PREPARED FOR:

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

Economic and Fiscal Impact

THE GARDENS AT BUFFALO

Town of Hempstead
Industrial Development Agency

JULY 2026

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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 The Gardens at Buffalo LLC. The proposed project involves the renovation and construction of 200-total-unit residential apartment buildings at 80 & 84 Albany Ave, Freeport NY 11520 & 17-33 Buffalo Ave, Freeport NY 11520. 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 and Village of Freeport that result from the new household spending and on-site operations.

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. Secondary data was collected by Camoin Associates and used to estimate spending by new households.

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:
The Gardens at Buffalo LLC Application for Assistance and the Town of Hempstead Industrial Development Agency

Geography:
Town of Hempstead
Village of Freeport

Study Period:
2026

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 The Gardens at Buffalo, LLC (the "Applicant") for the renovation and construction of three 3-story and two five-story buildings totaling 200-units (the "Project") at 80 & 84 Albany Ave, Freeport, NY 11520 & 17-33 Buffalo Ave, Freeport, NY 11520 (the "Site"). The development will consist of 10 studio units, 100 1-bedroom units, 70 2-bedroom units, and 20 3-bedroom units along with on-site parking. Among the units, at least 10% will be reserved for workforce pursuant to the Long Island Workforce Housing Units. The Applicant is seeking a sales tax exemption, mortgage recording tax exemption, and a 25-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) and the Village of Freeport (the Village).

Camoin Associates conducted a market analysis and determined 79% of the market rate units (or 142 units) would be considered as providing "net new" households to the town as they allow households to exist in the town that would otherwise locate elsewhere. Among the workforce units, 100% (or 20 units) would be considered "net new" households. We then computed the total spending associated with these households to derive job creation resulting from the Project. The following is a summary of our findings from this study, with details provided below and in subsequent sections.

Table 1

Summary of Benefits to Town		
Total Jobs		52
Direct Jobs		37
Total Earnings	$	2,900,631
Direct Earnings	$	1,908,213
Annual Sales Tax Revenue to County	$	91,872
Annual Sales Tax Revenue to Town	$	8,106
Average Annual PILOT Payment	$	523,239
Average Annual PILOT Payment to Town	$	1,459
Average Annual PILOT Benefit	$	523,239
Average Annual PILOT Benefit to Town	$	1,459
Average Annual Net Benefit (Cost) to Town of Project with PILOT compared to No Project - Property and Sales Tax	**$**	**9,565**

Table 2

Summary of Benefits to Village		
Total Jobs		20
Direct Jobs		18
Total Earnings	$	1,028,090
Direct Earnings	$	907,214
Average Annual PILOT Payment	$	523,239
Average Annual PILOT Payment to Village	$	375,086
Average Annual PILOT Benefit	$	523,239
Average Annual PILOT Benefit to Village	$	375,086
Average Annual Net Benefit to Village	**$**	**375,086**

- The Project supports 52 net new jobs in the town and 20 net new jobs in the village, with over $2.9 million and $1.0 million in associated earnings, respectfully. These figures include net new jobs resulting from both maintenance and operation of the facility as well as economic activity that results from new household spending.
- The Applicant has negotiated terms of a proposed PILOT agreement for a term of 25 years with the Agency, where the Applicant would pay an average of $523,239 each year, of which $1,459 are estimated to be allocated to the Town and $375,086 are estimated to be allocated to the village. All of the pilot payments represent a benefit to the jurisdiction as prior to the project, no taxes were collected on the site.
- Through negotiations with the Agency the Applicant could have access to a sales tax exemption valued at up to $1,293,750 and a mortgage recording tax exemption valued at up to $328,399 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 3

Summary of Costs to Affected Jurisdictions

		State and County
Sales Tax Exemption	$	1,293,750
Mortgage Tax Exemption	$	328,399

Source: Applicant, Camoin Associates

ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated by facility operation and new resident spending as 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 region'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 and the Village of Freeport as a result of Project operation, new permanent jobs, and spending by new tenant households.

CONSTRUCTION PHASE IMPACTS

The Applicant estimates that private sector investment in the construction of the Project would cost approximately $48.3 million[1], of which 70%[2] is assumed to be sourced from within the town. This means that there will be $33.8 million in net new spending in the town associated with the construction phase of the Project.

Table 4

Construction Phase Spending - Town

Total Construction Cost	$	48,326,734
Percent Sourced from Town		70%
Net New Constuction Spending	**$**	**33,828,714**

Source: Applicant, Camoin Associates

Based on over $33.8 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be $42.5 million in total one-time construction related spending supporting 144 total jobs and an associated over $16.0 million in earnings over the construction period throughout the town. Table 5 outlines the economic impacts of construction.

Table 5

Town Economic Impact - Construction Phase

	Jobs		Earnings		Sales
Direct	103	$	12,872,487	$	33,828,714
Indirect	14	$	1,203,502	$	3,688,381
Induced	26	$	1,940,687	$	4,958,944
Total	**144**	**$**	**16,016,676**	**$**	**42,476,038**

Source: Lightcast, Camoin Associates

Of the total construction cost, 30%[3] is assumed to be sourced from within the village. This means that there will be $14.5 million in net new spending in the village associated with the construction phase of the Project.

