Village of Patchogue Revitalization, Economic Impact Analysis
Prepared for: Long Island Regional Planning Council
The Long Island Regional Planning Council acknowledges and appreciates the support of the Suffolk County Economic Development Corporation in producing this study.
Economic and Fiscal Impact Analysis: Methods Employed

Interviews

• Village of Patchogue public officials
• Patchogue-Medford School District superintendent
• Town of Brookhaven officials
• Local real estate professionals
• Local business owners
Economic and Fiscal Impact Analysis: Methods Employed

Economic Impact Analysis
- Public Subsidies
- Private Development Investment
- Spending from New Non-Local Households
- New Businesses Operations
- Prospective residential and commercial development
Economic and Fiscal Impact Analysis:

Methods Employed

Fiscal Impact Analysis

• New residents and public school-age children.
• Net fiscal impacts to the school district
• Prospective residential and commercial development
Economic and Fiscal Impact Analysis: Methods Employed

Comparative Analysis

- Real Property Values
- Number of Business Establishments
- Value of Sales, Receipts or Revenues
- Annual Payroll
- Number of Employees
Historical Overview
The economic foundation of Patchogue was developed around heavy industry, which led to the establishment of retail, hospitality and entertainment businesses.
“The Theatre Classic of Long Island”
WARD and GLYNNE’S

PATCHOGUE THEATRE

OPENS! Wednesday Evening
MAY 23rd.

OFFERING A POLICY OF
Vaudeville & Feature Pictures

COMBINED

Symphony Orchestra -- $10,000.00 Concert Organ -- Ben Nelson, Dir.
Patchogue’s commercial district was a regional destination for many decades and a good deal of the building architecture remains – lending to Patchogue’s current visitor appeal.
The Central Business District (CBD) Remains Healthy

2% to 5% Vacancy Rate

Pre 1960s
The CBD Begins to Experience Increased Vacancies

10% to 20% Vacancy Rate

1960s to 1970s
The CBD Experiences Full Blown Distress

40% to 50% Vacancy Rate

1980s to 1990s
What happened next?
What were the catalysts underpinning Patchogue’s revitalization?

Vision and Volunteerism: the “can do” attitude of the village’s civic, business, and elected leaders

Infrastructure Improvements: including expansion of the village’s wastewater treatment facility

Partnerships with Developers: allowing developers to “bring their best” ideas and encouraging them to invest in the community

Vigorous Pursuit of Grant Funding: municipal projects, arts organizations, and business groups all benefitted
What were the catalysts underpinning Patchogue’s revitalization?

Creating an Entertainment and Dining Destination: creating more and better options to encourage visitor spending

Attracting Visitors with Community Events: including the annual Alive at Five event welcoming thousands to the village

Building a New Arts and Cultural Scene: including renovation of the Patchogue theater and artist housing
Every successful revitalization effort has a champion at its beginning.
Economic Impact Analysis
From 2001 to 2017, Patchogue secured $60.3 million in public subsidies (grants, loans, tax incentives).

$37 million in grants alone

From 2001 to 2017, Patchogue secured $60.3 million in public subsidies (grants, loans, tax incentives) from various entities including the Patchogue Chamber of Commerce, Patchogue Arts Council, Patchogue Village Center for the Performing Arts, and Patchogue Theatre for the Performing Arts.
Patchogue’s ability to secure and/or provide grants, loans and tax incentives was critical to the scale of private investment made over the past 17 years.

- **Total Private Development Costs**: $246MM
- **Residential Development Costs**: $60.3MM
- **Grants, Loans & Tax Incentives**: $60.3MM

Diagram: A seesaw with $60.3MM on one end labeled "Grants, Loans & Tax Incentives" and $246MM on the other end labeled "Total Private Residential Development Costs."
For every $1.00 directly invested in construction activity, $0.70 in indirect and induced activity resulted throughout the Suffolk County economy.

