South Island Apartments: Economic and Fiscal Impact Analysis

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Prepared for:

Village of Green Island IDA
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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; corporations and organizations that include Lowes Home Improvement, FedEx, Amazon, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of $6 billion. Our reputation for detailed, place-specific, and accurate analysis has led to projects in 31 states and garnered attention from national media outlets including *Marketplace* (NPR), *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 and on Facebook.

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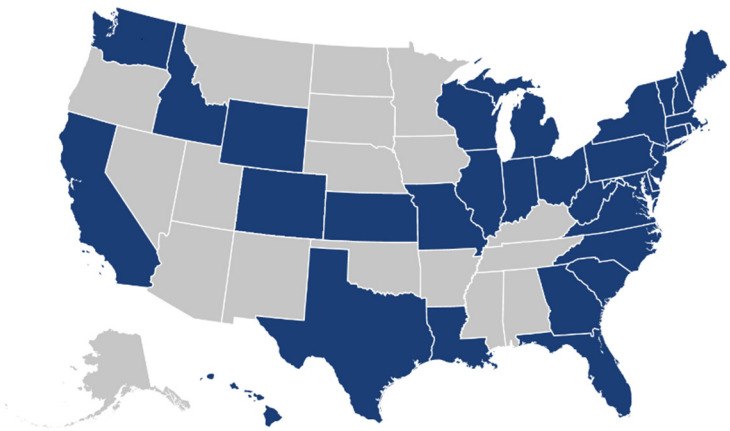

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Executive Summary

South Island Apartments, LLC (the "Applicant") has applied for the Village of Green Island Industrial Development Agency (the "Agency") for "financial assistance" within the meaning of Section 854(14) of the New York State General Municipal Law in connection with a proposed mixed-use residential rental facility (the "Project") at 1 Osgood Avenue, Village of Green Island, New York (the "Site"). The Project entails the construction of four buildings with 260 market-rate residential rental units and 16,940 square feet of commercial space. The Agency commissioned Camoin Associates to conduct an economic and fiscal impact analysis based on the final buildout of the Project in the Village of Green Island (the "Village").[1]

Camoin Associates conducted a market analysis of market-rate housing to determine the extent to which any of the housing units would create "new" households and, therefore, new household spending in the Village. We determined that all 260 market-rate units could be considered as providing "net new" households to the Village (i.e. allowing households to exist in the Village that otherwise would locate elsewhere). We then computed the total amount of spending by these new households to derive jobs, sales, and earnings creation resulting from the Project.

The following is a summary of our findings from this study, with details below.

Summary of Benefits		
Construction Phase Jobs		360
Construction Phase Earnings	$	18,254,752
Annual Jobs		32
Annual Earnings	$	1,315,256
Average Annual PILOT Payment	$	450,027
Annual Sales Tax Revenue to County	$	101,856
Annual New Distributions from County to Village (Long Term)	$	220,578

Note: Jobs and Earnings only include "net new" positions.

- The construction of the Project would result in approximately 360 new direct and indirect construction jobs generating approximately $8 million in new earnings throughout Albany County.
- The Project would support 32 net new jobs in the Village of Green Island[2] with $1.3 million in associated earnings. Those figures are composed of net new jobs resulting from maintenance and operation of the facility, commercial space, and new economic activity from household spending.
- The Applicant has negotiated a proposed PILOT agreement with the Agency, which includes a three-year construction period plus a 15-year term. Under this proposed PILOT agreement, the Applicant would pay $6.8 million over the 15-year PILOT term[3], or an average of $450,027 each year.
- The Project would create $101,856 in additional sales tax revenue for Albany County based on the total new spending by new households and new earnings generated by onsite jobs.
- Additionally, the Project would have a long-term impact on the revenue distributions that the County makes to the Village. According to the NYS Comptroller, Albany County retains 60% of its sales tax revenue and distributes 40% to the cities and towns on the basis of published decennial census population figures. As of

[1] Because they are coterminous and for ease of reference, we refer to the Village and Town of Green Island as the "Village" but recognize that each is its own municipal corporation.

[2] Analysis uses the ZIP Code 12183 to approximate the Village of Green Island (See Attachment C: Study Areas).

[3] As noted previously, there is a 3-year construction period and a 15-year operating period, for a total of 18 years. However, for ease of reference, we refer here and elsewhere to a "15-year PILOT".

2010 population figures, 0.3% of the County's tax revenue is distributed to the Town of Green Island. The Project would result in an increase in population for the Town and Village of Green Island, thus increasing the percentage of sales tax revenue received. The change in sales tax distribution is calculated at approximately $221,000. This new revenue received from the County will phase in over time as the new households of the Project are counted in future decennial censuses.

