

PREPARED FOR:

Orange County Industrial Development Agency  
4 Crotty Lane #100  
New Windsor, NY 12553

# Economic and Fiscal Impact

BALCHEM CORPORATION

Orange County  
Industrial Development Agency

JULY 14, 2025

PREPARED BY:



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# ABOUT THE STUDY

Camoin Associates was retained by the Orange County Industrial Development Agency to measure the potential economic and fiscal impacts of a project proposed by Balchem Corporation which entails the construction of up to a 101,000 square foot facility designed to produce food ingredients at 36 Fini Drive, Middletown, NY 10941.

The goal of this analysis is to provide a complete assessment of the total economic, employment, and tax impacts of the project on Orange 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 Orange County Industrial Development Agency and included the following data points: construction spending, new jobs, and the payment in lieu of taxes (PILOT) schedule information.

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:**  
Balchem Corporation Application  
for Assistance, and the Orange  
County Industrial Development  
Agency

**Geography:**  
Orange County

**Study Period:**  
2024

**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

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: **BALCHEM CORPORATION**



TOTAL NUMBER OF  
JOBS CREATED:

**151 JOBS**

**36**

Permanent  
On-Site Jobs

**24**

Permanent  
Indirect Jobs

**69**

Direct  
Construction  
Jobs

**23**

Indirect  
Construction  
Jobs



## Assistance

PILOT

SALES TAX EXEMPTION

15-year

\$906,856

Annual Earnings:  
**\$3.45 MN**

Annual Sales:  
**\$18.56 MN**

### Construction:

**\$12.56**  
MILLION  
spending



**\$6.23**  
MILLION  
earnings

Increase in County  
Revenues From Property:

**\$1.95 million**

Total PILOT  
Payments:

**\$2.60 MN**

Total Otherwise  
Applicable  
Property Taxes:

**\$651,000**



**Average Annual  
Sales Tax Revenue:**

**\$17,500**



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# EXECUTIVE SUMMARY

The Orange County Industrial Development Agency (the Agency) received an application for financial assistance from Balchem Corporation (the Applicant) for the proposed construction of a single-story facility designed to produce food ingredients (the Project) at 36 Fini Drive, Middletown, New York (the Site). The Project being proposed by the Applicant entails the construction of a production facility for use by the Applicant. The Agency commissioned Camoin Associates to conduct an economic and limited fiscal impact analysis of the Project on Orange County (the County).

This study evaluates the Project's impact on the county economy and local municipal revenues, isolating only the economic activity that would not occur without the Project.

## Construction Impact

- The construction phase associated with the Project would result in over **\$12.56 million in total one-time construction-related sales activity** in Orange County supporting **92 jobs** over the construction period throughout the county and over **\$6.2 million in earnings**. (Source: Lightcast)
- Sales tax associated with the construction phase earnings would generate approximately **\$31,500 in new sales tax revenue for the County** over the construction period.

## Annual Impact of On-Site Employment

- The Project would directly support the retention and creation of a total of **36 direct on-site jobs, earning nearly \$1.9 million annually**, which would generate a total economic impact of 60 jobs county-wide with nearly \$3.5 million in associated earnings. (Source: Lightcast)
- Sales tax associated with the on-site employee earnings are estimated to generate **\$17,500 in sales tax revenue to the county** annually.
- Through negotiations with the Agency, the Applicant could have access to a sales tax exemption valued at up to \$906,856. However, if we assume that the Project would not occur absent of IDA benefits, this is not actually a "cost" to the county since no future revenue stream would exist without the exemption.
- Under the proposed 15-year PILOT agreement with the Agency, **the Applicant would pay approximately \$2.6 million over the duration of the agreement, equating to an average annual payment of \$173,500.**
- Under the proposed 15-year PILOT agreement, the Applicant would pay nearly \$2 million more than the property tax payments generated by the Site if the Project were not to occur. In other words, the **PILOT represents a benefit to the affected taxing jurisdictions averaging \$130,000 per year.**

