

PREPARED FOR:

Albany County Capital Resource Corporation  
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# Economic and Fiscal Impact

CIDC COLONIE IV, LLC

Albany County  
Capital Resource Corporation

APRIL 10, 2024

PREPARED BY:



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# ABOUT THE STUDY

The Albany County Capital Resource Corporation retained Camoin Associates to measure the potential economic and fiscal impacts of a project proposed by CIDC Colonie IV, LLC which entails the acquisition of 9.52 acres of land for the construction of a 46,000 square-foot administrative facility and associated parking spaces to be used for BOCES at 886 and 892 Watervliet-Shaker Road, Colonie NY 12205.

The goal of this analysis is to provide a complete assessment of the total economic, employment, and tax impacts of the project on Albany County that result from the construction phase and on-site operations.

The primary tool used in this analysis is the input-output model developed by Lightcast. Primary data used in this study was obtained from the developer’s application for financial assistance to the Albany County Capital Resource Corporation and included the following data points: construction spending and onsite jobs.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the “multiplier effect.”

## STUDY INFORMATION

**Data Source:**  
CIDC Colonie IV, LLC, Application for Assistance, and the Albany County Capital Resource Corporation

**Geography:**  
Albany County

**Study Period:**  
2023

**Modeling Tool:**  
Lightcast

### DIRECT IMPACTS

*This initial round of impacts is generated as a result of spending on construction and operations.*

### INDIRECT IMPACTS

*The direct impacts have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services.*

### INDUCED IMPACTS

*Impacts that result from spending by facility employees and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the County on food, clothing, and other goods and services.*

# ECONOMIC & FISCAL IMPACT

ALBANY COUNTY CAPITAL RESOURCE CORPORATION: **CIDC COLONIE IV, LLC**



TOTAL PERMANENT  
JOBS CREATED:

**13 JOBS**

12

Permanent  
On-Site Jobs

1

Permanent  
Indirect &  
Induced Jobs

16

Direct  
Construction  
Jobs

10

Indirect/Induced  
Construction  
Jobs

## Construction:

**\$8.31**  
MILLION  
Spending



**\$3.07**  
MILLION  
Earnings

## One-Time Sales Tax Revenue:

**\$21,525**

## Annual Sales Tax Revenue:

**\$5,809**

## Mortgage Tax Exemption:

**\$148,904**



## Annual Impacts:

**\$1.09**  
MILLION  
Sales



**\$0.83**  
MILLION  
Earnings

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# EXECUTIVE SUMMARY

The Albany County Capital Resource Corporation (the Agency) received an application for financial assistance from CIDC Colonie IV, LLC (the "Applicant") for the proposed acquisition of 9.52 acres of land for the construction of a 46,000 square foot administrative facility and associated parking spaces to be used for BOCES at 886 and 892 Watervliet-Shaker Road, Colonie NY 12205 (the Site). The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact of the Project on Albany County (the County).

This study analyzes the impact that the Project will have on the County economy, local municipal revenues, and any economic activity that would occur even if the Project were not completed. According to the Applicant, are 12 jobs considered net new jobs as a result of the Project. This study analyzes the impact that the net new jobs would have on the County economy and on municipal revenue sources.

The following is a summary of our findings from this study, with details in the following sections.

Table 1

## Summary of Benefits to County

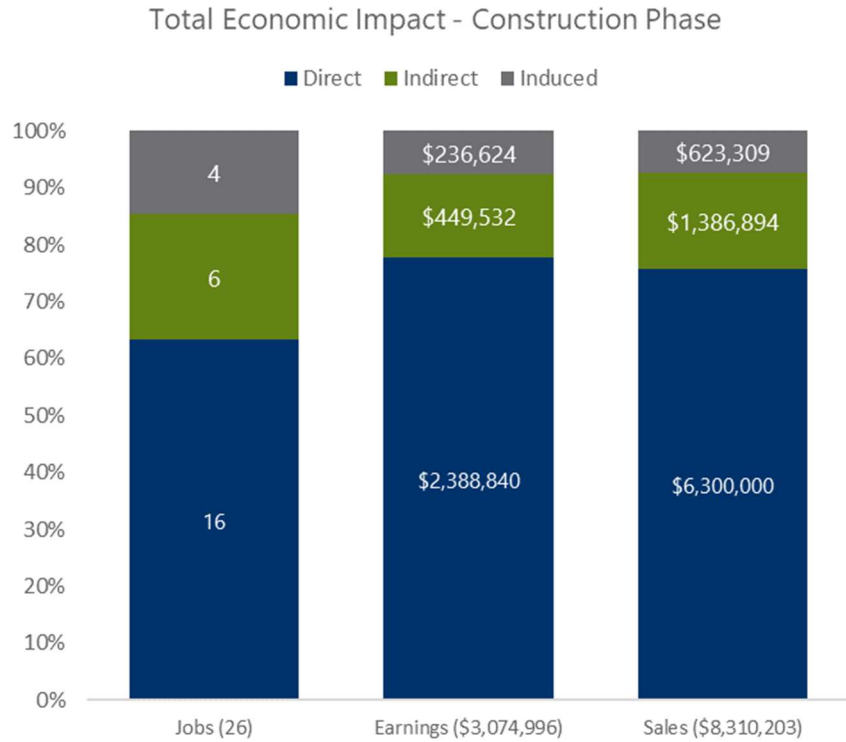
<b>Construction Phase</b>	
Total Jobs	26
Direct Jobs	16
Total Earnings	\$3,074,996
Direct Earnings	\$2,388,840
<b>One-Time Sales Tax Revenue to County</b>	<b>\$21,525</b>
<b>Annual Impact</b>	
Total Jobs	13
Direct Jobs	12
Total Earnings	\$829,820
Direct Earnings	\$733,808
<b>Annual Sales Tax Revenue to County</b>	<b>\$5,809</b>

