

Economic Impact Study Resolution

A regular meeting of the Nassau County Industrial Development Agency (the “Agency”) was convened in public session, electronically, pursuant to Executive Order No. 202.11 - Continuing Temporary Suspension And Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York on April 7, 2020 at 6:45 p.m., local time.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Richard M. Kessel	Chair
Lewis M. Warren	Vice Chair
Anthony Simon	2 nd Vice Chair
Timothy Williams	Secretary
Chris Fusco	Assistant Secretary
Amy Flores	Treasurer
John Coumatos	Assistant Treasurer

ABSENT:

None

THE FOLLOWING PERSONS WERE ALSO PRESENT:

Harry Coghlan	Chief Executive Officer / Executive Director
Danielle Oglesby	Chief Operating Officer/ Deputy Executive Director
Anne LaMorte	Chief Financial Officer
Catherine Fee	Director of Business Development/Chief Marketing Officer
Colleen Pereira	Administrative Director
Carlene Wynter	Compliance Assistant
Thomas D. Glascock, Esq.	General Counsel
Andrew D. Komaromi, Esq.	Bond/Transactional Counsel

The attached resolution no. 2020 - 25 was offered by Lewis Warren, seconded by Anthony Simon:

Resolution No. 2020 - 25

RESOLUTION OF THE NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY AUTHORIZING THE EXECUTIVE DIRECTOR TO ENGAGE HR&A ADVISORS, INC. TO PROVIDE CERTAIN ECONOMIC IMPACT STUDY SERVICES

WHEREAS, the Nassau County Industrial Development Agency (the “Agency”) is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, (the “Enabling Act”), and Chapter 674 of the 1975 Laws of New York, as amended, constituting Section 922 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, industrial and commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, the COVID-19 pandemic has presented an unprecedented economic challenge, demanding that immediate steps be taken to assist the local economy; and

WHEREAS, on March 17, 2020, Nassau County Executive Laura Curran convened a group of top Long Island business leaders (the “Nassau County Economic Advisory Council”) to assess the impact of the Coronavirus on the local economy, and the Agency’s chairperson serves as an ex officio member on the Nassau County Economic Advisory Council; and

WHEREAS, in addition, Nassau County has prepared, circulated to, and received responses from residents to a survey, to help determine the impact of COVID-19 to Nassau County’s local businesses and residents; and

WHEREAS, an understanding of how the economic fallout from COVID-19 is and will impact the local economy will be critical to the making of informed decisions concerning Agency’s activities for investments, policies and the resources required to best position the local economy for future recovery and resumed growth; and

WHEREAS, consistent with the Agency’s purpose, it wishes to partner in the work on the Nassau County Economic Advisory Council, and to facilitate analysis of the aforementioned survey findings; and

WHEREAS, it is desired that the firm HR&R Advisors, Inc., be engaged to serve as an economic consultant to develop a model to study, forecast and report on the economic impact of COVID-19; and

WHEREAS, among the many anticipated benefits of the contemplated model will be enabling the Agency to better target its deployment of financial assistance and other Agency resources, to more effectively assist local businesses in their recovery from the aforementioned fall-out from the COVID-19 pandemic; and

WHEREAS, therefore, the Agency wishes to procure and fund the cost of these services.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NASSAU COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby ratifies and confirms all actions as described above taken by the Agency's staff to date.

Section 2. The Agency hereby determines that the procurement of the services described in Exhibit "A" hereto (the "Services") constitutes a procurement of professional services involving the application of specialized expertise and a high degree of creativity and, therefore, is not subject to the competitive bidding requirements of the Agency's State of Procurement Policy and Procedures.

Section 3. The Agency hereby determines that the proposed action is a Type II Action pursuant to Article 8 of the New York Environmental Conservation Law (including the regulations thereunder, "SEQRA") involving "continuing agency administration" which does not involve "new programs or major reordering of priorities that may affect the environment" (6 NYCRR §617.5(c)(20)) and therefore no findings or determination of significance are required under SEQRA.

Section 4. The Agency hereby authorizes and directs the Executive Director, Deputy Executive Director and/or Administrative Director to enter into an agreement with HR&A Advisors, Inc., for it to provide the Services for the fee amounts and pursuant to the schedule described in Exhibit "B" hereto, on such terms and subject to such conditions as the Executive Director, Deputy Executive Director and/or Administrative Director may deem advisable or necessary, subject to the terms of this resolution, the Agency's budget for the type of services required and the requirements of the RFQ, as applicable. The Executive Director's, Deputy Executive Director's or Administrative Director's execution of any such agreement or contract shall evidence the Agency's approval of the terms thereof.

Section 5. This Resolution shall take effect immediately.

