

PREPARED FOR:

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

Economic and Fiscal Impact

HEMPSTEAD PRESERVATION, LLC

Town of Hempstead
Industrial Development Agency

JULY 9, 2025

PREPARED BY:



518.899.2608

www.camoinassociates.com

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 Hempstead Preservation, LLC. The proposed project involves renovation of a 635,711-square foot residential apartment building at 100 Terrace Ave. Hempstead NY, 11550. The goal of this analysis is to provide a complete assessment of the total economic, employment, and tax impact of the project on the Town of Hempstead that result from this renovation project.

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.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as 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. Prior to 2020, Camoin Associates included both the indirect and induced impacts in the "indirect impact" category.

Beginning in 2020, the indirect and induced impacts will be reported separately to allow for more accurate interpretation of results.

STUDY INFORMATION

Data Source:

Hempstead Preservation, 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 Hempstead Preservation, LLC (the "Applicant") for interior renovations of a 635,711-square-foot residential apartment building (the "Project") at 100 Terrace Ave. Hempstead, NY 11550 (the "Site"). The existing facility consists of 420 affordable housing units, along with on-site parking and amenities. The Applicant is seeking a sales tax exemption, mortgage recording tax exemption, and continuation of the existing PILOT (2 years), plus a 20-year PILOT with 10-year extension 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).

The Project includes interior renovations of an existing 420-unit facility. Although the project's operation will not generate additional jobs or taxes, the renovation-related spending will generate local benefits.

Table 1

Summary of Benefits to Town

Total Renovation jobs	115
Direct Jobs	95
Total Renovation Earnings	\$ 7,720,129
Direct Earnings	\$ 6,190,745
One Time Sales Tax Revenue to County	\$ 57,418
One Time Sales Tax Revenue to Town	\$ 5,066
Average Annual PILOT Payment	\$ 1,606,496
Average Annual PILOT Payment to Town	\$ 31,304
Average Annual PILOT Benefit (Cost)	\$ -
Average Annual PILOT Benefit (Cost) to Town	\$ -
Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project	\$ -
Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT	\$ -

- ◆ The Applicant has negotiated terms of a proposed 20-year PILOT agreement with the Agency, with the potential to extend an additional 10 years. Under this agreement, the Applicant would pay an average of \$1,606,496 each year, of which \$31,304 will be allocated to the Town.
 - **Note:** This analysis assumes that without the PILOT agreement, the property would continue paying taxes under the current PILOT schedule for the remaining two years, followed by a 2% annual increase, the same rate proposed in the new PILOT. However, this scenario doesn't account for a key risk: without the project investment and proposed PILOT, the property could be reassessed at a lower value, which would reduce tax payments and decrease revenue for the affected jurisdictions. The analysis was conducted with the information available.
- ◆ Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at up to \$44,097 and a mortgage recording tax exemption valued at up to \$903,558. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a "cost" to the state and county since no future revenue stream would exist without the exemptions.

Table 2

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	44,097
Mortgage Tax Exemption	\$	903,558

Source: Applicant, Camoin Associates

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by the renovation work 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 referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

The Project would have economic impacts upon the Town of Hempstead as a result of the renovation.

RENOVATION PHASE IMPACTS

The Applicant estimates that private sector investment in the renovation of the Project would cost approximately \$23 million¹, which 70%² is assumed to be sourced from within the town. This means that there will be over \$16.1 million in net new spending in the Town associated with the renovation phase of the Project.

Table 3

Renovation Phase Spending - Town

Total Renovation Cost	\$ 23,016,387
Percent Sourced from Town	70%
Net New Renovation Spending	\$ 16,111,471

Source: Applicant, Camoin Associates

Based on over \$16.1 million worth of net new direct spending associated with the renovation phase of the Project, Camoin Associates determined that there would be over \$20 million in total one-time renovation related spending supporting 115³ total jobs and an associated \$7.7 million in earnings over the renovation period throughout the Town. Table 4 outlines the economic impacts of renovation.

