

PREPARED FOR:

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

# Economic and Fiscal Impact

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209 FRANKLIN REALTY, LLC

Town of Hempstead  
Industrial Development Agency

SEPTEMBER 9, 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 209 Franklin Realty, LLC. The proposed project involves the construction of a 29,210-square-foot new building and the demolition of a 16,000-square-foot existing building at 209 Franklin Street, Hempstead, NY, 11550. The applicant is seeking a 15-year PILOT agreement with the Agency as well as a sales tax exemption and a mortgage recording tax exemption. 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 results from this construction 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:**  
209 Franklin Realty, 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 209 Franklin Realty, LLC (the "Applicant") for the construction of a 29,210-square-foot Subaru dealership on 1.25 acres of land (the "Project") at 209 Franklin Street, Hempstead, NY 11550 (the "Site"). The Applicant is seeking a sales tax exemption, a mortgage recording tax exemption, and a 15-year PILOT 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 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 Annual jobs	148
Direct Jobs	80
Total Annual Earnings	\$ 14,605,359
Direct Earnings	\$ 9,291,794
Annual Sales Tax Revenue to County	\$ 108,627
Annual Sales Tax Revenue to Town	\$ 9,585
Average Annual PILOT Payment	\$ 184,600
Average Annual PILOT Payment to Town	\$ 6,234
Average Annual PILOT Benefit (Cost)	\$ 65,754
Average Annual PILOT Benefit (Cost) to Town	\$ 2,221
<b>Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project</b>	<b>\$ 2,221</b>
<b>Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT</b>	<b>\$ (3,110)</b>

- ◆ The Applicant has negotiated terms of a proposed 15-year PILOT agreement with the Agency. Under this agreement, the Applicant would pay an average of \$184,600 each year, of which \$2,221 will be allocated to the Town.
- ◆ Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at up to \$741,750 and a mortgage recording tax exemption valued at up to \$117,900. 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.

# ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by the construction 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 construction.

## CONSTRUCTION PHASE IMPACTS

The Applicant estimates that private sector investment in the construction of the Project would cost approximately \$10 million<sup>1</sup>, which 70%<sup>2</sup> is assumed to be sourced from within the town. This means that there will be approximately \$7 million in net new spending in the Town associated with the construction phase of the Project.

Table 2

### Construction Phase Spending - Town

Total Construction Cost	\$ 10,000,000
Percent Sourced from Town	70%
<b>Net New Construction Spending</b>	<b>\$ 7,000,000</b>

Source: Applicant, Camoin Associates

Based on \$7 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be approximately \$8.8 million in total one-time construction related spending supporting 58<sup>3</sup> total jobs and an associated \$3.3 million in earnings over the construction period throughout the Town. Table outlines the economic impacts of construction.

Table 3

### Town Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	49 \$	2,685,231 \$	7,000,000
Indirect	3 \$	244,282 \$	755,518
Induced	6 \$	405,294 \$	1,036,067
<b>Total</b>	<b>58 \$</b>	<b>3,334,808 \$</b>	<b>8,791,585</b>

Source: Lightcast, Camoin Associates

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

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

<sup>3</sup> While the application indicated 70 direct construction jobs (49 from the Town of Hempstead, based on 70% being sourced locally), based on the construction spending in the region, we found this number to be 49 direct construction jobs using the model, with 58 total jobs as a result of the construction period.

**CAMOIN ASSOCIATES**

The Project is expected to have no negative impact on the State's renewable energy goals or emission reduction targets.

## IMPACTS OF ON-SITE EMPLOYMENT

According to the Applicant, 80 new jobs will be on-site following the Project completion. The Applicant states that the completion of the Project will not result in the removal, closure, or relocation of the current operations at the current Glen Cove facility. Therefore, all 80 jobs are considered to be net new to the Town of Hempstead. The table below details the impact that these net new jobs will have on the Town of Hempstead (Table 5).

