

PREPARED FOR:

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

# Economic and Fiscal Impact

MAIN STREET APARTMENTS LLC

Town of Hempstead  
Industrial Development Agency

MARCH 28, 2025

PREPARED BY:



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# ABOUT THE STUDY

Camoin Associates was retained by the Town of Hempstead Industrial Development Agency to measure the potential economic and fiscal impacts of a project proposed by Main Street Apartments, LLC. The proposed project is developing a 331,584-square-foot mixed-use development. Upon completion, the proposed development will contain 246 residential rental units, approximately 8,600 square feet of ground-floor retail space, and a 104,468-foot parking garage. Upon full buildout, the complex will consist of 80 two-bedroom units, 141 one-bedroom units, and 25 studio units. Additionally, 10% of units will be set aside as attainable housing as required by the Village of Hempstead Zoning Code. 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:**  
Main Street Apartments LLC  
Application for Assistance, and  
the Town of Hempstead Industrial  
Development Agency

**Geography:**  
Town of Hempstead

**Study Period:**  
2024

**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 Main Street Apartments, LLC (the “Applicant”) for the proposed development of a 331,584-square-foot mixed-use facility. Upon completion, the proposed development will contain 246 residential rental units, approximately 8,600 square feet of ground-floor retail space, and a 104,468-foot parking garage. Upon full buildout, the complex will consist of 80 two-bedroom units, 141 one-bedroom units, and 25 studio units. Additionally, 10% of units will be set aside as attainable housing as required by the Village of Hempstead Zoning Code (the “Project”) at 257 Main Street, Hempstead, New York 11550 (the “Site”). 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 95% of the units (or 234 units) would provide “net new” households to the town as they allow households to exist in the town that would otherwise be located elsewhere. Camoin Associates then computed the total spending associated with these households to derive job creation from the Project. While the project does include 8,600 square feet of commercial space, the impact of this is not considered as the tenants for this commercial space are currently unknown and as such the impact cannot be measured. The following is a summary of our findings from this study, with details below and in the following sections.

Table 1

<b>Summary of Benefits to Town</b>	
Total Jobs	63
Direct Jobs	45
Total Earnings	\$ 3,749,690
Direct Earnings	\$ 2,491,692
Annual Sales Tax Revenue to County	\$ 91,118
Annual Sales Tax Revenue to Town	\$ 8,040
Average Annual PILOT Payment	\$ 1,124,091
Average Annual PILOT Payment to Town	\$ 36,408
Average Annual PILOT Benefit (Cost)	\$ 926,576
Average Annual PILOT Benefit (Cost) to Town	\$ 30,011
<b>Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project</b>	<b>\$ 38,051</b>
<b>Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT</b>	<b>\$ (43,973)</b>

- ◆ The Project would support 63 new jobs in the town, with \$3,749,690 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 \$1,124,091 each year, of which \$36,408 will be allocated to the Town.
- ◆ The annual net benefit to the Town is estimated to be \$38,051. 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.

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- ◆ If the Project were to occur without a PILOT, the Town would receive \$43,973 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 \$4,715,258 and a mortgage tax exemption valued at up to \$515,861. 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.

# 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 \$86.730 million<sup>1</sup>, of which 70%<sup>2</sup> would be sourced from within the town. This means there will be \$60.711 million in net new construction spending in the town as a result of the Project.

Table 2

<b>Construction Phase Spending - Town</b>	
Total Construction Cost	\$ 86,730,255
Percent Sourced from Town	70%
<b>Net New Construction Spending</b>	<b>\$ 60,711,179</b>

Source: Applicant, Camoin Associates

Based on \$60.711 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be \$76.165 million in total one-time construction-related spending supporting 276<sup>3</sup> jobs and an associated \$28.938 million in earnings throughout the town's construction period. Table 3 outlines the economic impacts of construction.

Table 3

<b>Town Economic Impact - Construction Phase</b>			
	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	200	\$ 23,377,819	\$ 60,711,179
Indirect	27	\$ 2,141,362	\$ 6,712,730
Induced	49	\$ 3,419,624	\$ 8,741,042
<b>Total</b>	<b>276</b>	<b>\$ 28,938,806</b>	<b>\$ 76,164,951</b>

Source: Lightcast, Camoin Associates

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

<sup>2</sup> According to Lightcast, approximately 70% of the town's construction industry demand is met locally.

<sup>3</sup> Based on the total construction costs and town-level spending, our analysis found an estimated 200 jobs, higher than the 100 FTE construction jobs mentioned in the application, a result of the Lightcast modeling.

## IMPACTS OF NEW HOUSEHOLD SPENDING

To determine the annual economic impact of the Project on the town, the first step is to calculate the number of households that can be considered “net new” to the town’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 age-restricted 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 95% of market-rate households and 100% of affordable 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, 234 total households are considered to be net new.

Table 4

<b>Net New Households</b>			
	<b>Total Households</b>	<b>Percent Net New</b>	<b>Net New Households</b>
Studio Units	22	95%	21
One Bedroom Units	127	95%	120
Two Bedroom Units	72	95%	68
Affordable Units	25	100%	25
<b>Total</b>	<b>246</b>	<b>95%</b>	<b>234</b>

Source: Lightcast, Camoin Associates

### SPENDING BY NEW TENANTS

New residents would contribute to the local economy by making purchases in the Town of Hempstead, introducing additional dollars into the community. To quantify this impact, Camoin Associates analyzed household spending patterns by income group, focusing on households earning between \$100,000 and \$149,000 as both market rate and affordable residents are anticipated to fall within this bracket.

