HOTEL MARKET STUDY

EXPANSION OF THE SOUTHAMPTON INN

January 2026

PREPARED FOR:

Dede Gotthelf, Owner
Southampton Inn
91 Hill Street
Southampton, NY 11968

camoin associates

www.camoinassociates.com

CONTENTS

PROJECT OVERVIEW

Purpose of this Study

71 Hill LLC (the Applicant) retained Camoin Associates to conduct a third-party market analysis for a proposed hotel development to expand the Southampton Inn. The purpose of this analysis is to evaluate the project's qualifications for certain Suffolk County Industrial Development Agency (SCIDA) benefits, including participation in a Payment In Lieu of Taxes (PILOT) tax abatement agreement, sales and use tax exemption on construction materials, furnishings, and equipment, and mortgage recording tax exemption for project financing.

To support this evaluation, the study analyzes hotel market performance in Suffolk County and other relevant study areas and evaluates the potential of the proposed development to draw new visitors from outside Suffolk County. The study further quantifies the likely direct and spillover economic impacts of visitor spending which could result from the development.

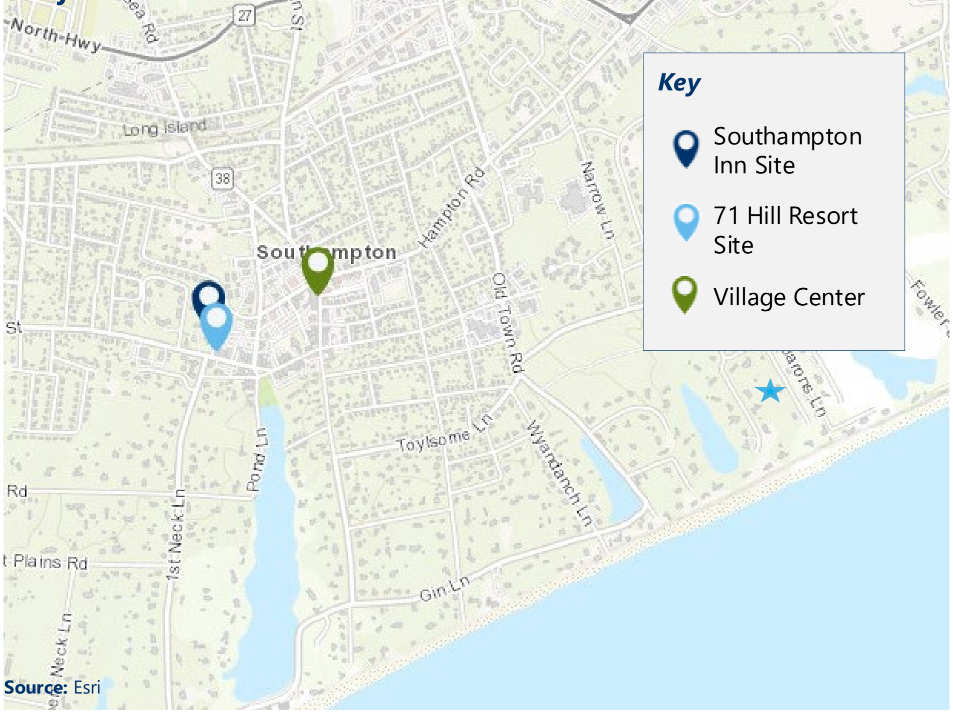
71 Hill Resort Overview

The project, known as 71 Hill Resort, is located in the Village of Southampton, NY, and will enhance the Inn's hospitality offerings while providing workforce housing to support year-round local employees. The existing Southampton Inn is a well-established hotel property in the Village, serving primarily short-term visitors with traditional hotel amenities. The expansion will address unmet demand for suite-style, extended-stay accommodations on the South Fork while providing other community benefits. By increasing lodging capacity in a high-demand market, 71 Hill Resort will strengthen the Village's hospitality offerings, retain visitor spending locally and within Suffolk County, and provide much-needed housing for employees in service sectors. The proposed 71 Hill Resort will include:

- **Hotel Expansion:** 40 one-bedroom suites, each approximately 600 square feet, with private bedrooms, living areas, kitchens, washers and dryers, and covered balconies or porches. The units are designed for seasonal, weekly, or monthly rental between May and September.
- **Amenities:** A heated outdoor pool and bar, expanding guest services and enhancing the resort experience.
- **Workforce Housing:** Eight (8) units in a separate, pre-existing building, intended for year-round employees in hospitality, education, healthcare, and service sectors.
- **Commercial Retention:** An existing 2,880 square-foot building will retain its current commercial use.
- **Infrastructure:** A new sewage treatment plant at the northeast corner of the property will serve all uses at 71 Hill Street.

Both the existing Southampton Inn and the proposed 71 Hill Resort are strategically situated within walking distance of the Village Center and less than a five-minute drive to the beach.

Project Sites

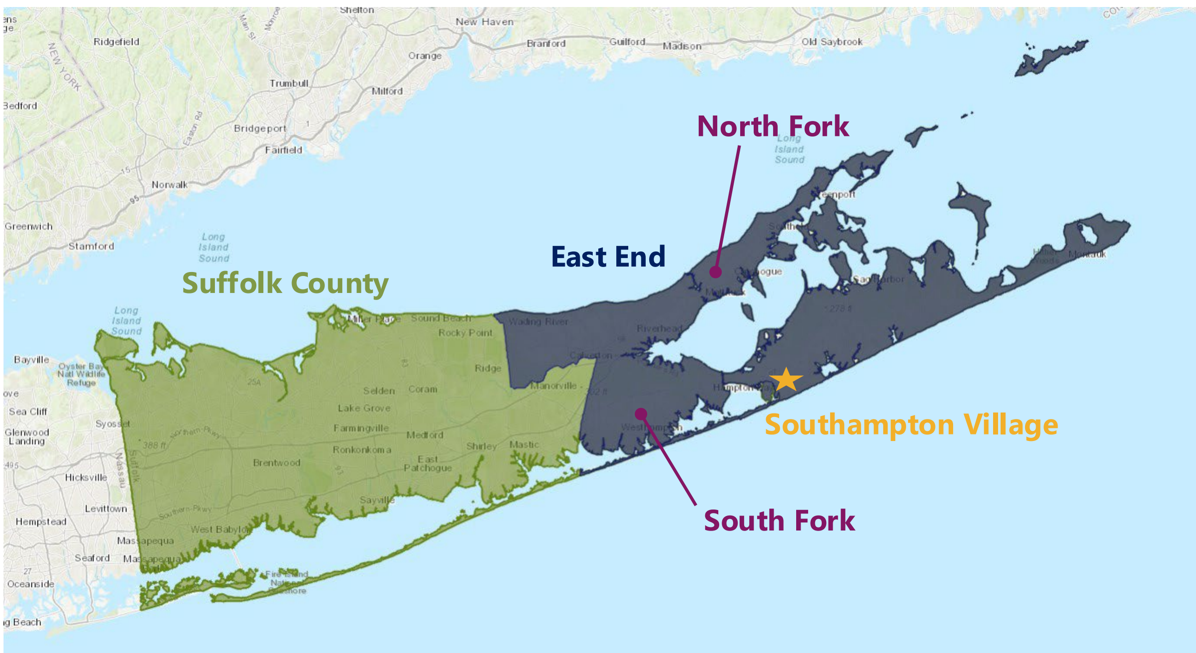


Source: Esri

Study Areas

To assess the market potential for additional hotel suites, Camoin Associates defined multiple study areas based on available market data. The primary focus is on the hotel market in Long Island's East End, which includes the Town of East Hampton, Town of Riverhead, Town of Shelter Island, Town of Southampton, and Town of Southold. Due to privacy constraints and minimum sample size requirements, hotel metrics are often reported for this broader region and not for smaller geographies. Where possible, the study analyzes market segments within the East End, with particular emphasis on the upscale hotel segment[1], consistent with the Southampton Inn's current positioning. The study also segments data for the South Fork of the East End (Southampton and East Hampton) to account for differences in local tourism dynamics. Short-term rental (STR) data is available for smaller areas, and this study examines STR data specifically for the Town of Southampton. Throughout, the study provides context from the wider Suffolk County market.

Key Study Geographies



Source: Esri

[1] Throughout this report, "upscale" refers to both "upper upscale" and "upscale hotels," both defined on the following page.

KEY TERMS

Average Daily Rate (ADR): Annual revenue of the hotel divided by the number of occupied room nights (CoStar).

Luxury Hotels: Typically have a mix of king-size (larger) and club-size (smaller) rooms. Luxury establishments also offer two or more restaurants plus one or more bar/lounges. Additionally, they offer a functional space and business center, fitness room and swimming pool, and spa facilities (CoStar and Branding Strategy Insider).

Revenue Per Available Room (RevPAR): Calculated by multiplying the occupancy rate by ADR, providing a combined measure of rate and occupancy (CoStar).

