



Village of Patchogue Revitalization, Economic Impact Analysis

Prepared for: Long Island Regional Planning Council



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

Table of Contents

Executive Summary	4
Background Review	21
A Brief History of Patchogue’s Economic Rise, Fall & Rise	23
Timeline of Public & Private Investments in Patchogue	28
Interviews with Public & Private Sector Representatives	38
Economic Impact Analysis	48
Development Construction	53
New Non-Local Household Spending	59
New Business Operations	66
Fiscal Impacts	79
Multi-Family Housing Development Projects Built Since 2004	80
Prospective Large-Scale Development Projects	95
Documentation of the Increase in Assessed Property Values	114
Comparative Business, Employment & Investment Trends	118
Appendix	129

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Executive Summary

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Introduction

The redevelopment of the Village of Patchogue has been one of Long Island's foremost community improvement success stories. The revitalization of Patchogue has helped make it an attractive place to invest in new projects and redevelopment, an appealing place to live, and a popular destination for visitors.

Patchogue's revival has been recognized as a model for transit-oriented development and a success story for Smart Growth on Long Island. *The Long Island Regional Planning Council* has designated Downtown Patchogue as a Project of Regional Significance and it has also been similarly recognized by Suffolk County, the Long Island Index, the Long Island Housing Partnership, Sustainable Long Island, the Regional Planning Association, and Vision Long Island.

As a method to not only quantify Patchogue's success, but also identify the key factors that made it possible, the LIRPC commissioned a study to measure and analyze the economic impacts associated with the village's redevelopment to better quantify the wide-reaching impacts.

The following Executive Summary provides a snapshot of the findings of that study.

Executive Summary: Economic Impact Analysis

Total Economic Impacts

As summarized below (and in more detail on the following page), from 2000 to 2017, project construction, new construction, non-local household spending, and downtown business operations combined supported approximately 5,920 total jobs (the cumulative number of annualized jobs over the 17-year period), and generated over \$693.3 million in total economic output. ***Based on economic impact findings, the various public and private investments made in and around Patchogue's downtown, over the past 17 years, which have helped attract new residents and businesses to downtown, has helped leverage a considerable amount of direct, indirect, and induced economic activity within Suffolk County.***

Furthermore, from 2019 to 2029, the prospective new hotel and apartment projects combined are estimated to support approximately 2,530 additional total jobs (over the 10-year period), and generate nearly \$239.1 million in total economic output. The impact from public and private investments made in and around downtown Patchogue is expected to continue increasing, to the extent infrastructure, development, and building improvements continue to attract new residents, businesses, and visitors to downtown.

Total Economic Impacts

Impact Type	Employment (Cumulative)		Economic Output	
	2000-2017	2020-2029	2000-2017	2019-2029
Direct Effect	3,852	1,842	\$408,476,636	\$140,148,840
Indirect Effect	904	238	\$124,349,678	\$34,737,982
Induced Effect	1,163	448	\$160,483,644	\$64,193,521
Total Effect	5,918	2,527	\$693,309,958	\$239,080,343

Executive Summary: Economic Impact Analysis (continued)

Recent Development, 2000-2017

Employment (Cumulative)

Impact Type	Construction (2004-2017)	New Household Spending (2010-2017)	New Business Operations (2000-2017)	Total (2000-2017)
Direct Effect	1,435	167	2,250	3,852
Indirect Effect	582	9	312	904
Induced Effect	651	36	476	1,163
Total Effect	2,668	212	3,038	5,918

Economic Output

Impact Type	Construction (2004-2017)	New Household Spending (2010-2017)	New Business Operations (2000-2017)	Total (2000-2017)
Direct Effect	\$246,016,119	\$5,808,441	\$156,652,076	\$408,476,636
Indirect Effect	\$79,383,142	\$1,401,342	\$43,565,194	\$124,349,678
Induced Effect	\$93,421,669	\$5,133,808	\$61,928,167	\$160,483,644
Total Effect	\$418,820,930	\$12,343,591	\$262,145,437	\$693,309,958

Prospective Development, 2019-2029

Employment (Cumulative)

Impact Type	Construction (2019-2020)	New Household Spending (2020-2029)	New Business Operations (2020-2029)	Total (2019-2029)
Direct Effect	289	50	1,503	1,842
Indirect Effect	80	3	155	238
Induced Effect	122	11	314	448
Total Effect	492	64	1,972	2,527

Economic Output

Impact Type	Construction (2019-2020)	New Household Spending (2020-2029)	New Business Operations (2020-2029)	Total (2019-2029)
Direct Effect	\$45,351,545	\$1,725,519	\$93,071,776	\$140,148,840
Indirect Effect	\$11,696,383	\$416,804	\$22,624,795	\$34,737,982
Induced Effect	\$17,562,841	\$1,543,891	\$45,086,789	\$64,193,521
Total Effect	\$74,610,769	\$3,686,214	\$160,783,360	\$239,080,343

