

APPENDIX E: FISCIAL AND ECONOMIC IMPACTS

Economic Narrative

As is the case for developments of similar size and scope, the Haverstraw Community Chair Factory project is anticipated to result in both short and long-term economic benefits to the Village of Haverstraw through construction and associated operations.

Construction period benefits are those that occur during the construction phase and are largely related to the activities associated with building out the project. Although the economic activity generated by construction will reverberate throughout the local economy for a period of time, construction period benefits have a finite, one-time impact and are typically represented as “job-years” and “spending”. Job years reflect the number of annual, full-time equivalent (“FTE”) jobs that are created over the duration of construction. By way of example, employing one full-time worker for 2 years would equate to 2 job-years, whereas employing 4 part-time workers at 20 hours per week each for 2 years would equate to 4 job years (i.e. 4 workers x 2 years x 50% of full time each). On the other hand, “spending” reflects the monies going into the economy as a result of the construction of a given project.

Both job-year and spending benefits include direct, indirect and induced components. Direct impacts are those associated with the project itself such as the money spent on the physical construction for things such as materials, etc., as well as the number of workers who become employed to build the project. Indirect impacts are the secondary effects of construction, for example companies that the contractors building the project will need to contract with for certain goods and services caused by the business they do with the construction project). And finally, induced impacts relate to the impact of expenditures made by direct and indirect employees, such as a construction worker spending money at a local establishment for lunch.

Permanent benefits are those that arise from the ongoing, annual operations of the completed project – such as employees being hired at companies leasing space in newly constructed buildings, or sales of goods and services in new retail spaces within the development. These impacts are perpetual – they generate economic activity that is recurrent year after year. Permanent benefits are expressed as permanent jobs – the number of full-time equivalent jobs created at or as a result of the project, and annual output – the economic activity, including retail sales and rental revenue, taking place at or as a result of the project.

Construction Jobs

Estimates of job creation in the construction period are derived from the Economic Policy Institute’s multipliers¹. These multipliers account for the number of direct, indirect and induced construction jobs created by \$1 million in construction spending. As the Haverstraw Chair Factory Project is located in a slightly above average cost of living area, these multipliers were adjusted to account for differential costs of construction². The multipliers are applied to the projected construction cost of approximately \$196

¹ <https://www.epi.org/publication/updated-employment-multipliers-for-the-u-s-economy/>

² The Craftsman Cost Index reports a local cost factor of 1.114 for Suffern, NY

million³ to yield a total anticipated construction job creation of 2,609 FTE job years. Taking the weighted average construction wage⁴ of \$76,888 indicates \$16 million in new construction wages.

| Job Creation | National Multiplier | Local Adj. Multiplier | Jobs Created |
|------------------------------|---------------------|-----------------------|--------------|
| Direct Jobs per \$1M Spend | 5.5 | 4.81 | 944 |
| Indirect Jobs per \$1M Spend | 4.8 | 4.20 | 824 |
| Induced Jobs per \$1M Spend | 4.9 | 4.28 | 841 |
| Total Jobs per \$1M | 15.20 | 13.29 | 2,609 |

Construction Expenditures

The direct impact of construction on expenditures is the \$196 million budgeted by the Developer. The indirect and induced impacts⁵ are calculated using the Regional Input-Output Modeling System (RIMS II) multipliers published by the U.S. Department of Commerce Bureau of Economic Analysis⁶.

| Direct Expenditure | Indirect Expenditure | Induced Expenditure |
|--------------------|----------------------|---------------------|
| \$ 196,333,320 | \$ 59,822,763 | \$ 48,749,563 |

Permanent Jobs

At completion of full buildout, it is anticipated that 50 FTE workers will be employed at the project. These estimates are derived from employee per square foot factors published by the Energy Information Administration and applied to the proposed square footage of each component of the project. Multipliers published by the Economic Policy Institute are used to calculate the indirect and induced jobs created as a result of the project. A total of 93 perpetual jobs are expected to result from the project.

