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Economic and Fiscal Impact

PROPOSED WILTON MALL RESIDENTIAL
DEVELOPMENT

Macerich

FEBRUARY 13, 2023

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ABOUT CAMOIN ASSOCIATES

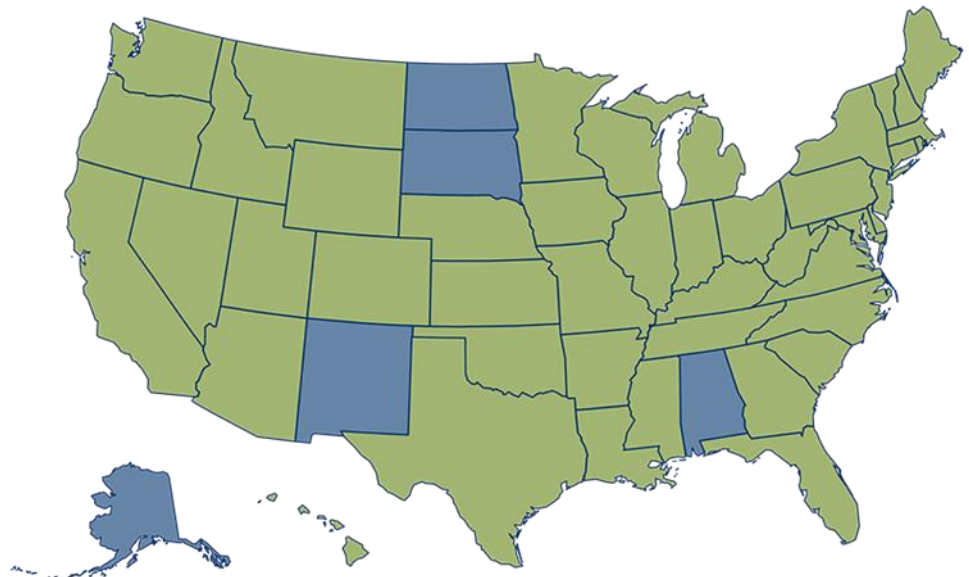
Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to California; 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 45 states and garnered attention from national media outlets including Marketplace (NPR), Crain's New York Business, 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 Providence, RI. 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 [@CamoinAssoc](https://twitter.com/CamoinAssoc) and on [Facebook](https://www.facebook.com/CamoinAssoc).

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EXECUTIVE SUMMARY

The proposed development of 382 new luxury residences at the site of the Wilton Mall would provide economic and fiscal benefits to the Town of Wilton through construction spending, on-site employment, and new household spending. To quantify the impact on the town, Macerich commissioned Camoin Associates to conduct an economic impact and fiscal benefit analysis of the proposed development on the Town of Wilton. Economic and fiscal impacts consider the jobs, earnings, sales, and tax revenue that would not occur but for the development. Note that this analysis is specific to the new residential development and does not specifically quantify the additional benefits to the mall. However, given the project’s proximity to the Mall and its walkable nature, it is likely that a portion of new spending will occur on-site at the mall, and that new residents and visitors will have an increased desire to spend time in the mixed-use destination.

Economic Impact

TOWN OF WILTON

Economic impacts of the proposed development result from construction spending, on-site employment and operations, as well as the new resident spending on goods and services in the local economy. This direct spending creates new indirect and induced sales, as well as jobs and associated earnings throughout the Town of Wilton.

Direct impacts are generated by the construction spending in the town, on-site jobs, and new household spending. **Indirect** impacts accrue through business-to-business spending in the town and **induced** impacts result from employee spending. All impacts would be foregone without the development.

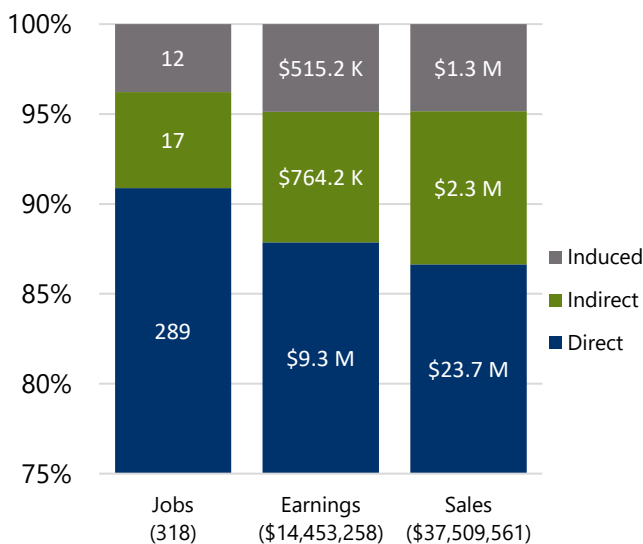
Construction Phase

Construction of both phases would generate a one-time estimated benefit of **318 jobs, nearly \$14.5 million in associated earnings, and \$37.5 million in sales** spent locally.