**Total Annual Economic Impact - Operation Phase**



# ECONOMIC IMPACT ANALYSIS

Estimates of direct economic activity during the construction phase and at full project operation, as provided by the Applicant, served as the primary 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 generate as these new dollars circulate through the Orange 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 a total of nearly \$17.9 million<sup>1</sup>. Based on the established request for sales tax exemption as detailed in the Application, it is assumed that \$11.2 million of the total cost will be on materials and the remainder, \$6.7 million, will be on labor. Based on information provided in the Application, it is assumed that 70% of the construction labor will be sourced from within Orange County. Additionally, it is assumed that 40%<sup>2</sup> of the construction materials will be sourced from within the county, for a total of \$9.1 million in new spending in Orange County associated with the construction phase of the Project.

Table 1

### Project Costs and Construction Phase Spending

		Percent of Spending in	Direct Spending in
	<u>Total Project (1)</u>	<u>Orange County (2)</u>	<u>Orange County</u>
<u>Construction Costs</u>			
Construction Labor	\$ 6,702,745	70%	\$ 4,691,922
Construction Materials	\$ 11,161,305	40%	\$ 4,427,132
Total Costs	\$ 17,864,050	51%	\$ 9,119,054

(1) The Applicant indicated total construction costs of \$17.9 million, including \$11.2 million in material cost (construction), therefore \$6.7 million is assumed to be construction labor.

(2) The Applicant indicated that 85% of labor costs would be sourced from within the region, Camoin Associates assumes 70% will be sourced from within Orange County. Camoin Associates conducted an industry analysis to determine the percent of construction related materials that would likely be sourced from within Orange County.

**Source:** Applicant, Camoin Associates

<sup>1</sup> Includes project costs detailed in Section III for Building Construction & Renovation (\$17,864,050).

<sup>2</sup> According to Lightcast, approximately 40% of construction spending in Orange County is sourced from businesses within Orange County.

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Based on \$9,119,054 worth of net new direct spending in Orange County associated with the Project's construction phase, Camoin Associates determined that over \$12.5 million in total one-time construction-related spending would support 92 jobs throughout the county during the construction period and over \$6.2 million in earnings. Table 2 outlines the economic impacts of construction.

Table 2

**Economic Impact - Construction Phase**

<b>Total Activity</b>			
		<b>Earnings</b>	<b>Sales</b>
Total Associated Activity	\$	6,702,745	\$ 17,864,050
Percent in Orange County		70%	51%
<b>Economic Impact in Orange County - Construction Phase</b>			
	<b>Jobs</b>	<b>Earnings</b>	<b>Sales</b>
Direct	69	\$ 4,691,922	\$ 9,119,054
Indirect	10	\$ 701,227	\$ 1,800,003
Induced	13	\$ 832,848	\$ 1,642,554
<b>Total</b>	<b>92</b>	<b>\$ 6,225,996</b>	<b>\$ 12,561,611</b>

**Source:** Lightcast, Camoin Associates

**IMPACTS OF ON-SITE EMPLOYMENT**

Upon completion, the Applicant anticipates being able to retain existing staff and add four additional staff. Based on the application, it is assumed that there will be 36 jobs on-site (created and retained) by year five, earning nearly \$1.9 million annually. 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 3 details the impact that the on-site activity will have on Orange County in terms of employment, earnings, and sales.

Table 3

**Economic Impact - On-Site Operations**

	<b>Jobs</b>	<b>Earnings</b>	<b>Output</b>
Direct	36	\$ 1,883,900	\$ 13,726,360
Indirect	14	\$ 951,357	\$ 3,183,887
Induced	9	\$ 619,832	\$ 1,657,417
<b>Total</b>	<b>60</b>	<b>\$ 3,455,089</b>	<b>\$ 18,567,664</b>

**Source:** Lightcast, Camoin Associates

Note: Rows may not sum to total due to rounding

# 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 annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completed Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

## PAYMENT IN LIEU OF TAXES (PILOT)

A PILOT schedule has been developed by the Orange County IDA. Table 4 analyzes the proposed schedule by comparing three different scenarios, including No Project, Project and PILOT, and Project and 485(b) abatement program. The results of these three scenarios are detailed in Table 4.

