

PREPARED FOR:

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

Economic and Fiscal Impact

160 MARVIN AVE REALTY, LLC

Town of Hempstead
Industrial Development Agency

OCTOBER 13, 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 160 Marvin Ave Realty, LLC. The proposed project involves the construction of a 36,054-square foot multi-family residential apartment building at 130 Marvin 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 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:
160 Marvin Ave 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 160 Marvin Ave Realty, LLC (the "Applicant") for the construction of a 36,054-square-foot multi-family residential apartment building (the "Project") at 130 Marvin Ave. Hempstead, NY 11550 (the "Site"). The existing area is an empty lot; however, the proposed facility will comprise 36 rental units, including 28 market-rate units, 4 workforce housing units, and 4 affordable housing units, along with on-site parking and amenities. The Applicant is seeking a sales tax exemption, a mortgage recording tax exemption, and a 20-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 Project includes the construction of a 36-unit facility.

Table 1

| Summary of Benefits to Town | |
|--|-------------------|
| Total Construction jobs | 30 |
| Direct Jobs | 21 |
| Total Construction Earnings | \$ 3,392,138 |
| Direct Earnings | \$ 2,735,129 |
| One Time Sales Tax Revenue to County | \$ 25,229 |
| One Time Sales Tax Revenue to Town | \$ 2,226 |
| Average Annual PILOT Payment | \$ 231,239 |
| Average Annual PILOT Payment to Town | \$ 8,878 |
| Average Annual PILOT Benefit (Cost) | \$ 140,216 |
| Average Annual PILOT Benefit (Cost) to Town | \$ 5,383 |
| Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project - Property and Sales Tax | \$ 7,610 |
| Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT | \$ (6,747) |

- ◆ The Applicant has negotiated the terms of a proposed 20-year PILOT agreement with the Agency. Under this agreement, the Applicant would pay an average of \$231,239 each year, of which \$8,878 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 \$629,925 and a mortgage recording tax exemption valued at up to \$85,613. 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 | \$ 629,925 |
| Mortgage Tax Exemption | \$ 85,613 |

Source: Applicant, Camoin Associates

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 \$10.2 million¹, which 70%² is assumed to be sourced from within the town. This means that there will be over \$7 million in net new spending in the Town associated with the construction phase of the Project.

Table 3

Construction Phase Spending - Town

| | |
|--------------------------------------|---------------------|
| Total Construction Cost | \$ 10,185,000 |
| Percent Sourced from Town | 70% |
| Net New Construction Spending | \$ 7,129,500 |

Source: Applicant, Camoin Associates

Based on over \$7 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be over \$20 million in total one-time construction-related spending supporting 30³ total jobs and an associated \$3.39 million in earnings over the construction period throughout the Town. Table 4 outlines the economic impacts of the construction phase.

Table 4

Town Economic Impact - Construction Phase

| | Jobs | Earnings | Sales |
|--------------|--------------|---------------------|------------------|
| Direct | 21 \$ | 2,735,129 \$ | 7,129,500 |
| Indirect | 3 \$ | 246,835 \$ | 760,241 |
| Induced | 6 \$ | 410,175 \$ | 1,048,523 |
| Total | 30 \$ | 3,392,138 \$ | 8,938,264 |

Source: Lightcast, Camoin Associates

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

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 30 direct construction jobs (21 from the Town of Hempstead based on 70% being sourced locally), based on the construction spending in region we found this number to be 21 direct construction jobs using the model with 30 total jobs as a result of the construction period.

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targets. The proposed construction is expected to enhance energy efficiency by incorporating energy-efficient lighting, windows, and appliances.

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 94% of market-rate households and 100% of workforce households, and 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, 34 total households are considered to be net new.

Table 5

Net New Households

| | Total Households | Percent Net New | Net New Households |
|-------------------|------------------|-----------------|--------------------|
| Market Rate Units | 28 | 94% | 26 |
| Workforce Units | 4 | 100% | 4 |
| Affordable Units | 4 | 100% | 4 |
| Total | 36 | | 34 |

Source: Lightcast, Camoin Associates

SPENDING BY NEW TENANTS

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

According to Esri, the Town of Hempstead's median income in 2025 was \$143,750. Therefore, we will consider spending for those residents in the market-rate units at 150% AMI to be in the \$200,000+ spending basket, per the Bureau of Labor Statistics' 2023 Consumer Expenditure Survey. The spending for those residents in the workforce housing units at 120% AMI to be in the \$150,000-\$199,999 spending basket, and the affordable housing units at 80% of AMI to be in the \$100,000 - \$149,999 spending basket.