Short-Term Rental (STR): Residential home unit or accessory building that can be rented for a short period of time, typically less than 30 days but the maximum length can vary depending on the state and jurisdiction (AirDNA).

Upscale Hotels: Offer a mix of king-size (larger) and club-size (smaller) rooms. These hotels may offer full-service or fast casual dining facilities. They will have function spaces, and a fitness room, and a swimming pool (CoStar and Branding Strategy Insider).

Upper Upscale Hotels: Offer a mix of king-size (larger) and club-size (smaller) rooms. Upper upscale establishments typically offer at least one full-service restaurant and one bar or lounge. They offer function spaces and a business center, a fitness room, and a swimming pool, and they might have a spa (CoStar and Branding Strategy Insider).

EXECUTIVE SUMMARY

The proposed expansion of the Southampton Inn—the 71 Hill Resort—addresses a need for upscale, suite-style accommodations on the East End of Long Island. This market study, which focuses on the planned hotel suites, evaluates current tourism and lodging trends, benchmarks the property against local competitors, and projects the economic impact of the expansion on Southampton and Suffolk County.

The study finds that the expansion will attract a substantial number of visitors from outside the economic development region, satisfying the statutory definition of a *tourism destination project*. The mixed-use expansion offers several community benefits: supporting Suffolk County's tourism economy by attracting visitors from outside the region and supporting other tourism businesses, contributing to sustainable, year-round economic activity, and addressing the County's workforce housing shortage.

- **Support for Tourism and Economic Development |** The Southampton Inn is a well-established hospitality anchor that attracts leisure, business, and cultural visitors year-round. Expanding the property will allow the Inn to serve more of the growing number of guests traveling to the East End, supporting local restaurants, retailers, and cultural institutions. The Inn maintains a waitlist every summer weekend (typically 10 to 20 parties) with only one or two clearing the list each week. Comparable hotels in the area peak at nearly 90% occupancy during the summer, yet new hotel development on the South Fork is limited, constraining tourism growth. By adding lodging capacity in a high-demand market, the project helps sustain and grow Suffolk County's tourism economy. Further, the Resort will diversify available lodging to attract and capture more long-term visitor stays in Suffolk County. **The Resort is likely to attract 870 distinct, net new visitors to Suffolk County each year, supporting $4.2 million in added visitor spending.**
- **Sustainable, Year-Round Economic Activity |** In addition to one-time economic benefits stemming from the Resort's construction, **71 Hill Resort will create 21 permanent full-time and part-time positions, including 12 on-site jobs.** The on-site jobs include eight retained positions from the existing Southampton Inn which would otherwise likely move off-site, and four new positions to support the expansion. The project will also support approximately $2.4 million in direct economic activity and a total economic impact of $4.2 million annually in Suffolk County. While this analysis does not cover the impacts of the planned workforce units, the households living in these units will further generate steady, year-round occupancy and employment. This

Economic and Fiscal Impact of 71 Hill Resort
Benefits to Suffolk County

21
Total Permanent Jobs Created and Retained

$1.3M
Permanent Annual Worker Earnings

$4.2M
Permanent Annual Sales

$273,150
Permanent Annual Sales Tax Revenue

72
Direct Construction Jobs

50
Indirect and Induced Construction Jobs

diversification stabilizes operations during the off-season and provides consistent support to the local economy.

- **Creation of Workforce Housing |** The proposed workforce housing units provide a meaningful community benefit. Suffolk County and the Town of Southampton have identified a critical shortage of attainable housing for year-round workers in the area. The housing will help retain essential employees, including teachers, hospitality workers, healthcare staff, and first responders, who are increasingly priced out of the local housing market.

Summary of Report Findings

Positioning and Opportunity for 71 Hill Resort

71 Hill Resort is well-positioned to expand visitor activity and meet peak-season demand that currently spills out of the County when hotels operate at or near full capacity. Comparable hotels on the South Fork peak at nearly 90% occupancy during summer weekends. With limited new hotel development, peak-season demand often spills outside the County. By adding lodging capacity, 71 Hill will capture net-new visitors and spending that would otherwise not occur in Suffolk County, supporting the local tourism economy and nearby dining, retail, and recreation businesses.

71 Hill Resort fills a gap in the market for guests who want short-term rental-style space with hotel-level service and consistency. On the South Fork of the East End, full-suite options outside of short-term rentals (STRs) are limited, and only three upper-upscale hotels offer similar amenities, all located closer to Montauk and not direct competitors. A limited one-bedroom STR inventory and new 14-day minimum-stay law further constrain supply. As a result, few properties are truly comparable to the proposed 71 Hill Resort, strengthening its competitive positioning.

71 Hill Resort's unique extended-stay format positions it to outperform traditional hotels and STRs. While East End hotels see weekend occupancy peak at 83% and midweek averages of 59–65%, 71 Hill's suite-style accommodations with full kitchens and hotel-level services appeal to multi-night stays, smoothing demand across the week. Comparable STRs peak at 68% occupancy with average daily rates (ADRs) up to $1,100, while comparable hotels reach 88% occupancy with ADRs up to $605. 71 Hill is projected to average $800 per night during the in-season period, higher than hotels, yet more accessible than STRs, while still offering extended-stay amenities such as full kitchens.

Hotel Market Context and Performance

The East End hotel market is outperforming Suffolk County, highlighting strong seasonal demand and growth potential. Tourism across the East End, including in Southampton, peaks in summer, driven by beaches, cultural events, and high-end retail, attracting luxury, family, and leisure travelers. Hotel occupancy reaches 85% in August with ADR of $458, dropping to 51% and $156 in winter. Notably, the East End hotel market has significantly outperformed the Suffolk County market as it recovers from the COVID-19 pandemic. Since 2018, East End ADR has risen 47%, compared to 11% countywide, while upscale property ADR rose 34% and occupancy increased by up to eight percentage points—contrasting with declining occupancy in Suffolk County—underscoring the East End's strength and appeal for new hotel development.

Key Findings
South Fork Hotel Market

88%
Peak Occupancy Among Upscale Hotels

0
Hotel Rooms Under Construction

2%
Annual Increase in Room Nights Sold (2022-2024)

93
Estimated Number of Rooms Needed by 2029

870
Estimated Distinct, Net New Visitors Drawn to 71 Hill in Peak Season

Future Demand Expectations

The 71 Hill Resort's 40 rooms will help meet future demand on the South Fork of the East End, particularly during peak season, without displacing existing visits to other properties. The East End's hotel market has demonstrated steady demand growth of 2% annually between 2022 and 2024, while supply has lagged considerably. Over the past five years, Suffolk County has added 351 hotel rooms, but the East End has seen no new additions. To absorb continued demand growth, the East End will require approximately 139 new rooms by 2029, including about 93 on the South Fork. Without additional rooms, the market will operate at near full capacity during peak season. Importantly, these rooms will attract out-of-state visitors, bringing new spending to the region and amplifying the project's economic benefits.

Economic Impact

The 71 Hill Resort is expected to generate meaningful economic benefits for Suffolk County by expanding lodging capacity in a market that routinely operates at or near peak occupancy, thereby allowing Suffolk County to capture additional visitor activity. Assuming 1.5 guests per room, an average stay of five nights, and a conservative estimate that 50% of guests represent net new visitation, the Resort would attract up to 165 distinct new visitors during peak season. These visitors would spend between $2.0 million and $2.9 million on lodging, dining, retail, and recreation, supporting an additional $2.4 million in sales across the County, 21 net new jobs, and $1.9 million in worker earnings. In addition, the Resort is expected to contribute approximately $273,120 annually in combined sales and hotel occupancy taxes to Suffolk County. Actual impacts could be higher if the Resort operates year-round or if residents of associated workforce housing units are net new residents to the County.

In addition to ongoing operational benefits, the Resort's construction will provide a one-time boost to Suffolk County, creating an estimated 90 construction-phase jobs, with roughly 80% sourced locally. **Including indirect and induced effects, the Resort's construction is expected to support 122 jobs and generate $12.5 million in earnings and $33.9 million in sales.**

MARKET CONTEXT AND TOURISM DEMAND DRIVERS

This section reviews current and historical trends in lodging and tourism activity within the East End of Long Island, with a particular focus on Southampton and its surrounding areas. This background will establish the regional tourism context in which the Southampton Inn currently operates and to which the proposed expansion will contribute.

Local Tourism Trends

Suffolk County and the broader Long Island region experienced a significant growth in tourism in recent years, achieving record-breaking visitor spending for three consecutive years. In 2024, visitor spending climbed to an unprecedented $7.9 billion, generating $945 million in state and local taxes and representing a 3.8% increase from the previous year's figure of $7.5 billion. In 2023, Long Island had 41.8 million visitors, of which 18.7 million, or 45%, were overnight trip visitors, and 23.1 million, or 55%, were day trip visitors. Suffolk County has been a primary driver of this growth, recording a 7% increase in tourism spending over 2023, while Nassau County saw a slight decline of 0.4%. [2]

The South Fork of Long Island, stretching east from Southampton to Montauk and known as "The Hamptons," blends luxury beach culture, upscale dining, art galleries, and beaches. Cooper's Beach in Southampton consistently ranks among America's best beaches and serves as an anchor for the village's tourism appeal. Cultural amenities include the Southampton History Museum (Rogers Mansion) and the historic Shinnecock Hills Golf Club, a US Open host and one of America’s oldest clubs.