Table 2

<b>Town Economic Impact - On-Site Operations</b>					
	<b>Jobs</b>		<b>Earnings</b>		<b>Sales</b>
Direct	80	\$	9,291,794	\$	32,783,466
Indirect	32	\$	2,177,320	\$	5,465,882
Induced	36	\$	3,136,244	\$	8,381,669
<b>Total</b>	<b>148</b>	<b>\$</b>	<b>14,605,359</b>	<b>\$</b>	<b>46,631,017</b>

**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 15-year PILOT payment schedule 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.<sup>4</sup>

Table 5

### Tax Payments with PILOT

Year	Total PILOT Payments	Portion of Payment by Jurisdiction			
		Village	Town	County	School District
1	\$ 103,000	\$ 38,096	\$ 3,478	\$ 6,374	\$ 55,051
2	\$ 103,000	\$ 38,096	\$ 3,478	\$ 6,374	\$ 55,051
3	\$ 103,000	\$ 38,096	\$ 3,478	\$ 6,374	\$ 55,051
4	\$ 130,000	\$ 48,083	\$ 4,390	\$ 8,045	\$ 69,482
5	\$ 140,000	\$ 51,781	\$ 4,728	\$ 8,664	\$ 74,827
6	\$ 155,000	\$ 57,329	\$ 5,235	\$ 9,592	\$ 82,844
7	\$ 170,000	\$ 62,877	\$ 5,741	\$ 10,520	\$ 90,861
8	\$ 185,000	\$ 68,425	\$ 6,248	\$ 11,448	\$ 98,879
9	\$ 195,000	\$ 72,124	\$ 6,585	\$ 12,067	\$ 104,223
10	\$ 210,000	\$ 77,672	\$ 7,092	\$ 12,995	\$ 112,241
11	\$ 220,000	\$ 81,371	\$ 7,430	\$ 13,614	\$ 117,585
12	\$ 240,000	\$ 88,768	\$ 8,105	\$ 14,852	\$ 128,275
13	\$ 255,000	\$ 94,316	\$ 8,612	\$ 15,780	\$ 136,292
14	\$ 270,000	\$ 99,864	\$ 9,118	\$ 16,708	\$ 144,309
15	\$ 290,000	\$ 107,261	\$ 9,794	\$ 17,946	\$ 154,999
<b>Total</b>	<b>\$ 2,769,000</b>	<b>\$ 1,024,161</b>	<b>\$ 93,513</b>	<b>\$ 171,353</b>	<b>\$ 1,479,973</b>
<b>Average</b>	<b>\$ 184,600</b>	<b>\$ 68,277</b>	<b>\$ 6,234</b>	<b>\$ 11,424</b>	<b>\$ 98,665</b>
<b>Present Value*</b>	<b>\$ 1,617,009</b>	<b>\$ 598,078</b>	<b>\$ 54,608</b>	<b>\$ 100,065</b>	<b>\$ 864,258</b>

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes a 6.25% discount rate.

<sup>4</sup> 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.

## CAMOIN ASSOCIATES

**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).

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 constructions, 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.