Using a spending basket for the region, which details household spending in individual consumer categories by income level, we analyzed likely tenant spending. According to the 2023 Consumer Expenditure Survey, households with incomes in the \$200,000+ range have annual expenditures (excluding housing and utility costs) of \$88,465 for the market-rate units. Households with incomes in the \$150,000-\$199,999 range have annual expenditures (excluding housing and utility costs) of \$62,542. Households with incomes in the \$100,000 - \$149,999 range have annual expenditures (excluding housing and utility costs) of \$44,842. The second column in the tables below shows

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the household spending by category. It is assumed that 60% of total expenditures would occur within the Town of Hempstead and, therefore, impact the economy of Nassau County⁴.

⁴ Based on data from Lightcast, 68% of the demand for consumer goods is met in-region. For the analysis, this was rounded to 70%.

Table 6

Tenant Spending Baskets**Market Rate Units (150% AMI) (\$200,000+ Annual Household Income)**

| Category | Annual per Unit Spending Basket | Amount Spent in Town (60%) | Total Net New County Spending (28 net new units) |
|--------------------------------------|------------------------------------|-------------------------------|---|
| Food | \$ 18,525 | \$ 11,115 | \$ 311,220 |
| Household furnishings and equipment | \$ 5,640 | \$ 3,384 | \$ 94,752 |
| Apparel and services | \$ 4,671 | \$ 2,803 | \$ 78,473 |
| Transportation | \$ 28,308 | \$ 16,985 | \$ 475,574 |
| Health care | \$ 10,711 | \$ 6,427 | \$ 179,945 |
| Entertainment | \$ 9,526 | \$ 5,716 | \$ 160,037 |
| Personal care products and services | \$ 1,905 | \$ 1,143 | \$ 32,004 |
| Education | \$ 6,804 | \$ 4,082 | \$ 114,307 |
| Miscellaneous | \$ 2,375 | \$ 1,425 | \$ 39,900 |
| Annual Discretionary Spending | \$ 88,465 | \$ 53,079 | \$ 1,486,212 |

Workforce Units (120% AMI) (\$150,000-\$199,99 Annual Household Income)

| Category | Annual per Unit Spending Basket | Amount Spent in Town (60%) | Total Net New County Spending (4 net new units) |
|--------------------------------------|------------------------------------|-------------------------------|--|
| Food | \$ 15,264 | \$ 9,158 | \$ 36,634 |
| Household furnishings and equipment | \$ 3,911 | \$ 2,347 | \$ 9,386 |
| Apparel and services | \$ 3,014 | \$ 1,808 | \$ 7,234 |
| Transportation | \$ 21,137 | \$ 12,682 | \$ 50,729 |
| Health care | \$ 8,061 | \$ 4,837 | \$ 19,346 |
| Entertainment | \$ 5,879 | \$ 3,527 | \$ 14,110 |
| Personal care products and services | \$ 1,409 | \$ 845 | \$ 3,382 |
| Education | \$ 2,109 | \$ 1,265 | \$ 5,062 |
| Miscellaneous | \$ 1,758 | \$ 1,055 | \$ 4,219 |
| Annual Discretionary Spending | \$ 62,542 | \$ 37,525 | \$ 150,101 |

Affordable Units (80% AMI) (\$100,000-\$149,000 Annual Household Spending)

| Category | Annual per Unit Spending Basket | Amount Spent in Town (60%) | Total Net New County Spending (4 net new units) |
|--------------------------------------|------------------------------------|-------------------------------|--|
| Food | \$ 11,960 | \$ 7,176 | \$ 28,704 |
| Household furnishings and equipment | \$ 3,021 | \$ 1,813 | \$ 7,250 |
| Apparel and services | \$ 2,467 | \$ 1,480 | \$ 5,921 |
| Transportation | \$ 16,653 | \$ 9,992 | \$ 39,967 |
| Health care | \$ 7,251 | \$ 4,351 | \$ 17,402 |
| Entertainment | \$ 3,998 | \$ 2,399 | \$ 9,595 |
| Personal care products and services | \$ 1,143 | \$ 686 | \$ 2,743 |
| Education | \$ 1,253 | \$ 752 | \$ 3,007 |
| Miscellaneous | \$ 1,307 | \$ 784 | \$ 3,137 |
| Annual Discretionary Spending | \$ 44,842 | \$ 29,432 | \$ 117,727 |

| | | | |
|------------------------------|--|--|---------------------|
| Total Tenant Spending | | | \$ 1,754,040 |
|------------------------------|--|--|---------------------|

Source: 2023 Consumer Expenditure Survey, Bureau of Labor Statistics

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The total net new spending in the county was calculated by multiplying the amount spent in the town by the number of net new units. As shown in the tables above, spending in the town by all net new households would total approximately \$1,754,040 per year. The above spending basket amounts were used to calculate the direct, indirect, and total impact of the Project on the county.