| Use | 1 Job per | Units | Jobs | Indirect Multiplier | Induced Multiplier | Indirect Jobs | Induced Jobs |
|------------------------|-----------|--------|------|---------------------|--------------------|---------------|--------------|
| Retail/Community Space | 1,034 SF | 14,618 | 14 | 31 | 43 | 4 | 6 |
| Hotel | 3,100 SF | 82,800 | 27 | 30 | 46 | 8 | 12 |
| Residential | 50 DU | 450 | 9 | 78 | 63 | 7 | 6 |

Permanent Output

At completion of full buildout, over \$27 million of direct economic activity is projected based on expected rental rates, commercial sales and hotel revenues⁷. RIMS II multipliers are applied to calculated indirect

³ From Developer's underwriting estimates

⁴ Bureau of Labor Statistics Occupational Wage Data for the NY Metro Region – Annual mean wage for each construction occupation multiplied by the share of total construction sector employment.

⁵ The construction industry in Rockland County, NY has RIMS II multipliers of 1.3047 for Type I impacts (direct and indirect) and 1.553 for Type II impacts (direct, indirect and induced) indicating an indirect multiplier of 0.3047 and an induced multiplier of 0.2483.

⁶ <https://apps.bea.gov/regional/rims/rimsii/>

⁷ From Developer's underwriting estimates.

and induced impacts. The project is expected to result in a total of \$38.8 million in annual economic activity.

| | Direct | Indirect Multiplier | Indirect Output | Induced Multiplier | Induced Output |
|----------------------------|---------------|---------------------|-----------------|--------------------|----------------|
| Residential Rental Revenue | \$ 16,258,701 | 0.2631 | \$ 4,277,664 | 0.1349 | \$ 2,193,299 |
| Commercial Rental Revenue | \$ 162,000 | 0.3769 | \$ 61,058 | 0.3161 | \$ 51,208 |
| Commercial Sales | \$ 4,385,400 | 0.2901 | \$ 1,272,205 | 0.2107 | \$ 924,004 |
| Hotel Revenue | \$ 6,682,140 | 0.2876 | \$ 1,921,783 | 0.0954 | \$ 637,476 |

Local Spending

In addition to these impacts, the local economy will likely see a spike in economic activity from the purchasing power of new residents of the housing component of the project. These residents will bring new disposable income that can be captured by local businesses. Household income is estimated based on the projected rental rates for each unit⁸. Consumer Expenditure Survey data, published by the U.S. Department of Labor Bureau of Labor statistics, is used to calculate the expected annual household shopping, dining, and entertainment spending.

| Income | Min | Max | Households | HH Spending |
|------------------------|------------|------------|------------|-------------|
| Less than \$15,000 | \$ - | \$ 15,000 | 0 | \$ 9,039 |
| \$15,000 to \$29,999 | \$ 15,000 | \$ 30,000 | 0 | \$ 10,823 |
| \$30,000 to \$39,999 | \$ 30,000 | \$ 40,000 | 0 | \$ 12,770 |
| \$40,000 to \$49,999 | \$ 40,000 | \$ 50,000 | 0 | \$ 15,658 |
| \$50,000 to \$69,999 | \$ 50,000 | \$ 70,000 | 36 | \$ 18,552 |
| \$70,000 to \$99,999 | \$ 70,000 | \$ 100,000 | 97 | \$ 20,652 |
| \$100,000 to \$149,999 | \$ 100,000 | \$ 150,000 | 220 | 26477 |
| \$150,000 to \$199,999 | \$ 150,000 | \$ 200,000 | 97 | 32741 |
| \$200,000 and more | \$ 200,000 | | 0 | 39464 |

Total Retail Spending from New Residents \$ 11,671,933

⁸ From Developer's underwriting estimates

To calculate the local spending by employees of the project, the direct jobs estimated previously are multiplied by the consumer expenditure survey factor applicable to the average wage for those occupations⁹.

| Use | 1 Job per | Units | Jobs | Avg Wage | Retail Spending |
|------------------------|-----------|--------|------|-----------|-------------------|
| Retail/Community Space | 1,034 SF | 14,618 | 14 | \$ 16,534 | \$ 51,658 |
| Hotel | 3,100 SF | 82,800 | 27 | \$ 16,647 | \$ 98,264 |
| Residential | 50 DU | 450 | 9 | \$ 45,455 | \$ 90,409 |
| Total | | | | | \$ 240,331 |

The resulting \$11.9 million in new local spending represents a potential 9% increase to the annual sales that currently occur in the Village¹⁰.

