

Economic and Fiscal Impact

Crossgates Rapp Road Development

OCTOBER 2019

PREPARED BY:



120 West Avenue, Suite 303
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com

ABOUT CAMOIN ASSOCIATES

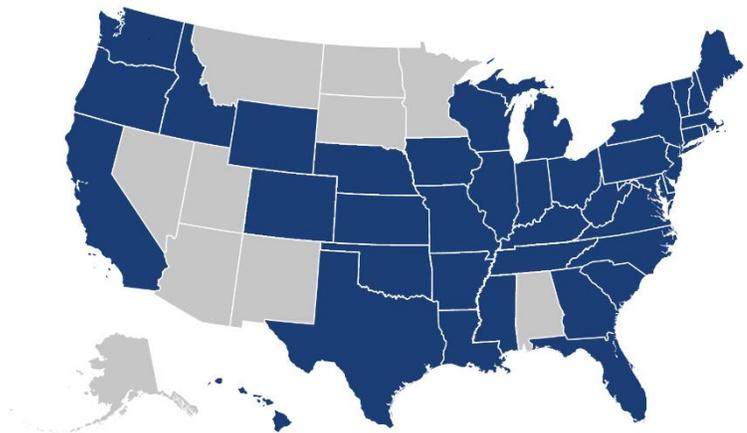
Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; 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 40 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](https://twitter.com/camoinassociate) and on **Facebook**.

THE PROJECT TEAM

Dan Gundersen
Senior Vice President, Project Principal

Rachel Selsky
Vice President, Project Manager

Jessica Ulbricht
Analyst, Project Staff



CONTENTS

Executive Summary 1

Site 1 Impact Analysis..... 8

Site 2 Impact Analysis..... 17

Site 3 Impact Analysis..... 24

Attachment A: What is Economic Impact Analysis? 31

This page intentionally left blank.

EXECUTIVE SUMMARY

Rapp Road Development, LLC (the “Client,” or the “Developer”) is proposing three major mixed-use developments (the “Projects”) on three sites that they own in the Town of Guilderland (the “Town”) in the vicinity of Crossgates Mall. As part of the State Environmental Quality Review (SEQR) process, this study evaluates the scope of potential fiscal impacts to the Town as a result of the three separate proposed projects. The Developer also seeks to demonstrate the positive benefit of the Projects on the Town in terms of new economic activity and job creation. The first of the three sites (Site 1) includes 222 new mid- to high- end one and two-bedroom apartment units complete with a fitness center, community space, pool, and covered parking. Site 2 is comprised of approximately 160,000 square feet of retail including a Costco and fueling stations, and Site 3 will include a mix of retail space, office space, and 48 1- and 2- bedroom apartments. Collectively, we will refer to the three development sites as “the Sites”.¹

This Study analyzes the impact that the Project at each of the three sites would have on the Town of Guilderland and Albany County (the “County”) economies, net of any economic activity that would occur even if the Projects were not completed. In other words, we seek to capture the amount of economic activity that will be “net new” to the Town and the County as a result of the Projects, after accounting for the proportion of economic activity that draws on demand already being satisfied within the region.

The following is a summary of our findings from this study, with details below. Given the ongoing transformation of the retail industry, Camoin 310 found that diversifying product offerings around Crossgates Mall is critical to its success. Although e-commerce has redefined the public’s expectations of how and where they can purchase everyday goods, the demand for retail as an amenity that contributes to the development and competitiveness of other markets is strong. Retail succeeds when it is thoughtfully integrated into communities and positioned as a “lifestyle center” that combines malls and shopping centers with residential, office, and other uses. Creating this type of environment is the new normal for malls, and necessary for them to remain viable.

There will be positive fiscal impacts that result from these developments for the County and the Town in the form of new property and sales tax revenue. Given the high level of investment into the development of these three sites, we anticipate that the taxable assessed value upon completion will be significantly higher than it currently is. In addition to property tax, the Projects will generate new sales tax. As part of this study, Camoin 310 modeled the estimated sales tax impacts of the development of each of the sites. These, too, represent a positive impact for Albany County and the Town of Guilderland. The total annual sales tax impacts of each site are summarized in Table 1.²

¹ Camoin 310 analyzed the current housing stock of the Town of Guilderland and Albany County using data from the 2013-2017 American Community Survey. Based on the extremely unique nature of this development and a lack of any similar developments in the areas, most of these units will be net new. Camoin 310 determined that 95% of the residential units will be net new, to account for a percentage of in-migration of existing Town and County residents. More details can be found on pages 11 and 12 of this analysis.

² According to the NYS Comptroller’s Office Division of Local Government and School Accountability, Albany County keeps 60% of sales tax revenue and distributes 40% of sales tax revenue to the cities and towns on the basis of population. The “Amount Kept by County” and the “Amount Distributed to Town” are calculated to reflect this. Based on population, approximately 12% of the 40% that is distributed to the cities and towns will be distributed to the Town of Guilderland. This methodology is used throughout the entire report in all sales tax calculations.

CAMOIN 310

Table 1

| Total Annual Sales Tax Impact | | |
|-------------------------------|---------------|---------------------|
| | Albany County | Town of Guilderland |
| Site 1 | \$ 55,255 | \$ 4,420 |
| Household Spending | \$ 53,217 | \$ 4,257 |
| On-Site Employee Earnings | \$ 2,037 | \$ 163 |
| Site 2 | \$ 1,845,892 | \$ 157,516 |
| On-Site Sales | \$ 1,836,000 | \$ 156,672 |
| On-Site Employee Earnings | \$ 9,892 | \$ 844 |
| Site 3 | \$ 119,905 | \$ 9,592 |
| Household Spending | \$ 11,602 | \$ 928 |
| On-Site Sales | \$ 93,150 | \$ 7,452 |
| On-Site Employee Earnings | \$ 15,153 | \$ 1,212 |

Source: Camoin 310

In addition to the fiscal impacts of the Project, there will be positive economic impacts that result as well. Table 2 summarizes the total annual economic impact, including both the direct and indirect impacts, on Albany County and the Town of Guilderland, of each of the three sites. Indirect effects are the result of new employees and households receiving and spending their wages in the economy. A more detailed summary of the impacts at each of the three sites follows.

Table 2

| Total* Economic Impact Summary | | | | | | |
|--------------------------------|---------------|--------------|----------------|---------------------|---------------|----------------|
| | Albany County | | | Town of Guilderland | | |
| | Jobs | Earnings | Sales | Jobs | Earnings | Sales |
| Site 1 | 76 | \$ 3,010,294 | \$ 9,149,648 | 46 | \$ 1,678,412 | \$ 5,077,611 |
| Site 2 | 142 | \$ 3,925,207 | \$ 114,429,795 | 187 | \$ 5,140,925 | \$ 133,312,798 |
| Site 3 | 119 | \$ 6,563,509 | \$ 14,664,943 | 144 | \$ 10,313,308 | \$ 19,111,696 |

Source: EMSI, Camoin 310

*Includes direct and indirect impacts

CAMOIN 310

SITE 1

The economic and fiscal impacts of Site 1 are outlined below. Site 1 is expected to begin construction in spring 2020 and will be completed within 24 months. This phase includes the development of 222 mid- to high- end apartment buildings, with related amenities.

Annual Fiscal Impact

Upon project completion and occupation, Site 1 will have the following ongoing annual economic impacts:

- ◆ Significant contribution of new property tax revenue to Albany County and the Town of Guilderland.
- ◆ New sales tax revenue resulting from household spending and on-site employee earnings of \$55,255 to Albany County.
- ◆ New sales tax revenue resulting from household spending and on-site employee earnings of \$4,420 to the Town of Guilderland.

Table 3

| Total Annual Sales Tax Revenue - Site 1 | | |
|---|---------------|---------------------|
| | Albany County | Town of Guilderland |
| Household Spending | \$ 53,217 | \$ 4,257 |
| On-Site Employee Earnings | \$ 2,037 | \$ 163 |
| New Tax Revenue | \$ 55,255 | \$ 4,420 |

Source: Camoin 310, NYS Comptroller

Annual Economic Impact

Upon Project completion and occupation, Site 1 will have the following ongoing annual economic impacts:

- ◆ 76 new jobs along with an associated over \$3.0 million in new wages and over \$9.1 million in new sales in Albany County.
- ◆ Of these, 46 new jobs, nearly \$1.7 million in new wages and nearly \$5.1 million in new sales will be in the Town of Guilderland.