Table 4

Town Economic Impact - Renovation Phase

	Jobs	Earnings	Sales
Direct	95 \$	6,190,745 \$	16,111,471
Indirect	9 \$	685,420 \$	2,170,545
Induced	11 \$	843,964 \$	2,202,883
Total	115 \$	7,720,129 \$	20,484,899

Source: Lightcast, Camoin Associates

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

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

³ While the application indicated 125 direct construction jobs (95 from the Town of Hempstead based on 70% being sourced locally), based on the construction spending in region we found this number to be 95 direct construction jobs using the model with 115 total jobs as a result of the construction period.

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The Project is expected to have no negative impact on the State's renewable energy goals or emission reduction targets. The proposed renovations are expected to enhance energy efficiency by incorporating energy-efficient lighting, faucets, and appliances.

IMPACTS OF NEW HOUSEHOLD SPENDING

The facility is currently operational with a total of 420 units. Under the proposed renovation, no additional units will be added, resulting in no net new households or economic impact for the Town of Hempstead.

With no new households projected for the Town of Hempstead, there are not expected to be any additional school children as a result of this Project.

IMPACTS OF ON-SITE EMPLOYMENT

Based on our understanding of the application, the facility is currently operational. Based on the proposed renovation, no additional jobs will be added. Additionally, as the site is currently operational and, regardless of the renovation, will continue operating, there are no calculated impacts annual impacts from on-site employment.

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 continuing the remaining two years of the current PILOT, a 20-year PILOT, and a 10-year option to extend based on the current tax rate, taxable value, and assessed value of the Project. Based on the terms of the PILOT as proposed, Camoin Associates calculated the potential impact on the Town of Hempstead and other applicable jurisdictions.⁴

⁴ It is assumed that the jurisdictions will continue to receive the same portion of the PILOT payments as they do from the property's full tax bill.

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Table 5

Tax Payments with PILOT

	Total		Portion of Payment by Jurisdiction			
	PILOT Payments	Village	Town	County	School District	
1	\$ 1,145,820	\$ 208,676	\$ 22,327	\$ 40,913	\$ 873,904	
2	\$ 1,186,000	\$ 215,993	\$ 23,110	\$ 42,348	\$ 904,549	
3	\$ 1,209,720	\$ 220,313	\$ 23,572	\$ 43,194	\$ 922,640	
4	\$ 1,233,914	\$ 224,719	\$ 24,044	\$ 44,058	\$ 941,093	
5	\$ 1,258,592	\$ 229,214	\$ 24,525	\$ 44,939	\$ 959,914	
6	\$ 1,283,764	\$ 233,798	\$ 25,015	\$ 45,838	\$ 979,113	
7	\$ 1,309,439	\$ 238,474	\$ 25,515	\$ 46,755	\$ 998,695	
8	\$ 1,335,628	\$ 243,243	\$ 26,026	\$ 47,690	\$ 1,018,669	
9	\$ 1,362,341	\$ 248,108	\$ 26,546	\$ 48,644	\$ 1,039,043	
10	\$ 1,389,588	\$ 253,071	\$ 27,077	\$ 49,617	\$ 1,059,824	
11	\$ 1,417,380	\$ 258,132	\$ 27,619	\$ 50,609	\$ 1,081,020	
12	\$ 1,445,728	\$ 263,295	\$ 28,171	\$ 51,621	\$ 1,102,641	
13	\$ 1,474,643	\$ 268,561	\$ 28,734	\$ 52,654	\$ 1,124,694	
14	\$ 1,504,136	\$ 273,932	\$ 29,309	\$ 53,707	\$ 1,147,188	
15	\$ 1,534,219	\$ 279,411	\$ 29,895	\$ 54,781	\$ 1,170,132	
16	\$ 1,564,903	\$ 284,999	\$ 30,493	\$ 55,877	\$ 1,193,534	
17	\$ 1,596,201	\$ 290,699	\$ 31,103	\$ 56,994	\$ 1,217,405	
18	\$ 1,628,125	\$ 296,513	\$ 31,725	\$ 58,134	\$ 1,241,753	
19	\$ 1,660,688	\$ 302,443	\$ 32,360	\$ 59,297	\$ 1,266,589	
20	\$ 1,693,902	\$ 308,492	\$ 33,007	\$ 60,483	\$ 1,291,920	
21	\$ 1,727,780	\$ 314,662	\$ 33,667	\$ 61,692	\$ 1,317,759	
22	\$ 1,762,336	\$ 320,955	\$ 34,340	\$ 62,926	\$ 1,344,114	
23	\$ 1,797,583	\$ 327,374	\$ 35,027	\$ 64,185	\$ 1,370,997	
24	\$ 1,833,535	\$ 333,922	\$ 35,728	\$ 65,468	\$ 1,398,417	
25	\$ 1,870,206	\$ 340,600	\$ 36,442	\$ 66,778	\$ 1,426,386	
26	\$ 1,907,610	\$ 347,412	\$ 37,171	\$ 68,113	\$ 1,454,913	
27	\$ 1,945,762	\$ 354,360	\$ 37,914	\$ 69,476	\$ 1,484,011	
28	\$ 1,984,677	\$ 361,448	\$ 38,673	\$ 70,865	\$ 1,513,691	
29	\$ 2,024,370	\$ 368,677	\$ 39,446	\$ 72,282	\$ 1,543,965	
30	\$ 2,064,857	\$ 376,050	\$ 40,235	\$ 73,728	\$ 1,574,844	
31	\$ 2,106,154	\$ 383,571	\$ 41,040	\$ 75,203	\$ 1,606,341	
32	\$ 2,148,277	\$ 391,242	\$ 41,861	\$ 76,707	\$ 1,638,467	
Total	\$ 51,407,878	\$ 9,362,358	\$ 1,001,717	\$ 1,835,578	\$ 39,208,224	
Average	\$ 1,606,496	\$ 292,574	\$ 31,304	\$ 57,362	\$ 1,225,257	
Present Value*	\$ 19,933,524	\$ 3,630,276	\$ 388,418	\$ 711,750	\$ 15,203,080	