Estimated Costs to Affected Jurisdictions		
Total Sales Tax Exemption*	$	2,600,000
Total Mortgage Tax Exemption*	$	560,000
Total Real Property Tax Exemption*	$	18,884,716
Total Loss (Gain) of Property Tax Revenue	$	(5,721,521)

**The IDA may or may not consider this a "cost." See note below.*

Source: South Island Apartments, LLC, Camoin Associates

- Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at up to $2.6 million, a mortgage recording tax exemption valued at up to $560,000, and a real property tax exemption valued at $18,884,716. It is important to note that these figures do not actually represent a true "cost", since the Project would not occur absent IDA benefits, and therefore future revenue streams would not exist without the exemptions.
- The schedule of payments to be made by the Applicant under the requested PILOT agreement would be approximately $5.7 million more than the property tax payments generated by the Site if the Project were not to occur. In other words, the PILOT represents a benefit to the affected taxing jurisdictions averaging $381,435 per year. Over the 15-year period this represents $2 million more revenue to the Village, $572,152 more in revenue to the County, and $3 million more in revenue to the School district from PILOT payments than the property taxes paid without the Project.

Economic Impact Analysis

The estimates of direct economic activity generated during the construction phase, facility operation, and new resident spending were used as the direct inputs for the economic impact model. Camoin Associates used the input-output model designed by Economic Modeling Specialists, International (EMSI) to calculate total economic impacts. EMSI allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the Village of Green Island and Albany County and uses those inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Village and County economy. This is captured in the indirect 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 Albany County as a result of Project construction, new permanent jobs, and spending by new tenant households.

Construction Phase Impacts

The Applicant anticipates that the private sector investment in the construction of the Project (excluding land acquisition) would be $64,960,460.[4] If we assume that 70%[5] of the construction spending would be sourced from within Albany County, we can project that there will be $45,472,322 in net new spending in the County associated with the construction phase.

Construction Phase Spending		
Total Construction Cost	$	64,960,460
Percent Sourced from County		70%
Net New Renovation Spending	$	45,472,322

Source: South Island Apartments, LLC, Camoin Associates

The $45,472,322 worth of net new direct spending were used as direct inputs to determine the one-time impact of construction of the Project throughout Albany County. Construction spending would support a total of 360 jobs[6], nearly $18.3 million in earnings and about $61.6 million in sales.

Economic Impact - Construction Phase						
	Direct		Indirect		Total	
Jobs		305		55	$	360
Earnings	$	13,888,000	$	4,366,752	$	18,254,752
Sales	$	45,472,322	$	16,136,063	$	61,608,385

Source: EMSI, Camoin Associates

Impacts of New Household Spending

To determine the annual economic impact of the Project on the Village, we first calculated the number of households that can be considered "net new" to the Village's economy. In other words, the number of households that, but for the Project, would not exist in the Village of Green Island.

[4] Includes project costs as provided by Applicant in the application under Project Costs, except for legal and financial fees, land acquisition, permits, operation costs, relocation costs, IDA fees, and real estate taxes.

[5] The Applicant estimates 65 – 70% of labor and materials construction costs to be sourced within Albany County.

[6] Note that the Applicant estimates a total of 435 construction jobs, 70% of which are sourced locally, which corresponds to 305 jobs (rounded) that we show as "direct" jobs for the construction phase.

For this study, we analyzed the existing supply and demand of apartments in the Village of Green Island and Albany County. The following summarizes the research conducted to determine the percentage of the market-rate units that could be considered new to the Village. As of 2017, the vacancy rate for rental housing in the Village of Green Island was the lowest at 1.6% compared to the surrounding county and New York State.

Rental Housing Vacancy Rate	
Village of Green Island	1.6%
Albany County	4.4%
New York State	4.3%

Source: 2017 American Community Survey, 5-Year Estimate

Overall, rental units comprise a large share of the total housing stock in the Village of Green Island (67.6%) relative to Albany County (43.2%) and New York State (46.0%).

Rental Housing Units		
	Renter-Occupied Units	% of All Occupied Units
Village of Green Island	815	67.6%
Albany County	54,102	43.2%
New York State	3,360,227	46.0%

Source: 2017 American Community Survey, 5-Year Estimate

Examining the housing units by year structure built indicates that the majority of the housing stock was built in 1939 or earlier. In fact, there has been limited new housing development within the Village of Green Island with a mere 0.9% of housing units being built after 2010. The table below details the number of all housing units in the Village of Green Island, including owner-occupied and renter-occupied, by year structure built:

Village of Green Island Housing Units by Year Structure Built		
	Number of Units	Percent of Units
Built 2014 or later	0	0.0%
Built 2010 to 2013	9	0.7%
Built 2000 to 2009	151	11.4%
Built 1990 to 1999	86	6.5%
Built 1980 to 1989	22	1.7%
Built 1970 to 1979	37	2.8%
Built 1960 to 1969	37	2.8%
Built 1950 to 1959	137	10.4%
Built 1940 to 1949	72	5.4%
Built 1939 or earlier	772	58.4%
Total Housing Units	1,323	100.0%

Source: 2017 American Community Survey, 5-Year Estimate

The Village of Green Island's rental market, with a very low rental vacancy rate and limited supply of new rental options, suggests the Project will likely capture the surrounding area's pent-up rental housing demand, attracting net new residents to and/or retaining residents within the Village.

