

PREPARED FOR:

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

Economic and Fiscal Impact

150 SUNRISE HIGHWAY, LLC

Town of Hempstead
Industrial Development Agency

MAY 2026

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 150 Sunrise Highway LLC. The proposed project involves the construction of a 3-story, 63-suite Tru by Hilton hotel totaling 29,922 square feet at 144-150 Sunrise Highway, Rockville Centre, NY 11570. The applicant is seeking a 20-year PILOT agreement with the Agency as well as a sales tax exemption and a mortgage recording tax exemption. The goal of this analysis is to provide a complete assessment of the total economic, employment, and tax impact of the project on the Town of Hempstead that results from this construction and development 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."

STUDY INFORMATION

Data Source:
150 Sunrise Highway LLC
Application for Assistance and the
Town of Hempstead Industrial
Development Agency

Geography:
Town of Hempstead

Study Period:
2026

Modeling Tool:
Lightcast

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on construction and operations 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 the facility.

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 SUMMARY1

ECONOMIC IMPACT ANALYSIS2

FISCAL IMPACT ANALYSIS4

Attachment A: What is Economic Impact Analysis? 12

Attachment B: Study Areas 13

EXECUTIVE SUMMARY

The Town of Hempstead Industrial Development Agency (the "Agency") received an application for financial assistance from 150 Sunrise Highway LLC (the "Applicant") for the construction of a 3-story, 63-suite Tru by Hilton hotel totaling 29,922 square feet on 0.45 acres of land (the "Project") at 144-150 Sunrise Highway, Rockville Centre, NY 11570 (the "Site"). 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 following is a summary of our findings from this study, with details below and in the following sections.

Table 1

Summary of Benefits to Town	
Total Annual jobs	37
Direct Jobs	25
Total Annual Earnings	\$ 2,491,915
Direct Earnings	\$ 1,520,469
Annual Sales Tax Revenue to County	\$ 18,534
Annual Sales Tax Revenue to Town	\$ 1,635
Average Annual PILOT Payment	\$ 309,352
Average Annual PILOT Payment to Town	\$ 1,641
Average Annual PILOT Benefit (Cost)	\$ 202,832
Average Annual Benefit (Cost) to Town of Project with PILOT compared to No Project	\$ 1,076
Average Annual Benefit (Cost) to Town of Project with PILOT compared to Project Without PILOT	\$ (1,473)

- ◆ The Applicant has negotiated terms of a proposed 20-year PILOT agreement with the Agency. Under this agreement, the Applicant would pay an average of \$309,352 each year, of which \$1,641 will be allocated to the Town.
- ◆ Through negotiations with the Agency, the Applicant could have access to a mortgage tax exemption valued at up to \$87,750 and a sales recording tax exemption valued at up to \$735,862. However, if we assume that the Project would not occur absent IDA benefits, this is not actually a "cost" to the state and county since no future revenue stream would exist without the exemptions.

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by the construction work provided by the Applicant were used as the direct inputs for the economic impact model. Camoin Associates uses the input-output model designed by Lightcast to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the town and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Town of Hempstead's economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

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

CONSTRUCTION PHASE IMPACTS

The Applicant estimates that private sector investment in the construction of the Project would cost approximately \$11.7 million¹, which 25%² is assumed to be sourced from within the town. This means that there will be approximately \$3.0 million in net new spending in the town associated with the construction phase of the Project.

Table 2

Construction Phase Spending - Town

Total Construction Cost	\$ 11,749,295
Percent Sourced from Town	25%
Net New Construction Spending	\$ 2,937,324

Source: Applicant, Camoin Associates

Based on \$3.0 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be approximately \$2.9 million in total one-time construction-related spending supporting 13 total jobs and an associated \$1.4 million in earnings over the construction period throughout the town. Table 3 outlines the economic impacts of construction.

Table 3

Town Economic Impact - Construction Phase

	Jobs	Earnings	Sales
Direct	9	\$ 1,112,320	\$ 2,937,324
Indirect	1	\$ 110,185	\$ 331,833
Induced	2	\$ 170,092	\$ 435,350
Total	13	\$ 1,392,597	\$ 3,704,507

Source: Lightcast, Camoin Associates

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

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.