Source: Town of Hempstead IDA, Camoin Associates***Note:** Assumes a 6.25% discount rate.

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TAX POLICY COMPARISON

Without financial assistance from the Agency, Camoin Associates assumes the Applicant would not undertake the Project. The following table displays the estimated property tax payments without the Project (Column A), the estimated PILOT Payments (Column B), and a hypothetical scenario where the Project occurs but there is no PILOT (Column C).

Note: This analysis assumes that without the PILOT agreement, the property would continue paying taxes under the current PILOT schedule for the remaining two years, followed by a 2% annual increase, the same rate proposed in the new PILOT. However, this scenario doesn't account for a key risk: without the project investment and proposed PILOT, the property could be reassessed at a lower value, which would reduce tax payments and decrease revenue for the affected jurisdictions. The analysis was conducted with the information available.

The far-right column subtracts the PILOT payment from the estimated taxes if the Project were to pay full property taxes (no PILOT – Column B) to calculate the benefit to the Applicant in terms of their property tax savings. The Applicant has stated that the Project will not be economically feasible without financial assistance. This analysis is, therefore, hypothetical, to provide a comparison only.

Since the Project is only interior renovations, there is no impact to the assessed value of the property as a result; therefore, there is no fiscal impact to the affected jurisdictions or the Applicant.

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Table 6

Tax Policy Comparison (All Jurisdictions)

