$ 36,499	\$ 17,557	
18	\$ 10,199	\$ 48,456	\$ 65,336	\$ 38,257	\$ 16,880	
19	\$ 10,403	\$ 50,414	\$ 66,643	\$ 40,010	\$ 16,229	
20	\$ 10,611	\$ 52,371	\$ 67,976	\$ 41,760	\$ 15,604	
21	\$ 10,824	\$ 53,840	\$ 69,335	\$ 43,016	\$ 15,495	
22	\$ 11,040	\$ 54,819	\$ 70,722	\$ 43,779	\$ 15,903	
23	\$ 11,261	\$ 55,798	\$ 72,136	\$ 44,537	\$ 16,339	
24	\$ 11,486	\$ 56,777	\$ 73,579	\$ 45,290	\$ 16,803	
25	\$ 11,716	\$ 58,734	\$ 75,051	\$ 47,019	\$ 16,316	
Total	\$ 233,307	\$ 835,772	\$ 1,494,554	\$ 602,464	\$ 658,782	
Average	\$ 9,332	\$ 33,431	\$ 59,782	\$ 24,099	\$ 26,351	
Present Value*	\$ 109,620	\$ 324,433	\$ 702,219	\$ 214,813	\$ 377,785	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

COUNTY

CAMOIN ASSOCIATES

Table 14 calculates the benefit (or cost) to the County. The County would receive approximately \$37,648 more in PILOT revenue annually than in property taxes without the Project. The total benefit to the County would be \$941,198 over the 25 years.

Table 14

Tax Policy Comparison for County

Year	A	B	C	Property Tax Payment With Project and No PILOT	Benefit (Cost) of Project to Municipalities (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)
	Property Tax Payment Without Project	PILOT Payment				
1	\$ 11,379	\$ 6,770	\$ 72,895	\$ (4,609)	\$ 66,125	
2	\$ 11,607	\$ 6,770	\$ 74,353	\$ (4,836)	\$ 67,583	
3	\$ 11,839	\$ 6,770	\$ 75,840	\$ (5,069)	\$ 69,070	
4	\$ 12,076	\$ 21,410	\$ 77,357	\$ 9,334	\$ 55,947	
5	\$ 12,317	\$ 25,233	\$ 78,904	\$ 12,916	\$ 53,671	
6	\$ 12,564	\$ 27,527	\$ 80,482	\$ 14,964	\$ 52,955	
7	\$ 12,815	\$ 30,586	\$ 82,092	\$ 17,771	\$ 51,506	
8	\$ 13,071	\$ 33,644	\$ 83,734	\$ 20,573	\$ 50,089	
9	\$ 13,333	\$ 36,703	\$ 85,409	\$ 23,370	\$ 48,706	
10	\$ 13,599	\$ 39,762	\$ 87,117	\$ 26,162	\$ 47,355	
11	\$ 13,871	\$ 42,056	\$ 88,859	\$ 28,184	\$ 46,804	
12	\$ 14,149	\$ 45,879	\$ 90,636	\$ 31,730	\$ 44,757	
13	\$ 14,432	\$ 51,996	\$ 92,449	\$ 37,564	\$ 40,453	
14	\$ 14,720	\$ 55,819	\$ 94,298	\$ 41,099	\$ 38,479	
15	\$ 15,015	\$ 61,172	\$ 96,184	\$ 46,157	\$ 35,012	
16	\$ 15,315	\$ 67,289	\$ 98,108	\$ 51,974	\$ 30,819	
17	\$ 15,621	\$ 72,641	\$ 100,070	\$ 57,020	\$ 27,428	
18	\$ 15,934	\$ 75,700	\$ 102,071	\$ 59,766	\$ 26,371	
19	\$ 16,252	\$ 78,759	\$ 104,113	\$ 62,506	\$ 25,354	
20	\$ 16,578	\$ 81,817	\$ 106,195	\$ 65,240	\$ 24,378	
21	\$ 16,909	\$ 84,111	\$ 108,319	\$ 67,202	\$ 24,208	
22	\$ 17,247	\$ 85,640	\$ 110,485	\$ 68,393	\$ 24,845	
23	\$ 17,592	\$ 87,170	\$ 112,695	\$ 69,577	\$ 25,525	
24	\$ 17,944	\$ 88,699	\$ 114,949	\$ 70,755	\$ 26,250	
25	\$ 18,303	\$ 91,758	\$ 117,248	\$ 73,455	\$ 25,490	
Total	\$ 364,484	\$ 1,305,682	\$ 2,334,861	\$ 941,198	\$ 1,029,180	
Average	\$ 14,579	\$ 52,227	\$ 93,394	\$ 37,648	\$ 41,167	
Present Value*	\$ 171,253	\$ 506,845	\$ 1,097,038	\$ 335,592	\$ 590,194	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

SCHOOL DISTRICT

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Table 15 calculates the benefit (or cost) to the school district. The school district would receive approximately \$149,120 more in PILOT revenue annually than in property taxes without the Project. The total benefit to the school district would be \$3,728,003 over the 25 years.

Table 15

Tax Policy Comparison for School District

Year	A	B	C	Benefit (Cost) of Project to Municipalities (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)
	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT		
1	\$ 45,073	\$ 26,817	\$ 288,732	\$ (18,255)	\$ 261,915
2	\$ 45,974	\$ 26,817	\$ 294,507	\$ (19,157)	\$ 267,690
3	\$ 46,893	\$ 26,817	\$ 300,397	\$ (20,076)	\$ 273,580
4	\$ 47,831	\$ 84,804	\$ 306,405	\$ 36,972	\$ 221,602
5	\$ 48,788	\$ 99,947	\$ 312,533	\$ 51,159	\$ 212,586
6	\$ 49,764	\$ 109,033	\$ 318,784	\$ 59,269	\$ 209,751
7	\$ 50,759	\$ 121,148	\$ 325,159	\$ 70,389	\$ 204,012
8	\$ 51,774	\$ 133,263	\$ 331,663	\$ 81,488	\$ 198,400
9	\$ 52,810	\$ 145,377	\$ 338,296	\$ 92,568	\$ 192,918
10	\$ 53,866	\$ 157,492	\$ 345,062	\$ 103,626	\$ 187,570
11	\$ 54,943	\$ 166,578	\$ 351,963	\$ 111,635	\$ 185,385
12	\$ 56,042	\$ 181,722	\$ 359,002	\$ 125,680	\$ 177,281
13	\$ 57,163	\$ 205,951	\$ 366,182	\$ 148,788	\$ 160,231
14	\$ 58,306	\$ 221,095	\$ 373,506	\$ 162,789	\$ 152,411
15	\$ 59,472	\$ 242,296	\$ 380,976	\$ 182,823	\$ 138,680
16	\$ 60,662	\$ 266,525	\$ 388,596	\$ 205,864	\$ 122,070
17	\$ 61,875	\$ 287,726	\$ 396,368	\$ 225,851	\$ 108,641
18	\$ 63,112	\$ 299,841	\$ 404,295	\$ 236,728	\$ 104,454
19	\$ 64,375	\$ 311,956	\$ 412,381	\$ 247,581	\$ 100,425
20	\$ 65,662	\$ 324,071	\$ 420,628	\$ 258,408	\$ 96,558
21	\$ 66,975	\$ 333,157	\$ 429,041	\$ 266,181	\$ 95,884
22	\$ 68,315	\$ 339,214	\$ 437,622	\$ 270,899	\$ 98,408
23	\$ 69,681	\$ 345,271	\$ 446,374	\$ 275,590	\$ 101,103
24	\$ 71,075	\$ 351,329	\$ 455,302	\$ 280,254	\$ 103,973
25	\$ 72,496	\$ 363,444	\$ 464,408	\$ 290,947	\$ 100,964
Total	\$ 1,443,688	\$ 5,171,691	\$ 9,248,182	\$ 3,728,003	\$ 4,076,492
Average	\$ 57,748	\$ 206,868	\$ 369,927	\$ 149,120	\$ 163,060
Present Value*	\$ 678,319	\$ 2,007,568	\$ 4,345,274	\$ 1,329,249	\$ 2,337,706

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

SPECIAL DISTRICTS

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Table 16 calculates the benefit (or cost) to special districts. The special districts would receive approximately \$29,435 more in PILOT revenue annually than they would receive in property taxes without the Project. The total benefit to the village would be \$618,130 over the 25 years.