$246 Million in Construction Investments
$79.4MM in indirect economic output +
$93.4MM in induced economic output +
$246.0MM in direct economic output =
$418.8MM in total economic output

1,435 direct temporary jobs +
582 indirect temporary jobs +
651 induced temporary jobs =
2,668 total temporary jobs

For every 100 direct construction related jobs created, 86 indirect and induced jobs were created within the Suffolk County economy.
Economic Impact Analysis: Direct & Indirect Employment Impacts

• 54 new businesses established in downtown Patchogue between 2000 and 2017.

• 42 of these businesses are considered stable (operating for at least one full year).

• An estimated 408 direct new jobs in the downtown are attributed to these new businesses.

• An additional 128 indirect and induced jobs were created in Suffolk County as a result.
Economic Impact Analysis: New Businesses Stabilized by Type

42 new businesses stabilized by 2017

- Food services
- Retail trade
- Real estate and rental and leasing
- Professional, scientific, and technical services
- Other services (except public administration)
- Finance and insurance
- Arts, entertainment, and recreation

2001 to 2017 to 2022
**Economic Impact Analysis: 2000 to 2017 Total Economic Impacts**

<table>
<thead>
<tr>
<th>Economic Output</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cumulative number of jobs:</td>
<td>5,918</td>
</tr>
<tr>
<td>Total Direct Economic Output:</td>
<td>$408,476,636</td>
</tr>
<tr>
<td>Total Indirect Economic Output:</td>
<td>$124,349,678</td>
</tr>
<tr>
<td>Total Induced Economic Output:</td>
<td>$160,483,644</td>
</tr>
<tr>
<td><strong>Total Economic Output:</strong></td>
<td><strong>$693,309,958</strong></td>
</tr>
</tbody>
</table>

The above values pertain to construction, new household spending and new business operations over the 17-year period.
Fiscal Impact Analysis
Fiscal Impact Analysis Findings: Public School Children Impacts

Copper Beech  Condos on Waverly  Riverview Condos  Bay Village Condos  Artspace Lofts  New Village  Riverwalk Condos

714 total dwelling units
1,465 total residents
142 total public school-age children
However, based on data provided by the Patchogue-Medford School District, the true number of public school students generated by the dwelling units, as of 2018, was 12
Over the 12-year period examined, the PMSD realized a decrease of nearly 1,100 students, despite an overall increase in the Village population during the same timespan.
Fiscal Impact Analysis Findings: Public School Children Impacts

<table>
<thead>
<tr>
<th>Residential Project</th>
<th>Years Open</th>
<th>Total PSAC</th>
<th>Lower Limit Average Cost ($4,000/Pupil)</th>
<th>Total Annual Average Cost</th>
<th>Total Educational Service Cost Since Project Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Beech</td>
<td>10</td>
<td>8</td>
<td>$32,000</td>
<td>$320,000</td>
<td>$320,000</td>
</tr>
<tr>
<td>Artspace Lofts</td>
<td>5</td>
<td>18</td>
<td>$72,000</td>
<td>$360,000</td>
<td></td>
</tr>
<tr>
<td>New Village Apartments</td>
<td>5</td>
<td>81</td>
<td>$324,000</td>
<td>$1,620,000</td>
<td></td>
</tr>
<tr>
<td>Riverwalk Condos</td>
<td>7</td>
<td>19</td>
<td>$76,000</td>
<td>$532,000</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>142</td>
<td></td>
<td>$568,000</td>
<td>$3,464,000</td>
<td></td>
</tr>
</tbody>
</table>

An estimated $3.5 million in total educational service costs since 2006.

The likely average per pupil cost for new students in the district is assumed to be $4,000 (approximately one sixth of the current average cost).
### Fiscal Impact Analysis Findings: Public School Children Impacts

<table>
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<th>Residential Project</th>
<th>Years Open</th>
<th>Total PMSD Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper Beech</td>
<td>10</td>
<td>$1,869,561</td>
</tr>
<tr>
<td>Condos on 215</td>
<td>206</td>
<td>$3,679</td>
</tr>
<tr>
<td>Riverview C</td>
<td>753</td>
<td>$3,566</td>
</tr>
<tr>
<td>Bay Village</td>
<td>750</td>
<td>$59,910</td>
</tr>
<tr>
<td>Artspace Lofts</td>
<td>5</td>
<td>$59,910</td>
</tr>
<tr>
<td>New Village Apartments</td>
<td>5</td>
<td>***</td>
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An estimated $6.6 million in total tax levies 2006.

