

PREPARED FOR:

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

Economic and Fiscal Impact

THE NEWBRIDGE RESIDENCE AT 558 LLC

Town of Hempstead
Industrial Development Agency

NOVEMBER 14, 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 The Newbridge Residence at 558 LLC. The proposed project involves the construction of two multi-family residential apartment buildings totaling 21,210 square feet at 558 Newbridge Road, East Meadow, NY 11554. 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:
The Newbridge Residence at 558 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 construction, 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.

CONTENTS

EXECUTIVE SUMMARY	1
ECONOMIC IMPACT ANALYSIS	2
FISCAL IMPACT ANALYSIS	6
Attachment A: What is Economic Impact Analysis?	13
Attachment B: Study Areas	14

EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the “Agency”) received an application for financial assistance from The Newbridge Residence at 558 LLC (the “Applicant”) for the construction of two multi-family residential apartment buildings totaling 21,210 square feet (the “Project”) at 558 Newbridge Road, East Meadow, NY 11554 (the “Site”). The existing area is a vacant lot; however, the proposed project will include 20 market rate rental units. 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).

Table 1

Summary of Benefits to Town	
Total Annual Jobs	13
Direct Jobs	9
Total Annual Earnings	\$ 780,921
Direct Earnings	\$ 495,711
Annual Sales Tax Revenue to County	\$ 14,421
Annual Sales Tax Revenue to Town	\$ 1,272
Average Annual PILOT Payment	\$ 106,740
Average Annual PILOT Payment to Town	\$ 16,258
Average Annual PILOT Benefit (Cost)	\$ 64,303
Average Annual PILOT Benefit (Cost) to Town	\$ 9,794
Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project - Property and Sales Tax	\$ 11,067
Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT	\$ (9,808)

- ◆ 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 \$106,740 each year, of which \$16,258 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 \$215,625 and a mortgage recording tax exemption valued at up to \$52,500. 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	\$ 215,625
Mortgage Recording Tax Exemption	\$ 52,500

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 Project.

CONSTRUCTION PHASE IMPACTS

The Applicant estimates that private sector investment in the construction of the Project would cost approximately \$3.8 million¹, which 25%² is assumed to be sourced from within the town. This means that there will be nearly \$1.0 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	\$	3,823,800
Percent Sourced from Town		25%
Net New Construction Spending	\$	955,950

Source: Applicant, Camoin Associates, Lightcast

Based on \$955,950 worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be over \$1.2 million in total one-time construction-related spending supporting 4³ total jobs and an associated \$457,886 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	3 \$	366,811 \$	955,950
Indirect	1 \$	41,472 \$	130,860
Induced	1 \$	49,602 \$	128,863
Total	4 \$	457,886 \$	1,215,673

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 25% of construction industry demand is met within the town.

³ While the application indicated 60-70 direct construction jobs (15 from the Town of Hempstead based on 25% being sourced locally), based on the construction spending in region we found this number to be 3 direct construction jobs using the model with 4 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.

Based solely on the information in the application, the project timeline should allow the Agency to reach the conclusion that there is a likelihood of accomplishing the Project in a timely manner. Although we are not construction experts, nothing has come to our attention that would cause us to reach a contrary conclusion.

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 market rate rental apartments.

NET NEW HOUSEHOLDS

Based on Camoin Associates’ rental market demand analysis, this analysis assumes that 90% of market-rate households will be net new to the town. This is based on a review of the data and an understanding of the proposed Project, as detailed above. Therefore, 18 total households are considered to be net new.

Table 5

Net New Households			
	Total Households	Percent Net New	Net New Households
Market Rate Units	20	90%	18
Total	20	90%	18

Source: ESRI Business Analyst, Camoin Associates

SPENDING BY NEW TENANTS

New residents would make purchases in the town, thereby adding new dollars to Hempstead's economy. For this analysis, we researched spending patterns by household income.

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.

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. The second column in the tables below shows 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 the Town of Hempstead⁴.

⁴ Based on data from Lightcast, 58% of the demand for consumer goods is met in-region. For the analysis, this was rounded to 60%.

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 Town Spending (18 net new units)
Food	\$ 18,525	\$ 11,115	\$ 200,070
Household furnishings and equipment	\$ 5,640	\$ 3,384	\$ 60,912
Apparel and services	\$ 4,671	\$ 2,803	\$ 50,447
Transportation	\$ 28,308	\$ 16,985	\$ 305,726
Health care	\$ 10,711	\$ 6,427	\$ 115,679
Entertainment	\$ 9,526	\$ 5,716	\$ 102,881
Personal care products and services	\$ 1,905	\$ 1,143	\$ 20,574
Education	\$ 6,804	\$ 4,082	\$ 73,483
Miscellaneous	\$ 2,375	\$ 1,425	\$ 25,650
Total Tenant Spending		\$	955,422

Source: 2023 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the town was calculated by multiplying the amount spent in the town by the number of net new units. As shown in the tables above, spending in the town by all net new households would total approximately \$955,000 per year.