Table 16

Tax Policy Comparison for Special Districts

Year	A	B	C		
	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT	Benefit (Cost) of Project to Municipalities (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)
1	\$ 10,673	\$ 6,350	\$ 68,373	\$ (4,323)	\$ 62,022
2	\$ 10,887	\$ 6,350	\$ 69,740	\$ (4,536)	\$ 63,390
3	\$ 11,105	\$ 6,350	\$ 71,135	\$ (4,754)	\$ 64,785
4	\$ 11,327	\$ 20,082	\$ 72,558	\$ 8,755	\$ 52,476
5	\$ 11,553	\$ 23,668	\$ 74,009	\$ 12,115	\$ 50,341
6	\$ 11,784	\$ 25,819	\$ 75,489	\$ 14,035	\$ 49,670
7	\$ 12,020	\$ 28,688	\$ 76,999	\$ 16,668	\$ 48,311
8	\$ 12,260	\$ 31,557	\$ 78,539	\$ 19,297	\$ 46,982
9	\$ 12,505	\$ 34,426	\$ 80,109	\$ 21,920	\$ 45,684
10	\$ 12,756	\$ 37,295	\$ 81,712	\$ 24,539	\$ 44,417
11	\$ 13,011	\$ 39,446	\$ 83,346	\$ 26,436	\$ 43,900
12	\$ 13,271	\$ 43,032	\$ 85,013	\$ 29,761	\$ 41,981
13	\$ 13,536	\$ 48,770	\$ 86,713	\$ 35,234	\$ 37,943
14	\$ 13,807	\$ 52,356	\$ 88,447	\$ 38,549	\$ 36,091
15	\$ 14,083	\$ 57,376	\$ 90,216	\$ 43,293	\$ 32,840
16	\$ 14,365	\$ 63,114	\$ 92,021	\$ 48,749	\$ 28,907
17	\$ 14,652	\$ 68,134	\$ 93,861	\$ 53,482	\$ 25,727
18	\$ 14,945	\$ 71,003	\$ 95,738	\$ 56,058	\$ 24,735
19	\$ 15,244	\$ 73,872	\$ 97,653	\$ 58,628	\$ 23,781
20	\$ 15,549	\$ 76,741	\$ 99,606	\$ 61,192	\$ 22,865
21	\$ 15,860	\$ 78,892	\$ 101,598	\$ 63,032	\$ 22,706
22	\$ 16,177	\$ 80,327	\$ 103,630	\$ 64,150	\$ 23,303
23	\$ 16,501	\$ 81,761	\$ 105,703	\$ 65,261	\$ 23,941
24	\$ 16,831	\$ 83,196	\$ 107,817	\$ 66,365	\$ 24,621
25	\$ 17,167	\$ 86,065	\$ 109,973	\$ 68,897	\$ 23,909
Total	\$ 275,194	\$ 893,323	\$ 2,189,997	\$ 618,130	\$ 1,296,674
Average	\$ 13,104	\$ 42,539	\$ 87,600	\$ 29,435	\$ 45,061
Present Value*	\$ 144,574	\$ 395,633	\$ 926,132	\$ 251,059	\$ 530,499

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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. Tax exemptions are for the state and county taxes and are not applicable to the town.

Table 17

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	914,681
Mortgage Tax Exemption	\$	182,413

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 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%⁶ 25% of the construction phase earnings would be spent within the county, and 25% of those purchases would be taxable.

Table 18

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	5,174,879
Amount Spent in County (70%)	\$	3,622,415
Amount Taxable (25%)	\$	905,604
Nassau County Sales Tax Revenue (4.25%)	\$	38,488
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	3,396

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.

⁶ According to Lightcast, 70% demand for industries in a typical household spending basket is met within Nassau County.

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SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

As a result of the Project, the Town would receive sales tax revenue from household purchases. Table 19 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new households.

Table 19

Annual Sales Tax Revenue, Household Spending	
Total New Spending	\$ 2,376,510
Amount Taxable (30%)	\$ 712,953
Nassau County Sales Tax Revenue (4.25%)	\$ 30,301
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 2,674

Source: Town of Hempstead IDA, Camoin Associates

Note that the household spending figure has already been adjusted to account for 60% of total spending within the town (see table entitled "Tenant Spending Baskets"). 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, increasing the remaining portion taxable, 30% of purchases are assumed to be taxable.

SALES TAX REVENUE – EMPLOYEE EARNINGS

The earnings generated by on-site jobs resulting from building operations 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 20 displays the annual tax revenue that the Town will receive.

Table 20

Annual Sales Tax Revenue, On-Site Operations	
Total New Earnings	\$ 174,092
Amount Spent in County (70%)	\$ 121,865
Amount Taxable (25%)	\$ 30,466
Nassau County Sales Tax Revenue (4.25%)	\$ 1,295
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 114

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.

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TOTAL ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the Town will receive is summarized in Table 21.

Table 21

Total Annual Sales Tax Revenue	
Household Spending	\$ 2,674
On-Site Operations	\$ 114
New Town Tax Revenue	\$ 2,788

Source: Town of Hempstead IDA, Camoin Associates

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

An economic impact study aims 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 production inputs (electricity, steel, etc.), 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. Purchasing local goods and services will stimulate other local economic activity. Together, these effects are called the "Indirect Effects" of the change in final demand.

Therefore, the total economic impact of the new widget manufacturer is the initial \$1 million of new money (i.e., Direct Effects) flowing into the US economy, plus the Indirect Effects. The Total Effects to Direct Effects ratio 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) 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 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. The effects of additional widget production will be canceled by a commensurate reduction in purchasing other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in several 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 serves 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 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 demand heavily affects housing, 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. Therefore, each project may have a different expectation for net new households, depending on price point, age restriction, and location.

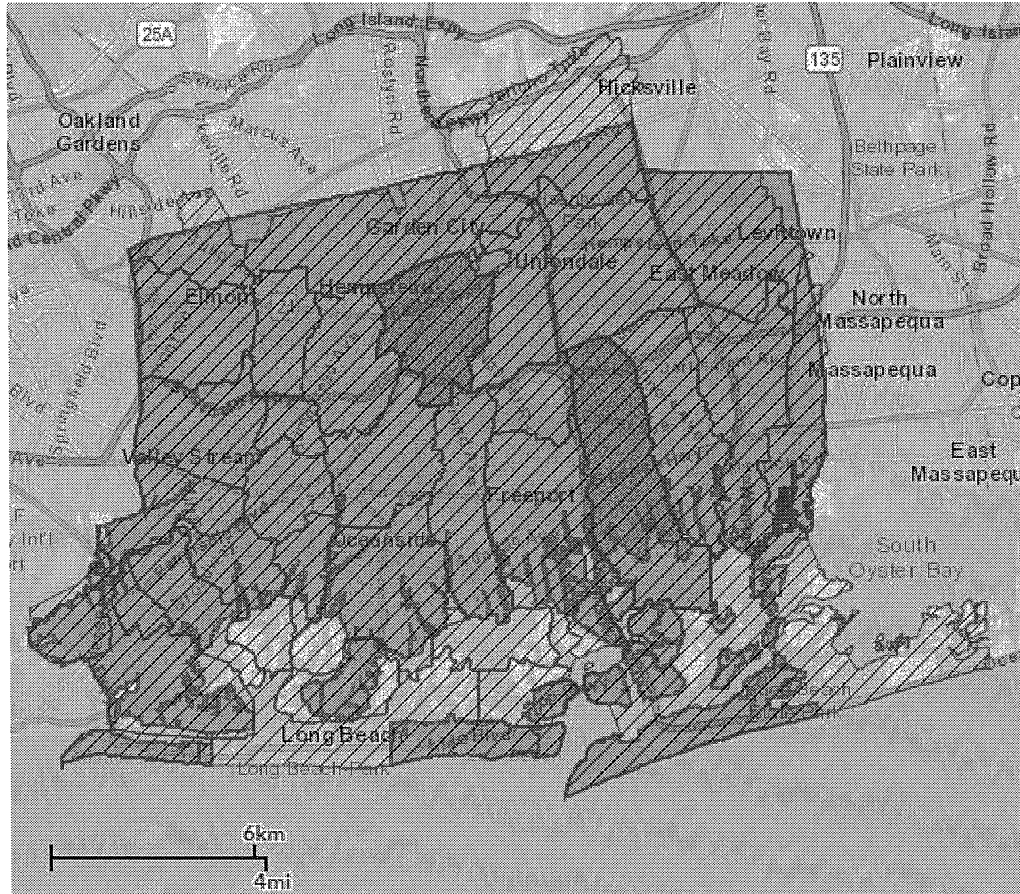
The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