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IMPACTS OF ON-SITE EMPLOYMENT

According to the Applicant, 25 new jobs will be on-site following the Project completion. The table below details the impact that these net new jobs will have on the Town of Hempstead (*Table 4*).

Table 4

Town Economic Impact - On-Site Operations					
	Jobs		Earnings		Sales
Direct	25	\$	1,520,469	\$	6,023,795
Indirect	5	\$	397,759	\$	909,453
Induced	7	\$	573,687	\$	1,531,499
Total	37	\$	2,491,915	\$	8,464,747

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 payment schedule based on the current tax rate, taxable value, and assessed value of the Project. Based on the terms of the PILOT as proposed, Camoin Associates calculated the potential impact on the Town of Hempstead and other applicable jurisdictions.³

Table 5

Tax Payments with PILOT

Year	Total PILOT Payments	Portion of Payment by Jurisdiction			
		Village	Town	County	School District
1	\$ 87,681	\$ 14,955	\$ 465	\$ 5,619	\$ 66,641
2	\$ 87,681	\$ 14,955	\$ 465	\$ 5,619	\$ 66,641
3	\$ 87,681	\$ 14,955	\$ 465	\$ 5,619	\$ 66,641
4	\$ 150,000	\$ 25,585	\$ 796	\$ 9,613	\$ 114,007
5	\$ 170,000	\$ 28,996	\$ 902	\$ 10,894	\$ 129,208
6	\$ 180,000	\$ 30,702	\$ 955	\$ 11,535	\$ 136,808
7	\$ 200,000	\$ 34,113	\$ 1,061	\$ 12,817	\$ 152,009
8	\$ 220,000	\$ 37,525	\$ 1,167	\$ 14,098	\$ 167,210
9	\$ 250,000	\$ 42,642	\$ 1,326	\$ 16,021	\$ 190,011
10	\$ 270,000	\$ 46,053	\$ 1,432	\$ 17,303	\$ 205,212
11	\$ 290,000	\$ 49,464	\$ 1,538	\$ 18,584	\$ 220,413
12	\$ 300,000	\$ 51,170	\$ 1,591	\$ 19,225	\$ 228,014
13	\$ 350,000	\$ 59,698	\$ 1,857	\$ 22,429	\$ 266,016
14	\$ 410,000	\$ 69,932	\$ 2,175	\$ 26,274	\$ 311,619
15	\$ 484,000	\$ 82,554	\$ 2,567	\$ 31,016	\$ 367,862
16	\$ 510,000	\$ 86,989	\$ 2,705	\$ 32,683	\$ 387,623
17	\$ 520,000	\$ 88,695	\$ 2,758	\$ 33,323	\$ 395,224
18	\$ 530,000	\$ 90,400	\$ 2,811	\$ 33,964	\$ 402,824
19	\$ 540,000	\$ 92,106	\$ 2,864	\$ 34,605	\$ 410,425
20	\$ 550,000	\$ 93,812	\$ 2,917	\$ 35,246	\$ 418,025
Total	\$ 6,187,042	\$ 1,055,302	\$ 32,819	\$ 396,488	\$ 4,702,434
Average	\$ 309,352	\$ 52,765	\$ 1,641	\$ 19,824	\$ 235,122
Present Value*	\$ 2,874,513	\$ 490,295	\$ 15,248	\$ 184,209	\$ 2,184,760

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes a 6.25% discount rate.