Therefore, due to the high demand for rental units in the Village and surrounding area in general, this analysis assumes that 100% of households occupying market-rate units will be net new to the Village. Therefore, we assume that the Project will create 260 net new households in the Village of Green Island.

Spending by New Tenants

The Project consists of 260 market-rate apartment units with price points ranging from $1,200 to $1,800 depending on type and location of unit. As noted above, Camoin Associates estimates that all units would be occupied by new households. These new residents would make purchases within the Village, thus adding new dollars to the economy.

For this analysis, we used the midpoint of $1,500 per unit per month as the average rental price. With housing costs typically accounting for 30% of a household's income, qualifying tenants for this project would need a household income of at least $60,000. Therefore, we examine the spending patterns of the income bracket of $50,000 and $69,999 to determine how tenants will impact the Village.

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 Bureau of Labor Statistics 2017 Consumer Expenditure Survey, households with an income between $50,000 and $69,999 have annual expenditures (excluding housing and utility costs) of $30,166. Analyzing the retail sales in the Village of Green Island indicates that not all spending categories are present within the Village. Percentages have been adjusted to account for the Village of Green Island's retail supply (See Attachment B: Retail Sales). It is assumed that 14% of total expenditures would occur within the Village of Green Island, and, therefore, have an impact on the Village economy. The amount spent in the Village of Green Island per each household is approximately $2,470. The fourth column shows the total net new spending in the Village, calculated by multiplying the amount spent in the Village by the number of net new units.

Tenant Spending Basket				
Market-Rate Units ($50,000 to $69,999 Annual Household Income)				
Category	Annual per Unit Spending Basket	Percent Spent in Village	Amount Spent in Village	Total Net New Village Spending (260 net new units)
Food	$ 7,443	25%	$ 1,861	$ 483,795
Household furnishings and equipment	$ 1,875	0%	$ -	$ -
Apparel and services	$ 1,423	10%	$ 142	$ 36,998
Transportation	$ 9,545	0%	$ -	$ -
Health care	$ 4,733	15%	$ 710	$ 184,587
Entertainment	$ 2,750	10%	$ 275	$ 71,500
Personal care products and services	$ 659	50%	$ 330	$ 85,670
Education	$ 723	0%	$ -	$ -
Miscellaneous	$ 1,015	15%	$ 152	$ 39,585
Annual Discretionary Spending	$ 30,166	14%	$ 3,470	$ 902,135

Source: 2017 Consumer Expenditure Survey, Bureau of Labor Statistics

As shown in the table above, spending in the Village by all new households would total $902,135 per year. The table below displays the spending basket breakdown of how we attributed the various spending categories to NAICS Codes to calculate the direct, indirect, and total impact of the Project on the Village

Spending Basket Breakdown by NAICS Code		
NAICS Code	Industry	Spending Basket Category
445110	Supermarkets and Other Grocery (except Convenience) Stores	Food
722511	Full-Service Restaurants	Food
442299	All Other Home Furnishings Stores	Household furnishings and equipment
448140	Family Clothing Stores	Apparel and services
441110	New Car Dealers	Transportation
447110	Gasoline Stations with Convenience Stores	Transportation
811111	General Automotive Repair	Transportation
524114	Direct Health and Medical Insurance Carriers	Health care
622110	General Medical and Surgical Hospitals (Private)	Health care
512131	Motion Picture Theaters	Entertainment
452990	All Other General Merchandise Stores	Entertainment, Personal care products and services, Miscellaneous
	All Other General Merchandise Stores	Personal care products and services
	All Other General Merchandise Stores	Miscellaneous
611310	Colleges, Universities, and Professional Schools	Education

The following table outlines the impact of the household spending on the Village of Green Island.[7] Tenant household spending will result in a total of 11 jobs, over $343,000 in earnings, and over $955,000 in sales in the Village of Green Island, annually.

Economic Impact - Household Spending			
	Direct	Indirect	Total
Jobs	11	-	11
Earnings	$ 329,123	$ 13,833	$ 342,955
Sales	$ 902,135	$ 52,704	$ 954,839

** Indirect jobs calculated is less than 0.5 and is therefore ignored*

Source: EMSI, Camoin Associates

Impacts of On-Site Employment

The Applicant projects that 9 full-time equivalent (FTE)[8] employees will be employed on-site as a result of residential operations on the Site once the Project is complete. An additional 11 FTE employees will be employed by tenants of the 16,940 square feet of commercial space. The table below details the impact the new jobs will have on the Village of Green Island in terms of direct, indirect and total impacts on employment and wages.

