

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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LI PRIME LOFTS, LLC

Town of Hempstead  
Industrial Development Agency

OCTOBER 25, 2025

PREPARED BY:



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[www.camoinassociates.com](http://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 LI Prime Lofts, LLC. The proposed project involves the reassignment of a PILOT originally awarded to “The Village Lofts” for a residential development located at 479 Front Street, 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 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:

LI Prime Lofts, LLC 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.*

# CONTENTS

EXECUTIVE SUMMARY .....	1
ECONOMIC IMPACT ANALYSIS .....	2
FISCAL IMPACT ANALYSIS .....	2
Attachment A: What is Economic Impact Analysis? .....	6
Attachment B: Study Areas .....	7

## CAMOIN ASSOCIATES

# EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the "Agency") received an application for financial assistance from LI Prime Lofts, LLC (the Applicant) for the reassignment of an existing PILOT (the Project) at 479 Front Street, Hempstead, NY 11550 (the Site). The Applicant is requesting access to the remaining eight years on the existing PILOT agreement. 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 does not include the construction of any new residential units or the creation of any new on-site jobs; therefore, its only impact is related to the fiscal impacts of the existing PILOT schedule.

Table 1

<b>Summary of Benefits to Town</b>	
Total Construction jobs	-
Direct Jobs	-
Total Construction Earnings	\$ -
Direct Earnings	\$ -
One Time Sales Tax Revenue to County	\$ -
One Time Sales Tax Revenue to Town	\$ -
Average Annual PILOT Payment	\$ 82,094
Average Annual PILOT Payment to Town	\$ 1,345
Average Annual PILOT Benefit (Cost)	\$ -
Average Annual PILOT Benefit (Cost) to Town	\$ -
<b>Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project - Property and Sales Tax</b>	
	\$ -
<b>Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT</b>	
	\$ (1,849)

- ◆ The Applicant has negotiated the terms of a proposed 8-year PILOT agreement with the Agency. Under this agreement, the Applicant would pay an average of \$82,094 each year, of which \$1,345 will be allocated to the Town.

# ECONOMIC IMPACT ANALYSIS

The Project will not create any new housing units or jobs within the Town of Hempstead, so there is no economic impact. However, without the PILOT, the Applicant has stated that the residential development would not be financially viable, and there could be negative effects if financial assistance is not provided.

# FISCAL IMPACT ANALYSIS

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 eight years of an existing Payment In Lieu of Taxes (PILOT) agreement to be reassigned. 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>1</sup>

Table 2

### Tax Payments with PILOT

Year	Total		Portion of Payment by Jurisdiction			
	PILOT Payments		Village	Town	County	School District
1	\$ 72,250	\$	22,408	\$ 1,183	\$ 2,169	\$ 46,490
2	\$ 74,500	\$	23,106	\$ 1,220	\$ 2,236	\$ 47,938
3	\$ 77,000	\$	23,881	\$ 1,261	\$ 2,311	\$ 49,546
4	\$ 80,500	\$	24,967	\$ 1,319	\$ 2,416	\$ 51,798
5	\$ 83,000	\$	25,742	\$ 1,360	\$ 2,491	\$ 53,407
6	\$ 86,000	\$	26,673	\$ 1,409	\$ 2,581	\$ 55,337
7	\$ 89,500	\$	27,758	\$ 1,466	\$ 2,686	\$ 57,590
8	\$ 94,000	\$	29,154	\$ 1,540	\$ 2,821	\$ 60,485
<b>Total</b>	<b>\$ 656,750</b>	<b>\$</b>	<b>203,689</b>	<b>\$ 10,758</b>	<b>\$ 19,712</b>	<b>\$ 422,591</b>
<b>Average</b>	<b>\$ 82,094</b>	<b>\$</b>	<b>25,461</b>	<b>\$ 1,345</b>	<b>\$ 2,464</b>	<b>\$ 52,824</b>
<b>Present Value*</b>	<b>\$ 498,851</b>	<b>\$</b>	<b>154,717</b>	<b>\$ 8,171</b>	<b>\$ 14,973</b>	<b>\$ 320,990</b>

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes a 6.25% discount rate.

<sup>1</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).

Since this is a reassignment of an existing PILOT, the municipalities will not be impacted negatively or positively. 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 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	\$ 72,250	\$ 72,250	\$ 181,714	\$ -	\$ 109,464
2	\$ 74,500	\$ 74,500	\$ 185,348	\$ -	\$ 110,848
3	\$ 77,000	\$ 77,000	\$ 189,055	\$ -	\$ 112,055
4	\$ 80,500	\$ 80,500	\$ 192,836	\$ -	\$ 112,336
5	\$ 83,000	\$ 83,000	\$ 196,693	\$ -	\$ 113,693
6	\$ 86,000	\$ 86,000	\$ 200,627	\$ -	\$ 114,627
7	\$ 89,500	\$ 89,500	\$ 204,639	\$ -	\$ 115,139
8	\$ 94,000	\$ 94,000	\$ 208,732	\$ -	\$ 114,732
<b>Total</b>	<b>\$ 656,750</b>	<b>\$ 656,750</b>	<b>\$ 1,559,645</b>	<b>\$ -</b>	<b>\$ 902,895</b>
<b>Average</b>	<b>\$ 82,094</b>	<b>\$ 82,094</b>	<b>\$ 194,956</b>	<b>\$ -</b>	<b>\$ 112,862</b>
<b>Present Value*</b>	<b>\$ 498,851</b>	<b>\$ 498,851</b>	<b>\$ 1,191,233</b>	<b>\$ -</b>	<b>\$ 692,382</b>