Using \$1,754,040 as the new sales input, Camoin Associates used Lightcast to determine the project's indirect, induced, and total impact on the Town of Hempstead. Table 7 outlines the findings of this analysis.

Table 7

Town Economic Impact - Household Spending

| | Jobs | Earnings | Sales |
|--------------|--------------|-------------------|------------------|
| Direct | 10 \$ | 577,715 \$ | 1,754,040 |
| Indirect | 2 \$ | 131,890 \$ | 336,729 |
| Induced | 2 \$ | 147,979 \$ | 391,520 |
| Total | 14 \$ | 857,584 \$ | 2,482,289 |

Source: Lightcast, Camoin Associates

IMPACTS OF ON-SITE EMPLOYMENT

According to the application, one (1) part-time employee will be on-site following project completion. Since 94% of the housing units are considered net new to the town, 94% of the jobs, or 1 job (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

Town Economic Impact - On-Site Operations

| | Jobs | Earnings | Sales |
|--------------|-------------|------------------|----------------|
| Direct | 1 \$ | 53,682 \$ | 167,041 |
| Indirect | 0 \$ | 23,232 \$ | 61,364 |
| Induced | 0 \$ | 10,860 \$ | 28,243 |
| Total | 2 \$ | 87,774 \$ | 256,648 |

Source: Lightcast, Camoin Associates

TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of both new household spending as well as on-site operation and maintenance of the Project on the Town of Hempstead in Table 9. Note, numbers may be off due to rounding.

Table 9

Town Total Annual Economic Impact

| | Jobs | Earnings | Sales |
|--------------|--------------|-------------------|------------------|
| Direct | 11 \$ | 631,397 \$ | 1,921,081 |
| Indirect | 2 \$ | 155,122 \$ | 398,093 |
| Induced | 2 \$ | 158,839 \$ | 419,763 |
| Total | 16 \$ | 945,358 \$ | 2,738,937 |

Source: Lightcast, Camoin Associates

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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 20-year PILOT, 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.⁵

Table 10

Tax Payments with PILOT

| Year | Total | | Portion of Payment by Jurisdiction | | | |
|-------------------|---------------------|---------------------|------------------------------------|-------------------|---------------------|-----------------|
| | PILOT Payments | | Village | Town | County | School District |
| 1 | \$ 74,924 | \$ 21,247 | \$ 2,877 | \$ 5,272 | \$ 45,529 | |
| 2 | \$ 74,924 | \$ 21,247 | \$ 2,877 | \$ 5,272 | \$ 45,529 | |
| 3 | \$ 74,924 | \$ 21,247 | \$ 2,877 | \$ 5,272 | \$ 45,529 | |
| 4 | \$ 120,000 | \$ 34,030 | \$ 4,607 | \$ 8,443 | \$ 72,920 | |
| 5 | \$ 140,000 | \$ 39,701 | \$ 5,375 | \$ 9,850 | \$ 85,073 | |
| 6 | \$ 150,000 | \$ 42,537 | \$ 5,759 | \$ 10,554 | \$ 91,150 | |
| 7 | \$ 160,000 | \$ 45,373 | \$ 6,143 | \$ 11,257 | \$ 97,227 | |
| 8 | \$ 170,000 | \$ 48,209 | \$ 6,527 | \$ 11,961 | \$ 103,303 | |
| 9 | \$ 190,000 | \$ 53,881 | \$ 7,295 | \$ 13,368 | \$ 115,456 | |
| 10 | \$ 210,000 | \$ 59,552 | \$ 8,063 | \$ 14,775 | \$ 127,610 | |
| 11 | \$ 230,000 | \$ 65,224 | \$ 8,831 | \$ 16,182 | \$ 139,763 | |
| 12 | \$ 245,000 | \$ 69,478 | \$ 9,407 | \$ 17,238 | \$ 148,878 | |
| 13 | \$ 265,000 | \$ 75,149 | \$ 10,174 | \$ 18,645 | \$ 161,031 | |
| 14 | \$ 290,000 | \$ 82,239 | \$ 11,134 | \$ 20,404 | \$ 176,223 | |
| 15 | \$ 315,000 | \$ 89,328 | \$ 12,094 | \$ 22,163 | \$ 191,415 | |
| 16 | \$ 340,000 | \$ 96,418 | \$ 13,054 | \$ 23,922 | \$ 206,606 | |
| 17 | \$ 360,000 | \$ 102,090 | \$ 13,822 | \$ 25,329 | \$ 218,760 | |
| 18 | \$ 385,000 | \$ 109,179 | \$ 14,782 | \$ 27,088 | \$ 233,951 | |
| 19 | \$ 405,000 | \$ 114,851 | \$ 15,550 | \$ 28,495 | \$ 246,105 | |
| 20 | \$ 425,000 | \$ 120,522 | \$ 16,317 | \$ 29,902 | \$ 258,258 | |
| Total | \$ 4,624,772 | \$ 1,311,503 | \$ 177,564 | \$ 325,391 | \$ 2,810,315 | |
| Average | \$ 231,239 | \$ 65,575 | \$ 8,878 | \$ 16,270 | \$ 140,516 | |
| ent Value* | \$ 2,184,066 | \$ 619,362 | \$ 83,855 | \$ 153,667 | \$ 1,327,182 | |