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### Construction Impact

- The construction associated with the Project would result in approximately 16 new direct construction jobs generating over \$2.3 million in direct new earnings on-site and an additional \$686,156,247 in indirect and induced earnings. Figure 1 to the right displays more detail on the economic impact of construction.
- Sales associated with the construction phase would be taxed, and therefore generate sales tax revenue for the County. Sales tax associated with the construction phase of the Project is estimated to contribute approximately \$21,525 to the County.

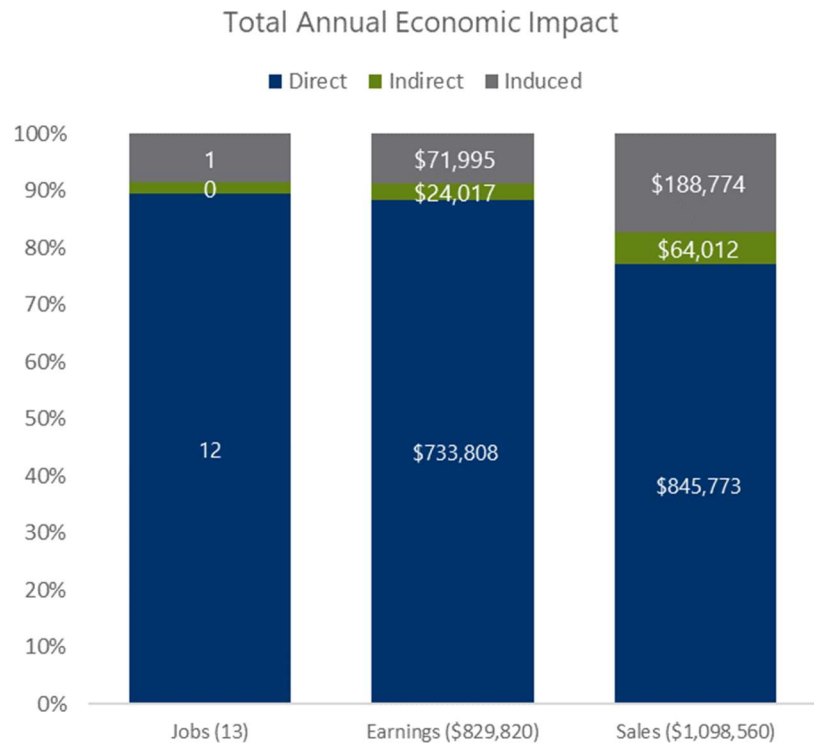
Figure 1



### Annual Impact

- The Project would support 12 annual jobs in the county, with \$829,820 in associated earnings. Figure 2 summarizes the annual economic impact of the Project.
- Sales associated with the on-site operations are estimated to generate \$5,809 in sales tax revenue to the county annually.
- Through negotiations with the Agency, the Applicant could have access to a mortgage tax exemption valued at up to \$148,904. However, if we assume that the Project would not occur absent CRC benefits, this is not actually a "cost" to the county since no future revenue stream would exist without the exemptions.

Figure 2



# ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated during the construction phase and Project occupation as provided by the Applicant were used as the direct inputs for the economic impact model. Camoin Associates used the input-output model designed by Lightcast to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the county and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Albany County economy. This is captured in the indirect and induced impacts and is commonly referred to as the “multiplier effect.” See Attachment A for more information on economic impact analysis.

## CONSTRUCTION PHASE IMPACTS

The Applicant anticipates that private sector investment in the construction of the Project would cost \$14.0 million<sup>1</sup>. It is assumed that 45%<sup>2</sup> of the construction spending sourced from within the county representing \$6.3 million in net new spending in the county associated with the construction phase of the Project.

Table 2

<b>Construction Phase Spending - County</b>	
Total Construction Cost	\$14,000,000
Percent Sourced from County	45%
<b>Net New Construction Spending</b>	<b>\$6,300,000</b>

Source: Applicant, Camoin Associates

Based on \$6.3 million worth of net new direct spending associated with the construction phase of the Project, Camoin Associates determined that there would be over \$8.3 million in total one-time construction related spending supporting 26 jobs over the construction period throughout the county and over \$3.0 million in earnings. Table 3 outlines the economic impacts of construction.