ADOPTED: April 7, 2020

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Richard M. Kessel	VOTING Aye__
Lewis M. Warren	VOTING Aye
Anthony Simon	VOTING Aye

Timothy Williams	VOTING Aye
Chris Fusco	VOTING Aye
Amy Flores	VOTING Aye
John Coumatos	VOTING Aye

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK

) SS.:

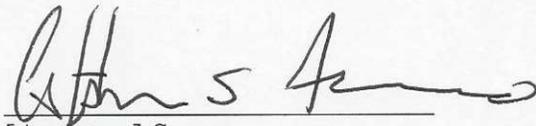
COUNTY OF NASSAU

We, the undersigned [Vice] Chairman and [Assistant] Secretary of the Nassau County Industrial Development Agency (the "Agency"), do hereby certify that we have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on April 7, 2020 with the original thereof on file in our office, and that the same is a true and correct copy of said original and of such Resolution set forth therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

WE FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 5 of the Public Officers Law (the "Open Meetings Law") as modified pursuant to Executive Order No. 202.11 - Continuing Temporary Suspension And Modification Of Laws Relating To The Disaster Emergency - by Governor Andrew M. Cuomo of the State of New York, said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

WE FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, we have hereunto set our respective hands and affixed the seal of the Agency this 7th day of April, 2020.



[Assistant] Secretary

[Vice] Chairman

(SEAL)

STATE OF NEW YORK

) SS.:

COUNTY OF NASSAU

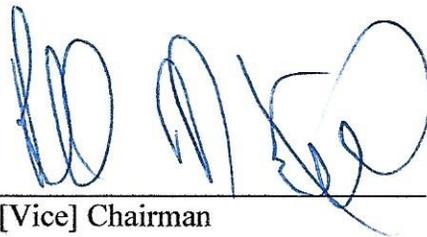
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[Assistant] Secretary

A handwritten signature in blue ink, appearing to be 'W. M. S.', written over a horizontal line.

[Vice] Chairman

(SEAL)

Exhibit “A”

Scope of Services

PHASE I. ECONOMIC IMPACTS OF COVID-19

HR&A Advisors, Inc. (“HR&A”) will focus this most immediate phase of work on establishing a baseline understanding of economic conditions in Nassau County and measuring best-to-worst case impact scenarios against this baseline. HR&A has deep experience with econometric forecasting within the context of designing effective local policy, and will discuss these approaches with the Agency and/or Nassau County as part of potential future phases of work once disaster recovery efforts are further underway.

Task 1: Baseline Conditions

HR&A will create an initial portrait of pre-COVID-19 economic conditions and historical trends in Nassau County. This baseline will be fundamental to isolating the impact of the current disaster, and will allow local leaders to understand the extent to which COVID-19 reversed growth, accelerated contraction, or otherwise impacted the local economy.

Specifically, HR&A will prepare a summary of Nassau County economic trends (e.g. number of businesses, employment, revenue, and wages by sector) using data from public and third-party data sources such as the New York State Department of Labor, U.S. Census Bureau PUMS, Bureau of Labor Statistics/Local Area Unemployment Statistics, Bureau of Economic Analysis, and EMSI, among others. HR&A will further track recent fiscal trends, including County tax collections and spending. Information will be summarized graphically and made available in tabular form, serving as the basis for scenario development and evaluation in Tasks 2-4.

Task 2: Impact Scenario Development

Given the immediacy of recovery needs, initial findings will be required before official statistics and data are available. For the reasons cited above, traditional economic projections will be of limited utility given the sheer number of unknowns. As an alternative, HR&A will leverage proxy information to develop a range of up to three potential best-to-worst case impact scenarios for the local economy, expressed in terms of total jobs, payroll, and County tax revenue. “High”, “medium”, and “low” impact scenarios will be developed using early results from Hofstra University’s Economic Impact Survey with respect to projected revenue losses, layoffs, and business closures by sector, tenure, and business size, as well as data from other natural and economic shocks, to the extent applicable, applied against baseline conditions from Task 1. HR&A will rely on the survey data and what it knows about the composition of businesses more broadly to highlight those groups that may be particularly vulnerable or differentially burdened by the COVID-19 crisis, such as small businesses, immigrant- and minority/women-owned businesses, and/or businesses in those sectors that employ disproportionate shares of low-income and minority workers. HR&A will also monitor best practices for measuring impacts of the ongoing crisis from across the country, incorporating into the impact scenarios as appropriate.

INTERIM DELIVERABLE

HR&A will summarize baseline economic and fiscal trends from Task 1 and the proposed impact scenarios from Task 2 in an interim presentation to the Agency and County. The presentation will also include a full summary of quantitative and qualitative findings from the Hofstra survey.

Timeline: 2 weeks from notice-to-proceed

Task 3: Economic Impact

After receiving sign-off from the Agency and County on the impact scenarios from Task 2, HR&A will estimate the range of economic losses stemming from COVID-19 in Nassau County. Such losses will take three general forms:

- **Direct losses**, including estimated reductions in jobs and wages caused by COVID-19 as compared to the baseline;
- **Indirect losses**, including losses among other firms throughout Nassau County owing to a reduction in spending among those businesses directly affected by COVID-19; and
- **Induced losses**, including reductions in business activity throughout Nassau County owing to reduced household spending from direct and indirect job or wage losses associated with COVID-19.

Direct losses will be determined using the data collected in Tasks 1 and 2, expressed in terms of changes in total employment, wages, and economic output by sector relative to the baseline. HR&A will use the IMPLAN input-output model to quantify indirect and induced impacts, utilizing the most recently available multipliers for Nassau County.