Economic Impact - Operations			
	Direct	Indirect	Total
Jobs	20	1	21
Earnings	$ 910,000	$ 62,301	$ 972,301
Sales	$ 3,258,458	$ 219,259	$ 3,477,717

Source: EMSI, Camoin Associates

[7] Analysis uses the ZIP Code 12183, that encompasses the Village of Green Island (See Attachment C: Study Areas).

[8] The Applicant defines full-time equivalent (FTE) positions as 35 hours per week, 52 weeks per year. The Applicant lists 20 jobs on page A-5 of the application related to both the operations of the residential portions of the Project and the employees of the commercial tenants of the Project. This corresponds to the 20 "direct" jobs shown in the table.

As shown in the table above, we anticipate that 20 new jobs and $910,000 in new earnings would occur at the Site itself. Taking into account the additional indirect and induced economic impacts, the Project is estimated to support 21 jobs, approximately $972,000 million in annual earnings, and nearly $3.5 million in total sales generated.

The complete economic impact of both new household spending as well as operation and maintenance of the Project is displayed in the table below.

Economic Impact - Household Spending			
	Direct	Indirect	Total
Jobs	11	-	11
Earnings	$ 329,123	$ 13,833	$ 342,955
Sales	$ 902,135	$ 52,704	$ 954,839
Economic Impact - Operations			
	Direct	Indirect	Total
Jobs	20	1	21
Earnings	$ 910,000	$ 62,301	$ 972,301
Sales	$ 3,258,458	$ 219,259	$ 3,477,717
Economic Impact - Combined Annual Impact			
	Direct	Indirect	Total
Jobs	31	1	32
Earnings	$ 1,239,123	$ 76,134	$ 1,315,256
Sales	$ 4,160,593	$ 271,963	$ 4,432,556

Source: EMSI, Camoin Associates

The total annual economic impact will include 32 new jobs with over $1.3 million in new earnings, and nearly $4.4 million in new sales.

Fiscal Impact Analysis

In addition to the economic impact of the Project on the local economy (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 15-year payment schedule based on the current tax rate, taxable value, and assessed value of the Project, as shown in the following table. The Village, County, and School portion of the PILOT is calculated based on the current tax rates.

Tax Payments with PILOT				
Year	PILOT Payment	Village Portion of PILOT Payment	County Portion of PILOT Payment	School Portion of PILOT Payment
1	$ 340,600	$ 119,210	$ 34,060	$ 187,330
2	$ 340,600	$ 119,210	$ 34,060	$ 187,330
3	$ 340,600	$ 119,210	$ 34,060	$ 187,330
4	$ 340,600	$ 119,210	$ 34,060	$ 187,330
5	$ 340,600	$ 119,210	$ 34,060	$ 187,330
6	$ 471,600	$ 165,060	$ 47,160	$ 259,380
7	$ 478,674	$ 167,536	$ 47,867	$ 263,271
8	$ 485,854	$ 170,049	$ 48,585	$ 267,220
9	$ 493,142	$ 172,600	$ 49,314	$ 271,228
10	$ 500,539	$ 175,189	$ 50,054	$ 275,296
11	$ 508,047	$ 177,816	$ 50,805	$ 279,426
12	$ 515,668	$ 180,484	$ 51,567	$ 283,617
13	$ 523,403	$ 183,191	$ 52,340	$ 287,872
14	$ 531,254	$ 185,939	$ 53,125	$ 292,190
15	$ 539,223	$ 188,728	$ 53,922	$ 296,573
Total	$ 6,750,404	$ 2,362,641	$ 675,040	$ 3,712,722
Average	$ 450,027	$ 157,509	$ 45,003	$ 247,515

Source: South Island Apartments, LLC, Camoin Associates

Tax Policy Comparison

Without financial assistance from the Agency, Camoin Associates assumes that the Applicant would not undertake the Project. Based on the current taxes applicable on the Site and an assumed annual increase to the tax rate of 2.00%[9] (holding taxable value constant), the following table outlines the estimated tax payments made by the building owner without the Project, as well as the Village, County, and School portion of that payment.

Tax Payment Without Project*				
Year	Property Tax Payment Without Project	Village Portion of Tax Payment Without Project	County Portion of Tax Payment Without Project	School Portion of Tax Payment Without Project
1	$ 59,496	$ 20,822	$ 5,950	$ 32,723
2	$ 60,686	$ 21,239	$ 6,069	$ 33,377
3	$ 61,899	$ 21,664	$ 6,190	$ 34,045
4	$ 63,137	$ 22,097	$ 6,314	$ 34,725
5	$ 64,400	$ 22,539	$ 6,440	$ 35,420
6	$ 65,688	$ 22,990	$ 6,569	$ 36,128
7	$ 67,002	$ 23,449	$ 6,700	$ 36,851
8	$ 68,342	$ 23,918	$ 6,834	$ 37,588
9	$ 69,709	$ 24,397	$ 6,971	$ 38,340
10	$ 71,103	$ 24,885	$ 7,110	$ 39,107
11	$ 72,525	$ 25,382	$ 7,252	$ 39,889
12	$ 73,975	$ 25,890	$ 7,398	$ 40,686
13	$ 75,455	$ 26,408	$ 7,545	$ 41,500
14	$ 76,964	$ 26,936	$ 7,696	$ 42,330
15	$ 78,503	$ 27,475	$ 7,850	$ 43,177
Total	$ 1,028,883	$ 360,091	$ 102,888	$ 565,886
Average	$ 68,592	$ 24,006	$ 6,859	$ 37,726