Table 4

| Total Economic Impact - Site 1 | | | |
|--------------------------------|--------------|--------------|--------------|
| Albany County | | | |
| | Direct | Indirect | Total |
| Jobs | 58 | 18 | 76 |
| Earnings | \$ 2,027,101 | \$ 983,194 | \$ 3,010,294 |
| Sales | \$ 6,331,368 | \$ 2,818,280 | \$ 9,149,648 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 45 | 1 | 46 |
| Earnings | \$ 1,606,007 | \$ 72,405 | \$ 1,678,412 |
| Sales | \$ 4,834,758 | \$ 242,853 | \$ 5,077,611 |

Source: EMSI, Camoin 310

CAMOIN 310

Construction Impact³

The construction phase of Site 1 will result in the following one-time benefits:

- ◆ 489 new jobs along with an associated nearly \$19.5 million in new wages and over \$50.9 million in new sales in Albany County.
- ◆ 159 new jobs along with an associated over \$10.6 million in new wages and nearly \$25.5 million in new sales in the Town of Guilderland.

Table 5

| Economic Impact - Construction Phase - Site 1 | | | |
|---|---------------|---------------|---------------|
| Albany County | | | |
| | Direct | Indirect | Total |
| Jobs | 410 | 79 | 489 |
| Earnings | \$ 14,952,679 | \$ 4,535,731 | \$ 19,488,410 |
| Sales | \$ 37,620,000 | \$ 13,297,273 | \$ 50,917,273 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 156 | 3 | 159 |
| Earnings | \$ 10,480,247 | \$ 134,035 | \$ 10,614,283 |
| Sales | \$ 25,080,000 | \$ 379,787 | \$ 25,459,787 |

Source: EMSI, Camoin 310

³ A retail leakage analysis of Albany County and the Town of Guilderland suggests that a vast majority of the goods and services that will be purchased for the construction period are available within the County and a large amount are available within the town, but there will still be some outside spending through purchases made in other municipalities. Based on third party proprietary retail spending data, 90% is a reasonable assumption for the amount of in-county construction spending and 60% for the amount of in-town spending. The construction spending assumptions are used throughout the analysis of all Project Sites. Source: Esri

SITE 2

Annual Fiscal Impact

Upon project completion and occupation, Site 2 will have the following ongoing annual fiscal impacts:

- ◆ Significant contribution of new property tax revenue to Albany County and the Town of Guilderland.
- ◆ New sales tax revenue resulting from on-site sales and employee earnings of \$1,845,892 to Albany County.
- ◆ New sales tax revenue resulting from on-site sales and employee earnings of \$157,516 to the Town of Guilderland.

Table 6

| Total Annual Sales Tax Revenue - Site 2 | | |
|---|---------------------|---------------------|
| | Albany County | Town of Guilderland |
| On-Site Sales | \$ 1,836,000 | \$ 156,672 |
| On-Site Employee Earnings | \$ 9,892 | \$ 844 |
| New Tax Revenue | \$ 1,845,892 | \$ 157,516 |

Source: Camoin 310, NYS Comptroller

Annual Economic Impact

Upon Project completion and occupation, Site 2 will have the following ongoing annual economic impacts:

- ◆ 142 new jobs along with an associated over \$3.9 million in new wages and over \$114.4 million in new sales in Albany County.
- ◆ 187 new jobs along with an associated over \$5.1 million in new wages and over \$133.3 million in new sales in the Town of Guilderland.

Table 7

| Total Economic Impact - Site 2 | | | |
|--------------------------------|----------------|---------------|----------------|
| Albany County | | | |
| | Direct | Indirect | Total |
| Jobs | 123 | 19 | 142 |
| Earnings | \$ 2,888,457 | \$ 1,036,750 | \$ 3,925,207 |
| Sales | \$ 85,000,000 | \$ 29,429,795 | \$ 114,429,795 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 184 | 3 | 187 |
| Earnings | \$ 4,972,887 | \$ 168,038 | \$ 5,140,925 |
| Sales | \$ 127,500,000 | \$ 5,812,798 | \$ 133,312,798 |

Source: EMSI, Camoin 310

Construction Impact

The construction of Site 2 will result in the following one-time benefits:

- ◆ 181 new jobs along with an associated nearly \$13.2 million in new wages and over \$34.6 million in new sales in Albany County.

CAMOIN 310

- ◆ 75 new jobs along with an associated over \$7.2 million in new wages and nearly \$17.3 million in new sales in the Town of Guilderland.

Table 8

| Economic Impact - Construction Phase - Site 2 Albany County | | | |
|--|--------------|-------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 127 | 54 | 181 |
| Earnings | \$10,077,839 | \$3,094,141 | \$13,171,980 |
| Sales | \$25,560,000 | \$9,068,457 | \$34,628,457 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 74 | 1 | 75 |
| Earnings | \$ 7,120,551 | \$ 91,855 | \$ 7,212,406 |
| Sales | \$17,040,000 | \$ 259,546 | \$17,299,546 |

Source: EMSI, Camoin 310

SITE 3

Annual Fiscal Impact

Upon Project completion and occupation, Site 3 will have the following ongoing annual fiscal impacts:

- ◆ Significant contribution of new property tax revenue to Albany County and the Town of Guilderland.
- ◆ New sales tax revenue resulting from household spending, on-site sales and on-site employee earnings of \$119,905 to Albany County.
- ◆ New sales tax revenue resulting from household spending, on-site sales and on-site employee earnings of \$9,592 to the Town of Guilderland.

Table 9

| Total Annual Sales Tax Revenue - Site 3 | | |
|---|---------------|---------------------|
| | Albany County | Town of Guilderland |
| Household Spending | \$ 11,602 | \$ 928 |
| On-Site Sales | \$ 93,150 | \$ 7,452 |
| On-Site Employee Earnings | \$ 15,153 | \$ 1,212 |
| New Tax Revenue | \$ 119,905 | \$ 9,592 |

Source: Camoin 310, NYS Comptroller

CAMOIN 310

Annual Economic Impact

Upon Project completion and occupation, Site 3 will have the following ongoing annual economic impacts:

- ◆ 119 new jobs along with an associated nearly \$6.6 million in new wages and nearly \$14.7 million in new sales in Albany County.
- ◆ 144 new jobs, over \$10.3 million in new wages and over \$19.1 million in new sales in the Town of Guilderland.

Table 10

| Total Economic Impact - Site 3 Albany County | | | |
|---|---------------|--------------|---------------|
| | Direct | Indirect | Total |
| Jobs | 92 | 27 | 119 |
| Earnings | \$ 5,014,579 | \$ 1,548,931 | \$ 6,563,509 |
| Sales | \$ 10,386,461 | \$ 4,278,482 | \$ 14,664,943 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 140 | 4 | 144 |
| Earnings | \$ 10,022,919 | \$ 290,389 | \$ 10,313,308 |
| Sales | \$ 18,253,022 | \$ 858,674 | \$ 19,111,696 |

Source: EMSI, Camoin 310

Construction Impact

The construction of Site 3 will result in the following one-time benefits:

- ◆ 509 new jobs along with an associated nearly \$20.3 million in new wages and nearly \$53.0 million in new sales in Albany County.
- ◆ 165 new jobs along with an associated over \$11.0 million in new wages and nearly \$26.5 million in new sales in the Town of Guilderland.

Table 11

| Economic Impact - Construction Phase - Site 3 Albany County | | | |
|--|--------------|--------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 426 | 83 | 509 |
| Earnings | \$15,560,802 | \$ 4,720,199 | \$20,281,001 |
| Sales | \$39,150,000 | \$13,838,071 | \$52,988,071 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 162 | 3 | 165 |
| Earnings | \$10,906,477 | \$ 139,487 | \$11,045,964 |
| Sales | \$26,100,000 | \$ 395,232 | \$26,495,232 |

Source: EMSI, Camoin 310

SITE 1 IMPACT ANALYSIS

Site 1, which is to be developed into a mid- to high- end multifamily apartment complex is expected to commence in spring 2020 will involve the construction of 222 residential units. Site 1 is expected to be completed 24 months after the project commences.

Fiscal Impact

SALES TAX REVENUE

NEW HOUSEHOLD SPENDING

Albany County and the Town of Guilderland will receive sales tax revenue from the purchases made by the new households at Site 1. Based on in-County and in-Town spending by new households, Albany County would receive approximately \$53,217 and the Town of Guilderland would receive approximately \$4,257 in new sales tax revenue, annually, following the completion of Site 1.