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 within the drive time but outside 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 of renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and demand are 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)



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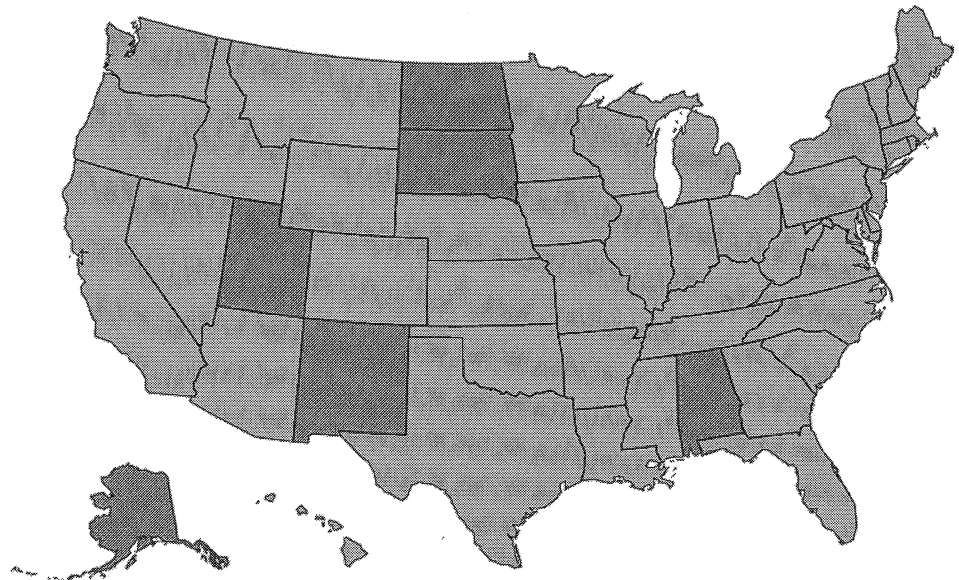
ABOUT CAMOIN ASSOCIATES

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 over \$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 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 our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociates).

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New York Law Journal Article, dated March 22, 2017 on Eligibility of Residential
Developments for IDA Benefits by Anthony Guardino, Esq.



Eligibility of Residential Developments for IDA Benefits

March 22, 2017

A court decision upholds what has long been understood to be the rule: Residential developments are eligible to receive IDA benefits.

It has been nearly 50 years since the New York State Legislature enacted legislation authorizing industrial development agencies ("IDAs") for the purpose of promoting economic development. Now, towns, cities, and counties throughout the state have created their own IDAs under General Municipal Law ("GML") Article 18-A (the "IDA Act") and use them to encourage – and to financially assist – a wide variety of real estate developments, often to great success.

In many instances, however, an IDA's efforts are met with objections, both in and out of court. Recently, for example, tax benefits afforded by a town's IDA to the Green Acres Mall on Long Island aroused community criticism, and led New York State Comptroller Thomas P. DiNapoli to announce that he would audit the IDA to determine its compliance with policies and procedures related to its approval of the project.

There also continue to be disputes over the scope of projects that may receive IDA benefits. Last August, the Supreme Court, Seneca County, rejected a challenge to a decision by the Seneca County IDA to provide tax benefits for a casino being built in the county. *Nearpass v. Seneca County Industrial Development Agency*, 53 Misc. 3d 737 (Sup.Ct.

Seneca Co. 2016). The petitioners argued that the casino was not a project defined in the IDA Act and, therefore, that it was ineligible for IDA benefits. They pointed out, among other things, that when the IDA Act first was enacted, casinos were prohibited in New York, and after casinos were allowed by amendment to the New York Constitution, the IDA Act was not amended to include casinos as a project entitled to IDA benefits.

The court was not persuaded and decided, instead, that the casino facility was a commercial project under the IDA Act and, in particular, that it also was a recreation facility within the purview of GML Section 854(9).

Perhaps more surprising than a dispute over the eligibility of a casino to receive IDA benefits was a recent court case that asked whether a residential development could qualify for IDA benefits – an issue of statewide significance. In *Matter of Ryan v. Town of Hempstead Industrial Development Agency*, Index No. 5324/16 (Sup.Ct. Nassau Co. Jan. 27, 2017), the Supreme Court, Nassau County, held that a residential apartment building project fell within the definition of a project for which IDA benefits may be granted.

After first providing background on the IDA Act, this column will discuss the court's decision in *Matter of Ryan* and its implications.

The IDA Act

When the legislation governing the governing the creation, organization, and powers of IDAs in New York State was enacted in 1969, it provided that its general purpose was “to promote the economic welfare of [the state's] inhabitants and to actively promote, attract, encourage and develop economically sound commerce and industry through governmental action for the purpose of preventing

unemployment and economic deterioration." This intent was further evidenced by the original provision of GML Section 858, which provided that:

The purposes of the agency shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the state of New York and to improve their standard of living.

In approving the bill, then-Governor Nelson Rockefeller noted that "industrial development agencies provide one means for communities to attract new industry, encourage plant modernization and create new job opportunities." McKinney's 1969 Session Laws, Vol. 2, p. 2572.

The original legislation has been amended a number of times since 1969 to broaden the scope of permissible IDA activities. For example, the definition of project was expanded to specifically include construction of industrial pollution control facilities (L 1971, ch 978), winter recreation facilities and then recreation facilities generally (L 1974, ch 954; L 1977, ch 630), horse racing facilities (L 1977, ch 267), railroad facilities (L 1980, ch 803) and educational or cultural facilities (L 1982, ch 541).

As noted above, however, it has not been amended to specifically include casinos. And it also does not specifically include residential developments.

In 1985, however, the New York State Comptroller's Office was asked by the village attorney for the village of Port Chester whether construction of an apartment complex was a commercial purpose within the meaning of GML Section 854(4) and, thereby, whether it was a proper project for

industrial development bond financing. In response, the Comptroller issued Opinion No. 85-51, 1985 N.Y. St. Comp. 70 (Aug. 16, 1985) (the "Comptroller's Opinion").

In the Comptroller's Opinion, the Comptroller's Office explained that, at its inception, the IDA Act's primary thrust was to promote the development of commerce and industry as a means of increasing employment opportunities.

The Comptroller's Opinion then reasoned that for an apartment complex to qualify as an eligible project under Article 18-A, it had to promote employment opportunities and prevent economic deterioration in the area served by the IDA.