Using \$955,422 as the direct 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	6 \$	315,711 \$	955,422
Indirect	1 \$	84,124 \$	212,723
Induced	1 \$	79,976 \$	209,095
Total	8 \$	479,810 \$	1,377,240

Source: Lightcast, Camoin Associates

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IMPACTS OF ON-SITE EMPLOYMENT

According to the application, three part-time employees will be on-site following project completion. Since 90% of the housing units are considered net new to the town, 90% of the jobs, or 3 jobs (due to rounding), are considered net new. The table below details the impact that these jobs will have on the Town of Hempstead.

Table 8

Town Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	3 \$	180,000 \$	559,904
Indirect	1 \$	86,208 \$	224,015
Induced	0 \$	34,903 \$	90,817
Total	5 \$	301,111 \$	874,736

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	9 \$	495,711 \$	1,515,326
Indirect	3 \$	170,332 \$	436,738
Induced	1 \$	114,878 \$	299,913
Total	13 \$	780,921 \$	2,251,976

Source: Lightcast, Camoin Associates

IMPACT ON SCHOOL DISTRICT ENROLLMENTS

Based on the 18 net new households and an average of .07⁵ students per unit, it is estimated that there will be one net new student in the school district due to the Project.

Table 10

Estimated Impact on School District Enrollment

Total Net New Units	18
Average Students per Unit	0.07
New Students	1

Source: 2019 REI Study, Camoin Associates

⁵ The average student(s) per unit measure is based on a 2019 study by Stony Brook University’s Real Estate Institute. The study compared data from 14 multi-family developments, determining the number of school children living in each development. The results revealed that there were, on average, 0.07 students per unit for developments of similar size as the Project.

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.⁶

Table 11

Year	Total		Portion of Payment by Jurisdiction		
	PILOT Payments		Town	County	School District
1	\$ 34,931	\$ 5,320	\$ 6,064	\$ 23,547	
2	\$ 34,931	\$ 5,320	\$ 6,064	\$ 23,547	
3	\$ 34,931	\$ 5,320	\$ 6,064	\$ 23,547	
4	\$ 60,000	\$ 9,139	\$ 10,415	\$ 40,446	
5	\$ 67,000	\$ 10,205	\$ 11,630	\$ 45,165	
6	\$ 74,000	\$ 11,271	\$ 12,845	\$ 49,884	
7	\$ 81,000	\$ 12,337	\$ 14,060	\$ 54,602	
8	\$ 88,000	\$ 13,403	\$ 15,276	\$ 59,321	
9	\$ 95,000	\$ 14,470	\$ 16,491	\$ 64,040	
10	\$ 105,000	\$ 15,993	\$ 18,227	\$ 70,781	
11	\$ 110,000	\$ 16,754	\$ 19,094	\$ 74,151	
12	\$ 120,000	\$ 18,277	\$ 20,830	\$ 80,892	
13	\$ 130,000	\$ 19,801	\$ 22,566	\$ 87,633	
14	\$ 140,000	\$ 21,324	\$ 24,302	\$ 94,374	
15	\$ 145,000	\$ 22,085	\$ 25,170	\$ 97,745	
16	\$ 150,000	\$ 22,847	\$ 26,038	\$ 101,115	
17	\$ 155,000	\$ 23,608	\$ 26,906	\$ 104,486	
18	\$ 160,000	\$ 24,370	\$ 27,774	\$ 107,856	
19	\$ 170,000	\$ 25,893	\$ 29,510	\$ 114,597	
20	\$ 180,000	\$ 27,416	\$ 31,245	\$ 121,338	
Total	\$ 2,134,794	\$ 325,156	\$ 370,570	\$ 1,439,068	
Average	\$ 106,740	\$ 16,258	\$ 18,529	\$ 71,953	
Present Value*	\$ 1,025,452	\$ 156,189	\$ 178,004	\$ 691,259	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes a 6.25% discount rate.

