

Economic and Fiscal Impact

RIVERPOINTE APARTMENTS

Town of Riverhead
Industrial Development Agency

NOVEMBER 9, 2023

PREPARED BY:



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Riverpointe Apartments

The Project

Renovation of an existing 135-unit affordable housing complex at 821 East Main Street, Riverhead, NY. Property will remain as affordable housing with no displacement of existing households.

Requested Financial Assistance

- ◆ **PILOT:** 30-year PILOT equal to 10% shelter rent calculation, assuming a 2% annual increase
- ◆ **Sales Tax Exemption:** \$422,625
- ◆ **Mortgage Tax Exemption:** \$238,500

Economic Impact of Renovation

- ◆ **Jobs:** 10
- ◆ **Earnings:** \$489,229
- ◆ **Sales:** \$1,283,466

Summary of Benefits/Costs

Average Annual PILOT Payment to All Jurisdictions	\$	527,651
Average Annual PILOT Payment to Town	\$	112,732
Average Annual PILOT Benefit to All Jurisdictions	\$	79,668
Average Annual PILOT Benefit to Town	\$	20,153

Economic Impact of Operation

- ◆ **NA:** The Project will not add staff or households to the Town and therefore there is no new annual impact from operations

Economic and Fiscal Impacts of Renovation Phase

The Applicant anticipates that renovation of the Project would cost approximately \$12,000,000. If we assume that approximately 10% of the construction spending would be sourced from within the Town, we can project that there will be \$1.2 million in net new spending in the Town. Creating 10 direct jobs and nearly \$490,000 in earnings in the Town.

Town Economic Impact - Renovation Phase

	Jobs	Earnings	Sales
Direct	10 \$	468,219 \$	1,215,200
Indirect	0 \$	12,108 \$	43,693
Induced	0 \$	8,902 \$	24,573
Total	10 \$	489,229 \$	1,283,466

Source: Lightcast, Camoin Associates

One-Time Sales Tax Revenue, Renovation Phase

Total New Earnings	\$ 489,229
Amount Spent in County (70%)	\$ 342,460
Amount Taxable (25%)	\$ 85,615
Suffolk County Sales Tax Revenue (4.25%)	\$ 3,639

Source: Town of Riverhead IDA, Camoin Associates

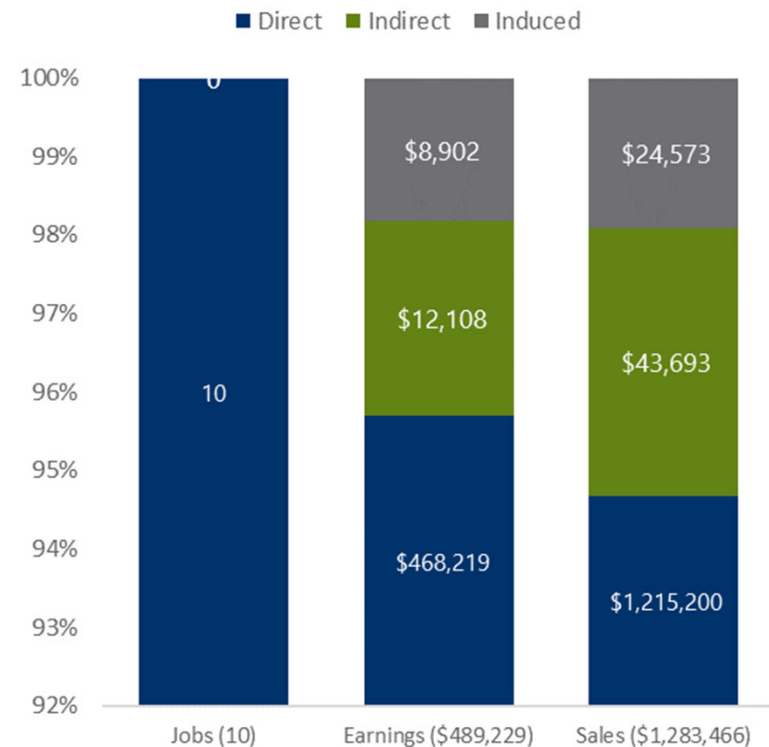
*Note: Suffolk County's sales tax rate is 4.25%, of which a set negotiated amount is shared with each town and village with a separate police department. Balance is retained by County.

Renovation Phase Spending - Town

Total Renovation Cost	\$ 12,152,000
Percent Sourced from Town	10%
Net New Renovation Spending	\$ 1,215,200

Source: Applicant, Camoin Associates

Total Economic Impact - Renovation Phase



Economic and Fiscal Impacts of Annual Operations

The Project will not add staff or households to the Town and therefore there is no new annual impact from operations.