Summary

In conclusion, the employment and economic opportunities resulting from the proposed development of the Chair Factory Project will greatly benefit the Village of Haverstraw in the near term, as well as for many years to come.

| Economic Impact | Direct | Indirect | Induced | Total |
|---|----------------|---------------|---------------|----------------|
| Direct Construction Job Years | 944 | 824 | 841 | 2609 |
| Construction Spending | \$ 196,333,320 | \$ 59,822,763 | \$ 48,749,563 | \$ 304,905,646 |
| Permanent Jobs | 50 | 19 | 24 | 93 |
| Ongoing Annual Output | \$ 27,488,241 | \$ 7,532,710 | \$ 3,805,987 | \$ 38,826,937 |
| Annual Purchasing Power from Resident + Workers | \$ 11,912,264 | | | |
| % Boost to current expenditures | 9% | | | |

⁹ U.S. Census Bureau 2017 Economic Census Data

¹⁰ U.S. Census Bureau 2017 Economic Census Data

DETAILED FISCAL ANALYSIS TABLES- JANUARY 5, 2024

Nonresidential Valuation – Income Anticipation Appraisal Method

| | |
|------------------------|--------------------|
| Gross Annual Rents | \$162,000 |
| Vacancy Loss | 5% |
| Expense Ratio | 40% |
| Net Income | \$89,100 |
| Capitalization Rate | 0.08 |
| Estimated Market Value | \$1,113,750 |

Per Capita School Costs

| | | |
|---|--------------------------------------|----------------------|
| A | Total School Levy (2022-2023) | \$151,062,624 |
| B | Average Daily Enrollment (2022-2023) | 7,810 |
| C | School Cost Per Pupil (A/B) | \$19,342 |

Per Capita Village Cost

| Per Capita Multiplier Average Costing Method | | |
|---|--|----------------------|
| A | Total Annual Expenditures to Be Raised by Taxes | \$8,220,437 |
| B | Nonresidential Real Property Value | \$155,129,904 |
| C | Total Real Property Value | \$646,960,102 |
| D | Percentage of Total RP Value in Nonresidential Use [B/C] | 23.98% |
| E | Nonresidential Land Parcels | 239 |
| F | Total Land Parcels | 2,438 |
| G | Average Nonresidential RP Value [B/E] | \$649,079.10 |
| H | Average RP Value [C/F] | \$265,365.10 |
| I | Ratio of Average Nonresidential to Average Parcel Value [G/H] | 2.45 |
| J | Refinement Coefficient for Determining Nonresidential Share of Expenditures* | 1.55 |
| K | Expenditures Attributable to Nonresidential Uses [A x D x J] | \$3,055,235 |
| L | Municipal Expenditures Attributable to Residential Uses [A-K] | \$5,165,202 |
| M | Population (2020 Census) | 12,323 |
| N | Per Capita Cost of Services | \$419.15 |

Per Capita Town Cost

| Per Capita Multiplier Average Costing Method | | |
|---|--|------------------------|
| A | Total Annual Expenditures to Be Raised by Taxes | \$30,792,100 |
| B | Nonresidential Real Property Value | \$779,459,896 |
| C | Total Real Property Value | \$3,143,401,592 |
| D | Percentage of Total RP Value in Nonresidential Use [B/C] | 24.80% |
| E | Nonresidential Land Parcels | 785 |
| F | Total Land Parcels | 10,064 |
| G | Average Nonresidential RP Value [B/E] | \$992,942.54 |
| H | Average RP Value [C/F] | \$312,341.18 |
| I | Ratio of Average Nonresidential to Average Parcel Value [G/H] | 3.18 |
| J | Refinement Coefficient for Determining Nonresidential Share of Expenditures* | 1.4 |
| K | Expenditures Attributable to Nonresidential Uses [A x D x J] | \$10,689,594.98 |
| L | Municipal Expenditures Attributable to Residential Uses [A-K] | \$20,102,505 |
| M | Population (2020 Census) | 39,087 |
| N | Per Capita Cost of Services | \$514 |