Table 12

| Annual Sales Tax Revenue Household Spending - Site 1 | |
|---|--------------|
| Total New Spending | \$ 7,391,301 |
| Amount Taxable (30%) | \$ 2,217,390 |
| County Sales Tax Rate | 4.00% |
| Total County Sales Tax Generated | \$ 88,696 |
| Amount Kept by County | \$ 53,217 |
| Amount Distributed to Town | \$ 4,257 |

Source: Camoin 310, NYS Comptroller

Note that the household spending figure has already been adjusted to account for 70% of total spending occurring within the County and 50% of total spending occurring within the Town (see table titled "Tenant Spending Baskets" in the Economic Impact section). Also note that a higher value for "Amount Taxable" as compared to the following table (30% rather than 25%) was used since certain non-taxable items (related to housing expenses) have been removed from the total spending line, thus increasing the remaining portion taxable.

EMPLOYEE EARNINGS

The new earnings generated by on-site jobs that will occur as a result of building occupation at the Project would lead to additional annual sales tax revenue for the County and the Town. It is assumed that 70% of the earnings would be spent within Albany County and 50% would be spent within the Town of Guilderland⁴. It is also assumed that 25% of those purchases will be taxable.

⁴ Based on an analysis of available goods and services within the geographies (source: ESRI). These assumptions are used throughout the analysis for all sales tax calculations.

Table 13

| Annual Sales Tax Revenue On-Site Jobs - Site 1 | |
|---|------------|
| Total New Earnings | \$ 485,066 |
| Percent Spent in County | 70% |
| Amount Spent in County | \$ 339,546 |
| Amount Taxable (25%) | \$ 84,887 |
| County Sales Tax Rate | 4.00% |
| Total County Sales Tax Generated | \$ 3,395 |
| Amount Kept by County | \$ 2,037 |
| Amount Distributed to Town | \$ 163 |

Source: Camoin 310, NYS Comptroller

Under these assumptions, the County and the Town would receive approximately \$2,037 and \$163, respectively, each year in new tax revenue as a result of on-site jobs at Site 1.

TOTAL ANNUAL SALES TAX REVENUE

In total, we estimate that the County would receive \$55,255 and the Town would receive \$4,420 in annual sales tax related to Site 1 of the Project.

Table 14

| Total Annual Sales Tax Revenue - Site 1 | | |
|---|---------------|------------------------|
| | Albany County | Town of Guilderland |
| Household Spending | \$ 53,217 | \$ 4,257 |
| On-Site Employee Earnings | \$ 2,037 | \$ 163 |
| New Tax Revenue | \$ 55,255 | \$ 4,420 |

Source: Camoin 310, NYS Comptroller

CAMOIN 310

Economic Impact

CONSTRUCTION PHASE IMPACTS

The Developer estimates that construction costs of Site 1 will be approximately \$41.8 million. All of this cost represents private sector investment generated by the Project. Based on a market analysis of available goods and services in Albany County and the Town of Guilderland, Camoin 310 assumes that 90% of the construction spending would be sourced from within the County and 60% will be sourced from within the Town. Using these assumptions, we can project that there will be over \$37.6 million in net new spending in the County and over \$25.0 million in net new spending in the Town associated with the construction phase of Site 1.

Table 15

| Construction Phase Spending - Site 1 | |
|--------------------------------------|---------------|
| Total Construction Cost | \$ 41,800,000 |
| Percent Sourced from County | 90% |
| Net New County Spending | \$ 37,620,000 |
| Percent Sourced from Town | 60% |
| Net New Town Spending | \$ 25,080,000 |

Source: Applicant, Camoin 310

Based on \$37,620,000 of net new spending in the County and \$25,080,000 of net new spending in the Town, Camoin 310 determines that there would be a total of over \$50.9 million in one-time construction related spending supporting 489 jobs and nearly \$19.5 million in earnings in the County. Of this, nearly \$25.5 million in one-time construction related spending, 159 jobs, and over \$10.6 million in earnings will be new to the Town of Guilderland.

Table 16

| Economic Impact - Construction Phase - Site 1 | | | |
|---|---------------|---------------|---------------|
| Albany County | | | |
| | Direct | Indirect | Total |
| Jobs | 410 | 79 | 489 |
| Earnings | \$ 14,952,679 | \$ 4,535,731 | \$ 19,488,410 |
| Sales | \$ 37,620,000 | \$ 13,297,273 | \$ 50,917,273 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 156 | 3 | 159 |
| Earnings | \$ 10,480,247 | \$ 134,035 | \$ 10,614,283 |
| Sales | \$ 25,080,000 | \$ 379,787 | \$ 25,459,787 |

Source: EMSI, Camoin 310

CAMOIN 310

HOUSEHOLD SPENDING IMPACTS

In order to determine the annual economic impact of Site 1 on the Town of Guilderland and Albany County, the first step is to calculate the number of households that can be considered “net new” to the area’s economy. In other words, the number of households that, but for the Project, would not exist in the town or county. With respect to this Project, net new households consist of (1) those currently residing outside of the town or the county who will choose to move to the area because of the Project, and who would otherwise continue to live elsewhere, (2) current residents who will move into the Project and would leave the area if the Project is not built, and (3) current residents of the town and county who will move into the Project and free up other housing in the town/county which will then be occupied by new residents. This includes people looking for ease of access to entertainment and public transit. The following data informs the analysis related to determining the percent of residents that will be net new to the Town and County.

Currently, the Town of Guilderland’s housing stock is aging. Less than 10% of the Town’s housing stock has been built since 2000, the same is true for Albany County.

Table 17

| Housing Units by Year Structure Built | | | | |
|---------------------------------------|---------------------|-------------|----------------|-------------|
| | Town of Guilderland | | Albany County | |
| | # | % | # | % |
| 2014 or later | 81 | 1% | 730 | 1% |
| 2010-2013 | 195 | 1% | 1,729 | 1% |
| 2000-2009 | 920 | 6% | 7,346 | 6% |
| 1980-1999 | 4,926 | 34% | 23,088 | 18% |
| 1960-1979 | 4,190 | 29% | 30,546 | 24% |
| 1940-1959 | 2,766 | 19% | 25,653 | 20% |
| 1939 or earlier | 1,218 | 9% | 36,284 | 29% |
| Total | 14,296 | 100% | 125,376 | 100% |

Source: American Community Survey 5-year Estimates, 2013-2017

Additionally, the number of high-end multifamily apartment buildings are limited in both geographies. More than half of the housing stock of both geographies is single family units. Millennials and empty nesters, the target demographics for this development, are attracted to multifamily complexes complete with quality amenities and easy access to retail, restaurants, and other businesses. Apartments in the area are limited and lack the amenities that are demanded by these groups.

Table 18

| Housing Units by Units in Structure | | | | |
|-------------------------------------|---------------------|-------------|----------------|-------------|
| | Town of Guilderland | | Albany County | |
| | # | % | # | % |
| 1, detached | 8,753 | 61% | 65,748 | 52% |
| 1, attached, | 914 | 6% | 5,060 | 4% |
| 2 apartments | 696 | 5% | 18,540 | 15% |
| 3 or 4 apartments | 702 | 5% | 11,585 | 9% |
| 5 to 9 apartments | 1,400 | 10% | 7,644 | 6% |
| 10 or more | 1,729 | 12% | 15,358 | 12% |
| Mobile homes or other | 102 | 1% | 1,441 | 1% |
| Total | 14,296 | 100% | 125,376 | 100% |

Source: American Community Survey 5-year Estimates, 2013-2017

Given the unique mixed-use nature of this development including its access to multi-modal public transportation, walkability, and proximity to retail and entertainment options, the project will likely capture a vast amount of the Town and County's pent-up rental housing demand, attracting new residents to and/or retaining residents within the area. This analysis therefore conservatively assumes that 95% of the 222 new rental units to be constructed at Site 1, or 211 will be net new to both the Town and the County.⁵ This percentage accounts for any potential in-county migration or rehousing that may occur that would not result in a direct new household.

Spending by New Tenants

Site 1 consists of 222 mid-to-high end apartment units, with an even split between one-bedroom and two-bedroom units. As noted above, Camoin 310 considers that 211 units will be occupied by new households.