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes a 6.25% discount rate.

⁵ 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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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.

Table 11

Tax Policy Comparison (All Jurisdictions)

| Year | A | | B | | C | |
|-----------------------|--------------------------------------|---------------------|--|---|--|--|
| | Property Tax Payment Without Project | PILOT Payment | Property Tax Payment With Project and No PILOT | Benefit (Cost) of Project to Municipalities (B-A) | Benefit (Cost) of PILOT to Applicant (C-B) | |
| 1 | \$ 74,924 | \$ 74,924 | \$ 335,000 | \$ - | \$ 260,076 | |
| 2 | \$ 76,422 | \$ 74,924 | \$ 341,700 | \$ (1,498) | \$ 266,776 | |
| 3 | \$ 77,951 | \$ 74,924 | \$ 348,534 | \$ (3,027) | \$ 273,610 | |
| 4 | \$ 79,510 | \$ 120,000 | \$ 355,505 | \$ 40,490 | \$ 235,505 | |
| 5 | \$ 81,100 | \$ 140,000 | \$ 362,615 | \$ 58,900 | \$ 222,615 | |
| 6 | \$ 82,722 | \$ 150,000 | \$ 369,867 | \$ 67,278 | \$ 219,867 | |
| 7 | \$ 84,377 | \$ 160,000 | \$ 377,264 | \$ 75,623 | \$ 217,264 | |
| 8 | \$ 86,064 | \$ 170,000 | \$ 384,810 | \$ 83,936 | \$ 214,810 | |
| 9 | \$ 87,785 | \$ 190,000 | \$ 392,506 | \$ 102,215 | \$ 202,506 | |
| 10 | \$ 89,541 | \$ 210,000 | \$ 400,356 | \$ 120,459 | \$ 190,356 | |
| 11 | \$ 91,332 | \$ 230,000 | \$ 408,363 | \$ 138,668 | \$ 178,363 | |
| 12 | \$ 93,159 | \$ 245,000 | \$ 416,530 | \$ 151,841 | \$ 171,530 | |
| 13 | \$ 95,022 | \$ 265,000 | \$ 424,861 | \$ 169,978 | \$ 159,861 | |
| 14 | \$ 96,922 | \$ 290,000 | \$ 433,358 | \$ 193,078 | \$ 143,358 | |
| 15 | \$ 98,861 | \$ 315,000 | \$ 442,025 | \$ 216,139 | \$ 127,025 | |
| 16 | \$ 100,838 | \$ 340,000 | \$ 450,866 | \$ 239,162 | \$ 110,866 | |
| 17 | \$ 102,855 | \$ 360,000 | \$ 459,883 | \$ 257,145 | \$ 99,883 | |
| 18 | \$ 104,912 | \$ 385,000 | \$ 469,081 | \$ 280,088 | \$ 84,081 | |
| 19 | \$ 107,010 | \$ 405,000 | \$ 478,462 | \$ 297,990 | \$ 73,462 | |
| 20 | \$ 109,150 | \$ 425,000 | \$ 488,032 | \$ 315,850 | \$ 63,032 | |
| Total | \$ 1,820,456 | \$ 4,624,772 | \$ 8,139,619 | \$ 2,804,316 | \$ 3,514,847 | |
| Average | \$ 91,023 | \$ 231,239 | \$ 406,981 | \$ 140,216 | \$ 175,742 | |
| Present Value* | \$ 983,704 | \$ 2,184,066 | \$ 4,398,334 | \$ 1,200,363 | \$ 2,214,267 | |

Source: Town of Hempstead IDA, Camoin Associates

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

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VILLAGE

Table 12 calculates the benefit (or cost) to the Village.