[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] According to Lightcast, approximately 30% of construction industry demand is met within the village.

Table 6

Construction Phase Spending - Village

Total Construction Cost	$	48,326,734
Percent Sourced from Village		30%
Net New Constuction Spending	**$**	**14,498,020**

Source: Applicant, Camoin Associates

Based on over $14.5 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be nearly $15.4 million in total one-time construction related spending supporting 111 jobs and an associated nearly $5.8 million in earnings over the construction period throughout the village. Table 7 outlines the economic impacts of construction.

Table 7

Village Economic Impact - Construction Phase

	Jobs		Earnings		Sales
Direct	108	$	5,516,780	$	14,498,020
Indirect	2	$	163,036	$	634,898
Induced	1	$	82,058	$	240,303
Total	**111**	**$**	**5,761,874**	**$**	**15,373,221**

Source: Lightcast, Camoin Associates

IMPACTS OF NEW HOUSEHOLD SPENDING

To determine the annual economic impact of the Project on the town and village, the first step is to calculate the number of households that can be considered "net new" to the economy. In other words, the number of households that, but for the Project, would not exist in the Town of Hempstead. With respect to this Project, net new households consist of those who are able to live in the jurisdictions as a result of the Project and would otherwise choose to live elsewhere. See Attachment B for more information on this methodology.

The Applicant proposes to construct 200 market rate units. Camoin Associates conducted a rental demand analysis for the Project site and found that 81% of the units, or 162 units, are net new to the town (Table 8). This is based on a review of the data and an understanding of the proposed Project as detailed above.

Table 8

Net New Households

	Total Households	Percent Net New	Net New Households
Market Rate Units	180	79%	142
Workforce Units	20	100%	20
Total	**200**	**81%**	**162**

Source: Esri, Camoin Associates

SPENDING BY NEW TENANTS

These residents make purchases in the town, thereby adding new dollars to the Town of Hempstead's economy. For this analysis, we researched spending patterns by household income to determine the spending by tenants.

The 142 net new market rate units, which are typically affordable to households making at least 150% of the area median income. The Town of Hempstead AMI is $122,805. Therefore, we will consider spending for tenants to be in the $150,000 to $199,999 spending basket, per the Bureau of Labor Statistics' 2020 Consumer Expenditure Survey.

The 20 net new workforce units, which are slated to be affordable to households making at least 130% of the area median income[4], are considered to be affordable for households in the $100,000 to $149,999 spending basket, per the Bureau of Labor Statistics' 2020 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 2020 Consumer Expenditure Survey, households in workforce units have annual expenditures (excluding housing and utility costs) of $44,188. While households in the market rate units have annual expenditures (excluding housing and utility costs) of $49,665.

It is assumed that 60%[5] of total expenditures would occur within the Town of Hempstead and, therefore, have an impact on the town's economy and that 25% of expenditures would occur within the village[6]. The total net new spending columns show the total amount spent in the town and village, based on the number of net new units.

[4] In Compliance with the Long Island Workforce Housing Act

[5] According to Lightcast, 60% of demand for industries in a typical household spending basket is met within the Town of Hempstead.

[6] According to Lightcast, 25% of demand for industries in a typical household spending basket is met within the Village of Freeport.

Table 9

Tenant Town Spending Basket

Category	Workforce Units $100,000 to $149,999 Annual Household Income		
	Annual per Unit Spending Basket	Amount Spent in Town (60%)	Total Net New Town Spending (20 net new units)
Food	$ 9,901	$ 5,941	$ 118,812
Household furnishings and equipment	$ 2,909	$ 1,745	$ 34,908
Apparel and services	$ 2,037	$ 1,222	$ 24,444
Transportation	$ 14,888	$ 8,933	$ 178,656
Health care	$ 6,508	$ 3,905	$ 78,096
Entertainment	$ 4,331	$ 2,599	$ 51,972
Personal care products and services	$ 934	$ 560	$ 11,208
Education	$ 1,494	$ 896	$ 17,928
Miscellaneous	$ 1,186	$ 712	$ 14,232
Subtotal	**$ 44,188**	**$ 26,513**	**$ 530,256**
Category	**Market Rate Units $150,000 to $199,999 Annual Household Income**		
	Annual per Unit Spending Basket	**Amount Spent in Town (60%)**	**Total Net New Town Spending (142 net new units)**
Food	$ 11,002	$ 6,601	$ 937,370
Household furnishings and equipment	$ 4,042	$ 2,425	$ 344,378
Apparel and services	$ 2,276	$ 1,366	$ 193,915
Transportation	$ 14,404	$ 8,642	$ 1,227,221
Health care	$ 7,662	$ 4,597	$ 652,802
Entertainment	$ 5,236	$ 3,142	$ 446,107
Personal care products and services	$ 961	$ 577	$ 81,877
Education	$ 2,426	$ 1,456	$ 206,695
Miscellaneous	$ 1,656	$ 994	$ 141,091
Subtotal	**$ 49,665**	**$ 29,799**	**$ 4,231,458**
Total Tenant Spending			**$ 4,761,714**