While the Hamptons attracts visitors with its beaches and luxury amenities, the North Fork stands out for its agritourism, including wineries, farm stands, and maritime heritage. Within the Hamptons, tourism patterns vary: compared with Montauk, Southampton draws a mix of luxury, family, and leisure travelers, with its high-end retail, cultural programming, and centrally-located accommodations. Montauk, in contrast, attracts visitors primarily interested in outdoor and nature-based activities, resulting in different hotel performance and occupancy trends across the region.

Tourism in Southampton is highly seasonal, peaking during the summer months when visitors enjoy the area’s beaches and waterfront recreation. Seasonal events, including summer concerts and holiday celebrations, further amplify demand and create fluctuations in hotel occupancy throughout the year.[3]

Looking ahead, Southampton’s tourism will continue to expand as Suffolk County builds on its recent growth in tourism. The village’s combination of nationally ranked beaches, cultural attractions, and upscale amenities positions it to attract extended-stay vacationers seeking week-long or longer visits, particularly within the luxury travel market.

[2] Sources: Discover Long Island (2024) and Discover Long Island (2025)

[3] Sources: Long Island Guide (South Fork) and Long Island Guide (North Fork)

Hotel Market Performance

Market Overview

The East End hotel market exhibits robust demand, indicated by strong growth in pricing, and limited new supply, indicating favorable conditions for further hotel development. Hotel performance reflects current visitation patterns and travel demand to a region. High occupancy and rising daily rates signal strong regional appeal, creating favorable conditions for additional inventory. As of September 2025, the East End had 4,732 hotel rooms across 121 properties. This represents 40% of rooms and 60% of properties across all of Suffolk County, indicating a greater concentration of smaller properties in the East End Submarket.

Hotel Market Trends Overview as of September 2025

Metric	Overall Market Trends: East End	Overall Market Trends: Suffolk County	Target Segment: Upscale in the East End
Current Inventory			
Inventory Rooms	4,732	11,770	1,548
Lodging Properties	121	201	35
Occupancy Rate			
12-Month Occupancy Rate	67.8%	70.0%	71.9%
12-Month Pct. Change	(0.3%)	0.9%	(1.0%)
Average Daily Rate (ADR)			
12-Month Avg. Daily Rate	$294	$215	$208
12-Month Pct. Change	9.7%	7.2%	5.0%
Revenue per Available Room (RevPAR)			
12-Month RevPAR	$199	$151	$149
12-Month Pct. Change	9.3%	8.2%	3.9%
Deliveries & Pipeline			
Rooms Delivered, Last 12 Mos.	0	244	0
Rooms Delivered, Last 60 Mos.	0	351	0
Rooms Under Construction	0	0	0
Properties Under Construction	0	0	0

Source: CoStar

Over the past 12 months, the East End recorded an average occupancy rate of 69%, which is slightly below the County average of 70%. The average daily rate (ADR) for the East End was $294, a 36% premium over the County-wide average. Upscale properties, which represent roughly one-third of the East End market and include the Southampton Inn, achieved higher occupancy at 72% but had a lower ADR of $208. This is because the premium on luxury properties ($590 ADR) raises the overall market average.

The East End Submarket's strong growth in ADR and revenue per available room (RevPAR) compared with Suffolk County highlights rising demand. Rising demand paired with limited supply creates opportunities for new development. While Suffolk County added 351 rooms over the past five years, none of these new properties are located on the East End.

The only notable change to lodging inventory in the submarket during this period is the redevelopment of the former Grassmere Inn in Westhampton Beach. The Grassmere Inn, which comprised approximately 15 guest rooms, ceased operations around the time of its sale in 2022, and developers redeveloped the property into the 16-room Seven Beach Lane Hotel. The project received support from the Suffolk County Industrial Development Agency (IDA), however the redevelopment does not constitute a net new addition to East End hotel supply.[4]

The lack of new supply could also point to other barriers, such as cost, that prevent developers from building new hotels. Sustained high occupancy, increasing ADR and RevPAR, and constrained new supply all point to favorable conditions for new upper-upscale hotel development.

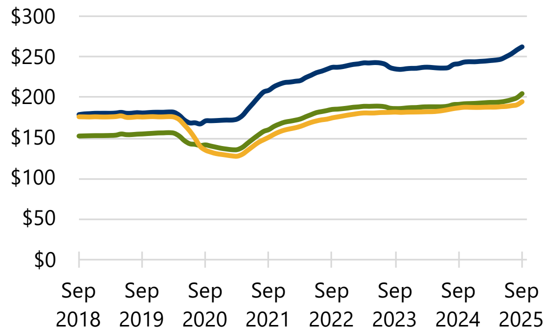
[4] Sources: The Real Deal (2022), Suffolk County IDA

Post-Pandemic Market Recovery

Although the hotel market experienced a steep decline during the COVID-19 pandemic, the East End Submarket has had strong recovery, outperforming the broader County-wide market. Before the pandemic, the East End's ADR was consistently higher than Suffolk County's but showed little movement. Since then, ADR growth in the East End has accelerated, rising 47% between September 2018 and September 2025. This compares to 34% growth for the East End's upscale properties and 11% for Suffolk County properties.

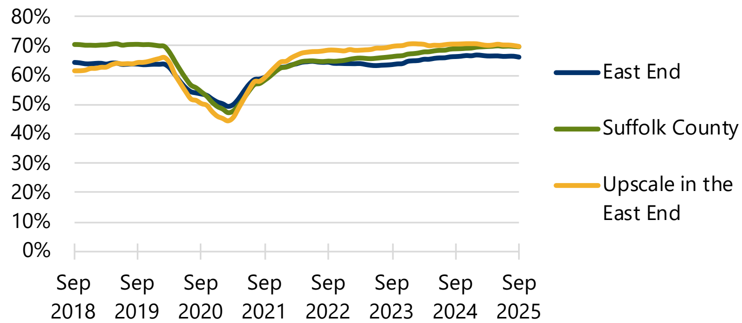
Occupancy trends reflect a similar pattern: the East End's upscale segment saw the largest increase, climbing roughly 8 percentage points to surpass the County rate, while overall East End occupancy rose nearly 2 percentage points. In contrast, Suffolk County's overall occupancy declined by nearly one percentage point. These trends underscore the East End's strong post-pandemic trajectory and its continued attractiveness for hotel development.

Average Daily Rate, 12- Month Rolling Avg, Sept 2018 - Sept 2025



Source: CoStar

Occupancy Rate, 12- Month Rolling Avg, Sept 2018- Sept 2025



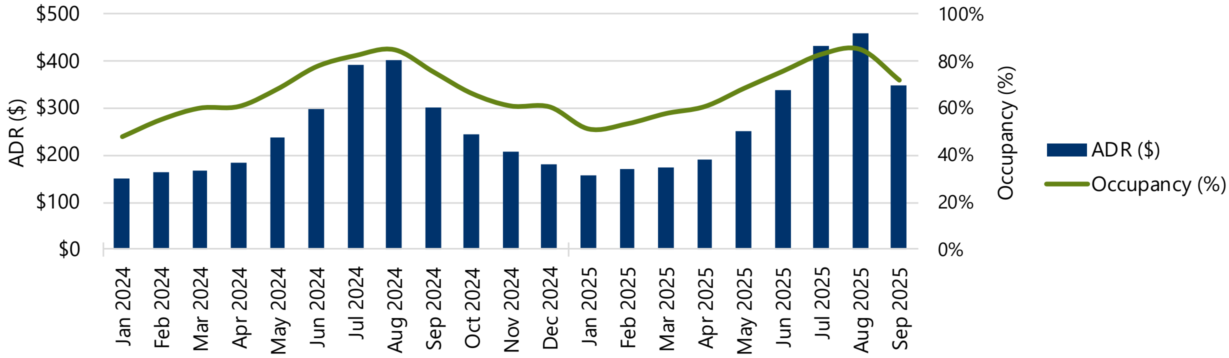
Source: CoStar

Seasonality and Demand Patterns

Understanding lodging performance by month and day of the week provides insight into the timing and patterns of visitor stays, and can identify peak periods, slow seasons, and potential opportunities for revenue optimization. Monthly analysis highlights seasonal trends, such as high-demand summer months or slower winter periods, while day-of-week analysis reveals short-stay vs. extended-stay patterns and weekend vs. weekday demand.

Hotels in the East End tend to perform best in the summer months; occupancy typically peaks at about 85% in August. The ADR follows a similar trend, peaking at $458 in August 2025 and $402 in August 2024. Winter, especially the period from January through April, is the slowest season, with occupancy and ADR generally reaching their lowest levels in January (51% occupancy and a $156 average nightly rate in 2025, compared with 48% occupancy and $151 in 2024).