⁶ 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 (Column C – 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 12

Tax Policy Comparison (All Jurisdictions)

Year	A		B		C	
	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT	Benefit (Cost) of Project to Municipalities (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)	
1	\$ 34,931	\$ 34,931	\$ 140,867	\$ -	\$ 105,936	
2	\$ 35,630	\$ 34,931	\$ 143,684	\$ (699)	\$ 108,753	
3	\$ 36,343	\$ 34,931	\$ 146,558	\$ (1,411)	\$ 111,627	
4	\$ 37,069	\$ 60,000	\$ 149,489	\$ 22,931	\$ 89,489	
5	\$ 37,811	\$ 67,000	\$ 152,479	\$ 29,189	\$ 85,479	
6	\$ 38,567	\$ 74,000	\$ 155,528	\$ 35,433	\$ 81,528	
7	\$ 39,338	\$ 81,000	\$ 158,639	\$ 41,662	\$ 77,639	
8	\$ 40,125	\$ 88,000	\$ 161,812	\$ 47,875	\$ 73,812	
9	\$ 40,928	\$ 95,000	\$ 165,048	\$ 54,072	\$ 70,048	
10	\$ 41,746	\$ 105,000	\$ 168,349	\$ 63,254	\$ 63,349	
11	\$ 42,581	\$ 110,000	\$ 171,716	\$ 67,419	\$ 61,716	
12	\$ 43,433	\$ 120,000	\$ 175,150	\$ 76,567	\$ 55,150	
13	\$ 44,301	\$ 130,000	\$ 178,653	\$ 85,699	\$ 48,653	
14	\$ 45,188	\$ 140,000	\$ 182,226	\$ 94,812	\$ 42,226	
15	\$ 46,091	\$ 145,000	\$ 185,871	\$ 98,909	\$ 40,871	
16	\$ 47,013	\$ 150,000	\$ 189,588	\$ 102,987	\$ 39,588	
17	\$ 47,953	\$ 155,000	\$ 193,380	\$ 107,047	\$ 38,380	
18	\$ 48,912	\$ 160,000	\$ 197,248	\$ 111,088	\$ 37,248	
19	\$ 49,891	\$ 170,000	\$ 201,193	\$ 120,109	\$ 31,193	
20	\$ 50,888	\$ 180,000	\$ 205,217	\$ 129,112	\$ 25,217	
Total	\$ 848,741	\$ 2,134,794	\$ 3,422,696	\$ 1,286,053	\$ 1,287,902	
Average	\$ 42,437	\$ 106,740	\$ 171,135	\$ 64,303	\$ 64,395	
Present Value*	\$ 458,627	\$ 1,025,452	\$ 1,849,492	\$ 566,825	\$ 824,041	

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	\$	5,320	\$	5,320	\$	21,456	\$	-	\$	16,135
2	\$	5,427	\$	5,320	\$	21,885	\$	(106)	\$	16,564
3	\$	5,535	\$	5,320	\$	22,323	\$	(215)	\$	17,002
4	\$	5,646	\$	9,139	\$	22,769	\$	3,493	\$	13,630
5	\$	5,759	\$	10,205	\$	23,224	\$	4,446	\$	13,019
6	\$	5,874	\$	11,271	\$	23,689	\$	5,397	\$	12,418
7	\$	5,992	\$	12,337	\$	24,163	\$	6,346	\$	11,825
8	\$	6,112	\$	13,403	\$	24,646	\$	7,292	\$	11,242
9	\$	6,234	\$	14,470	\$	25,139	\$	8,236	\$	10,669
10	\$	6,358	\$	15,993	\$	25,642	\$	9,634	\$	9,649
11	\$	6,486	\$	16,754	\$	26,154	\$	10,269	\$	9,400
12	\$	6,615	\$	18,277	\$	26,678	\$	11,662	\$	8,400
13	\$	6,748	\$	19,801	\$	27,211	\$	13,053	\$	7,411
14	\$	6,883	\$	21,324	\$	27,755	\$	14,441	\$	6,432
15	\$	7,020	\$	22,085	\$	28,310	\$	15,065	\$	6,225
16	\$	7,161	\$	22,847	\$	28,877	\$	15,686	\$	6,030
17	\$	7,304	\$	23,608	\$	29,454	\$	16,305	\$	5,846
18	\$	7,450	\$	24,370	\$	30,043	\$	16,920	\$	5,673
19	\$	7,599	\$	25,893	\$	30,644	\$	18,294	\$	4,751
20	\$	7,751	\$	27,416	\$	31,257	\$	19,665	\$	3,841
Total	\$	129,274	\$	325,156	\$	521,319	\$	195,882	\$	196,163
Average	\$	6,464	\$	16,258	\$	26,066	\$	9,794	\$	9,808
Present Value*	\$	69,855	\$	156,189	\$	281,700	\$	86,334	\$	125,512

