19. Demographics and Economic Impacts

19.1. Existing and Projected Socioeconomic Conditions

The Suffolk County Planning Department report entitled, "Demographic, Economic, And Development Trends", dated March 2010 provided the information for this section. Excerpted information is shown in italics, but updated where newer information is available.

19.1.1. Population

In 1790, the first U. S. Census showed that Suffolk County had more people than Brooklyn, Queens, the Bronx and Staten Island combined. By 1915, Nassau County surpassed Suffolk County in population. After World War II, Suffolk County developed rapidly, especially in the 20 years between 1950 and 1970. During that time, Suffolk's population quadrupled, increasing by 851,000. In 1986 Suffolk County passed Nassau County in population and remains higher than Nassau in population.

Today, the population of Suffolk County continues to grow slowly. The Long Island Power Authority (LIPA) estimated that Suffolk County's population in 2009 was 1,511,392. This figure represents an increase of 6.5% since 2000, after increases of 7% in the 1990s and 3% in the 1980s. (Table 19-1)

Table 19-1: Population

	Suffolk County		Town of Brookhaven		Yaphank	
	Population	% Change	Population	% Change	Population	% Change
1960	666,784		109,900		N/A	
1970	1,127,030	69.0%	245,260	123.2%	1,956	
1980	1,284,231	13.9%	365,015	48.8%	2,813	43.8%
1990	1,322,535	3.0%	407,977	11.8%	4,637	64.8%
2000	1,419,369	7.3%	448,020	9.8%	5,025	8.4%
2009	1,511,392	6.5%	491,818	9.8%	5,572	10.9%

Source: LIPA and Suffolk County

Suffolk County's population is projected to continue to increase slowly for the next 25 years. Between 2010 and 2035, Suffolk County's population is projected to increase by 15%. Of Suffolk's ten towns, the Town of Riverhead is expected to increase by the largest percentage between 2010 and 2035, followed in order by the Towns of Shelter Island, Southold, East Hampton, Brookhaven, and

Southampton. The largest numerical increase is expected in the Town of Brookhaven (110,000).

Saturation population is the population which can be expected if all available land were to be developed according to existing zoning. It is estimated that Suffolk County's saturation population will be 1.8 million persons, and this population figure may be reached at around the year 2050. The saturation population figure represents about a 19% increase over the 2010 population figure for the County.

Suffolk County's projected saturation population has declined significantly in recent decades. In 1962, the saturation population was projected to be 3.4 million people in Suffolk County. Due to zoning changes, land preservation efforts and lower average household sizes, a much lower saturation population is now expected.

19.1.2. Population in Yaphank

Suffolk County performed an evaluation and analysis of proposed development in five "major growth and development areas" in Suffolk County, one of which was Yaphank ("A Review of Selected Growth and Development Areas Suffolk County, New York", August 2006). Demographic data from that report is excerpted below:

Yaphank contains a relatively small population. The Long Island Power Authority estimated that in 2005 there were 5,363 residents in Yaphank. This figure includes the populations in the Suffolk County jail facility in Yaphank and the Suffolk County Infirmary / Nursing Home. These institutional populations represent about 15% of the total population of Yaphank.

Yaphank's population increased by 7% between 2000 and 2005, a more rapid rate of increase than the 8% increase for the entire decade of the 1990s. (Between 2000 and 2005, Suffolk County's population increased by 4.5%). Yaphank's total population increased in the 1990s by 8%, while the County's population increased by 7%.

Yaphank is the second least densely populated community in the Town of Brookhaven, after Eastport. In 2005, Yaphank had a population density of 383 persons per square mile, slightly lower than the density in the Towns of Riverhead, Southampton or Southold. Its population density was less than one fourth the density of the Town of Brookhaven and of Suffolk County overall. Yaphank's population density was lower than the density in Manorville and much lower than the nearby communities of Middle Island and Medford.

Population is significant in the communities surrounding Yaphank. For example, as of 2005, Medford had a population of 23,328; Coram had 37,252 residents; Shirley's population was 27,374 and there were 13,969 residents of Ridge, compared to Yaphank's population of 5,363. Typical of Long Island communities, Yaphank's population is aging. The median age in Yaphank was 31.2 in 1980; it increased to 32.6 in 1990 and was 37.2 in 2000.

In 2000, the median age was slightly higher than the median age in Suffolk County overall (36.5). The population aged 65 and over increased by 10% in Yaphank between 1990 and 2000. Of the 1,566 households in Yaphank in 2000, 20% were headed by a person aged 65 or over, compared to 21% in Suffolk County as a whole.

19.1.3. Population by Age

A comparison of population by age for Suffolk County, the Town of Brookhaven and Yaphank is provided in Table 19-2.

Table 19-2: Population by Age in Year 2000

	Suffolk County		Town of Brookhaven		Yaphank	
Age	Population	Percent	Population	Percent	Population	Percent
0-4	100,304	7%	31,871	7%	313	6%
5-19	302,178	21%	100,079	22%	894	18%
20-34	267,360	19%	90,626	20%	1071	21%
35-64	581,969	41%	180,272	40%	2,163	43%
65+	167,558	12%	45,400	10%	584	12%
Total	1,419,369	100%	448,248	100%	5,025	100%

Source: US Census

The median age of the County's population in 2008 was 39.2 years (up from 36.5 years in 2000). Suffolk County's population continues to age along with the rest

of the country, and has a slightly higher median age compared to the State's median of 38.0 and the national median of 36.9, but lower than Nassau County's median age of 41.8. The median age of Suffolk residents was just 33.5 in 1990, 29.9 in 1980 and 26.4 in 1970.

Pre-School and School-Age Population

Because of changing birth rates, the pre-school (age 0-4) population in Suffolk County continues to change. This population declined by 22% in the 1970s as birth rates declined, and then climbed by 6% in the 1980s and by 8% in the 1990s as birth rates increased with the "baby boom echo." Since 2000, however, birth rates have declined slightly. The population age 0-4 in Suffolk County decreased by 8,000 or 8% between 2000 and 2008.

The school-age population in Suffolk County is now remaining fairly steady in number. The number of children age 5-17 increased by 2% or 4,500 between 2000 and 2008. Suffolk County's public school enrollment declined more than one-third from a peak of 331,000 in 1976 to 214,000 in 1990. These declines led to the closing of over 70 schools in Suffolk County. As the population age 5-17 increased by 36,000 or 15% in the 1990s, public school enrollment in Suffolk County increased every year between 1991 and 2004, but has decreased each year since 2004 and is projected to continue to slowly decrease. Public school enrollment as of 2008 was 254,000 in Suffolk County, far below the 300,000+ levels of the 1970s.

Young Adult Population

The population age 20-34 is an important group to analyze because this population represents our young workers. The population in this age group in Suffolk County was 260,400 in 2008, a decrease of 3% from the 2000 figure, which was 19% lower than the 1990 figure. However, it is expected that the population in this age group will soon begin to increase as the "baby boom echo" population enters this age group. This change has already begun to happen; the population age 20-24 increased by 28% between 2000 and 2008. Many of these age group population shifts are influenced by social factors at the time when these people were born. In this case, many of the people in the age 20-34 group in

1990 were baby boomers who aged out of this group by 2000, replaced in 2000 by baby "busters" who are smaller in number.

Senior Citizen Population

Persons age 65 and over are a fast-growing segment of Suffolk County's population. In 2008, there were 197,500 persons age 65 and over in Suffolk, comprising 13% of the population. In 1990, seniors age 65 and over represented 11% of the population, up from 9% in 1980 and 8% in 1970. Between 2000 and 2008, the number age 65 and over increased by 18% after increasing by 18% in the 1990s, by 22% in the 1980s and by 35% in the 1970s.

19.1.4. Household Size

The average household size in Suffolk County has decreased significantly in recent decades. As of 2008, the average household size was 2.97 persons per household. The average household size in Suffolk peaked at 3.74 in 1967. Household sizes declined significantly in the 1970s and averaged 3.04 by 1990. In 2000 the average Suffolk County household size was 2.96 people, and began to very slowly increase earlier this decade. A stable or very slowly increasing household size is expected in the coming years.

A comparison of household and family size for Suffolk County, the Town of Brookhaven and Yaphank is provided in Table 19-3 and shows that Yaphank has a lower household size and family size than either the Town or the County.

Table 19-3: Household and Family Size in Year 2000

Size	Suffolk County	Town of Brookhaven	Yaphank
Average Household	2.96	2.97	2.69
Average Family	3.36	3.37	3.14

19.1.5. Income

Household Income

Suffolk County's 2006 median household income was $82,961, ranking 24th or the top 1% of all counties. Suffolk's median household income figure was 64%

higher than the median household income in the nation as a whole. Suffolk's average wage per job in 2008 of $49,716 ranked in the top 5% of all counties in the country.

The recently released 2005-2009 American Community Survey 5-Year Estimates indicate that the median household income in 2009 was $84,530 for Suffolk County, $81,879 for the Town of Brookhaven and $75,823 for Yaphank.

Poverty

Suffolk County's poverty rate (the percentage of people living under the poverty level) remains low. However, in 2008 there were still 78,000 people in Suffolk County living in poverty, 5% of the population, according to the U. S. Census Bureau. This figure is based on a poverty income threshold which was only $21,200 for a family of four in 2008 and $10,400 for an individual. This means that a one-person household earning $11,000 in Suffolk County is considered to be living above the poverty level. In a relatively high cost area such as Suffolk County, poverty can be easily understated because the thresholds are based on a very low nationwide standard dollar amount.

19.1.6. Housing

Suffolk County contains more than 500,000 housing units and nearly 500,000 households. Long Island has a very high percentage of owner-occupied housing units. As of 2008, 82% of Suffolk County's occupied housing units were occupied by their owners, far above the nationwide figure of 67%. Long Island also has one of the lowest housing vacancy rates in the country. The homeowner vacancy rate in Suffolk was 1.2% in 2007, indicating a healthy market, but the vacancy rate in rented housing units was higher, at 6.0%.

Housing Prices

After several years of dramatic price increases, Suffolk County housing prices began to decrease in 2007. Home prices in Suffolk County increased by about 10-20% each year between 2000 and 2005. In 2006, the market began to soften and home prices rose by about 3%. Home prices were flat overall through most of 2007.

As of January 2010, the median selling price of a home in Suffolk County was $322,500, a 1% decline from January 2009. The overall decline has been about 20% from the peak prices of 2006-2007. Additional modest declines in housing prices are expected, but rising sales numbers indicate that the worst of the housing price declines are over.

Housing Sales and Construction

Housing sales slowed considerably in Suffolk County in 2006 through the first half of 2009. However, the number of homes sold has rebounded significantly since November 2009. In 2009, there were 7,982 homes sold in Suffolk County, a low level last seen in 1993 during the last housing slump. (In comparison, in 2005, 13,201 homes were sold in Suffolk County, a record high number.) However, the number of homes sold in Suffolk County between November 2009 and January 2010 was 44% higher than the number sold in the same period a year earlier.

The number of building permits issued for new housing in Suffolk County remains very low. In 2009, there were 992 new housing units authorized by building permit in Suffolk County, the fewest number in any year since records began in 1950. The 2009 figure was 29% lower than the 2008 figure and 61% lower than in 2006. Not only is the housing market slumping, but the amount of vacant land available for future development is becoming more limited.