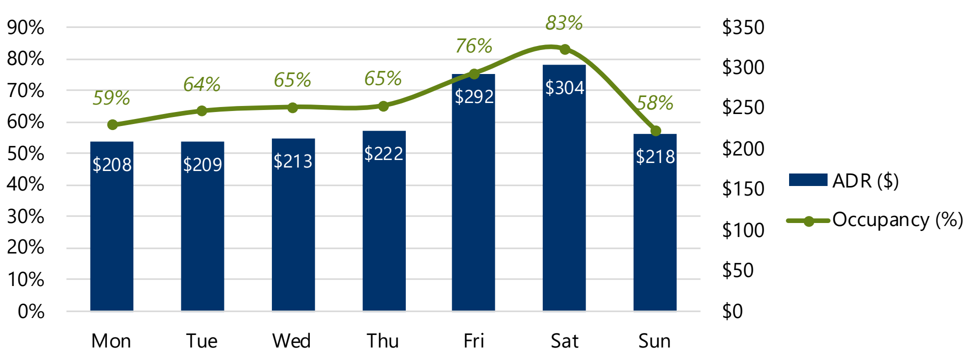
Lodging Market Performance by Month, East End, Jan 2024- Sept 2025



Source: CoStar

Day-of-week patterns indicate that demand for hotels in the East End is higher during weekends and lower during the workweek. ADR remains relatively stable from Monday through Thursday ($208–$222) but is much higher on Friday ($292) and peaks on Saturday ($304), reflecting strong leisure-driven demand and a prevalence of weekend travelers. Occupancy follows a similar pattern: midweek levels hover around 59–65% but rise significantly on Friday (76%) and reach their peak on Saturday (83%), before dropping back to 58% on Sunday. These trends underscore the market's weekend-oriented demand profile.

Lodging Market Performance by Day of the Week, East End, 2024



Source: CoStar

Pipeline and Under Construction Properties

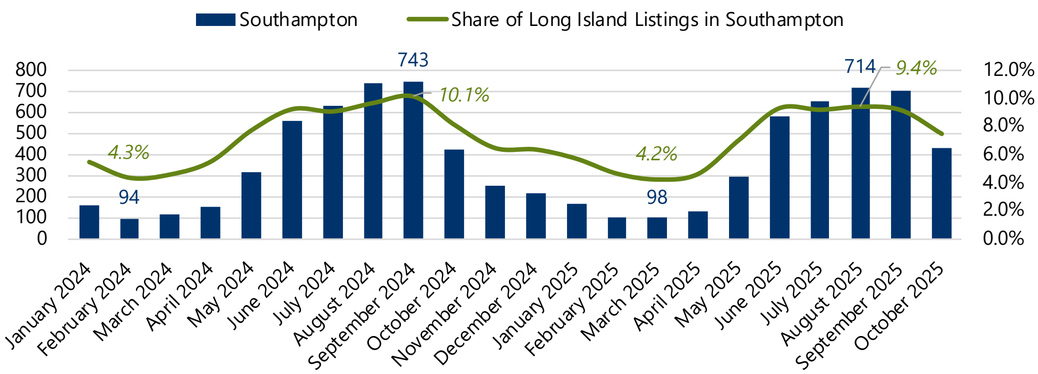
Hotel development in the East End is heavily skewed toward the North Fork, leaving the South Fork constrained and limiting its potential tourism growth. The current pipeline of proposed and under-construction hotels in the East End of Long Island concentrates almost entirely on the North Fork, with virtually no new projects planned for the South Fork. Notable North Fork developments include the Enclaves Hotel (40 rooms) and the Mattituck Hotel (80 rooms), both in Southold. Meanwhile, hotel development on the South Fork remains constrained, which may limit tourism growth during the summer months. This highlights an ongoing opportunity to expand lodging capacity and meet unmet demand in that area.[5]

[5] Source: Suffolk County Development Inventory Viewer

Short-Term Rental Market

Short-term rentals (STRs) represent a key alternative to hotel lodging and provide important context for assessing demand for the planned expansion of the Southampton Inn, which will attract more long-term visitors. Guests generally book STRs for under 30 days, and they offer amenities such as full kitchens and in-unit laundry. The inventory of STRs in Southampton fluctuates seasonally and peaks in the summer. Over the past 12 months, Southampton averaged 360 active STR listings, representing nearly 8% of all STRs across Long Island (compared to 27% of all hotel rooms). Listings reached a high of 714 in August and a low of 98 in March. This seasonal concentration highlights the town's strong summer rental demand relative to the broader market.

Total STR Listings, January 2024- October 2025



Source: AirDNA

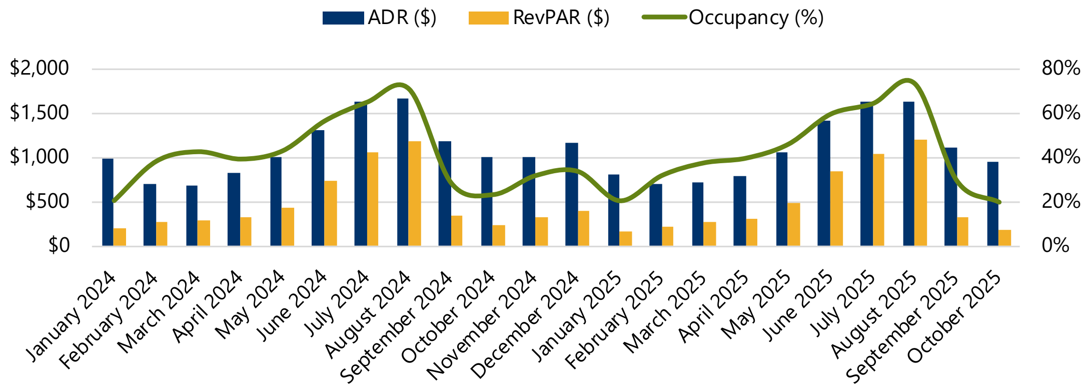
Most of Southampton's short-term rentals cater to larger groups, highlighting a gap in the market for smaller extended-stay accommodations. During peak season (May through September), only about 17% of Southampton's STRs are one-bedroom properties, while 73% have three or more bedrooms. This indicates that most rentals target larger groups and underscores a potential demand gap. Because the Village lacks extended-stay hotels, private seasonal rentals and rental platforms such as VRBO fill a gap in the tourism market by accommodating weeklong stays or longer vacation rentals. Recently, Southampton Village adopted an ordinance (Local Law #7-2025) that prohibits most rentals less than 14 days, which will further reduce short-term rental availability and increase the need for extended-stay hotels.[6]

Seasonality and Demand Patterns

Mirroring the hotel market, local STR units experience the greatest bookings during the summer months. Over the past 12 months, occupancy began increasing in May at approximately 46% and reached 73% in August, following a similar seasonal pattern as the prior 12-month period, with peak occupancy increasing by 2 percentage points. The ADR and RevPAR followed a comparable trend. ADR rose from $1,055 per night in May to about $1,630 in August. The lowest ADR over the 12-month period was $695, a 2% increase compared to the low in the previous 12-month period, while the highest ADR of $1,630 represented a 2% decline from the prior 12-month period. RevPAR peaked at $1,191 in August, up 1% from the peak in the prior 12-month period, and fell to a low of $165 in January, down 18% from the prior 12-month period.

[6] Source: Local Law #7-2025

STR Market Performance by Month, Southampton, Jan 2024 Oct 2025



Source: AirDNA

Overall, pricing and occupancy trends in Southampton indicate strong summer demand for short-term rentals with a notable off-season in the winter. While peak occupancy remains high, slight year-over-year declines in peak ADR suggest that pricing gains during the busiest months may be limited. Conversely, an increasing low-season ADR signals potential to capture revenue outside the summer peak.

INN PERFORMANCE AND COMPARABLE BENCHMARKING

To assess market demand for the proposed 71 Hill Resort expansion of Southampton Inn, we analyzed performance metrics from the existing property and the Applicant's projected performance of the expanded property alongside a selected competitive set.

Comparable Properties

Due to the limitations of publicly available hotel performance data, which typically requires a minimum sample size and focuses on larger or brand-affiliated properties, we constructed a competitive set of hotels using two approaches:

- **Comparable Hotel Properties:** An aggregate of 50 hotels[7] located in the South Fork of the East End of Long Island, limited to properties with up to 100 rooms and positioned in the upscale to luxury segments. Notably, only 14 of these properties are all-suite configurations, which reflects the most relevant segment of the local competitive landscape.
- **Comparable STR Properties:** Short-term rental properties matching key attributes of 71 Hill Resort, including one-bedroom configurations, pool amenities, and entire-place rentals, with economy and budget listings excluded to maintain comparability with the hotel's upscale positioning.