Source: 2020 Consumer Expenditure Survey, Bureau of Labor Statistics

Table 10

Tenant Village Spending Basket

Category	Workforce Units $100,000 to $149,999 Annual Household Income		
	Annual per Unit Spending Basket	Amount Spent In Village (25%)	Total Net New Villlage Spending (20 net new units)
Food	$ 9,901	$ 2,475	$ 49,505
Household furnishings and equipment	$ 2,909	$ 727	$ 14,545
Apparel and services	$ 2,037	$ 509	$ 10,185
Transportation	$ 14,888	$ 3,722	$ 74,440
Health care	$ 6,508	$ 1,627	$ 32,540
Entertainment	$ 4,331	$ 1,083	$ 21,655
Personal care products and services	$ 934	$ 234	$ 4,670
Education	$ 1,494	$ 374	$ 7,470
Miscellaneous	$ 1,186	$ 297	$ 5,930
Subtotal	**$ 44,188**	**$ 11,047**	**$ 220,940**
Category	**Market Rate Units $150,000 to $199,999 Annual Household Income**		
	Annual per Unit Spending Basket	**Amount Spent In Village (25%)**	**Total Net New Villlage Spending (142 net new units)**
Food	$ 11,002	$ 2,751	$ 390,571
Household furnishings and equipment	$ 4,042	$ 1,011	$ 143,491
Apparel and services	$ 2,276	$ 569	$ 80,798
Transportation	$ 14,404	$ 3,601	$ 511,342
Health care	$ 7,662	$ 1,916	$ 272,001
Entertainment	$ 5,236	$ 1,309	$ 185,878
Personal care products and services	$ 961	$ 240	$ 34,116
Education	$ 2,426	$ 607	$ 86,123
Miscellaneous	$ 1,656	$ 414	$ 58,788
Subtotal	**$ 49,665**	**$ 12,416**	**$ 1,763,108**
Total Tenant Spending			**$ 1,984,048**

Source: 2020 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the town and the village was calculated by multiplying the amount spent in each region by the number of net new units. As shown in the table above, spending in the town by all new households would total nearly $4.8 million per year of which $2.0 million would occur within the village. We used the above spending basket amounts to calculate the direct, indirect, and total impact of the Project on the town and the village.

Using $4.7 million as the new sales input, Camoin Associates employed Lightcast to determine the indirect, induced, and total impact of the Project on the Town of Hempstead.[7] Table 11 outlines the findings of this analysis.

Table 11

Town Economic Impact - Household Spending

	Jobs	Earnings	Sales
Direct	33	$ 1,696,161	$ 4,761,714
Indirect	7	$ 417,316	$ 1,152,000
Induced	5	$ 419,239	$ 1,077,283
Total	**45**	**$ 2,532,716**	**$ 6,990,996**

Source: Lightcast, Camoin Associates

The following table outlines the impact of the Project on the Village of Freeport using the $1.9 million as the new sales input.

Table 12

Village Economic Impact - Household Spending

	Jobs	Earnings	Sales
Direct	14	$ 706,734	$ 1,984,048
Indirect	1	$ 31,909	$ 84,348
Induced	0	$ 49,239	$ 159,317
Total	**15**	**$ 787,883**	**$ 2,227,714**

Source: Lightcast, Camoin Associates

IMPACTS OF ON-SITE EMPLOYMENT

The Applicant anticipates that 5 total jobs will be on-site within two years following Project completion. Since 81% of the housing units are considered net new to the town, 81% of the jobs are considered to be net new. The table below detail the impact that these 4 net new jobs will have on the Town of Hempstead (Table 13).

Table 13

Town Economic Impact - On-Site Operations

	Jobs	Earnings	Sales
Direct	4	$ 212,052	$ 724,560
Indirect	2	$ 109,683	$ 316,786
Induced	1	$ 46,179	$ 119,210
Total	**7**	**$ 367,915**	**$ 1,160,557**

Source: Lightcast, Camoin Associates

[7] Analysis uses the 34 zip codes that are predominantly located within the Town of Hempstead (see Attachment C).

The following table shows the impact on the village from the four on-site jobs.

Table 14

Village Economic Impact - On-Site Operations

	Jobs		Earnings		Sales
Direct	4	$	200,479	$	685,017
Indirect	1	$	32,702	$	83,837
Induced	0	$	7,027	$	22,399
Total	**5**	**$**	**240,208**	**$**	**791,253**

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 15.

Table 15

Town Total Annual Economic Impact

	Jobs		Earnings		Sales
Direct	37	$	1,908,213	$	5,486,274
Indirect	9	$	526,999	$	1,468,785
Induced	5	$	465,419	$	1,196,493
Total	**52**	**$**	**2,900,631**	**$**	**8,151,553**

Source: Lightcast, Camoin Associates

Table 16 shows the complete annual economic impact of the Project on the Village of Freeport.