³ 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 6

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	\$ 87,681	\$ 87,681	\$ 483,171	\$ -	\$ 395,490	
2	\$ 89,434	\$ 87,681	\$ 492,834	\$ (1,754)	\$ 405,154	
3	\$ 91,223	\$ 87,681	\$ 502,691	\$ (3,542)	\$ 415,010	
4	\$ 93,048	\$ 150,000	\$ 512,745	\$ 56,952	\$ 362,745	
5	\$ 94,908	\$ 170,000	\$ 523,000	\$ 75,092	\$ 353,000	
6	\$ 96,807	\$ 180,000	\$ 533,460	\$ 83,193	\$ 353,460	
7	\$ 98,743	\$ 200,000	\$ 544,129	\$ 101,257	\$ 344,129	
8	\$ 100,718	\$ 220,000	\$ 555,012	\$ 119,282	\$ 335,012	
9	\$ 102,732	\$ 250,000	\$ 566,112	\$ 147,268	\$ 316,112	
10	\$ 104,787	\$ 270,000	\$ 577,434	\$ 165,213	\$ 307,434	
11	\$ 106,882	\$ 290,000	\$ 588,983	\$ 183,118	\$ 298,983	
12	\$ 109,020	\$ 300,000	\$ 600,762	\$ 190,980	\$ 300,762	
13	\$ 111,200	\$ 350,000	\$ 612,778	\$ 238,800	\$ 262,778	
14	\$ 113,424	\$ 410,000	\$ 625,033	\$ 296,576	\$ 215,033	
15	\$ 115,693	\$ 484,000	\$ 637,534	\$ 368,307	\$ 153,534	
16	\$ 118,007	\$ 510,000	\$ 650,285	\$ 391,993	\$ 140,285	
17	\$ 120,367	\$ 520,000	\$ 663,290	\$ 399,633	\$ 143,290	
18	\$ 122,774	\$ 530,000	\$ 676,556	\$ 407,226	\$ 146,556	
19	\$ 125,230	\$ 540,000	\$ 690,087	\$ 414,770	\$ 150,087	
20	\$ 127,734	\$ 550,000	\$ 703,889	\$ 422,266	\$ 153,889	
Total	\$ 2,130,412	\$ 6,187,042	\$ 11,739,784	\$ 4,056,630	\$ 5,552,742	
Average	\$ 106,521	\$ 309,352	\$ 586,989	\$ 202,832	\$ 277,637	
Present Value*	\$ 1,151,192	\$ 2,874,513	\$ 6,343,723	\$ 1,723,321	\$ 3,469,211	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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VILLAGE

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

Table 7

Tax Policy Comparison for Village

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	\$ 14,955	\$ 14,955	\$ 82,413	\$ -	\$ 67,457	
2	\$ 15,255	\$ 14,955	\$ 84,061	\$ (299)	\$ 69,106	
3	\$ 15,560	\$ 14,955	\$ 85,742	\$ (604)	\$ 70,787	
4	\$ 15,871	\$ 25,585	\$ 87,457	\$ 9,714	\$ 61,872	
5	\$ 16,188	\$ 28,996	\$ 89,206	\$ 12,808	\$ 60,210	
6	\$ 16,512	\$ 30,702	\$ 90,990	\$ 14,190	\$ 60,288	
7	\$ 16,842	\$ 34,113	\$ 92,810	\$ 17,271	\$ 58,697	
8	\$ 17,179	\$ 37,525	\$ 94,666	\$ 20,346	\$ 57,142	
9	\$ 17,523	\$ 42,642	\$ 96,560	\$ 25,119	\$ 53,918	
10	\$ 17,873	\$ 46,053	\$ 98,491	\$ 28,180	\$ 52,438	
11	\$ 18,231	\$ 49,464	\$ 100,461	\$ 31,234	\$ 50,996	
12	\$ 18,595	\$ 51,170	\$ 102,470	\$ 32,575	\$ 51,300	
13	\$ 18,967	\$ 59,698	\$ 104,519	\$ 40,731	\$ 44,821	
14	\$ 19,346	\$ 69,932	\$ 106,610	\$ 50,586	\$ 36,677	
15	\$ 19,733	\$ 82,554	\$ 108,742	\$ 62,821	\$ 26,188	
16	\$ 20,128	\$ 86,989	\$ 110,917	\$ 66,861	\$ 23,928	
17	\$ 20,531	\$ 88,695	\$ 113,135	\$ 68,164	\$ 24,441	
18	\$ 20,941	\$ 90,400	\$ 115,398	\$ 69,459	\$ 24,998	
19	\$ 21,360	\$ 92,106	\$ 117,706	\$ 70,746	\$ 25,600	
20	\$ 21,787	\$ 93,812	\$ 120,060	\$ 72,024	\$ 26,248	
Total	\$ 363,377	\$ 1,055,302	\$ 2,002,413	\$ 691,925	\$ 947,112	
Average	\$ 18,169	\$ 52,765	\$ 100,121	\$ 34,596	\$ 47,356	
Present Value*	\$ 196,355	\$ 490,295	\$ 1,082,026	\$ 293,941	\$ 591,731	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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TOWN