Performance Benchmarking

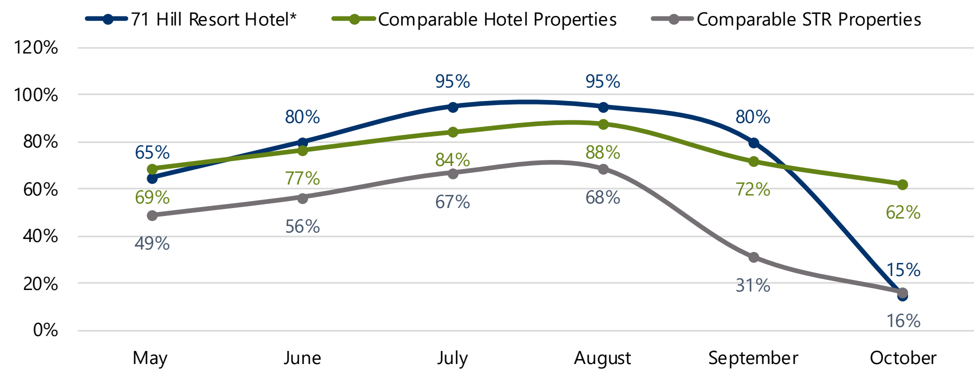
Occupancy Trends

During the peak summer months, 71 Hill Resort is projected to achieve higher occupancy than comparable hotels and STRs. During the summer season (May through August), 71 Hill Resort projects occupancy ranging from 65% in May to 95% in July and August. These projections exceed those of comparable hotel properties (69% to 88%) and STR properties (49% to 68%) during the same period, particularly in July, the 71 Hill Resort projects a 7- to 27-percentage-point premium over comparable properties. The shoulder season projections also vary from actual performance among comparable properties. September's projected 80% occupancy exceeds hotel comparables by 8 percentage points and STR properties by 49 percentage points. The October projection of 15% occupancy falls significantly below the comparable hotel set's actual performance of 62%, although it is comparable to the STR set's actual performance of 16%.

While the peak season projections appear ambitious relative to established competitors, 71 Hill Resort's unique market positioning as a full-suite property may justify performance expectations above traditional hotel comparables. With only 14 all-suite properties among the 50 hotels in the competitive set, and limited full-suite options beyond STRs in the immediate market, the property would occupy an underserved niche. This product differentiation could support the projected premium occupancy levels, especially if the property attracts demand from both traditional hotel guests and STR customers.

[7] A full list of comparable hotel properties is included in the report Appendix.

Comparable Property Occupancy Trends, May through October



Sources: CoStar, AirDNA
***Note:** The 71 Hill Resort Hotel projections reflect anticipated performance for the expanded property (as projected by the Applicant), while comparable hotel and STR data are based on actual 2025 market performance. Data for November through April is unavailable for the comparable hotel properties in both the current and historical years.

ADR Trends

71 Hill Resort sets its rates between traditional hotels and short-term rentals, positioning the property to capture a premium while appealing to guests seeking extended-stay amenities. In 2026, the projected average daily rates of the existing Southampton Inn ($263 to $512 across the operating season) are expected to fall below both the actual performance of comparable hotel properties in 2025 ($318 to $605) and the rates of comparable STR properties ($406 to $1,100). This positioning reflects the property's existing classification as an upper upscale hotel, while the comparable set includes some luxury properties.

The Applicant projects 71 Hill Resort to have an average rate of $800 per night during the in-season period, with flexibility to adjust based on demand conditions. This rate positions the property between comparable hotel properties and STR alternatives, a placement that is appropriate given 71 Hill Resort's unique market position as a hotel offering extended-stay amenities such as full kitchens. This hybrid positioning allows the property to capture a rate premium over traditional hotels while remaining more accessible than STR properties, appealing to guests who value hotel services and consistency alongside the space and self-sufficiency associated with alternative accommodations.

Comparable Property ADR Trends, May through October

Sources: CoStar, AirDNA
Note: The 71 Hill Resort Hotel projections reflect anticipated performance for the expanded property (as projected by the Applicant), while comparable hotel and STR data are based on actual 2025 market performance. Data for November through April is unavailable for the comparable hotel properties in both the current and historical years.

Capacity Constraints

Strong peak-season demand and limited availability among comparable hotels suggest that 71 Hill Resort could capture unmet demand without displacing existing visitors. According to CoStar data, the comparable hotel properties were open for 215 days in 2024 and 172 days so far in 2025. Of those available days, 25% of nights reached very high occupancy (85%+) in 2024, increasing to 28% so far in 2025. This pattern indicates capacity constraints among the Resort's most competitive properties, particularly during peak season (May through September) when visitor demand is highest. For example, the Southampton Inn has a waitlist for every summer weekend, typically ranging from 10 to 20 individuals or families, with only one or two clearing the waitlist each week. These conditions highlight unmet demand during critical periods, which a new supply like the 71 Hill Resort could absorb without displacing existing visitation at competitor properties.

Capacity Constraints, Comparable Hotel Properties, 2024 - 2025 YTD

	2024	2025*
Total Nights Reaching 85%+	54	48
Total Nights Available	215	172
Share at High Occupancy	25%	28%

Source: CoStar

Note: 2025 data is through November 11.

Comparable All-Suite Properties

There are relatively few all-suite hotels near the existing Southampton Inn. All-suite hotels generally feature accommodations with separate living and sleeping areas, larger floor plans than standard rooms, and additional in-room amenities such as a kitchen or kitchenette. Across the South Fork of the East End, there are about 15 all-suite properties, six of which fall into the upper-upscale category, consistent with the positioning of the Southampton Inn. These six properties are similar in scale to the planned 71 Hill Resort (typically 20–60 rooms) and offer a comparable amenity set.

However, only three (Sea Crest, Hartman's Briney Breezes Motel, and A Wave Inn) offer the full suite of amenities planned for 71 Hill Resort. These properties achieve peak-season rates between approximately $500 and $900, depending on the room type, supporting a benchmark rate of $800. Notably, none of these truly comparable properties are in Southampton. The only all-suite property in Southampton, the Bentley Hotel, does not offer private patios/balconies and is not located on the beachfront, making it a weaker direct comparison.

The limited availability of apartment-style hotel rooms, which support longer-term stays, particularly in the Southampton area, supports the strong market opportunity for 71 Hill Resort's planned one-bedroom suites.

Select Comparable Hotel Properties, East End

Property Name	City	Rooms	On Beachside	Living Room Area	Kitchen	Patio/ Balcony	Pool	Rate for Suite*
71 Hill Resort	Southampton	40	✔	✔	✔	✔	✔	$800
Sea Crest On The Ocean	East Hampton	62	✔	✔	✔	✔	✔	$775-$890
Hartman's Briney Breezes Motel	Montauk	44	✔	✔	✔	✔	✔	$825-$895
The Bentley Hotel Southampton	Southampton	40	✖	✔	✔	✖	✔	$800
Sun N Sound Water Front Resort	Montauk	35	✖	✔	✔	✔	✔	$500
A Wave Inn	Montauk	27	✔	✔	✔	✔	✔	$500-$730
Daunt's Albatross Inn	Montauk	23	✔	✔	✖	✖	✔	Not Available
Hampton Maid Hotel	Hampton Bays	30	✖	✔	✖	✔	✔	$700-895
Canoe Place Inn & Cottages**	Hampton Bays	25	✖	✔	✔	✔	✔	$845-$1,220
Seven Beach Lane	Westhampton	16	✔	✔	✖	✔	✔	$1,995
Hyatt Place Long Island East End	Riverhead	100	✖	✔	✖	✖	✔	$455
Residence Inn by Marriott***	Riverhead	131	✖	✔	✔	✖	✔	$380

Source: CoStar, Southampton Inn

Note: *Rate for suite-style room was checked for a weekend in mid-August 2026. Historic performance data (occupancy and ADR) is not available for individual properties. The rate for 71 Hill Resort represents the anticipated rate set by the Applicant. **Canoe Place Inn & Cottages also rents 3-bedroom townhomes across from the main property. The pricing listed in this table includes only the garden cottages, which are most comparable to 71 Hill Resort. ***Residence Inn by Marriott is not included in comparable property metrics throughout the report.

Implications for 71 Hill Resort

The performance data reveals key insights relevant to demand projections for the expanded 71 Hill Resort property:

- **Product Differentiation as a Demand Driver:** The projected occupancy levels for 71 Hill Resort exceed both hotel and STR comparable properties during peak season, however, the property's positioning as a full-suite hotel in a market with limited comparable options (only 14 of 50 comparable hotels offer all-suite configurations) provides rational justification for outperformance. The expansion would serve guests who desire STR-style space and amenities with hotel-style service and consistency, a segment currently underserved in the traditional hotel market.
- **Rate Premium Above Traditional Hotel Properties:** The substantial ADR gap between STR properties ($1,100 in peak season) and traditional hotels ($481-$512) demonstrates the market's willingness to pay for space, privacy, and residential-style accommodations. 71 Hill Resort's projected $800 peak season rate positions the property to capture a portion of this premium while remaining more accessible than STRs.