Table 3

**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	\$ 103,085	\$ 103,000	\$ 240,000	\$ (85)	\$ 137,000	
2	\$ 105,147	\$ 103,000	\$ 244,800	\$ (2,147)	\$ 141,800	
3	\$ 107,250	\$ 103,000	\$ 249,696	\$ (4,250)	\$ 146,696	
4	\$ 109,395	\$ 130,000	\$ 254,690	\$ 20,605	\$ 124,690	
5	\$ 111,583	\$ 140,000	\$ 259,784	\$ 28,417	\$ 119,784	
6	\$ 113,814	\$ 155,000	\$ 264,979	\$ 41,186	\$ 109,979	
7	\$ 116,090	\$ 170,000	\$ 270,279	\$ 53,910	\$ 100,279	
8	\$ 118,412	\$ 185,000	\$ 275,685	\$ 66,588	\$ 90,685	
9	\$ 120,781	\$ 195,000	\$ 281,198	\$ 74,219	\$ 86,198	
10	\$ 123,196	\$ 210,000	\$ 286,822	\$ 86,804	\$ 76,822	
11	\$ 125,660	\$ 220,000	\$ 292,559	\$ 94,340	\$ 72,559	
12	\$ 128,173	\$ 240,000	\$ 298,410	\$ 111,827	\$ 58,410	
13	\$ 130,737	\$ 255,000	\$ 304,378	\$ 124,263	\$ 49,378	
14	\$ 133,351	\$ 270,000	\$ 310,466	\$ 136,649	\$ 40,466	
15	\$ 136,018	\$ 290,000	\$ 316,675	\$ 153,982	\$ 26,675	
<b>Total</b>	<b>\$ 1,782,692</b>	<b>\$ 2,769,000</b>	<b>\$ 4,150,420</b>	<b>\$ 986,308</b>	<b>\$ 1,381,420</b>	
<b>Average</b>	<b>\$ 118,846</b>	<b>\$ 184,600</b>	<b>\$ 276,695</b>	<b>\$ 65,754</b>	<b>\$ 92,095</b>	
<b>Present Value*</b>	<b>\$ 1,110,683</b>	<b>\$ 1,617,009</b>	<b>\$ 2,585,865</b>	<b>\$ 506,326</b>	<b>\$ 968,856</b>	

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

**\*Note:** Assumes 6.25% discount rate.

## CAMOIN ASSOCIATES

## VILLAGE

Table 4 calculates the benefit (or cost) to the Village.

Table 4

## 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	\$	38,128	\$	38,096	\$	88,768	\$	(31)	\$	50,672
2	\$	38,890	\$	38,096	\$	90,543	\$	(794)	\$	52,447
3	\$	39,668	\$	38,096	\$	92,354	\$	(1,572)	\$	54,258
4	\$	40,461	\$	48,083	\$	94,201	\$	7,621	\$	46,119
5	\$	41,271	\$	51,781	\$	96,085	\$	10,511	\$	44,304
6	\$	42,096	\$	57,329	\$	98,007	\$	15,233	\$	40,678
7	\$	42,938	\$	62,877	\$	99,967	\$	19,939	\$	37,090
8	\$	43,797	\$	68,425	\$	101,967	\$	24,629	\$	33,541
9	\$	44,673	\$	72,124	\$	104,006	\$	27,451	\$	31,882
10	\$	45,566	\$	77,672	\$	106,086	\$	32,106	\$	28,414
11	\$	46,477	\$	81,371	\$	108,208	\$	34,893	\$	26,837
12	\$	47,407	\$	88,768	\$	110,372	\$	41,361	\$	21,604
13	\$	48,355	\$	94,316	\$	112,579	\$	45,961	\$	18,263
14	\$	49,322	\$	99,864	\$	114,831	\$	50,542	\$	14,967
15	\$	50,309	\$	107,261	\$	117,128	\$	56,953	\$	9,866
<b>Total</b>	<b>\$</b>	<b>659,359</b>	<b>\$</b>	<b>1,024,161</b>	<b>\$</b>	<b>1,535,103</b>	<b>\$</b>	<b>364,803</b>	<b>\$</b>	<b>510,942</b>
<b>Average</b>	<b>\$</b>	<b>43,957</b>	<b>\$</b>	<b>68,277</b>	<b>\$</b>	<b>102,340</b>	<b>\$</b>	<b>24,320</b>	<b>\$</b>	<b>34,063</b>
<b>Present Value*</b>	<b>\$</b>	<b>410,805</b>	<b>\$</b>	<b>598,078</b>	<b>\$</b>	<b>956,426</b>	<b>\$</b>	<b>187,273</b>	<b>\$</b>	<b>358,348</b>

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

## CAMOIN ASSOCIATES

**TOWN**

Table 5 calculates the benefit (or cost) to the Town.