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

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

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**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	\$ 22,408	\$ 22,408	\$ 56,358	\$ -	\$ 33,950	
2	\$ 23,106	\$ 23,106	\$ 57,485	\$ -	\$ 34,379	
3	\$ 23,881	\$ 23,881	\$ 58,635	\$ -	\$ 34,753	
4	\$ 24,967	\$ 24,967	\$ 59,807	\$ -	\$ 34,841	
5	\$ 25,742	\$ 25,742	\$ 61,004	\$ -	\$ 35,261	
6	\$ 26,673	\$ 26,673	\$ 62,224	\$ -	\$ 35,551	
7	\$ 27,758	\$ 27,758	\$ 63,468	\$ -	\$ 35,710	
8	\$ 29,154	\$ 29,154	\$ 64,738	\$ -	\$ 35,584	
<b>Total</b>	<b>\$ 203,689</b>	<b>\$ 203,689</b>	<b>\$ 483,718</b>	<b>\$ -</b>	<b>\$ 280,030</b>	
<b>Average</b>	<b>\$ 25,461</b>	<b>\$ 25,461</b>	<b>\$ 60,465</b>	<b>\$ -</b>	<b>\$ 35,004</b>	
<b>Present Value*</b>	<b>\$ 154,717</b>	<b>\$ 154,717</b>	<b>\$ 369,456</b>	<b>\$ -</b>	<b>\$ 214,740</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

**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	\$ 1,183	\$ 1,183	\$ 2,976	\$ -	\$ 1,793	
2	\$ 1,220	\$ 1,220	\$ 3,036	\$ -	\$ 1,816	
3	\$ 1,261	\$ 1,261	\$ 3,097	\$ -	\$ 1,835	
4	\$ 1,319	\$ 1,319	\$ 3,159	\$ -	\$ 1,840	
5	\$ 1,360	\$ 1,360	\$ 3,222	\$ -	\$ 1,862	
6	\$ 1,409	\$ 1,409	\$ 3,286	\$ -	\$ 1,878	
7	\$ 1,466	\$ 1,466	\$ 3,352	\$ -	\$ 1,886	
8	\$ 1,540	\$ 1,540	\$ 3,419	\$ -	\$ 1,879	
<b>Total</b>	<b>\$ 10,758</b>	<b>\$ 10,758</b>	<b>\$ 25,547</b>	<b>\$ -</b>	<b>\$ 14,790</b>	
<b>Average</b>	<b>\$ 1,345</b>	<b>\$ 1,345</b>	<b>\$ 3,193</b>	<b>\$ -</b>	<b>\$ 1,849</b>	
<b>Present Value*</b>	<b>\$ 8,171</b>	<b>\$ 8,171</b>	<b>\$ 19,513</b>	<b>\$ -</b>	<b>\$ 11,341</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

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**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	\$ 2,169	\$ 2,169	\$ 5,454	\$ -	\$ 3,286	
2	\$ 2,236	\$ 2,236	\$ 5,563	\$ -	\$ 3,327	
3	\$ 2,311	\$ 2,311	\$ 5,675	\$ -	\$ 3,363	
4	\$ 2,416	\$ 2,416	\$ 5,788	\$ -	\$ 3,372	
5	\$ 2,491	\$ 2,491	\$ 5,904	\$ -	\$ 3,413	
6	\$ 2,581	\$ 2,581	\$ 6,022	\$ -	\$ 3,441	
7	\$ 2,686	\$ 2,686	\$ 6,142	\$ -	\$ 3,456	
8	\$ 2,821	\$ 2,821	\$ 6,265	\$ -	\$ 3,444	
<b>Total</b>	<b>\$ 19,712</b>	<b>\$ 19,712</b>	<b>\$ 46,813</b>	<b>\$ -</b>	<b>\$ 27,101</b>	
<b>Average</b>	<b>\$ 2,464</b>	<b>\$ 2,464</b>	<b>\$ 5,852</b>	<b>\$ -</b>	<b>\$ 3,388</b>	
<b>Present Value*</b>	<b>\$ 14,973</b>	<b>\$ 14,973</b>	<b>\$ 35,755</b>	<b>\$ -</b>	<b>\$ 20,782</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