To do this, Camoin Associated examined a regional spending basket, categorizing household expenditures by income and consumer spending habits. This approach allowed us to estimate the likely spending patterns of prospective tenants. According to the 2023 Consumer Expenditure Survey, households with household incomes between \$100,000 and \$149,000 spend an average of \$49,053 annually, excluding housing and utility costs.

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

Category	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New Town Spending (209 net new units)
Food	\$ 11,960	\$ 7,176	\$ 1,499,784
Household furnishings and equipment	\$ 3,021	\$ 1,813	\$ 378,833
Apparel and services	\$ 2,467	\$ 1,480	\$ 309,362
Transportation	\$ 16,653	\$ 9,992	\$ 2,088,286
Health care	\$ 7,251	\$ 4,351	\$ 909,275
Entertainment	\$ 3,998	\$ 2,399	\$ 501,349
Personal care products and services	\$ 1,143	\$ 686	\$ 143,332
Education	\$ 1,253	\$ 752	\$ 157,126
Miscellaneous	\$ 1,307	\$ 784	\$ 163,898
<b>Total Tenant Spending</b>	<b>\$ 49,053</b>	<b>\$ 29,432</b>	<b>\$ 6,151,246</b>

Source: 2023 Consumer Expenditure Survey, Bureau of Labor Statistics

Table 6

**Tenant Spending Basket**

Affordable Units

Category	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New Town Spending (25 net new units)
Food	\$ 11,960	\$ 7,176	\$ 179,400
Household furnishings and equipment	\$ 3,021	\$ 1,813	\$ 45,315
Apparel and services	\$ 2,467	\$ 1,480	\$ 37,005
Transportation	\$ 16,653	\$ 9,992	\$ 249,795
Health care	\$ 7,251	\$ 4,351	\$ 108,765
Entertainment	\$ 3,998	\$ 2,399	\$ 59,970
Personal care products and services	\$ 1,143	\$ 686	\$ 17,145
Education	\$ 1,253	\$ 752	\$ 18,795
Miscellaneous	\$ 1,307	\$ 784	\$ 19,605
<b>Total Tenant Spending</b>	<b>\$ 49,053</b>	<b>\$ 29,432</b>	<b>\$ 735,795</b>

Source: 2023 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the town 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 \$6,887,041 per year. The above spending basket amounts were used to calculate the direct, indirect, and total impact of the Project on the town.



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Using \$6,887,041 as the new sales input, Camoin Associates used Lightcast to determine the Project's indirect, induced, and total impact on the Town of Hempstead.<sup>4</sup> Table 7 outlines the findings of this analysis.

Table 7

**Town Economic Impact - Household Spending**

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	40 \$	2,221,150 \$	6,887,041
Indirect	8 \$	531,398 \$	1,372,524
Induced	7 \$	552,308 \$	1,456,509
<b>Total</b>	<b>55 \$</b>	<b>3,304,856 \$</b>	<b>9,716,075</b>

Source: Lightcast, Camoin Associates

<sup>4</sup> Analysis uses the 34 zip codes that are predominantly located within the Town of Hempstead (see Attachment C).

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**IMPACTS OF ON-SITE EMPLOYMENT**

According to the Applicant, five (5) full-time equivalent jobs will be on-site following Project completion. Since 95% of the housing units are considered net new to the town, 95% of the jobs, or 5 jobs (due to rounding), are considered net new. The table below details the impact that these jobs will have on the Town of Hempstead (Table 8).

Table 8

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

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	5 \$	270,542 \$	860,538
Indirect	2 \$	120,240 \$	320,910
Induced	1 \$	54,053 \$	140,233
<b>Total</b>	<b>8 \$</b>	<b>444,834 \$</b>	<b>1,321,681</b>

Source: Lightcast, Camoin Associates

The commercial space will generate additional onsite jobs; however, since a tenant has not yet been identified, the specific positions and number of employees remain unknown. As a result, these jobs are not included in this analysis as they will be employees of the tenant and not employees of the applicant.

**TOTAL ANNUAL ECONOMIC IMPACT**

The total economic impact of both new household spending as well as on-site operation and maintenance of the Project on the Town of Hempstead is provided in Table 9 below.

Table 9

**Town Total Annual Economic Impact**

	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	45 \$	2,491,692 \$	7,747,579
Indirect	10 \$	651,638 \$	1,693,434
Induced	8 \$	606,361 \$	1,596,742
<b>Total</b>	<b>63 \$</b>	<b>3,749,690 \$</b>	<b>11,037,756</b>

Source: Lightcast, 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.<sup>5</sup>