Table 3

<b>County Economic Impact - Construction Phase</b>			
	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	16	\$2,388,840	\$6,300,000
Indirect	6	\$449,532	\$1,386,894
Induced	4	\$236,624	\$623,309
<b>Total</b>	<b>26</b>	<b>\$3,074,996</b>	<b>\$8,310,203</b>

Source: Lightcast, Camoin Associates

<sup>1</sup> Includes project costs associated with the building construction.

<sup>2</sup> According to the Applicant, an estimated 45% of materials and 45% of labor will be sourced in the county, resulting in 45% of the total cost being sourced within the county.

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**IMPACTS OF ON-SITE EMPLOYMENT**

Upon completion, the Project will be an administrative facility for BOCES. Based on the application, Camoin Associates assumes that there will be 12 jobs on-site upon completion. Using these estimated new jobs as direct inputs into the model, Lightcast was used to calculate the economic impacts of the on-site activity. Table 4 details the impact that the on-site activity will have on Albany County in terms of employment, earnings, and sales.

Table 4

<b>County Economic Impact - On-Site Operations</b>			
	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	12	\$733,808	\$845,773
Indirect	0	\$24,017	\$64,012
Induced	1	\$71,995	\$188,774
<b>Total</b>	<b>13</b>	<b>\$829,820</b>	<b>\$1,098,560</b>

**Source:** Lightcast, Camoin Associates

# FISCAL IMPACT ANALYSIS

In addition to the economic impact of the Project on the local economy (outlined above), there would also be a fiscal impact in terms of sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

## OTHER EXEMPTIONS

There are other benefits to working with the Agency, including a mortgage tax exemption.

Table 5

<b>Summary of Costs to County</b>	
Mortgage Tax Exemption	<b>\$148,904</b>
<b>Source:</b> Applicant	

The additional incentive offered by the Agency will benefit the Applicant but will not negatively affect the County because, without the Project, the County by definition would not be receiving any associated mortgage tax revenue.

## SALES TAX REVENUE

### SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction phase earnings (detailed in Table 3) would lead to additional sales tax revenue for the County. It is assumed that 70% of the construction phase earnings would be spent within Albany County and that 25% of those purchases would be taxable.<sup>3</sup>

Table 6

<b>One-Time Sales Tax Revenue, Construction Phase</b>	
Total New Earnings	\$3,074,996
Amount Spent in County (70%)	\$2,152,497
Amount Taxable (25%)	\$538,124
Albany County Sales Tax Rate	4.00%
<b>Albany County Sales Tax Revenue (4.00%)</b>	<b>\$21,525</b>
<b>Source:</b> Albany County CRC, Camoin Associates	

As a result of the construction phase employment, the County would receive approximately \$21,525 in new sales tax revenue from the economic impacts of construction.

<sup>3</sup> A retail leakage analysis of Albany County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third party proprietary retail spending data, 70% is a reasonable assumption for the amount of in-county spending. (Source: Esri Business Analyst Online Retail Market Profile)

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**SALES TAX REVENUE – EMPLOYEE EARNINGS**

The earnings generated by on-site jobs that will result from building occupation at the Project (described under Impacts of On-Site Employment in Table 4) would lead to additional annual sales tax revenue for the county. It is assumed that 70% of the earnings would be spent within Albany County and that 25% of those purchases will be taxable. Table 7 displays the annual tax revenue that the County will receive.

Table 7

**Annual Sales Tax Revenue, On-Site Operations**

Total New Earnings	\$829,820
Amount Spent in County (70%)	\$580,874
Amount Taxable (25%)	\$145,218
Albany County Sales Tax Rate	4.00%
<b>Albany County Sales Tax Revenue (4.00%)</b>	<b>\$5,809</b>

**Source:** Albany County CRC, Camoin Associates

## ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial "change in final demand." To understand the meaning of "change in final demand," consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore "new" dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the "Direct Effects" of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer's vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e., sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will "leak out." What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will "leak" out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the "Indirect Effects" of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e., Direct Effects) flowing in the US economy, plus the Indirect Effects. The ratio of Total Effects to Direct Effects is called the "multiplier effect" and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e., how the "local economy" is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many "new" dollars the producer would be causing to occur domestically.

# ABOUT CAMOIN ASSOCIATES

As the nation’s only full-service economic development and lead generation consulting firm, Camoin Associates empowers communities through human connection backed by robust analytics.

Since 1999, Camoin Associates has helped local and state governments, economic development organizations, nonprofit organizations, and private businesses across the country generate economic results marked by resiliency and prosperity.

To learn more about our experience and projects in all of our service lines, please visit our website at [www.camoinassociates.com](http://www.camoinassociates.com). You can also find us on [LinkedIn](#), [Facebook](#), and [YouTube](#).

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## Service Lines



Strategic and Organizational Planning



Economic and Fiscal Impact Analysis



Real Estate Development Analytics and Advisory



Housing Needs Assessment



Prospecting and Business Attraction



Target Industry Analytics and Strategy



Workforce Development and Talent Retention



Entrepreneurship and Innovation

# Leading action to grow your economy

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