The Comptroller's Opinion added that the Comptroller's Office was "not in a position to render an opinion" as to whether a project that consisted of the construction of an apartment complex was a commercial activity within the meaning of Article 18-A. Rather, it continued, such a determination "must be made by local officials based upon all the facts relevant to the proposed project."

Any such determination, the Comptroller's Opinion concluded, had to take into account the stated purposes of the IDA Act: "the promotion of employment opportunities and the prevention of economic deterioration."

When this issue reached the court in *Triple S. Realty Corp. v. Village of Port Chester*, Index No. 22355/86 (Sup.Ct. Westchester Co. Aug. 19, 1987), the Westchester County Supreme Court held that residential construction may be eligible for industrial development agency benefits if such construction "would increase employment opportunities and prevent economic deterioration in the area served by the IDA."

The decision by the Nassau County Supreme Court in *Matter of Ryan* provides further confirmation that residential developments certainly are eligible to receive IDA benefits.

Matter of Ryan

The case arose after the Town of Hempstead Industrial Development Agency (TOHIDA) granted financial and tax benefits and assistance to Renaissance Downtowns UrbanAmerica, LLC, with respect to the construction of a new 336-unit residential apartment complex in the village of Hempstead on Long Island. That was Phase 1 of a multi-phase revitalization project that was planned to include additional mixed-use buildings and parking facilities.

The financial benefits and assistance granted by the TOHIDA included:

- exemptions from mortgage recording taxes for one or more mortgages
- securing the principal amount not to exceed \$70,000,000;
- a sales and use tax exemption up to \$3,450,000 in connection with the purchase/lease of building materials, services, or other personal property for the project; and
- abatement of real property taxes for an initial term of 10 years pursuant to a Payment in Lieu of Taxes ("PILOT") Agreement.
- The court then pointed out that the TOHIDA had approved Renaissance's application for assistance with respect to the first phase of the revitalization project based on the TOHIDA's findings, that, among other things:
- In its decision, the court noted that the Comptroller's Opinion had observed that the determination of whether construction of an apartment complex was a commercial activity within the meaning of the IDA Act had to be made by local officials based on facts relevant to the proposed project.

- The court agreed with the respondents and dismissed the petition.
- For their part, the respondents contended that the development of a residential rental building fell within the ambit of the statutory definition of a project entitled to receive an IDA's financial assistance and benefits in that it promoted "employment opportunities" and prevented "economic deterioration" in the area served by the IDA.
- Six petitioners, including a trustee for the village of Hempstead, challenged the TOHIDA's resolution in an Article 78 proceeding, arguing that an IDA could not grant benefits for a project that was residential, either in whole or in part, in nature.
- the town of Hempstead was in need of attractive multi-family housing to retain workers in the town and attract new business;
- a healthy residential environment located in the town was needed to further economic growth;
- there was a lack of affordable, safe, clean multi-family housing within the town; and
- the facility would provide the nucleus of a healthy residential environment, and would be instrumental and vital in the further growth of the town.

Moreover, the court continued, the TOHIDA also found that the development of the first phase of the facility would "promote and maintain the job opportunities, health, general prosperity and economic welfare" of the town's citizens and "improve their standard of living."

Given that the project promoted employment opportunities and served to combat economic deterioration in the area served by the TOHIDA, the court upheld the TOHIDA's decision as rationally based and not arbitrary or capricious, an abuse of discretion, or an error of law.

Conclusion

IDA benefits can play an important role in real estate development. For nearly five decades, they have benefited New Yorkers in numerous situations. As the Comptroller's Office and the courts have recognized, a project – including a residential project – that demonstrates that it promotes employment opportunities and prevents economic deterioration is eligible to receive IDA benefits.

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Related Practice Areas: Land Use & Municipal

Featured Attorneys: Anthony S. Guardino

Publications: New York Law Journal

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Ryan et al. v. Town of Hempstead Industrial Development Agency et al.

SHORT FORM ORDER

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

P R E S E N T : HON. JEFFREY S. BROWN
JUSTICE

-----X TRIAL/IAS PART 13
In the Matter of DONALD L. RYAN, FLAVIA
IANNACCONE, JAMES DENON, JOHN M. WILLAMS,
REGINAL LUCAS and ROBERT DeBREW, JR.,

INDEX # 5324/16

Mot. Seq. 1
Mot. Date 9.13.16
Submit Date 11.17.16

Petitioners,

For A Judgment Pursuant to Article 78 of the New York
Civil Practice and Rules,

XXX

-against-

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT
AGENCY, RENAISSANCE DOWNTOWNS
URBANAMERICA, LLC, and RDU A PARCEL 1 LLC,

Respondents.

-----X

The following papers were read on this motion:	Papers Numbered
Notice of Petition, Affidavits, Exhibits, Memorandum Annexed.....	1,2
Verified Answers.....	3,4,5
Opposing Affidavits.....	6,7,8,9,10,11,12
Reply Affidavits.....	13, 14
Sur-Reply Affidavit.....	15
Hearing Record (3 Vols.).....	16

Application by petitioners pursuant to Article 78 to invalidate as *ultra vires* and to void the May 18, 2016 resolution passed by the Town of Hempstead Industrial Development Agency (TOHIDA) is decided as hereinafter provided.

In this Article 78 proceeding, petitioners seek to invalidate the resolution passed by respondent TOHIDA on May 18, 2016, which granted financial and tax benefits and assistance to respondent Renaissance Downtowns UrbanAmerica, LLC (Renaissance) *vis-a-vis* construction of a new 336 unit residential apartment complex on the northwest corner of the intersection of Washington and Front Streets (Phase 1 of the multi-phase Village of Hempstead downtown revitalization project¹ which was planned to include additional mixed use buildings/parking facilities). The Phase I property was a tax exempt Village property for at least 50 years until December 15, 2015 when it was acquired by respondent Renaissance.

The financial benefits and assistance granted include:

exemptions from mortgage recording taxes for one or more mortgages securing the principal amount not to exceed \$70,000,000;

sales and use tax exemption up to \$3,450,000 in connection with the purchase/lease of building materials, services or other personal property for the project;

abatement of real property taxes for an initial term of ten years pursuant to Payment in Lieu of Taxes Agreement (PILOT).

Based on the theory that the resolution was affected by an error of law, i.e., that residential apartment buildings are not included in the type of project or facility that is eligible for financial assistance under the General Municipal Law Article 18-A (Industrial Development Act [the IDA or the Act]), petitioners seek to invalidate the subject resolution as *ultra vires*/void.

In opposition, respondents first seek dismissal of the petition based on its alleged multiple fatal flaws including petitioners' lack of standing; failure to raise the *ultra vires* issue in the administrative proceeding before respondent TOHIDA; and failure to serve the attorney general in accordance with CPLR 7804(e).

The alleged flaws are not fatal and do not provide a basis for dismissal. Petitioners have standing to maintain an action for equitable or declaratory relief under State Finance Law § 123-b *vis-a-vis* the issue of whether the project herein falls within the definition of a "project" for which IDA benefits may be granted (*see Nearpass v Seneca County Idus. Dev. Agency*, 52 Misc 3d 533 [Sup Ct, Seneca County 2016 Falvey, J.]; *Dudley v. Kerwick*, 52 NY2d 542 [1981]; *cf.*

¹The development as outlined in the Appraisal Report (Exhibit "2" to the Petition) was approved in a unanimous 5-0, bi-partisan vote by the Village of Hempstead Board. It includes the construction of , among other things: residential units, structured parking, retail space, medical office building, mixed used artist loft with grade and basement level supermarket, surface parking office space, senior independent living apartment building, hotel and restaurant space.