Table 10

Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments	Town	County	School District	Village	
1	\$ 154,000	\$ 4,988	\$ 14,018	\$ 106,197	\$ 28,797	
2	\$ 154,000	\$ 4,988	\$ 14,018	\$ 106,197	\$ 28,797	
3	\$ 154,000	\$ 4,988	\$ 14,018	\$ 106,197	\$ 28,797	
4	\$ 375,000	\$ 12,146	\$ 34,134	\$ 258,597	\$ 70,123	
5	\$ 425,000	\$ 13,765	\$ 38,685	\$ 293,076	\$ 79,473	
6	\$ 475,000	\$ 15,385	\$ 43,237	\$ 327,556	\$ 88,822	
7	\$ 525,000	\$ 17,004	\$ 47,788	\$ 362,036	\$ 98,172	
8	\$ 575,000	\$ 18,624	\$ 52,339	\$ 396,515	\$ 107,522	
9	\$ 625,000	\$ 20,243	\$ 56,890	\$ 430,995	\$ 116,872	
10	\$ 700,000	\$ 22,672	\$ 63,717	\$ 482,714	\$ 130,896	
11	\$ 775,000	\$ 25,102	\$ 70,544	\$ 534,434	\$ 144,921	
12	\$ 825,000	\$ 26,721	\$ 75,095	\$ 568,913	\$ 154,270	
13	\$ 900,000	\$ 29,150	\$ 81,922	\$ 620,633	\$ 168,295	
14	\$ 975,000	\$ 31,579	\$ 88,749	\$ 672,352	\$ 182,320	
15	\$ 1,047,000	\$ 33,912	\$ 95,303	\$ 722,002	\$ 195,783	
16	\$ 1,197,429	\$ 38,784	\$ 108,996	\$ 825,737	\$ 223,913	
17	\$ 1,328,857	\$ 43,041	\$ 120,959	\$ 916,369	\$ 248,489	
18	\$ 1,470,286	\$ 47,621	\$ 133,832	\$ 1,013,897	\$ 274,935	
19	\$ 1,621,714	\$ 52,526	\$ 147,616	\$ 1,118,320	\$ 303,252	
20	\$ 2,000,000	\$ 64,778	\$ 182,049	\$ 1,379,183	\$ 373,989	
21	\$ 2,175,000	\$ 70,447	\$ 197,979	\$ 1,499,862	\$ 406,713	
22	\$ 2,225,000	\$ 72,066	\$ 202,530	\$ 1,534,341	\$ 416,063	
23	\$ 2,350,000	\$ 76,115	\$ 213,908	\$ 1,620,540	\$ 439,437	
24	\$ 2,450,000	\$ 79,354	\$ 223,010	\$ 1,689,500	\$ 458,136	
25	\$ 2,600,000	\$ 84,212	\$ 236,664	\$ 1,792,938	\$ 486,186	
<b>Total</b>	<b>\$ 28,102,286</b>	<b>\$ 910,211</b>	<b>\$ 2,558,000</b>	<b>\$ 19,379,102</b>	<b>\$ 5,254,972</b>	
<b>Average</b>	<b>\$ 1,124,091</b>	<b>\$ 36,408</b>	<b>\$ 102,320</b>	<b>\$ 775,164</b>	<b>\$ 210,199</b>	
<b>Present Value*</b>	<b>\$ 10,284,169</b>	<b>\$ 333,096</b>	<b>\$ 936,113</b>	<b>\$ 7,091,877</b>	<b>\$ 1,923,083</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes a 6.25% discount rate.

<sup>5</sup> It is assumed that each jurisdiction will continue to receive the same portion of the PILOT that they currently receive from the full tax bill.

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**TAX POLICY COMPARISON**

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. Table 11 displays the property tax payment without the Project, given that the property is not currently generating any tax revenue; without the project, this would remain the case.

Table 11

**Tax Payments without Project**

Year	Total Property Tax Payment Without Project**	Portion of Payment by Jurisdiction			
		Town	County	School District	Village
1	\$ 154,163	\$ 4,993	\$ 14,033	\$ 106,309	\$ 28,828
2	\$ 157,246	\$ 5,093	\$ 14,313	\$ 108,436	\$ 29,404
3	\$ 160,391	\$ 5,195	\$ 14,600	\$ 110,604	\$ 29,992
4	\$ 163,599	\$ 5,299	\$ 14,892	\$ 112,816	\$ 30,592
5	\$ 166,871	\$ 5,405	\$ 15,189	\$ 115,073	\$ 31,204
6	\$ 170,208	\$ 5,513	\$ 15,493	\$ 117,374	\$ 31,828
7	\$ 173,612	\$ 5,623	\$ 15,803	\$ 119,722	\$ 32,465
8	\$ 177,085	\$ 5,736	\$ 16,119	\$ 122,116	\$ 33,114
9	\$ 180,626	\$ 5,850	\$ 16,441	\$ 124,558	\$ 33,776
10	\$ 184,239	\$ 5,967	\$ 16,770	\$ 127,050	\$ 34,452
11	\$ 187,924	\$ 6,087	\$ 17,106	\$ 129,591	\$ 35,141
12	\$ 191,682	\$ 6,208	\$ 17,448	\$ 132,182	\$ 35,843
13	\$ 195,516	\$ 6,333	\$ 17,797	\$ 134,826	\$ 36,560
14	\$ 199,426	\$ 6,459	\$ 18,153	\$ 137,523	\$ 37,292
15	\$ 203,415	\$ 6,588	\$ 18,516	\$ 140,273	\$ 38,037
16	\$ 207,483	\$ 6,720	\$ 18,886	\$ 143,078	\$ 38,798
17	\$ 211,633	\$ 6,855	\$ 19,264	\$ 145,940	\$ 39,574
18	\$ 215,865	\$ 6,992	\$ 19,649	\$ 148,859	\$ 40,366
19	\$ 220,182	\$ 7,132	\$ 20,042	\$ 151,836	\$ 41,173
20	\$ 224,586	\$ 7,274	\$ 20,443	\$ 154,873	\$ 41,996
21	\$ 229,078	\$ 7,420	\$ 20,852	\$ 157,970	\$ 42,836
22	\$ 233,659	\$ 7,568	\$ 21,269	\$ 161,130	\$ 43,693
23	\$ 238,333	\$ 7,719	\$ 21,694	\$ 164,352	\$ 44,567
24	\$ 243,099	\$ 7,874	\$ 22,128	\$ 167,639	\$ 45,458
25	\$ 247,961	\$ 8,031	\$ 22,571	\$ 170,992	\$ 46,367
<b>Total</b>	<b>\$ 4,937,882</b>	<b>\$ 159,934</b>	<b>\$ 449,469</b>	<b>\$ 3,405,122</b>	<b>\$ 923,357</b>
<b>Average</b>	<b>\$ 197,515</b>	<b>\$ 6,397</b>	<b>\$ 17,979</b>	<b>\$ 136,205</b>	<b>\$ 36,934</b>
<b>Present Value*</b>	<b>\$ 2,320,072</b>	<b>\$ 75,145</b>	<b>\$ 211,184</b>	<b>\$ 1,599,902</b>	<b>\$ 433,841</b>

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes a 6.25% discount rate.