Executive Summary: Fiscal Impacts (public school children)

Residential Project	Years Open	Total PSAC	Lower Limit Average Cost (\$4,000/Pupil) Total Annual Average Cost	Total Educational Service Cost Since Project Opening
Copper Beech	10	4	\$16,000	\$160,000
Condos on Waverly	11	10	\$40,000	\$440,000
Riverview Condos	9	0	\$0	\$0
Bay Village Condos	10	4	\$16,000	\$160,000
Artspace Lofts	5	5	\$20,000	\$40,000
New Village Apartments	5	12	\$48,000	\$240,000
Riverwalk Condos	7	5	\$20,000	\$140,000
Totals		40	\$160,000	\$1,180,000

Analysis of the seven multi-family residential projects which are not age restricted indicates 40 public school-age children (K-12) are linked to these residential projects, based on data provided by the Patchogue-Medford School District. Further, given excess classroom capacity, we estimate the true annual cost per new public student is approximately one-sixth of the current average cost (this estimate takes into consideration that additional school aides may need to be hired, but no new teachers, given excess classroom capacity).

Executive Summary: Fiscal Impacts (public school children)

Residential Project	Years Open	Total PMSD Taxes
Copper Beech	10	\$1,869,561
Condos on Waverly	11	\$1,215,206
Riverview Condos	9	\$668,679
Bay Village Condos	10	\$1,753,566
Artspace Lofts	5	\$59,910
New Village Apartments	5	***
Riverwalk Condos	7	\$1,047,347
<i>Totals</i>		\$6,614,297

Based on a review real property tax data, the seven multi-family projects examined have generated a cumulative total \$6,614,297 in school property tax revenue over the ten-year period studied. New Village Apartments have a payment-in-lieu-of tax (PILOT) agreement in place which exempts it from paying school property taxes.

Executive Summary: Fiscal Impacts (public school children)

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

\$1,180,000 in estimated educational costs over the
same ten years =

\$5,434,297 estimated net surplus revenues to the
School District



Economic and Fiscal Impact Analysis: Overview

Background Review

- History of Patchogue's Economic Rise, Fall & Rise
- Public & Private Investments

Interviews

- 6 Village of Patchogue public officials
- 4 local real estate professionals
- 4 focus groups with local business owners

Economic Impact Analysis

- 9 major new development projects with \$246.0 million in construction costs by 2017 and another two projects with \$47.8 million in construction costs by 2020.
- 211 estimated new non-local households by 2017 and 28 additional new non-local households by 2022
- 42 new businesses stabilized by 2017 and one new hotel stabilized by 2022

Fiscal Impacts of Multi-Family Housing Development

- Examined 7 multi-family residential projects built since 2006 and two prospective large-scale development projects to be completed by 2022
- Identified the estimated total number of new residents and public school-age children.
- Identified the net fiscal impacts to the school district

Comparative Analysis

- Percent increase in real property values
- Number of Business Establishments by Industry
- Value of Sales, Receipts or Revenues
- Annual Payroll
- Number of Employees

Executive Summary: Background Review

History of Patchogue's Economic Rise, Fall & Rise

The Village of Patchogue's economic origins date back to the eighteenth century when the first mill was reportedly built along the Patchogue River. Over the years, Patchogue's close proximity to the water (Patchogue Bay) and accessibility to recreational areas such as Fire Island and Water Island, attracted seasonal tourists and attendant resort businesses which, in turn, created more demand for local goods and services. From the 1920s through the 1960s, Patchogue's retail district became a regional shopping destination, drawing patrons from as far as 30 miles away. The advent of the indoor shopping mall, however, had a direct and adverse impact on the many small shops and restaurants located in the Village. By the mid-1980s, Patchogue's once-bustling downtown had become a ghost town with just a handful of stores in operation. Today, Patchogue is recognized as a model for economic revitalization success, boasting low commercial vacancy rates, trendy restaurants, specialty retailers and service providers, and hundreds of newer housing units in and outside of the downtown.

Public & Private Investments

Patchogue's recent economic resurgence is largely due to the more than \$60 million in grant, loans and incentives that were secured and/or granted from 1998 through 2017 (the period under study), with a large portion of that funding utilized for major infrastructure improvements. Indeed, without the funding associated with the major infrastructure improvements, much of the commercial and residential revitalization that occurred over the past 15 years would not have been possible (for example, it is widely acknowledged that the wastewater treatment plant was at or nearing capacity, prior to 2005). Further, the tens of millions of dollars in grant funding over the past 20 years have served to leverage more than twice as much in new private investment and outside visitor spending (see *Economic Impact Analysis* section of this report). Finally, favorable outcomes achieved in grant funding (securing funds and employing them as intended) generates yet more favorable outcomes, as funders want to invest in communities which demonstrate goal success.