Table 12

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 | \$ 21,247 | \$ 21,247 | \$ 95,000 | \$ - | \$ 73,753 |
| 2 | \$ 21,672 | \$ 21,247 | \$ 96,900 | \$ (425) | \$ 75,653 |
| 3 | \$ 22,105 | \$ 21,247 | \$ 98,838 | \$ (858) | \$ 77,591 |
| 4 | \$ 22,548 | \$ 34,030 | \$ 100,815 | \$ 11,482 | \$ 66,785 |
| 5 | \$ 22,999 | \$ 39,701 | \$ 102,831 | \$ 16,703 | \$ 63,130 |
| 6 | \$ 23,459 | \$ 42,537 | \$ 104,888 | \$ 19,079 | \$ 62,350 |
| 7 | \$ 23,928 | \$ 45,373 | \$ 106,985 | \$ 21,445 | \$ 61,612 |
| 8 | \$ 24,406 | \$ 48,209 | \$ 109,125 | \$ 23,803 | \$ 60,916 |
| 9 | \$ 24,894 | \$ 53,881 | \$ 111,308 | \$ 28,986 | \$ 57,427 |
| 10 | \$ 25,392 | \$ 59,552 | \$ 113,534 | \$ 34,160 | \$ 53,982 |
| 11 | \$ 25,900 | \$ 65,224 | \$ 115,804 | \$ 39,324 | \$ 50,581 |
| 12 | \$ 26,418 | \$ 69,478 | \$ 118,121 | \$ 43,060 | \$ 48,643 |
| 13 | \$ 26,946 | \$ 75,149 | \$ 120,483 | \$ 48,203 | \$ 45,334 |
| 14 | \$ 27,485 | \$ 82,239 | \$ 122,893 | \$ 54,753 | \$ 40,654 |
| 15 | \$ 28,035 | \$ 89,328 | \$ 125,350 | \$ 61,293 | \$ 36,022 |
| 16 | \$ 28,596 | \$ 96,418 | \$ 127,857 | \$ 67,822 | \$ 31,440 |
| 17 | \$ 29,168 | \$ 102,090 | \$ 130,415 | \$ 72,922 | \$ 28,325 |
| 18 | \$ 29,751 | \$ 109,179 | \$ 133,023 | \$ 79,428 | \$ 23,844 |
| 19 | \$ 30,346 | \$ 114,851 | \$ 135,683 | \$ 84,505 | \$ 20,833 |
| 20 | \$ 30,953 | \$ 120,522 | \$ 138,397 | \$ 89,569 | \$ 17,875 |
| Total | \$ 516,249 | \$ 1,311,503 | \$ 2,308,250 | \$ 795,254 | \$ 996,748 |
| Average | \$ 25,812 | \$ 65,575 | \$ 115,413 | \$ 39,763 | \$ 49,837 |
| Present Value* | \$ 278,961 | \$ 619,362 | \$ 1,247,289 | \$ 340,401 | \$ 627,927 |

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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TOWN

Table 13 calculates the benefit (or cost) to the Town.

Table 13

Tax Policy Comparison for Town

| Year | A | | B | | C | |
|-----------------------|--------------------------------------|-------------------|--|---|--|--|
| | Property Tax Payment Without Project | PILOT Payment | Property Tax Payment With Project and No PILOT | Benefit (Cost) of Project to Municipalities (B-A) | Benefit (Cost) of PILOT to Applicant (C-B) | |
| 1 | \$ 2,877 | \$ 2,877 | \$ 12,862 | \$ - | \$ 9,985 | |
| 2 | \$ 2,934 | \$ 2,877 | \$ 13,119 | \$ (58) | \$ 10,243 | |
| 3 | \$ 2,993 | \$ 2,877 | \$ 13,382 | \$ (116) | \$ 10,505 | |
| 4 | \$ 3,053 | \$ 4,607 | \$ 13,649 | \$ 1,555 | \$ 9,042 | |
| 5 | \$ 3,114 | \$ 5,375 | \$ 13,922 | \$ 2,261 | \$ 8,547 | |
| 6 | \$ 3,176 | \$ 5,759 | \$ 14,201 | \$ 2,583 | \$ 8,442 | |
| 7 | \$ 3,240 | \$ 6,143 | \$ 14,485 | \$ 2,903 | \$ 8,342 | |
| 8 | \$ 3,304 | \$ 6,527 | \$ 14,774 | \$ 3,223 | \$ 8,247 | |
| 9 | \$ 3,370 | \$ 7,295 | \$ 15,070 | \$ 3,924 | \$ 7,775 | |
| 10 | \$ 3,438 | \$ 8,063 | \$ 15,371 | \$ 4,625 | \$ 7,309 | |
| 11 | \$ 3,507 | \$ 8,831 | \$ 15,679 | \$ 5,324 | \$ 6,848 | |
| 12 | \$ 3,577 | \$ 9,407 | \$ 15,992 | \$ 5,830 | \$ 6,586 | |
| 13 | \$ 3,648 | \$ 10,174 | \$ 16,312 | \$ 6,526 | \$ 6,138 | |
| 14 | \$ 3,721 | \$ 11,134 | \$ 16,638 | \$ 7,413 | \$ 5,504 | |
| 15 | \$ 3,796 | \$ 12,094 | \$ 16,971 | \$ 8,298 | \$ 4,877 | |
| 16 | \$ 3,872 | \$ 13,054 | \$ 17,311 | \$ 9,182 | \$ 4,257 | |
| 17 | \$ 3,949 | \$ 13,822 | \$ 17,657 | \$ 9,873 | \$ 3,835 | |
| 18 | \$ 4,028 | \$ 14,782 | \$ 18,010 | \$ 10,754 | \$ 3,228 | |
| 19 | \$ 4,109 | \$ 15,550 | \$ 18,370 | \$ 11,441 | \$ 2,821 | |
| 20 | \$ 4,191 | \$ 16,317 | \$ 18,738 | \$ 12,127 | \$ 2,420 | |
| Total | \$ 69,895 | \$ 177,564 | \$ 312,513 | \$ 107,669 | \$ 134,949 | |
| Average | \$ 3,495 | \$ 8,878 | \$ 15,626 | \$ 5,383 | \$ 6,747 | |
| Present Value* | \$ 37,768 | \$ 83,855 | \$ 168,870 | \$ 46,087 | \$ 85,015 | |