The value of new residential construction in Suffolk hit an all-time high of $1.15 billion in 2005, but declined in each year since. The cost of residential construction in Suffolk was $338 million in 2009, down 25% from 2008 and similar to the level in 1993 during the last housing downturn.

Rental Housing

Housing rents have remained fairly steady in recent years. A Suffolk County Planning Department analysis of apartments for rent locally showed that in 2009 in Suffolk County the average rent for a one-bedroom apartment was $1,140, an increase of 3% over the 2008 figure, in a negative housing market. An average two bedroom apartment rented for $1,494 in 2009, up 2% since 2008. In a 2000

U.S. census ranking of median gross rent paid, Suffolk County ranked 11th highest among all counties in the nation.

After relatively little rental apartment construction in the 1980s, construction of apartment complexes for has increased substantially in recent years. In the 1980s, nearly 1,700 units of market rate senior apartments were constructed in Suffolk County, and 2,800 units were constructed in the 1990s. Since 2000, more than 3,600 senior citizen apartment units have been built. Non-senior apartment construction has increased just as dramatically. In the 1980s in Suffolk, 885 market rate apartment units were built, followed by 2,500 units in the 1990s and 3,600 units since 2000. Many of these new complexes charge rents in excess of $1,500 for a one-bedroom apartment.

19.1.7. Housing in Yaphank

Suffolk County performed an evaluation and analysis of proposed development in five "major growth and development areas" in Suffolk County, one of which was Yaphank ("A Review of Selected Growth and Development Areas Suffolk County, New York", August 2006). Housing data from that report is excerpted below:

As of 2000, Yaphank contained 1,650 housing units, of which 1,566 (95%) were occupied. The remainder of the housing units were vacant. Yaphank's housing is comprised primarily of two types: detached single family homes, and attached condominiums. As of the 2000 census, 64% of all housing units in Yaphank were one-family detached units (compared with 82% in the Suffolk County as a whole) and 33% of the housing units were one-family attached (condominium) units. There are 604 condominium units in two complexes.

Yaphank has a slightly higher percentage of owner-occupied housing units than other parts of Suffolk County. In 2000, 82.7% of occupied households were owner-occupied. This figure compares with 79.8% in Suffolk County overall. As of 2000, the largest proportion of housing units in Yaphank were built in the 1980s (28%), followed by the 1970s, when 18% of the housing was built. In the 20 year period 1940-1959, 24% of Yaphank's housing was constructed, and 11.8%

of the housing was built in the 1990s. Nine percent of the units were built before 1940, and another 9% were built in the 1960s.

In 2000, the median housing value in Yaphank was 34% lower than the median in Suffolk County as a whole. In 2000, the median number of rooms in a home in Yaphank was 5.7 rooms, below the Suffolk County median of 6.3 rooms per home. The slightly smaller and more affordable nature of Yaphank's housing stock may attract young families, single persons, and senior citizens.

In Yaphank in 2000, 190 or 15% of homeowners paid more than thirty-five percent of their household income for housing and 22% of renters paid more than thirty-five percent of their household income for rent. These figures were lower than most towns in Suffolk County and much better than the County average.

The housing stock in Yaphank is sound. In 2000, Yaphank had 20 overcrowded housing units (defined as more than one person per room), 1.3% of the total. No units lacked complete plumbing facilities or complete kitchen facilities, and every unit had telephone service. All of these figures were more favorable than Suffolk County as a whole.

19.1.8. Employment

In January 2010, Suffolk County had 726,800 employed residents. This is a decrease of 11,100 (-1.5%) from January 2009 and was at the level of January 2004. The size of the County's labor force has remained flat for the past two years.

Employment growth in the Nassau-Suffolk region has turned negative in an unfavorable national economic climate. Total non-farm employment in January 2010 was 1.20 million, a decrease of 8,600 jobs since January 2009. There was employment growth in a few categories. The largest employment growth in the past year occurred in leisure & hospitality (an increase of 4,300 jobs, or 5.0%) and educational & health services (an increase of 3,000 or 1.4%). The government sector and the retail trade sector also posted small increases in employment. The largest job losses occurred in manufacturing (-5,300 or -6.8%) and construction (-4,300 or -6.9%).

The employment base on Long Island has become more diversified in the past 15 years. The loss of defense jobs in the 1980s and 1990s hurt the Long Island economy but allowed the economy to become less dependent on one industry. Long Island can now depend on several growth sectors, including health, educational and social services, tourism, the arts, and several emerging technologies, notably bioscience technology.

Unemployment and Inflation

The unemployment rate in the County was 8.2% in January 2010, the highest January figure since 1992. Suffolk County's unemployment rate has been rising since mid-2008. In January 2008 there were 38,100 unemployed Suffolk residents, a figure which rose to 56,500 in 2009 and 64,700 in January 2010, the highest number of unemployed residents in a January in more than 20 years.

Inflation remains low in the region. The consumer price index for the New York metropolitan area increased by less than 4% in each of years 1992 through 2008. Inflation for 2009 was 0.4%, and inflation has been running at about 2.4% in 2010.

Major Employers

In 2007, 25 private employers each had more than 1,000 workers in Suffolk County. These employers cover a wide range of industries, including health care, telecommunications, banking, educational institutions, and department stores. The North Shore Health System, a network of 14 hospitals and other health care centers, is Nassau-Suffolk's largest employer, has 31,000 employees. Catholic Health Services employs 14,000 in Nassau-Suffolk. The Winthrop Health System (hospitals), Stop & Shop supermarkets, the Long Island Railroad, and Cablevision (telecommunications) each employ more than 6,000 on Long Island. The next largest employers are Adecco (staffing services), Verizon (telecommunications), Waldbaums supermarkets, Pathmark supermarkets, the Diocese of Rockville Centre, King Kullen supermarkets, Home Depot, Federated Department Stores, KeySpan (utility), and CVS, each of which employ between 4,000 and 6,000 in Nassau-Suffolk. Other companies employing at least 2,000 in Nassau-Suffolk include Long Island University, UPS, Newsday, JPMorgan Chase,

Citigroup, NBTY (manufacturer of vitamins and supplements) Estee Lauder (manufacturer of cosmetics) and Northrop Grumman (defense contractor).

Large government employers in Nassau-Suffolk include 127 school districts which together employ 106,700 people (as of January 2010), state government which employs 24,700, and federal government which employs 17,800 (including thousands of postal workers). Suffolk County government employs 11,000 people including police.

Through 2009, the number of businesses located in Suffolk County continued to rise. There were more than 49,000 business establishments with payroll in 2009 in Suffolk, an all-time high and a 7% increase since 2004. The largest numbers of businesses are in the construction category; followed by retail trade, professional & technical services, health care, and financial activities. Sixty-three percent of Suffolk's businesses employ fewer than 5 persons, and 79% of businesses in Suffolk employ fewer than 10 persons. In addition, in 2007 Suffolk County had more than 118,000 "non-employer" firms, mostly self-employed individuals operating very small unincorporated businesses.The number of these businesses has grown 17% since 2002.

19.1.9. Income and Employment in Yaphank

Suffolk County performed an evaluation and analysis of proposed development in five "major growth and development areas" in Suffolk County, one of which was Yaphank ("A Review of Selected Growth and Development Areas Suffolk County, New York", August 2006). Income and employment data from that report is excerpted below:

Based on 2000 census figures, the median household income in Yaphank was estimated to be $84,760 in 2005. This figure is 8% higher than Suffolk County's median of $78,456. Yaphank's median household income was higher than any of the surrounding communities: Coram, Gordon Heights, Medford, Middle Island, Ridge, and Shirley.

In 2000, the resident labor force in Yaphank was 2,390 people, up 23% from 1990. The 2000 census reported that 2,287 of Yaphank's residents were employed. The unemployment rate was 3.9%, the same as the unemployment rate

for Suffolk County at the time. The percentage of Yaphank's employed residents working in blue-collar occupations was 24% in 2000, compared to 21% in Suffolk County as a whole.

The 2000 census reported that 82% of Yaphank residents who work drove alone to work. Another 11% car-pooled, 3% took public transportation, 2% worked at home and the remainder walked or used other means. Compared to Suffolk County as a whole, there is a higher incidence of driving alone to work and a lower usage of public transportation to get to work among residents of Yaphank who work. This statistic is not surprising, since Yaphank is somewhat sparsely populated and residents' job locations are dispersed.

19.1.10. Projected Employment by Industry.

Office Market

Suffolk County has a substantial office market. It contains more than 24 million square feet of non-government office buildings. This figure includes 3.8 million square feet of new office space built between 2000 and 2009. An additional 2.7 million square feet of office space has been proposed but is not yet built. There was a decline in the demand for office space on Long Island in 2009. According to CB Richard Ellis, the office vacancy rate in Suffolk County was 19.9% in the 4th quarter of 2009, 4.2 percentage points higher than one year previous. Average office rental rates have decreased modestly over the past year, $24.12 in the 4th quarter of 2009, a 4% decrease from the same quarter in 2008.

Industrial Market

Suffolk County contains significant industrial space. According to Grubb & Ellis, there is 92 million square feet of industrial square footage in Suffolk County, nearly two-thirds of the industrial space on Long Island. Most of the space is general industrial space, but a large portion is warehouse and distribution space and a significant smaller portion is R&D/flex space.

The average asking rental rate for industrial space in Suffolk County was $7.65 in the 3rd quarter of 2009. Industrial rental rates declined by 2% between 2008 and 2009, indicating some softening in the market. Yet the industrial market in Suffolk

County remains strong. As of the 3rd quarter of 2009, the 5.0% industrial vacancy rate on Long Island was 4th best in the nation and is expected to remain strong.

Continued demand for industrial space has spawned significant new industrial construction in central Suffolk County, especially in the Yaphank area, where there is a New York State Empire Zone. Global Tissue plans to construct a new 180,000 square foot headquarters on 23 acres in Yaphank. Quality King, a distributor of pharmaceutical, health and beauty products, opened a new 580,000 square foot warehouse in Yaphank in late 2007. Clare Rose, a beer distributor, is finalizing construction of a 270,000 headquarters and distribution facility in Yaphank.

Hotels and Motels

Suffolk County's extensive industrial, office, and tourist markets support a large number of hotels, motels, and bed & breakfast inns. Suffolk County contains 301 hotels, motels, and inns. These lodging properties have approximately 11,800 rooms. Of those, about one-quarter are open only seasonally, half the year in the warmer months. Suffolk County's seasonal hotels are located primarily in eastern Suffolk County, mostly in the Hamptons.

Since 2004, more than 1,100 lodging rooms have been added in Suffolk County, primarily in western Suffolk, increasing the total number of rooms by 10% in the past five years. Correspondingly, the hotel occupancy rate in western Suffolk County has declined.

Retail Market

Suffolk County is a major retail market, with $31.4 billion in retail sales in 2008. According to Trade Dimensions International, Suffolk County had retail sales per household of $64,104, ranking among the highest in the country. According to the Suffolk County Department of Planning, Suffolk County's shopping center space totals 39.5 million square feet. This includes more than 5.6 million square feet of new shopping center space added in Suffolk County just since 2000. In addition,

Suffolk County's traditional downtown centers contain 8 million square feet of store space.

