

SUBMITTED TO:

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Economic Impact and Fiscal Benefit

JAM 555 STORAGE, LLC

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EXECUTIVE SUMMARY

JAM 555 Storage, LLC is applying to the Village of Briarcliff Manor Planning Board to convert the use of an existing building to self-storage (the Project). JAM 555 Storage currently operates two office buildings, the North and South building, in the Village of Briarcliff Manor and is proposing to renovate the vacant North building into self-storage. No jobs are expected to be lost due to the Project because all tenants will reside in the South building. The Project will result in additional jobs associated with the self-storage facility. To better understand the impact of JAM 555 Storage, LLC's Project, Camoin Associates was retained to quantify the economic impact and fiscal benefits to the Village of Briarcliff Manor.

ECONOMIC IMPACT

JAM 555 Storage, LLC proposes repurposing a vacant office building as a self-storage facility. No jobs are expected to be lost due to the Project because all tenants will reside in the South building. Therefore, the Project will only add jobs to the village. JAM 555 Storage projects that upon full operation, the annual payroll will be around \$91,000, and annual sales will be around \$920,000. These direct impacts will have indirect and induced impacts throughout the village. These are permanent ongoing impacts that recur annually. Figure 1 illustrates the annual economic impact of the Project.

Direct impacts are generated by JAM 555 Storage, LLC.

Indirect impacts accrue through business-to-business spending in the county, region and state.

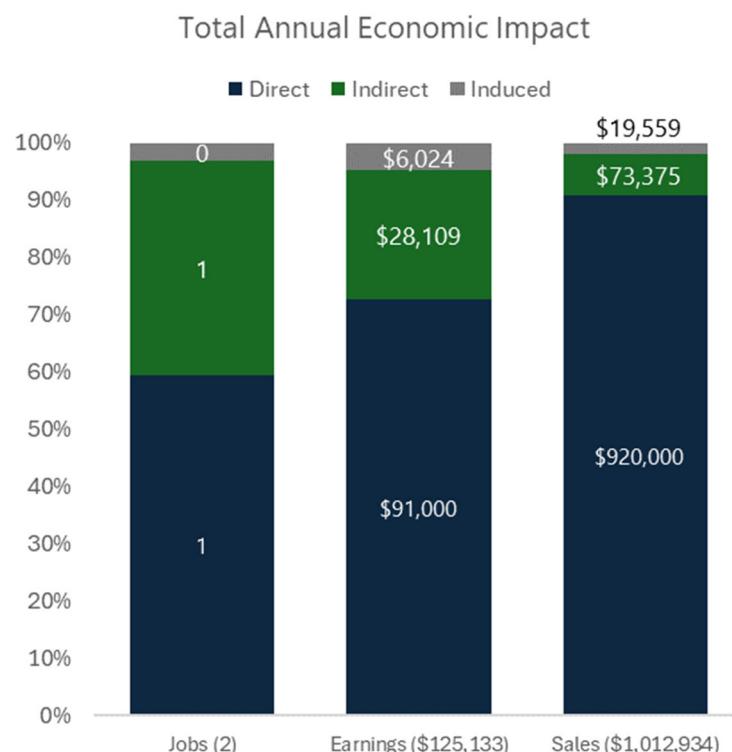
Induced impacts result from direct and indirect employee spending.

Figure 1

Average annual property tax revenue associated with the JAM 555 Storage, LLC Project will be over \$134,000. Compared to the current property tax generated by the vacant office building, the municipalities will receive \$258,500 more over ten years, or nearly \$26,000 more on average per year.

OTHER FISCAL CONSIDERATIONS

The Project is not expected to significantly impact the Village's cost of providing community services. Given that the necessary infrastructure is already in place, the conversion will not require substantial additional municipal resources or services, including those for the school district.



INTRODUCTION

JAM 555 Storage, LLC is applying to the Village of Briarcliff Manor Planning Board to convert the use of an existing building to self-storage (the Project). JAM 555 Storage currently operates two office buildings, the North and South building, in the Village of Briarcliff Manor and is proposing to renovate the vacant North building into self-storage. No jobs are expected to be lost due to the Project because all tenants will reside in the South building. The Project will result in additional jobs associated with the self-storage facility. To better understand the impact of JAM 555 Storage, LLC's Project, Camoin Associates was retained to quantify the economic impact and fiscal benefits to the Village of Briarcliff Manor.