Table 5

**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	\$ 3,481	\$ 3,478	\$ 8,105	\$ (3)	\$ 4,627	
2	\$ 3,551	\$ 3,478	\$ 8,267	\$ (72)	\$ 4,789	
3	\$ 3,622	\$ 3,478	\$ 8,433	\$ (144)	\$ 4,954	
4	\$ 3,694	\$ 4,390	\$ 8,601	\$ 696	\$ 4,211	
5	\$ 3,768	\$ 4,728	\$ 8,773	\$ 960	\$ 4,045	
6	\$ 3,844	\$ 5,235	\$ 8,949	\$ 1,391	\$ 3,714	
7	\$ 3,921	\$ 5,741	\$ 9,128	\$ 1,821	\$ 3,387	
8	\$ 3,999	\$ 6,248	\$ 9,310	\$ 2,249	\$ 3,063	
9	\$ 4,079	\$ 6,585	\$ 9,496	\$ 2,506	\$ 2,911	
10	\$ 4,160	\$ 7,092	\$ 9,686	\$ 2,931	\$ 2,594	
11	\$ 4,244	\$ 7,430	\$ 9,880	\$ 3,186	\$ 2,450	
12	\$ 4,329	\$ 8,105	\$ 10,078	\$ 3,777	\$ 1,973	
13	\$ 4,415	\$ 8,612	\$ 10,279	\$ 4,197	\$ 1,668	
14	\$ 4,503	\$ 9,118	\$ 10,485	\$ 4,615	\$ 1,367	
15	\$ 4,594	\$ 9,794	\$ 10,695	\$ 5,200	\$ 901	
<b>Total</b>	<b>\$ 60,204</b>	<b>\$ 93,513</b>	<b>\$ 140,165</b>	<b>\$ 33,309</b>	<b>\$ 46,652</b>	
<b>Average</b>	<b>\$ 4,014</b>	<b>\$ 6,234</b>	<b>\$ 9,344</b>	<b>\$ 2,221</b>	<b>\$ 3,110</b>	
<b>Present Value*</b>	<b>\$ 37,509</b>	<b>\$ 54,608</b>	<b>\$ 87,328</b>	<b>\$ 17,099</b>	<b>\$ 32,719</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

## CAMOIN ASSOCIATES

**COUNTY**

Table 6 calculates the benefit (or cost) to the County.

Table 6

**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	\$ 6,379	\$ 6,374	\$ 14,852	\$ (5)	\$ 8,478	
2	\$ 6,507	\$ 6,374	\$ 15,149	\$ (133)	\$ 8,775	
3	\$ 6,637	\$ 6,374	\$ 15,452	\$ (263)	\$ 9,078	
4	\$ 6,770	\$ 8,045	\$ 15,761	\$ 1,275	\$ 7,716	
5	\$ 6,905	\$ 8,664	\$ 16,076	\$ 1,759	\$ 7,413	
6	\$ 7,043	\$ 9,592	\$ 16,398	\$ 2,549	\$ 6,806	
7	\$ 7,184	\$ 10,520	\$ 16,726	\$ 3,336	\$ 6,206	
8	\$ 7,328	\$ 11,448	\$ 17,060	\$ 4,121	\$ 5,612	
9	\$ 7,474	\$ 12,067	\$ 17,401	\$ 4,593	\$ 5,334	
10	\$ 7,624	\$ 12,995	\$ 17,749	\$ 5,372	\$ 4,754	
11	\$ 7,776	\$ 13,614	\$ 18,104	\$ 5,838	\$ 4,490	
12	\$ 7,932	\$ 14,852	\$ 18,466	\$ 6,920	\$ 3,615	
13	\$ 8,090	\$ 15,780	\$ 18,836	\$ 7,690	\$ 3,056	
14	\$ 8,252	\$ 16,708	\$ 19,213	\$ 8,456	\$ 2,504	
15	\$ 8,417	\$ 17,946	\$ 19,597	\$ 9,529	\$ 1,651	
<b>Total</b>	<b>\$ 110,318</b>	<b>\$ 171,354</b>	<b>\$ 256,840</b>	<b>\$ 61,036</b>	<b>\$ 85,486</b>	
<b>Average</b>	<b>\$ 7,355</b>	<b>\$ 11,424</b>	<b>\$ 17,123</b>	<b>\$ 4,069</b>	<b>\$ 5,699</b>	
<b>Present Value*</b>	<b>\$ 68,732</b>	<b>\$ 100,065</b>	<b>\$ 160,021</b>	<b>\$ 31,333</b>	<b>\$ 59,956</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