Executive Summary: Interview Feedback

Interviews with Public & Private Sector Representatives

Over the course of several weeks, 4ward Planning conducted interviews with six Village of Patchogue public officials and four knowledgeable local real estate professionals, as well as held four focus group discussions with local business owners (18 in total) to gather a comprehensive portrait of Patchogue's recent economic history - in light of public and private investments - from the perspectives of some of its significant and longstanding stakeholders. Participants were asked for their insights on Patchogue's recent revitalization - its most consequential catalysts, its greatest beneficiaries, and suggestions for its continued success. The factors most critical to Patchogue's revitalization have been:

- 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
- 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

The sum of these combined efforts is greater than the whole; without the grant funding, for instance, most of the infrastructure improvements, commercial building improvements, and expansion of arts and cultural organizations would not have occurred. ***The Village of Patchogue has been a success because of its many essential elements working in tandem.***

Executive Summary: Economic Impact Analysis

Construction-Related Impacts

Between 2004 and 2017, nine projects were under construction in downtown Patchogue, which generated an estimated \$246.0 million in direct project investment (construction costs in 2018 dollars) within Suffolk County. These projects include: Copper Beech Townhouses, Condos on Waverly, Riverview Condos, Bay Village Condos, Artspace Lofts, New Village Rental, River Walk Condos, Blue Point Brewery, and Village Walk Assisted Living (AL). During construction, these nine projects created approximately 2,670 temporary jobs (representing cumulative jobs over the 13-year period), including 1,435 direct jobs, 582 indirect jobs, and 651 induced jobs. Direct project investment from these nine projects is estimated to have generated an additional \$79.4 million in indirect and \$93.4 million in induced economic output – resulting in an estimated total economic output of \$418.8 million – or, for every \$1.00 directly invested in construction related activity, an additional \$0.70 in indirect and induced economic activity resulted throughout various areas of Suffolk County.

Based on the revitalization success Patchogue is experiencing, private investment interest in a variety of prospective commercial and residential projects remains robust. Two such prospective projects are a 100-room full-service hotel within the downtown (on the site of the former medical center) and a 60-unit multi-family rental apartment building to be located somewhere along the Patchogue riverfront. During project construction (estimated for 2019 and 2020), these two projects are projected to create approximately 490 temporary jobs (representing cumulative jobs over the two-year period), including 289 direct jobs, 80 indirect jobs, and 122 induced jobs. An estimated \$45.4 million in direct project investment (2018 dollars) from these two projects is expected to be captured within Suffolk County, which will generate an additional \$11.7 million in indirect and \$17.6 million in induced economic output – resulting in an estimated total economic output of \$74.6 million – or, for every \$1.00 directly invested in construction-related activity, an additional \$0.65 in indirect and induced economic activity resulted throughout various areas of Suffolk County.

Executive Summary: Economic Impact Analysis

New Non-Local Household Spending

Since spending from local households as a result of new investment would likely remain within the region or shift to another category, this portion of the economic impact analysis focuses on new spending from new non-local households coming from outside the county as a result of each project's development, as their spending constitutes "new dollars" to the region.

From 2004 to 2017, the following three multi-family residential projects in downtown Patchogue received public subsidy in the form of either grants, low-interest rate loans, and/or tax abatements by some sort of public subsidy or incentive: Copper Beech (80 townhomes completed in 2006), Artspace (45 rental lofts completed in 2006), and New Village (291 rental units completed in 2014). By 2017, these three projects, combined, brought an estimated 211 new non-local households to downtown Patchogue. Non-local household spending from these three projects, combined, supported an estimated 35 total jobs and nearly \$2.0 million total annual output in 2017, and generated over \$10.2 million in total economic output from 2004 to 2017.

From 2019 to 2020, construction of the prospective 60-unit apartment project within downtown Patchogue is expected to be completed by 2020, bringing new non-local households to Suffolk County. By 2022, when the project is expected to be stabilized (assuming a five percent vacancy rate), annual spending from the apartment's estimated 28 new non-local households (50 percent of all occupied households) will support an estimated seven total jobs and generate \$386,400 in annual economic output within Suffolk County. From 2020 to 2029, spending from these new non-local households will generate nearly \$3.7 million in total economic output within Suffolk County.

Executive Summary: Economic Impact Analysis

New Business Operations, Sales Tax Revenue, and Visitor Spending

According to data provided by the Greater Patchogue Chamber of Commerce, 54 new businesses were established in downtown Patchogue between 2000 and 2017. Assuming a one year start-up period where businesses are not yet at full capacity, 42 of these new businesses became stabilized during this same 17-year period.