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

Table 8

Tax Policy Comparison for Town

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	\$ 465	\$ 465	\$ 2,563	\$ -	\$ 2,098	
2	\$ 474	\$ 465	\$ 2,614	\$ (9)	\$ 2,149	
3	\$ 484	\$ 465	\$ 2,667	\$ (19)	\$ 2,201	
4	\$ 494	\$ 796	\$ 2,720	\$ 302	\$ 1,924	
5	\$ 503	\$ 902	\$ 2,774	\$ 398	\$ 1,872	
6	\$ 514	\$ 955	\$ 2,830	\$ 441	\$ 1,875	
7	\$ 524	\$ 1,061	\$ 2,886	\$ 537	\$ 1,825	
8	\$ 534	\$ 1,167	\$ 2,944	\$ 633	\$ 1,777	
9	\$ 545	\$ 1,326	\$ 3,003	\$ 781	\$ 1,677	
10	\$ 556	\$ 1,432	\$ 3,063	\$ 876	\$ 1,631	
11	\$ 567	\$ 1,538	\$ 3,124	\$ 971	\$ 1,586	
12	\$ 578	\$ 1,591	\$ 3,187	\$ 1,013	\$ 1,595	
13	\$ 590	\$ 1,857	\$ 3,250	\$ 1,267	\$ 1,394	
14	\$ 602	\$ 2,175	\$ 3,315	\$ 1,573	\$ 1,141	
15	\$ 614	\$ 2,567	\$ 3,382	\$ 1,954	\$ 814	
16	\$ 626	\$ 2,705	\$ 3,449	\$ 2,079	\$ 744	
17	\$ 638	\$ 2,758	\$ 3,518	\$ 2,120	\$ 760	
18	\$ 651	\$ 2,811	\$ 3,589	\$ 2,160	\$ 777	
19	\$ 664	\$ 2,864	\$ 3,661	\$ 2,200	\$ 796	
20	\$ 678	\$ 2,917	\$ 3,734	\$ 2,240	\$ 816	
Total	\$ 11,301	\$ 32,819	\$ 62,274	\$ 21,518	\$ 29,455	
Average	\$ 565	\$ 1,641	\$ 3,114	\$ 1,076	\$ 1,473	
Present Value*	\$ 6,106	\$ 15,248	\$ 33,650	\$ 9,141	\$ 18,402	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

CAMOIN ASSOCIATES

COUNTY

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

Table 9

Tax Policy Comparison for County

Year	A		B		C					
	Property Tax Payment Without Project	Property Tax Payment	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	\$	5,619	\$	5,619	\$	30,963	\$	-	\$	25,344
2	\$	5,731	\$	5,619	\$	31,583	\$	(112)	\$	25,964
3	\$	5,846	\$	5,619	\$	32,214	\$	(227)	\$	26,595
4	\$	5,963	\$	9,613	\$	32,859	\$	3,650	\$	23,246
5	\$	6,082	\$	10,894	\$	33,516	\$	4,812	\$	22,621
6	\$	6,204	\$	11,535	\$	34,186	\$	5,331	\$	22,651
7	\$	6,328	\$	12,817	\$	34,870	\$	6,489	\$	22,053
8	\$	6,454	\$	14,098	\$	35,567	\$	7,644	\$	21,469
9	\$	6,583	\$	16,021	\$	36,278	\$	9,437	\$	20,258
10	\$	6,715	\$	17,303	\$	37,004	\$	10,587	\$	19,701
11	\$	6,849	\$	18,584	\$	37,744	\$	11,735	\$	19,160
12	\$	6,986	\$	19,225	\$	38,499	\$	12,239	\$	19,274
13	\$	7,126	\$	22,429	\$	39,269	\$	15,303	\$	16,840
14	\$	7,269	\$	26,274	\$	40,054	\$	19,006	\$	13,780
15	\$	7,414	\$	31,016	\$	40,855	\$	23,602	\$	9,839
16	\$	7,562	\$	32,683	\$	41,673	\$	25,120	\$	8,990
17	\$	7,714	\$	33,323	\$	42,506	\$	25,610	\$	9,183
18	\$	7,868	\$	33,964	\$	43,356	\$	26,096	\$	9,392
19	\$	8,025	\$	34,605	\$	44,223	\$	26,580	\$	9,618
20	\$	8,186	\$	35,246	\$	45,108	\$	27,060	\$	9,862
Total	\$	136,524	\$	396,488	\$	752,327	\$	259,963	\$	355,840
Average	\$	6,826	\$	19,824	\$	37,616	\$	12,998	\$	17,792
Present Value*	\$	73,772	\$	184,209	\$	406,528	\$	110,437	\$	222,319