In addition, there will be no anticipated enrollment impact on the school district as there will be no new households in Riverhead. The school district will receive additional property tax revenue as a result of the Project.

PILOT Payments

Tax Payments with PILOT (10% Shelter Rent plus Special Districts and Sewer Rent)

Year	Total		Portion of PILOT/ Tax Payment by Jurisdiction									
	PILOT and Tax Payments		Town	County	School District	Fire District	Special Districts and Sewer					
1	\$	390,197	\$	83,365	\$	9,327	\$	166,815	\$	11,805	\$	118,885
2	\$	398,001	\$	85,032	\$	9,514	\$	170,151	\$	12,041	\$	121,262
3	\$	405,961	\$	86,733	\$	9,704	\$	173,554	\$	12,282	\$	123,688
4	\$	414,080	\$	88,467	\$	9,898	\$	177,026	\$	12,528	\$	126,162
5	\$	422,362	\$	90,237	\$	10,096	\$	180,566	\$	12,778	\$	128,685
25	\$	627,607	\$	134,087	\$	15,002	\$	268,312	\$	18,988	\$	191,219
26	\$	640,159	\$	136,769	\$	15,302	\$	273,678	\$	19,368	\$	195,043
27	\$	652,962	\$	139,504	\$	15,608	\$	279,151	\$	19,755	\$	198,944
28	\$	666,022	\$	142,294	\$	15,920	\$	284,734	\$	20,150	\$	202,923
29	\$	679,342	\$	145,140	\$	16,239	\$	290,429	\$	20,553	\$	206,981
30	\$	692,929	\$	148,043	\$	16,563	\$	296,238	\$	20,964	\$	211,121
Total	\$	15,829,535	\$	3,381,946	\$	378,379	\$	6,767,368	\$	478,913	\$	4,822,928
Average	\$	527,651	\$	112,732	\$	12,613	\$	225,579	\$	15,964	\$	160,764

Source: Town of Riverhead IDA, Camoin Associates

Tax Payments without Project

Year	Total		Portion of Payment by Jurisdiction									
	Property Tax Payment Without Project*		Town	County	School District	Fire District	Special Districts and Sewer					
1	\$	331,283	\$	68,462	\$	7,660	\$	136,994	\$	9,695	\$	108,472
2	\$	337,908	\$	69,831	\$	7,813	\$	139,734	\$	9,889	\$	110,641
3	\$	344,666	\$	71,228	\$	7,969	\$	142,529	\$	10,086	\$	112,854
4	\$	351,560	\$	72,652	\$	8,128	\$	145,379	\$	10,288	\$	115,111
5	\$	358,591	\$	74,105	\$	8,291	\$	148,287	\$	10,494	\$	117,414
25	\$	532,847	\$	110,117	\$	12,320	\$	220,347	\$	15,593	\$	174,470
26	\$	543,504	\$	112,319	\$	12,566	\$	224,754	\$	15,905	\$	177,960
27	\$	554,374	\$	114,565	\$	12,818	\$	229,249	\$	16,223	\$	181,519
28	\$	565,462	\$	116,857	\$	13,074	\$	233,834	\$	16,548	\$	185,149
29	\$	576,771	\$	119,194	\$	13,336	\$	238,510	\$	16,879	\$	188,852
30	\$	588,306	\$	121,578	\$	13,602	\$	243,280	\$	17,216	\$	192,629
Total	\$	13,439,499	\$	2,777,369	\$	310,738	\$	5,557,592	\$	393,300	\$	4,400,501
Average	\$	447,983	\$	92,579	\$	10,358	\$	185,253	\$	13,110	\$	146,683

Source: Town of Riverhead IDA, Camoin Associates

*Note: Assumes an average annual increase of 2.00%

Tax Policy Comparison

Tax Policy Comparison (All Jurisdictions)

Year	Property Tax Payment Without Project	PILOT/Tax Payment	Benefit (Cost) of Project
1	\$ 331,283	\$ 390,197	\$ 58,914
2	\$ 337,908	\$ 398,001	\$ 60,092
3	\$ 344,666	\$ 405,961	\$ 61,294
4	\$ 351,560	\$ 414,080	\$ 62,520
5	\$ 358,591	\$ 422,362	\$ 63,771
25	\$ 532,847	\$ 627,607	\$ 94,760
26	\$ 543,504	\$ 640,159	\$ 96,655
27	\$ 554,374	\$ 652,962	\$ 98,588
28	\$ 565,462	\$ 666,022	\$ 100,560
29	\$ 576,771	\$ 679,342	\$ 102,571
30	\$ 588,306	\$ 692,929	\$ 104,622
Total	\$ 13,439,499	\$ 15,829,535	\$ 2,390,035
Average	\$ 447,983	\$ 527,651	\$ 79,668

Source: Town of Riverhead IDA, Camoin Associates

- Over the course of the proposed PILOT term, the average annual collection by local jurisdictions would be approximately \$79,668 more in PILOT revenue than property taxes without the Project.
- The total benefit to the affected taxing jurisdictions of the PILOT agreement over 30 years would be \$2.4 million.