	A	B	C			
Year	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	\$ 1,145,820	\$ 1,145,820	\$ 1,145,820	\$ -	\$ -	
2	\$ 1,186,000	\$ 1,186,000	\$ 1,186,000	\$ -	\$ -	
3	\$ 1,209,720	\$ 1,209,720	\$ 1,209,720	\$ -	\$ -	
4	\$ 1,233,914	\$ 1,233,914	\$ 1,233,914	\$ -	\$ -	
5	\$ 1,258,592	\$ 1,258,592	\$ 1,258,592	\$ -	\$ -	
6	\$ 1,283,764	\$ 1,283,764	\$ 1,283,764	\$ -	\$ -	
7	\$ 1,309,439	\$ 1,309,439	\$ 1,309,439	\$ -	\$ -	
8	\$ 1,335,628	\$ 1,335,628	\$ 1,335,628	\$ -	\$ -	
9	\$ 1,362,341	\$ 1,362,341	\$ 1,362,341	\$ -	\$ -	
10	\$ 1,389,588	\$ 1,389,588	\$ 1,389,588	\$ -	\$ -	
11	\$ 1,417,380	\$ 1,417,380	\$ 1,417,380	\$ -	\$ -	
12	\$ 1,445,728	\$ 1,445,728	\$ 1,445,728	\$ -	\$ -	
13	\$ 1,474,643	\$ 1,474,643	\$ 1,474,643	\$ -	\$ -	
14	\$ 1,504,136	\$ 1,504,136	\$ 1,504,136	\$ -	\$ -	
15	\$ 1,534,219	\$ 1,534,219	\$ 1,534,219	\$ -	\$ -	
16	\$ 1,564,903	\$ 1,564,903	\$ 1,564,903	\$ -	\$ -	
17	\$ 1,596,201	\$ 1,596,201	\$ 1,596,201	\$ -	\$ -	
18	\$ 1,628,125	\$ 1,628,125	\$ 1,628,125	\$ -	\$ -	
19	\$ 1,660,688	\$ 1,660,688	\$ 1,660,688	\$ -	\$ -	
20	\$ 1,693,902	\$ 1,693,902	\$ 1,693,902	\$ -	\$ -	
21	\$ 1,727,780	\$ 1,727,780	\$ 1,727,780	\$ -	\$ -	
22	\$ 1,762,336	\$ 1,762,336	\$ 1,762,336	\$ -	\$ -	
23	\$ 1,797,583	\$ 1,797,583	\$ 1,797,583	\$ -	\$ -	
24	\$ 1,833,535	\$ 1,833,535	\$ 1,833,535	\$ -	\$ -	
25	\$ 1,870,206	\$ 1,870,206	\$ 1,870,206	\$ -	\$ -	
26	\$ 1,907,610	\$ 1,907,610	\$ 1,907,610	\$ -	\$ -	
27	\$ 1,945,762	\$ 1,945,762	\$ 1,945,762	\$ -	\$ -	
28	\$ 1,984,677	\$ 1,984,677	\$ 1,984,677	\$ -	\$ -	
29	\$ 2,024,370	\$ 2,024,370	\$ 2,024,370	\$ -	\$ -	
30	\$ 2,064,857	\$ 2,064,857	\$ 2,064,857	\$ -	\$ -	
31	\$ 2,106,154	\$ 2,106,154	\$ 2,106,154	\$ -	\$ -	
32	\$ 2,148,277	\$ 2,148,277	\$ 2,148,277	\$ -	\$ -	
Total	\$ 51,407,878	\$ 51,407,878	\$ 51,407,878	\$ -	\$ -	
Average	\$ 1,606,496	\$ 1,606,496	\$ 1,606,496	\$ -	\$ -	
Present Value*	\$ 19,933,524	\$ 19,933,524	\$ 19,933,524	\$ -	\$ -	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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VILLAGE

Table 7 calculates the benefit (or cost) to the Village.