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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SCHOOL DISTRICT

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

Table 10

Tax Policy Comparison for School District

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	\$ 66,641	\$ 66,641	\$ 367,232	\$ -	\$ 300,591	
2	\$ 67,974	\$ 66,641	\$ 374,577	\$ (1,333)	\$ 307,935	
3	\$ 69,334	\$ 66,641	\$ 382,068	\$ (2,692)	\$ 315,427	
4	\$ 70,720	\$ 114,007	\$ 389,709	\$ 43,286	\$ 275,703	
5	\$ 72,135	\$ 129,208	\$ 397,504	\$ 57,073	\$ 268,296	
6	\$ 73,577	\$ 136,808	\$ 405,454	\$ 63,231	\$ 268,646	
7	\$ 75,049	\$ 152,009	\$ 413,563	\$ 76,960	\$ 261,554	
8	\$ 76,550	\$ 167,210	\$ 421,834	\$ 90,660	\$ 254,624	
9	\$ 78,081	\$ 190,011	\$ 430,271	\$ 111,930	\$ 240,259	
10	\$ 79,643	\$ 205,212	\$ 438,876	\$ 125,570	\$ 233,664	
11	\$ 81,235	\$ 220,413	\$ 447,654	\$ 139,178	\$ 227,240	
12	\$ 82,860	\$ 228,014	\$ 456,607	\$ 145,153	\$ 228,593	
13	\$ 84,517	\$ 266,016	\$ 465,739	\$ 181,499	\$ 199,723	
14	\$ 86,208	\$ 311,619	\$ 475,054	\$ 225,411	\$ 163,435	
15	\$ 87,932	\$ 367,862	\$ 484,555	\$ 279,930	\$ 116,693	
16	\$ 89,691	\$ 387,623	\$ 494,246	\$ 297,933	\$ 106,623	
17	\$ 91,484	\$ 395,224	\$ 504,131	\$ 303,739	\$ 108,907	
18	\$ 93,314	\$ 402,824	\$ 514,213	\$ 309,510	\$ 111,389	
19	\$ 95,180	\$ 410,425	\$ 524,498	\$ 315,244	\$ 114,073	
20	\$ 97,084	\$ 418,025	\$ 534,988	\$ 320,941	\$ 116,963	
Total	\$ 1,619,210	\$ 4,702,434	\$ 8,922,770	\$ 3,083,223	\$ 4,220,337	
Average	\$ 80,961	\$ 235,122	\$ 446,139	\$ 154,161	\$ 211,017	
Present Value*	\$ 874,958	\$ 2,184,760	\$ 4,821,518	\$ 1,309,802	\$ 2,636,758	

Source: Town of Hempstead IDA, Camoin Associates

*Note: Assumes 6.25% discount rate.

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OTHER EXEMPTIONS

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

Table 11

Summary of Costs to Affected Jurisdictions

Sales Tax Exemption	\$	735,862
Mortgage Tax Exemption	\$	87,750

Source: Applicant, Camoin Associates

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

SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction phase earnings described by the total economic impact of the construction work (described in the above section) would lead to additional sales tax revenue for the Town. It is assumed that 70%⁴ of the construction phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 12

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	\$	1,392,597
Amount Spent in County (70%)	\$	974,818
Amount Taxable (25%)	\$	243,704
Nassau County Sales Tax Revenue (4.25%)	\$	10,357
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	\$	914

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.