Annual Impact

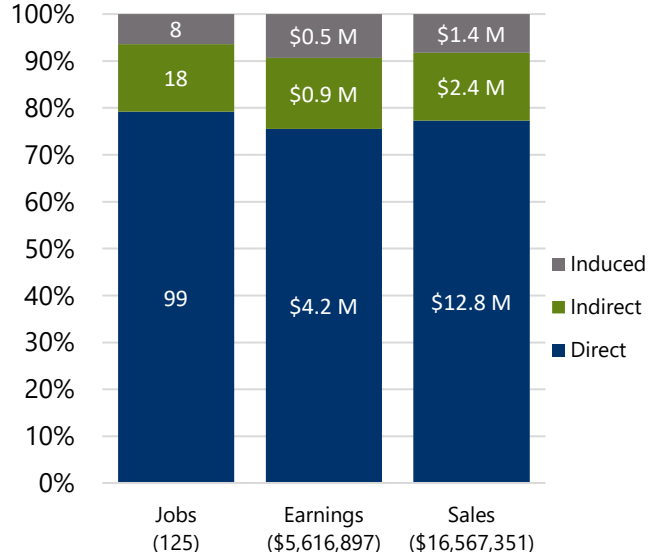
On-site employment and household spending would generate an estimated **125 permanent jobs, over \$5.6 million in associated earnings, and nearly \$16.6 million in annual sales**, upon completion of both phases. The

One-Time Economic Impact of Construction on the Town of Wilton



Source: Lightcast, Camoin Associates

Annual Economic Impact on the Town of Wilton



Source: Lightcast, Camoin Associates

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new jobs and employment opportunities in the town will result in new associated employee earnings and sales that will further contribute to the Town through the creation of new sales tax revenue.

Fiscal Benefit

TOWN OF WILTON

Following completion of the project, the Town is estimated to receive new sales tax revenue of nearly \$368,000 annually. New assessed value to be generated by the Project will help the Town of Wilton recapture the mall's recent \$80.0 million drop in assessed value and in turn the portion of county sales tax that the Town receives from Saratoga County. This revenue is a net benefit to the Town – given the municipal services and infrastructure that are already in place, the ability of the site to handle anticipated traffic flows, and the planned on-site maintenance and amenities, no new capital investments are needed from the Town.

SARATOGA SPRINGS CITY SCHOOL DISTRICT

The Saratoga Springs City School District is projected to receive an annual net benefit of over \$809,000. This takes into account potential new expenditures associated with a small number of new students as well as the new property tax revenue that the school district will receive.

Based on the price point and size of units, **it is unlikely that the new apartment and townhomes would attract a large number of families with school age children.** Camoin Associates estimates that there would be a maximum of 25 new students enrolled in the school district as a result of the Project. Given a districtwide enrollment decline of 11%, or 720 students, in the last decade, it is expected that the school district has the capacity to support 25 potential new students.

Additional Impacts

Mixed-use mall redevelopment has numerous additional benefits for communities that are adapting to a changing retail environment. Given the decline of traditional malls and retail stores, particularly department stores, mall redevelopment helps use this vacant and underutilized existing space to create vibrant community centers where people choose to spend their time. The reuse of space in this way has positive environmental impacts for communities, helps to provide diverse housing options, bolsters municipal finance, and improves the character of communities, among other benefits.

The addition of residential units at the Wilton Mall will repurpose a vacant building, improving the appearance of the area while not impacting any of the Town's green space. New residents at the mall and new attractive streetscape and pedestrian connections will further benefit the mall and the Town by increasing foot traffic to existing retail and attracting new retail businesses, services, and amenities to the site. The result will be an attractive, walkable, mixed use destination in the town that is a desirable place for people to spend their time.

INTRODUCTION

The Wilton Mall ownership (Macerich) and Paramount Development (collectively referred to as the “Developer” throughout this study) have proposed adding new multifamily housing to the Wilton Mall as part of its transformation to a mixed-use destination. The proposed 382-unit luxury multifamily development in the Town of Wilton, NY would be developed over two phases: Phase 1 of the development would include construction of 296 apartment units, while Phase 2 would include 86 townhomes (the “Project”). The Project will replace a vacant department store site, transforming the east end of the mall into a welcoming and walkable neighborhood environment adjacent to unique amenities.

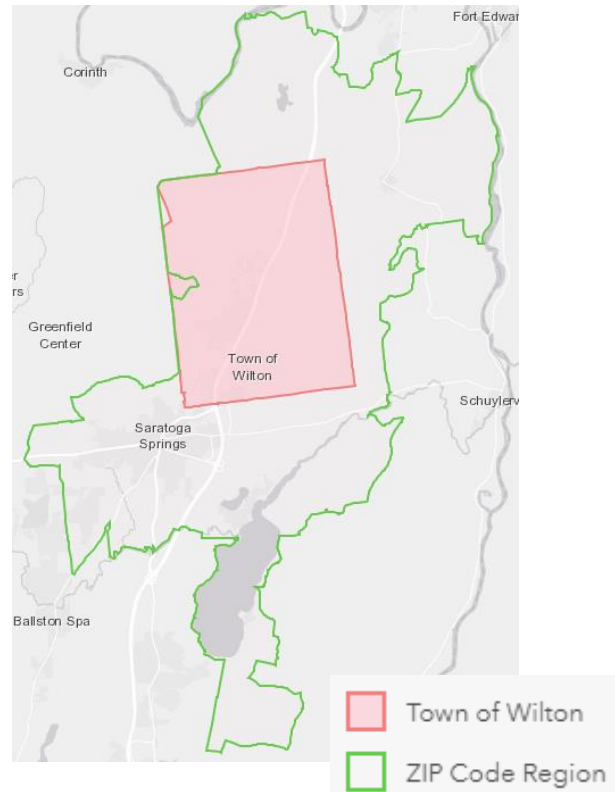
To better understand the potential economic impact of the Project, Camoin Associates was retained to conduct a third-party assessment of the economic impact of the Project. Impacts are calculated based on the construction of the Project and of future operations for each of the two phases.

Methodology

STUDY AREA

The economic impact of the Project is calculated for the Town of Wilton, NY. The Lightcast modeling tool used for this analysis defines geographies at the ZIP code level. Therefore, the Town of Wilton was defined by the best fit ZIP codes – 12866 and 12831.