Table 16

Village Total Annual Economic Impact

	Jobs		Earnings		Sales
Direct	18	$	907,214	$	2,669,065
Indirect	2	$	64,611	$	168,185
Induced	0	$	56,266	$	181,716
Total	**20**	**$**	**1,028,090**	**$**	**3,018,966**

Source: Lightcast, Camoin Associates

Note that town impacts are inclusive of village impacts. Town and village impacts should not be added together.

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 an amended Payment In Lieu of Taxes (PILOT) agreement. The Applicant has proposed an amended PILOT (25 years) 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.[8]

Table 17

Tax Payments with PILOT

Year	Total PILOT Payments	Portion of Payment by Jurisdiction			
		Town	County	School District	Village
1	$ 108,996	$ 304	$ 912	$ 29,646	$ 78,134
2	$ 108,996	$ 304	$ 912	$ 29,646	$ 78,134
3	$ 108,996	$ 304	$ 912	$ 29,646	$ 78,134
4	$ 108,996	$ 304	$ 912	$ 29,646	$ 78,134
5	$ 250,000	$ 697	$ 2,091	$ 67,998	$ 179,214
6	$ 330,000	$ 920	$ 2,760	$ 89,758	$ 236,562
7	$ 350,000	$ 976	$ 2,927	$ 95,198	$ 250,899
8	$ 375,000	$ 1,045	$ 3,136	$ 101,998	$ 268,820
9	$ 390,000	$ 1,087	$ 3,262	$ 106,078	$ 279,573
10	$ 420,000	$ 1,171	$ 3,513	$ 114,237	$ 301,079
11	$ 450,000	$ 1,255	$ 3,764	$ 122,397	$ 322,584
12	$ 470,000	$ 1,310	$ 3,931	$ 127,837	$ 336,922
13	$ 495,000	$ 1,380	$ 4,140	$ 134,637	$ 354,843
14	$ 525,000	$ 1,464	$ 4,391	$ 142,797	$ 376,349
15	$ 550,000	$ 1,533	$ 4,600	$ 149,597	$ 394,270
16	$ 600,000	$ 1,673	$ 5,018	$ 163,196	$ 430,113
17	$ 640,000	$ 1,784	$ 5,353	$ 174,076	$ 458,787
18	$ 680,000	$ 1,896	$ 5,687	$ 184,956	$ 487,461
19	$ 720,000	$ 2,007	$ 6,022	$ 195,836	$ 516,135
20	$ 755,000	$ 2,105	$ 6,315	$ 205,355	$ 541,225
21	$ 790,000	$ 2,202	$ 6,607	$ 214,875	$ 566,315
22	$ 840,000	$ 2,342	$ 7,026	$ 228,475	$ 602,158
23	$ 900,000	$ 2,509	$ 7,527	$ 244,794	$ 645,169
24	$ 975,000	$ 2,718	$ 8,155	$ 265,194	$ 698,933
25	$ 1,140,000	$ 3,178	$ 9,535	$ 310,073	$ 817,214
Total	**$ 13,080,983**	**$ 36,469**	**$ 109,407**	**$ 3,557,947**	**$ 9,377,159**
Average	**$ 523,239**	**$ 1,459**	**$ 4,376**	**$ 142,318**	**$ 375,086**
Present Value	**$ 5,113,729**	**$ 14,257**	**$ 42,770**	**$ 1,390,903**	**$ 3,665,799**

Source: Town of Hempstead IDA, Camoin Associates

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

[8] 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.

TAX POLICY COMPARISON

Prior to the initial inducement the site was owned by the Village of Freeport and no taxes were collected at the site meaning any taxes collected through the pilot represent a new benefit to the jurisdiction.

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 18

Tax Policy Comparison (All Jurisdictions)