Institutional Development

Suffolk County is served by 70 public school districts. The combined budget for Suffolk's school districts for the 2008-09 school year was $5.4 billion dollars. Public school enrollment was 254,000 in the 2008-09 school year, a 3% decline since 2004. In recent years, major school additions have been completed in many local school districts. However, enrollment is now projected to continue to slowly decrease for the next few years.

In Suffolk County there are seven four-year colleges having a total undergraduate enrollment of approximately 31,000 students and a graduate enrollment of about 12,000 in 2008-09.

There are 11 full service hospitals in Suffolk County. According to the New York State Health Department, Long Island hospitals are spending hundreds of millions of dollars on major construction projects to expand and modernize their facilities.

In 2007 Brookhaven National Laboratory, an atomic energy research facility that employs 2,600 people, completed an $81 million 94,000 square foot building funded by the U. S. Department of Energy, the Center for Functional Nanomaterials. Funding for major new additional research buildings at Brookhaven National Lab is being sought.

Other Major Development Activity

Suffolk County contains several areas that are centers of current and future development including a 460 acre surplus portion of the Pilgrim State Psychiatric Center in Brentwood, the former Central Islip Psychiatric Center, the Route 58 corridor in Riverhead and Calverton Airport in the Town of Riverhead, formerly owned by the U. S. Navy.

In Yaphank, a $450 million 350 megawatt gas-powered electric power plant came online in 2009. A new $130 million 318,000 square foot Suffolk County correctional facility is currently under construction in Yaphank.

19.2. Economic Information on Yaphank

Suffolk County performed an evaluation and analysis of proposed development in five "major growth and development areas" in Suffolk County, one of which was Yaphank ("A Review of Selected Growth and Development Areas Suffolk County, New York", August 2006). Economic data from that report is excerpted below:

Zip Code Business Patterns includes information about total employment in businesses, for the Yaphank zip code, 11980. It is important to note that government employment is not included in these figures, only employment by businesses with payroll. Therefore, employment by Suffolk County, which has significant facilities in Yaphank, would not be included in these figures. In 2003, there were 2,461 persons employed at businesses in Yaphank.

Between 1998 and 2003, business employment in the Yaphank area increased by 17%. Much of the increase occurred between 2002 and 2003, the most recent year available. Zip Code Business Patterns also includes information about the number of business establishments with payroll, by zip code. In 2003, there were 147 businesses in the Yaphank zip code.

Between 1998 and 2003, the number of businesses in Yaphank increased by 21%.Most of the increase occurred in the two most recent years, 2002 and 2003. In 2003, there were 147 businesses with payroll in Yaphank. Of those, the largest number (24 or 16% of the total) were in the construction industry. The Administrative, Support, Waste Management and Remediation Services category accounted for 22 businesses (15% of the total). There were 21 manufacturing businesses, 14% of the total. There were 18 businesses involved in wholesale trade (12% of the total). Businesses in Yaphank were classified among a wide range of industry categories.

Note that government employment is not included in the Zip Code Business Patterns data.

Industrial Market

In recent years, a large number of new industrial buildings have been constructed in Yaphank and the surrounding area. In 1980, there were six industrial buildings in Yaphank, containing 653,000 square feet of space. As of 2004, there were 37 industrial buildings in Yaphank, containing 1,567,000 square feet of space. As of 2004, Yaphank contained 274.8 acres of industrially used land.

A Grucci fireworks manufacturing facility is located in Yaphank, adjacent to the Suffolk County lands north of Horseblock Road. There is also a significant commercial composting facility off Horseblock Road in Yaphank, and a large municipal solid waste facility just south of Yaphank, south of Horseblock Road.

The industrial parks in Yaphank continue to see added construction. Quality King, a distributor of pharmaceutical, health and beauty products, announced in 2004 that it is planning a major expansion to support its growing operations. The privately held company, which employs 1,400, plans to build a 560,000 square foot flagship warehouse building on 37 acres near Yaphank within the New York State Empire Development Zone. Other industrial development exists nearby in Medford and North Bellport. Construction continues on an industrial park located between Horseblock Road and Woodside Avenue.

Office Market

Yaphank currently does not contain any large nongovernment office buildings. However, surrounding communities do contain some office space.

Five office complexes are located in nearby Medford, containing 322,000 square feet of space. Coram also has five smaller office buildings, containing a total of 160,000 square feet of space. Ridge and Shirley have small amounts of office space.

Suffolk County Facilities

Suffolk County is the owner of more than 800 acres at the Yaphank County Center on the east and west sides of Yaphank Avenue. Suffolk County purchased much of its land in Yaphank in the 1960s and 1970s in response to aggressive projections for rapid population growth and an anticipated need for facility space. The County facilities are presently

scattered in a low-intensity pattern; the buildings are generally separated by large areas of parking, lawns, and patches of woodland.

There are several County uses on these lands. The County Farm is an historic and functioning farm on 230 acres. In 1995, Suffolk County opened its 264 bed 270,000 square foot skilled nursing facility on 26 acres west of Yaphank Avenue. This facility replaced an aging 215 bed facility that catered to the needs of indigent Long Islanders for many years. The older 94,000 square foot facility, also west of Yaphank Avenue, has been renovated for use as County office space.

*Suffolk County Police headquarters is a 130,000 square foot facility on the west side of Yaphank Avenue. There is also an 84,000 square foot minimum security prison on the west side of Yaphank Avenue, and there are plans for significant expansion of the facility (*since this report was issued, construction has begun*). The Probation/F.R.E.S. building west of Yaphank Avenue is 55,000 square feet in size, and there is a 19,700 square foot building and other structures used for Firematic training west of Yaphank Avenue.*

East of Yaphank Avenue lie the 44,000 square foot Board of Elections building, the 90,000 square foot DPW headquarters building, and ancillary DPW buildings. In total, the Suffolk County buildings in Yaphank contain more than 800,000 square feet of space.

Retail Centers, Hotels, and Other Major Commercial Development

Yaphank does not have a downtown center, nor do any of the communities surrounding Yaphank. Yaphank contains 10,000 square feet of shopping center space in one shopping center. However, surrounding communities do contain significant amounts of shopping center space.

The largest shopping center in the area is the 286,000 square foot Coram Plaza with Home Depot and Stop & Shop. The next largest shopping centers in the area are South Port in Shirley (250,000 square feet) and Sunshine Square in North Bellport (204,000 square feet).

Yaphank does not contain any hotels. However, nearby Medford has three hotels containing a total of 151 rooms, and Shirley has one 26-room motel.

A large abandoned multiplex movie theater (Brookhaven Multiplex) is situated west of Yaphank in Medford on the south side of the Long Island Expressway.

A commercial recreation facility named Baseball Heaven opened on Sills Road in Yaphank in 2003. This facility has eight baseball diamonds with artificial turf and hosts baseball, softball and football games.

Major Development Proposed in Yaphank

A wide variety of additional development has been proposed in Yaphank. A 350 megawatt power plant (Caithness) has been proposed on a 96 acre parcel north of Horseblock Road and west of the Suffolk County property (constructed since this report was issued). *In addition, the Suffolk County Jail in Yaphank is proposed to be expanded (*since this report was issued, construction has begun*).*

For decades, the 101 acre site at the northwest corner of the Long Island Expressway and William Floyd Parkway has been zoned for a large regional shopping center. Original plans for an enclosed regional mall on the property have been scaled back and revised. An 850,000 square foot big-box shopping center called Brookhaven Walk is now proposed for the site. An 800,000 square foot shopping center (495 Station Plaza) containing big box stores has been proposed for the large site south of the Long Island Expressway, west of William Floyd Parkway.

Several significant housing developments have been proposed in Yaphank. Avalon Bay Communities has proposed a 450 unit renter and owner-occupied multi-unit housing complex on 163 acres north of Mill Road. A development known as Silver Glen, with 500 units of owner and renter age-restricted multi-unit housing, plus a 120 unit assisted living facility and 22,000 square feet of office space, has been proposed north of the Long Island Expressway west of Sills Road. A 190 unit age-restricted condominium complex known as Country Pointe at Yaphank has been proposed east of Yaphank Avenue south of Gerard Road and a 36 unit condominium complex known as Chelmsford Weald off Mill Road in northern Yaphank is in pre-construction phase.

Significant acreage of residentially zoned land is also still available for development in Yaphank. These parcels could eventually contain approximately 500 single family housing units.

Most of the industrially zoned land to the west of Yaphank has been developed. Significant acreage of industrially zoned land is still available for development in Yaphank. There are still approximately 740 acres of privately owned vacant land zoned industrial available for development in Yaphank. This vacant industrially zoned acreage excludes the following:

- *Potential industrial development on the Suffolk County owned lands zoned industrial*
- *The Grucci fireworks manufacturing site, which could convert to a conventional industrial park*
- *Industrially zoned property owned by the Long Island Power Authority (LIPA)*
- *The industrially zoned land proposed for the Caithness power plant* (constructed since this report was issued)
- *The industrially zoned land north of the L. I. E. and west of Sills Road, originally zoned industrial but now proposed for senior housing.*
- *The industrially zoned parcel of approximately 100 acres, south of the L. I. E. and west of William Floyd Parkway proposed for shopping center development.*

The 740 acres of available land zoned for industry in Yaphank could yield 7,219,000 square feet of industrial buildings, if lot coverage of new industrial buildings is the same as existing buildings in Yaphank (approximately 22% lot coverage). As Yaphank develops under existing zoning, the community will become the next large concentrated industrial area in Suffolk County. The others are Farmingdale, Hauppauge, and Bohemia/ Ronkonkoma.

The proposed and potential additional development in Yaphank will add considerably to the existing development within the community.

If proposed development within Yaphank proceeds as planned, and all potential development based on existing zoning occurs, there would be significant changes in the pattern of development in Yaphank. The amount of retail and industrial space would increase dramatically, as would the number of housing units.

19.3. Potential Impact of Proposed Project on Housing Values

The preservation of property value is an important concern for homeowners. The cost of homeownership consumes a significant portion of the household budget, and a substantial component of personal (or household) wealth is comprised of home value. Thus, potential change to home value can be of concern to the proximate community or neighborhood. One type of concern that is expressed by communities around the nation is whether there is any impact from affordable housing. Affordable housing includes new housing construction that is subsidized by government or required by government as part of a project approval in order to facilitate home ownership by households that earn less than the median income.

According to Kaufman & Smith (1999) and Lake (1993), community resistance to affordable housing arises from both economic and non-economic reasons. As mentioned earlier, the economic reasons for opposition to affordable housing stem from the alleged impact on home values. Grieson and White (1989) explained that property values, along with existing amenities, are a reflection of the overall quality of life in a given neighborhood. There are a number of other prevailing ideas that characterize community perceptions regarding affordable housing. Affordable housing initiatives can introduce lower income groups which may comprise different racial and ethnic groups as compared with the host community. The host community may also believe that the residents of affordable housing are more prone to crime. In addition, the concept of affordable housing may evoke concerns over poor maintenance of housing and inadequate supervision of the new residents. Such ideas and concerns can negatively affect homeowners' perceived quality of life.