New residents would make purchases in the Town and the County, thereby adding new dollars to the economy. For this analysis, we researched spending patterns by household income to determine total spending by potential new tenants. Albany County median household income in 2019 is estimated at \$66,211 while the Town of Guilderland median household income is estimated at \$91,679.⁶ Additionally, rent of these units will average \$1,858 per month.⁷ Using the generally accepted principle that housing costs should not exceed 30% of income, potential tenants should have a minimum income of approximately \$74,000. Therefore, we will consider spending of potential tenants to be in the \$70,000 to \$99,999 range.

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 \$70,000 and \$99,999 have annual expenditures (excluding housing and utility costs) of \$35,482. Given the range of goods that are available for purchase in Albany County, it is assumed that 70% of total expenditures would occur within Albany County and, therefore, have an impact on the Albany County economy. A lesser portion of the expenditures, 50%, would occur within the Town of Guilderland. The following table shows that total new County spending will be over \$5.2 million and total new Town spending

⁵ Based on an analysis of the existing housing stock and the extremely unique nature of the new development. Sources: American Community Survey, Developer.

⁶ ESRI

⁷ Developer

CAMOIN 310

will be over \$3.7 million. This was calculated by multiplying the amount spent in the county (or town) by all new households.

Table 19

| Tenant Spending Basket - Site 1 | | | | | |
|--|---------------------------------|------------------------------|---|----------------------------|---|
| New Units (\$70,000 to \$99,999 Annual Household Income) | | | | | |
| Category | Annual per Unit Spending Basket | Amount Spent in County (70%) | Total Net New County Spending (211 net new units) | Amount Spent in Town (50%) | Total Net New Town Spending (211 net new units) |
| Food | \$ 8,385 | \$ 5,870 | \$ 1,238,465 | \$ 4,193 | \$ 884,618 |
| Household furnishings and equipment | \$ 2,362 | \$ 1,653 | \$ 348,867 | \$ 1,181 | \$ 249,191 |
| Apparel and services | \$ 1,981 | \$ 1,387 | \$ 292,594 | \$ 991 | \$ 208,996 |
| Transportation | \$ 10,795 | \$ 7,557 | \$ 1,594,422 | \$ 5,398 | \$ 1,138,873 |
| Health care | \$ 5,639 | \$ 3,947 | \$ 832,880 | \$ 2,820 | \$ 594,915 |
| Entertainment | \$ 3,466 | \$ 2,426 | \$ 511,928 | \$ 1,733 | \$ 365,663 |
| Personal care products and services | \$ 836 | \$ 585 | \$ 123,477 | \$ 418 | \$ 88,198 |
| Education | \$ 1,115 | \$ 781 | \$ 164,686 | \$ 558 | \$ 117,633 |
| Miscellaneous | \$ 903 | \$ 632 | \$ 133,373 | \$ 452 | \$ 95,267 |
| Annual Discretionary Spending | \$ 35,482 | \$ 24,837 | \$ 5,240,691 | \$ 17,741 | \$ 3,743,351 |

Source: 2017 Consumer Expenditure Survey, Bureau of Labor Statistics

We use these spending basket amounts to calculate the direct, indirect, and total impact of the Project on the county and on the town. To do this, we attributed the various spending categories to the NAICS codes found in Table 20.

Table 20

| 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 |
| 452319 | 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 |

Source: Camoin 310

CAMOIN 310

Using \$5,240,691 and \$3,743,351 as the new sales inputs, Camoin 310 employed EMSI to determine the indirect and total impact of the Site 1. The following tables outline the findings of this analysis.

Spending from tenant households will result in a total of 66 net new jobs, over \$2.5 million in earnings, and nearly \$7.4 million in sales in Albany County, annually.

Table 21

| Albany County Annual Economic Impact - Household Spending - Site 1 | | | |
|---|--------------|--------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 53 | 13 | 66 |
| Earnings | \$ 1,774,288 | \$ 750,940 | \$ 2,525,228 |
| Sales | \$ 5,240,691 | \$ 2,150,610 | \$ 7,391,301 |

Source: EMSI, Camoin 310

Within the Town of Guilderland, household spending will create 41 new jobs, over \$1.1 million in earnings, and over \$3.9 million in sales, annually.

Table 22

| Town of Guilderland Annual Economic Impact - Household Spending - Site 1 | | | |
|---|--------------|------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 40 | 1 | 41 |
| Earnings | \$ 1,353,025 | \$ 53,142 | \$ 1,406,168 |
| Sales | \$ 3,743,354 | \$ 179,798 | \$ 3,923,152 |

Source: EMSI, Camoin 310

IMPACTS OF ON-SITE EMPLOYMENT

Additional annual impacts will result from the spending of new full-time employees. The impacts of this on-site employment is calculated below.

Based on the 222 total units to be constructed in this phase and the assumption that there are 41.7 units per employee in multifamily residences of this size⁸, we estimate that there will be 5 on-site jobs once Site 1 of the Project is complete. Since 95% of the housing units are considered to be net new to the Town and the County, all 5 of the on-site jobs would be net new.

Taking into account the additional indirect and induced economic impacts on Albany County from the 5 direct jobs, total employment created by Site 1 of the Project in the County is estimated at 10 jobs and over \$485,000 in annual earnings. Nearly \$1.8 million in total sales would be generated as a result of Site 1's on-site employment.

⁸ National Apartment Association.

CAMOIN 310

Table 23

| Albany County Annual Economic Impact - On-Site Jobs - Site 1 | | | |
|---|--------------|------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 5 | 5 | 10 |
| Earnings | \$ 252,813 | \$ 232,253 | \$ 485,066 |
| Sales | \$ 1,090,677 | \$ 667,670 | \$ 1,758,347 |

Source: EMSI, Camoin 310

In addition to the 5 new jobs, total impacts to the Town of Guilderland will equal over \$272,000 in earnings and over \$1.1 million in sales, annually.

Table 24

| Town of Guilderland Annual Economic Impact - On-Site Jobs - Site 1 | | | |
|---|--------------|-----------|--------------|
| | Direct | Indirect | Total |
| Jobs | 5 | - | 5 |
| Earnings | \$ 252,981 | \$ 19,263 | \$ 272,244 |
| Sales | \$ 1,091,404 | \$ 63,055 | \$ 1,154,458 |

Source: EMSI, Camoin 310

TOTAL ECONOMIC IMPACT – SITE 1

The complete economic impact of both new household spending as well as operation and maintenance of Site 1 is displayed in the tables below.

The total annual economic impact of Site 1 on Albany County will include 76 new jobs with over \$3.0 million in new earnings and over \$9.1 million in new sales.

Table 25

| Albany County Annual Economic Impact - Household Spending - Site 1 | | | |
|---|--------------|--------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 53 | 13 | 66 |
| Earnings | \$ 1,774,288 | \$ 750,940 | \$ 2,525,228 |
| Sales | \$ 5,240,691 | \$ 2,150,610 | \$ 7,391,301 |
| Annual Economic Impact - On-Site Jobs - Site 1 | | | |
| | Direct | Indirect | Total |
| Jobs | 5 | 5 | 10 |
| Earnings | \$ 252,813 | \$ 232,253 | \$ 485,066 |
| Sales | \$ 1,090,677 | \$ 667,670 | \$ 1,758,347 |
| Economic Impact - Combined Annual Impact - Site 1 Phase 1 | | | |
| | Direct | Indirect | Total |
| Jobs | 58 | 18 | 76 |
| Earnings | \$ 2,027,101 | \$ 983,194 | \$ 3,010,294 |
| Sales | \$ 6,331,368 | \$ 2,818,280 | \$ 9,149,648 |

Source: EMSI, Camoin 310

CAMOIN 310

The total annual economic impact on the Town of Guilderland will include approximately 46 new jobs, nearly \$1.7 million in earnings and over \$5.0 million in sales.

Table 26

| Town of Guilderland | | | |
|--|--------------|------------|--------------|
| Annual Economic Impact - Household Spending - Site 1 | | | |
| | Direct | Indirect | Total |
| Jobs | 40 | 1 | 41 |
| Earnings | \$ 1,353,025 | \$ 53,142 | \$ 1,406,168 |
| Sales | \$ 3,743,354 | \$ 179,798 | \$ 3,923,152 |
| Annual Economic Impact - On-Site Jobs - Site 1 | | | |
| | Direct | Indirect | Total |
| Jobs | 5 | - | 5 |
| Earnings | \$ 252,981 | \$ 19,263 | \$ 272,244 |
| Sales | \$ 1,091,404 | \$ 63,055 | \$ 1,154,458 |
| Economic Impact - Combined Annual Impact - Site 1 | | | |
| | Direct | Indirect | Total |
| Jobs | 45 | 1 | 46 |
| Earnings | \$ 1,606,007 | \$ 72,405 | \$ 1,678,412 |
| Sales | \$ 4,834,758 | \$ 242,853 | \$ 5,077,611 |

Source: EMSI, Camoin 310

SITE 2 IMPACT ANALYSIS

Site 2 is to be developed as a retail store with an accessory fueling facility, is expected to begin construction in 2020 with completion 24 months following. Costco will occupy the space and operate both the retail store and the fueling facility. The fiscal and economic impacts of Site 2, Costco, are outlined below.