According to our analysis, by 2017, these new businesses created an estimated 408 in total direct jobs, which generated an additional 50 indirect jobs and 78 induced jobs – resulting in 537 total jobs. These downtown businesses also generated \$30.5 million in direct economic output, \$7.5 million in indirect economic output, and \$10.6 million in induced economic output – resulting in an annual total output of over \$48.7 million. Furthermore, by 2017, these downtown businesses generated between \$1.2 and \$1.5 million in annual sales tax and \$21.5 million in direct annual visitor spending from non-county visitors.

From 2000 to 2017, these downtown businesses generated \$156.6 million in total direct economic output, \$43.5 million in indirect economic output, and \$61.9 million in induced economic output – resulting in a total output of \$262.1 million. Over the same 17-year period, these downtown businesses generated between \$6.7 and \$8.3 million in total annual sales tax and \$113.1 million in direct visitor spending from non-county visitors.

By 2022, annual visitor spending from the hotel's 73 new nightly non-local visitors will support an estimated 196 total jobs and generate \$17.0 million in annual economic output within Suffolk County. From 2020 to 2029, spending from these new non-local visitors will generate nearly \$160.8 million in total economic output within the county.

Executive Summary: Fiscal Impact Analysis

Multi-Family Housing Development Projects Built Since 2004

4ward Planning performed a fiscal impact analysis associated with multi-family housing which has been constructed since 2004 within the Village of Patchogue. The objective of performing the fiscal impact analysis on multi-family housing is to specifically identify service costs and tax revenues associated with public school age children (PSAC) residing within the multi-family housing projects developed.

Using a combination of quantitative analysis (employing New York State based residential multipliers associated with the number dwelling units within each multi-family development examined; examining student enrollment trends within the Patchogue-Medford School District (PMSD) going back to 2004; and reviewing annual school district budgets) and qualitative analysis (performing an interview with the PMSD superintendent), we were able to estimate both the likely number of PSAC tied to the multi-family residential projects but also worst and likely case district cost per pupil scenarios.

PMSD student enrollment data for the seven multi-family residential projects examined shows 40 PSAC since 2006.

Finally, given that the PMSD has had sufficient capacity to absorb the estimated number of PSAC identified, and ascribing an annual service cost per pupil which approximates the likely per pupil expenditure for these students, we identify an aggregate (2007 to 2018) \$ \$5,434,297 net positive fiscal impact (surplus) to the PMSD.

Executive Summary: Fiscal Impact Analysis

Prospective Large-Scale Development Projects

4ward Planning also performed a fiscal impact analyses for the two prospective large-scale development projects within the Village of Patchogue: the 100-room full-service hotel and the 60-unit multi-family rental apartment building, as if they were built and operationally stabilized. The objective for performing fiscal impact analyses on prospective development is to determine if such projects would, on net, be beneficial to the Village, in terms of projected tax revenues exceeding projected Village and PMSD service costs.

As is demonstrated in more detail within the *Fiscal Impact* section, the projected annual net fiscal impacts to the Village and PMSD from the two prospective projects are, indeed, positive. Specifically, the annual net fiscal impact to the Village and PMSD associated with the prospective 100-room full-service hotel (projected to create 60 full- and part-time employment positions, inclusive restaurant and bar staff within the hotel) is \$236,544 and \$500,188, respectively. The annual fiscal impact to the Village and PMSD associated with the prospective 60-unit multi-family rental apartment building (projected to result in 121 new residents, inclusive of 11 public school-age children) is \$130,202 and \$342,032.

Executive Summary: Assessed Property Values

Assessed Property Values

As a means of demonstrating how new private investment in the Village since 2004 has positively influenced assessed property values throughout the Village, 4ward Planning examined the aggregate assessed and market-rate real property values in neighboring jurisdictions and compared the annual percentage change (increase/decrease) in aggregate real property values (residential and commercial) in the Village of Patchogue against the annual percentage change in aggregate real property values in those neighboring jurisdictions. This technique, while somewhat crude, generally provides a good order of magnitude for determining the influence of new private investment on the existing ratable base within a given jurisdiction. However, the methods by which real property value changes (in this case, increases) are identified by tax assessment offices are not capable of capturing much of the private real estate investment and associated impacts that occurred in the Village of Patchogue from 2004 through the current period (second quarter of 2018).