Kadish v. Roosevelt Raceway Assoc., 183 AD2d 874, 875 [2d Dept 1992] [no standing under State Finance Law § 123-b (1) to challenge financing and acquisition of property by TOHIDA through bond issuance because statute specifically excludes bond issuance by a public benefit corporation). Further, the *ultra vires* issue was, in fact, raised in the administrative proceeding before respondent TOHIDA (Record: Vol, 3 Tab 25, pp 113-114), and the Nassau County Regional Office of the New York State Attorney General rejected service of the petition on the ground that the office did not represent respondent TOHIDA.

In further support of its dismissal, movants argue that the petition fails to state a viable cause of action as it is based on the false premise that an Industrial Development Agency may not grant benefits for a commercial project that is residential, either in whole or in part, in nature.

For the reasons which follow, the petition must be dismissed.

Pursuant to General Municipal Law § 858, an Industrial Development Agency

“shall be to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities . . . and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and to improve their recreation opportunities, prosperity and standard of living.”

An Industrial Development Agency is thus a “governmental agenc[y] or instrumentalit[y] created for the purpose of preventing unemployment and economic deterioration (General Municipal Law § 852) and to “provide one means for communities to attract new industry, encourage plant modernization and create new job opportunities” (Governor’s Mem., 1969 McKinney’s Session Laws of N. Y. at 2572).

According to respondents, the development of a residential rental building falls within the ambit of the statutory definition of a project,² entitled to financial assistance and benefits, as set forth in § 854(4) of the General Municipal Law in that it “promotes employment opportunities and prevents economic deterioration in the area served by the industrial development agency” (Opns. St. Comp. No. 85-51 [N.Y.S. Cptr., 1985 WL 25843]).

In the opinion of the State Comptroller, the determination of whether construction of an apartment complex is a commercial activity within the meaning of the statute must be made by

²As set forth in § 854(4) the term “project” is broadly defined to include, in relevant part, “any land, any building or other improvement, and all real and personal properties located within the state of New York and within or outside or partially within and partially outside the municipality for whose benefit the agency was created. . . .”

local officials based upon facts relevant to the proposed project (*Id.* [“Local officials must determine, based upon all the relevant facts, whether construction of an apartment complex will promote employment opportunities and prevent economic deterioration. . . .”]). Respondents argue that TOHIDA acted within the scope of its authority in resolving to provide IDA assistance to the project since it would promote job creation and growth in a distressed area of the Village of Hempstead and serve as the first physical manifestation of the Village’s Downtown Revitalization plan and a catalyst for future phases.

Here, the record establishes that a duly noticed public hearing was held regarding respondent Renaissance’s application for TOHIDA assistance with respect to the first phase of the \$2.5 billion Hempstead Revitalization project for which site plan approval was already in place and a building permit issued. The resolution was granted based on respondent TOHIDA’s findings, that, among other things:

- (a) The Town of Hempstead is in need of attractive multi-family housing to retain workers in the Town and attract new business;
- (b) a healthy residential environment located in the Town of Hempstead is needed in order to further economic growth;
- (c) there is a lack of affordable, safe, clean multi-family housing within the Town of Hempstead;
- (d) the facility will provide the nucleus of a healthy residential environment, and will be instrumental and vital in the further growth of the Town of Hempstead.

Respondent TOHIDA also found that:

the acquisition, construction and equipping of the Phase I Facility will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the Town of Hempstead and the State of New York and improve their standard of living and thereby serve the public purposes of the Act;

the project conformed with local zoning laws and planning regulations of the Town of Hempstead; and

the project will not have a significant effect on the environment as determined in accordance with Article 8 of the Environmental Conservation Law and regulations promulgated thereunder.

The allegations proffered in opposition to the resolution, regarding traffic congestion; additional garbage/sewage; additional burden of increased student population in an already overcrowded/underfunded school district; burden of increased financial costs of municipal services to support increased population, are speculative and lack merit in the face of reasoned evaluation of the project by respondent TOHIDA as set forth in the record. As stated in the affidavit of Wayne J. Hall, Sr., Mayor of the Incorporated Village of Hempstead and Chairman of the Village Community Development Agency:

“the IDA benefits awarded to Renaissance for this particular Phase I of the development are critically important to the revitalization of the Village of Hempstead’s downtown area, and are essential to the twin goals of preventing any further physical and economic deterioration of the area, as well as promoting employment opportunities to the Village.”

As stated in the Socio-Economic Impact of the Village of Hempstead’s Revitalization Plan report, dated March 31, 2016, (Exhibit “A” to the Affidavit of Donald Monti in Opposition to Petition):

“Upon completion, the overall revitalization of the Village of Hempstead will have generated an estimated \$4 billion in economic activity, comprised of economic activity during and after the construction period.

Nearly \$3 billion of primary and secondary economic activity will be generated from construction of the development encompassing 5 million square feet, comprising 2.8 million square feet of 3,500 residential units and 2.2 million square feet of mixed use, retail, hospitality, office and other commercial uses.

This will result in new socio-economic improvements to the Village of Hempstead that will provide much needed housing for Long Island’s young professionals and active adults, and create during the construction period as many as 22,000 temporary construction and secondary jobs generating nearly \$1.4 billion in wages.

When completed, the revitalization will create approximately 6,000 permanent and 4,500 secondary jobs generating \$498 million in wages of which 1,500 of the permanent jobs generating \$125 million in wages projected to be held by Village of Hempstead residents. Thus, in total, the construction activity and resulting permanent jobs and their related secondary economic impacts are expected to generate nearly \$4 billion in primary and secondary economic impact, and over the 20 year PILOT period \$142 million in new county, town, school and village property taxes, and \$43.5 million in new county sales taxes.”

In reviewing the actions of an administrative agency, courts must assess whether the determination was the result of an error of law or was arbitrary, capricious, or an abuse of discretion such that the actions at issue were taken without sound basis in reason and without regard to the facts (*Matter of County of Monroe v Kaladjian*, 83 NY2d 185, 189 [1994], citing *Matter of Pell v Bd. of Educ.*, 34 NY2d 222, 231 [1974]; *Akpan v Koch*, 75 NY2d 561, 570-71 [1990]; *Matter of Calvi v Zoning Bd. of Appeals of the City of Yonkers*, 238 AD2d 417, 418 [2d Dept 1997]). The agency's determination need only be supported by a rational basis (*Matter of County of Monroe v Kaladjian, supra*; *Matter of Jennings v Comm. N.Y. Dept. of Social Svcs.*, 71 AD3d 98, 108 [2d Dept 2010]). If the determination is rationally based, a reviewing court may not substitute its judgment for that of the agency even if the court might have decided the matter differently (*Matter of Savetsky v Zoning Bd. of Appeals of Southampton*, 5 AD3d 779, 780 [2d Dept 2004]; *Matter of Calvi v Zoning Bd. of Appeals of the City of Yonkers, supra*). It is not for the reviewing court to weigh the evidence or reject the choice made by the agency where the evidence conflicts and room for choice exists (*Matter of Calvi v Zoning Bd. of Appeals of the City of Yonkers, supra*, citing *Toys "R" Us v Silva*, 89 NY2d 411, 424 [1996]; *Akpan v Koch, supra*).

The record at bar establishes that in adopting the challenged resolution following a public hearing, review of Renaissance's application, and the environmental effects, respondent TOHIDA did not act in excess of its jurisdiction or beyond the scope of its authority; i.e., *ultra vires*. Nor was TOHIDA's decision after review of all of the circumstances to adopt the resolution finding that the Phase I facility constituted a "project" under the IDA affected by an error of law as would warrant relief under Article 78.

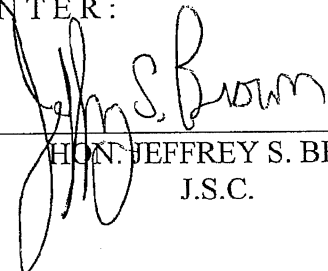
Where, as here, the project at issue promotes employment opportunities and serves to combat economic deterioration in an area served by an industrial development agency, a finding that the project falls within the ambit of the IDA is rationally based; neither arbitrary or capricious or an abuse of discretion, nor an error of law.