Map 1: Study Area



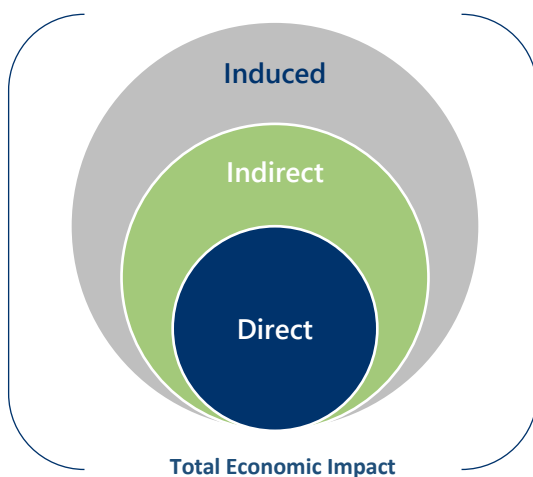
MODELING PROCESS

An economic impact analysis of construction of the Project and future operations upon buildout was conducted to quantify the impact on the Town's economy. 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 "multiplier" 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 Town of Wilton, that supply goods and services to the site and re-spend a portion of that revenue within the town. 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 town. This is considered the indirect impact.
- **Induced:** Another "multiplier" effect that occurs is when workers spend a portion of their wages at businesses within the town 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 town 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.

Measuring the Total Economic "Multiplier Effect"



Modeling Software

Lightcast designed the input-output model used in this analysis. Lightcast is a premier data and analytics tool used by economic developers across the country. 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 project, it's important to look only at the economic changes that would not happen in the project's absence. These effects are the "net new" effect: purchases made only as a result of the 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.

PHASE I IMPACTS

Phase I of the development includes construction of 296 apartment units, including 1-, 2-, and 3-bedroom units. The new apartment buildings will be immediately adjacent to the Wilton Mall and will be designed to maximize views of the county forest or open space courtyard. Units will be housed in two amenity rich apartment buildings that will have access to two Club Houses each with different amenities, surface parking, and basement parking.

Economic Impact Analysis

The estimates of direct economic activity generated during the construction phase, facility operation, and anticipated new resident spending were used as the direct inputs for the economic impact model. Camoin Associates uses 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 town 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 Town of Wilton’s economy.¹ 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. The Project would have economic impacts upon the Town as a result of Project construction, new permanent jobs, and spending by new resident households.

CONSTRUCTION PHASE IMPACTS

The Developer anticipates that private sector investment in the construction of Phase I would cost approximately \$94.9 million. Camoin Associates estimates that that 25% of the construction spending would be sourced from within the town.² Therefore, it is estimated that there will be over \$23.7 million in net new spending in the town associated with the construction of Phase I.

Table 1

Construction Spending, Phase I

Total Construction Cost	\$ 94,900,000
Percent Sourced from Town	25%
Net New Construction Spending	\$ 23,725,000

Source: Developer, Camoin Associates

Based on approximately \$23.7 million worth of net new direct spending associated with the construction of Phase I of the Project, it is estimated that there would be over \$27.3 million in total one-time construction related spending supporting 232 jobs over the construction period throughout the town and over \$10.5 million in earnings. Table 2 outlines the economic impacts of construction.

Table 2

Economic Impact - Construction, Phase I

	Jobs	Earnings	Sales
Direct	211	\$ 9,271,554	\$ 23,725,000
Indirect	12	\$ 764,173	\$ 2,333,250
Induced	9	\$ 515,151	\$ 1,323,730
Total	232	\$ 10,550,878	\$ 27,381,980

Source: Lightcast, Camoin Associates

¹ Lightcast Defines geographies by ZIP code. For the purposes of this analysis, the Town of Wilton is defined as ZIP code 12866 and ZIP code 12831.

² According to industry data from Lightcast, 25% of residential construction industry demand can be met from within the Town of Wilton.

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NEW HOUSEHOLD SPENDING IMPACTS

In order to determine the annual economic impact of the Project on the town, the first step is to calculate the number of households that can be considered “net new” to the town’s economy. In other words, the number of households that, but for the Project, would not exist in the Town of Wilton. With respect to this Project, net new households consist of those currently residing outside of Wilton who will choose to move to the town because of the Project, and who would otherwise continue to live elsewhere. For this study, we analyzed the demand of housing units. For more information on this methodology, see Attachment B.

NET NEW HOUSEHOLDS

Based on Camoin Associates’ residential market demand analysis, this analysis assumes that 98% of households occupying this space will be net new to the town. This is based on a review of the data and an understanding of the proposed Project as detailed above. Therefore, 290 total households are considered to be net new. See Attachment B for more information on this methodology.

Table 3

Net New Households - Phase I			
	Total	Percent	Net New
	Households	Net New	Households
Apartment Units	296	98%	290
Total	296	98%	290

Source: Esri, Camoin Associates

Given the high-quality nature of the Project in a multifamily, walkable environment it is likely that the Project will meet existing demand from within the town from residents, such as retirees, who are looking to downsize and will be interested in the low maintenance, amenity rich housing the Project would provide. This would in turn increase the availability of single-family houses within the town, allowing for more first-time home buyers to live in Wilton.

SPENDING BY NEW RESIDENTS

New residents would make purchases in the town and mall, thereby adding new dollars to Wilton’s economy. For this analysis, we researched spending patterns by household income. Camoin Associates projects that Phase I residents would have incomes between \$100,000-\$149,999 based on the proposed price points per unit.

Using a spending basket for the region which details household spending in individual consumer categories by income level, likely resident spending was analyzed. A spending basket is a subset of goods and services that represents the categories in which residents will make purchases. Data from the Bureau of Labor Statistics is used for the spending basket for this analysis. According to the Bureau of Labor Statistics 2021 Consumer Expenditure Survey, households with incomes in the \$100,000-\$149,999 range have annual expenditures (excluding housing and utility costs) of \$38,065.