Fiscal Impact

SALES TAX REVENUE

NEW ON-SITE SALES

\$170.0 million in annual, stabilized sales are projected at the new Costco.⁹ As detailed in the Economic Impact section on page 22, 50% of these sales will be considered to be net new to Albany County and wouldn't be expected to happen without this Project. Therefore, the \$85.0 million in net new sales will result in new sales tax revenue to Albany County and the Town of Guilderland. It is assumed that the vast majority of goods sold on-site will be taxable while a small amount of goods, namely prepared foods, will not be taxable. Therefore, this analysis considers 90% of on-site sales to be taxable. Under these assumptions, the County would receive over \$1.8 million and the Town would receive nearly \$157,000 in new tax revenue annually as a result of new sales at Site 2.

Table 27

| Annual Sales Tax Revenue On-Site Sales - Site 2 | |
|--|---------------|
| Total New Sales | \$ 85,000,000 |
| Amount Taxable (90%) | \$ 76,500,000 |
| County Sales Tax Rate | 4.00% |
| Total County Sales Tax Generated | \$ 3,060,000 |
| Amount Kept by County | \$ 1,836,000 |
| Amount Distributed to Town | \$ 156,672 |

Source: Camoin 310, NYS Comptroller

EMPLOYEE EARNINGS

The new earnings generated by on-site jobs that will occur as a result of the new Costco at Site 2 would lead to additional annual sales tax revenue for the County and the Town. To avoid double counting sales tax that is already accounted for in the on-site sales, spending that would occur on-site are deducted from total earnings. Based on the mix of retail goods offered by Costco, and an analysis of spending baskets of typical U.S. households, 40% of household spending would occur on-site. Therefore, 60% of total new earnings will not be spent on-site and therefore represent additional new tax revenue. Of these earnings, it is assumed that 70% of earnings will be spent in the County and 25% of these purchases will be taxable. Under these assumptions, the County would receive approximately \$9,892 and the Town would receive approximately \$844 each year in new tax revenue as a result of the on-site employment at Site 2.

⁹ The Developer estimates \$100.0 million in sales in the first year of operation. Following this, stabilized sales of \$150-\$180 million are projected. For the purposes of this analysis, we assumed \$170 million in stabilized sales.

Table 28

| Annual Sales Tax Revenue On-Site Jobs - Site 2 | |
|---|----------------|
| Total New Earnings | \$ 3,925,207 |
| Earnings Not Spent On-Site (60%) | \$ 2,355,124 |
| Percent Spent in County | 70% |
| Amount Spent in County | \$1,648,586.83 |
| Amount Taxable (25%) | \$ 412,147 |
| County Sales Tax Rate | 4.00% |
| Total County Sales Tax Generated | \$ 16,486 |
| Amount Kept by County | \$ 9,892 |
| Amount Distributed to Town | \$ 844 |

Source: Camoin 310, NYS Comptroller

TOTAL ANNUAL SALES TAX REVENUE

New total annual sales tax revenue that results from new sales and employee earnings at Site 2 is anticipated to be over \$1.8 million to the County and nearly \$158,000 to the Town.

Table 29

| Total Annual Sales Tax Revenue - Site 2 | | |
|---|------------------|------------------------|
| | Albany County | Town of Guilderland |
| On-Site Sales | \$ 1,836,000 | \$ 156,672 |
| On-Site Employee Earnings | \$ 9,892 | \$ 844 |
| New Tax Revenue | \$ 1,845,892 | \$ 157,516 |

Source: Camoin 310, NYS Comptroller

CAMOIN 310

Economic Impact

CONSTRUCTION PHASE IMPACTS

The Developer estimates that construction costs of Site 2 will be approximately \$28.4 million, representing private sector investment generated by the Project. As outlined with Site 1, Camoin 310 assumes that 90% of the construction spending will be sourced from within the County and 60% will be sourced from within the Town. We can therefore project that there will be nearly \$25.6 million in new spending in the County and over \$17.0 million in new spending in the Town associated with the construction phase of Site 2.

Table 30

| Construction Phase Spending - Site 2 | |
|--------------------------------------|---------------|
| Total Construction Cost | \$ 28,400,000 |
| Percent Sourced from County | 90% |
| Net New County Spending | \$ 25,560,000 |
| Percent Sourced from Town | 60% |
| Net New Town Spending | \$ 17,040,000 |

Source: Developer, Camoin 310

Based on \$25,560,000 of net new spending in the County and \$17,040,000 of net new spending in the Town, Camoin 310 calculates that there would be a total of over \$34.6 million in one-time construction related spending supporting 181 jobs and nearly \$13.2 million in earnings in the County. Of this, nearly \$17.3 million in one-time construction related spending, 75 jobs, and over \$7.2 million in earnings will be new to the Town of Guilderland.

Table 31

| Economic Impact - Construction Phase - Site 2 | | | |
|---|---------------|--------------|---------------|
| Albany County | | | |
| | Direct | Indirect | Total |
| Jobs | 127 | 54 | 181 |
| Earnings | \$ 10,077,839 | \$ 3,094,141 | \$ 13,171,980 |
| Sales | \$ 25,560,000 | \$ 9,068,457 | \$ 34,628,457 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 74 | 1 | 75 |
| Earnings | \$ 7,120,551 | \$ 91,855 | \$ 7,212,406 |
| Sales | \$ 17,040,000 | \$ 259,546 | \$ 17,299,546 |

Source: EMSI, Camoin 310

ANNUAL OPERATION IMPACTS

In order to conduct an economic impact analysis, an initial step is to determine what portion of the on-site jobs, sales, and earnings are net new to the region. In other words, what portion of the new jobs, sales, and earnings would not occur but for the Project. The direct impact of this Project is defined as the sales at the Site from customers who would have had to go outside of the Town or the County in order to buy the type of goods they desire. For example, a customer may prefer to buy food and household goods items close to their home in the Town of Guilderland, but if stores with the desired prices and selection are unavailable, the customer would have to go

CAMOIN 310

outside the Town. By increasing the merchandise options available, the Project will allow Albany County and the Town of Guilderland to “capture” some of the sales that are currently going to adjacent municipalities. These captured sales are considered net new sales to the county and town and are used as the direct input for the economic impact model.

Costco is known to carry quality, brand-name merchandise at lower prices than are typically found at conventional wholesale or retail sources. Costco warehouses present one of the largest product category selections to be found under a single roof. Categories include groceries, candy, appliances, electronics, automotive supplies, tires, toys, hardware, sporting goods, jewelry, watches, cameras, books, housewares, apparel, health and beauty aids, furniture, office supplies, and office equipment. Although Costco is known for carrying top quality national and regional brands, members can also shop Costco’s private label, Kirkland Signature. The brand’s major competitors include BJ’s, Sam’s Club, and Restaurant Depot.

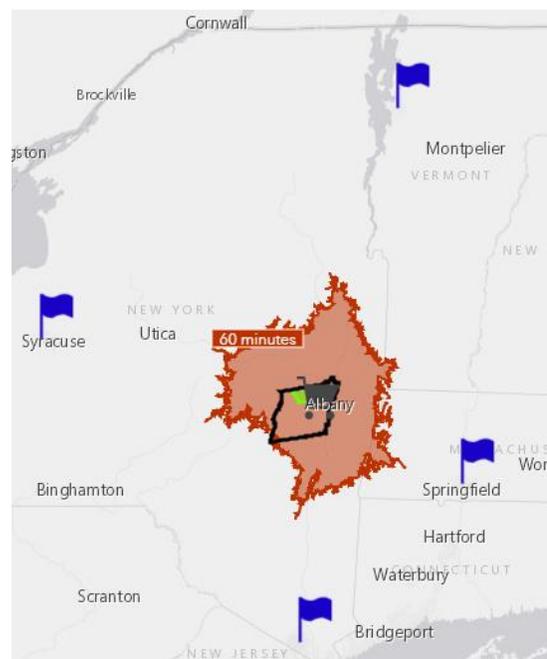
Camoin 310 conducted research on the Town of Guilderland and Albany County to determine the percentage of revenue generated by the new Costco that would be net new to the Town and to the County. Sales would be net new for two main reasons: (1) Customers who would typically shop outside of the municipalities would decide to shop at the Project because of loyalty to and preference for the Costco brand, and (2) the Project would be able to satisfy additional demand for mass merchandise retail by providing goods and services that are not currently offered in the Town or the County.