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

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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 12

**Tax Payments with Project without PILOT**

Year	Total Property Tax Payment With Project Without Pilot**	Portion of Payment by Jurisdiction			
		Town	County	School District	Village
1	\$ 154,163	\$ 4,993	\$ 14,033	\$ 106,309	\$ 28,828
2	\$ 157,246	\$ 5,093	\$ 14,313	\$ 108,436	\$ 29,404
3	\$ 2,140,121	\$ 69,317	\$ 194,804	\$ 1,475,810	\$ 400,191
4	\$ 2,182,923	\$ 70,703	\$ 198,700	\$ 1,505,326	\$ 408,195
5	\$ 2,226,582	\$ 72,117	\$ 202,674	\$ 1,535,432	\$ 416,359
6	\$ 2,271,113	\$ 73,560	\$ 206,727	\$ 1,566,141	\$ 424,686
7	\$ 2,316,536	\$ 75,031	\$ 210,862	\$ 1,597,464	\$ 433,179
8	\$ 2,362,866	\$ 76,531	\$ 215,079	\$ 1,629,413	\$ 441,843
9	\$ 2,410,124	\$ 78,062	\$ 219,381	\$ 1,662,001	\$ 450,680
10	\$ 2,458,326	\$ 79,623	\$ 223,768	\$ 1,695,241	\$ 459,693
11	\$ 2,507,493	\$ 81,216	\$ 228,244	\$ 1,729,146	\$ 468,887
12	\$ 2,557,643	\$ 82,840	\$ 232,808	\$ 1,763,729	\$ 478,265
13	\$ 2,608,796	\$ 84,497	\$ 237,465	\$ 1,799,004	\$ 487,830
14	\$ 2,660,971	\$ 86,187	\$ 242,214	\$ 1,834,984	\$ 497,587
15	\$ 2,714,191	\$ 87,911	\$ 247,058	\$ 1,871,683	\$ 507,539
16	\$ 2,768,475	\$ 89,669	\$ 251,999	\$ 1,909,117	\$ 517,689
17	\$ 2,823,844	\$ 91,462	\$ 257,039	\$ 1,947,299	\$ 528,043
18	\$ 2,880,321	\$ 93,291	\$ 262,180	\$ 1,986,245	\$ 538,604
19	\$ 2,937,927	\$ 95,157	\$ 267,424	\$ 2,025,970	\$ 549,376
20	\$ 2,996,686	\$ 97,060	\$ 272,772	\$ 2,066,490	\$ 560,364
21	\$ 3,056,620	\$ 99,002	\$ 278,228	\$ 2,107,820	\$ 571,571
22	\$ 3,117,752	\$ 100,982	\$ 283,792	\$ 2,149,976	\$ 583,002
23	\$ 3,180,107	\$ 103,001	\$ 289,468	\$ 2,192,975	\$ 594,662
24	\$ 3,243,709	\$ 105,061	\$ 295,257	\$ 2,236,835	\$ 606,556
25	\$ 3,308,584	\$ 107,162	\$ 301,163	\$ 2,281,572	\$ 618,687
<b>Total</b>	<b>\$ 62,043,120</b>	<b>\$ 2,009,528</b>	<b>\$ 5,647,452</b>	<b>\$ 42,784,418</b>	<b>\$ 11,601,721</b>
<b>Average</b>	<b>\$ 2,481,725</b>	<b>\$ 80,381</b>	<b>\$ 225,898</b>	<b>\$ 1,711,377</b>	<b>\$ 464,069</b>
<b>Present Value*</b>	<b>\$ 27,446,855</b>	<b>\$ 888,982</b>	<b>\$ 2,498,340</b>	<b>\$ 18,927,122</b>	<b>\$ 5,132,410</b>

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes a 6.25% discount rate.

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

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Table 13 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, \$926,576 more in PILOT revenue will be received annually than property taxes that would be received without the Project. The total benefit would be \$23,164,404 over the 25 years. The Applicant will pay \$1,357,633 less on average per year under the PILOT compared to paying full taxes on the final development.