The second column in the following table shows the total spending for households by category. It is assumed that 70% of total expenditures would occur within the Town of Wilton and, therefore, have a positive impact on Wilton’s economy.³ The fourth column shows the total amount spent in the town.

³ According to Lightcast, approximately 70% of demand for goods in a typical household spending basket can be met within the Town of Wilton.

Table 4

Resident Spending Basket (290 Apartment Units, \$100,000 to \$149,999 Annual Household Income)

Category	Annual per Unit Spending Basket	Amount Spent in Town (70%)	Total Net New Town Spending (290 net new units)
Food	\$ 10,984	\$ 7,689	\$ 2,230,367
Household furnishings and equipment	\$ 2,796	\$ 1,957	\$ 567,745
Apparel and services	\$ 2,186	\$ 1,530	\$ 443,880
Transportation	\$ 12,641	\$ 8,849	\$ 2,566,831
Health care	\$ 1,806	\$ 1,264	\$ 366,719
Entertainment	\$ 3,608	\$ 2,526	\$ 732,626
Personal care products and services	\$ 946	\$ 662	\$ 192,091
Education	\$ 1,839	\$ 1,287	\$ 373,420
Miscellaneous	\$ 1,259	\$ 881	\$ 255,648
Annual Discretionary Spending	\$ 38,065	\$ 26,646	\$ 7,729,327

Source: 2021 Consumer Expenditure Survey, Bureau of Labor Statistics

The total net new spending in the county was calculated by multiplying the amount spent in the town by the number of net new units. As shown in the table above, spending in the town by all new households would total approximately \$7.7 million per year. Given the location of the Project and its walkable nature, it is likely that a portion of this \$7.7 million will occur on-site at the mall. In addition, the mall will benefit from increased foot traffic – from new residents, visitors of residents, and an increased desire of consumers to spend time in this vibrant mixed-use destination. This will further result in increased sales that will benefit both the mall and the town, through new sales tax revenue collection.

Using the \$7.7 million spending from residents as the new sales input, Camoin Associates used Lightcast to determine the indirect, induced, and total impact of the project. Table 5 outlines the findings of this analysis, including the new jobs, earnings, and sales that will be created.

Table 5

Economic Impact - Household Spending, Phase I

	Jobs	Earnings	Sales
Direct	66 \$	2,624,710 \$	7,729,327
Indirect	9 \$	445,034 \$	1,260,037
Induced	5 \$	331,442 \$	868,205
Total	80 \$	3,401,186 \$	9,857,568

Source: Lightcast, Camoin Associates

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ON-SITE EMPLOYMENT IMPACTS

The Developer anticipates that there will be 8 permanent jobs on-site with total earnings of \$637,200. 98% of the households are considered to be net new to the town and therefore, 98% of the on-site activity would be net new. In this case, 98% of the 8 on-site jobs rounds to 8 jobs. Using the new total jobs and earnings as the direct input, Lightcast was used to calculate the indirect and induced economic impact of the on-site activity. Table 6 details the impact that the on-site activity will have on the Town of Wilton in terms of employment, earnings, and sales.

Table 6

Economic Impact - On-Site Operations, Phase I			
	Jobs	Earnings	Sales
Direct	8 \$	637,200 \$	2,250,148
Indirect	5 \$	246,485 \$	677,325
Induced	1 \$	70,512 \$	181,091
Total	14 \$	954,197 \$	3,108,564

Source: Lightcast, Camoin Associates

TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of both new household spending as well as on-site operation and maintenance of the Project is displayed in Table 7. The Project will result in the creation of new jobs and employment opportunities within the town. The new earnings and sales that are generated will further contribute to the Town through the creation of new sales tax revenue.

Table 7

Total Annual Economic Impact, Phase I			
	Jobs	Earnings	Sales
Direct	74 \$	3,261,910 \$	9,979,475
Indirect	14 \$	691,519 \$	1,937,361
Induced	6 \$	401,954 \$	1,049,296
Total	94 \$	4,355,383 \$	12,966,132

Source: Lightcast, Camoin Associates

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Fiscal Benefits

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 annual sales tax generation.

SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction phase earnings described by the total economic impact of the construction work (described in above section) would lead to additional sales tax revenue for the Town. It is assumed that 70% of the construction phase earnings would be spent within Saratoga County and that 25% of those purchases would be taxable.⁴ Of the new sales tax collected by the County, 50% is distributed to the City of Mechanicville, towns and villages based on property value. Based on projections of future assessed value of the Project, the Town of Wilton will account for 10.56% of taxable value in the county and thus, would receive 10.56% of the 50% that is distributed.⁵

Table 8

One-Time Sales Tax Revenue

Construction - Phase I

Total New Earnings	\$	10,550,878
Amount Spent in Saratoga County (70%)	\$	7,385,615
Amount Taxable (25%)	\$	1,846,404
County Sales Tax Rate		3.00%
New Saratoga County Sales Tax Revenue	\$	55,392
50% Distributed by Property Value	\$	27,696
Town Projected Portion (10.56%)	\$	2,925

Source: Developer, Saratoga County 2023 Adopted Budget, Camoin Associates

***Note:** Saratoga County's sales tax rate is 3.00%, of which 50% to the City of Mechanicville, towns and villages based on property value. The remaining 50% is retained by the County, except for \$3 million distributed to cities (including Saratoga Springs), towns and villages by population, an additional \$542,000 for the City of Mechanicville and \$60,000 for the Town of Milton. Macerich estimates that upon completion of the Project, the Town of Wilton will account for 10.56% (a 0.48% increase in taxable value) of the county's taxable property value and 7.96% of the county's population (a 0.21% increase in population).