Table 7

Tax Policy Comparison for Village

	A	B	C			
Year	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	\$ 208,676	\$ 208,676	\$ 208,676	\$ -	\$ -	
2	\$ 215,993	\$ 215,993	\$ 215,993	\$ -	\$ -	
3	\$ 220,313	\$ 220,313	\$ 220,313	\$ -	\$ -	
4	\$ 224,719	\$ 224,719	\$ 224,719	\$ -	\$ -	
5	\$ 229,214	\$ 229,214	\$ 229,214	\$ -	\$ -	
6	\$ 233,798	\$ 233,798	\$ 233,798	\$ -	\$ -	
7	\$ 238,474	\$ 238,474	\$ 238,474	\$ -	\$ -	
8	\$ 243,243	\$ 243,243	\$ 243,243	\$ -	\$ -	
9	\$ 248,108	\$ 248,108	\$ 248,108	\$ -	\$ -	
10	\$ 253,071	\$ 253,071	\$ 253,071	\$ -	\$ -	
11	\$ 258,132	\$ 258,132	\$ 258,132	\$ -	\$ -	
12	\$ 263,295	\$ 263,295	\$ 263,295	\$ -	\$ -	
13	\$ 268,561	\$ 268,561	\$ 268,561	\$ -	\$ -	
14	\$ 273,932	\$ 273,932	\$ 273,932	\$ -	\$ -	
15	\$ 279,411	\$ 279,411	\$ 279,411	\$ -	\$ -	
16	\$ 284,999	\$ 284,999	\$ 284,999	\$ -	\$ -	
17	\$ 290,699	\$ 290,699	\$ 290,699	\$ -	\$ -	
18	\$ 296,513	\$ 296,513	\$ 296,513	\$ -	\$ -	
19	\$ 302,443	\$ 302,443	\$ 302,443	\$ -	\$ -	
20	\$ 308,492	\$ 308,492	\$ 308,492	\$ -	\$ -	
21	\$ 314,662	\$ 314,662	\$ 314,662	\$ -	\$ -	
22	\$ 320,955	\$ 320,955	\$ 320,955	\$ -	\$ -	
23	\$ 327,374	\$ 327,374	\$ 327,374	\$ -	\$ -	
24	\$ 333,922	\$ 333,922	\$ 333,922	\$ -	\$ -	
25	\$ 340,600	\$ 340,600	\$ 340,600	\$ -	\$ -	
26	\$ 347,412	\$ 347,412	\$ 347,412	\$ -	\$ -	
27	\$ 354,360	\$ 354,360	\$ 354,360	\$ -	\$ -	
28	\$ 361,448	\$ 361,448	\$ 361,448	\$ -	\$ -	
29	\$ 368,677	\$ 368,677	\$ 368,677	\$ -	\$ -	
30	\$ 376,050	\$ 376,050	\$ 376,050	\$ -	\$ -	
31	\$ 383,571	\$ 383,571	\$ 383,571	\$ -	\$ -	
32	\$ 391,242	\$ 391,242	\$ 391,242	\$ -	\$ -	
Total	\$ 9,362,358	\$ 9,362,358	\$ 9,362,358	\$ -	\$ -	
Average	\$ 292,574	\$ 292,574	\$ 292,574	\$ -	\$ -	
Present Value*	\$ 3,630,276	\$ 3,630,276	\$ 3,630,276	\$ -	\$ -	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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TOWN

Table 8 calculates the benefit (or cost) to the Town.

Table 8

Tax Policy Comparison for Town

	A	B	C				
Year	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	\$ 22,327	\$ 22,327	\$ 22,327	\$ -	\$ -		
2	\$ 23,110	\$ 23,110	\$ 23,110	\$ -	\$ -		
3	\$ 23,572	\$ 23,572	\$ 23,572	\$ -	\$ -		
4	\$ 24,044	\$ 24,044	\$ 24,044	\$ -	\$ -		
5	\$ 24,525	\$ 24,525	\$ 24,525	\$ -	\$ -		
6	\$ 25,015	\$ 25,015	\$ 25,015	\$ -	\$ -		
7	\$ 25,515	\$ 25,515	\$ 25,515	\$ -	\$ -		
8	\$ 26,026	\$ 26,026	\$ 26,026	\$ -	\$ -		
9	\$ 26,546	\$ 26,546	\$ 26,546	\$ -	\$ -		
10	\$ 27,077	\$ 27,077	\$ 27,077	\$ -	\$ -		
11	\$ 27,619	\$ 27,619	\$ 27,619	\$ -	\$ -		
12	\$ 28,171	\$ 28,171	\$ 28,171	\$ -	\$ -		
13	\$ 28,734	\$ 28,734	\$ 28,734	\$ -	\$ -		
14	\$ 29,309	\$ 29,309	\$ 29,309	\$ -	\$ -		
15	\$ 29,895	\$ 29,895	\$ 29,895	\$ -	\$ -		
16	\$ 30,493	\$ 30,493	\$ 30,493	\$ -	\$ -		
17	\$ 31,103	\$ 31,103	\$ 31,103	\$ -	\$ -		
18	\$ 31,725	\$ 31,725	\$ 31,725	\$ -	\$ -		
19	\$ 32,360	\$ 32,360	\$ 32,360	\$ -	\$ -		
20	\$ 33,007	\$ 33,007	\$ 33,007	\$ -	\$ -		
21	\$ 33,667	\$ 33,667	\$ 33,667	\$ -	\$ -		
22	\$ 34,340	\$ 34,340	\$ 34,340	\$ -	\$ -		
23	\$ 35,027	\$ 35,027	\$ 35,027	\$ -	\$ -		
24	\$ 35,728	\$ 35,728	\$ 35,728	\$ -	\$ -		
25	\$ 36,442	\$ 36,442	\$ 36,442	\$ -	\$ -		
26	\$ 37,171	\$ 37,171	\$ 37,171	\$ -	\$ -		
27	\$ 37,914	\$ 37,914	\$ 37,914	\$ -	\$ -		
28	\$ 38,673	\$ 38,673	\$ 38,673	\$ -	\$ -		
29	\$ 39,446	\$ 39,446	\$ 39,446	\$ -	\$ -		
30	\$ 40,235	\$ 40,235	\$ 40,235	\$ -	\$ -		
31	\$ 41,040	\$ 41,040	\$ 41,040	\$ -	\$ -		
32	\$ 41,861	\$ 41,861	\$ 41,861	\$ -	\$ -		
Total	\$ 1,001,717	\$ 1,001,717	\$ 1,001,717	\$ -	\$ -		
Average	\$ 31,304	\$ 31,304	\$ 31,304	\$ -	\$ -		
Present Value*	\$ 388,418	\$ 388,418	\$ 388,418	\$ -	\$ -		