- Column A: Assumes no project occurs and the parcel remains vacant. Please note that the annual payments outlined in this column assume an annual increase of 2%.
- Column B: Proposed PILOT schedule that includes PILOT payments plus Special Districts.
- Column C: Tax revenue schedule under 485(b) abatement program through year 10 and then full taxes starting in year 11.
- Column D: Shows the benefit to the County as a comparison between what the parcel is currently generating with what would be generated under the PILOT.
- Column E: Calculates the benefit to the Applicant as a comparison between what they would pay if they completed the Project without the PILOT to what they will pay with the PILOT. The Applicant has stated that without financial assistance, the Project will not be economically feasible. This analysis is therefore hypothetical, to provide a comparison only.

In accepting the proposed PILOT schedule, benefits flowing to the jurisdictions in the county would register over \$1.6 million on a present value basis.

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Table 4

## Tax Payments Comparison

	A	B	C	D	E
	Property Tax Payment Without Project (1)	PILOT Payment	Property Tax Payment With Project and 485(b) Exemption (3)	Benefit or (Cost)to County - (B-A)	Benefit or (Cost)to Applicant - (C-B)
Year					
1	\$ 37,644	\$ 57,609	\$ 242,689	\$ 19,964	\$ 185,080
2	\$ 38,397	\$ 70,141	\$ 250,287	\$ 31,744	\$ 180,146
3	\$ 39,165	\$ 83,152	\$ 258,092	\$ 43,987	\$ 174,940
4	\$ 39,949	\$ 96,655	\$ 266,109	\$ 56,706	\$ 169,454
5	\$ 40,748	\$ 110,665	\$ 274,344	\$ 69,917	\$ 163,679
6	\$ 41,563	\$ 125,197	\$ 282,801	\$ 83,634	\$ 157,605
7	\$ 42,394	\$ 140,265	\$ 291,487	\$ 97,872	\$ 151,222
8	\$ 43,242	\$ 155,887	\$ 300,408	\$ 112,645	\$ 144,521
9	\$ 44,106	\$ 172,077	\$ 309,568	\$ 127,970	\$ 137,492
10	\$ 44,989	\$ 188,852	\$ 318,975	\$ 143,864	\$ 130,123
11	\$ 45,888	\$ 219,830	\$ 328,635	\$ 173,942	\$ 108,804
12	\$ 46,806	\$ 251,972	\$ 335,207	\$ 205,166	\$ 83,235
13	\$ 47,742	\$ 285,312	\$ 341,912	\$ 237,569	\$ 56,600
14	\$ 48,697	\$ 319,884	\$ 348,750	\$ 271,187	\$ 28,866
15	\$ 49,671	\$ 326,281	\$ 355,725	\$ 276,610	\$ 29,443
<b>Total</b>	<b>\$ 651,001</b>	<b>\$ 2,603,779</b>	<b>\$ 4,504,990</b>	<b>\$ 1,952,778</b>	<b>\$ 1,901,211</b>
Average	\$ 43,400	\$ 173,585	\$ 300,333	\$ 130,185	\$ 126,747
NPV (2)	\$ 442,466	\$ 1,620,676	\$ 3,039,248	\$ 1,178,210	\$ 1,418,572

Source: Orange County IDA, Camoin Associates

(1) Assumes 2% annual increase.

(2) Assumes 5% discount rate

(3) Full taxes starting in Year 11

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## OTHER EXEMPTIONS

The PILOT program would offer the Applicant savings in terms of property tax benefits, but there are other benefits to working with the Agency, including a sales tax exemption on construction materials and furniture, fixtures, and equipment.

Table 5

**Summary of Costs to the County**

Sales Tax Exemption	\$	906,856
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**Source:** Applicant, Camoin Associates

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 sales tax or mortgage tax revenue.