Nonresidential Village Costs

| Proportional Valuation Method – Retail Component | | |
|---|--|--------------|
| O1 | Proposed Assessed Value | 55,687.50 |
| P1 | Proportion of Proposed Assessed Value to Average Value of Nonresidential [O/G] | 0.09 |
| Q1 | Refinement Coefficient for Determining Expenditure Share of Proposed Use* | 1 |
| R1 | Proportion of Proposed Assessed Value to Total Value of Nonresidential [O/K] | 0.0359% |
| S1 | Share of Municipal Expenditures Assigned to Proposed Use [K*Q*R] | \$1,096.75 |
| Proportional Valuation Method - Hotel | | |
| O2 | Proposed Assessed Value | \$500,000.00 |
| P2 | Proportion of Proposed Assessed Value to Average Value of Nonresidential [O/G] | 0.77 |
| Q2 | Refinement Coefficient for Determining Expenditure Share of Proposed Use* | 1.00 |
| R2 | Proportion of Proposed Assessed Value to Total Value of Nonresidential [O/K] | 0.3223% |
| S2 | Share of Municipal Expenditures Assigned to Proposed Use [K*Q*R] | \$9,847.34 |

Nonresidential Town Costs

| Proportional Valuation Method – Retail Component | | |
|---|--|--|
| O1 | Proposed Assessed Value | |
| P1 | Proportion of Proposed Assessed Value to Average Value of Nonresidential [O/G] | |
| Q1 | Refinement Coefficient for Determining Expenditure Share of Proposed Use* | |
| R1 | Proportion of Proposed Assessed Value to Total Value of Nonresidential [O/K] | |
| S1 | Share of Municipal Expenditures Assigned to Proposed Use [K*Q*R] | |
| Proportional Valuation Method - Hotel | | |
| O2 | Proposed Assessed Value | |
| P2 | Proportion of Proposed Assessed Value to Average Value of Nonresidential [O/G] | |
| Q2 | Refinement Coefficient for Determining Expenditure Share of Proposed Use* | |
| R2 | Proportion of Proposed Assessed Value to Total Value of Nonresidential [O/K] | |
| S2 | Share of Municipal Expenditures Assigned to Proposed Use [K*Q*R] | |

Calculation of Town Budget Variability

| | Amount | Variability | Variable Portion | Notes |
|------------------------------------|--------------|---------------|------------------|-------|
| General Government Services | | | | |
| Town Board | \$149,500 | fixed (0%) | \$0 | |
| Justices | \$330,000 | partial (25%) | \$82,500 | |
| Supervisor | \$420,000 | partial (25%) | \$105,000 | |
| Dir Finance | \$272,000 | partial (25%) | \$68,000 | |
| Internal Audit/Accounting | \$65,000 | scaled (48%) | \$31,114 | |
| Tax Collection | \$213,000 | fixed (0%) | \$0 | |
| Assessors | \$305,000 | fixed (0%) | \$0 | |
| Town Clerk | \$241,000 | direct (100%) | \$241,000 | |
| Attorney | \$290,000 | fixed (0%) | \$0 | |
| Engineer | \$275,000 | fixed (0%) | \$0 | |
| Elections | \$135,000 | direct (100%) | \$135,000 | |
| Buildings | \$355,000 | scaled (48%) | \$169,928 | |
| Central Comm | \$5,000 | fixed (0%) | \$0 | |
| Central Mailing | \$25,000 | direct (100%) | \$25,000 | |
| Special Items | \$1,439,000 | scaled (48%) | \$688,805 | |
| Education | | | | |
| Community College | \$325,000 | direct (100%) | \$325,000 | |
| Public Safety | \$13,216,000 | direct (100%) | \$13,216,000 | |
| Health | | | | |
| Registrar of Vital Statistics | \$100 | fixed (0%) | \$0 | |
| Narcotics Control | \$20,000 | fixed (0%) | \$0 | |
| Transportation | | | | |
| Supt Highways | \$118,000 | fixed (0%) | \$0 | |
| Garage | \$105,000 | fixed (0%) | \$0 | |
| Off Street Parking | \$4,000 | fixed (0%) | \$0 | |
| Economic Assistance | | | | |