In general, the questions addressed by the literature review are whether or not affordable housing negatively impacts residential property values and, if so, to what degree and under what conditions. The following discussion presents a summary of a number of studies that have investigated this topic.

The Center for Urban Land Economics Research (Green, 2002) conducted a study of the influence of the Section 42 Low Income Housing Tax Credit (LIHTC) program on housing values in the Madison and Milwaukee Metropolitan areas. They used a repeat sales technique to investigate changes in house price due to LIHTC developments. It is important to note that the repeat sales technique, also referred to as "paired sales" by the

real estate industry, is a robust statistical technique since it inherently controls for many factors. Upon comparing paired sales in neighborhoods with and without new LIHTC developments, the authors were unable to find any evidence that LIHTC developments caused property values to decline. In some instances, property values near LIHTC developments were found to appreciate more rapidly than those further removed from LIHTC developments.

To answer similar research questions for their region, the Family Housing Fund of Minneapolis commissioned a study (Maxfield Research, Inc, 2000) to investigate the claim that rental developments in the Twin Cities suburbs erode housing values in the surrounding areas. This research examined twelve neighborhoods (i.e., subject areas) in the Twin Cities where tax-credit rental housing was constructed between 1993 and 1997. These subject areas were dense neighborhoods of owner-occupied homes, containing between 150 to 200 units within one- to three-block areas.

The researchers discovered that the home sales around the areas of the tax-credit rental developments showed similar or better market performance in the period after the tax-credit properties were built. In addition, the sales of these same homes showed similar or stronger performance than comparable homes sales in areas that did not contain tax-credit developments. In summary, there were no negative impacts upon home values in areas where tax-credit developments were constructed or, in other words, no declines in home sales prices following the construction of tax-credit rental developments.

A similar investigation, i.e., comparable to the Twin Cities study described above, was conducted by The Innovative Housing Institute (IHI), a non-profit organization (Siegel & The Grier Partnership, 2000). The purpose of their research was to examine the impact of subsidized housing on property values of market rate housing in Montgomery County, Maryland and Fairfax County, Virginia. The researchers examined every real estate transaction from 1992 through 1996 in fourteen communities within the two counties. Specifically, the study investigated trends in resale prices of 1,102 non-subsidized or market-rate units (from 1992 to 1996) that were either within or next to 14 subdivisions with subsidized housing.

Overall, the study found that there was no significant difference in price trends between market-rate homes in the subdivisions with subsidized units and the broader market. In

addition, there was no significant difference between these two groups even when accounting for proximity to subsidized housing. That is, there was no difference in price for market-rate homes that were located within 500 feet of subsidized units and those farther away in the same subdivision. Moreover, even the price trends of market-rate homes located directly adjacent to subsidized housing were unaffected by this proximity. Finally, there was no significant difference in the price trends for market-rate homes (in subdivisions with and without subsidized housing) for both counties.

M. T. Nguyen (2005) conducted an academic literature review of previous studies that investigated the impacts of affordable housing on home values. Her review – which examined seventeen studies that attempted to measure the effect of affordable housing on property values – revealed that impacts are dependent upon a number of factors. These factors include the design and management of the affordable housing developments, the compatibility of affordable housing with the host neighborhood and the concentration of affordable housing. Nguyen summarized the findings of these seventeen studies as follows:

"1. When negative effects exist, they are small. The magnitude of the effect of affordable housing on property values is quite small when compared with other factors that influence property values.

2. Characteristics about the affordable housing unit/site can lead to greater chances of property value decline. When design and management are poor and the affordable housing is not compatible or comparable with the host neighborhood, this can lead to a reduction in nearby property values.

3. Neighborhood composition is important. Negative effects on property values are more likely to occur when affordable housing is clustered and located in disadvantaged and declining neighborhoods.

4. More studies are needed. The limited number of methodologically sound studies only enable tentative conclusions to be made. More studies of this nature, in a broader range of regions in the country, may provide more conclusive evidence."

From the literature reviewed above, it can be concluded that appropriately-scaled, affordable housing units (either in multi-family or single-family configurations) have negligible or no significant impact upon home values in market-rate neighborhoods. Even

in the instances of relative close proximity to affordable housing, the research studies discussed above find no significant impacts to market-rate home values. It is also important to note that, in most of the studies reviewed here, market rate homes – situated near affordable housing – were often found to sustain increases in price as opposed to the reverse, a finding that would upon first consideration seem counterintuitive. A supposition of some authors is that affordable housing is often implemented through a rehabilitation of existing housing stock or through new construction which, in turn, provides value to the host community and potentially favorable impacts to existing market-rate homes.

In the case of the proposed project, it is noted that the vast majority of the new housing units, i.e., comprising both market-rate and subsidized units, would be separated a significant distance from existing market-rate homes in the area. For example, Study Area "B", which would contain over 93 percent of all market-rate and subsidized housing units for the proposed project is, at a minimum, 2,000 feet or more from the nearest residential parcels that are located along Yaphank Avenue. This distance would mitigate against any, albeit unlikely, impacts to home values.

19.4. Economic Aspects of Mixed Use Communities

19.4.1. Mixed-use Development

The proposed project is a mixed-use development that integrates a number of land uses including residential, commercial and recreational uses. According to an early definition offered by the Urban Land Institute, mixed-use development comprises the following characteristics:

- three or more significant revenue-producing uses
- significant functional and physical integration of project components
- development in conformance with a coherent plan.

During the 1970s and 1980s, mixed-use developments were built at smaller scales, i.e., compared with planned-unit developments (PUDs), and they were typically integrated into more urban environments. At present, mixed-use is associated with transit-oriented development (TOD), traditional neighborhood development (TND) and smart growth principles, all of which embrace the concepts of increased intensity of land use, increased diversity of land and the integration of multiple uses. Stadiums have also recently been integrated within

the mixed-use development concept, especially with the intent of enhancing economic development.

Mixed-use developments offer a number of economic and community benefits. Mixed-use developments typically comprise a range of multi-family housing units, including condominiums, townhouse and apartments, that offer expanded housing options to the community, a percentage of which is affordable to households that earn less than the median income for the given area. Mixed-use developments reduce the dependence on the private automobile by locating residences near or adjacent to commercial uses, including retail and services, and employment centers. In such locations, where densities are more supportive of transit, travel options for residents are increased. Mixed-use development also creates a sense of place by orienting residents to a local center of activity. Finally, mixed-use development is considered beneficial from a variety of economic viewpoints, including the maximization of infrastructure investments, increased economic development and greater tax revenues (as compared with single-use, lower-density developments).

The following discussion provides a review of articles and reports on the economic impacts of several mixed-use developments with residential and commercial components:

Glen Isle Mixed-Use Waterfront Development, Glen Cove, New York[12]

The development could attract 900 new owner-occupied households to for-sale condos and townhouses and 312 renter households to new multi-family units. This would result in significant increases in the number of households with average incomes of $100,000 or more. Proposed retail would support the proposed use while complementing existing retail in the downtown. The project would generate tax revenue for Glen Cove ($5.6 million), Nassau County ($2.2 million) and the Glen Cove School District ($12.4 million). Although the project would add population, including school-aged children, the school property taxes generated

[12] Economic Research Associates, *Economic and Fiscal Impact Analysis Glen Isle Mixed-Use Waterfront Development, Glen Cove, New York*, 2009.

by this development would exceed the marginal costs of the newly added school children, resulting in an annual surplus of $10.6 million for the school district.

Storrs Center, Mansfield, Connecticut[13]

This mixed-use project consists of 690 residential units, ranging from loft studios to three-bedroom apartments, 158,000 square feet of retail space and 22,000 square feet of office space. This proposed project would provide a net positive fiscal impact for the Town, generating a $2.6 million annual surplus.

Kincora Project, Loudoun County, Virginia[14]

According to the Kincora Fiscal Impact Analysis, Kinocora will comprise a mix of offices, retail, hotels, apartments and condominiums, and cultural and entertainment/sports facilities. At full build-out, it is estimated that Kincora will have 4 million square feet of office space, 500,000 square feet of retail space, 375,000 square feet of cultural-use space, 720 hotel rooms, 704 apartments, and 700 condominium units. The project will also include a 5,500-seat sports and entertainment stadium. The completed project will support 9,508 jobs and 2,660 residents, including 270 new school-aged children. The project will generate a net annual fiscal benefit of $179 million for the County (expressed in 2008 dollars).

Impact Study, Truckee Railyard Master Plan, Town of Truckee, California[15]

This development is envisioned as a pedestrian-oriented, mixed-use development that would extend eastward from the current downtown. The master plan comprises the following components: 70,000 square feet of retail space, a 20,000 square feet of grocery store, a 1,000-seat movie theater, 570 residential units, including a maximum of 165 live/work units and 125 work/live units, 15,000

[13] H R & A Advisors, Inc., *Fiscal Impact Study, Storrs Center, Mansfield CT*, 2008.

[14] John Petersen, *John Krause, Kincora Project Fiscal Impact Analysis*, prepared for Loudoun County, Virginia, 2008.

[15] Strategic Economics, *Truckee Railyard Master Plan Economic Analysis*, prepared for the Town of Truckee, 2009.

square feet of office space, a 60-room hotel and 25,000 square feet of civic building space. The report determined that the development would bring a wide array of economic and social benefits, including the attraction of residents and visitors that would support new and existing businesses, significant job opportunities and the potential to induce additional development within the downtown (as a byproduct of the project's economic activity).

19.4.2. Sports Stadiums and Economic Development

This discussion addresses the question of the merit of stadiums with respect to their economic benefits. Economic benefits that are typically associated with new stadiums include net increases in jobs, economic development, tax revenues and housing values and rents.

There are numerous economic impact analyses that have been prepared for proposed or completed stadiums which often have mixed-use development components. By and large, these economic impact analyses generally conclude that stadiums provide a net positive impact for their host cities and communities. The results of some of these analyses are provided below:

Economic Impacts of the Proposed St. Louis Ballpark Stadium and Village.[16]

The findings of this study anticipate an annual increase of approximately $120 million in gross state product and a net present value to the State of Missouri of $61.68 million in tax benefits over the 30-year project investment.

West Haymarket Mixed-Use Project.[17]

This proposed project, which includes a new arena, would generate approximately $261 million dollars of annual economic activity and 1,210 jobs (i.e., full-time equivalents). The project would also provide an annual average of $2.83 million and $4.92 million dollars in city and state taxes, respectively.

[16] David J. Peters, *Economic Impacts of the Proposed St. Louis Ballpark Stadium & Village*, Missouri Economic Research & Information Center, Missouri Department of Economic Development, 2002.

[17] Leib Advisors, LLC, *The Economic and Fiscal Impacts of the West Haymarket Mixed-Use Project to be Developed in Lincoln, Nebraska*, prepared for the City of Lincoln, 2009.

Assessment of the Gross Impact of the Columbus Blue Jackets and Nationwide Arena on the Greater Columbus Area.[18]

This study found that, over a ten-year period since its initiation, the project has induced (i.e., directly and indirectly) more than $850 million of spending in central Ohio. In addition, the project has created 159 full-time jobs and 972 part-time jobs. In addition, an estimated $160 million in area hotels and restaurants is attributed to the out-of-town visitors to events at the new arena.