## SALES TAX REVENUE

**SALES TAX REVENUE – CONSTRUCTION PHASE**

The one-time construction phase earnings generated within the total economic impact of the construction work (see previous section) would lead to additional sales tax revenue for the County. Based on households in the Northeast, it is assumed that approximately 10% of earnings are saved and 90% are spent<sup>3</sup>. Of that 90% spent, it is assumed that 60% is spent within Orange County, and of that, 25% of those purchases would be taxable.<sup>4</sup>

Table 6

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

Total New Earnings	\$	6,225,996
Total New Earnings Spent (90%)	\$	5,603,397
Amount Spent in County (60%)	\$	3,362,038
Amount Taxable (25%)	\$	840,510
County Sales Tax Rate		3.75%
New County Tax Revenue	\$	31,519

**Source:** Camoin Associates, Lightcast, Bureau of Labor Statistics

As a result of the construction phase employment, the County would receive approximately \$31,500 in new sales tax revenue over the construction period.

<sup>3</sup> Source: Bureau of Labor Statistics, Consumer Expenditure Survey. Although this figure is not precise, it is considered conservative based on the results of the BLS Consumer Expenditure Survey, which found that households in the Northeast within the typical earning brackets of this project have limited savings.

<sup>4</sup> A retail leakage analysis of Orange 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, 60% is a reasonable assumption for the amount of in-county spending. (Source: Lightcast Consumer Spending In-Region Availability Analysis)

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**SALES TAX REVENUE – EMPLOYEE EARNINGS**

The earnings generated by on-site jobs that will occur once the Project is operational (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the county. Following a similar methodology as described above for the construction phase sales tax revenue, Table 7 displays the annual tax revenue that the County will receive.

Table 7

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

Total New Earnings	\$	3,455,089
Total New Earnings Spent (90%)	\$	3,109,580
Amount Spent in County (60%)	\$	1,865,748
Amount Taxable (25%)	\$	466,437
County Sales Tax Rate		3.75%
New County Tax Revenue	\$	17,491

**Source:** Camoin Associates, Lightcast, Bureau of Labor Statistics

## ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

An economic impact analysis describes how “new” money entering a region influences the local economy. This “new” money can be generated in two ways:

1. When an industry, event, or policy brings new revenue into the region that would otherwise not exist.
2. When an industry, event, or policy retains revenue that would have otherwise left the region.

Economic impact analyses can also assess the negative economic implications of “losing” a particular business, industry, or attraction, which results in money leaving the region.

Economic impacts do not occur when spending simply shifts from one business or industry to another because of a new facility. For example, town residents attending a game at a new football stadium instead of going to the local movie theater will not generate a new economic impact. However, if town leaders decide to host a concert series at the new football stadium, new visitation and spending related to the concert series would create an economic impact.

### UNDERSTANDING ECONOMIC IMPACTS

Economic impacts are typically broken down into direct, indirect, and induced effects.

**Direct Effects** are the new activities under investigation.

- Example: The sale of RVs from a new manufacturer in Elkhart, IN, to the rest of the country

**Indirect Effects** reflect the extent of local supply chains for the activity being analyzed.

- Example: The steel, tires, and cabinets purchased by the RV manufacturer in Elkhart, IN, from local suppliers, the purchases made by those suppliers from their local suppliers, and so on

**Induced Effects** represent the actions of employees who are supported by direct and indirect activities.

- Example: An employee who works for the RV company’s primary tire supplier in Elkhart, IN, purchases groceries at the local supermarket.

Traditionally, the three types of effects are evaluated in terms of jobs, labor income or earnings, industry output or sales, and value-added or gross regional product. The sum of the direct, indirect and induced effects is equal to the total economic impact.

### ESTIMATING ECONOMIC IMPACTS

An input-output (I-O) model is used to estimate these effects. In the US, I-O models are derived from the Bureau of Economic Analysis’ National Income and Product Accounts. These accounts provide the economic “recipe” each industry follows to produce its output. This includes the value of inputs purchased from other industries, as well as the contributions of labor, taxes paid, and a measure of profits.