As there are relatively few recorded sales of large commercial properties in the Village of Patchogue over the past dozen years, in addition to there not having been a revaluation of real property values since before 2000, a large share of private investments made in the downtown area (millions of dollars in extensive renovations to building interiors and façades) are not picked up by the assessor's office (this issue was confirmed with the Brookhaven Tax Assessor, Ronald Devine). Further, and notwithstanding the major residential development that has occurred in the downtown area (New Village, Copper Beech, and Artspace Lofts), projects which receive a real property tax abatement and/or contain affordable housing units (as these three projects do) reflect market values (for tax assessment purposes) which are far below their true market value and, thus, the local tax base market value is misleadingly low – as appears to be the case in the Village of Patchogue. Consequently, the Village of Patchogue's economic resurgence cannot be deciphered from a review of real property tax assessment data.

Executive Summary: Business Employment & Investment Trends

Comparative Business Employment & Investment Trends

As tax assessment data proved unhelpful in demonstrating the observed and quantifiable private investments that have been made in Patchogue over the past 16 years, 4ward Planning elected to utilize U.S. Census data pertaining to business and employment trends for select industries at the state, regional, and local level, under the assumption that these select industry trends would, likely, illuminate the Village of Patchogue's observed economic resurgence. Years for which data were obtained are 2002, 2007, and 2012 – Census business data for a broad swath of industries is tallied in years ending in two and seven (every five years). At the time of this analysis, 2017 data has not been released. Nonetheless, the trend data covering a 10-year period is informative and demonstrates the Village of Patchogue's relative economic performance (by industry), against the Town of Brookhaven, Suffolk County, and the State of New York, for purposes of comparison. Furthermore, the observed private investments made in the Village since 2012 indicate that both private investment and employment have accelerated greatly since 2012.

The analysis demonstrates that growth in the number of businesses and associated sales, payrolls, and employment within the Village of Patchogue was relatively uneven from 2002 to 2007, suggesting that the economic renaissance had not yet become stable (and would not until after the Great Recession). By far, the industries demonstrating the strongest performance over the 2002 to 2012 period – in terms of increases in business establishments, employment, and sales – were accommodation and food services (effectively, the restaurants and bars in Patchogue), retail trade, and arts and entertainment (notwithstanding that some data for arts and entertainment is unavailable). The impressive quality of Patchogue's economic resurgence is made plain when viewed alongside Brookhaven, Suffolk County, and New York State – and this is based only upon a review of economic metrics through 2012. Accordingly, and based on field observations and discussions with local officials, we would expect 2017 data to demonstrate even greater investment and job creation activity.

Background Review

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Background Review

4ward Planning's review process entailed making data and information requests to municipal officials, the Greater Patchogue Chamber of Commerce, the Patchogue Theatre for the Performing Arts, the Suffolk County Department of Economic Development, and the Town of Brookhaven Office of the Tax Assessor.

Materials reviewed include, but are not limited to, the following:

- Village of Patchogue Grant Funding Lists
- Suffolk County Grant Funding Lists
- Tax abatement applications and award letters
- Literature concerning the history of the Patchogue Theatre
- Literature concerning the history of the former Silk Mill
- Online news articles concerning the Village of Patchogue
- Attendance figures for the Patchogue Theatre for the Performing Arts
- Town of Brookhaven tax assessment data
- Census Bureau economic data
- Business data provided by the Greater Patchogue Chamber of Commerce

In addition to the above document review, a representative of 4ward Planning performed an extensive walking and driving tour of Patchogue, making visual observations of the various public and private improvements which have been made over the past 15 years.

A Brief History of Patchogue's Economic Rise, Fall & Rise

A Brief History: Patchogue's Economic Rise, Fall & Rise

Located on the south shore of Long Island, within Suffolk County, the Village of Patchogue's economic origins date back to the eighteenth century when the first mill was reportedly built along the Patchogue River, just prior to 1750. Later, in 1798, the first factory – a paper mill – would be constructed. Additional factories and mills followed, including the now-demolished Patchogue-Plymouth Lace Mill, which was located along West Main Street.

The shipbuilding and fishing industries would also be established along the Patchogue River in the late 1900s, and become integral to the economic development success of the Village – including demand for shops, restaurants, and lodging facilities in the downtown.

Patchogue's close proximity to the water (Patchogue Bay) and accessibility to recreational areas such as Fire Island and Water Island, attracted seasonal tourists and attendant resort businesses (hotels and inns) which, in turn, created yet more demand for local goods and services.

According to information obtained from the Patchogue-Medford Library, Patchogue's retail district (located along East and West Main Streets and North and South Ocean Avenue) was a regional shopping destination from the 1920s through the 1960s, drawing patrons from as far as 30 miles away.

A Brief History: Patchogue's Economic Rise, Fall & Rise (cont.)

It was in the early 1920s when Ward and Glynne's Theatre (currently known as the Patchogue Theatre for the Performing Arts (PTPA) was established, and according to the Theatre's online history, "...attracted first-run feature films, Broadway productions, silent films, the very best in burlesque, vaudeville and live music performances..." While the theater survived various transitions over the decades which followed (from general arthouse, to single-screen theater to "triplex" theater), the combination of a national economic recession and the opening of a 12-screen multiplex theater within 20 minutes of Patchogue spelled the end of its operations in 1987.