NET NEW SALES FROM BRAND-LOYAL CUSTOMERS

Brand-loyal customers who would typically shop at Costco in other municipalities that are geographically distant from Site 2 due to a lack of Costco in the Town of Guilderland or Albany County are likely to shop at the Project. Revenues from these customers would be net new to both municipalities.

There is not currently a Costco in the Town of Guilderland or in Albany County. The nearest Costco location is over an hour and a half east of Site 2 in West Springfield, MA. In the other directions, the nearest Costco locations are further away. To the north, there is a Costco located in Colchester, VT, which is 153 miles from Site 2. 108 miles to the South there is a Costco in Nanuet, NY and 147 miles to the west there is a Costco in Camillus, NY. The flags in the map to the right denote the location of these existing stores. Given the lack of Costco locations in the middle of this radius, it is likely that the Costco to be developed at Site 2 will capture the market of Costco brand-loyal customers that exist between the site and halfway between these other locations, roughly a radius of a one-hour drive from Site 2. This radius will capture existing Costco customers who drive to get to the other existing locations as well as customers who do not current shop at Costco but would choose to shop there if there was a store location located closer to their home.

Figure 1: Costco Locations



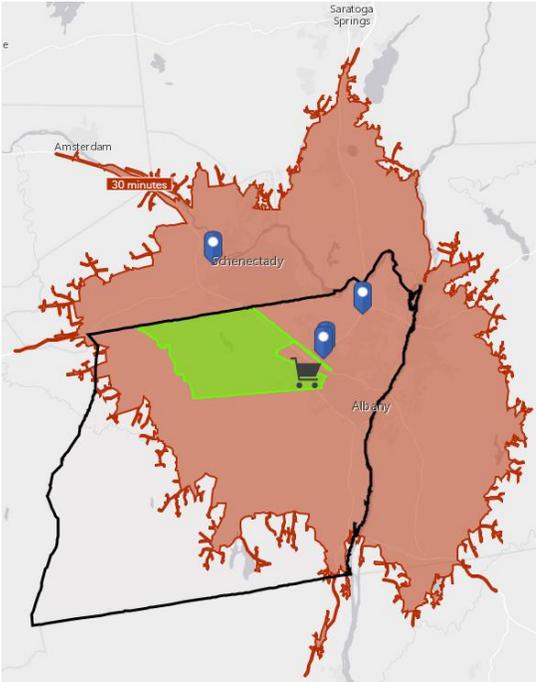
CAMOIN 310

The Project could potentially also attract loyal Costco customers who would typically shop at similar mass merchandisers outside of the market area or who would choose to shop at Costco over other smaller chains if there was one available. Revenue from these shoppers would be considered net new to the County and to the Town. Costco’s low prices and good values have helped it to amass a customer base that will, at times, travel up to an hour to shop at its locations rather than at retailers closer to home. As of May 2019, 53.1 million households were Costco members, with a membership renewal rate of 90%¹⁰.

There are four similar retailers within a 30-minute drive of Site 2 (Figure 2) ¹¹. None of these retailers are within the Town of Guilderland, although three are within Albany County. Shoppers with a preference towards Costco might shift their purchasing from the other mass merchandise stores or other retailers to the new Costco. The existing comparable retailers include:

- ◆ Sam’s Club (Latham, Albany County)
- ◆ BJ’s Wholesale Club (Albany, Albany County)
- ◆ Restaurant Depot (Albany, Albany County)
- ◆ BJ’s Wholesale Club(Schenectady, Schenectady County)

Figure 2: Similar Retailers in Market Area



NET NEW SALES FROM INCREASED SUPPLY OF RETAIL GOODS

The second way in which the Project could contribute net new revenue to Albany County and the Town of Guilderland is by increasing the supply of retail goods overall. A retail gap analysis shows that demand currently exceeds supply in both the County and Town for many of the goods that will be available at Costco. Specifically, there is a retail gap in Albany County of over \$84.3 million of Food and Beverage Stores and nearly \$192.0 million in Gasoline Stations. Within the Town of Guilderland, there is a gap of nearly \$20.9 million in Food and Beverage Stores, over \$38.7 million in Gasoline Stations, and over \$41.4 million in General Merchandise Stores.

¹⁰ According to information provided by the Client.

¹¹ ESRI

Table 32

| Retail Gap | | | | |
|----------------------------|-------|----------------|----------------|----------------|
| Albany County | | | | |
| Industry Group | NAICS | Demand | Supply | Gap |
| Food & Beverage Stores | 445 | \$ 815,414,013 | \$ 731,110,395 | \$ 84,303,618 |
| Gasoline Stations | 447 | \$ 463,768,994 | \$ 271,776,649 | \$ 191,992,345 |
| Town of Guilderland | | | | |
| Industry Group | NAICS | Demand | Supply | Gap |
| Food & Beverage Stores | 445 | \$ 116,627,143 | \$ 95,747,797 | \$ 20,879,346 |
| Gasoline Stations | 447 | \$ 66,153,158 | \$ 27,418,651 | \$ 38,734,507 |
| General Merchandise Stores | 452 | \$ 80,250,328 | \$ 38,835,904 | \$ 41,414,424 |

Source: ESRI

The retail gaps indicate that there is unmet demand in the County and in the Town for retail goods in these industries. The Project will supply goods in these industries and help to meet this demand, thus contributing to net new sales.

IMPACT OF NET NEW SALES

Assigning a specific figure to the proportion of "net new" activity is imprecise in this case, but using the market figures provided and our professional judgment we estimate that 50% of sales at Site 2 will be net new to the County and 75% of sales will be net new to the Town. Net new sales will be driven by brand-loyal customers travelling from outside of the municipalities to shop at the new Costco and by additional purchases being made in the municipalities to satisfy unmet demand (i.e. purchases previously being made outside of the County and Town now being made at the new Costco due to increased supply of goods).

\$170 million in annual, stabilized sales are projected at the new Costco.¹² Based on the net new assumptions, this means that there will be \$85,000,000 in net new sales in Albany County and \$127,500,000 net new sales in the Town of Guilderland. Additionally, we assume that there will be approximately 245 employees on-site upon operation.¹³ Using the same net new assumptions, this means that 123 employees will be considered to be net new to Albany County and 184 will be considered to be net new to the Town of Guilderland.

¹² The Developer estimates \$100 million in sales in the first year of operation. Following this, stabilized sales of \$150-\$180 million are projected. For the purposes of this analysis we assumed \$170 million in stabilized sales.

¹³ Based on building square footage of 160,000 and the industry standard of 654 SF/employee. Source: Institute of Transportation Engineers.

CAMOIN 310

Table 33

| Net New Sales | | |
|---------------|---------------|---------------------|
| | Albany County | Town of Guilderland |
| Annual Sales | \$170,000,000 | \$170,000,000 |
| % Net New | 50% | 75% |
| Net New Sales | \$85,000,000 | \$127,500,000 |
| Net New Jobs | | |
| | Albany County | Town of Guilderland |
| New Jobs | 245 | 245 |
| % Net New | 50% | 75% |
| Net New Sales | 123 | 184 |

Source: Developer, Camoin 310, Institute of Transportation Engineers

The tables below outline the impact that the new jobs and sales would have on Albany County and the Town of Guilderland in terms of the direct, indirect, and total impact on employment and wages. Taking into account the additional indirect and induced economic impacts of the new direct jobs and earnings, the total impact of the Project at Site 2 is estimated at 142 jobs, over \$3.9 million in earnings, and over \$114.4 million in sales in Albany County, annually.

Table 34

| Albany County Annual Economic Impact - On-Site Jobs - Site 2 | | | |
|---|---------------|---------------|----------------|
| | Direct | Indirect | Total |
| Jobs | 123 | 19 | 142 |
| Earnings | \$ 2,888,457 | \$ 1,036,750 | \$ 3,925,207 |
| Sales | \$ 85,000,000 | \$ 29,429,795 | \$ 114,429,795 |

Source: EMSI, Camoin 310

Total impacts on the Town of Guilderland are 187 jobs, over \$5.1 million in earnings, and over \$133.3 million in sales, annually.