Neighborhood Economic Impacts of the Proposed San José Stadium.[19]

A key focus of this study was the impact of the stadium on local residential property values. It was found that condominiums within the neighborhood of the stadium commanded higher sale prices than comparable condominiums in the remainder of the city. In addition, rents in the stadium neighborhood were consistently and significantly higher than those in other neighborhoods throughout the city. There was also considerable evidence from the study's survey of commercial property owners and real estate brokers that the stadium induced favorable retail lease rates.

The Proposed Arena at Atlantic Yards: An Analysis of City Fiscal Gains and Losses.[20]

The New York City Independent Budget Office analyzed the costs to the city and state budgets from capital spending and the loss of existing tax revenue for proposed arena at Atlantic Yards. Unlike the studies reviewed above, their findings were not favorable to the stadium and its associated development. Their analysis revealed that, over a 30-year period, the arena would cost the city nearly $40 million more in spending than it will generate in tax revenues. The arena

[18] David Wirick, *Assessment of the Gross Impact of the Columbus Blue Jacket and Nationwide Arena on the Greater Columbus Area*, Ohio State University John Glenn School of Public Affairs

[19] Bay Area Economics, Neighborhood Economic Impacts of the Proposed San José Stadium, prepared for the San José Redevelopment Agency, 2006.

[20] New York City Independent Budget Office, The Proposed Arena at Atlantic Yards: An Analysis of City Fiscal Gains and Losses, prepared at the request of selected New York City Council members, 2009.

would, however, offer a net fiscal benefit of $25 million in new taxes for the State of New York.

The question of whether sports facilities are effective catalysts of economic development and upon which the expenditure of public investments – in the form of subsidies – is justified, was addressed in article published in 2004 by the American Planning Association. Chapin concluded that sports facilities will continue to serve as major urban redevelopment strategies, especially to attract major league team.[21] But, as the author explains, this trend has expanded to strategies to attract minor league teams in order to spur redevelopment. The article concludes that the success of stadium projects in catalyzing urban redevelopment is mixed. In some instances, the future economic development potential associated with stadiums falls short of expectations, while in other instances, new development, such as hotel, entertainment and residential, are facilitated by new stadiums.

A review of an article published by Business Review provides additional insight to the economic value of football stadiums to communities. In their article the authors argue that, when quality-of-life considerations are included in the economic calculations, the construction of a new stadium may be a good deal for cities and their residents.[22] The study found that, for the case of the hosting of a National Football League (NFL) team and the subsidizing of their stadium, public expenditures appear to be a good investment, even where the public costs may exceed the benefits that are typically quantified.

The factor that makes such public investments viable, according to the authors, are the external benefits. Public subsidies are justified in the instances when residents view professional sports teams as valuable assets of their city. Anchored by a stadium, these teams contribute to the quality of life in the area by increasing satisfaction of residents, even if residents do not attend the games. The authors

[21] Timothy S. Chapin, *Sports Facilities as Urban Redevelopment Catalysts, Baltimore's Camden Yards and Cleveland's Gateway*, Journal of the American Planning Association, Spring 2004, Vol. 70, No. 2.

[22] Gerald A. Carlino and N. Edward Coulson, *Should Cities Be Ready for Some Football? Assessing the Social Benefits of Hosting an NFL Team*, Business Review Q2 2004.

measured these quality-of-life benefits through changes in wages and rents before and after the establishment of the sports team.

19.4.3. Impacts of Proposed Project on Economics and Induced Development

The studies reviewed above provide support for the argument that the proposed project – which is a mixed-use development – would result in net positive economic benefits for the community. The economic benefits of this mixed-use project, along with potential benefits including increased social, recreational, and housing opportunities, must be weighed against any negative impacts that may result. It is necessary to consider during such an analysis the numerous other benefits of mixed-use development including:

- the expanded housing opportunities offered to the population in the form of multi-family units
- the reduction of automobile dependence as residences will be located near and adjacent to retail and services and new employment opportunities (e.g., proposed industrial, retail and office uses)
- the creation of a sense of place for the Yaphank area through the development of an important activity center.

The potential for the proposed project to induce further economic development, as driven by the construction of a new stadium, cannot be verified at this time. There is evidence to support the concept of the stadium as a driver of economic development; however, this will depend upon the characteristics of the development and its market area. In particular, research described above suggests that economic activity and demand for commercial space are fostered by the increased activity and population influx during stadium events. A market analysis prepared by Economic Research Associates suggests that minor league sports events would be well attended.[23]

[23] Economic Research Associates, Yaphank Site Arena Program Market Viability Analysis, prepared for Legacy Village Real Estate Group, LLC, Central Islip, New York, 2007.

19.5. Economic Impact Analysis

An Economic Impact Analysis for the proposed project was prepared by PMKB Consulting Associates LLC (Appendix J) and is summarized herein.

19.5.1. Construction Phase

The projected cost of construction for the proposed project is $750,048,164 in current dollars. This cost estimate includes the projected cost of the offsite infrastructure (utilities and roads) as well as a 10% contingency fee. Development is projected to occur over a 15-year building cycle. Of the projected development costs, 60% or $450,028,898 is estimated to be labor costs. Based on these figures, the number of construction workers needed annually was computed as approximately 206 construction workers annually for fifteen years to complete the proposed project.

Aggregation of 206 full-time construction workers for a 15-year period suggests that the proposed project will create approximately 3,100 direct construction and construction-related jobs during the development phase. Direct expenditures are only the tip of the iceberg in terms of the overall economic impact of project spending during the development phase. Much of this spending will remain within the Long Island economy and will undergo several rounds of "respending". This occurs when construction workers spend their earnings in local business establishments and when construction firms buy materials and services from local businesses. This, in turn, creates a ripple or multiplier effect so that the overall economic impact is a multiple of the original expenditure. It has been assumed that projected spending during the development phase will remain entirely within the Nassau-Suffolk economy. To the extent that "leakage" occurs, as when construction firms buy materials from firms located outside of Nassau and Suffolk Counties, the projected secondary economic (multiplier) impact will be commensurately less.

The secondary or multiplier impact of projected spending during the 15-year development phase was estimated. The findings show that a development expenditure of $750,048,164 over a 20-year period could generate approximately 11,400 secondary support jobs throughout the local economy. These are jobs that would not exist in the absence of the proposed project. Local earnings could

increase by almost $475 million. The local output of goods and services could increase by more than $1.5 billion, including the original expenditure. This is equivalent to a net output increase of more than $771 million.

Table 19-4: Secondary Economic Impact of Spending During the Development Phase

Impact on	Projected Increase
Employment	11,416
Earnings	$474,780,488
Gross Output of Goods & Services	$1,521,247,686
Net Output of Goods & Services	$771,199,522

Source: Consultant's estimates based on RIMS II input-output model.

The RIMS II model also contains industry-specific multipliers that make it possible to estimate the impact of spending during the development phase on specific industries. As the following table indicates, the construction industry would benefit most from an expenditure of $750,048,164 during the development phase. Output in the construction industry could increase by almost $755 million, including the original expenditure. Earnings could increase by almost $268 million and almost 6,000 construction jobs could be created both onsite and offsite. However, other Long Island industries would also benefit.

- Manufacturing output could increase by more than $126 million. Earnings in the manufacturing industry could increase by more than $24 million and more than 500 local manufacturing jobs could be created.

- Output in wholesale and retail trade could increase by almost $152 million. Earnings in these industries could increase by almost $46 million and more than 1,400 jobs in wholesale and retail trade could be created.

- Output in finance, insurance, real estate, professional, scientific and technical services could increase by more than $229 million. Earnings in these industries could increase by almost $48 million and almost 900 jobs could be created.

- Output in health care and social services could increase by more than $65 million. Earnings in this group of industries could increase by almost $29 million and almost 700 jobs could be created.

Table 19-5: Industry Impact of $750,048,164 in Spending During the Development Phase

Industry	Output Increase	Earnings Increase	Employment Increase
Agriculture, forestry, fishing, and hunting	$2,400,154	$525,034	39
Mining	$1,350,087	$375,024	5
Utilities*	$17,101,098	$3,150,202	29
Construction	$754,923,477	$267,542,180	5,968
Manufacturing	$126,233,106	$24,376,565	505
Wholesale trade	$56,553,632	$16,351,050	261
Retail trade	$95,331,122	$29,326,883	1,182
Transportation and warehousing*	$24,001,541	$7,725,496	196
Information	$34,652,225	$8,250,530	127
Finance and insurance	$73,729,735	$17,626,132	252
Real estate and rental and leasing	$96,531,199	$5,475,352	196
Professional, scientific, and technical services	$58,878,781	$24,601,580	439
Management of companies and enterprises	$16,876,084	$6,675,429	68
Administrative and waste management services	$27,826,787	$10,500,674	382
Educational services	$8,025,515	$3,300,212	119
Health care and social assistance	$65,479,205	$28,576,835	682
Arts, entertainment, and recreation	$7,725,496	$2,850,183	126
Accommodation and food services	$23,851,532	$8,100,520	487
Other services*	$29,776,912	$8,925,573	317
Households	$0	$525,034	38
Total	**$1,521,247,686**	**$474,780,488**	**11,416**

Source: RIMS II input-output model

For purposes of analysis, the potential economic impact during the development phase has been disaggregated to show the impact of the buildout for Areas A through F. Table 19-6 shows the estimated construction costs for each area.

Table 19-6: Construction Cost, by Component and Area (Excluding Offsite Infrastructure)

Section of Development	Projected Construction Cost	10% Contingency	Total Estimated Construction Cost
Area A	$ 148,475,355	$ 14,847,536	$ 163,322,891
Area B	$ 176,863,047	$ 17,686,305	$ 194,549,352
Area C	$ 5,285,000	$ 528,500	$ 5,813,500
Area D	$ 293,862,948	$ 29,386,295	$ 323,249,243
Area E	$ 5,900,000	$ 590,000	$ 6,490,000
Area F	$ 17,760,000	$ 1,776,000	$ 19,536,000
Total	$ 648,146,350	$ 64,814,635	$ 712,960,985

Estimated jobs created during the development phase, by Area, were computed as shown in Table 19-7. They show that 673 construction jobs could be created

during the development phase in Area A, 802 in Area B, 24 in Area C, 1,332 in Area D, 27 in Area E and 81 in Area F.