Table 13

**Tax Policy Comparison (All Jurisdictions)**

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	\$ 154,163	\$ 154,000	\$ 154,163	\$ (163)	\$ 163	
2	\$ 157,246	\$ 154,000	\$ 157,246	\$ (3,246)	\$ 3,246	
3	\$ 160,391	\$ 154,000	\$ 2,140,121	\$ (6,391)	\$ 1,986,121	
4	\$ 163,599	\$ 375,000	\$ 2,182,923	\$ 211,401	\$ 1,807,923	
5	\$ 166,871	\$ 425,000	\$ 2,226,582	\$ 258,129	\$ 1,801,582	
6	\$ 170,208	\$ 475,000	\$ 2,271,113	\$ 304,792	\$ 1,796,113	
7	\$ 173,612	\$ 525,000	\$ 2,316,536	\$ 351,388	\$ 1,791,536	
8	\$ 177,085	\$ 575,000	\$ 2,362,866	\$ 397,915	\$ 1,787,866	
9	\$ 180,626	\$ 625,000	\$ 2,410,124	\$ 444,374	\$ 1,785,124	
10	\$ 184,239	\$ 700,000	\$ 2,458,326	\$ 515,761	\$ 1,758,326	
11	\$ 187,924	\$ 775,000	\$ 2,507,493	\$ 587,076	\$ 1,732,493	
12	\$ 191,682	\$ 825,000	\$ 2,557,643	\$ 633,318	\$ 1,732,643	
13	\$ 195,516	\$ 900,000	\$ 2,608,796	\$ 704,484	\$ 1,708,796	
14	\$ 199,426	\$ 975,000	\$ 2,660,971	\$ 775,574	\$ 1,685,971	
15	\$ 203,415	\$ 1,047,000	\$ 2,714,191	\$ 843,585	\$ 1,667,191	
16	\$ 207,483	\$ 1,197,429	\$ 2,768,475	\$ 989,946	\$ 1,571,046	
17	\$ 211,633	\$ 1,328,857	\$ 2,823,844	\$ 1,117,224	\$ 1,494,987	
18	\$ 215,865	\$ 1,470,286	\$ 2,880,321	\$ 1,254,421	\$ 1,410,035	
19	\$ 220,182	\$ 1,621,714	\$ 2,937,927	\$ 1,401,532	\$ 1,316,213	
20	\$ 224,586	\$ 2,000,000	\$ 2,996,686	\$ 1,775,414	\$ 996,686	
21	\$ 229,078	\$ 2,175,000	\$ 3,056,620	\$ 1,945,922	\$ 881,620	
22	\$ 233,659	\$ 2,225,000	\$ 3,117,752	\$ 1,991,341	\$ 892,752	
23	\$ 238,333	\$ 2,350,000	\$ 3,180,107	\$ 2,111,667	\$ 830,107	
24	\$ 243,099	\$ 2,450,000	\$ 3,243,709	\$ 2,206,901	\$ 793,709	
25	\$ 247,961	\$ 2,600,000	\$ 3,308,584	\$ 2,352,039	\$ 708,584	
<b>Total</b>	<b>\$ 4,937,882</b>	<b>\$ 28,102,286</b>	<b>\$ 62,043,120</b>	<b>\$ 23,164,404</b>	<b>\$ 33,940,834</b>	
<b>Average</b>	<b>\$ 197,515</b>	<b>\$ 1,124,091</b>	<b>\$ 2,481,725</b>	<b>\$ 926,576</b>	<b>\$ 1,357,633</b>	
<b>Present Value*</b>	<b>\$ 2,320,072</b>	<b>\$ 10,284,169</b>	<b>\$ 27,446,855</b>	<b>\$ 7,964,097</b>	<b>\$ 17,162,686</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

CAMOIN ASSOCIATES

**TOWN**

Table 14 calculates the benefit (or cost) to the Town. The Town would receive approximately \$30,011 more in PILOT revenue annually than in property taxes without the Project. The total benefit to the Town would be \$750,277 over the 25 years.

Table 14

**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	\$ 4,993	\$ 4,988	\$ 4,993	\$ (5)	\$ 5	
2	\$ 5,093	\$ 4,988	\$ 5,093	\$ (105)	\$ 105	
3	\$ 5,195	\$ 4,988	\$ 69,317	\$ (207)	\$ 64,329	
4	\$ 5,299	\$ 12,146	\$ 70,703	\$ 6,847	\$ 58,557	
5	\$ 5,405	\$ 13,765	\$ 72,117	\$ 8,361	\$ 58,352	
6	\$ 5,513	\$ 15,385	\$ 73,560	\$ 9,872	\$ 58,175	
7	\$ 5,623	\$ 17,004	\$ 75,031	\$ 11,381	\$ 58,026	
8	\$ 5,736	\$ 18,624	\$ 76,531	\$ 12,888	\$ 57,908	
9	\$ 5,850	\$ 20,243	\$ 78,062	\$ 14,393	\$ 57,819	
10	\$ 5,967	\$ 22,672	\$ 79,623	\$ 16,705	\$ 56,951	
11	\$ 6,087	\$ 25,102	\$ 81,216	\$ 19,015	\$ 56,114	
12	\$ 6,208	\$ 26,721	\$ 82,840	\$ 20,513	\$ 56,119	
13	\$ 6,333	\$ 29,150	\$ 84,497	\$ 22,818	\$ 55,347	
14	\$ 6,459	\$ 31,579	\$ 86,187	\$ 25,120	\$ 54,607	
15	\$ 6,588	\$ 33,912	\$ 87,911	\$ 27,323	\$ 53,999	
16	\$ 6,720	\$ 38,784	\$ 89,669	\$ 32,064	\$ 50,885	
17	\$ 6,855	\$ 43,041	\$ 91,462	\$ 36,186	\$ 48,421	
18	\$ 6,992	\$ 47,621	\$ 93,291	\$ 40,630	\$ 45,670	
19	\$ 7,132	\$ 52,526	\$ 95,157	\$ 45,395	\$ 42,631	
20	\$ 7,274	\$ 64,778	\$ 97,060	\$ 57,504	\$ 32,282	
21	\$ 7,420	\$ 70,447	\$ 99,002	\$ 63,027	\$ 28,555	
22	\$ 7,568	\$ 72,066	\$ 100,982	\$ 64,498	\$ 28,916	
23	\$ 7,719	\$ 76,115	\$ 103,001	\$ 68,395	\$ 26,887	
24	\$ 7,874	\$ 79,354	\$ 105,061	\$ 71,480	\$ 25,708	
25	\$ 8,031	\$ 84,212	\$ 107,162	\$ 76,181	\$ 22,950	
<b>Total</b>	<b>\$ 159,934</b>	<b>\$ 910,211</b>	<b>\$ 2,009,528</b>	<b>\$ 750,277</b>	<b>\$ 1,099,317</b>	
<b>Average</b>	<b>\$ 6,397</b>	<b>\$ 36,408</b>	<b>\$ 80,381</b>	<b>\$ 30,011</b>	<b>\$ 43,973</b>	
<b>Present Value*</b>	<b>\$ 75,145</b>	<b>\$ 333,096</b>	<b>\$ 888,982</b>	<b>\$ 257,951</b>	<b>\$ 555,886</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