**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	\$ 46,490	\$ 46,490	\$ 116,925	\$ -	\$ 70,436	
2	\$ 47,938	\$ 47,938	\$ 119,264	\$ -	\$ 71,326	
3	\$ 49,546	\$ 49,546	\$ 121,649	\$ -	\$ 72,103	
4	\$ 51,798	\$ 51,798	\$ 124,082	\$ -	\$ 72,284	
5	\$ 53,407	\$ 53,407	\$ 126,564	\$ -	\$ 73,157	
6	\$ 55,337	\$ 55,337	\$ 129,095	\$ -	\$ 73,758	
7	\$ 57,590	\$ 57,590	\$ 131,677	\$ -	\$ 74,087	
8	\$ 60,485	\$ 60,485	\$ 134,311	\$ -	\$ 73,825	
<b>Total</b>	<b>\$ 422,591</b>	<b>\$ 422,591</b>	<b>\$ 1,003,567</b>	<b>\$ -</b>	<b>\$ 580,976</b>	
<b>Average</b>	<b>\$ 52,824</b>	<b>\$ 52,824</b>	<b>\$ 125,446</b>	<b>\$ -</b>	<b>\$ 72,622</b>	
<b>Present Value*</b>	<b>\$ 320,990</b>	<b>\$ 320,990</b>	<b>\$ 766,509</b>	<b>\$ -</b>	<b>\$ 445,519</b>	

Source: Town of Hempstead IDA, Camoin Associates

\*Note: Assumes 6.25% discount rate.

## 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.

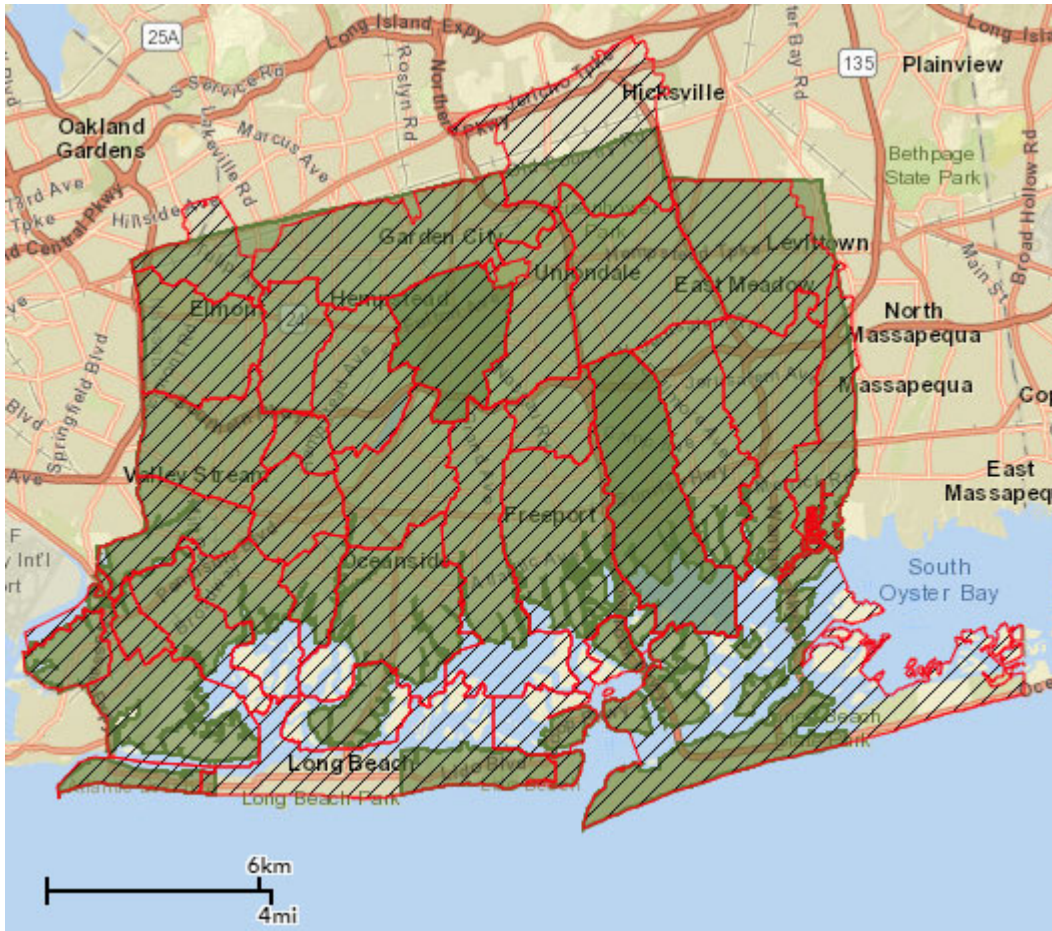
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the "local economy" is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider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



## 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](http://www.camoinassociates.com).

## THE PROJECT TEAM

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