	A	B	C		
Year	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT	Benefit (Cost) of Project (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)
1	$ -	$ 108,996	$ 108,996	$ 108,996	$ 0
2	$ -	$ 108,996	$ 108,996	$ 108,996	$ 0
3	$ -	$ 108,996	$ 1,140,000	$ 108,996	$ 1,031,004
4	$ -	$ 108,996	$ 1,162,800	$ 108,996	$ 1,053,804
5	$ -	$ 250,000	$ 1,186,056	$ 250,000	$ 936,056
6	$ -	$ 330,000	$ 1,209,777	$ 330,000	$ 879,777
7	$ -	$ 350,000	$ 1,233,973	$ 350,000	$ 883,973
8	$ -	$ 375,000	$ 1,258,652	$ 375,000	$ 883,652
9	$ -	$ 390,000	$ 1,283,825	$ 390,000	$ 893,825
10	$ -	$ 420,000	$ 1,309,502	$ 420,000	$ 889,502
11	$ -	$ 450,000	$ 1,335,692	$ 450,000	$ 885,692
12	$ -	$ 470,000	$ 1,362,406	$ 470,000	$ 892,406
13	$ -	$ 495,000	$ 1,389,654	$ 495,000	$ 894,654
14	$ -	$ 525,000	$ 1,417,447	$ 525,000	$ 892,447
15	$ -	$ 550,000	$ 1,445,796	$ 550,000	$ 895,796
16	$ -	$ 600,000	$ 1,474,712	$ 600,000	$ 874,712
17	$ -	$ 640,000	$ 1,504,206	$ 640,000	$ 864,206
18	$ -	$ 680,000	$ 1,534,290	$ 680,000	$ 854,290
19	$ -	$ 720,000	$ 1,564,976	$ 720,000	$ 844,976
20	$ -	$ 755,000	$ 1,596,275	$ 755,000	$ 841,275
21	$ -	$ 790,000	$ 1,628,201	$ 790,000	$ 838,201
22	$ -	$ 840,000	$ 1,660,765	$ 840,000	$ 820,765
23	$ -	$ 900,000	$ 1,693,980	$ 900,000	$ 793,980
24	$ -	$ 975,000	$ 1,727,860	$ 975,000	$ 752,860
25	$ -	$ 1,140,000	$ 1,762,417	$ 1,140,000	$ 622,417
Total	**$ -**	**$ 13,080,983**	**$ 33,101,250**	**$ 13,080,983**	**$ 20,020,267**
Average	**$ -**	**$ 523,239**	**$ 1,324,050**	**$ 523,239**	**$ 800,811**
Present Value *	**$ -**	**$ 5,113,729**	**$ 14,668,043**	**$ 5,113,729**	**$ 9,554,315**

Source: Town of Hempstead IDA, Camoin Associates

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

TOWN

Table 19 calculates the benefit to the Town. The Town would receive approximately $1,459 more in PILOT revenue annually than it would without the Project. The total benefit to the Town would be nearly $36,500 over the 25-year period.

Table 19

Tax Policy Comparison for Town

	A	B	C		
Year	**Property Tax Payment Without Project**	**PILOT Payment**	**Property Tax Payment With Project and No PILOT**	**Benefit (Cost) of Project (B-A)**	**Benefit (Cost) of PILOT to Applicant (C-B)**
1	$ -	$ 304	$ 304	$ 304	$ 0
2	$ -	$ 304	$ 304	$ 304	$ (0)
3	$ -	$ 304	$ 3,178	$ 304	$ 2,874
4	$ -	$ 304	$ 3,242	$ 304	$ 2,938
5	$ -	$ 697	$ 3,307	$ 697	$ 2,610
6	$ -	$ 920	$ 3,373	$ 920	$ 2,453
7	$ -	$ 976	$ 3,440	$ 976	$ 2,464
8	$ -	$ 1,045	$ 3,509	$ 1,045	$ 2,464
9	$ -	$ 1,087	$ 3,579	$ 1,087	$ 2,492
10	$ -	$ 1,171	$ 3,651	$ 1,171	$ 2,480
11	$ -	$ 1,255	$ 3,724	$ 1,255	$ 2,469
12	$ -	$ 1,310	$ 3,798	$ 1,310	$ 2,488
13	$ -	$ 1,380	$ 3,874	$ 1,380	$ 2,494
14	$ -	$ 1,464	$ 3,952	$ 1,464	$ 2,488
15	$ -	$ 1,533	$ 4,031	$ 1,533	$ 2,497
16	$ -	$ 1,673	$ 4,111	$ 1,673	$ 2,439
17	$ -	$ 1,784	$ 4,194	$ 1,784	$ 2,409
18	$ -	$ 1,896	$ 4,278	$ 1,896	$ 2,382
19	$ -	$ 2,007	$ 4,363	$ 2,007	$ 2,356
20	$ -	$ 2,105	$ 4,450	$ 2,105	$ 2,345
21	$ -	$ 2,202	$ 4,539	$ 2,202	$ 2,337
22	$ -	$ 2,342	$ 4,630	$ 2,342	$ 2,288
23	$ -	$ 2,509	$ 4,723	$ 2,509	$ 2,214
24	$ -	$ 2,718	$ 4,817	$ 2,718	$ 2,099
25	$ -	$ 3,178	$ 4,914	$ 3,178	$ 1,735
Total	**$ -**	**$ 36,469**	**$ 92,285**	**$ 36,469**	**$ 55,815**
Average	**$ -**	**$ 1,459**	**$ 3,691**	**$ 1,459**	**$ 2,233**
Present Value *	**$ -**	**$ 14,257**	**$ 40,894**	**$ 14,257**	**$ 26,637**

Source: Town of Hempstead IDA, Camoin Associates

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

COUNTY

Table 20 calculates the benefit to the County. The County would receive approximately $4,376 more in PILOT revenue annually than it would without the Project. The total benefit to the County would be over $109,400 over the 25-year period.