** Assumes a 2.00% annual increase*

Source: South Island Apartments, LLC, Camoin Associates

[9] The tax rate is increased by 2.00% annually, the maximum inflation factor that can be reasonably anticipated into the future. New York State property tax cap legislation limits tax levy growth to an inflation factor set by the State or 2.00%, whichever is less, the amount by which a government entity may increase its annual tax levy (certain exceptions apply). Although in recent years the inflation factor has been less than 2.00%, using 2.00% for the purposes of comparing future otherwise applicable property tax payments without the Project to the proposed PILOT schedule provides a conservative estimate of the Project's benefit/cost.

The table below calculates the benefit to the affected taxing jurisdictions as the difference between the PILOT payments associated with the Project and the property tax payments without the Project. Over the course of the proposed PILOT term, the average annual collection by local jurisdictions would be approximately $381,435 annually more in PILOT revenue than property taxes without the Project. The total benefit to the affected taxing jurisdictions of the PILOT agreement over 15 years would be $5,721,521.

Tax Policy Comparison			
	A	B	C
Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project (Col. B - Col. A)
1	$ 59,496	$ 340,600	$ 281,104
2	$ 60,686	$ 340,600	$ 279,914
3	$ 61,899	$ 340,600	$ 278,701
4	$ 63,137	$ 340,600	$ 277,463
5	$ 64,400	$ 340,600	$ 276,200
6	$ 65,688	$ 471,600	$ 405,912
7	$ 67,002	$ 478,674	$ 411,672
8	$ 68,342	$ 485,854	$ 417,512
9	$ 69,709	$ 493,142	$ 423,433
10	$ 71,103	$ 500,539	$ 429,436
11	$ 72,525	$ 508,047	$ 435,522
12	$ 73,975	$ 515,668	$ 441,693
13	$ 75,455	$ 523,403	$ 447,948
14	$ 76,964	$ 531,254	$ 454,290
15	$ 78,503	$ 539,223	$ 460,720
Total	$ 1,028,883	$ 6,750,404	$ 5,721,521
Average	$ 68,592	$ 450,027	$ 381,435

Source: South Island Apartments, LLC, Camoin Associates

The table below calculates the benefit to the Village of Green Island as the difference between the PILOT payments and property tax payments without the Project. Under the 15-year PILOT the average annual collection by the Village would be approximately $133,503 more in PILOT revenue than property taxes without the Project. The total benefit to the Village would be $2,002,550 over the15-year period.

Village Tax Policy Comparison			
	A	B	C
Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project (Col. B - Col. A)
1	$ 20,822	$ 119,210	$ 98,388
2	$ 21,239	$ 119,210	$ 97,971
3	$ 21,664	$ 119,210	$ 97,546
4	$ 22,097	$ 119,210	$ 97,113
5	$ 22,539	$ 119,210	$ 96,671
6	$ 22,990	$ 165,060	$ 142,070
7	$ 23,449	$ 167,536	$ 144,086
8	$ 23,918	$ 170,049	$ 146,130
9	$ 24,397	$ 172,600	$ 148,203
10	$ 24,885	$ 175,189	$ 150,304
11	$ 25,382	$ 177,816	$ 152,434
12	$ 25,890	$ 180,484	$ 154,594
13	$ 26,408	$ 183,191	$ 156,783
14	$ 26,936	$ 185,939	$ 159,003
15	$ 27,475	$ 188,728	$ 161,253
Total	$ 360,091	$ 2,362,641	$ 2,002,550
Average	$ 24,006	$ 157,509	$ 133,503

Source: South Island Apartments, LLC, Camoin Associates

The table below calculates the benefit to Albany County as the difference between the PILOT payments and property tax payments without the Project. Under the 15-year PILOT the average annual collection by the County would be approximately $38,143 more in PILOT revenue than property taxes without the Project. The total benefit to the County over 15 years would be $572,152.