Tax Policy Comparison

Tax Policy Comparison for Town

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 68,462	\$ 83,365	\$ 14,903
2	\$ 69,831	\$ 85,032	\$ 15,201
3	\$ 71,228	\$ 86,733	\$ 15,505
4	\$ 72,652	\$ 88,467	\$ 15,815
5	\$ 74,105	\$ 90,237	\$ 16,131
25	\$ 110,117	\$ 134,087	\$ 23,970
26	\$ 112,319	\$ 136,769	\$ 24,450
27	\$ 114,565	\$ 139,504	\$ 24,939
28	\$ 116,857	\$ 142,294	\$ 25,437
29	\$ 119,194	\$ 145,140	\$ 25,946
30	\$ 121,578	\$ 148,043	\$ 26,465
Total	\$ 2,777,369	\$ 3,381,946	\$ 604,577
Average	\$ 92,579	\$ 112,732	\$ 20,153

Source: Town of Riverhead IDA, Camoin Associates

Tax Policy Comparison for County

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 7,660	\$ 9,327	\$ 1,667
2	\$ 7,813	\$ 9,514	\$ 1,701
3	\$ 7,969	\$ 9,704	\$ 1,735
4	\$ 8,128	\$ 9,898	\$ 1,769
5	\$ 8,291	\$ 10,096	\$ 1,805
25	\$ 12,320	\$ 15,002	\$ 2,682
26	\$ 12,566	\$ 15,302	\$ 2,735
27	\$ 12,818	\$ 15,608	\$ 2,790
28	\$ 13,074	\$ 15,920	\$ 2,846
29	\$ 13,336	\$ 16,239	\$ 2,903
30	\$ 13,602	\$ 16,563	\$ 2,961
Total	\$ 310,738	\$ 378,379	\$ 67,641
Average	\$ 10,358	\$ 12,613	\$ 2,255

Source: Town of Hempstead IDA, Camoin Associates

Tax Policy Comparison

Tax Policy Comparison for School District

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 136,994	\$ 166,815	\$ 29,821
2	\$ 139,734	\$ 170,151	\$ 30,417
3	\$ 142,529	\$ 173,554	\$ 31,026
4	\$ 145,379	\$ 177,026	\$ 31,646
5	\$ 148,287	\$ 180,566	\$ 32,279
25	\$ 220,347	\$ 268,312	\$ 47,965
26	\$ 224,754	\$ 273,678	\$ 48,924
27	\$ 229,249	\$ 279,151	\$ 49,903
28	\$ 233,834	\$ 284,734	\$ 50,901
29	\$ 238,510	\$ 290,429	\$ 51,919
30	\$ 243,280	\$ 296,238	\$ 52,957
Total	\$ 5,557,592	\$ 6,767,368	\$ 1,209,776
Average	\$ 185,253	\$ 225,579	\$ 40,326

Source: Town of Hempstead IDA, Camoin Associates

Tax Policy Comparison for Fire District

Year	Property Tax Payment Without Project	PILOT Payment	Benefit (Cost) of Project
1	\$ 9,695	\$ 11,805	\$ 2,110
2	\$ 9,889	\$ 12,041	\$ 2,153
3	\$ 10,086	\$ 12,282	\$ 2,196
4	\$ 10,288	\$ 12,528	\$ 2,240
5	\$ 10,494	\$ 12,778	\$ 2,284
25	\$ 15,593	\$ 18,988	\$ 3,394
26	\$ 15,905	\$ 19,368	\$ 3,462
27	\$ 16,223	\$ 19,755	\$ 3,532
28	\$ 16,548	\$ 20,150	\$ 3,602
29	\$ 16,879	\$ 20,553	\$ 3,674
30	\$ 17,216	\$ 20,964	\$ 3,748
Total	\$ 393,300	\$ 478,913	\$ 85,613
Average	\$ 13,110	\$ 15,964	\$ 2,854

Source: Town of Hempstead IDA, Camoin Associates

Summary of Costs to Affected Jurisdictions

	State and County
Sales Tax Exemption	\$ 422,625
Mortgage Tax Exemption	\$ 238,500

Source: Applicant, Camoin Associates

THE PROJECT TEAM

Rachel Selsky
Vice President

Leading action to
grow your economy