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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COUNTY

Table 9 calculates the benefit (or cost) to the County.

Table 9

Tax Policy Comparison for County

	A		B		C			
Year	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	\$	40,913	\$	40,913	\$	40,913	\$ -	\$ -
2	\$	42,348	\$	42,348	\$	42,348	\$ -	\$ -
3	\$	43,194	\$	43,194	\$	43,194	\$ -	\$ -
4	\$	44,058	\$	44,058	\$	44,058	\$ -	\$ -
5	\$	44,939	\$	44,939	\$	44,939	\$ -	\$ -
6	\$	45,838	\$	45,838	\$	45,838	\$ -	\$ -
7	\$	46,755	\$	46,755	\$	46,755	\$ -	\$ -
8	\$	47,690	\$	47,690	\$	47,690	\$ -	\$ -
9	\$	48,644	\$	48,644	\$	48,644	\$ -	\$ -
10	\$	49,617	\$	49,617	\$	49,617	\$ -	\$ -
11	\$	50,609	\$	50,609	\$	50,609	\$ -	\$ -
12	\$	51,621	\$	51,621	\$	51,621	\$ -	\$ -
13	\$	52,654	\$	52,654	\$	52,654	\$ -	\$ -
14	\$	53,707	\$	53,707	\$	53,707	\$ -	\$ -
15	\$	54,781	\$	54,781	\$	54,781	\$ -	\$ -
16	\$	55,877	\$	55,877	\$	55,877	\$ -	\$ -
17	\$	56,994	\$	56,994	\$	56,994	\$ -	\$ -
18	\$	58,134	\$	58,134	\$	58,134	\$ -	\$ -
19	\$	59,297	\$	59,297	\$	59,297	\$ -	\$ -
20	\$	60,483	\$	60,483	\$	60,483	\$ -	\$ -
21	\$	61,692	\$	61,692	\$	61,692	\$ -	\$ -
22	\$	62,926	\$	62,926	\$	62,926	\$ -	\$ -
23	\$	64,185	\$	64,185	\$	64,185	\$ -	\$ -
24	\$	65,468	\$	65,468	\$	65,468	\$ -	\$ -
25	\$	66,778	\$	66,778	\$	66,778	\$ -	\$ -
26	\$	68,113	\$	68,113	\$	68,113	\$ -	\$ -
27	\$	69,476	\$	69,476	\$	69,476	\$ -	\$ -
28	\$	70,865	\$	70,865	\$	70,865	\$ -	\$ -
29	\$	72,282	\$	72,282	\$	72,282	\$ -	\$ -
30	\$	73,728	\$	73,728	\$	73,728	\$ -	\$ -
31	\$	75,203	\$	75,203	\$	75,203	\$ -	\$ -
32	\$	76,707	\$	76,707	\$	76,707	\$ -	\$ -
Total	\$	1,835,578	\$	1,835,578	\$	1,835,578	\$ -	\$ -
Average	\$	57,362	\$	57,362	\$	57,362	\$ -	\$ -
Present Value*	\$	711,750	\$	711,750	\$	711,750	\$ -	\$ -

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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SCHOOL DISTRICT

Table 10 calculates the benefit (or cost) to the school district.