County Tax Policy Comparison			
	A	B	C
Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project (Col. B - Col. A)
1	$ 5,950	$ 34,060	$ 28,110
2	$ 6,069	$ 34,060	$ 27,991
3	$ 6,190	$ 34,060	$ 27,870
4	$ 6,314	$ 34,060	$ 27,746
5	$ 6,440	$ 34,060	$ 27,620
6	$ 6,569	$ 47,160	$ 40,591
7	$ 6,700	$ 47,867	$ 41,167
8	$ 6,834	$ 48,585	$ 41,751
9	$ 6,971	$ 49,314	$ 42,343
10	$ 7,110	$ 50,054	$ 42,944
11	$ 7,252	$ 50,805	$ 43,552
12	$ 7,398	$ 51,567	$ 44,169
13	$ 7,545	$ 52,340	$ 44,795
14	$ 7,696	$ 53,125	$ 45,429
15	$ 7,850	$ 53,922	$ 46,072
Total	$ 102,888	$ 675,040	$ 572,152
Average	$ 6,859	$ 45,003	$ 38,143

Source: South Island Apartments, LLC, Camoin Associates

The benefit to the School District is calculated below based on the PILOT payments and property tax payments without the Project. Under the 15-year PILOT the average annual collection by the School would be approximately $209,789 more in PILOT revenue than property taxes without the Project. The total benefit to the School would be $3,146,837 over the15-year period.

School Tax Policy Comparison			
	A	B	C
Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project (Col. B - Col. A)
1	$ 32,723	$ 187,330	$ 154,607
2	$ 33,377	$ 187,330	$ 153,953
3	$ 34,045	$ 187,330	$ 153,285
4	$ 34,725	$ 187,330	$ 152,605
5	$ 35,420	$ 187,330	$ 151,910
6	$ 36,128	$ 259,380	$ 223,252
7	$ 36,851	$ 263,271	$ 226,420
8	$ 37,588	$ 267,220	$ 229,632
9	$ 38,340	$ 271,228	$ 232,888
10	$ 39,107	$ 275,296	$ 236,190
11	$ 39,889	$ 279,426	$ 239,537
12	$ 40,686	$ 283,617	$ 242,931
13	$ 41,500	$ 287,872	$ 246,371
14	$ 42,330	$ 292,190	$ 249,860
15	$ 43,177	$ 296,573	$ 253,396
Total	$ 565,886	$ 3,712,722	$ 3,146,837
Average	$ 37,726	$ 247,515	$ 209,789

Source: South Island Apartments, LLC, Camoin Associates

Other Exemptions

The PILOT program would offer the Applicant savings in terms of property tax benefits, but there are other benefits to working with the Agency including a sales tax exemption on construction materials and furniture, fixtures, and equipment, as well as a mortgage recording tax exemption.

Estimated Costs to Affected Jurisdictions	
Total Sales Tax Exemption*	$ 2,600,000
Total Mortgage Tax Exemption*	$ 560,000
Total Real Property Tax Exemption*	$ 18,884,716
Total Loss (Gain) of Property Tax Revenue	$ (5,721,521)

Source: South Island Apartments, LLC, Camoin Associates

The additional incentives offered by the IDA will benefit the Applicant but will not negatively affect the County/Village because, without the Project, the County/Village by definition would not be receiving any associated sales tax or mortgage tax.

Sales Tax Revenue – Construction Phase

The one-time construction phase earnings described by the total economic impact of the construction work would lead to additional sales tax revenue for the County. It is assumed that 70% of the construction phase earnings would be spent within Albany County and that 25% of those purchases would be taxable. As a result of construction phase employment, Albany County would receive $127,783.

One-Time Sales Tax Revenue Construction Phase	
Total New Earnings	$ 18,254,752
Amount Spent in County (70%)	$ 12,778,326
Amount Taxable (25%)	$ 3,194,582
County Sales Tax Rate	4.00%
New County Tax Revenue	$ 127,783

Source: Albany County, Camoin Associates

Sales Tax Revenue – New Household Spending

The County would also receive sales tax revenue from the purchases made by the new households. Total new spending was calculated for Albany County by allocating the same spending basket to the percentage of household spending that is assumed to occur within the County. It is assumed 70% of total expenditures would occur within County. This results in a total of $5,490,212 in household spending for the County. Including indirect and induced impacts there is a total of $7,720,752 new spending occurring within the County as a result of the project.

Tenant Spending Basket			
Market-Rate Units ($50,000 to $69,999 Annual Household Income)			
Category	Annual per Unit Spending Basket	Amount Spent in County (70%)	Total Net New County Spending (260 net new units)
Food	$ 7,443	$ 5,210	$ 1,354,626
Household furnishings and equipment	$ 1,875	$ 1,313	$ 341,250
Apparel and services	$ 1,423	$ 996	$ 258,986
Transportation	$ 9,545	$ 6,682	$ 1,737,190
Health care	$ 4,733	$ 3,313	$ 861,406
Entertainment	$ 2,750	$ 1,925	$ 500,500
Personal care products and services	$ 659	$ 461	$ 119,938
Education	$ 723	$ 506	$ 131,586
Miscellaneous	$ 1,015	$ 711	$ 184,730
Annual Discretionary Spending	$ 30,166	$ 21,116	$ 5,490,212

Source: 2017 Consumer Expenditure Survey, Bureau of Labor Statistics

Based on the total new spending by new households in the County, Albany County would receive $92,649 annually in net new sales tax revenue.