| | | | | |
|-----------------------------|---------------------|---------------|---------------------|------------------------|
| Social Services | \$75,000 | fixed (0%) | \$0 | |
| Home Relief | \$5,000 | fixed (0%) | \$0 | |
| Publicity | \$12,000 | fixed (0%) | \$0 | |
| Veterans | \$15,000 | fixed (0%) | \$0 | |
| Social Services | \$75,000 | fixed (0%) | \$0 | |
| Recreation | | | | |
| Parks Personal Service | \$1,400,000 | direct (100%) | \$1,400,000 | |
| Parks Equipment | \$25,000 | fixed (0%) | \$0 | |
| Parks Contractual | \$450,000 | fixed (0%) | \$0 | |
| Golf | \$1,680,000 | partial | \$330,000 | Portion funded by levy |
| Concerts | \$20,000 | fixed (0%) | \$0 | |
| Youth Programs | \$50,000 | direct (100%) | \$50,000 | |
| Historian | \$2,500 | fixed (0%) | \$0 | |
| Celebrations | \$65,000 | direct (100%) | \$65,000 | |
| Parks Personal SVC | \$1,400,000 | direct (100%) | \$1,400,000 | |
| Home & Community | | | | |
| Environmental Control | \$200,000 | fixed (0%) | \$0 | |
| Refuse Garbage | \$8,000 | fixed (0%) | \$0 | |
| Beautification | \$5,000 | fixed (0%) | \$0 | |
| Undistributed | | | | |
| Employee Benefits | \$11,440,000 | scaled (48%) | \$5,475,978 | |
| Debt Service | \$1,075,000 | fixed (0%) | \$0 | |
| Interest | \$650,000 | fixed (0%) | \$0 | |
| Capital Project Fund | \$800,000 | fixed (0%) | \$0 | |
| Total | \$36,335,100 | | \$22,408,324 | |
| Percentage | 61.67% | | | |

Calculation of Village Budget Variability

| | Amount | Variability | Variable Portion |
|---------------------------------|---------------------|--------------------|-------------------------|
| Legislative | \$76,320 | fixed (0%) | \$0 |
| Judicial | \$304,593 | partial (25%) | \$76,148 |
| Executive | \$81,068 | fixed (0%) | \$0 |
| Finance | \$87,122 | fixed (0%) | \$0 |
| Treasurer | \$176,263 | partial (25%) | \$44,066 |
| Staff - Clerk, Law, Engineer | \$538,345 | partial (25%) | \$134,586 |
| Shared Services - Buildings | \$629,816 | partial (25%) | \$157,454 |
| Special Items | \$748,387 | direct (100%) | \$748,387 |
| Public Safety | \$3,870,268 | direct (100%) | \$3,870,268 |
| Health | \$3,000 | direct (100%) | \$3,000 |
| Transportation | \$2,206,092 | direct (100%) | \$2,206,092 |
| Economic Assistance Opportunity | \$25,500 | fixed (0%) | \$0 |
| Recreation | \$554,701 | direct (100%) | \$554,701 |
| Community Services | \$218,090 | direct (100%) | \$218,090 |
| Employee Benefits | \$2,784,443 | scaled (68%) | \$1,880,448 |
| Debt Service | \$2,345,249 | fixed (0%) | \$0 |
| Total | \$14,649,257 | | \$9,893,240 |
| Percentage | 67.53% | | |