I-O models also capture household spending patterns. All of these inputs are adjusted for each study area based on the estimated portion of goods and services that businesses and households purchase from local suppliers. Adjustments are also made for in-commuting by workers who then take their earnings home and spend them outside the region.

The resulting “multipliers” show, for each direct dollar spent in the region, how many additional dollars (or cents) are generated at local suppliers (indirect) and providers of goods and services to households (induced). For example, suppose an industry has a multiplier of 2.5, for every positive or negative change to that industry. In this case, the total effect on the regional economy will be 2.5 times the original change.

### BENEFITS OF AN ECONOMIC IMPACT ANALYSIS

Economic impact analysis is a flexible tool that can be used to quantify the benefit/cost of a particular project, asset, or industry. To yield the most accurate results, studies of this nature rely heavily on high-quality data and research-based assumptions. A well-crafted economic impact analysis can be used by governments, businesses, and organizations to clearly tell a story about how a specific change will affect a given economic environment.

## ATTACHMENT B: DATA SOURCES



**Lightcast**

**Lightcast** (formerly Emsi Burning Glass) is a global leader in labor market analytics, offering a data platform that gives a comprehensive, nuanced, and up-to-date picture of labor markets at all scales from national to local. Key components of the platform include traditional labor market information, job postings analytics, talent profile data, compensation data, and skills analytics. Lightcast integrates government data with information from online job postings, talent profiles, and resumes to produce timely intelligence on the state of the labor market. Job and compensation data is available by industry, occupation, educational program, and skill type. [Click to learn more.](#)

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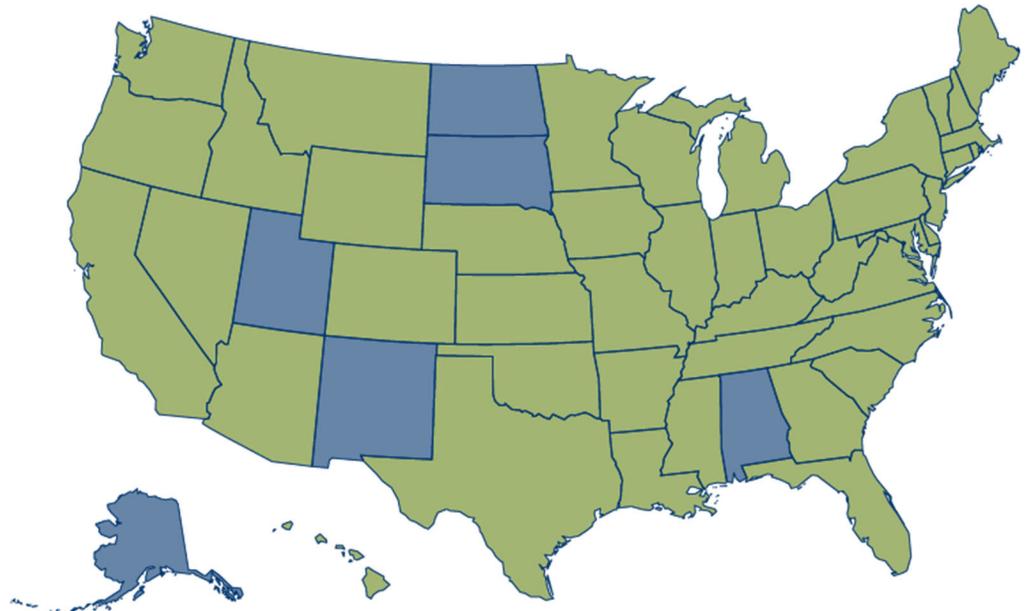
# ABOUT CAMOIN ASSOCIATES

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 44 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 Brattleboro, VT. 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 Twitter [@camoinassociate](https://twitter.com/camoinassociate) and on [Facebook](https://www.facebook.com/camoinassociate).

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