Table 20

Tax Policy Comparison for County

	A	B	C		
Year	**Property Tax Payment Without Project**	**PILOT Payment**	**Property Tax Payment With Project and No PILOT**	**Benefit (Cost) of Project (B-A)**	**Benefit (Cost) of PILOT to Applicant (C-B)**
1	$ -	$ 912	$ 912	$ 912	$ 0
2	$ -	$ 912	$ 912	$ 912	$ (0)
3	$ -	$ 912	$ 9,535	$ 912	$ 8,623
4	$ -	$ 912	$ 9,725	$ 912	$ 8,814
5	$ -	$ 2,091	$ 9,920	$ 2,091	$ 7,829
6	$ -	$ 2,760	$ 10,118	$ 2,760	$ 7,358
7	$ -	$ 2,927	$ 10,321	$ 2,927	$ 7,393
8	$ -	$ 3,136	$ 10,527	$ 3,136	$ 7,391
9	$ -	$ 3,262	$ 10,738	$ 3,262	$ 7,476
10	$ -	$ 3,513	$ 10,952	$ 3,513	$ 7,440
11	$ -	$ 3,764	$ 11,172	$ 3,764	$ 7,408
12	$ -	$ 3,931	$ 11,395	$ 3,931	$ 7,464
13	$ -	$ 4,140	$ 11,623	$ 4,140	$ 7,483
14	$ -	$ 4,391	$ 11,855	$ 4,391	$ 7,464
15	$ -	$ 4,600	$ 12,092	$ 4,600	$ 7,492
16	$ -	$ 5,018	$ 12,334	$ 5,018	$ 7,316
17	$ -	$ 5,353	$ 12,581	$ 5,353	$ 7,228
18	$ -	$ 5,687	$ 12,833	$ 5,687	$ 7,145
19	$ -	$ 6,022	$ 13,089	$ 6,022	$ 7,067
20	$ -	$ 6,315	$ 13,351	$ 6,315	$ 7,036
21	$ -	$ 6,607	$ 13,618	$ 6,607	$ 7,011
22	$ -	$ 7,026	$ 13,890	$ 7,026	$ 6,865
23	$ -	$ 7,527	$ 14,168	$ 7,527	$ 6,641
24	$ -	$ 8,155	$ 14,452	$ 8,155	$ 6,297
25	$ -	$ 9,535	$ 14,741	$ 9,535	$ 5,206
Total	**$ -**	**$ 109,407**	**$ 276,854**	**$ 109,407**	**$ 167,446**
Average	**$ -**	**$ 4,376**	**$ 11,074**	**$ 4,376**	**$ 6,698**
Present Value *	**$ -**	**$ 42,770**	**$ 122,681**	**$ 42,770**	**$ 79,911**

Source: Town of Hempstead IDA, Camoin Associates

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

SCHOOL DISTRICT

Table 21 calculates the benefit to the School District. The School District would receive approximately $142,318 more in PILOT revenue annually than it would without the Project. The total benefit to the School District would be nearly $3.6 million over the 25-year period.

Table 21

Tax Policy Comparison for School District

	A	B	C		
Year	Property Tax Payment Without Project	PILOT Payment	Property Tax Payment With Project and No PILOT	Benefit (Cost) of Project (B-A)	Benefit (Cost) of PILOT to Applicant (C-B)
1	$ -	$ 29,646	$ 29,646	$ 29,646	$ 0
2	$ -	$ 29,646	$ 29,646	$ 29,646	$ (0)
3	$ -	$ 29,646	$ 310,073	$ 29,646	$ 280,427
4	$ -	$ 29,646	$ 316,274	$ 29,646	$ 286,628
5	$ -	$ 67,998	$ 322,600	$ 67,998	$ 254,601
6	$ -	$ 89,758	$ 329,052	$ 89,758	$ 239,294
7	$ -	$ 95,198	$ 335,633	$ 95,198	$ 240,435
8	$ -	$ 101,998	$ 342,346	$ 101,998	$ 240,348
9	$ -	$ 106,078	$ 349,193	$ 106,078	$ 243,115
10	$ -	$ 114,237	$ 356,176	$ 114,237	$ 241,939
11	$ -	$ 122,397	$ 363,300	$ 122,397	$ 240,903
12	$ -	$ 127,837	$ 370,566	$ 127,837	$ 242,729
13	$ -	$ 134,637	$ 377,977	$ 134,637	$ 243,340
14	$ -	$ 142,797	$ 385,537	$ 142,797	$ 242,740
15	$ -	$ 149,597	$ 393,248	$ 149,597	$ 243,651
16	$ -	$ 163,196	$ 401,112	$ 163,196	$ 237,916
17	$ -	$ 174,076	$ 409,135	$ 174,076	$ 235,059
18	$ -	$ 184,956	$ 417,317	$ 184,956	$ 232,362
19	$ -	$ 195,836	$ 425,664	$ 195,836	$ 229,828
20	$ -	$ 205,355	$ 434,177	$ 205,355	$ 228,822
21	$ -	$ 214,875	$ 442,861	$ 214,875	$ 227,985
22	$ -	$ 228,475	$ 451,718	$ 228,475	$ 223,243
23	$ -	$ 244,794	$ 460,752	$ 244,794	$ 215,958
24	$ -	$ 265,194	$ 469,967	$ 265,194	$ 204,773
25	$ -	$ 310,073	$ 479,367	$ 310,073	$ 169,294
Total	**$ -**	**$ 3,557,947**	**$ 9,003,336**	**$ 3,557,947**	**$ 5,445,389**
Average	**$ -**	**$ 142,318**	**$ 360,133**	**$ 142,318**	**$ 217,816**
Present Value *	**$ -**	**$ 1,390,903**	**$ 3,989,617**	**$ 1,390,903**	**$ 2,598,715**