TOTAL DEMAND PROJECTION FOR THE EXPANDED PROPERTY

This section projects stabilized lodging demand for the expanded Southampton Inn (71 Hill Resort), based on existing hotel trends and competitive market conditions. It estimates total rooms and operating days, stabilized occupancy aligned with comparable properties, and the resulting annual room-nights sold at stabilization. It also evaluates the share of that demand expected to be net new to Suffolk County. The analysis considers how the expansion adds needed capacity in periods of high occupancy, addresses seasonal constraints, and attracts visitors from outside the region—indicating incremental activity that contributes directly to the local economy.

Data notes: The number of available room nights does not match the total hotel room inventory, as it accounts for temporary closures. Consistent historic data for the comparable hotel properties is not available, so data for upscale and upper-upscale hotels in the East End is used in this section.

Hotel Demand Trajectory

The East End's upscale hotel market has experienced steady demand growth in recent years, with room nights sold increasing at an annualized rate of 2% between 2022 and 2024. Over the same period, supply growth has been minimal, increasing just 0.1% annually. This widening gap between demand and supply indicates a market increasingly capable of absorbing new inventory. While overall occupancy remains below 100%, this does not preclude the existence of net new demand. In practice, hotels rarely achieve 100% occupancy even under strong demand conditions. Hotel staff routinely take rooms offline for maintenance, renovations, and cleaning turnover. Last-minute cancellations, minimum stay requirements, and rate management strategies can also leave rooms unsold on any given night.

Upscale Hotel Supply and Demand, East End, 2022-2024

	Room Nights Available*	Room Nights Sold	Occupancy Rate
Annual Overview			
2022	496,819	348,096	70.1%
2023	496,819	359,994	72.5%
2024	497,158	361,879	72.8%
Annualized Pct. Change, 2022-2024	0.0%	2.0%	-
Pct. Change, 2023-2024	0.1%	0.5%	-
Peak Season (May - September)			
2022	248,522	193,415	77.8%
2023	248,522	200,279	80.6%
2024	248,685	203,872	82.0%
Annualized Pct. Change, 2022-2024	0.0%	2.7%	-
Pct. Change, 2023-2024	0.1%	1.8%	-
Shoulder Season (October - April)			
2022	248,297	154,681	62.3%
2023	248,297	159,715	64.3%
2024	248,473	158,007	63.6%
Annualized Pct. Change, 2022-2024	0.0%	1.1%	-
Pct. Change, 2023-2024	0.1%	(1.1%)	-

Source: CoStar, Camoin Associates

Peak season demand in the East End hotel market has grown at a notably faster pace than demand at other times of year. Room nights sold in peak months increased at an annualized rate of 2.7% between 2022 and 2024, compared to 1.1% growth during the shoulder season. If overall demand continues to expand at a similar pace, the market should be able to absorb additional rooms while maintaining stable occupancy levels, particularly during peak months when existing supply is already operating near capacity at 82% occupancy.

Future Hotel Demand

To estimate the share of 71 Hill Resort's visitation that represents net new demand to Suffolk County, we evaluated projected hotel demand growth relative to planned supply additions in the East End market. Post-pandemic recovery trends indicate that peak season demand will increase 2% annually and shoulder season demand 1% annually. To maintain healthy occupancy performance, additional inventory will be required to accommodate this growth.

To capture projected visitor activity growth, East End market needs approximately 139 new rooms over the next three years. By 2029, peak season demand in the East End is forecasted to reach approximately 225,091 room nights, an increase of 21,219 room nights over 2024 levels. To sustain healthy occupancy, this means the market would require 139 additional hotel rooms to accommodate peak demand. Without these additional rooms, occupancy rates would rise to about 91% market-wide during peak season, which could result in hotels being unable to accommodate potential visitors. Projected shoulder season growth is more modest at 8,060 room-nights, which translates to roughly 38 rooms of additional supply. However, the same physical rooms serve both seasons, which means the market should grow to fully accommodate projected demand growth during the peak season.

The planned 71 Hill Resort will provide a portion of the required hotel room growth and contribute net-new hotel activity to the County. Recognizing that tourism patterns vary across the region, we assume 67% of future demand growth in the East End will be concentrated in the South Fork, consistent with the current distribution of hotel inventory. This allocation results in a local need for approximately 93 new rooms by 2029, more than double the 40 rooms planned at 71 Hill Resort. With no other new hotels currently planned in the South Fork, 71 Hill Resort is well-positioned to capture this incremental demand. As a result, the Resort is not expected to displace demand from existing lodging options but rather enhance the options available to both new visitors and those already planning to visit the area.

Upscale Hotel Market Demand Growth Projections, East End, 2024-2029

	Peak Season		Shoulder Season		Annual Total	
	2024	2029	2024	2029	2024	2029
A) Room Nights Demanded	203,872	225,091	158,007	166,067	361,879	391,158
B) Room Nights Available	248,685	248,685	248,473	248,473	497,158	497,158
C) Occupancy Rate *(A / B)*	82%	91%	64%	67%	73%	79%
D) Increase in Room Nights Demanded	-	21,219	-	8,060	-	29,279
E) Hotel Rooms Needed to Absorb Growth *(D / # Days in Season)*	-	139	-	38	-	80
F) Share of Existing East End Rooms in South Fork Market		67%		67%		67%
Estimated Hotel Rooms Needed in South Fork *(E * F)*		**93**		**25**		**54**

Source: CoStar, Camoin Associates

Note: 2029 is targeted as the stabilization year for 71 Hill Resort, representing roughly five years after the 2024 baseline and accounting for construction. Demand is projected to grow at a rate of 2% annually during the peak season and 1% annually during the shoulder season. This methodology assumes market occupancy stays stable as demand increases and that 71 Hill Resort is the only hotel in the pipeline, as indicated by CoStar data.

Total Stabilized Demand at 71 Hill Resort

The proposed 71 Hill Resort will sell between 3,980 and 5,810 room nights during peak season at stabilization. The 71 Hill Resort will operate 40 rooms, with a total of up to 14,600 room nights available annually (if operating year-round). Based on the Applicant's projected occupancy, which aligns with performance among comparable properties in the East End market, we assume stabilized occupancy between 65% and 95% during peak season (May through September) and 10% to 15% during the shoulder season (October through April). 71 Hill Resort will most likely operate exclusively during the peak season, with the option to adjust the rental season based on market conditions. If the Resort operates exclusively during peak season, the hotel will sell an estimated 3,980 to 5,810 hotel room nights annually upon stabilization. If the Resort operates during the shoulder season, it can sell an additional 850 to 1,270 hotel room nights. As demand for hotel room nights grows in a market with already limited availability, particularly during peak season, 71 Hill Resort would likely accommodate additional visitors to Suffolk County rather than displace demand for rooms elsewhere.

Demand Forecast, 71 Hill Resort, First Stabilized Year

	Peak Season (May - September)	Shoulder Season (October - April)	Annual Total
Number of Rooms	40	40	40
Number of Days Open	153	212	365
Total Room Nights Available	6,120	8,480	14,600
Stabilized Occupancy Rate: Low End	65%	10%	10%-70%
Stabilized Occupancy Rate: High End	95%	15%	15%-95%
Total Rooms Occupied: Low End	**3,978**	**848**	**4,826**
Total Rooms Occupied: High End	**5,814**	**1,272**	**7,086**

Source: Southampton Inn, CoStar, Camoin Associates

Note: The low- and high-end occupancy rates are projected by the Applicant and generally align with market performance.

Visitor Geography of Origin

Visitor spending arising from the 71 Hill Resort will contribute to the County's economy. Visitors spend money on lodging, dining, entertainment, and other goods and services, which support local businesses and bring in revenue from outside the county rather than redirecting funds from households within the county.

The 71 Hill Resort will primarily serve visitors from outside Long Island. Reservation data from the existing Southampton Inn shows that 58% of guests travel from outside New York State, while 42% come from within New York. The largest shares of out-of-state visitors come from New Jersey (4%), Connecticut (3%), and Pennsylvania (2%). Additional data on room nights from 2022 to 2024 show that 87% of room nights are booked by visitors who live outside Long Island. Because the planned resort will attract visitors for longer stays rather than weekend travelers, it is likely that visitors to the resort will be more likely to come from outside the Long Island.

Southampton Inn Reservations by Origin Geography, Jan - Nov 2025

State	Share of Reservations
New York	42%
Unkown state*	32%
New Jersey	4%
Connecticut	3%
Pennsylvania	2%
Texas	1%
California	1%
Virginia	1%
Massachusetts	1%
Other	<1%
Total Outside NY	**58%**

Source: Southampton Inn

Note: *Many reservations are made without a ZIP, i.e. group reservations that require no billing information to complete a guest's profile.