Table 10

Tax Policy Comparison for School District

	A	B	C			
Year	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	\$ 873,904	\$ 873,904	\$ 873,904	\$ -	\$ -	
2	\$ 904,549	\$ 904,549	\$ 904,549	\$ -	\$ -	
3	\$ 922,640	\$ 922,640	\$ 922,640	\$ -	\$ -	
4	\$ 941,093	\$ 941,093	\$ 941,093	\$ -	\$ -	
5	\$ 959,914	\$ 959,914	\$ 959,914	\$ -	\$ -	
6	\$ 979,113	\$ 979,113	\$ 979,113	\$ -	\$ -	
7	\$ 998,695	\$ 998,695	\$ 998,695	\$ -	\$ -	
8	\$ 1,018,669	\$ 1,018,669	\$ 1,018,669	\$ -	\$ -	
9	\$ 1,039,043	\$ 1,039,043	\$ 1,039,043	\$ -	\$ -	
10	\$ 1,059,824	\$ 1,059,824	\$ 1,059,824	\$ -	\$ -	
11	\$ 1,081,020	\$ 1,081,020	\$ 1,081,020	\$ -	\$ -	
12	\$ 1,102,641	\$ 1,102,641	\$ 1,102,641	\$ -	\$ -	
13	\$ 1,124,694	\$ 1,124,694	\$ 1,124,694	\$ -	\$ -	
14	\$ 1,147,188	\$ 1,147,188	\$ 1,147,188	\$ -	\$ -	
15	\$ 1,170,132	\$ 1,170,132	\$ 1,170,132	\$ -	\$ -	
16	\$ 1,193,534	\$ 1,193,534	\$ 1,193,534	\$ -	\$ -	
17	\$ 1,217,405	\$ 1,217,405	\$ 1,217,405	\$ -	\$ -	
18	\$ 1,241,753	\$ 1,241,753	\$ 1,241,753	\$ -	\$ -	
19	\$ 1,266,589	\$ 1,266,589	\$ 1,266,589	\$ -	\$ -	
20	\$ 1,291,920	\$ 1,291,920	\$ 1,291,920	\$ -	\$ -	
21	\$ 1,317,759	\$ 1,317,759	\$ 1,317,759	\$ -	\$ -	
22	\$ 1,344,114	\$ 1,344,114	\$ 1,344,114	\$ -	\$ -	
23	\$ 1,370,997	\$ 1,370,997	\$ 1,370,997	\$ -	\$ -	
24	\$ 1,398,417	\$ 1,398,417	\$ 1,398,417	\$ -	\$ -	
25	\$ 1,426,386	\$ 1,426,386	\$ 1,426,386	\$ -	\$ -	
26	\$ 1,454,913	\$ 1,454,913	\$ 1,454,913	\$ -	\$ -	
27	\$ 1,484,011	\$ 1,484,011	\$ 1,484,011	\$ -	\$ -	
28	\$ 1,513,691	\$ 1,513,691	\$ 1,513,691	\$ -	\$ -	
29	\$ 1,543,965	\$ 1,543,965	\$ 1,543,965	\$ -	\$ -	
30	\$ 1,574,844	\$ 1,574,844	\$ 1,574,844	\$ -	\$ -	
31	\$ 1,606,341	\$ 1,606,341	\$ 1,606,341	\$ -	\$ -	
32	\$ 1,638,467	\$ 1,638,467	\$ 1,638,467	\$ -	\$ -	
Total	\$ 39,208,224	\$ 39,208,224	\$ 39,208,224	\$ -	\$ -	
Average	\$ 1,225,257	\$ 1,225,257	\$ 1,225,257	\$ -	\$ -	
Present Value*	\$ 15,203,080	\$ 15,203,080	\$ 15,203,080	\$ -	\$ -	

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 renovation materials and furniture, fixtures, and equipment as well as a mortgage recording tax exemption. Tax exemptions are for the state and county taxes and are not applicable to the town.