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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COUNTY

Table 14 calculates the benefit (or cost) to the County.

Table 14

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 | \$ | 5,272 | \$ | 5,272 | \$ | 23,570 | \$ | - | \$ | 18,298 |
| 2 | \$ | 5,377 | \$ | 5,272 | \$ | 24,041 | \$ | (105) | \$ | 18,770 |
| 3 | \$ | 5,484 | \$ | 5,272 | \$ | 24,522 | \$ | (213) | \$ | 19,251 |
| 4 | \$ | 5,594 | \$ | 8,443 | \$ | 25,013 | \$ | 2,849 | \$ | 16,570 |
| 5 | \$ | 5,706 | \$ | 9,850 | \$ | 25,513 | \$ | 4,144 | \$ | 15,663 |
| 6 | \$ | 5,820 | \$ | 10,554 | \$ | 26,023 | \$ | 4,734 | \$ | 15,469 |
| 7 | \$ | 5,937 | \$ | 11,257 | \$ | 26,544 | \$ | 5,321 | \$ | 15,286 |
| 8 | \$ | 6,055 | \$ | 11,961 | \$ | 27,075 | \$ | 5,906 | \$ | 15,114 |
| 9 | \$ | 6,176 | \$ | 13,368 | \$ | 27,616 | \$ | 7,192 | \$ | 14,248 |
| 10 | \$ | 6,300 | \$ | 14,775 | \$ | 28,168 | \$ | 8,475 | \$ | 13,393 |
| 11 | \$ | 6,426 | \$ | 16,182 | \$ | 28,732 | \$ | 9,756 | \$ | 12,549 |
| 12 | \$ | 6,554 | \$ | 17,238 | \$ | 29,306 | \$ | 10,683 | \$ | 12,069 |
| 13 | \$ | 6,686 | \$ | 18,645 | \$ | 29,892 | \$ | 11,959 | \$ | 11,248 |
| 14 | \$ | 6,819 | \$ | 20,404 | \$ | 30,490 | \$ | 13,585 | \$ | 10,086 |
| 15 | \$ | 6,956 | \$ | 22,163 | \$ | 31,100 | \$ | 15,207 | \$ | 8,937 |
| 16 | \$ | 7,095 | \$ | 23,922 | \$ | 31,722 | \$ | 16,827 | \$ | 7,800 |
| 17 | \$ | 7,237 | \$ | 25,329 | \$ | 32,357 | \$ | 18,092 | \$ | 7,028 |
| 18 | \$ | 7,381 | \$ | 27,088 | \$ | 33,004 | \$ | 19,707 | \$ | 5,916 |
| 19 | \$ | 7,529 | \$ | 28,495 | \$ | 33,664 | \$ | 20,966 | \$ | 5,169 |
| 20 | \$ | 7,680 | \$ | 29,902 | \$ | 34,337 | \$ | 22,223 | \$ | 4,435 |
| Total | \$ | 128,084 | \$ | 325,391 | \$ | 572,689 | \$ | 197,307 | \$ | 247,298 |
| Average | \$ | 6,404 | \$ | 16,270 | \$ | 28,634 | \$ | 9,865 | \$ | 12,365 |
| Present Value* | \$ | 69,212 | \$ | 153,667 | \$ | 309,459 | \$ | 84,455 | \$ | 155,792 |

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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SCHOOL DISTRICT

Table 15 calculates the benefit (or cost) to the school district.