## CAMOIN ASSOCIATES

**SCHOOL DISTRICT**

Table 7 calculates the benefit (or cost) to the school district.

Table 7

**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	\$ 55,097	\$ 55,051	\$ 128,275	\$ (45)	\$ 73,224	
2	\$ 56,199	\$ 55,051	\$ 130,841	\$ (1,147)	\$ 75,789	
3	\$ 57,323	\$ 55,051	\$ 133,457	\$ (2,271)	\$ 78,406	
4	\$ 58,469	\$ 69,482	\$ 136,126	\$ 11,013	\$ 66,644	
5	\$ 59,639	\$ 74,827	\$ 138,849	\$ 15,189	\$ 64,022	
6	\$ 60,831	\$ 82,844	\$ 141,626	\$ 22,013	\$ 58,782	
7	\$ 62,048	\$ 90,861	\$ 144,459	\$ 28,814	\$ 53,597	
8	\$ 63,289	\$ 98,879	\$ 147,348	\$ 35,590	\$ 48,469	
9	\$ 64,555	\$ 104,223	\$ 150,295	\$ 39,669	\$ 46,071	
10	\$ 65,846	\$ 112,241	\$ 153,301	\$ 46,395	\$ 41,060	
11	\$ 67,163	\$ 117,585	\$ 156,367	\$ 50,423	\$ 38,781	
12	\$ 68,506	\$ 128,275	\$ 159,494	\$ 59,769	\$ 31,219	
13	\$ 69,876	\$ 136,292	\$ 162,684	\$ 66,416	\$ 26,392	
14	\$ 71,274	\$ 144,309	\$ 165,937	\$ 73,036	\$ 21,628	
15	\$ 72,699	\$ 154,999	\$ 169,256	\$ 82,300	\$ 14,257	
<b>Total</b>	<b>\$ 952,812</b>	<b>\$ 1,479,973</b>	<b>\$ 2,218,314</b>	<b>\$ 527,161</b>	<b>\$ 738,340</b>	
<b>Average</b>	<b>\$ 63,521</b>	<b>\$ 98,665</b>	<b>\$ 147,888</b>	<b>\$ 35,144</b>	<b>\$ 49,223</b>	
<b>Present Value*</b>	<b>\$ 593,637</b>	<b>\$ 864,258</b>	<b>\$ 1,382,091</b>	<b>\$ 270,621</b>	<b>\$ 517,834</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

## CAMOIN ASSOCIATES

## OTHER EXEMPTIONS

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

Table 8

### Summary of Costs to Affected Jurisdictions

	State and County	
Sales Tax Exemption	\$	741,750
Mortgage Tax Exemption	\$	117,900

**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 would not, by definition, 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>5</sup> of the construction phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 9

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

Total New Earnings	\$	3,334,808
Amount Spent in County (70%)	\$	2,334,365
Amount Taxable (25%)	\$	583,591
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$</b>	<b>24,803</b>
New Town Sales Tax Revenue Portion*		0.375%
<b>New Town Sales Tax Revenue</b>	<b>\$</b>	<b>2,188</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>5</sup> According to Lightcast, 70% demand for industries in a typical household spending basket is met within Nassau County.

## CAMOIN ASSOCIATES

**SALES TAX REVENUE – ON-SITE OPERATIONS**

The on-site operations 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 that 25% of those purchases would be taxable.