As was the case for many small and not-so-small downtowns, the advent of the indoor shopping mall had a direct and adverse impact on the many small shops and restaurants located in the Village. Indeed, and according to third-party research and numerous interviews conducted by 4ward Planning, the start of Patchogue's downtown decline was concurrent with the rise in popularity of the nearby Smith Haven Mall (approximately 12 miles away, in Lake Grove, New York).

Consequently, by the mid-1980s, the once-bustling downtown had become – according to most interviewed – a ghost town with just a handful of stores still in operation.

A Brief History: Patchogue's Economic Rise, Fall & Rise (cont.)

After the closing of the theater in 1987, and for approximately the next dozen years, the Village's downtown exhibited high vacancy rates, deferred property maintenance, and a rise in various street crimes (e.g., drug dealing, burglaries and prostitution). Indeed, interviewees stated that the rise in crime created a perception of crime which was far more damaging to the interests of downtown - only serving to further delay its revitalization.

And while longtime anchor businesses (and regional draws) such as Blum's and Swezey's remained in operation during this time, it was not enough to help the downtown rebound.

It was in 1996, according to interviews conducted, when three local businessmen secured the initial funds to purchase the closed theater and, with cooperative assistance of the Village of Patchogue, leveraged various grants to renovate and restore the theater to its original décor. The PTPA, which is owned by the Village of Patchogue and operated by a non-profit arts group, reopened in 1998. It can arguably be said, as will be demonstrated later in this report, that the restoration and opening of the PTPA in 1998 was the critical turning-point for the rebirth of the Village's downtown.

In 2001, and through the vision and coordinated actions of Village officials, the Greater Patchogue Chamber of Commerce, and the owners of the Blue Point Brewery and Brickhouse Brewery, the first annual Alive After Five music and food festival took place along Main Street. What began as a relatively small event which attracted some local residents and a modest number of outside visitors has gradually turned into one of the premiere summer events in Suffolk County, attracting approximately 25,000 patrons to the downtown per night.

A Brief History: Patchogue's Economic Rise, Fall & Rise (cont.)

Patchogue's economic fortunes would continue to rise through the early 2000s, assisted by public grants for improvements to the exteriors (and in some cases, the interiors) of buildings, major infrastructure upgrades to the wastewater treatment plant, and sanitary sewer line extensions - which would lead to major new residential and commercial development in and outside of the downtown area.

Today, the Village of Patchogue is recognized as a model for economic revitalization success, boasting low commercial vacancy rates, trendy restaurants, specialty retailers and service providers, and hundreds of newer housing units (inclusive of units reserved for low- and moderate-income households) in and outside of the downtown. Moreover, the Village continues to welcome new private investment - further testament to success begetting more success.



Timeline of Public and Private Investments in the Village of Patchogue

Overview: Timeline of Public and Private Investments

The story of Patchogue's economic resurgence cannot be told without referencing the millions of dollars in grant funds that the Village of Patchogue and various other local organizations (the Greater Patchogue Chamber of Commerce being chief among these other organizations) secured through the deliberate efforts of elected officials and appointed executives.

As is identified in greater detail on the following pages, just over \$37 million in total grant funds were secured from 1998 through 2017 (the period under study), with better than 90 percent of that funding utilized for major infrastructure improvements (e.g., sanitary sewer expansion and upgrades to the wastewater treatment plant; improvements to the waterfront; upgrades to park facilities and creation of new recreational spaces; and roadway and streetscape improvements). Indeed, without the grant funding associated with the major infrastructure improvements identified on the following pages, much of the commercial and residential revitalization which occurred over the past 15 years would not have been possible (for example, it is widely acknowledged that the wastewater treatment plant was at or nearing capacity, prior to 2005).

Further, the tens of millions of dollars in grant funding over the past 20 years (including matching dollars used for building exterior and interior improvements) have served to leverage more than twice as much in new private investment (e.g., improvements to existing buildings, new construction, and business equipment purchases) and outside visitor spending (see economic impact analysis section of this report).

Finally, favorable outcomes achieved in grant funding (securing funds and employing them as intended) generates yet more favorable outcomes, as funders want to invest in communities which demonstrate goal success.

Timeline of Investments – Public Subsidies

West Avenue
Sewer Expanded



1998

1999

2000

2001

2002

Grants Received
\$70,000

Grants Received
\$10,000

Patchogue Chamber of Commerce

While the 1998 to 2002 time period exhibits relatively little in the way of public subsidies received, the importance of the West Avenue sewer expansion (1998) and grant funding secured by the Chamber of Commerce in 2001 and 2002 greatly assisted in new private investments (restaurants and housing near the river now could tap into sanitary sewer lines) and promotional events (Alive After Five launching in 2001).