Accordingly, the petition is **denied** and the proceeding is hereby **dismissed**.

This constitutes the decision and order of this court. All applications not specifically addressed herein are denied.

Dated: Mineola, New York
January 25, 2017

ENTER:



HON. JEFFREY S. BROWN
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EXHIBIT D

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX
EXEMPTION POLICY

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY

UNIFORM TAX EXEMPTION POLICY AND GUIDELINES

Pursuant to the authority vested in it by Section 874(4)(a) of Title One of Article 18-A of the General Municipal Law of the State of New York, the Town of Hempstead Industrial Development Agency (HIDA) may provide financial assistance to qualified applicants for qualified projects in the form of issuance of its tax-exempt or taxable bonds or by participating in straight lease transactions.

HIDA has adopted this Uniform Tax Exemption Policy to provide guidelines for the claiming of real property, sales and use tax and mortgage recording tax abatements.

I. A. Real Property Taxes:

HIDA general policy is to grant applicants real property tax abatements for projects involving the purchase and renovation of existing buildings and the construction of new facilities. This program provides for a ten-year period phase-in on the real property taxes. The purchase price in an arms-length transaction can be used to determine the fair market value and assessed value of the property. The phase in will apply to the increased assessment/taxes resulting from the renovation of existing buildings or new construction. HIDA's general policy is to consider freezing the first three years of the taxes at an amount usually based on the current taxes as it, in its sole discretion determines considering the factors listed in Paragraph B, hereof, not one of which is determinative, provided, however that a determination to freeze or fix the assessed value/taxes shall not be considered a deviation from HIDA's uniform tax exemption policy. In addition; it is the general policy of HIDA, that it may grant full or partial tax exemptions for a period up to fifteen years, on a case- by-case basis for (I) manufacturing facilities; (II) senior housing, affordable housing, health care/assisted living facilities; (III) vacant facilities or facilities which HIDA, in its discretion, determines to be in an area of economic distress or having higher than average unemployment or similar circumstances; or (IV) facilities that will create or retain a significant number of full time jobs; or (v) qualifying retail facilities.* A determination by HIDA to grant such exemptions shall not be considered a deviation from policy.

*Retail facilities may be permitted if less than one-third of the total project cost is used for retail sales or services, or meets one of the exceptions, i.e.; a tourism destination, located in a highly distressed area or provide goods or services not otherwise readily available to the residents of the Town.

In determining payments under a payment in lieu of tax ("PILOT") agreement, HIDA will, in consultation with the Nassau County Assessor's Office, through the use of tax roll rates, the Town of Hempstead Office of Receiver of Taxes, and any Village within which the project is located, determine appropriate fixed dollar amounts for PILOT payments under the PILOT Agreement for each tax year that the PILOT Agreement is in effect, as well as the proportionate allocation of such payments amount the taxing jurisdiction.

For Urban Renewal Plans and/or Overlay Zones, the PILOT Agreement may set flat PILOT payments per unit, per year for a term of up to 10 to 15 years, or in the case of such facilities financed with tax-exempt bonds, for the term of the tax-exempt bonds.

Assisted living facilities may be granted a PILOT Agreement for a term of up to 10 to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. However, in the event the Assisted Living Facility is financed by tax exempt bonds, the PILOT Agreement may run concurrently with the term of the bond financing.

Senior living facilities may be granted a PILOT Agreement for a term of up to 10 to 15 years with fixed PILOT Payments to be determined by the Agency in its sole discretion. However, in the event the Senior Living Facility is financed by tax exempt bonds, the PILOT Agreement may run concurrently with the term of the bond financing.

Affordable housing projects may be granted a PILOT for a term of up to 10 to 15 years, which is calculated using a "10% Shelter Rent calculation", whereby the Applicant provides HIDA with figures equal to 10% of the annual total revenues minus the total utilities of the affordable housing project in the application, and thereafter on an annual basis.

In the event an affordable housing project is financed by tax-exempt bonds or 9% Low Income Housing Tax Credits or the project is subject to a recorded Regulatory Agreement recorded by a Municipality or a governmental entity restricting the income levels of the residents of the housing project and the amount of rent payable by the residents, the PILOT Agreement may, at the sole discretion of the Agency, run concurrently with the term of the bond financing or the term of the Regulatory Agreement or such period as may be required by a

state or federal housing agency or authority that is also providing financing or benefits to such project or such lesser period as the Agency shall determine.

Market Rate Housing Projects may be granted a PILOT for a term of 10 to 15 years, and be required to include a minimum of 10% affordable units and 10% workforce units to be maintained as such for the life of the Lease and Project Agreement. Each of the "affordable" units shall rent at a reduced rate to tenants with an annual income at or below 80% of the median income for the Nassau-Suffolk primary metropolitan statistical area as defined by the Federal Department of Housing and Urban Development. Each of the "workforce" units shall rent at a reduced rent to tenants with an annual income at or below 120% of the median income for the Nassau-Suffolk primary metropolitan statistical area as defined by the Federal Department of Housing and Urban Development.

Market Rate Housing Projects project shall provide the Agency with the number of affordable units and workforce units on a yearly basis as part of the Agency's Annual Compliance, attested to under penalty of perjury by signed affidavit.

Market Rate Housing Projects may receive additional years in a PILOT Agreement if they are located in a highly distressed or blighted area, a block grant area, a local development zone, an opportunity zone, or a transit-oriented zone.

Approval of all housing projects will be at the sole discretion of the Agency's Board Members. All project applicants for Market Rate Housing Projects, Senior Housing Living Facilities, Assisted Living Facilities and Affordable Housing Projects must submit a feasibility study to the Agency demonstrating the need for the project, other existing or planned housing projects, the impact on the local taxing jurisdictions, the impact on the local school district and the expected number of children, if any, who are likely to attend the local school district, and demonstrating that the housing project complies with the Act.

B. Deviations:

In addition to, or in lieu of, the aforesaid abatement policy HIDA can determine, on a case-by-case basis, to deviate from the guidelines described above or provide enhanced benefits for a project whose scope, size or potential is expected to have a major impact for the Town of Hempstead. Enhanced benefits may exceed fifteen years, as HIDA deems appropriate. The decision of HIDA to grant or deny any such deviation shall be within the sole discretion of HIDA.

HIDA may consider any or all of the following factors in making such determination, no single one of which is determinative:

- The nature of the proposed project (i.e. manufacturing, commercial, civic, retail).
- The nature of the property before the project begins (i.e. vacant land, vacant buildings, brownfield sites, etc.).
- The economic condition of the area at the time of the application and positive economic effect that the project will have on the area.
- The extent to which a project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary ranges of such jobs.
- The estimated value of tax exemptions to be provided.
- The economic impact of the project and the proposed tax exemptions on affected tax jurisdictions.
- The impact of the proposed project on existing and proposed businesses and economic development projects in the vicinity.
- The amount of private sector investment generated or likely to be generated by the proposed project.
- The likelihood of accomplishing the proposed project in a timely fashion.
- The effect of the proposed project upon the environment and the surrounding area.
- The extent to which the project will utilize to the fullest extent practicable and economically feasible, resource conservation, energy efficiency, green technologies, and alternative and renewable energy measures.
- The extent to which the proposed project will require the provision of additional services, including, but not limited to, educational, transportation, police, emergency medical or fire services.
- The extent to which the proposed project will provide additional sources of revenue or taxes for the State, County, Town, municipalities and school districts in which the project is located.
- The extent to which the proposed project will provide a benefit (economic or otherwise) not otherwise available within the municipality in which the project is located.
- The number of construction jobs to be created during the construction or renovation of the project and whether the project applicant will pay prevailing wages on such construction jobs.