Source: Town of Hempstead IDA, Camoin Associates

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

VILLAGE

Table 22 calculates the benefit to the Village. The Village would receive approximately $375,086 more in PILOT revenue annually than it would without the Project. The total benefit to the Village would be nearly $9.4 million over the 25-year period.

Table 22

Tax Policy Comparison for Village

	A	B	C		
Year	**Property Tax Payment Without Project**	**PILOT Payment**	**Property Tax Payment With Project and No PILOT**	**Benefit (Cost) of Project (B-A)**	**Benefit (Cost) of PILOT to Applicant (C-B)**
1	$ -	$ 78,134	$ 78,134	$ 78,134	$ 0
2	$ -	$ 78,134	$ 78,134	$ 78,134	$ (0)
3	$ -	$ 78,134	$ 817,214	$ 78,134	$ 739,080
4	$ -	$ 78,134	$ 833,558	$ 78,134	$ 755,424
5	$ -	$ 179,214	$ 850,229	$ 179,214	$ 671,016
6	$ -	$ 236,562	$ 867,234	$ 236,562	$ 630,672
7	$ -	$ 250,899	$ 884,579	$ 250,899	$ 633,680
8	$ -	$ 268,820	$ 902,270	$ 268,820	$ 633,450
9	$ -	$ 279,573	$ 920,316	$ 279,573	$ 640,742
10	$ -	$ 301,079	$ 938,722	$ 301,079	$ 637,643
11	$ -	$ 322,584	$ 957,496	$ 322,584	$ 634,912
12	$ -	$ 336,922	$ 976,646	$ 336,922	$ 639,725
13	$ -	$ 354,843	$ 996,179	$ 354,843	$ 641,336
14	$ -	$ 376,349	$ 1,016,103	$ 376,349	$ 639,754
15	$ -	$ 394,270	$ 1,036,425	$ 394,270	$ 642,155
16	$ -	$ 430,113	$ 1,057,153	$ 430,113	$ 627,041
17	$ -	$ 458,787	$ 1,078,296	$ 458,787	$ 619,510
18	$ -	$ 487,461	$ 1,099,862	$ 487,461	$ 612,401
19	$ -	$ 516,135	$ 1,121,860	$ 516,135	$ 605,725
20	$ -	$ 541,225	$ 1,144,297	$ 541,225	$ 603,072
21	$ -	$ 566,315	$ 1,167,183	$ 566,315	$ 600,868
22	$ -	$ 602,158	$ 1,190,526	$ 602,158	$ 588,369
23	$ -	$ 645,169	$ 1,214,337	$ 645,169	$ 569,168
24	$ -	$ 698,933	$ 1,238,624	$ 698,933	$ 539,691
25	$ -	$ 817,214	$ 1,263,396	$ 817,214	$ 446,182
Total	**$ -**	**$ 9,377,159**	**$ 23,728,775**	**$ 9,377,159**	**$ 14,351,615**
Average	**$ -**	**$ 375,086**	**$ 949,151**	**$ 375,086**	**$ 574,065**
Present Value *	**$ -**	**$ 3,665,799**	**$ 10,514,850**	**$ 3,665,799**	**$ 6,849,051**

Source: Town of Hempstead IDA, Camoin Associates

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

OTHER EXEMPTIONS

There are additional benefits to working with the Agency including a one-time sales tax exemption on renovation 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 23

Summary of Costs to Affected Jurisdictions

		State and County
Sales Tax Exemption	$	1,293,750
Mortgage Tax Exemption	$	328,399

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%[9] of the construction phase earnings would be spent within the county and that 25% of those purchases would be taxable.

Table 24

One-Time Sales Tax Revenue, Construction Phase

Total New Earnings	$	16,016,676
Amount Spent in County (70%)	$	11,211,673
Amount Taxable (25%)	$	2,802,918
Nassau County Sales Tax Revenue (4.25%)	**$**	**119,124**
New Town Sales Tax Revenue Portion*		0.375%
New Town Sales Tax Revenue	**$**	**10,511**

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.

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

SALES TAX REVENUE – NEW HOUSEHOLD SPENDING

As a result of the Project, the Town would receive sales tax revenue from the purchases made by the households. Table 25 displays the new sales tax revenue that the Town of Hempstead would receive annually based on in-town spending by new households.

Table 25

Annual Sales Tax Revenue, Household Spending

Total New Spending	$	6,990,996
Amount Taxable (30%)	$	2,097,299
Nassau County Sales Tax Revenue (4.25%)	**$**	**89,135**
New Town Sales Tax Revenue Portion*		0.375%
New Town Tax Revenue	**$**	**7,865**

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.