Table 19-7: Projected Construction Jobs, by Area

		Area A	Area B	Area C
1	Estimated Construction Costs (Dollars)	163,322,891	194,549,352	5,813,500
2	Estimated Labor Costs (60% of Line 1)	97,993,734	116,729,611	3,488,100
3	Average Hourly Compensation/Worker	$80	$80	$80
4	Construction Hours Required (Line 2/Line 3)	1,224,922	1,459,120	43,601
5	Duration of Buildout (Years)	20	20	20
6	Construction Hours Per Year (Line 4/Line 5)	61,246	72,956	2,180
7	Average Hours Worked Per Year	1,820	1,820	1,820
8	Construction Workers Needed Annually (Line 6/7)	34	40	1
9	Total Construction Jobs Over 20 Years	673	802	24

		Area D	Area E	Area F
1	Estimated Construction Costs (Dollars)	323,249,243	6,490,000	19,536,000
2	Estimated Labor Costs (60% of Line 1)	193,949,546	3,894,000	11,721,600
3	Average Hourly Compensation/Worker	$80	$80	$80
4	Construction Hours Required (Line 2/Line 3)	2,424,369	48,675	146,520
5	Duration of Buildout (Years)	20	20	20
6	Construction Hours Per Year (Line 4/Line 5)	121,218	2,434	7,326
7	Average Hours Worked Per Year	1,820	1,820	1,820
8	Construction Workers Needed Annually (Line 6/7)	67	1	4
9	Total Construction Jobs Over 20 Years	1332	27	81

Source: Consultant's estimates

Relevant output, earnings and employment multipliers from the RIMS II input-output model were applied to estimated construction costs for Areas A through F to estimate the multiplier effect of this spending. The findings are summarized in Table 19-8 and show that:

- The buildout of Area A could generate as many as 2,486 new jobs both onsite and offsite. Local earnings could increase by more than $103 million and gross output could increase by over $331 million. This is equivalent to a net output increase of more than $167 million.

- The buildout of Area B could generate as many as 2,961 new jobs both onsite and offsite. Local earnings could increase by more than $123 million and

gross output could increase by more than $394 million. This is equivalent to a net output increase of over $200 million.

- The buildout of Area C could generate approximately 88 jobs both onsite and offsite. Local earnings could increase by more than $3.6 million and gross output could increase by almost $12 million. This is equivalent to a net output increase of almost $6 million.

- The buildout of Area D could generate approximately 4,900 jobs both onsite and offsite. Local earnings could increase by more than $204 million and gross output could increase by almost $656 million. This is equivalent to a net output increase of over $332 million.

- The buildout of Area E could generate approximately 100 jobs both onsite and offsite. Local earnings could increase by more than $4 million and gross output could increase by over $13 million. This is equivalent to a net output increase of over $6 million.

- The buildout of Area F could generate approximately 297 jobs both onsite and offsite. Local earnings could increase by more than $12 million and gross output could increase by almost $40 million. This is equivalent to a net output increase of over $20 million.

Table 19-8: Secondary Impact of Spending during the Development Phase by Area

	Spending	Projected Increase on			
		Employment	Earnings	Gross Output of Goods & Services	Net Output of Goods & Services
Area A	163,322,891	2,486	103,383,390	331,251,488	167,928,597
Area B	194,549,352	2,961	123,149,740	394,584,996	200,035,644
Area C	5,813,500	88	3,679,946	11,790,941	5,977,441
Area D	323,249,243	4,920	204,616,771	655,614,115	332,364,872
Area E	6,490,000	99	4,108,170	13,163,018	6,673,018
Area F	19,536,000	297	12,366,288	39,622,915	20,086,915

19.5.2. Permanent Phase of Operation – Permanent Jobs

In estimating the number of permanent full-time equivalent (FTE) jobs likely to be created by the proposed development at full occupancy, the following series of

ratios were used. Discussions with industry sources and local planners confirmed that these ratios are commonly used in projecting job generation for major developments.

- One job per 4,500 SF for the residential uses.
- One job per 4,000 SF for the indoor arena.
- One job per 3,000 SF for the limited service hotel.
- One job per 300 SF for the planned restaurants.
- One job per 350 SF for the retail space.
- One job per 175 SF for the office space.
- One job per 200 SF for the health club.
- One job per 100 SF for the day care center.
- One job per 4,000 SF for the outdoor stadium.

Application of these ratios indicates that the proposed development could generate approximately 4,300 full-time equivalent jobs, including 279 for the proposed residential uses, 1,025 for the proposed commercial uses and 3,000 for the proposed light industrial uses.

Table 19-9: Projected Permanent FTE Jobs, by Type of Use

Component	Proposed Gross SF	FTE Ratio	Estimated FTE Jobs
Residential Uses	1,254,300	1/4500 SF	**279**
Total Residential	**1,254,300**		
Commercial Uses			
5,500 Seat Indoor Arena	160,000	1/4000 SF	40
Hotel (Limited Service)	70,000	1/3000 SF	23
Restaurants	35,000	1/300 SF	117
Retail	25,000	1/350 SF	71
Office	50,000	1/175 SF	286
Health Club	50,000	1/200 SF	250
Day Care Center	20,000	1/100 SF	200
5,000 Seat Outdoor Stadium	152,160	1/4000 SF	38
Total Commercial	**562,160**		**1,025**
Industrial Uses			
Light Industrial (High-Tech)	1,200,000	1/400 SF	**3,000**
Total Industrial	**1,200,000**		
Grand Total			**4,304**

Source: Consultant's estimates

Projected jobs were also allocated to Areas A through F. Full buildout of Area A could generate approximately 835 FTE jobs. Full buildout of Area B could generate approximately 469 FTE jobs. Full buildout of Area D could generate approximately 3,000 FTE jobs. Areas C and F would have minimal job creation and Area E is a relocation of jobs.

In order to estimate the potential payrolls associated with these jobs, a hypothetical industry mix of jobs typically found in this type of development has been developed. For example, Class A office buildings generally contain a mix of financial service firms, outpatient health care facilities and firms providing various business and professional services. Residential communities require workers for installation, repair, maintenance and grounds keeping services. Technology-intensive businesses at the research and development park would require the services of engineers, scientists and technicians, among others. Workers at the athletic village would include healthcare practitioners, fitness trainers and physical therapists. Workers in the entertainment and recreational industries would be needed for the arena and outdoor stadium.

The mix of occupations chosen as likely to be represented at the proposed Suffolk development is shown below. Given the large number of jobs projected for the Research and Development Park and the technology-intensive nature of those jobs, computer and mathematical, scientific and technical occupations are highly represented in the mix. The median annual wages associated with these jobs were obtained from the New York State Labor Department and pertain to the first quarter of 2010. The projected occupational mix of jobs indicates that annual payrolls at the proposed development could exceed $228 million in current dollars at full development.

Workers at the proposed development will spend their earnings at local business establishments, thereby triggering the multiplier process. Onsite businesses will purchase goods and services from other local businesses thereby creating additional ripple effects. Multipliers from the RIMS II input-output model were used to estimate this ripple or multiplier effect. Direct effect multipliers from the model were used. The findings are as follows:

- Approximately 4,300 direct on-site jobs could support another 3,581 secondary (indirect) jobs throughout the economy for total employment impact of 7,881 jobs.

- Direct on-site payrolls of about $228 million could support another $157.4 million in payrolls for a total payroll impact of almost $385.5 million.

Table 19-10: Estimated Employment and Payrolls for Major Occupational Groups

Occupation	Projected Jobs	Median Annual Wage/Employee	Total Wages
Management Occupations	200	$111,440	$22,288,000
Business & Financial Services Occupations	400	67,730	27,092,000
Computer & Mathematical Occupations	250	73,360	18,340,000
Scientific & Technical Occupations	1,200	63,410	76,092,000
Healthcare Occupations, incl. Trainers & Therapists	250	73,330	18,332,500
Entertainment, Sports & Media Occupations	500	44,370	22,185,000
Food Preparation & Serving Occupations	200	20,510	4,102,000
Personal Care Occs. Including Child Care Workers	300	23,660	7,098,000
Sales & Related Occupations	400	28,670	11,468,000
Office & Administrative Support Occupations	600	35,080	21,048,000
Total Employment	**4,300**		**228,045,500**

Source: Consultant's estimates and New York State Labor Market

Table 19-11: The Secondary Employment Impact of Direct Jobs

Occupation	Direct Jobs	Employment Multiplier	Direct & Indirect Jobs	Indirect Jobs
Management Occupations	200	2.5717	514	314
Business & Financial Services Occupations	400	2.6986	1,079	679
Computer & Mathematical Occupations	250	1.9697	492	242
Scientific & Technical Occupations	1,200	2.0562	2,467	1,267
Healthcare Occupations,	250	1.7754	444	194
Entertainment, Sports & Media Occupations	500	1.3255	663	163
Food Preparation & Serving Occupations	200	1.2829	257	57
Personal Care Occs	300	1.5575	467	167
Sales & Related Occupations	400	1.5167	607	207
Office & Administrative Support Occupations	600	1.4842	891	291
Total Employment	**4,300**		**7,881**	**3,581**

Source: Consultant's estimates based on RIMS II direct effect employment multipliers

Table 19-12: The Secondary Earnings Impact of Direct Payrolls

Occupation	Direct Jobs	Earnings Multiplier	Direct & Indirect Earnings	Indirect Earnings
Management Occupations	$22,288,000	1.6413	$36,581,294	$14,293,294
Business & Financial Services Occupations	27,092,000	2.0066	54,362,807	27,270,807
Computer & Mathematical Occupations	18,340,000	1.6258	29,817,172	11,477,172
Scientific & Technical Occupations	76,092,000	1.6158	122,949,454	46,857,454
Healthcare Occupations	18,332,500	1.5902	29,152,342	10,819,842
Entertainment, Sports & Media Occs.	22,185,000	1.6763	37,188,716	15,003,716
Food Preparation & Serving Occupations	4,102,000	1.6723	6,859,775	2,757,775
Personal Care Occupations	7,098,000	1.7685	12,552,813	5,454,813
Sales & Related Occupations	11,468,000	1.8449	21,157,313	9,689,313
Office & Administrative Support Occs.	21,048,000	1.6550	34,834,440	13,786,440
Total Employment	**228,045,500**		**385,456,126**	**157,410,626**

Source: Consultant's estimates based on RIMS II direct effect employment multipliers

19.5.3. Permanent Phase of Operation – Household Spending

Projected Resident Population

Research conducted by the Rutgers University Center for Urban Policy Research makes it possible to estimate the resident population of the proposed development by age[24]. The Rutgers study contains population coefficients for given types of rental and owner units stratified by number of bedrooms and anticipated rents or sales prices. These coefficients were derived from 2000 census data. The Rutgers coefficients are the "gold standard" in developing such estimates. These coefficients are regarded as the most accurate method of projecting the demographics of future residential developments and are widely accepted by economists and planners.

Application of these coefficients to the residential dwelling units proposed for the Suffolk property suggests that the 72 one-bedroom units in Area A could generate a population of approximately 144 persons at full occupancy. The 1,000 residential units proposed for Area B could generate a population of approximately 2,217 persons. This means that the total population of the property at full development and full occupancy could be about 2,361 persons.

[24] Robert W. Burchell, David Listokin, and William Dolphin, "Residential Demographic Multipliers, Estimates of the Occupants of New Housing", Rutgers University, Center for Urban Policy Research, New Brunswick, New Jersey, June 2006

Table 19-13: Projected Total Population at Full Occupancy Based on Rutgers Coefficients

Area	Units	Type of Unit	Rent/Purchase Price	Coefficients	Population
A	72	1-Bedroom Rental	$730/month	1.99	144
Total	**72**				**144**
B	429	2-Bedroom Condo	$240,000	2.05	879
B	214	2-Bedroom Condo	260,000	2.05	439
B	142	2-Bedroom Condo	307,000	2.05	291
B	215	2-Bedroom Townhouse + Auxiliary Apartment	420,000	2.83	608
Total	**1,000**				**2,217**
Grand Total	**1,072**				**2,361**

Source: Consultant's estimates based on Rutgers population coefficients.