As a result of the construction phase employment, the Town would receive approximately \$2,925 in new sales tax revenue from the economic impacts of construction. This is a one-time benefit to the Town as a result of the construction of Phase I.

⁴ According to Lightcast, approximately 70% of demand for household spending related industries is met within Saratoga County. Based on a breakdown of typical personal consumption expenditures from the Bureau of Economic Analysis, approximately 25% of such expenditures will be made on products subject to sales tax.

⁵ According to the Developer, it is estimated that upon Project completion, the Town of Wilton will account for 10.56% of Saratoga County's taxable value. For the purposes of this analysis, we assume that sales tax related to construction spending will be distributed according to this proportion.

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SALES TAX REVENUE – ON-SITE OPERATIONS

In addition to sales tax generated by construction, the Town would also receive sales tax revenue as a result of activity from new households and on-site operations. The new earnings generated by this activity would lead to additional sales tax revenue for Saratoga County, a portion of which would be distributed to the Town of Wilton. It is again assumed that 70% of earnings will be spent in the county and that 25% will be taxable. Of the new sales tax revenue collected by the County from this spending, 50% will be distributed based on property value, of which the Town of Wilton will receive approximately 10.56%. This means that \$1,207 in new sales tax revenue is expected for the Town, annually.

Along with the property tax revenue directly associated with this new activity, the Town of Wilton will also receive a higher percentage of current property tax revenue distributed by the County than it previously did. Saratoga County’s 2023 budget includes \$150.0 million in sales and use tax revenue. The County distributes 50% of this based on property value in addition to \$3.0 million of this which is distributed based on population. The mall’s recent approximately \$80.0 million decrease in assessed value has therefore had a negative impact on the portion of sales tax revenue that the Town of Wilton receives from Saratoga County. The Project will help to recapture this assessed value and the Town’s share of sales tax revenue. Following Project completion, the Town of Wilton’s portion of the County’s taxable value is estimated to increase by 0.48% as a result of the Project while the Town’s portion of the County’s population will increase by an estimated 0.21%. This means that the Town of Wilton will receive a higher percentage of the existing property tax collected by the County than it would without the Project. In total, \$366,300 in new annual property tax revenue will be collected by the Town as a result of its increased distribution portions.

Table 9 displays the new sales tax revenue that Town of Wilton would receive annually following the completion of Phase I. In total, nearly \$368,000 new revenue will be generated annually.

Table 9

Annual Sales Tax Revenue	
On-Site Operations and Household Spending - Phase I	
Direct Sales Tax Revenue from Project	
Total New Earnings	\$ 4,355,383
Amount Spent in Saratoga County (70%)	\$ 3,048,768
Amount Taxable (25%)	\$ 762,192
County Sales Tax Rate	3.00%
New Saratoga County Sales Tax Revenue	\$ 22,866
50% Distributed by Property Value	\$ 11,433
Town Projected Portion (10.56%)	\$ 1,207
Increase in Existing Saratoga County Sales Tax Distribution	
Saratoga County 2023 Sales & Use Tax Revenue	\$ 150,000,000
50% Distributed by Property Value	\$ 75,000,000
New Town Projected Portion (0.48%)	\$ 360,000
Distributed by Population	\$ 3,000,000
New Town Projected Portion (0.21%)	\$ 6,300
Total New Town Sales Tax Revenue	\$ 367,507

Source: Developer, Saratoga County 2023 Adopted Budget, Camoin Associates

***Note:** Saratoga County’s sales tax rate is 3.00%, of which 50% to the City of Mechanicville, towns and villages based on property value. The remaining 50% is retained by the County, except for \$3 million distributed to cities (including Saratoga Springs), towns and villages by population, an additional \$542,000 for the City of Mechanicville and \$60,000 for the Town of Milton. It is estimated that upon completion of the Project, the Town of Wilton will account for 10.56% (a 0.48% increase in taxable value) of the county’s taxable property value and 7.96% of the county’s population (a 0.21% increase in population).

PHASE II IMPACTS

Phase II of the Project includes construction of 3-story townhomes in the northeast corner of the property. In total, 86 townhomes are planned for Phase II. The nature of the phased project will make a currently undevelopable portion of the property viable for use. Each townhome will have its own garage space as well as surface parking.

Economic Impact Analysis

The estimates of direct economic activity generated during the construction phase and anticipated new resident spending for Phase II were used as the direct inputs for the economic impact model. Camoin Associates followed the same methodology as was used for the analysis of Phase I.

CONSTRUCTION PHASE IMPACTS

The Developer anticipates that private sector investment in the construction of Phase II would cost approximately \$35.1 million. Camoin Associates again estimates that 25% of the construction spending would be sourced from within the Town. Therefore, it is projected that there will be \$8.8 million in net new spending in the Town associated with the construction of Phase II.

Table 10

Construction Spending, Phase II

Total Construction Cost	\$ 35,100,000
Percent Sourced from Town	25%
Net New Construction Spending	\$ 8,775,000

Source: Developer, Camoin Associates

Based on \$8.8 million worth of net new direct spending associated with the construction phase of the Project, it is estimated that there would be nearly \$10.1 million in total one-time construction related spending supporting 86 jobs over the construction period throughout the town and over \$3.9 million in earnings. Table 11 outlines the economic impacts of construction.