Table 15

Tax Policy Comparison for School District

| 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 | Property Tax Payment Without Project | | | |
| 1 | \$ 45,529 | \$ 45,529 | \$ 203,568 | \$ - | \$ 158,039 | |
| 2 | \$ 46,439 | \$ 45,529 | \$ 207,639 | \$ (911) | \$ 162,111 | |
| 3 | \$ 47,368 | \$ 45,529 | \$ 211,792 | \$ (1,839) | \$ 166,263 | |
| 4 | \$ 48,315 | \$ 72,920 | \$ 216,028 | \$ 24,604 | \$ 143,108 | |
| 5 | \$ 49,282 | \$ 85,073 | \$ 220,349 | \$ 35,791 | \$ 135,275 | |
| 6 | \$ 50,267 | \$ 91,150 | \$ 224,756 | \$ 40,882 | \$ 133,606 | |
| 7 | \$ 51,273 | \$ 97,227 | \$ 229,251 | \$ 45,954 | \$ 132,024 | |
| 8 | \$ 52,298 | \$ 103,303 | \$ 233,836 | \$ 51,005 | \$ 130,532 | |
| 9 | \$ 53,344 | \$ 115,456 | \$ 238,512 | \$ 62,112 | \$ 123,056 | |
| 10 | \$ 54,411 | \$ 127,610 | \$ 243,283 | \$ 73,199 | \$ 115,673 | |
| 11 | \$ 55,499 | \$ 139,763 | \$ 248,148 | \$ 84,264 | \$ 108,385 | |
| 12 | \$ 56,609 | \$ 148,878 | \$ 253,111 | \$ 92,269 | \$ 104,233 | |
| 13 | \$ 57,741 | \$ 161,031 | \$ 258,173 | \$ 103,290 | \$ 97,142 | |
| 14 | \$ 58,896 | \$ 176,223 | \$ 263,337 | \$ 117,327 | \$ 87,114 | |
| 15 | \$ 60,074 | \$ 191,415 | \$ 268,604 | \$ 131,340 | \$ 77,189 | |
| 16 | \$ 61,276 | \$ 206,606 | \$ 273,976 | \$ 145,331 | \$ 67,369 | |
| 17 | \$ 62,501 | \$ 218,760 | \$ 279,455 | \$ 156,258 | \$ 60,696 | |
| 18 | \$ 63,751 | \$ 233,951 | \$ 285,044 | \$ 170,200 | \$ 51,093 | |
| 19 | \$ 65,026 | \$ 246,105 | \$ 290,745 | \$ 181,078 | \$ 44,641 | |
| 20 | \$ 66,327 | \$ 258,258 | \$ 296,560 | \$ 191,931 | \$ 38,302 | |
| Total | \$ 1,106,229 | \$ 2,810,315 | \$ 4,946,167 | \$ 1,704,086 | \$ 2,135,852 | |
| Average | \$ 55,311 | \$ 140,516 | \$ 247,308 | \$ 85,204 | \$ 106,793 | |
| Present Value* | \$ 597,763 | \$ 1,327,182 | \$ 2,672,716 | \$ 729,419 | \$ 1,345,534 | |

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

Table 16

Summary of Costs to Affected Jurisdictions

| | State and County | |
|------------------------|------------------|---------|
| Sales Tax Exemption | \$ | 629,925 |
| Mortgage Tax Exemption | \$ | 85,613 |

Source: Applicant, Camoin Associates

The additional incentives offered by the Agency will benefit the Applicant but will not negatively affect the taxing jurisdictions because, without the Project, the Town by definition would not be receiving any associated sales tax or mortgage tax revenue.

SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time Construction phase earnings described by the total economic impact of the construction work (described in the above section) would lead to additional sales tax revenue for the Town. It is assumed that 70%⁶ of the construction phase earnings would be spent within the county, and that 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 \$2,226 in new sales tax revenue to the town as a result of the construction phase.

Table 17

One-Time Sales Tax Revenue, Construction Phase

| | | |
|--|-----------|---------------|
| Total New Earnings | \$ | 3,392,138 |
| Amount Spent in County (70%) | \$ | 2,374,497 |
| Amount Taxable (25%) | \$ | 593,624 |
| Nassau County Sales Tax Revenue (4.25%) | \$ | 25,229 |
| New Town Sales Tax Revenue Portion* | | 0.375% |
| New Town Sales Tax Revenue | \$ | 2,226 |

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.

SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

As a result of the Project, the Town would receive sales tax revenue from household purchases. Table 18 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new

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

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households. The portion of sales tax revenue allocated to the town is 0.375%. As a result, there is estimated to be \$1,973 in new sales tax revenue to the town as a result of the new household spending.