CAMOIN ASSOCIATES

**COUNTY**

Table 15 calculates the benefit (or cost) to the County. The County would receive approximately \$84,341 more in PILOT revenue annually than in property taxes without the Project. The total benefit to the County would be \$2,108,531 over the 25 years.

Table 15

**Tax Policy Comparison for County**

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	\$ 14,033	\$ 14,018	\$ 14,033	\$ (15)	\$ 15	
2	\$ 14,313	\$ 14,018	\$ 14,313	\$ (295)	\$ 295	
3	\$ 14,600	\$ 14,018	\$ 194,804	\$ (582)	\$ 180,786	
4	\$ 14,892	\$ 34,134	\$ 198,700	\$ 19,243	\$ 164,566	
5	\$ 15,189	\$ 38,685	\$ 202,674	\$ 23,496	\$ 163,988	
6	\$ 15,493	\$ 43,237	\$ 206,727	\$ 27,744	\$ 163,491	
7	\$ 15,803	\$ 47,788	\$ 210,862	\$ 31,985	\$ 163,074	
8	\$ 16,119	\$ 52,339	\$ 215,079	\$ 36,220	\$ 162,740	
9	\$ 16,441	\$ 56,890	\$ 219,381	\$ 40,449	\$ 162,490	
10	\$ 16,770	\$ 63,717	\$ 223,768	\$ 46,947	\$ 160,051	
11	\$ 17,106	\$ 70,544	\$ 228,244	\$ 53,438	\$ 157,700	
12	\$ 17,448	\$ 75,095	\$ 232,808	\$ 57,648	\$ 157,713	
13	\$ 17,797	\$ 81,922	\$ 237,465	\$ 64,125	\$ 155,542	
14	\$ 18,153	\$ 88,749	\$ 242,214	\$ 70,596	\$ 153,465	
15	\$ 18,516	\$ 95,303	\$ 247,058	\$ 76,787	\$ 151,755	
16	\$ 18,886	\$ 108,996	\$ 251,999	\$ 90,109	\$ 143,004	
17	\$ 19,264	\$ 120,959	\$ 257,039	\$ 101,695	\$ 136,081	
18	\$ 19,649	\$ 133,832	\$ 262,180	\$ 114,183	\$ 128,348	
19	\$ 20,042	\$ 147,616	\$ 267,424	\$ 127,574	\$ 119,808	
20	\$ 20,443	\$ 182,049	\$ 272,772	\$ 161,606	\$ 90,723	
21	\$ 20,852	\$ 197,979	\$ 278,228	\$ 177,127	\$ 80,249	
22	\$ 21,269	\$ 202,530	\$ 283,792	\$ 181,261	\$ 81,262	
23	\$ 21,694	\$ 213,908	\$ 289,468	\$ 192,214	\$ 75,560	
24	\$ 22,128	\$ 223,010	\$ 295,257	\$ 200,882	\$ 72,247	
25	\$ 22,571	\$ 236,664	\$ 301,163	\$ 214,093	\$ 64,499	
<b>Total</b>	<b>\$ 449,469</b>	<b>\$ 2,558,000</b>	<b>\$ 5,647,452</b>	<b>\$ 2,108,531</b>	<b>\$ 3,089,452</b>	
<b>Average</b>	<b>\$ 17,979</b>	<b>\$ 102,320</b>	<b>\$ 225,898</b>	<b>\$ 84,341</b>	<b>\$ 123,578</b>	
<b>Present Value*</b>	<b>\$ 211,184</b>	<b>\$ 936,113</b>	<b>\$ 2,498,340</b>	<b>\$ 724,929</b>	<b>\$ 1,562,227</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.



CAMOIN ASSOCIATES

**SCHOOL DISTRICT**

Table 16 calculates the benefit (or cost) to the school district. The school district would receive approximately \$638,959 more in PILOT revenue annually than in property taxes without the Project. The total benefit to the school district would be \$15,973,980 over the 25 years.