II. **Sales Taxes:**

Purchase of construction related equipment (by applicant) or rental or lease of construction related equipment (by applicants or contractors and subcontractors), purchases of construction and building material and purchase, rental or lease of project related equipment, furnishings and other items of personal property are made as agent for HIDA, and are, therefore, afforded full exemption from New York State sales and use tax. Operating expenses of the projects are not to be incurred as agent of HIDA and no sales tax exemption is provided therefore. Sales and use tax exemption will not be granted for the purchase, rental or lease of motor vehicles and trailers registered for over the road use.

All project applicants must agree in writing to timely filing with the New York State Department of Taxation, and HIDA of an annual statement, (and all other forms and reports as maybe required by NYS Department of Taxation including ST-60's, ST-123 and ST-340), of the value of all sales and use tax exemptions claimed in connection with facility in full compliance with the New York State General Municipal Law, in the form and at the time required thereby. The agreement will also include a total exemption amount.

Sales and use tax exemption agreements will have an expiration date based upon the estimated project completion date plus a window (i.e. six months, one year, etc.) to allow for possible delays. The duration will also be determined by the maximum total exemption dollar amount. The window period will be set on the basis of the project and any extensions of the expiration dates or increases in the dollar amount of the exemption must be approved by the HIDA board prior to the expiration date of the exemptions or the date on which the dollar amount of exemptions has been expended.

III. Mortgage Recording Tax:

Mortgages executed by HIDA in connection with project related financing are provided an exemption from New York State mortgage recording taxes. Mortgages executed by HIDA in connection with non-project related financing may be exempt from New York State mortgage recording taxes, at the discretion of HIDA. In determining whether to permit such exemptions on non-project related financing, HIDA shall consider such factors, as it deems appropriate including, but not limited to, the use of the property, the degree of investment, the degree and nature of employment and the economic condition of the area in which the facility is located.

IV. A. Recapture of Benefits:

HIDA, with respect to a particular project that receives real property tax abatements, sales and use tax exemptions or mortgage recording tax

exemptions shall require the project applicant to agree to the recapture of such benefits by HIDA pursuant to the following schedule:

Within first 4 years	100%
Within first 6 years	75%
Within first 8 years	50%
Within first 9 years	25%
After first 9 years	0%

Events that HIDA may determine will trigger recapture may include, but shall not be limited to, the following:

- Sale or closure of facility;
- Significant employment reduction or failure to meet employment goals;
- Significant change in use of facility;
- Significant change in business activities of project applicant or operator;
- Material noncompliance with or breach of terms of Agency transaction documents; or
- Failure to create or retain the number of private sector full time (or full time equivalent) or part time jobs that the company represented it would in the Company's application to HIDA.
- Failure to pay PILOT payment.
- Event of Default under the Bond or Lease Documents.

If HIDA determine to provide for recapture with respect to a particular project, HIDA also may, in its sole discretion and on a case-by-case basis, determine the timing and percentage of recapture, either prospectively or retroactively.

B. Additional Recapture Provisions

In addition to the provision for recapture set forth in Paragraph IV.A, HIDA may, in its sole discretion, and on a case-by-case basis, require recapture of benefits (either retroactively or prospectively as it determines to be appropriate in its best judgment) with respect to any project or project applicant for:

- failure to respond to HIDA inquiries concerning payments of principal and interest;

- failure to respond to HIDA inquiries concerning insurance coverage or failure to provide insurance certificates when and as required by HIDA transaction documents;
- failure to respond to HIDA inquiries regarding payment in lieu of taxes or sales and use tax exemptions;
- failure to respond to HIDA inquiries or to provide facts requested by HIDA in connection with any proceedings or determinations pursuant to Paragraph C or Paragraph D of this policy;
- failure to respond to inquiries of HIDA or failure to provide HIDA with any information or documents requested by HIDA in order to provide any federal, state or local agency with information or reports required under any applicable law, rule or regulation including without limitation information required under PAAA and PARA, number of jobs, total payroll etc.; or
- failure to provide any other information concerning the project or the project applicant or any project operator requested by HIDA.

— Upon the occurrence of any of the events listed in this Paragraph IV.B, HIDA will, upon at least ten calendar days written notice to the project applicant, hold a hearing before the IDA Board, at which the project applicant will have the opportunity to provide, or explain its failure to provide, the information requested by HIDA. Within 30 calendar days after the hearing, HIDA will determine whether and to what extent it will require recapture of the value of tax exemptions granted with respect to the project by virtue of HIDA involvement.

V: VIDEO RECORDINGS OF MEETINGS

The Agency shall, to the extent practicable, stream all open meetings and public hearings on its website in real-time. The agency shall post video recordings of all open meetings and public hearings on its website within five business days of the meeting or hearing and shall maintain such recordings for a period of no less than five years.

VI: EFFECTIVE DATE

This Uniform Tax Exemption Policy shall apply to all projects for which HIDA has adopted or adopts an Inducement Resolution including refinancings after January 1, 2024, and all refinancing of any project induced or closed before January 1, 2025.

HIDA, by resolution of its Members, and upon notice to all affected tax jurisdictions as may be required by law, may amend or modify the foregoing policy as it may, from time to time, in its sole discretion determine.

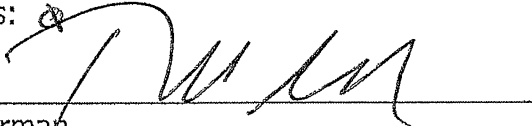
Resolution: 038-2024

Adopted by Governance Committee: 9/17/24

Adopted by Board: 10/22/2024

Ayes: 5

Nays: 0

A handwritten signature in black ink, appearing to be 'D. W. M.', written over a horizontal line.

Chairman

EXHIBIT E

PROPOSED PILOT SCHEDULE

2283 Grand Avenue
Baldwin, New York 11510

Current Tax Information:

Section; 54, Block: 101, Lots: 240 and 241

Parcels: 2

SD- Baldwin UFSD - 10

Total Current Taxes: \$76,910.88

Demolished taxes: \$44,272

Estimated Taxes Once Built: \$465,900

Year	Total
1	\$44,272.00
2	\$44,272.00
3	\$44,272.00
4	\$140,000.00
5	\$165,000.00
6	\$180,000.00
7	\$200,000.00
8	\$220,000.00
9	\$240,000.00
10	\$260,000.00
11	\$275,000.00
12	\$300,000.00
13	\$340,000.00
14	\$365,000.00
15	\$400,000.00
16	\$440,000.00
17	\$475,000.00
18	\$495,000.00
19	\$515,000.00
20	\$535,000.00
21	\$550,000.00
22	\$560,000.00
23	\$570,000.00
24	\$580,000.00
25	\$600,000.00
26	

EXHIBIT F

TOWN OF HEMPSTEAD INDUSTRIAL DEVELOPMENT AGENCY FINDINGS STATEMENT

The Project

JAEP Properties LLC, 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 JAEP Properties LLC 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 1.246 acre parcel of land located at 2283 Grand Avenue, Baldwin, Town of Hempstead, Nassau County, New York (the “**Land**”), the demolition of the existing approximately 11,000 square foot building on the Land, the construction of a four-story approximately 70,863 square foot mixed-use facility consisting of approximately 54 market-rate residential rental units (consisting of approximately 12 one-bedroom apartments and 42 two-bedroom apartments, with five (5) units being subject to a preference for persons with disabilities), approximately 2,344 rentable square feet of ground floor commercial office space, parking for 78 vehicles on the Land and associated site improvements (collectively, the “**Improvements**”), and the acquisition of certain furniture, fixtures, equipment and personal property necessary for the completion thereof (the “**Equipment**”; and together with the Land and the Improvements, the “**Facility**”), which Facility would be subleased by the Agency to the Company and further sub-subleased by the Company to future tenants for use as a mixed-use multifamily housing and commercial office facility (the “**Project**”).