⁴ According to Lightcast, 70% demand for industries in a typical household spending basket is met within Nassau County.

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SALES TAX REVENUE – ON-SITE OPERATIONS

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

Table 13

Annual Sales Tax Revenue, On-Site Operations	
Total New Earnings	\$ 2,491,915
Amount Spent in County (70%)	\$ 1,744,340
Amount Taxable (25%)	\$ 436,085
Nassau County Sales Tax Revenue (4.25%)	\$ 18,534
New Town Sales Tax Revenue Portion*	0.375%
New Town Tax Revenue	\$ 1,635

Source: Town of Hempstead IDA, Camoin Associates

***Note:** Nassau County's sales tax rate is 4.25%, of which 0.75% is allocated to the towns and cities within the county. For this analysis we assume half of the 0.75% is allocated to the Town of Hempstead.

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

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

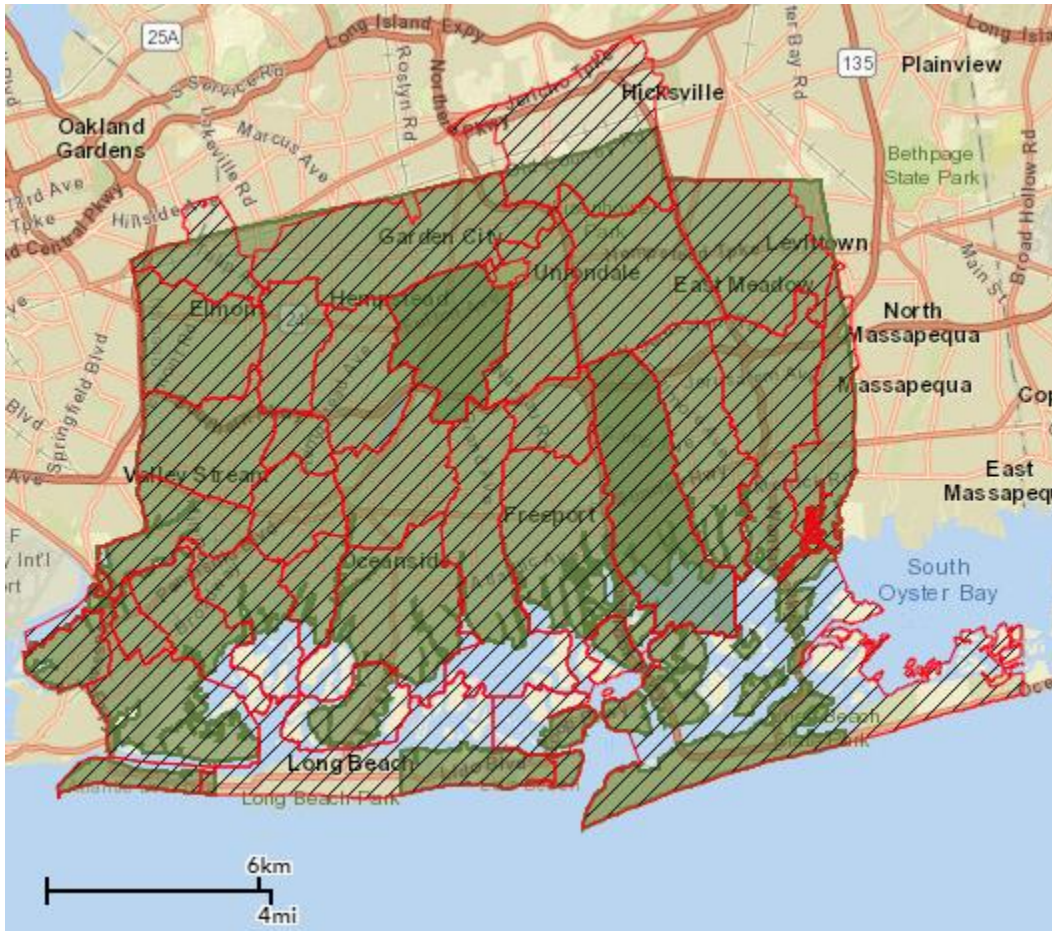
Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

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. 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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