Table 11

Economic Impact - Construction, Phase II

	Jobs	Earnings	Sales
Direct	78 \$	3,429,205 \$	8,775,000
Indirect	5 \$	282,639 \$	862,983
Induced	3 \$	190,535 \$	489,599
Total	86 \$	3,902,380 \$	10,127,582

Source: Lightcast, Camoin Associates

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NEW HOUSEHOLD SPENDING IMPACTS

NET NEW HOUSEHOLDS

As in Phase I, Camoin Associates estimates that 98% of households will be "net new". Therefore, 84 of the planned 86 units are to be considered "net new" for this analysis, as detailed in Table 12.

Table 12

Net New Households - Phase II

	Total Households	Percent Net New	Net New Households
Townhouse Units	86	98%	84
Total	86	98%	84

Source: Esri, Camoin Associates

SPENDING BY NEW RESIDENTS

New residents would make purchases in the town, thereby adding new dollars to the Wilton economy. For this analysis, we researched spending patterns by household income. It is assumed that Phase II residents would have incomes between \$150,000-\$199,000 based on the proposed price point per unit.

Using a spending basket for the region which details household spending in individual consumer categories by income level, we analyzed likely resident spending. According to the Bureau of Labor Statistics 2021 Consumer Expenditure Survey, households with incomes in this range have annual expenditures (excluding housing and utility costs) of \$47,873.

The second column in the following table shows the total spending for households by category. It is assumed that 70% of total expenditures would occur within Wilton and, therefore, have an impact on Wilton's economy. The fourth column shows the total amount spent in the town.

Table 13

Resident Spending Basket (Townhouse Units, \$150,000 to \$199,999 Annual Household Income)

Category	Annual per Unit Spending Basket	Amount Spent in Town (70%)	Total Net New Town Spending (84 net new units)
Food	\$ 12,567	\$ 8,797	\$ 741,403
Household furnishings and equipment	\$ 3,231	\$ 2,262	\$ 190,616
Apparel and services	\$ 2,522	\$ 1,765	\$ 148,788
Transportation	\$ 14,795	\$ 10,357	\$ 872,846
Health care	\$ 2,486	\$ 1,740	\$ 146,664
Entertainment	\$ 4,637	\$ 3,246	\$ 273,564
Personal care products and services	\$ 1,005	\$ 704	\$ 59,291
Education	\$ 4,029	\$ 2,820	\$ 237,695
Miscellaneous	\$ 2,601	\$ 1,821	\$ 153,449
Annual Discretionary Spending	\$ 47,873	\$ 33,511	\$ 2,824,316

Source: 2021 Consumer Expenditure Survey, Bureau of Labor Statistics

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The total net new spending in the town was calculated by multiplying the amount spent in the town by the number of net new units. As shown in the table above, spending in the town by all new households would total approximately \$2.8 million per year.

Using \$2.8 million as the new sales input, Camoin Associates used Lightcast to determine the indirect, induced, and total impact of the project. Table 14 outlines the findings of this analysis.

Table 14

Economic Impact - Household Spending, Phase II

	Jobs	Earnings	Sales
Direct	25 \$	978,489 \$	2,824,316
Indirect	4 \$	162,070 \$	460,272
Induced	2 \$	120,955 \$	316,632
Total	31 \$	1,261,514 \$	3,601,219

Source: Lightcast, Camoin Associates

ON-SITE EMPLOYMENT IMPACTS

Phase II includes no additional permanent on-site employment beyond what was described for Phase I of the Project. For this reason, there are no economic impacts of on-site employment for Phase II of the development.

TOTAL ANNUAL ECONOMIC IMPACT

The complete economic impact of new household spending related to Phase II of the Project is displayed in Table 15. As in Phase I, Phase II will result in the creation of new jobs and employment opportunities within the town, with the new earnings that are generated and sales that will further contribute to the Town through the creation of new sales tax revenue.

Table 15

Total Annual Economic Impact, Phase II

	Jobs	Earnings	Sales
Direct	25 \$	978,489 \$	2,824,316
Indirect	4 \$	162,070 \$	460,272
Induced	2 \$	120,955 \$	316,632
Total	31 \$	1,261,514 \$	3,601,219

Source: Lightcast, Camoin Associates

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Fiscal Benefits

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 annual sales tax generation.

SALES TAX REVENUE**SALES TAX REVENUE – CONSTRUCTION PHASE**

One-time sales tax revenue associated with Phase II was calculated using the same methodology as was used to calculate that associated with Phase I. The results are displayed in Table 16.

Table 16

One-Time Sales Tax Revenue**Construction - Phase II**

Total New Earnings	\$	3,902,380
Amount Spent in Saratoga County (70%)	\$	2,731,666
Amount Taxable (25%)	\$	682,916
County Sales Tax Rate		3.00%
New Saratoga County Sales Tax Revenue	\$	20,487
50% Distributed by Property Value	\$	10,244
Town Projected Portion (10.56%)	\$	1,082

Source: Developer, Saratoga County 2023 Adopted Budget, Camoin Associates

and villages based on property value. The remaining 50% is retained by the County, except for \$3 million distributed to cities (including Saratoga Springs), towns and villages by population, an additional \$542,000 for the City of Mechanicville and \$60,000 for the Town of Milton. It is estimated that upon completion of the Project, the Town of Wilton will account for 10.56% (a 0.48% increase in taxable value) of the county's taxable property value and 7.96% of the county's population (a 0.21% increase in population).

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SALES TAX REVENUE – ON-SITE OPERATIONS

The Town of Wilton will also receive sales tax revenue as a result of activity from the new households developed in Phase II. The same methodology as was used to calculate Phase I impacts was used to calculate this new sales tax revenue. The results are displayed in Table 17. Note that the increased tax revenue resulting from a higher distribution of existing Saratoga County sales tax collections was excluded from this calculation; this benefit is already calculated as part of the Phase I analysis and including again here would result in double counting.