Annual County Sales Tax Revenue Household Spending	
Total New Spending	$ 7,720,752
Amount Taxable (30%)	$ 2,316,226
County Sales Tax Rate	4.00%
New County Tax Revenue	$ 92,649

Source: Albany County, Camoin Associates

Sales Tax Revenue

The new earnings generated by onsite jobs that will occur as a result of building occupation at the Project (described under On-Site Employment Impacts) would lead to additional annual sales tax revenue for Albany County. It is assumed that 70% of the earnings would be spent within the County and that 25% of those purchases will be taxable.

Annual County Sales Tax Revenue Employee Earnings	
Total New Earnings	$ 1,315,256
Amount Spent in County (70%)	$ 920,679
Amount Taxable (25%)	$ 230,170
County Sales Tax Rate	4.00%
New County Tax Revenue	$ 9,207

Source: Albany County, Camoin Associates

Under these assumptions, the County would receive approximately $9,207 each year in new tax revenue from the economic impacts of the Project.

Total Annual Sales Tax Revenue

In total, we estimate that the County would receive $101,856 in annual sales tax related to the Project.

Total Annual County Sales Tax Revenue	
Household Spending	$ 92,649
Employee Earnings	$ 9,207
New County Tax Revenue	$ 101,856

Source: Albany County, NYS Comptroller, Camoin Associates

Sales Tax Revenue Distribution Increase

Albany County distributes a portion of the sales tax revenues it collects to its constituent towns and cities. The percent of County sales tax attributable to Green Island is based on population that is reapportioned every ten years based on the decennial US Census. In 2010, the coterminous Town-Village of Green Island represented 0.861% of the County's population and received 0.345% of Albany County's sales tax revenue. The population of the Town and Village of Green Island would increase by approximately 601 individuals as a result of the Project.[10] The increase in the Town and Village of Green Island's population as a result of the Project will increased Green Island's portion of the County's population from 0.861% to 1.057%, thus increasing the percentage of sales tax revenue distributed to

[10] Based on Rutgers University Residential Demographic Multipliers for housing projects of this nature.

the Town from 0.345% to 0.423%. The following tables calculates the impact of the Project on distribution formula, holding all else constant.

Change in Sales Tax Revenue			
		Population	Sales Tax Revenue
Current	Green Island (Coterminous Town-Village)	2,620	$ 962,230
	County	304,204	$ 279,307,392
	Town as a Percent of County	0.861%	0.345%
After Project is Complete	Green Island (Coterminous Town-Village)	3,221	$ 1,182,808
	County	304,805	$ 279,858,838
	Town as a Percent of County	1.057%	0.423%
Change in Sales Tax Distribution to Green Island			$ 220,578

**According to the NYS Comptroller, the County retains 60% and distributes 40% to the cities and towns on the basis of published decennial census population figures. As of 2010 population figures, 0.345% of the County's tax revenue is distributed to the Town and Village of Green Island.*

Source: NYS Comptroller, Census 2010, Rutgers University, 2019 Albany County Executive Budget

As previously mentioned, the distribution is based on the decennial census. Therefore, if the Project is not fully occupied in time for the next census in 2020, these fiscal impacts will not be realized until the 2030 census.