Calculation of School District Budget Variability

| | Amount | Variability | Variable Portion |
|-------------------------------------|--------------|---------------|------------------|
| Board of Education | \$27,142 | partial (10%) | \$2,714 |
| Clerk | \$23,111 | fixed (0%) | \$0 |
| Meeting | \$32,975 | direct (100%) | \$32,975 |
| Super Ofc | \$493,885 | partial (25%) | \$123,471 |
| Bus Ofc | \$1,217,589 | partial (25%) | \$304,397 |
| Audit | \$135,271 | fixed (0%) | \$0 |
| Purchasing | \$21,908 | fixed (0%) | \$0 |
| Fiscal Agent | \$8,602 | fixed (0%) | \$0 |
| Legal | \$425,000 | fixed (0%) | \$0 |
| Personnel | \$640,508 | scaled (80%) | \$511,426 |
| Records | \$26,513 | scaled (80%) | \$21,170 |
| Public Information & Services | \$437,133 | scaled (80%) | \$349,038 |
| Operation of Plant | \$7,995,478 | fixed (0%) | \$0 |
| Maintenance of Plant | \$5,196,465 | partial (25%) | \$1,299,116 |
| Health and Safety | \$2,105,186 | partial (25%) | \$526,297 |
| Central Printing & Mail | \$654,240 | direct (100%) | \$654,240 |
| Data Processing | \$1,800,714 | partial (25%) | \$450,179 |
| Unallocated Ins | \$774,973 | fixed (0%) | \$0 |
| Association Dues | \$38,138 | fixed (0%) | \$0 |
| Refund Property Tax | \$116,842 | fixed (0%) | \$0 |
| Admin Charge BOCES | \$1,539,074 | direct (100%) | \$1,539,074 |
| Current Development and Supervisors | \$830,415 | partial (25%) | \$207,604 |
| Adult Education | \$74,721 | direct (100%) | \$74,721 |
| In-Service MES | \$557,151 | direct (100%) | \$557,151 |
| Regular School | \$65,955,194 | direct (100%) | \$65,955,194 |
| Special Education | \$33,350,220 | direct (100%) | \$33,350,220 |
| English Language Learners | \$3,170,287 | direct (100%) | \$3,170,287 |

| | | | |
|--------------------------------|--------------|---------------|--------------|
| Occupational Education | \$690,203 | direct (100%) | \$690,203 |
| Adult Education | \$36,550 | direct (100%) | \$36,550 |
| Summer School | \$258,000 | direct (100%) | \$258,000 |
| School Library | \$1,752,285 | partial (25%) | \$438,071 |
| Computer Instruction | \$2,504,999 | direct (100%) | \$2,504,999 |
| Attendance | \$233,779 | fixed (0%) | \$0 |
| Guidance | \$3,268,273 | direct (100%) | \$3,268,273 |
| Health Services | \$2,096,351 | direct (100%) | \$2,096,351 |
| Psychological | \$2,055,229 | direct (100%) | \$2,055,229 |
| Social Work | \$1,229,847 | direct (100%) | \$1,229,847 |
| Cocurricular Activities | \$312,844 | direct (100%) | \$312,844 |
| Athletics | \$1,450,077 | scaled (80%) | \$1,157,843 |
| Transportation | \$331,753 | direct (100%) | \$331,753 |
| Contract Transportation | \$15,717,901 | scaled (80%) | \$12,550,272 |
| Teachers Retirement | \$9,287,949 | scaled (80%) | \$7,416,149 |
| State Retirement | \$2,768,500 | scaled (80%) | \$2,210,564 |
| Social Security | \$6,756,674 | scaled (80%) | \$5,395,001 |
| Medicare | \$1,507,982 | scaled (80%) | \$1,204,078 |
| Workers Compensation | \$666,078 | scaled (80%) | \$531,843 |
| Life Insurance | \$44,955 | scaled (80%) | \$35,895 |
| Unemployment Insurance | \$8,345 | scaled (80%) | \$6,663 |
| Malpractice | \$1,150 | fixed (0%) | \$0 |
| Hospital and Medical Insurance | \$37,351,507 | scaled (80%) | \$29,824,058 |
| Dental Insurance | \$1,042,529 | scaled (80%) | \$832,428 |
| Annuity Payment | \$112,802 | scaled (80%) | \$90,069 |
| Administration Fees | \$14,222 | scaled (80%) | \$11,356 |
| Bonds | \$2,892,613 | fixed (0%) | \$0 |
| Bonds Property Tax | \$10,752,362 | fixed (0%) | \$0 |
| Other Debt | \$1,875,416 | fixed (0%) | \$0 |

| | | | |
|-----------------------------|----------------------|------------|----------------------|
| Spec Aid | \$300,000 | fixed (0%) | \$0 |
| Transfer to Capital Project | \$100,000 | fixed (0%) | \$0 |
| Total | \$235,069,910 | | \$183,617,614 |
| Percentage | 78.11% | | |