Table 35

| Town of Guilderland Annual Economic Impact - On-Site Jobs - Site 2 | | | |
|---|----------------|--------------|----------------|
| | Direct | Indirect | Total |
| Jobs | 184 | 3 | 187 |
| Earnings | \$ 4,972,887 | \$ 168,038 | \$ 5,140,925 |
| Sales | \$ 127,500,000 | \$ 5,812,798 | \$ 133,312,798 |

Source: EMSI, Camoin 310

CAMOIN 310

SITE 3 IMPACT ANALYSIS

Site 3 will be a mixed-use development, complete with 48 new mid- to high- end apartment units, retail, and office space. Development of this site is projected to begin in 2020 and take 24 months to complete. The fiscal and economic impacts of Site 3 are outlined below.

Fiscal Impact

SALES TAX REVENUE

NEW HOUSEHOLD SPENDING

As outlined in the previous section regarding Site 1, the County and Town will receive sales tax revenue from the purchases made by the new households. Based on the in-County and in-Town spending, Albany County would receive approximately \$11,602 and the Town of Guilderland would receive approximately \$928 in new annual tax revenue.

Table 36

| Annual Sales Tax Revenue Household Spending - Site 3 | |
|---|--------------|
| Total New Spending | \$ 1,611,373 |
| Amount Taxable (30%) | \$ 483,412 |
| County Sales Tax Rate | 4.00% |
| Total County Sales Tax Generated | \$ 19,336 |
| Amount Kept by County | \$ 11,602 |
| Amount Distributed to Town | \$ 928 |

Source: Camoin 310, NYS Comptroller

NEW ON-SITE SALES

The Developer anticipates that Site 3 will include approximately 115,000 square feet of retail space. Sales made by future tenants of this space will generate additional sales tax revenue to the County. Though the tenants of this space are currently unknown, based on an assumption of \$250 sales per square feet¹⁴ Camoin 310 estimates that there will be over \$28 million in sales in this retail space. Since 15% of the sales will be net new to the County (see Table 45), this means that sales tax on over \$4.3 million of on-site sales will represent net new revenue. The County will receive approximately \$155,250 and the Town will receive approximately \$7,452 in new tax revenue as a result of on-site sales.

¹⁴ Source: Developer

CAMOIN 310

Table 37

| Annual Sales Tax Revenue On-Site Sales - Site 3 | |
|--|--------------|
| Total New Sales | \$ 4,312,500 |
| Amount Taxable (90%) | \$ 3,881,250 |
| County Sales Tax Rate | 4.00% |
| Total County Sales Tax Generated | \$ 155,250 |
| Amount Kept by County | \$ 93,150 |
| Amount Distributed to Town | \$ 7,452 |

Source: Camoin 310, NYS Comptroller

EMPLOYEE EARNINGS

Additionally, as described in the previous sections the new earnings generated by on-site jobs that will occur as a result of Site 3 occupation would lead to additional annual sales tax revenue for both municipalities. Using the same assumptions as outlined in the previous sections, the new annual sales tax revenue is calculated. Albany County will receive approximately \$15,153 and the Town of Guilderland will receive approximately \$1,212 in new revenue, annually.

Table 38

| Annual Sales Tax Revenue On-Site Jobs - Site 3 | |
|---|-----------------|
| Total New Earnings | \$ 6,012,986 |
| Earnings Not Spent On-Site (60%) | \$ 3,607,791 |
| Percent Spent in County | 70% |
| Amount Spent in County | \$ 2,525,453.98 |
| Amount Taxable (25%) | \$ 631,363 |
| County Sales Tax Rate | 4.00% |
| Total County Sales Tax Generated | \$ 25,255 |
| Amount Kept by County | \$ 15,153 |
| Amount Distributed to Town | \$ 1,212 |

Source: Camoin 310, NYS Comptroller

TOTAL ANNUAL SALES TAX REVENUE

In total, we estimate that the County would receive approximately \$84,508 and the Town would receive \$6,761 in new annual sales tax revenue related to Site 3 of the Project.

Table 39

| Total Annual Sales Tax Revenue - Site 3 | | |
|---|---------------|------------------------|
| | Albany County | Town of Guilderland |
| Household Spending | \$ 11,602 | \$ 928 |
| On-Site Sales | \$ 93,150 | \$ 7,452 |
| On-Site Employee Earnings | \$ 15,153 | \$ 1,212 |
| New Tax Revenue | \$ 119,905 | \$ 9,592 |

Source: Camoin 310, NYS Comptroller

CAMOIN 310

Economic Impact

CONSTRUCTION PHASE IMPACTS

The Developer estimates that construction costs of Site 3 will total approximately \$43.5 million, all of which represents private sector investment generated by the Project. As discussed previously, Camoin 310 assumes that 90% of the construction spending would be sourced from within the County and 60% will be sourced from within the Town. Using these assumptions, we project that there will be nearly \$39.2 million in net new spending in the County and approximately \$26.1 million in net new spending in the Town associated with the construction phase of Site 3.

Table 40

| Construction Phase Spending - Site 3 | |
|--------------------------------------|---------------|
| Total Construction Cost | \$ 43,500,000 |
| Percent Sourced from County | 90% |
| Net New County Spending | \$ 39,150,000 |
| Percent Sourced from Town | 60% |
| Net New Town Spending | \$ 26,100,000 |

Source: Applicant, Camoin 310

Based on \$39,150,000 of net new spending in the County and \$26,100,000 of net new spending in the Town, Camoin 310 determined that there would be a total of nearly \$53 million in one-time construction related spending supporting 509 jobs and nearly \$20.3 million in earnings in Albany County. Of this, nearly \$26.5 million in one-time construction related spending, 165 jobs, and over \$11.0 million in earnings will occur in the Town of Guilderland.

Table 41

| Economic Impact - Construction Phase - Site 3 | | | |
|---|---------------|---------------|---------------|
| Albany County | | | |
| | Direct | Indirect | Total |
| Jobs | 426 | 83 | 509 |
| Earnings | \$ 15,560,802 | \$ 4,720,199 | \$ 20,281,001 |
| Sales | \$ 39,150,000 | \$ 13,838,071 | \$ 52,988,071 |
| Town of Guilderland | | | |
| | Direct | Indirect | Total |
| Jobs | 162 | 3 | 165 |
| Earnings | \$ 10,906,477 | \$ 139,487 | \$ 11,045,964 |
| Sales | \$ 26,100,000 | \$ 395,232 | \$ 26,495,232 |

Source: EMSI, Camoin 310

HOUSEHOLD SPENDING IMPACTS

Impacts resulting from new household spending at Site 3 were calculated using the same methodology that was outlined in Site 1's household spending impact section. For the same reasons outlined in the previous section, this analysis assumes that 95% of the 48 new rental units to be constructed at Site 3 of the Project will be net new to both the Town and the County. Therefore, 46 units will be considered to be net new.

SPENDING BY NEW TENANTS

CAMOIN 310

Site 3 consists of 48 mid-to-high end one- and two-bedroom apartment units. As noted above, Camoin 310 considers that 46 of the units will be occupied by new households.

The apartments will be similar to those constructed at Site 1, and therefore, we consider spending of potential tenants to be in the same \$70,000 to \$99,999 range as those at Site 1. Using the spending basket from Table 20, as well as the same assumptions that 70% of total expenditures would occur within Albany County and 50% would occur within the Town of Guilderland, total new spending was calculated. The following table shows that total net new spending that results from the 46 new households at Site 3 will be over \$1.1 million in the County and approximately \$816,086 in the Town.