Pursuant to Article 8 of the New York Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “**SEQR Act**”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (“**NYSDEC**”), being 6 NYCRR Part 617, et. seq., as amended (the “**Regulations**”) and collectively with the SEQR Act, “**SEQRA**”), the Agency must satisfy the requirements contained in SEQRA prior to making a final determination whether to approve the Application.

The Project is subject to the requirements of the Town of Hempstead’s Building Zone Ordinance (“**BZO**”) for the Baldwin Mixed-Use Overlay District (“**B-MX Overlay District**”) and the Baldwin Mixed-Use District Design Guidelines (“**B-MX Design Guidelines**”), which were proposed in 2019 and, thereafter, the Town of Hempstead completed a review under SEQRA that resulted in a positive declaration, the preparation of the Draft Generic Environmental Impact Statement (“**DGEIS**”), and adoption of a Final Generic Environmental Impact Statement (“**FGEIS**”) and issuance of a SEQRA Findings Statement (“**Findings Statement**”).

The SEQRA review completed for the B-MX Overlay District was a coordinated review completed by the Town of Hempstead’s Town Board (the “**Town Board**”) as “lead agency” in which the Agency was named as an Involved Agency. The Findings Statement and the final text of the B-MX Overlay District both require that additional SEQRA review be undertaken per 6 NYCRR Part 617.10(d)(2), (3), or (4) if a development within the B-MX Overlay Districts

seeks a variance or does not substantially conform with the intent of the relevant B-MX Design Guidelines.

With the Project, the Improvements necessitated variances and a relaxation from several requirements of the B-MX Overlay District and B-MX Design Guidelines, including: (1) a relaxation in the off-street parking requirement permitted in the B-MX Overlay District by §431.1 D of the BZO from the 83 required spaces to 69 spaces; (2) a variance to allow a 10-ft. landscaped buffer along the southern edge of the Land, down from the required 25 ft.; and (3) a variance to permit an 161.5 ft. front yard setback along Harris Avenue, approximately 151.5 ft. more than the required 10 ft.

With regard to the approvals for the Project, the Town Board declared itself to be “lead agency” pursuant to the requirements of SEQRA and determined, pursuant to the FGEIS and the Findings Statement, that additional SEQRA analysis was required per §617.10(d) due to the variances and relaxation requests noted above. After review, the Town Board issued a Negative Declaration on February 27, 2024, finding that the Project, as designed, would not result in significant impacts to the environment.

The Agency Record

In making these findings, the Agency has received and reviewed the following: (1) the entire SEQRA Record prepared by the Town Board as the SEQRA Lead Agency for the approval of the B-MX Overlay District, including but not limited to the FGEIS and the DGEIS and all appendices, figures, tables, and other materials attached to or referenced therein; (2) the Town Board’s SEQRA Findings Statement related to the FGEIS; (3) the entire SEQRA Record prepared by the Town Board as the SEQRA Lead Agency for the Project approval, including the February 27, 2024 Negative Declaration issued by the Town Board, *the State Environmental Quality Act Consistency Analysis*, dated April 7, 2023, prepared by Stonefield Engineering, the *Traffic and Parking Assessment Report*, revised August 4, 2023, and the July 21, 2023 Inter-Department Memorandum from the Town of Hempstead Design Review Board, noting that approval by the Town Board would make the Project zoning compliant; (4) the March 22, 2024 Application for Financial Assistance to the Agency; (5) a Full Environmental Assessment Form, dated April 9, 2024 (the “EAF”); (6) NYSDEC’s Environmental Resource Mapper Summary Report; (7) New York State Historic Preservation Office’s Cultural Resources Information System (“CRIS”); (8) the July 28, 2023 letter from the New York State Parks, Recreation and Historic Preservation regarding the Project, and (9) other relevant environmental information (collectively, with 1-9 shall be referred to as the “Environmental Information”).

Findings

1. Based upon a thorough review and examination of the Project and the Environmental Information, and upon the Agency’s knowledge of the area surrounding the Land and such further investigation of the Project and its environmental effects as the Agency has deemed appropriate, the Agency makes the following findings with respect to the Project:
 - a. The enactment and adoption of the B-MX Overlay District and B-MX Design Guidelines, which impacts an 87-acre area of the hamlet of Baldwin including

the Land, has been the subject of an FGEIS and the Agency was an Involved Agency in that process.

- b. The FGEIS sufficiently evaluates the impacts of the enactment and adoption of the B-MX Overlay District and B-MX Design Guidelines. Further, the FGEIS and associated Findings Statement thoroughly evaluated impacts to land use, zoning, public policy, visual and aesthetic resources, socioeconomics and demographics including with respect to local businesses, soil conditions and topography, hydrology and water conditions, ecological conditions, transportation including traffic, historic and archaeological resources, community facilities and services, air quality, noise, and cumulative impacts of adjacent development. Overall, the FGEIS and the Findings Statement fully encompassed and addressed the potential impacts of the implementation of the development permitted per the B-MX Overlay District and B-MX Design Guidelines. The Agency certifies, consistent with social, economic and other essential considerations from among the reasonable alternatives available, the action is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable, and that adverse environmental impacts will be avoided or minimized to the maximum extent practicable.
- c. The Project has been the subject of a subsequent Negative Declaration issued by the Town Board and the Agency has since been identified as an involved agency in that process.
- d. The Agency must issue a findings statement in accordance with the requirements of SEQRA.
- e. The Project will generate a maximum combined parking demand of 66 spaces and, according to the EAF, the Project will provide 69 spaces plus additional tandem spaces for a total of 78 spaces, exceeding the projected demand. The Land is within the Baldwin is approximately 615 feet from the Baldwin Long Island Railroad Station, about a 5-minute walk, and is within walking distance of area restaurants and services. The approximately 2,344 rentable commercial office space will be located at ground-floor level fronting Grand Avenue, and is anticipated to be used as shared working space. Overall, the Project will meet parking demand to be generated by the proposed uses and creates a pedestrian- and transit-friendly project that will not create significant demand on neighboring streets or transportation.
- f. The Land is currently developed with an open-air surface parking lot, an existing commercial building and landscaping primarily along the Grand Avenue frontage. The EAF indicates that there are no wetlands or other surface bodies present near or on the Land, and the Project will not create any new waterbody or affect the surface area of any existing waterbody. The Project is not located in a designated 100-year or 500-year floodplain. The Project will not increase the Land's impervious area. An on-site stormwater management system will be designed and installed, meeting the Town of Hempstead's storage requirements. Accordingly, the Project will not create any potentially significant adverse impacts on surface water.

- g. The Project was reviewed by the Office of Parks, Recreation and Historic Preservation, which found that the Project would not have an impact on historic properties, historic resources and/or historic resources that are either listed or eligible for listing on the New York State or the National Register of Historic Places. Also, the Project does not include the reduction of public open space or public recreation space.
2. After careful review and consideration, the Agency hereby adopts the Town Board's Findings Statement (attached as Exhibit G) in its entirety to supplement the Agency's finding statement, the contents of which are incorporated herein by reference and adopts the Town Board's Negative Declaration with regard to Project and Findings Statement as it responds fully to the environmental concerns of the Agency.
3. Having considered the Environmental Information, and having considered the relevant environmental impacts, facts and conclusions relied upon to meet the requirements of 6 N.Y.C.R.R. §617.11, and having weighed and balanced the relevant impacts with social, economic and other considerations, the Agency certifies that the requirements of SEQRA have been met.
4. The Chair or Chief Executive Officer of the Agency are hereby authorized and directed to distribute copies of this Findings Statement to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution and comply with SEQRA.

EXHIBIT G

TOWN OF HEMPSTEAD FINDINGS STATEMENT