Out-of-region visitors typically have longer stays and higher spending than local guests, amplifying their contribution to tax revenues, employment, and business activity in the region. The 71 Hill Resort is expected to follow similar patterns of visitor geography, generating substantial economic benefits through non-local visitor spending.

Southampton Inn Room Nights by Origin Geography, 2022-2024

	Total	Share
Total Room Nights	52,907	100%
Total Visitors (by Room Nights) from Suffolk County	4,503	9%
Total Visitors (by Room Nights) from Nassau County	1,973	4%

Source: Southampton Inn

ECONOMIC IMPACT ANALYSIS OF NET NEW ACTIVITY

This section presents an analysis of the economic impacts arising from net new activity associated with the 71 Hill Resort. The Resort will create economic and fiscal benefits for Suffolk County through new visitor spending and employment opportunities. Economic and fiscal impacts consider the jobs, earnings, sales, and tax revenue that would not occur *but for* the Resort's operations.

Modeling Process

Lightcast designed the input-output model that underpins this analysis. The Lightcast model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the study region and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs[8] have as these new dollars circulate throughout the economy. These effects, captured in the indirect and induced impacts, are commonly called the "multiplier effect." See Appendix B for more information on economic impact analysis. The three specific types of impacts considered in the analysis include:

- **Direct:** Direct impacts include the most immediate impacts, such as visitor spending on lodging and other goods and services in the region as a result of the Resort's operation.
- **Indirect:** Indirect effects occur at businesses within the study regions that supply goods and services to the Resort and re-spend a portion of that revenue within the region. In other words, for every dollar spent at a local business, a portion of that dollar will again be spent on business-to-business purchases of goods and services within the region. This is considered the indirect impact.
- **Induced:** Another "multiplier" effect that occurs is when workers at both directly and indirectly impacted businesses spend a portion of their wages at businesses within the region. The portion of the spending by new businesses that is paid to workers and re-spent in the region's 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 this impact, which includes the three different types of impacts.

Resort Construction Phase Impacts

The Applicant anticipates that the construction of the Resort will generate 90 one-time construction-phase jobs in Suffolk County. Based on an industry analysis of the construction sector in Suffolk County, we assume that 80% of the jobs will be sourced from construction providers located in the County.

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

Construction Phase Direct Impacts

	Jobs
Total Estimate Peak Construction Workforce	90
% Sourced from Suffolk County	80%
Total Net New Construction Employment	**72**

Source: Southampton Inn, Lightcast

Note: Assumes 80% of jobs are sourced from Suffolk County based on local supply chain data.

Using the 72 net new construction-phase jobs as the model input, we estimate the project will generate an additional 50 indirect and induced jobs. Together, these 122 new jobs generate a one-time impact of $12.5 million in earnings and $33.9 million in sales.

Construction Phase Impact Based on Construction Hires

	Jobs	Earnings	Sales
Direct	72	$8,633,656	$22,501,581
Indirect	22	$1,855,611	$6,155,605
Induced	28	$1,974,934	$5,267,500
Total	**122**	**$12,464,201**	**$33,924,685**

Source: Lightcast, Southampton Inn, Camoin Associates

Resort Occupation and Operation Impacts

To estimate the economic impact of 71 Hill Resort, the first step is to determine the amount of spending, earnings, and jobs that represent net new economic activity within Suffolk County—activity that would not occur but for the Resort's development. The South Fork of the East End already functions as a distinct, established destination driven by beaches, seasonal recreation, and cultural attractions. While 71 Hill Resort will introduce a unique lodging option to the County and is likely to attract a significant share of visitors who might not otherwise travel to the area, some guests would have visited the East End regardless and may have stayed at other accommodations. For these visitors, the Resort provides an appealing new option within the County's constrained lodging market, enhancing the overall visitor experience.

Without new supply, some visitors would be unable to secure suitable accommodations and would either stay outside the County or forgo the trip altogether. By providing 40 additional upscale rooms, the Resort enables Suffolk County to retain spending that would otherwise "leak" to neighboring counties or alternate destinations. These "captured" room-nights and visitor expenditures are considered net new to Suffolk County and serve as the foundation for the direct impacts modeled in the economic impact analysis.

Impact of Net New Sales

Net New Visitation at 71 Hill Resort | The 71 Hill Resort's 40 rooms will support visitation growth in Suffolk County by accommodating demand that is currently underserved. We assume an average of 1.5 guests per room and an average stay of five nights[9] to translate occupied rooms into distinct visitor numbers. While the East End is already operating near capacity during peak season, indicating strong demand for additional hotel supply, we assume that

[9] While the existing Southampton Inn has an average length of stay of 2.3 days, the average length of stay at existing STRs in Southampton is 5.1 days. With suite-style rooms equipped with kitchens, the Resort is better positioned to attract guests seeking extended stays.

only 50% of the Resort's guests will represent net new demand to Suffolk County. This accounts for the likelihood that some visitors might choose alternative lodging options elsewhere in the area. Even under this cautious assumption, 71 Hill Resort is projected to attract approximately 870 net new visitors during peak season, each contributing to new tourism spending and expanding the economic benefits for the County.

Net New Vistation, 71 Hill Resort, First Stabilized Year

	Peak Season (May - September)	Shoulder Season (October - April)	Annual Total
Total Rooms Occupied: Low End	3,978	848	4,826
Total Rooms Occupied: High End	5,814	1,272	7,086
Share of Trips Net New to Suffolk County	50%	50%	50%
Net New Room Nights: Low End	**1,989**	**424**	**2,413**
Net New Room Nights: High End	**2,907**	**636**	**3,543**
Average Length of Stay (Days)	5.0	5.0	5.0
Estimated Number of Visitors Per Room	1.5	1.5	1.5
Net New Visitors: Low End	**597**	**127**	**724**
Net New Visitors: High End	**872**	**191**	**1,063**

Source: Camoin Associates

Net New Spending | Net new visitors staying at the Resort will make purchases in Suffolk County, adding new dollars to the local economy. For this analysis, total trip spending by these visitors is the direct input in the model to calculate visitation-related economic impacts. Visitors will spend the most on lodging, dining, retail, entertainment, and recreation. We estimate daily spending as follows: approximately $80 on dining, based on US General Services Administration per diem rates; $30 on retail; and $20 on recreation and entertainment, based on the 2023 Long Island Visitor Profile.[10] Lodging spending is projected at roughly $800 per hotel night, reflecting the Resort's planned average daily rate.

Overall, we expect net new visitors to spend between $2.0 million and $2.9 million during peak season. For this analysis, we only model the peak season, as 71 Hill Resort is likely to operate seasonally. If the Resort operates year-round, visitor spending and economic impacts will be even higher.

Net New Spending in Suffolk County, Peak Season (May - September)

Category	Spending per Day per Visitor	New New Spending: Low Estimate	Net New Spending: High Estimate	Likely New New Spending (Seasonal Average)
Lodging	$800	$1,591,200	$2,325,600	$1,958,400
Food & Beverage	$80	$238,800	$348,800	$293,800
Miscellaneous Retail	$30	$89,550	$130,800	$110,175
Recreation and Entertainment	$20	$59,700	$87,200	$73,450
Total Spending	**$930**	**$1,979,250**	**$2,892,400**	**$2,435,825**

Source: US General Services Administration Per Diem Rates for Suffolk County (2026), Longwoods Travel USA: Visitor Profile Report for Long Island (2023), Southampton Inn, Camoin Associates

Note: Spending on transportation is excluded, as it is unclear whether gas and related expenses occur in Suffolk County or elsewhere. Food and beverage spending is based on GSA per diem rates. Spending on retail, recreation, and entertainment is derived from the average per-trip expenditures reported in the 2023 Visitor Profile, assuming an average trip length of 2.3 days, consistent with existing Southampton Inn data.

[10] Sources: FY 2026 per diem rates for Suffolk County and Longwoods Travel USA: Visitor Profile (2023)

Based on these visitor spending profiles, the 71 Hill Resort will support approximately $2.4 million in direct economic activity and a total economic impact of $4.2 million annually in Suffolk County. This increase in visitor activity would support 21 full-time and part-time equivalent jobs, including the 12 on-site positions, and generate approximately $1.3 million in annual worker earnings.

The 12 on-site positions include eight existing administrative roles, which will remain in the county rather than being moved to an external back-office. The Inn's expansion generates additional revenue that helps support these employees by allocating overhead costs across both properties. The remaining four on-site positions will be newly created hires.

The project's actual annual impact could be higher if the Resort extends operations into the shoulder seasons, or if residents of the workforce housing units (excluded from this analysis) are net new residents to the County.

Annual Economic Impact Based on Net New Spending

	Jobs	Earnings	Sales
Direct	12	$627,086	$2,435,824
Indirect	4	$273,653	$690,252
Induced	5	$415,917	$1,103,837
Total	**21**	**$1,316,656**	**$4,229,913**

Source: Lightcast, Camoin Associates

Note: Assumes operations from May through September and an average occupancy of approximately 80% to account for seasonal variation.