Table 17

Annual Sales Tax Revenue Household Spending - Phase II	
Total New Earnings	\$ 1,261,514
Amount Spent in Saratoga County (70%)	\$ 883,060
Amount Taxable (25%)	\$ 220,765
County Sales Tax Rate	3.00%
New Saratoga County Sales Tax Revenue	\$ 6,623
50% Distributed by Property Value	\$ 3,311
Town Projected Portion (10.56%)	\$ 350

Source: Developer, Saratoga County 2023 Adopted Budget, Camoin Associates

***Note:** Saratoga County's sales tax rate is 3.00%, of which 50% to the City of Mechanicville, towns and villages based on property value. The remaining 50% is retained by the County, except for \$3 million distributed to cities (including Saratoga Springs), towns and villages by population, an additional \$542,000 for the City of Mechanicville and \$60,000 for the Town of Milton. It is estimated that upon completion of the Project, the Town of Wilton will account for 10.56% (a 0.48% increase in taxable value) of the county's taxable property value and 7.96% of the county's population (a 0.21% increase in population).

TOTAL ECONOMIC AND FISCAL IMPACTS

The combined total economic impact of Phase I and Phase II is displayed in this section. These figures represent the total economic impact of the Project upon full buildout of all residential units (apartments and townhouses).

Economic Impact to the Town of Wilton

The total annual economic impact of both phases of the Project are detailed in Table 18.

Table 18

Total Annual Economic Impact

Phase	Jobs	Earnings	Sales
Phase I	94	\$ 4,355,383	\$ 12,966,132
Phase II	31	\$ 1,261,514	\$ 3,601,219
Total	125	\$5,616,897	\$16,567,351

Source: Lightcast, Camoin Associates

Fiscal Benefit to the Town of Wilton

The total annual fiscal benefit to the Town of Wilton is estimated to be approximately \$367,857. This includes new sales tax revenue that will be generated for the Town as a result of the completion of both phases of the Project.

Table 19

Total Annual Sales Tax Revenue - Town of Wilton

Phase	New Sales Tax Revenue
Phase I	\$367,507
Phase II	\$350
Total	\$367,857

Source: Camoin Associates

New assessed value to be generated by the Project will help the Town of Wilton recapture the mall's recent \$80.0 million drop in assessed value and in turn the portion of county sales tax that the Town receives from Saratoga County. Additionally, given the services that are already in place and that will be provided on-site upon buildout, \$367,857 is the net benefit to the Town of Wilton. The Town is not anticipated to incur any new infrastructure costs as the Project is proposed for an area that is already built out. No new roadways will need to be built or serviced, no new public utilities need to be installed or upgraded, and the site is already well equipped to handle the traffic related to new residents. In addition, the apartments will provide their own security services, snow plowing, and maintenance, and will not impact any green space within the town as the site is already developed.

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Net Benefit to the Saratoga Springs City School District**PROJECTED NEW STUDENTS**

The Project is located within the Saratoga Springs City School District. Based on the price point and size of units, it is unlikely that the new apartments and townhomes would attract a large number of families with school age children. Using data on public school enrollment for households that have moved into similarly sized and priced units in Saratoga County over the last two years, Camoin Associates estimates that there would be a maximum of 25 new public-school children enrolled in the school district as a result of the Project.^{6,7}

Since the 2011-12 school year, enrollment in the Saratoga Springs City School District has declined by 11%, or 720 students. Nearly two-thirds of this enrollment decline has occurred in the last two years, with enrollment decreasing by 7%, or 432 students, since 2017-18. Given this sharp decline, it is likely that the school district would have the capacity to support the potential 25 new students that may result from this Project.

Table 20

Saratoga Springs City School District Enrollment

Year	Enrollment
2011-12	6,795
2012-13	6,704
2013-14	6,681
2014-15	6,529
2015-16	6,479
2016-17	6,437
2017-18	6,507
2018-19	6,462
2019-20	6,369
2020-21	6,085
2021-22	6,075
Change in Enrollment (2011-12 to 2021-22)	-720
% Change in Enrollment (2011-12 to 2021-22)	-11%
Change in Enrollment (2017-18 to 2021-22)	-432
% Change in Enrollment (2017-18 to 2021-22)	-7%

Source: NYS Department of Education

PROPERTY TAX REVENUE

The school district will benefit from new property tax revenue that the Project will generate. According to the Developer's estimates of taxable assessed value upon completion of the Project, the Project will increase the taxable assessed value of the Project site by over \$101.5 million.

⁶ Source: U.S. Census Bureau Public Use Microdata Sample (PUMS)

⁷ The number of *new* school children enrolled may likely be lower than 25 as this analysis does not adjust for existing households with children that may move to the Project.

Table 21

Change in Taxable Assessed Value

Phase 1	
Current Taxable Assessed Value	\$1,572,046
Projected Taxable Assessed Value	\$76,000,000
New Taxable Assessed Value - Phase I	\$74,427,954
Phase II	
Current Taxable Assessed Value	\$883,823
Projected Taxable Assessed Value	\$28,000,000
New Taxable Assessed Value - Phase II	\$27,116,177
Total New Taxable Assessed Value	\$101,544,131

Source: Developer, Camoin Associates

For the 2022-2023 school year the Saratoga Springs Central School District's tax rate for the Town of Wilton is 12.344513. Applying this tax rate to the new assessed value that the Project is expected to generate means that an estimated nearly \$1.3 million in new property tax revenue will be generated for the school district, annually.

Table 22

Projected New Annual Property Tax Revenue, School District

Total New Assessed Value	\$101,544,131
2022-2023 Saratoga Springs Central School District Tax Rate	12.344513
New Annual Property Tax Revenue	\$1,253,513

Source: Camoin Associates, Saratoga County Tax Rate Report

NET FISCAL BENEFIT

Given the small number of potential new students and the estimated new property tax revenue to be generated, the net benefit of the Project for the school district is positive.