Based on tax assessor data, the seven multi-family projects examined have a cumulative tax levy total of $6,614,297 since 2006.
Fiscal Impact Analysis Findings: Public School Children Impacts

$6,614,297 in estimated tax levies over ten years minus...

$3,464,000 in estimated educational costs over the same ten years =

$3,150,297 estimated net surplus revenues to the School District
Fiscal Impact Analysis Findings: Public School Children Impacts

$6,614,297 in estimated tax levies over ten years minus...

$3,464,000 in estimated educational costs over the same ten years =

$3,150,297 estimated net surplus revenues to the School District,

Based on an actual 10 to 12 students associated with the residential development, the true educational costs are likely in the hundreds of thousands dollars and the net surplus several millions of dollars greater.
Fiscal Impact Analysis Findings: Prospective Development

What fiscal impact would occur if a new 100-room hotel were developed?

Or a new 60-unit apartment building?
Net Fiscal Impact Findings:
Prospective Large Scale Development Projects

- Net Impact to Public Schools: $500,188
- Net Impact to Village: $236,544
- Total Local Net Fiscal Impacts: $736,732

Graph showing fiscal impacts:
- 100 room Hotel
- Multi-family Residential

Bar chart showing:
- $0 to $200,000
- $200,000 to $400,000
- $400,000 to $600,000
- $600,000 to $800,000
- $0 to $200,000
- $200,000 to $400,000
- $400,000 to $600,000
- $600,000 to $800,000

Net Fiscal Impact Findings:
Prospective Large Scale Development Projects

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Comparative Analysis
Real Estate Market Value Trends: Real Estate Market Value

Percentage Change: 2004 - 2018

- **Brookhaven**: 43%
- **Blue Point**: 35%
- **Bellport**: 34%
- **Patchogue Village**: 31%
- **Patchogue (Non-Village)**: 24%
- **Sayville**: 4%

Source: Town of Brookhaven, Department of Assessment, 2018
Comparative Business Employment & Investment Trends

Businesses Established: Percentage Change Since 2002-2012

- Retail Trade
- Professional, Scientific & Technical Svcs.
- Health Care & Social Assistance
- Arts, Entertainment & Recreation
- Accommodation & Food Services

Source: Census Bureau, ACS, 2018
Comparative Business Employment & Investment Trends

Value of Sales, Receipts, Revenue Percentage Change, 2002-2012

- Retail Trade
- Professional, Scientific & Technical Svcs.
- Health Care & Social Assistance
- Arts, Entertainment & Recreation
- Accommodation & Food Services

Source: Census Bureau, ACS, 2018
Comparative Business Employment & Investment Trends

Annual Payroll Percentage Change, 2002-2012

- Village of Patchogue
- Town of Brookhaven
- Suffolk County
- New York State

Source: Census Bureau, ACS, 2018
Comparative Business Employment & Investment Trends

Number of Employees Percentage Change, 2002-2012

- Retail Trade
- Professional, Scientific & Technical Svcs.
- Health Care & Social Assistance
- Arts, Entertainment & Recreation
- Accommodation & Food Services

Source: Census Bureau, ACS, 2018
Study Takeaways
Economic and Fiscal Impact Analysis: Study Takeaways

• Upfront public investment can leverage many times its value in private investment.

• Cooperation among various public and private sector actors is critical!

• Without one or more steadfast champions, success is not likely to be realized.

• Residential development – particularly multi-family dwelling units – cannot be automatically assumed to be a fiscal burden to a community.
Questions?

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www.LandUseImpacts.com