Fiscal Impacts of the Resort

In addition to the economic impacts detailed above, the Resort will generate approximately $273,150 in annual sales tax revenue for Suffolk County, along with a one-time $1.4 million sales tax contribution from the construction phase.

Construction Phase Sales Tax Revenue

The one-time sales generated by the Resort's construction work will generate additional sales tax revenue for Suffolk County. Direct spending on taxable goods during the construction phase, combined with the portion of induced and indirect sales spent on taxable goods in Suffolk County, results in an estimated $1.4 million in one-time sales tax, using the county's 4.375% tax rate.

Estimated Annual Sales Tax Revenue from Construction Phase Sales

Direct Spending	$22,501,581
Est. Share Spent on Taxable Goods in Suffolk County	100%
Induced and Indirect Spending	$11,423,104
Est. Share Spent on Taxable Goods in Suffolk County	75%
Total Taxable Spending in Suffolk County	$31,068,909
Est. Annual Sales Tax Revenue in Suffolk County (4.375% Tax Rate)	**$1,359,265**

Source: Lightcast, NY Department of Taxation and Finance, Camoin Associates

Note: Induced and indirect spending stems from local business and employee earnings. Typically, about 75% of this spending will occur within Suffolk County.

Annual Sales Tax Revenue: Ongoing Operations

The sales generated by the Resort's ongoing operation would generate $165,436 in annual sales tax revenue for Suffolk County, based on the county's 4.375% tax rate.

Estimated Annual Sales Tax Revenue from Net New Spending	
Direct Spending	$2,435,824
Est. Share Spent on Taxable Goods in Suffolk County	100%
Induced and Indirect Spending	$1,794,089
Est. Share Spent on Taxable Goods in Suffolk County	75%
Total Taxable Spending in Suffolk County	$3,781,391
Est. Annual Sales Tax Revenue in Suffolk County (4.375% Tax Rate)	**$165,436**

Source: Lightcast, NY Department of Taxation and Finance, Camoin Associates

Note: Induced and indirect spending stems from local business and employee earnings. Typically, about 75% of this spending will occur within Suffolk County.

Annual Hotel Occupancy Revenue: Ongoing Operations

Direct spending on hotel stays by net new visitors will also generate hotel occupancy tax revenue for Suffolk County, which is currently taxed at 5.5%. Based on estimated spending on hotel stays by net new visitors, the Resort is expected to generate approximately $107,710 in annual hotel occupancy tax revenue for Suffolk County.

Estimated Annual Hotel Occupancy Tax Revenue	
Total Hotel Spending by New Visitors	$1,958,400
Suffolk County Hotel Occupancy Rate	5.5%
Est. Annual Sales Tax Revenue in Suffolk County (5.5% tax rate)	**$107,712**

Source: Suffolk County Comptroller's Office, Camoin Associates

Total Sales Revenue: Ongoing Operations

In total, Suffolk County will receive an additional $273,150 in sales tax revenue due to the Resort's operations.

Total Annual Tax Revneue, Suffolk County	
County Sales Tax Revenue	$165,436
Hotel Occupancy Tax Revenue	$107,712
Total Revenue	**$273,148**

Source: Lightcast, NY Department of Taxation and Finance, Suffolk County Comptroller's Office, Camoin Associates

APPENDIX A: COMPARABLE PROPERTIES

Comparative Hotel Properties, East End

Property Name	City	Hotel Class	Operation Type	All-Suites	Rooms
Hyatt Place Long Island East End	Riverhead	Upscale	Franchise	Yes	100
Marram	Montauk	Upper Upscale	Independent	No	96
The Surf Club @ Montauk	Montauk	Luxury	Independent	Yes	92
Beachcomber Resort	Montauk	Upper Upscale	Independent	No	88
Montauk Blue Hotel	Montauk	Luxury	Independent	No	82
Ocean Colony Beach & Tennis Club	Amagansett	Luxury	Independent	Yes	69
Sea Crest On The Ocean	East Hampton	Upper Upscale	Independent	Yes	62
Wavecrest Resort	Montauk	Upscale	Independent	No	62
Driftwood On The Ocean	Amagansett	Luxury	Independent	No	57
The Hermitage @ Napeaque	Amagansett	Luxury	Independent	Yes	56
East Hampton House Resort	East Hampton	Upscale	Independent	No	52
Windward Shores	Amagansett	Luxury	Independent	Yes	45
Hartman's Briney Breezes Motel	Montauk	Upper Upscale	Independent	Yes	44
Offshore Montauk	Montauk	Luxury	Independent	No	43
The Bentley Hotel Southampton	Southampton	Upper Upscale	Franchise	Yes	40
Sun N Sound Water Front Resort	Montauk	Upper Upscale	Independent	Yes	35
Sunset Montauk	Montauk	Luxury	Independent	No	34
Montauk Soundview Motel	Montauk	Upscale	Independent	No	31
Hero Beach club	Montauk	Upscale	Independent	No	30
Hampton Maid Motel	Hampton Bays	Upscale	Independent	No	30
Ocean Surf Resort	Montauk	Upper Upscale	Independent	No	29
A Wave Inn	Montauk	Upper Upscale	Independent	Yes	27
Haven Montauk	Montauk	Upper Upscale	Independent	No	26
Canoe Place Inn & Cottages	Hampton Bays	Luxury	Independent	No	25
The Ocean Dunes	Amagansett	Luxury	Independent	Yes	24
Breakers In Montauk	Montauk	Luxury	Independent	Yes	24
Daunt's Albatross Inn	Montauk	Upper Upscale	Independent	Yes	23
Topping Rose House	Bridgehampton	Luxury	Independent	No	22
The Crow's Nest	Montauk	Luxury	Independent	No	22
White Sands Resort	Amagansett	Upscale	Independent	No	21
The Surf Lodge	Montauk	Luxury	Independent	No	20
The Maidstone Hotel	East Hampton	Luxury	Independent	No	19
Ruschmeyer's	Montauk	Luxury	Independent	No	19
Ocean Resort Inn	Montauk	Upscale	Independent	No	17
Seven Beach Lane	Westhampton Beach	Luxury	Independent	No	16
Ocean View Terrace Inn	Hampton Bays	Upscale	Independent	No	16
Bowens By The Bays	Hampton Bays	Upper Upscale	Independent	No	16
The Roundtree, Amagansett	Amagansett	Luxury	Independent	No	14
The Quogue Club At Hallock House	Quogue	Luxury	Independent	No	14
The Inn Spot	Hampton Bays	Luxury	Independent	Yes	13
The Hedges Inn	East Hampton	Luxury	Independent	No	13
Shou Sugi Ban House	Water Mill	Luxury	Independent	No	13
Bridgehampton Inn	Bridgehampton	Luxury	Independent	No	12
The Reform Club	Amagansett	Luxury	Independent	Yes	11
Surfside Inn & Restaurant	Montauk	Upper Upscale	Independent	No	11
Mill House Inn	East Hampton	Luxury	Independent	No	10
Beach Plum Resort	Hampton Bays	Upscale	Independent	No	10
Sail Inn	Montauk	Upscale	Independent	No	10
The Mainstay Bed & Breakfast	Southampton	Upper Upscale	Independent	No	5
Shou Sugi Ban Inn	Water Mill	Luxury	Independent	No	5

Source: CoStar

APPENDIX B: MORE ON ECONOMIC IMPACT

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.

APPENDIX C: DATA SOURCES

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.

Esri ArcGIS Business Analyst combines proprietary statistical models covering demographic, business, and spending data with map-based analytics to offer insights on market opportunities for industries, businesses, and sites. Business Analyst integrates datasets covering a wide range of topics including demographics, consumer spending, market potential, customer segmentation, business locations, traffic counts, and crime indexes, which can be overlaid spatially to produce customizable maps and uncover market intelligence. Data can be pulled for standard and custom geographies, allowing for valuable comparison between places. Click to learn more.

CoStar is a comprehensive source of commercial real estate intelligence, offering an inventory of over 6.4 million commercial properties spanning 135 billion square feet of space in 390 markets across the US. CoStar covers office, retail, industrial, hospitality, and multifamily markets. Property- and market-level data on absorption, occupancy, lease rates, tenants, listings, and transactions are researched and verified through calls to property managers, review of public records, visits to construction sites, and desktop research to uncover nearly real-time market changes. Click to learn more.

ABOUT CAMOIN ASSOCIATES

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

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

To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on LinkedIn, Facebook, and YouTube.

The Project Team

Tom Dworetsky, AICP
Project Principal

Sarah Kirk
Project Manager

Bailey McConnell
Analyst

Service Lines

- Strategic and Organizational Planning
- Economic and Fiscal Impact Analysis
- Real Estate Development Analytics and Advisory
- Housing Needs Assessment
- Prospecting and Business Attraction
- Target Industry Analytics and Strategy
- Workforce Development and Talent Retention
- Entrepreneurship and Innovation

camoin associates

www.camoinassociates.com