According to the New York State Department of Education, the Saratoga Springs Central School District's expenditures per pupil were \$17,773 in 2021-22. This means that if the maximum number of estimated new students (25) does in fact result from the project, new annual expenditures are projected to be \$444,324.

Subtracting the new projected new expenditures from the projected new revenue results in a total projected fiscal benefit of over \$809,000 to the school district, annually.

Table 23

Projected Annual School District Benefit

Estimated New Students	25
Expenditures per Pupil (2021-22)	\$17,773
Projected New Expenditures	\$444,324
Projected New Revenue	\$1,253,513
Projected Annual Net Benefit to School District	\$809,189

Source: Camoin Associates, NYS Department of Education

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Additional Impacts of Mall Redevelopment

Traditional retail malls depend on department store anchors which drive foot traffic to support other retail tenants. As part of the retail industry's transformation, department store anchors and other apparel tenants of malls and retail centers are closing at a rapid rate. Annual sales at department stores are falling, with Sears, Macy's, JC Penney, and Bon-Ton being some of the most well-known department stores to announce significant numbers of store closures in recent years.⁸

The decline of the shopping mall and of department stores is due in part to the well-publicized rise of e-commerce, but also to shifts in consumer spending and preferences. Overall, there has been a shift in retail spending away from department stores towards more bargain-oriented retailers such as Wal-Mart and Costco. This coupled with young professionals and retirees moving to cities and urban areas, away from suburban malls, has resulted in an overall decline in foot traffic at traditional retail centers.

Given these trends, mall operators are increasingly turning to adaptive reuse and redevelopment. In addition to the economic impact and fiscal benefits detailed above, the trend of mall redevelopment generally has gained traction in recent decades, providing a multitude of other community benefits.

- ◆ **Mixed-use mall redevelopment provides positive environmental impacts.** With many cities and suburbs facing significant housing needs, redeveloping mall space allows for development without encroaching on existing green space in the community or clearing forested land. Additionally, the reduction of large parking lots can help improve stormwater management and cool the air surrounding property.⁹
- ◆ **Redevelopment provides diverse housing options.** Many suburban areas already lack multifamily housing, and housing demand in the coming decades is projected to shift towards apartments and condos. Mixed-use development at mall sites has the potential to fill this gap. Additionally, mall redevelopment offers potential residents more urban form, providing housing with walkable blocks and access to retail and other services that are not typically available in suburban areas.¹⁰ These walkable neighborhoods often command higher prices and are highly sought after, providing opportunity for major new growth in their regions.
- ◆ **Mall redevelopment bolsters municipal finance.** According to research from the Metropolitan Area Planning Council, walkable mixed-use neighborhoods have taxable valuations as much as 2.5 times higher per acre compared to traditional commercial sites, adding to local property tax revenue.
- ◆ **Mixed-use developments improve the physical character of the community.** These developments improve the attraction of residents to the retail center, offering an experience that is greater than a purely retail or mall environment. Adding buildings on the periphery of malls will help keep retail viable, while also improving the value of the space by creating tree-lined spaces and added convenience.¹¹

⁸ Source: Steuteville, Robert. *Malls to Mixed-Use Centers and Other Opportunities*. Congress for the New Urbanism, 8 Oct. 2019.

⁹ Source: *Rethinking the Retail Strip: Transforming Old Uses to Meet New Needs*. Metropolitan Area Planning Council (MAPC). 2022.

¹⁰ Source: *Mall Redevelopment Can Achieve Sustainable, Equitable Diversity in American Suburbs*. Urban Land Institute. 2021.

¹¹ Source: *From Ordinary to Extraordinary: Added Density and Mixed Use, Vancouver's Mall Redevelopments Charge Ahead*. Urban Land Institute. 2021

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.

ATTACHMENT B: CALCULATING NET NEW HOUSEHOLDS

"Net new" households that move into a geography because of the availability of desired housing contribute to that geography's economy in measurable ways. Estimating the number of net new households, the households that would not otherwise live in the geography, is therefore a critical task for an economic and fiscal impact analysis for a project that includes housing.

Our housing market research indicates that housing is heavily affected by demand, with households in different demographic groups seeking diverse housing price points and amenities. Our estimates of net new households take into consideration demographic and economic differences among renters, and price points among units offered, identifying the existence and size of a housing gap (where more units are demanded than are available) or surplus (where there is oversupply) in the market segment to be served by the proposed project. Generally, where there is a significant housing gap outside the geography but within a reasonable distance for relocation, a project will draw a larger proportion of net new households into that geography. Each project may therefore have a different expectation for net new households, depending on price point, age restriction if any, and location.

The following steps outline our process for calculating net new households. All data is drawn from Esri Business Analyst.

1. Identify *where* households are likely to come from. We expect that renters for a new project would consider housing within a reasonable driving time from their current location, creating a "renter-shed" for a new project. Households that are within the drive time but outside of the study area are net new.
2. Identify the existing rental housing supply at different price points. Using data from Esri, we identify rental housing units in the study area by price point and calculate the minimum household income expected to be necessary to afford rent by price range.
3. Identify the number of households at different income levels. We analyze households by income group and rental behavior to estimate an "implied number renting" for different income groups.
4. Calculate net housing surplus or gap by price point. Rental housing supply and rental housing demand is compared to calculate a "net gap," indicating excess demand for the project, or a "net surplus." To estimate net new households for a project, the net gap in the study area is compared to the net gap in the drive time.

Leading action to grow your economy

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