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	\$	6,064	\$	6,064	\$	24,453	\$	-	\$	18,389
2	\$	6,185	\$	6,064	\$	24,942	\$	(121)	\$	18,878
3	\$	6,309	\$	6,064	\$	25,440	\$	(245)	\$	19,377
4	\$	6,435	\$	10,415	\$	25,949	\$	3,980	\$	15,534
5	\$	6,563	\$	11,630	\$	26,468	\$	5,067	\$	14,838
6	\$	6,695	\$	12,845	\$	26,998	\$	6,151	\$	14,152
7	\$	6,829	\$	14,060	\$	27,538	\$	7,232	\$	13,477
8	\$	6,965	\$	15,276	\$	28,088	\$	8,310	\$	12,813
9	\$	7,104	\$	16,491	\$	28,650	\$	9,386	\$	12,159
10	\$	7,247	\$	18,227	\$	29,223	\$	10,980	\$	10,997
11	\$	7,392	\$	19,094	\$	29,808	\$	11,703	\$	10,713
12	\$	7,539	\$	20,830	\$	30,404	\$	13,291	\$	9,573
13	\$	7,690	\$	22,566	\$	31,012	\$	14,876	\$	8,446
14	\$	7,844	\$	24,302	\$	31,632	\$	16,458	\$	7,330
15	\$	8,001	\$	25,170	\$	32,265	\$	17,169	\$	7,095
16	\$	8,161	\$	26,038	\$	32,910	\$	17,877	\$	6,872
17	\$	8,324	\$	26,906	\$	33,568	\$	18,582	\$	6,662
18	\$	8,491	\$	27,774	\$	34,239	\$	19,283	\$	6,466
19	\$	8,660	\$	29,510	\$	34,924	\$	20,849	\$	5,415
20	\$	8,834	\$	31,245	\$	35,623	\$	22,412	\$	4,377
Total	\$	147,330	\$	370,570	\$	594,132	\$	223,241	\$	223,562
Average	\$	7,366	\$	18,529	\$	29,707	\$	11,162	\$	11,178
Present Value*	\$	79,611	\$	178,004	\$	321,046	\$	98,393	\$	143,042

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 Without Project	23,547	PILOT Payment	23,547	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	\$	23,547	\$	23,547	\$	94,959	\$	-	\$	71,411
2	\$	24,018	\$	23,547	\$	96,858	\$	(471)	\$	73,310
3	\$	24,499	\$	23,547	\$	98,795	\$	(951)	\$	75,248
4	\$	24,989	\$	40,446	\$	100,771	\$	15,457	\$	60,325
5	\$	25,488	\$	45,165	\$	102,786	\$	19,676	\$	57,621
6	\$	25,998	\$	49,884	\$	104,842	\$	23,885	\$	54,958
7	\$	26,518	\$	54,602	\$	106,939	\$	28,084	\$	52,337
8	\$	27,048	\$	59,321	\$	109,078	\$	32,272	\$	49,757
9	\$	27,589	\$	64,040	\$	111,259	\$	36,450	\$	47,220
10	\$	28,141	\$	70,781	\$	113,484	\$	42,639	\$	42,704
11	\$	28,704	\$	74,151	\$	115,754	\$	45,447	\$	41,603
12	\$	29,278	\$	80,892	\$	118,069	\$	51,614	\$	37,177
13	\$	29,864	\$	87,633	\$	120,431	\$	57,770	\$	32,797
14	\$	30,461	\$	94,374	\$	122,839	\$	63,913	\$	28,465
15	\$	31,070	\$	97,745	\$	125,296	\$	66,675	\$	27,551
16	\$	31,692	\$	101,115	\$	127,802	\$	69,424	\$	26,687
17	\$	32,325	\$	104,486	\$	130,358	\$	72,160	\$	25,872
18	\$	32,972	\$	107,856	\$	132,965	\$	74,884	\$	25,109
19	\$	33,631	\$	114,597	\$	135,624	\$	80,966	\$	21,027
20	\$	34,304	\$	121,338	\$	138,337	\$	87,034	\$	16,999
Total	\$	572,138	\$	1,439,068	\$	2,307,245	\$	866,930	\$	868,177
Average	\$	28,607	\$	71,953	\$	115,362	\$	43,347	\$	43,409
Present Value*	\$	309,161	\$	691,259	\$	1,246,746	\$	382,097	\$	555,487

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	\$	215,625
Mortgage Recording Tax Exemption	\$	52,500

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%⁷ 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 \$300 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	\$	457,886
Amount Spent in County (70%)	\$	320,520
Amount Taxable (25%)	\$	80,130
Nassau County Sales Tax Revenue (4.25%)	\$	3,406
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	300

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 households. The portion of sales tax revenue allocated to the town is 0.375%. As a result, there is estimated to be \$1,075 in new sales tax revenue to the town as a result of the new household spending.