A total of \$80,000 in grant funding is identified as having been received during this time period, with 100 percent of this amount flowing to the Chamber of Commerce, which uses the majority of such funding for commercial building improvements (via a matching grant program with businesses), paving of parking lots, refurbishing of sidewalks, and street lights.

Source: Village of Patchogue, 2018

Timeline of Investments – Residential & Commercial



The Patchogue Theatre for the Performing Arts (PTPA) opened after an extensive two-year renovation. It’s opening on East Main Street serves as a significant catalyst for future private investment, which will include several restaurants, and a few retail and service businesses. The inaugural Alive After Five annual event occurred in 2001, with help of local business interests (Blue Point Brewery and Brickhouse Brewery) and support from the Village. While Alive After Five is neither an operating business nor residential development, this annual event’s importance to the improved perception of Patchogue’s downtown, as well as its role in boosting new business investment cannot be understated.

Source: Greater Patchogue Chamber of Commerce, 2018

Timeline of Investments – Public Subsidies

Multi-Year Improvements to Sidewalks, Curbs and Road Paving Commences

Sewer Line Expansion Project Commences

2003	2004	2005	2006	2007
<u>Grants Received</u> \$15,000	<u>Grants Received</u> \$16,000	<u>Grants Received</u> \$25,000 \$1,500,000	<u>Grants Received</u> \$21,600 \$3,301,960	<u>Grants Received</u> \$100,000

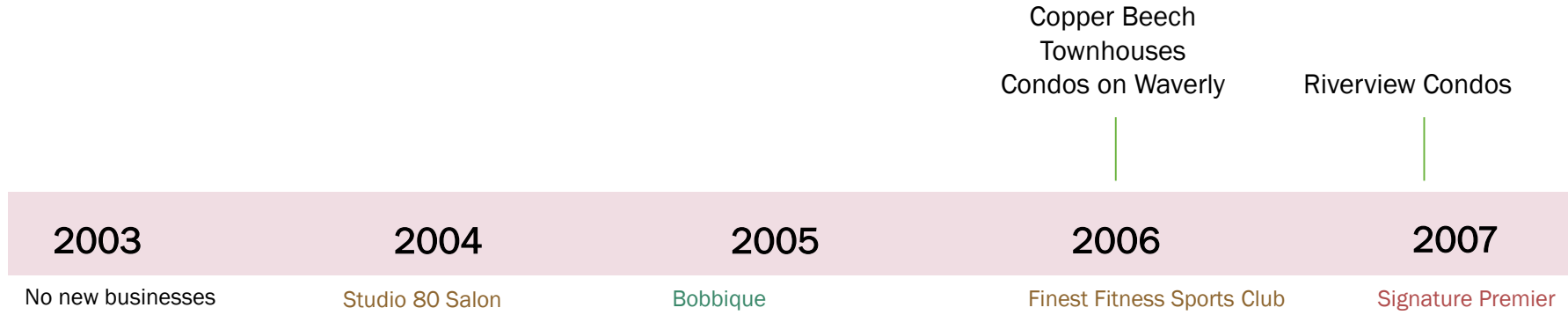
Copper Beech
Patchogue Chamber of Commerce
Village of Patchogue

Major capital investments occurred within the 2003 to 2007 time period, beginning in 2004, with the commencement of a multi-year downtown streetscape and roadway improvement program – a \$10 million public investment. The 2006 expansion of the sewer line and pump stations – a \$9 million investment – was a critical investment, permitting the future growth of restaurants and residential development.

Approximately \$5 million in grant funding is identified as having been received during this time period, with two-thirds of this amount associated with the Copper Beech residential townhouse development – all of which invested in necessary infrastructure improvements. The Chamber secured a total of \$177,600 in grant funding.

Source: Village of Patchogue, 2018

Timeline of Investments – Residential & Commercial



- Retail
- Dining and Drinking
- Professional Service
- Personal Service
- Entertainment



During this period, the commercial vacancy rate in the downtown is estimated at just under 40 percent.

The period 2003 to 2007 was a relatively quiet stretch in Patchogue, concerning new business establishments. Indeed, this five-year stretch within the 1998 to 2017 period examined exhibits the fewest number of businesses to open in the downtown area. The first of several large-scale residential projects come online in this period, with the \$26 million Copper Beech townhouse project (80 units, 50 percent of which are reserved for qualified affordable households), the \$13 million Condos on Waverly (36 market-rate units), and Riverview Condominiums (36 market-rate units and total project cost of \$18 million).