IMPLAN (IMpact Analysis for PLANning) is a widely recognized modeling tool developed at the University of Minnesota with the U.S. Forest Service's Land Management Planning Unit. It generates estimates of direct economic output as well as secondary and induced employment and output based patterns of commodity purchases and sales between industries that are associated with each dollar's worth of a product or service sold to a customer. IMPLAN data are updated annually and can be customized to reflect the conditions of individual regions, counties or groups of counties, states, and the nation.

Task 4: Fiscal Impact

Using the IMPLAN outputs from Task 3, HR&A will quantify the fiscal impacts of COVID-19 in terms of reductions in local sales and property taxes. Fiscal impacts will consider direct, indirect, and induced losses under each of the three impact scenarios, calculated using historical ratios between local spending or income and County sales and property tax collections.

FINAL DELIVERABLE

Building from the baseline conditions analysis and survey findings from the Interim Deliverable, HR&A will deliver a final presentation of the overall impacts of the pandemic on the local

economy. The final presentation will equip the Agency, County and its partners with an understanding of potential economic losses under best- and worst-case conditions to inform the design of recovery policies and shape requests for assistance from the State and federal government.

Timeline: HR&A will deliver the final presentation and accompanying technical memorandum detailing all data sources and assumptions within 4-6 weeks following notice-to-proceed. HR&A will incorporate one round of consolidated client comments to the final report.

Optional Task 5: Data Updates, Scenario Refinement, and Presentation

Given near-daily changes in economic conditions, the Agency's and County's ability to access the latest information will be critical to decision-making and the eventual implementation of recovery responses. In recognition of this complexity, HR&A is available to refine our initial impact analysis. Based on our experience with disaster recovery, funding decisions, and policy making, HR&A expects at least three valuable pathways for further work beyond initial task items for Phase 1:

1. It may be useful or necessary to establish new scenarios of impact or to refine the future impact scenarios as new data on employment and business impacts become available.
2. HR&A can also build an automated tool that Agency staff and County staff can use to calculate the economic and fiscal impacts of COVID-19 on an ongoing basis. The model would pull in the latest monthly employment statistics from the Department of Labor and other relevant sources to produce updated scenario inputs and estimates of economic and fiscal outputs. The automated tool would be accompanied by a detailed user guide with descriptions of the core logic and methodology, instructions on revising or updating the model in the future, and a catalog of underlying data used for all calculations and assumptions.
3. Finally, with an automated tool in place, it may be valuable for the Agency and County to have outside expertise to assist with the presentation and packaging of findings from the impact analysis. This information may be particularly useful for presentations to key stakeholders, for legislative consideration and requests for aid, and for presentation to potential funders.

The Executive Director, Deputy Executive Director and/or Administrative Director are authorized to elect for this Option Task 5, for the additional fee amount described in Exhibit "B", subject to the terms of this resolution, the Agency's budget for the type of services required and the requirements of the RFQ, as applicable.

FUTURE PHASES *[Optional]*

HR&A is also available to serve as a continuing thought partner and strategic advisor to the Agency and Nassau County during the planning and implementation of recovery efforts, informed by our work from above.

Support services may include:

- Developing medium- and long-term economic projections to compare the impact of the region's projected growth pre- and post-COVID-19
- Identifying key economic development initiatives, recovery programs, and public investments that the Agency and County could undertake in response to the economic fallout from COVID-19, and testing the impact of each initiative on future economic growth in Nassau County
- Conducting discrete cost-benefit analyses to support development of the narrative and benefits case for pursuing one or more priority recovery efforts
- Designing small business recovery programs and other economic development interventions found to have a positive impact on projected growth
- Building capacity and constituency around recovery efforts through outreach to local stakeholders
- Advocating for state and federal assistance to support implementation of recovery efforts

Exhibit “B”

Budget and Schedule

HR&A proposes to complete Tasks 1-4 from the above Phase I scope of work within six weeks, and is prepared to undertake optional tasks and future phases within the 60-90 day timeline specified in the RFP.

HR&A recognizes the urgency of this assignment, and will make every effort to work as efficiently and judiciously as possible to meet the County’s needs. In order to meet this schedule, HR&A will work with the County to proactively schedule strategic check-ins and work sessions, in addition to bi-weekly video conference calls throughout the engagement.

HR&A proposes to complete Tasks 1-4 for a fixed-fee of \$50,000, billed monthly based on percentage of task completion. The addition of the optional Task 5 would be completed at a fixed-fee of \$15,000, and any advisory services beyond Tasks 1-5 will be determined using our discounted public-sector rates below. Expenses, anticipated to include data purchases, travel (to the extent required), and printing/materials, will be additional and billed at-cost upon client approval.

HR&A Hourly Rates*

Chair / Vice Chair \$535
Senior Advisor \$430 - \$535
Partner \$430
Principal \$380
Director \$325
Senior Analyst \$240
Analyst \$190
Research Analyst \$150
Admin \$100

**These rates are guaranteed through December 31st, 2020.*