Table 16

**Tax Policy Comparison for School District**

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	\$ 106,309	\$ 106,197	\$ 106,309	\$ (112)	\$ 112	
2	\$ 108,436	\$ 106,197	\$ 108,436	\$ (2,238)	\$ 2,238	
3	\$ 110,604	\$ 106,197	\$ 1,475,810	\$ (4,407)	\$ 1,369,612	
4	\$ 112,816	\$ 258,597	\$ 1,505,326	\$ 145,780	\$ 1,246,729	
5	\$ 115,073	\$ 293,076	\$ 1,535,432	\$ 178,004	\$ 1,242,356	
6	\$ 117,374	\$ 327,556	\$ 1,566,141	\$ 210,182	\$ 1,238,585	
7	\$ 119,722	\$ 362,036	\$ 1,597,464	\$ 242,314	\$ 1,235,428	
8	\$ 122,116	\$ 396,515	\$ 1,629,413	\$ 274,399	\$ 1,232,898	
9	\$ 124,558	\$ 430,995	\$ 1,662,001	\$ 306,436	\$ 1,231,007	
10	\$ 127,050	\$ 482,714	\$ 1,695,241	\$ 355,665	\$ 1,212,527	
11	\$ 129,591	\$ 534,434	\$ 1,729,146	\$ 404,843	\$ 1,194,713	
12	\$ 132,182	\$ 568,913	\$ 1,763,729	\$ 436,731	\$ 1,194,816	
13	\$ 134,826	\$ 620,633	\$ 1,799,004	\$ 485,806	\$ 1,178,371	
14	\$ 137,523	\$ 672,352	\$ 1,834,984	\$ 534,829	\$ 1,162,632	
15	\$ 140,273	\$ 722,002	\$ 1,871,683	\$ 581,729	\$ 1,149,681	
16	\$ 143,078	\$ 825,737	\$ 1,909,117	\$ 682,659	\$ 1,083,380	
17	\$ 145,940	\$ 916,369	\$ 1,947,299	\$ 770,429	\$ 1,030,931	
18	\$ 148,859	\$ 1,013,897	\$ 1,986,245	\$ 865,038	\$ 972,348	
19	\$ 151,836	\$ 1,118,320	\$ 2,025,970	\$ 966,484	\$ 907,650	
20	\$ 154,873	\$ 1,379,183	\$ 2,066,490	\$ 1,224,311	\$ 687,306	
21	\$ 157,970	\$ 1,499,862	\$ 2,107,820	\$ 1,341,892	\$ 607,958	
22	\$ 161,130	\$ 1,534,341	\$ 2,149,976	\$ 1,373,212	\$ 615,634	
23	\$ 164,352	\$ 1,620,540	\$ 2,192,975	\$ 1,456,188	\$ 572,435	
24	\$ 167,639	\$ 1,689,500	\$ 2,236,835	\$ 1,521,860	\$ 547,335	
25	\$ 170,992	\$ 1,792,938	\$ 2,281,572	\$ 1,621,946	\$ 488,633	
<b>Total</b>	<b>\$ 3,405,122</b>	<b>\$ 19,379,102</b>	<b>\$ 42,784,418</b>	<b>\$ 15,973,980</b>	<b>\$ 23,405,316</b>	
<b>Average</b>	<b>\$ 136,205</b>	<b>\$ 775,164</b>	<b>\$ 1,711,377</b>	<b>\$ 638,959</b>	<b>\$ 936,213</b>	
<b>Present Value*</b>	<b>\$ 1,599,902</b>	<b>\$ 7,091,877</b>	<b>\$ 18,927,122</b>	<b>\$ 5,491,975</b>	<b>\$ 11,835,245</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

CAMOIN ASSOCIATES

**VILLAGE**

Table 17 calculates the benefit (or cost) to the village. The village would receive approximately \$173,265 more in PILOT revenue annually than in property taxes without the Project. The total benefit to the village would be \$4,554,537 over the 25 years.

Table 17

**Tax Policy Comparison for Village**

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	\$ 28,828	\$ 28,797	\$ 28,828	\$ (30)	\$ 30	
2	\$ 29,404	\$ 28,797	\$ 29,404	\$ (607)	\$ 607	
3	\$ 29,992	\$ 28,797	\$ 400,191	\$ (1,195)	\$ 371,394	
4	\$ 30,592	\$ 70,123	\$ 408,195	\$ 39,531	\$ 338,072	
5	\$ 31,204	\$ 79,473	\$ 416,359	\$ 48,269	\$ 336,886	
6	\$ 31,828	\$ 88,822	\$ 424,686	\$ 56,994	\$ 335,863	
7	\$ 32,465	\$ 98,172	\$ 433,179	\$ 65,708	\$ 335,007	
8	\$ 33,114	\$ 107,522	\$ 441,843	\$ 74,408	\$ 334,321	
9	\$ 33,776	\$ 116,872	\$ 450,680	\$ 83,095	\$ 333,808	
10	\$ 34,452	\$ 130,896	\$ 459,693	\$ 96,444	\$ 328,797	
11	\$ 35,141	\$ 144,921	\$ 468,887	\$ 109,780	\$ 323,967	
12	\$ 35,843	\$ 154,270	\$ 478,265	\$ 118,427	\$ 323,995	
13	\$ 36,560	\$ 168,295	\$ 487,830	\$ 131,735	\$ 319,535	
14	\$ 37,292	\$ 182,320	\$ 497,587	\$ 145,028	\$ 315,267	
15	\$ 38,037	\$ 195,783	\$ 507,539	\$ 157,746	\$ 311,755	
16	\$ 38,798	\$ 223,913	\$ 517,689	\$ 185,114	\$ 293,777	
17	\$ 39,574	\$ 248,489	\$ 528,043	\$ 208,915	\$ 279,554	
18	\$ 40,366	\$ 274,935	\$ 538,604	\$ 234,570	\$ 263,669	
19	\$ 41,173	\$ 303,252	\$ 549,376	\$ 262,079	\$ 246,125	
20	\$ 41,996	\$ 373,989	\$ 560,364	\$ 331,993	\$ 186,375	
21	\$ 42,836	\$ 406,713	\$ 571,571	\$ 363,877	\$ 164,858	
22	\$ 43,693	\$ 416,063	\$ 583,002	\$ 372,370	\$ 166,940	
23	\$ 44,567	\$ 439,437	\$ 594,662	\$ 394,870	\$ 155,225	
24	\$ 45,458	\$ 458,136	\$ 606,556	\$ 412,678	\$ 148,419	
25	\$ 46,367	\$ 486,186	\$ 618,687	\$ 439,818	\$ 132,501	
<b>Total</b>	<b>\$ 923,357</b>	<b>\$ 5,254,972</b>	<b>\$ 11,601,721</b>	<b>\$ 4,331,616</b>	<b>\$ 6,346,749</b>	
<b>Average</b>	<b>\$ 36,934</b>	<b>\$ 210,199</b>	<b>\$ 464,069</b>	<b>\$ 173,265</b>	<b>\$ 253,870</b>	
<b>Present Value*</b>	<b>\$ 433,841</b>	<b>\$ 1,923,083</b>	<b>\$ 5,132,410</b>	<b>\$ 1,489,242</b>	<b>\$ 3,209,328</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