Table 18

| Annual Sales Tax Revenue, Household Spending | |
|---|------------------|
| Total New Spending | \$ 1,754,040 |
| Amount Taxable (30%) | \$ 526,212 |
| Nassau County Sales Tax Revenue (4.25%) | \$ 22,364 |
| New Town Sales Tax Revenue Portion* | 0.375% |
| New Town Tax Revenue | \$ 1,973 |

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 would be taxable. Table 19 displays the annual tax revenue that the Town will receive.

Table 19

| Annual Sales Tax Revenue, On-Site Operations | |
|---|---------------|
| Total New Earnings | \$ 87,774 |
| Amount Spent in County (70%) | \$ 61,442 |
| Amount Taxable (25%) | \$ 15,360 |
| Nassau County Sales Tax Revenue (4.25%) | \$ 653 |
| New Town Sales Tax Revenue Portion* | 0.375% |
| New Town Tax Revenue | \$ 58 |

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.

ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the Town will receive is summarized in Table 20.

Table 20

| Total Annual Sales Tax Revenue | |
|---------------------------------------|-----------------|
| Household Spending | \$ 1,973 |
| On-Site Operations | \$ 58 |
| New Town Tax Revenue | \$ 2,031 |

Source: Town of Hempstead IDA, Camoin Associates

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.

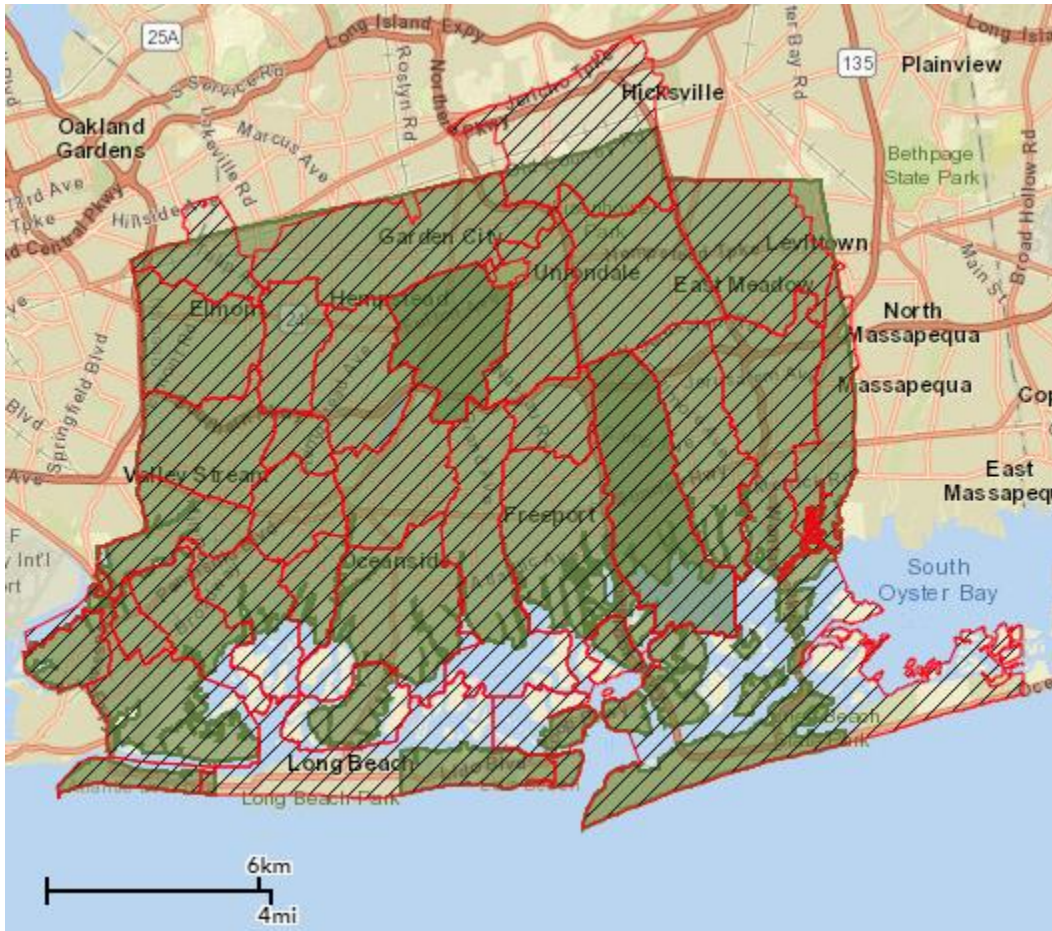
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the "local economy" is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider 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).

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