Table 11

Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	44,097
Mortgage Tax Exemption	\$	903,558

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 – RENOVATION PHASE

The one-time renovation phase earnings described by the total economic impact of the renovation work (described in the above section) would lead to additional sales tax revenue for the Town. It is assumed that 70%⁵ of the renovation phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 12

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	7,720,129
Amount Spent in County (70%)	\$	5,404,090
Amount Taxable (25%)	\$	1,351,023
Nassau County Sales Tax Revenue (4.25%)	\$	57,418
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	5,066

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.

⁵ According to Lightcast, 70% demand for industries in a typical household spending basket is met within Nassau County.

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is 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 inputs of production (electricity, steel, etc.), must 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. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects 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) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

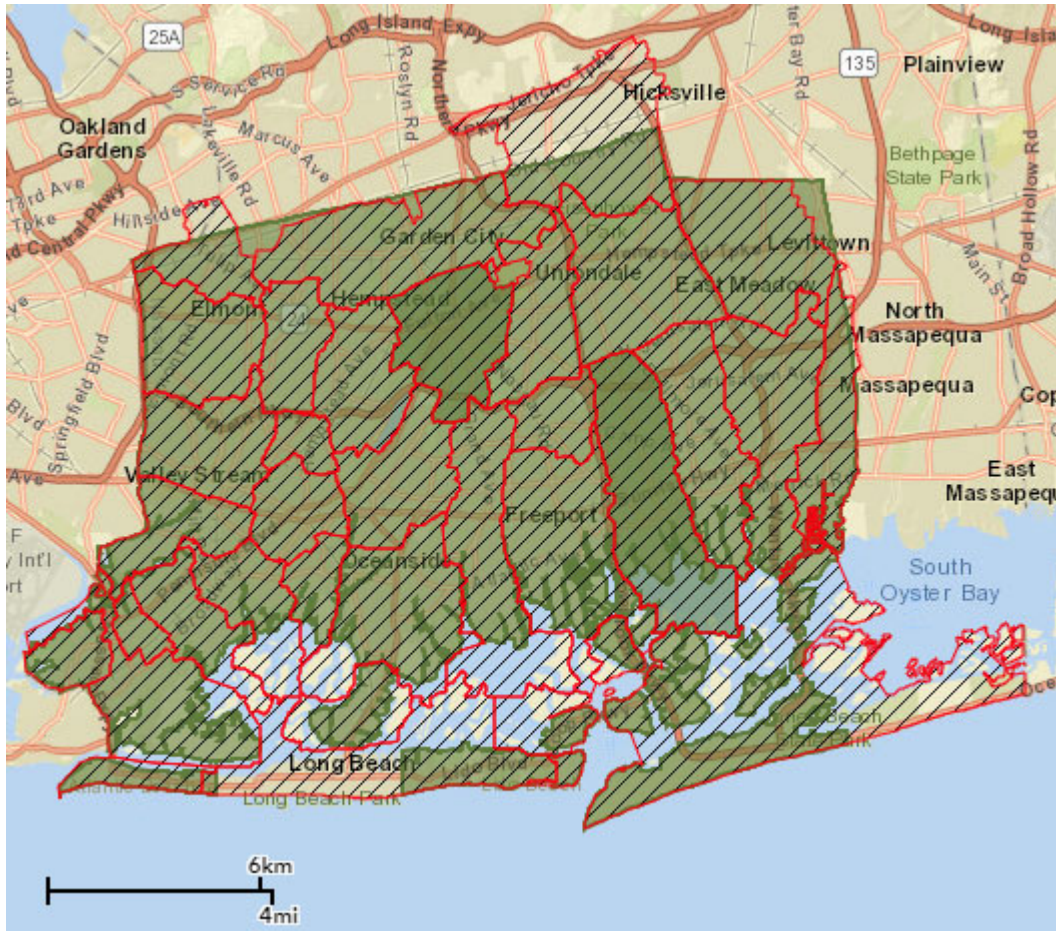
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider 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 being 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 and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of 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 is serving 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.

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ATTACHMENT B: 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 in excess of \$6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 43 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 in order 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 all of 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/camoinassociate).

THE PROJECT TEAM

Rachel Selsky
CEO

Bridget Byrnes
Analyst



Leading action to grow your economy

Camoin Associates
518.899.2608
www.camoinassociates.com