Table 42

| Tenant Spending Basket | | | | | |
|--|---------------------------------|------------------------------|--|----------------------------|--|
| New Units (\$70,000 to \$99,999 Annual Household Income) | | | | | |
| Category | Annual per Unit Spending Basket | Amount Spent in County (70%) | Total Net New County Spending (46 net new units) | Amount Spent in Town (50%) | Total Net New Town Spending (46 net new units) |
| Food | \$ 8,385 | \$ 5,870 | \$ 269,997 | \$ 4,193 | \$ 192,855 |
| Household furnishings and equipment | \$ 2,362 | \$ 1,653 | \$ 76,056 | \$ 1,181 | \$ 54,326 |
| Apparel and services | \$ 1,981 | \$ 1,387 | \$ 63,788 | \$ 991 | \$ 45,563 |
| Transportation | \$ 10,795 | \$ 7,557 | \$ 347,599 | \$ 5,398 | \$ 248,285 |
| Health care | \$ 5,639 | \$ 3,947 | \$ 181,576 | \$ 2,820 | \$ 129,697 |
| Entertainment | \$ 3,466 | \$ 2,426 | \$ 111,605 | \$ 1,733 | \$ 79,718 |
| Personal care products and services | \$ 836 | \$ 585 | \$ 26,919 | \$ 418 | \$ 19,228 |
| Education | \$ 1,115 | \$ 781 | \$ 35,903 | \$ 558 | \$ 25,645 |
| Miscellaneous | \$ 903 | \$ 632 | \$ 29,077 | \$ 452 | \$ 20,769 |
| Annual Discretionary Spending | \$ 35,482 | \$24,837 | \$ 1,142,520 | \$ 17,741 | \$ 816,086 |

Source: 2017 Consumer Expenditure Survey, Bureau of Labor Statistics

We use these spending basket amounts to calculate the direct, indirect, and total impact of the Project on the County and on the Town. To do this, we attributed the various spending categories to the same NAICS codes that are outlined in Table 20. Using \$1,142,520 and \$816,086 as the new sales inputs, Camoin 310 employed EMSI to determine the indirect and total impacts of spending resulting from new households at Site 3.

Spending from tenant households will result in a total of 14 new jobs, nearly \$551,000 in earnings, and over \$1.6 million in sales in Albany County, annually.

Table 43

| Albany County Annual Economic Impact - Household Spending - Site 3 | | | |
|---|--------------|------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 12 | 2 | 14 |
| Earnings | \$ 386,811 | \$ 163,712 | \$ 550,524 |
| Sales | \$ 1,142,520 | \$ 468,853 | \$ 1,611,373 |

Source: EMSI, Camoin 310

CAMOIN 310

Within the Town of Guilderland, household spending will create 8 new jobs, over \$287,000 in earnings and nearly \$889,000 in new sales, annually.

Table 44

| Town of Guilderland Annual Economic Impact - Household Spending - Site 3 | | | |
|---|------------|-----------|------------|
| | Direct | Indirect | Total |
| Jobs | 8 | - | 8 |
| Earnings | \$ 276,236 | \$ 10,929 | \$ 287,165 |
| Sales | \$ 851,568 | \$ 37,145 | \$ 888,713 |

Source: EMSI, Camoin 310

IMPACTS OF ON-SITE EMPLOYMENT

In addition to the impacts related to new household spending, there will be additional impacts related to on-site jobs in the residential, retail, and office space. Based on the planned 48 residential, 115,000 square feet of retail space, and 50,000 square feet of office space Camoin 310 used assumptions of the number of units per employee and number of square feet per employee to calculate the estimated number of employees that will be on site upon project completion. The assumptions about the percentage of employees that will be net new were applied. Since 95% of the residential units are considered to be net new, 95% of the associated employment will be net new. Based upon current commercial offerings in Albany County and the Town of Guilderland, we conservatively assume that 15% of the new activity that occurs in the County and 25% of the new activity that occurs in the Town are net new. Therefore, 15% of the associated jobs are considered net new to the County and 25% of the associated jobs are considered net new for the Town. The following table outlines these assumptions and shows that the total number of net new jobs associated with Site 3 are 80 in Albany County and 132 in the Town of Guilderland.

Table 45

| Net New Jobs | | | | |
|---------------------|-------------------|-----------------|-----------------|-------|
| | Residential | Retail | Office | Total |
| Size | 48 units | 115,000 SF | 50,000 SF | |
| Assumptions | 29 units/employee | 383 SF/employee | 228 SF/employee | |
| Employees | 2 | 300 | 219 | |
| % Net New | | | | |
| Albany County | 95% | 15% | 15% | |
| Town of Guilderland | 95% | 25% | 25% | |
| Net New Employees | | | | |
| Albany County | 2 | 45 | 33 | 80 |
| Town of Guilderland | 2 | 75 | 55 | 132 |

Source: Camoin 310, National Apartment Association, San Diego Association of Governments

Taking into account the additional indirect and induced economic impacts on Albany County from the 80 new direct jobs, total employment created by Site 3 of the Project is estimated at 105 jobs and over \$6.0 million in annual earnings. Approximately \$13.0 million in total sales would be generated as a result.

Table 46

| Albany County Annual Economic Impact - On-Site Jobs - Site 3 | | | |
|---|--------------|--------------|---------------|
| | Direct | Indirect | Total |
| Jobs | 80 | 25 | 105 |
| Earnings | \$ 4,627,767 | \$ 1,385,219 | \$ 6,012,986 |
| Sales | \$ 9,243,941 | \$ 3,809,629 | \$ 13,053,570 |

Source: EMSI, Camoin 310

In the Town of Guilderland, total economic impacts will result in the creation of 136 new jobs, over \$10.0 million in earnings, and over \$18.2 million in new sales.

Table 47

| Town of Guilderland Annual Economic Impact - On-Site Jobs - Site 3 | | | |
|---|---------------|------------|---------------|
| | Direct | Indirect | Total |
| Jobs | 132 | 4 | 136 |
| Earnings | \$ 9,746,683 | \$ 279,460 | \$ 10,026,144 |
| Sales | \$ 17,401,454 | \$ 821,529 | \$ 18,222,983 |

Source: EMSI, Camoin 310

TOTAL ECONOMIC IMPACT – SITE 3

The complete economic impact of both new household spending as well as on-site employment of Site 3 is displayed in the tables below. The total annual economic impact on Albany County will include 119 new jobs, nearly \$6.6 million in earnings and nearly \$14.7 million in sales.

Table 48

| Albany County Annual Economic Impact - Household Spending - Site 3 | | | |
|---|--------------|------------|--------------|
| | Direct | Indirect | Total |
| Jobs | 12 | 2 | 14 |
| Earnings | \$ 386,811 | \$ 163,712 | \$ 550,524 |
| Sales | \$ 1,142,520 | \$ 468,853 | \$ 1,611,373 |

| Annual Economic Impact - On-Site Jobs - Site 3 | | | |
|--|--------------|--------------|---------------|
| | Direct | Indirect | Total |
| Jobs | 80 | 25 | 105 |
| Earnings | \$ 4,627,767 | \$ 1,385,219 | \$ 6,012,986 |
| Sales | \$ 9,243,941 | \$ 3,809,629 | \$ 13,053,570 |

| Economic Impact - Combined Annual Impact - Site 3 | | | |
|---|---------------|--------------|---------------|
| | Direct | Indirect | Total |
| Jobs | 92 | 27 | 119 |
| Earnings | \$ 5,014,579 | \$ 1,548,931 | \$ 6,563,509 |
| Sales | \$ 10,386,461 | \$ 4,278,482 | \$ 14,664,943 |

Source: EMSI, Camoin 310

The total annual economic impact on the Town of Guilderland will include approximately 144 new jobs, over \$10.3 million in earnings, and over \$19.1 million in sales.

CAMOIN 310

Table 49

| Town of Guilderland | | | |
|--|---------------|------------|---------------|
| Annual Economic Impact - Household Spending - Site 3 | | | |
| | Direct | Indirect | Total |
| Jobs | 8 | - | 8 |
| Earnings | \$ 276,236 | \$ 10,929 | \$ 287,165 |
| Sales | \$ 851,568 | \$ 37,145 | \$ 888,713 |
| Annual Economic Impact - On-Site Jobs - Site 3 | | | |
| | Direct | Indirect | Total |
| Jobs | 132 | 4 | 136 |
| Earnings | \$ 9,746,683 | \$ 279,460 | \$ 10,026,144 |
| Sales | \$ 17,401,454 | \$ 821,529 | \$ 18,222,983 |
| Economic Impact - Combined Annual Impact - Site 3 | | | |
| | Direct | Indirect | Total |
| Jobs | 140 | 4 | 144 |
| Earnings | \$ 10,022,919 | \$ 290,389 | \$ 10,313,308 |
| Sales | \$ 18,253,022 | \$ 858,674 | \$ 19,111,696 |

Source: EMSI, Camoin 310

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.



Leading action to grow your economy

Camoin 310
120 West Avenue, Suite 303
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com
@camoinassociate