MODELING PROCESS

An economic impact analysis of JAM 555 Storage, LLC's Project was conducted on the Village of Briarcliff Manor¹. The economic impact includes not only the "direct" economic impacts, such as on-site jobs but also the secondary economic impacts that are generated throughout the economy through the economic "ripple" effect. The three specific types of impacts considered in the analysis include:

- **Direct:** The most immediate impacts, which include the on-site jobs and local spending on goods and services.
- **Indirect:** Indirect effects occur at businesses within the village that supply goods and services to JAM 555 Storage, LLC and re-spend a portion of that revenue. In other words, for every dollar spent at a local supplier, a portion of that dollar will again be spent on goods and services at other businesses in the state. This is considered the indirect effect.
- **Induced:** Another "ripple" effect that occurs is when workers at both JAM 555 Storage, LLC and indirectly impacted businesses spend a portion of their wages at businesses locally and within the state for things such as retail goods and services. The portion of the spending by new businesses that are paid to workers and re-spent in the economy is considered the induced impact.

The sum of the direct, indirect, and induced impacts equals the total economic impact. The Lightcast Input-Output model is used to calculate the total economic impact, including the three different types of impacts.

Modeling Software

Lightcast designed the input-output model used in this analysis. The Lightcast model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the region and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs have as these new dollars circulate throughout the economy. This is captured in the indirect and induced impacts and is commonly referred to as the "multiplier effect." See Appendix A for more information on economic impact analysis.

What does "Net New" Mean?

When looking at the economic impacts of a business, it's important to look only at the economic changes that would not happen in JAM 555 Storage, LLC's absence. These effects are the "net new" effect: purchases made only as a result of the company or project in question.

Definition of a "Job"

A "job" is equal to one person employed for some amount of time (part-time, full-time, or temporary) during the study period.

¹ Zip code 10510 was used as a proxy for the Village of Briarcliff Manor.

ECONOMIC IMPACT

Table 1

Upon completion of the Project, JAM 555 Storage, LLC expects to have \$91,000 in payroll expenses and \$920,000 in annual sales. This on-site activity generates indirect and induced impacts for the village. On-site earnings (payroll) and sales were used as direct inputs in the model to calculate the economic impact on the village. No jobs are expected to be lost due to the Project because all tenants will reside in the South building. The Project will add 2 jobs, \$125,000 in earnings, and over \$1 million in sales to the village economy, as detailed in Table 1.

Annual Impact of Self-Storage

	Jobs	Earnings	Sales
Direct	1	\$91,000	\$ 920,000
Indirect	1	\$28,109	\$ 73,375
Induced	0	\$6,024	\$ 19,559
Total	2	\$125,133	\$1,012,934

Source: Lightcast, Camoin Associates, Developer

FISCAL BENEFIT

In addition to the economic impacts outlined above, JAM 555 Storage, LLC's operations would generate additional tax revenue for the Village, as detailed in Table 2. The table below calculates that over the next 10 years, the Project is expected to generate an additional \$258,500 in new tax revenue for the Village.

Table 2

Property Tax Revenue Comparison

Year	Current (Office)	Proposed (Self-Storage)	Benefit of Project
1	\$ 99,000	\$ 110,000	\$ 11,000
2	\$ 100,980	\$ 117,480	\$ 16,500
3	\$ 103,000	\$ 125,000	\$ 22,000
4	\$ 105,060	\$ 132,560	\$ 27,500
5	\$ 107,161	\$ 137,411	\$ 30,250
6	\$ 109,304	\$ 139,554	\$ 30,250
7	\$ 111,490	\$ 141,740	\$ 30,250
8	\$ 113,720	\$ 143,970	\$ 30,250
9	\$ 115,994	\$ 146,244	\$ 30,250
10	\$ 118,314	\$ 148,564	\$ 30,250
Total	\$ 1,084,022	\$ 1,342,522	\$ 258,500
Average	\$ 108,402	\$ 134,252	\$ 25,850

Source: Developer, Camoin Associates

Note: Current property taxes assumes \$1.80 per square foot, increasing by 2% per year. Proposed property taxes assumes \$1.80 per square foot plus an additional \$0.55 per square foot phased in over the first five years, increasing at 2% per year.

OTHER FISCAL CONSIDERATIONS

A comprehensive fiscal analysis was not performed. However, the proposed Project is not expected to significantly alter the Village's cost of providing community services. This assessment is based on the following key factors:

- No major change in onsite employment is expected because all tenants will reside in the South building.
- The vacated space will be repurposed as a self-storage facility.
- The self-storage facility will have minimal employment on-site and is unlikely to generate more traffic than the office building at full capacity.
- A review of a letter prepared by Kimley-Horn regarding the impact of the Project on traffic generation and parking generation (date June 21, 2024).

The required infrastructure, including transportation, utilities, and public safety services, is already in place to support the current office use. As such, the conversion to a self-storage will not require substantial additional municipal resources or services, including for the school district.

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. You can also find us on [LinkedIn](#), [Facebook](#), and [YouTube](#).

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