⁷ According to Lightcast, 70% demand for industries in a typical household spending basket is met within Nassau County.

Table 18

Annual Sales Tax Revenue, Household Spending	
Total New Spending	\$ 955,422
Amount Taxable (30%)	\$ 286,627
Nassau County Sales Tax Revenue (4.25%)	\$ 12,182
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 1,075

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	\$ 301,111
Amount Spent in County (70%)	\$ 210,778
Amount Taxable (25%)	\$ 52,694
Nassau County Sales Tax Revenue (4.25%)	\$ 2,240
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 198

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	\$ 1,075
On-Site Operations	\$ 198
New Town Tax Revenue	\$ 1,272

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.

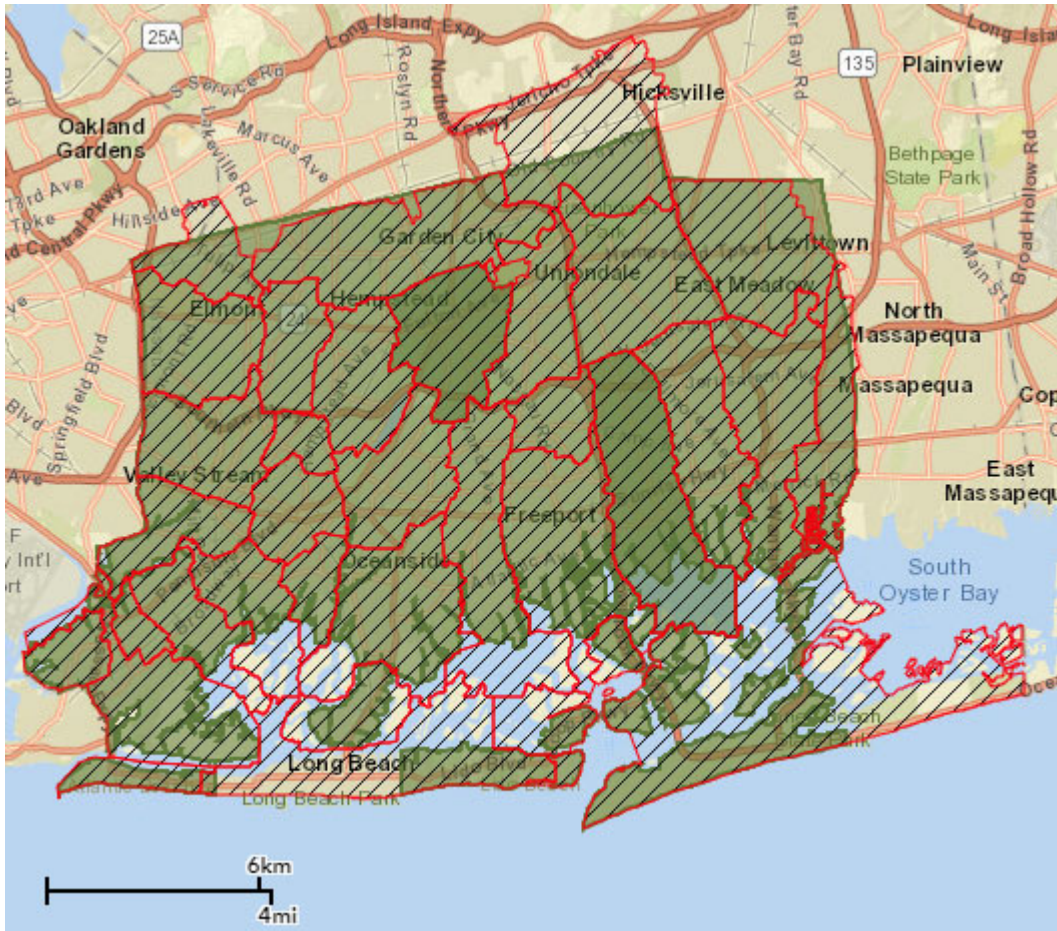
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the "local economy" is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider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

CAMOIN ASSOCIATES

ATTACHMENT B: STUDY AREAS

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



CAMOIN ASSOCIATES

ABOUT CAMOIN ASSOCIATES

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects 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. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com.

THE PROJECT TEAM

Rachel Selsky
CEO

Troy Wittek
Analyst



Leading action to
grow your economy

Camoin Associates
518.899.2608
www.camoinassociates.com