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: Retail Sales

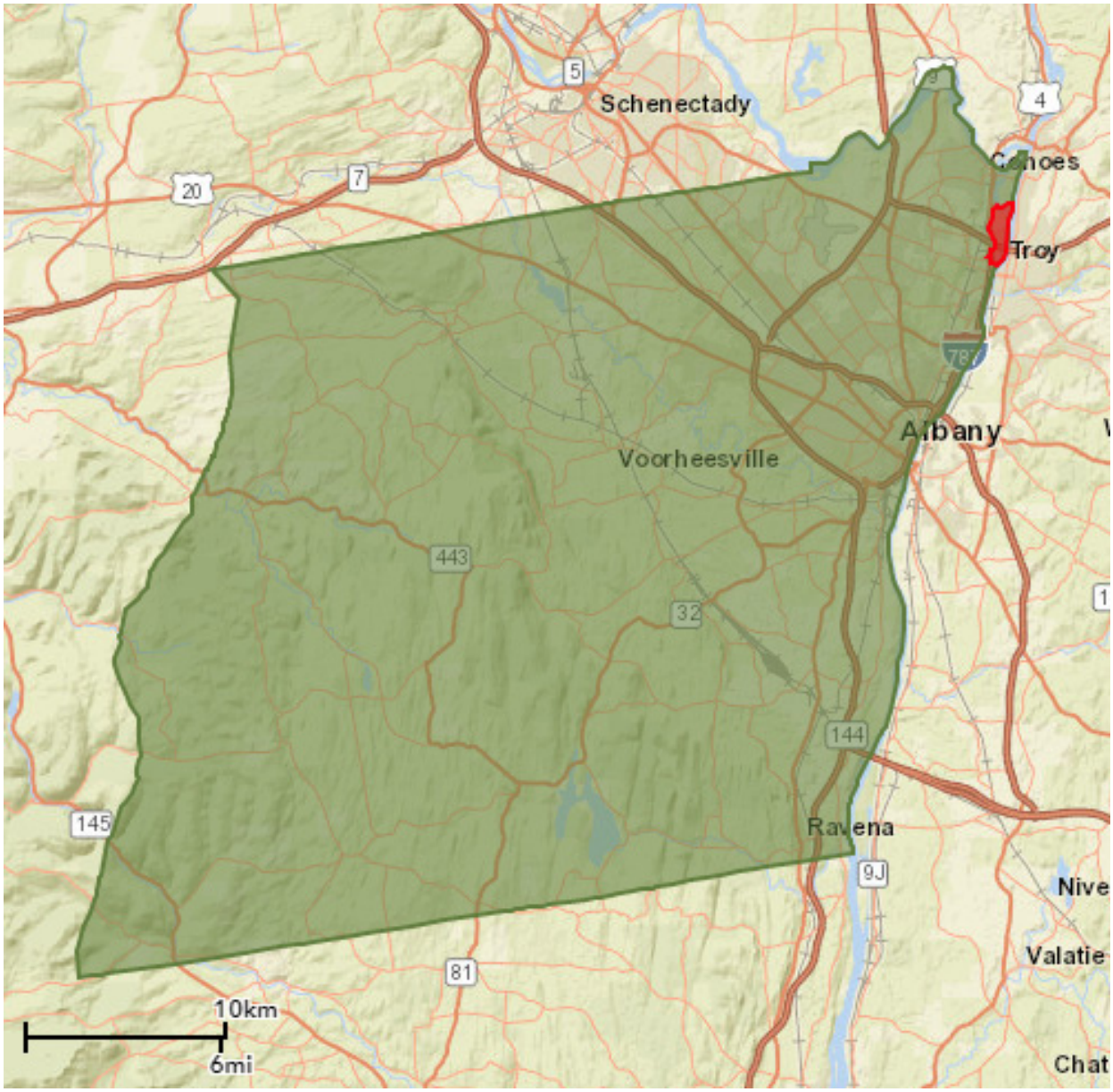
Retail Sales, Village of Green Island		
NAICS	Industry Group	Retail Sales
441	Motor Vehicle & Parts Dealers	$ -
4411	Automobile Dealers	$ -
4412	Other Motor Vehicle Dealers	$ -
4413	Auto Parts, Accessories & Tire Stores	$ -
442	Furniture & Home Furnishings Stores	$ -
4421	Furniture Stores	$ -
4422	Home Furnishings Stores	$ -
443	Electronics & Appliance Stores	$ -
444	Bldg Materials, Garden Equip. & Supply Stores	$ 4,593,362
4441	Bldg Material & Supplies Dealers	$ 4,593,362
4442	Lawn & Garden Equip & Supply Stores	$ -
445	Food & Beverage Stores	$ 605,610
4451	Grocery Stores	$ 349,506
4452	Specialty Food Stores	$ 256,104
4453	Beer, Wine & Liquor Stores	$ -
446,4461	Health & Personal Care Stores	$ 16,395,683
447,4471	Gasoline Stations	$ -
448	Clothing & Clothing Accessories Stores	$ 254,092
4481	Clothing Stores	$ 254,092
4482	Shoe Stores	$ -
4483	Jewelry, Luggage & Leather Goods Stores	$ -
451	Sporting Goods, Hobby, Book & Music Stores	$ 367,163
4511	Sporting Goods/Hobby/Musical Instr Stores	$ 367,163
4512	Book, Periodical & Music Stores	$ -
452	General Merchandise Stores	$ -
4521	Department Stores Excluding Leased Depts.	$ -
4529	Other General Merchandise Stores	$ -
453	Miscellaneous Store Retailers	$ 520,123
4531	Florists	$ -
4532	Office Supplies, Stationery & Gift Stores	$ -
4533	Used Merchandise Stores	$ -
4539	Other Miscellaneous Store Retailers	$ 520,123
722	Food Services & Drinking Places	$ 1,228,552
7223	Special Food Services	$ -
7224	Drinking Places - Alcoholic Beverages	$ -
7225	Restraurants/Other Eating Places	$ 1,228,552

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor presents a snapshot of retail opportunity. This is a measure of the relationship between supply and demand that ranges from +100 (total leakage) to -100 (total surplus). A positive value represents 'leakage' of retail opportunity outside the trade area. A negative value represents a surplus of retail sales, a market where customers are drawn in from outside the trade area. The Retail Gap represents the difference between Retail Potential and Retail Sales. Esri uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Source: Esri

Attachment C: Study Areas

Village of Green Island and Zip Code 12183 (Red) and Albany County (Green)



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