The Rutgers coefficients are also available for given age cohorts. Application of these coefficients suggests that 56% of the resident population at the proposed development would be between 25 and 64 years of age. Workers in this age group form the backbone of the local workforce. In the coming decade, large numbers of baby boomers will retire and without younger replacements, there could be serious labor force shortages that limit future economic growth.

Table 19-14: Rutgers Population Coefficients, by Age Category

Area	Units	Total	0-4	5-13	14-17	18-24	25-44	45-64	65-74	75+
A	72*	1.99	0.18	0.25	0.05	0.24	0.72	0.29	0.11	0.15
B	785**	2.05	0.07	0.12	0.06	0.09	0.56	0.56	0.32	0.27
B	215***	2.83	0.28	0.26	0.12	0.22	0.96	0.76	0.18	0.05

*Rentals; **Condos; ***Townhouses. Source: Rutgers Center for Urban Policy Research, June 2006.

Table 19-15:Estimated Population at Full Occupancy, by Age Category

Area	Units	0-4	5-13	14-17	18-24	25-44	45-64	65-74	75+	Total
A	72*	13	18	4	17	52	21	8	11	143
B	785**	55	94	47	71	440	440	251	212	1609
B	215***	60	56	26	47	206	163	39	11	608
Total		**128**	**168**	**77**	**135**	**698**	**624**	**298**	**234**	**2361**
% of Total		***5.4***	***7.1***	***3.2***	***5.7***	***29.6***	***26.4***	***12.6***	***10.0***	***100.0***

*Rentals; **Condos; ***Townhouses. Source: Consultant's estimates based on Rutgers Coefficients

Projected Purchasing Power of Resident Population

The projected 2,361 residents could bring considerable purchasing power to the local community. The first step in estimating this purchasing power was to estimate the annual household income of potential residents based on the relationship between the proposed rents or purchase prices of the residential units and the 2010 Area Median Income (AMI). The AMI for Suffolk County, as computed by the U.S. Department of Housing and Urban Development was $103,600 in 2010. The analysis embodied the following assumptions:

- Residents of the 72 rental units in Area A were presumed to have an annual household income equal to 80% of the 2010 AMI for Suffolk County, or $82,880.

- Occupants of the 429 Area B condos selling for $240,000 were also presumed to have an annual household income of 80% of the AMI, or $82,880;

- Owners of the 214 Area B condos selling for $260,000 were presumed to have an annual household income of 90% of the AMI, or $93,240;

- Owners of the 142 Area B condos selling for $307,000 were presumed to have an annual household income of 110% of the AMI, or $113,960;

- Owners of the 215 townhouses in Area B were presumed to have an annual household income of 125% of the AMI, or $129,500.

Table 19-16: Estimated Gross Income of the Resident Population

Area	No. Of Units	Resident Income	% Of AMI Used	Estimated Gross Income
A	72	Up to 80% of AMI	80%	$82,880
Total A	**72**			
B	429	Up to 80% of AMI	80%	82,880
B	214	Between 81% & 100% of AMI	90%	93,240
B	142	Between 101% & 120% of AMI	110%	113,960
B	215	Between 121% & 130% of AMI	125%	129,500
Total B	**1,000**			

Source: Consultant's estimates

It was further assumed that 15% or 25% of the aggregate household income of potential residents would be available for discretionary purchases. Under these assumptions, aggregate discretionary income would range from $15,825,159 and $26,375,265. These computations are shown in the following table.

Table 19-17: Estimated Discretionary Purchasing Power of the Resident Population

Area	No. Of Units	Discretionary Purchasing Power Per Unit @ 15%	Aggregate Discretionary Spending	Discretionary Purchasing Power Per Unit @ 25%	Aggregate Discretionary Spending
A	72	$12,432	$895,104	$20,720	$1,491,840
Total A	**72**		**895,104**		**$1,491,840**
B	429	12,432	5,333,328	20,720	8,888,880
B	214	13,986	2,993,004	23,310	4,988,340
B	142	17,094	2,427,348	28,490	4,045,580
B	215	19,425	4,176,375	32,375	6,960,625
Total B	**1,000**		**14,930,055**		**24,883,425**
Total A&B	**1,072**		**$15,825,159**		**$26,375,265**

Source: Consultant's estimates

Most of this spending is likely to remain within the immediate community and subject to the multiplier process. Once again, appropriate multipliers from the RIMS II input-output model of the Long Island economy were used to estimate the ripple or multiplier effect of potential discretionary spending by residents of the development.

- Application of these multipliers suggests that discretionary spending of more than $15.8 million annually could lead to a gross increase in the output of goods and services of almost $19.7 million, including the original expenditure. This is equivalent to a net output increase of about $3.85 million. Local earnings would increase by about $5.27 million and 148 secondary jobs would be created within a broad array of local industries.

- If average annual discretionary spending were about $26.4 million, gross output would increase by almost $32.8 million, including the original expenditure. This is equivalent to a net output increase of about $6.4 million. Local earnings would increase by almost $8.8 million and 247 secondary jobs would be created in a broad array of local industries.

Table 19-18: Economic Impact of Annual Discretionary Spending by Potential Residents

Impact On	Multipliers For Household Spending	Discretionary Spending of $15,825,159	Discretionary Spending of $26,375,265
Gross Output	1.2433*	$ 19,675,420	$ 32,792,367
Net Output	0.2433*	$ 3,850,261	$ 6,417,102
Earnings	0.3331*	$ 5,271,360	$ 8,785,601
Employment	9.3580**	148	247

*Multiplier for each dollar of direct spending
** Multiplier for each million dollars of direct spending
Source: Consultant's estimates based on RIMS II multipliers

The foregoing finding assumes that all of the discretionary spending by residents of the proposed development remains within the local economy. To the extent that some of this spending "leaks out" as when residents take vacations elsewhere in the country or abroad or patronize New York City restaurants and theaters, the multiplier effect described above would be commensurately reduced.

19.5.4. Real Property Tax Revenues

Currently, the property is municipally owned and generates no tax revenues. Projected total annual real property taxes for the proposed development are $12,054,414 based on current market conditions, equalization and tax rates.

It should be noted that for purposes of this analysis, taxes from all of the development proposed for Areas A and B has been allocated to the tax lots encompassing the Longwood CSD and that taxes from all of the development proposed for Area D has been allocated to the tax lots encompassing the South Country CSD. As currently drawn, the tax parcels do not align with the components of the proposed development. At some future date, tax parcel lines should be redrawn as to more closely match the actual development.

19.5.4.1. Property Taxes for Areas A and B

Area A of the proposed development could generate approximately $3.49 million in real property taxes annually. Area A contains 72 rental units, which are located above the proposed office and retail uses, restaurants, an indoor arena, an outdoor stadium, health club and a hotel.

Area B could generate more than $5.6 million in annual real property taxes. Area B contains a day care center, 785 condominiums and 215 townhouses, each of which will contain an auxiliary unit.

Table 19-19: Property Taxes for Area A and B

Component	Estimated Annual Real Property Taxes
Area A	
Restaurants	204,509
Retail	130,207
Offices	214,645
Health Club	240,730
Indoor Arena	1,561,542
Outdoor Stadium	206,864
72 Rental Units	$144,782
Hotel	782,559
Total	**3,485,838**
Area B	
785 Condominiums	3,152,888
215 Townhouses	2,422,805
Day Care Center	96,291
Total	**5,671,984**

The aggregate property taxes were allocated to the affected taxing districts. The tax rates for this property, by tax district, are shown in the following table. These rates were used to allocate projected taxes to individual tax districts. The Longwood CSD could receive over $6 million in added property taxes annually. The Suffolk County Police District would receive almost $1 million and the Yaphank Fire District would receive almost $656 thousand.

Table 19-20: Allocation of Projected Annual Tax Revenues to Taxing Districts in Areas A and B

Tax District	Tax Rate Per $100 of Assessed Value	% of Total	Distribution Of Taxes
School District - Longwood CSD	211.516	0.677971	$6,208,738
Library District – Longwood CSD	10.780	0.034553	316,430
County of Suffolk	2.827	0.009061	82,979
County of Suffolk – Police	33.003	0.105784	968,751
Town General – Town Wide Fund	4.462	0.014302	130,975
Highway – Town Wide Fund	2.589	0.008299	76,001
Town General – Part Town Fund	1.390	0.004455	40,798
Highway – Part Town Fund	11.385	0.036492	334,187
Blizzard Note Repayment	0.499	0.001599	14,643
New York State MTA Tax	0.155	0.000497	4,551
$100M Bond Act of 2004	1.573	0.005042	46,174
Fire District – Yaphank	22.343	0.071616	655,847
Brookhaven Lighting District	1.374	0.004404	40,331
Real Property Tax Law – Article 7	0.896	0.002872	26,301
Real Property Tax Law	7.192	0.023053	211,115
Total	**311.984**	**1.000000**	**9,157,822**

Source: Consultant's estimates based on current tax rates.

19.5.4.2. Property Taxes for Area D

Area D could generate almost $3 million in annual real property taxes. Area D will contain 1,200,000 square feet of high technology industrial uses.

Table 19-21: Property Taxes for Area D

Component	Estimated Annual Real Property Taxes
Area D	
Light Industrial (High Tech)	$2,896,592
Total	**2,896,592**

Source: Consultant's estimates based on latest equalization and tax rates

The aggregate property taxes were allocated to the affected taxing districts. The tax rates for this property, by tax district, are shown in the following table. These rates were used to allocate projected taxes to individual tax districts.

Table 19-22: Allocation of Projected Annual Tax Revenues to Taxing Districts in Area D

Tax District	Tax Rate Per $100 of Assessed Value	% of Total	Distribution Of Taxes
School District – South Country CSD	193.167	0.653806	1,893,809
Library District – South Country CSD	11.272	0.038152	110,511
County of Suffolk	2.827	0.009568	27,716
County of Suffolk – Police	33.003	0.111704	323,561
Town General – Town Wide Fund	4.462	0.015102	43,745
Highway – Town Wide Fund	2.589	0.008763	25,383
Town General – Part Town Fund	1.390	0.004705	13,628
Highway – Part Town Fund	11.395	0.038568	111,717
Blizzard Note Repayment	0.499	0.001689	4,892
New York State MTA Tax	0.155	0.000525	1,520
$100M Bond Act of 2004	1.573	0.005324	15,422
Fire District – Brookhaven	17.265	0.058436	169,266
Brookhaven Lighting District	1.364	0.004617	13,373
Ambulance District – South Country	6.401	0.021665	62,755
Real Property Tax Law – Article 7	0.896	0.003033	8,784
Real Property Tax Law	7.192	0.024343	70,510
Total	**295.450**	**1.000000**	**2,896,592**

19.5.5. Sales Tax Revenues

The 60,000 square feet of retail and restaurant space planned for the development could generate sales averaging $300 per square foot annually. Although this ratio is high for retailers in eastern Suffolk, the presence of an on-site indoor arena and outdoor stadium is likely to draw enough visitors from throughout Suffolk County and beyond to generate this level of sales. This would put annual retail and restaurant sales at the proposed Suffolk Development at $18,000,000. Given the current sales tax rate in of 8.625%, in Suffolk County, total annual sales taxes from the proposed restaurants and retail space would be about $1,552,500. Of this amount, New York State would receive $720,000 annually, Suffolk County would receive $765,000 annually and the Metropolitan Commuter Transportation District (MCTD) would receive $67,500 annually.