Table 103

<b>Annual Sales Tax Revenue, On-Site Operations</b>	
Total New Earnings	\$ 14,605,359
Amount Spent in County (70%)	\$ 10,223,751
Amount Taxable (25%)	\$ 2,555,938
<b>Nassau County Sales Tax Revenue (4.25%)</b>	<b>\$ 108,627</b>
New Town Sales Tax Revenue Portion*	0.375%
<b>New Town Tax Revenue</b>	<b>\$ 9,585</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.

## 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.

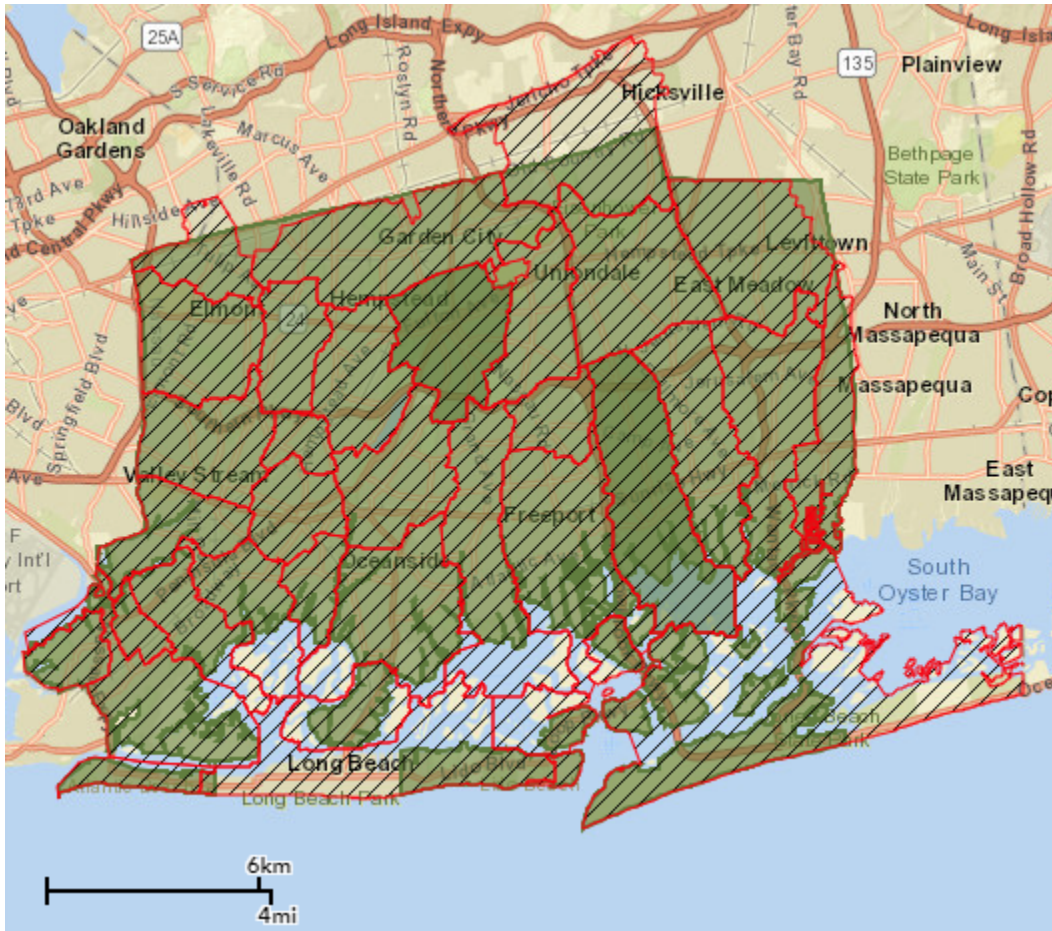
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the "local economy" is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider 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](http://www.camoinassociates.com). You can also find us on Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociate).

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