Note that the household spending figure has already been adjusted to account for 60% of total spending occurring within the town (see table entitled "Tenant Spending Baskets"). It is assumed that 30% of purchases will be taxable, 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, this increasing the remaining portion taxable.

SALES TAX REVENUE – EMPLOYEE EARNINGS

The earnings generated by on-site jobs that will occur as a result of building operation 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 will be taxable. Table 26 displays the annual tax revenue that the Town will receive.

Table 26

Annual Sales Tax Revenue, On-Site Operations

Total New Earnings	$	367,915
Amount Spent in County (70%)	$	257,541
Amount Taxable (25%)	$	64,385
Nassau County Sales Tax Revenue (4.25%)	**$**	**2,736**
New Town Sales Tax Revenue Portion*		0.375%
New Town Tax Revenue	**$**	**241**

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.

TOTAL ANNUAL SALES TAX REVENUE

The total annual sales tax revenue that the Town will receive is summarized in Table 27.

Table 27

Total Annual Sales Tax Revenue

Household Spending	$	7,865
On-Site Operations	$	241
New Town Tax Revenue	**$**	**8,106**

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.

ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

"Net new" households that move into a geography because of the availability of desired housing contribute to that geography's economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing.

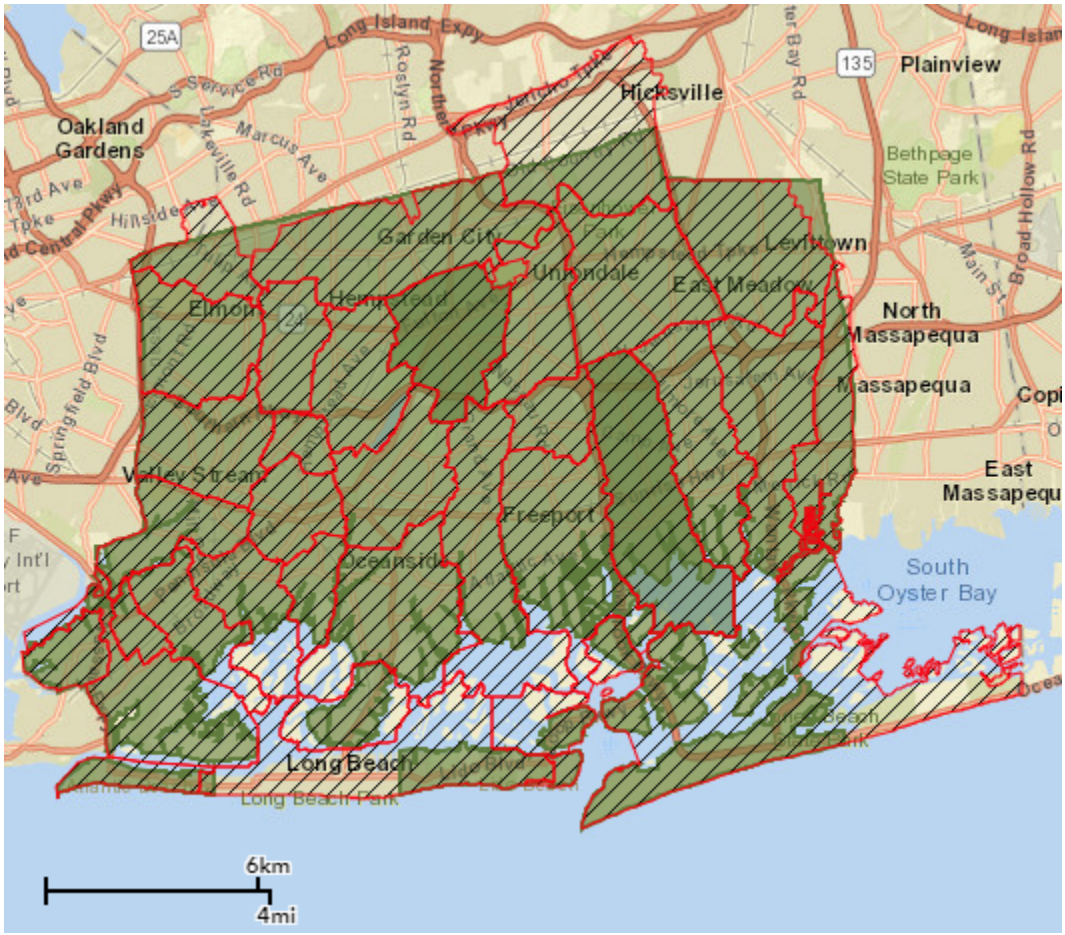
Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by the proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Each project may therefore have a different expectation for net new households, depending on price point, age restriction if any, and location.

The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify *where* households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a "renter-shed" for a new project. Households that are within the drive time but outside of the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an "implied number renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a "net gap," indicating excess demand for the project, or a "net surplus." To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.

ATTACHMENT C: 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**.

Leading action to grow your economy

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