The proposed 90-room hotel would also generate sales taxes. For purposes of analysis, a hotel room rate of $140 nightly and a hotel occupancy rate of 70% were assumed. In effect, 63 rooms would be occupied for 365 days per year. This is equivalent to 22,995 room nights at a rate of $140 per night. Total revenue generated would be about $3,219,300. With a sales tax rate of 8.625%, annual

sales taxes from the hotel would be about $277,665. Of this amount $128,772 would go to New York State, $136,820 would go to Suffolk County and $12,072 would go to the MCTD.

The proposed indoor arena will also generate sales tax revenues. Economic Research Associates, a consulting firm, recently performed a market feasibility study for the proposed arena.[25] ERA modeled two operating scenarios for the proposed arena. The first assumed that the proposed indoor arena would attract a franchise from the East Coast Hockey League (ECHL) and a franchise from the National Lacrosse League (NLL) as its anchor tenants. The second scenario assumed that the arena would not host a minor league sports franchise. Both these scenarios were used to project a range of sales taxes for the arena.

Scenario 1 – The Arena Hosts Anchor Tenants. According to Economic Research Associates, the anchor tenant scenario would produce an average of 108 events per year with an average paid attendance of 3,440 and a total annual paid attendance of 371,534. These events would include 36 hockey events and 8 lacrosse events as well as concerts, family shows, second-tier sports events and trade shows/festivals. The projected revenue subject to sales taxes in year 1 and the projected sales taxes in year 1 are shown in the following table. The ERA projections suggest that $3.56 million in revenue would generate year 1 sales tax revenue of about $306,705. Of this amount, $142,240 would go to New York State, $151,130 would go to Suffolk County and $13,335 would go to the MCTD.

Scenario 2 – The Arena Does Not Host Anchor Tenants. This scenario assumes that the arena will operate without one or more anchor tenants. Under this scenario, ERA projects that the arena will host an average of 70 events per year with an average paid attendance of 3,155 and a total paid attendance of 220,849. Projected revenue subject to sales taxes and projected sales taxes in Year 1 are shown in the table below. According to ERA, revenues of more than $2.5 million would generate estimated sales taxes of $216,401. Of this amount, $100,360

[25] See Economics Research Associates, "Yaphank Site Arena Program Market Viability Analysis, April 27, 2007.

would go the New York State, $106,632 would go to Suffolk County and $9,409 would go to the MCTD.

In summary, the proposed development could generate between $2,046,566 and $2,136,870 in sales taxes during its first year of operation, depending on whether Scenario 1 or Scenario 2 is realized for the indoor arena. Of this amount, between $949,132 and $991,012 would go to New York State. Between $1,008,452 and $1,052,950 would go to Suffolk County. Between $88,981 and $92,907 would go to the MCTD.

Table 19-23: Summary of Projected Sales Taxes

Source	Total	State	County	MCTD
Retail & Restaurants	$1,552,500	$720,000	$765,000	$67,500
Hotel	277,665	128,772	136,820	12,072
Indoor Arena				
Scenario 1	306,705	142,240	151,130	13,335
Scenario 2	216,401	100,360	106,632	9,409
Total				
Scenario 1	$2,136,870	$991,012	$1,052,950	$92,907
Scenario 2	$2,046,566	$949,132	$1,008,452	$88,981

Source: Consultant's estimates based on a market feasibility study by Economic Research Associates.

19.5.6. School District Analysis

The Rutgers coefficients described above make it possible to estimate the number of school-age children likely to be generated by the proposed development and the number of school-age children likely to attend local public schools, in this case the Longwood Central School District. These multipliers are also available by grade level.

Rutgers multipliers were used to estimate the numbers of school-age children from the development. Application of these multipliers to the proposed residential units shows that a total of 255 school age children could be generated by the proposed development. Of these, 74 would be in grades K-2, 78 in grades 3-6, 59 in grades 7-9 and 44 in grades 10 to 12.

Presumably some of the 255 children would attend private schools. Rutgers coefficients make it possible to estimate the number likely to attend the Longwood school district. Application of these coefficients to the proposed residential units suggests that only 207 of the projected 255 school-age children

are likely to attend Longwood public schools and that the remainder would be educated privately.

Table 19-24: Projected Public School Children

Units	K-2	3-6	7-9	10-12	Total
72	6	6	4	3	19
785	39	47	16	24	126
215	13	22	17	11	62
Total	**59**	**75**	**37**	**37**	**207**
% of Total	**28.3**	**36.2**	**17.6**	**17.9**	**100.0**

Source: Consultant's estimates based on Rutgers coefficients.

The 2010-2011 budget for the Longwood Central School District is $208,200,000. The estimated student enrollment for the 2010-2011 school year is 9,158. This would put the cost per pupil at $22,734. However, the Longwood school district receives extensive state aid. Estimated state aid for the 2010-2011 school year, including about $2.6 million in Federal funds to save teacher jobs, is $72,487,469. This aid reduces annual school expenditures attributable to the local tax base to $135,712,531. When divided by 9,158 students, this would put the per pupil cost at $14,819.

Table 19-25: Computations of Per Pupil Cost Factoring in State Aid

2010-2011 School Budget	$208,200,000
2010-2011 State Aid	$72,487,469
School Spending Attributable to the Local Tax Base	$135,712,531
Student Enrollment	9,158
Per Pupil Cost	$14,819

Source: Consultant's estimates based on data from Longwood CSD

If the per pupil cost were $22,734, the projected 207 additional students from the proposed development would cost the school district an additional $4,705,938. If the actual cost to district taxpayers were $14,819, the added cost would be only $3,067,533.

It could be argued that even these costs are high because when school enrollments increase, fixed overhead costs generally remain the same and only variable expenditures rise. According to the latest available data from the New York State Department of Education, which pertains to the 2007-08 school year, variable expenditures account for 79.1% of the Longwood CSD budget. This ratio probably applies today as well because the mix between variable and fixed costs

is relatively constant over time. If the school spending attributable to the local tax base is about $135,712,531 and only 79.1% of this budget would be affected by the addition of 207 students, then only $107,348,612 of school district spending would be affected by the additional students. This would put the marginal cost of educating additional students from the proposed development at $11,722 per pupil and the total cost of educating 207 additional students from the proposed development would be $2,426,454.

As shown in a previous section, the Longwood CSD could receive an additional $6,208,738 in real property taxes annually from the proposed development. This amount will far exceed the added cost of educating an additional 207 students from the development, whether the per pupil cost is considered to be $22,734, $14,819, or $11,722.

Table 19-26: Costs and Benefits to the Longwood CSD

Projected Annual Tax Revenues	$6,208,738
Annual Cost of Educating 207 Additional Students	
Without Factoring in State Aid ($22,734 Per Pupil)	$4,705,938
Factoring in State Aid ($14,819 Per Pupil)	$3,067,533
Factoring in State Aid & Considering Only Variable School Costs ($11,722 Per Pupil)	$2,426,421

Source: Consultant's estimates

19.5.7. Suffolk County Police Department Analysis

The proposed development is located in two separate police precincts. According to Ms. Kathleen Bleck, Senior Research Analyst in the Research and Development Section of the Suffolk County Police Department, the principal site, which includes the proposed industrial, recreation and housing uses (Areas B and D) is located in the department's Fifth Precinct, Sector 515. The secondary site, containing the arena hotel, restaurants and other uses (Area A) is located in the Sixth Precinct, Sector 619. The Fifth Precinct is staffed by 212 sworn officers and 20 civilian personnel. The Sixth Precinct is staffed by 229 sworn officers and 21 civilian Personnel.

Based on information shown in the Urban Land Institute's Development Impact Assessment Handbook (1994), public safety requires 2.0 full-time equivalent police personnel per 1,000 people onsite. Projected onsite population and jobs for Areas A, B and D are summarized in the following table. Area A served by the

Sixth Precinct could contain a maximum of 728 persons at any point in time. Areas B and D served by the Fifth Precinct could contain a maximum of 5,936 persons at any point in time.

Table 19-27: Projected Population and Jobs at Full Development, Areas A, B and D

Area	Population	Permanent Jobs	Total On Site Personnel
A	143	835	978
B	2,217	469	2,686
D	0	3,000	3,000
Total B & D	**2,217**	**3,469**	**5,686**

Source: Consultant's estimates

Using the ratio of 2.0 full-time police personnel for each additional 1,000 people onsite, the Sixth Precinct could require two additional sworn officers to protect Area A. The Fifth Precinct could require 12 additional sworn officers to protect Areas B & D. These staffing levels are based on the maximum number of people onsite. During nighttime hours, this number would be considerably reduced.

According to William P. Wallace, Management Analyst in the Research and Development Section of the Suffolk County Police Department, sworn officers with three years of service hired after January 1, 2008 earn an annual salary of $86,404 and receive annual benefits totaling $46,610 for a total compensation package of $133,014. This figure was used as the benchmark in computing the annual cost of hiring between 10 and 12 additional officers to service the project. The cost to the department if they hired officers with three years of service would be between $1,330,140 and $1,596,168.

The tax analysis shows that the Police Department could receive annual property tax revenues of $968,751 from Areas A and B and $323,561 from Area D for a total of $1,292,312. This would make the project slightly tax negative if officers with three years of experience were hired.

19.5.8. Fire and Ambulance Districts Analysis

The proposed development will affect the Yaphank and Brookhaven Fire Districts and the South Country Ambulance District. The following figures should be regarded as tentative since the service areas of these districts will probably have

to be realigned to conform more closely to the proposed development. Additional information on emergency services is provided in Section 17.1.

Yaphank Fire District

The Yaphank Fire District covers a population of 6,000 residents and has a 2011 budget of $1,812,334. Given current assumptions about the allocation of tax revenues, the Yaphank fire district is projected to receive an additional $655,847 in annual tax revenues. This is equivalent to 36% of its current budget and should be sufficient to offset any increased costs of serving the proposed development.

Brookhaven Fire District

The Brookhaven Fire District has an annual budget of $2,411,045. Given current district lines, the district would receive an estimated $169,266 in additional annual real property taxes from the proposed development, which is equivalent to 7% of its current budget.

South Country Ambulance

According to Mr. Greg Migliano Jr., Chief of Department for South Country Ambulance, South Country Ambulance would cover 80% to 90% of the proposed development. Their service area includes a population of 40,000 and they receive 2,600 calls annually. This is equivalent to about one call for every 15.38 persons. Their current budget is $1.4 million. This is equivalent to a cost of approximately $538 per call. Projected population for the residential portion of the proposed development is 2,361. In this analysis it is assumed that South Country Ambulance would serve 80% of this population or about 1,889 persons. Using a ratio of one call per 15.38 residents suggests that there could be as many as 123 additional calls. At a cost of $538 per call, the total additional cost to South Country Ambulance would be about $66,174. Given current district lines, South Country Ambulance would receive an estimated $62,755 in annual property taxes from the proposed development.