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**OTHER EXEMPTIONS**

There are additional benefits to working with the Agency including a one-time sales tax exemption on construction materials and furniture, fixtures, and equipment as well as a mortgage tax exemption. Tax exemptions are for the state and county taxes and are not applicable to the town.

Table 18

**Summary of Costs to Affected Jurisdictions**

	State and County	
Sales Tax Exemption	\$	4,715,258
Mortgage Tax Exemption	\$	515,861

**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%<sup>6</sup> of the construction phase earnings would be spent within the county, and 25% of those purchases would be taxable. The portion of sales tax revenue allocated to the town is 0.375%. As a result, there is estimated to be \$18,991 in new sales tax revenue to the town as a result of the construction phase.

Table 19

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

Total New Earnings	\$	28,938,806
Amount Spent in County (70%)	\$	20,257,164
Amount Taxable (25%)	\$	5,064,291
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>215,232</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Sales Tax Revenue</b>	<b>\$</b>	<b>18,991</b>

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

**\*Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

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

CAMOIN ASSOCIATES

**SALES TAX REVENUE – NEW HOUSEHOLD SPENDING**

As a result of the Project, the Town would receive sales tax revenue from household purchases. Table 20 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new households. The portion of sales tax revenue allocated to the town is 0.375%. As a result, there is estimated to be \$848 in new sales tax revenue to the town as a result of the new household spending.

Table 20

<b>Annual Sales Tax Revenue, Household Spending</b>	
Total New Spending	\$ 6,887,041
Amount Taxable (30%)	\$ 2,066,112
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$ 87,810</b>
New Town Sales Tax Revenue Portion*	0.375%
<b>New Town Tax Revenue</b>	<b>\$ 7,748</b>

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

Table 21

<b>Annual Sales Tax Revenue, On-Site Operations</b>	
Total New Earnings	\$ 444,834
Amount Spent in County (70%)	\$ 311,384
Amount Taxable (25%)	\$ 77,846
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$ 3,308</b>
New Town Sales Tax Revenue Portion*	0.375%
<b>New Town Tax Revenue</b>	<b>\$ 292</b>

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

**\*Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

## CAMOIN ASSOCIATES

**TOTAL ANNUAL SALES TAX REVENUE**

The total annual sales tax revenue that the Town will receive is summarized in Table 22.

*Table 22*

<b>Total Annual Sales Tax Revenue</b>	
Household Spending	\$ 7,748
On-Site Operations	\$ 292
<b>New Town Tax Revenue</b>	<b>\$ 8,040</b>

**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.

# ATTACHMENT C: STUDY AREAS

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





CAMOIN ASSOCIATES

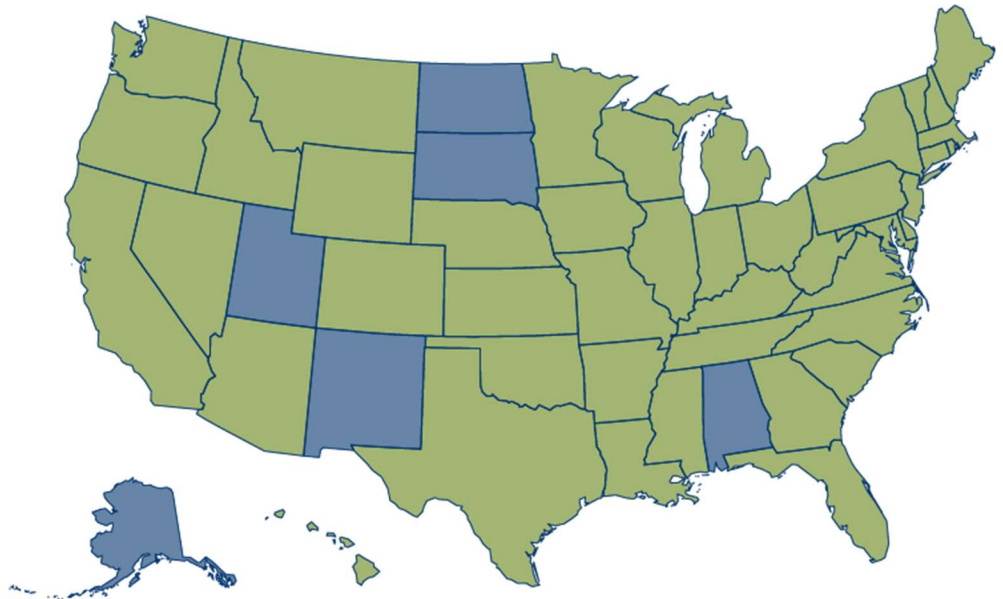
# ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus), and the New York Islanders; as well as private developers proposing projects 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](http://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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