Source: Greater Patchogue Chamber of Commerce, 2018

Timeline of Investments – Public Subsidies

First Main Street
Façade Grant
Secured (\$100K)

Sewer Capacity Expands
from 500 KGD to 800 KGD

2008	2009	2010	2011	2012
<u>Grants Received</u> \$503,867	<u>Grants Received</u> \$77,000 <u>Loans Received</u> \$16,295,000 <u>Tax Incentives Received</u> \$1,322,841	<u>Grants Received</u> \$6,700,000 <u>Loans Received</u> \$4,500,000	<u>Grants Received</u> \$19,000	<u>Grants Received</u> \$5,000 \$6,160

Artspace
 Patchogue Chamber of Commerce
 Patchogue Arts Council
 The Gateway
 Village of Patchogue

A total of \$7.3 million in total grant funds were received during this period, with 99 percent of this amount flowing to the Village for infrastructure-related improvements. During this period, \$16.3 million in loans and \$1.3 million in tax incentives were secured for the Artspace project.

Despite the Great Recession’s economic grip for much of the 2008 to 2012 time period, Patchogue realized significant public investment, in terms of grants, loans, and subsidies associated with the \$17.9 million Artspace project and expanded sewer treatment plant capacity (the expanded capacity was critical to facilitating the future significant residential and commercial private investments in downtown). The first Main Street grant (\$503,867) helped in leveraging more than a half million dollars in private investments for improvements to building interiors and facades. It would be the start of a string of similar such investments over the next decade.

Source: Village of Patchogue, 2018

Timeline of Investments – Residential & Commercial



Notwithstanding that the Great Recession officially lasted from December 2007 to June 2009, the Village of Patchogue still realized significant investment in housing and commercial businesses. Of the 10 commercial businesses established during the 2008 to 2012 period, six fall into the category of dining and drinking (Cheese Patch and Sensationally Sweet, while purveyors of edible products, are classified as retailers). Bay Village Condominiums, a market-rate, 64-unit, \$24 million project opened in 2008, followed by the Artspace Lofts, a \$22 million, 45-unit, subsidized multi-family rental development exclusively available to working artists. The Artspace Lofts building also houses the Plaza Cinema and Media Arts Center.

Source: Greater Patchogue Chamber of Commerce, 2018

Timeline of Investments – Public Subsidies

Purchase of Parking Lots
for Public Use

Rebuilding of
Mascot Dock

Major improvements to
local parks using
\$7.5MM in grant funds

2013	2014	2015	2016	2017
Grants Received	Grants Received	Grants Received	Grants Received	Grants Received
\$15,000	\$500,000	\$66,500	\$104,400	\$4,795,000
\$15,000	\$1,000	\$10,000	\$40,000	\$104,000
\$15,000	\$40,000	\$11,500	\$12,500	\$63,000
\$250,000	\$14,000	\$24,150	\$27,000	\$37,000
	\$25,000	\$4,000	\$1,500	\$10,000
	\$5,000	\$2,032,000	\$17,504,831	\$28,000
		\$19,000	\$66,500	

Artspace
Patchogue Chamber of Commerce
Patchogue Theatre for the Performing Arts
Patchogue Community Development Agency
Patchogue Arts Council
Patchogue Village Center for the Performing Arts
The Gateway
Worldwide Voices
Village of Patchogue

A total of \$25.9 million in grant funding is identified as having been received during this time period, with approximately 96 percent of it flowing to the Village for improvements to infrastructure and parks. Nearly \$440,000 in grant funding was secured by various arts organizations during this time period.

The total amount of grant funds secured by the Village of Patchogue and its various organizations during the 2013 to 2017 period far exceeds the grant funding secured during any other five-year period examined between 1998 and 2017. And while the bulk of the grant funding secured during this period (\$25.1 million) went to the Village of Patchogue for major improvements to local parks, ball fields, the Patchogue Theatre, sewer system upgrades, rebuilding of Mascot Dock, etc.), the total amount of arts organization-related grants was far and away the largest of any of the five-year periods examined (indicative of the resurgence of Patchogue’s arts community.

Source: Village of Patchogue, 2018

Timeline of Investments – Residential & Commercial

Alive After Five Draws

More than 20,000

Patrons per Night

New Village

River Walk

Additional Restoration to
Patchogue Theatre

2013	2014	2015	2016	2017
------	------	------	------	------

Berry Good Yogurt Café
Goldberg’s Famous Bagels
Industrial Coverage
Village Cigar Headquarters
Village Idiot Pub
Wallen’s Natural Market

Say More Boutique
Fulton Gate’s Irish Pub
That Meetball Place

360 Taiko Sushi & Lounge
Del Fuego
Kilwins Patchogue
The Dusty Attic Shop

Amazing Olive
Arooga’s
Bella Salon & Dry Bar
Fishbat Media
Freezology
RHUM
South Shore Vintage
Super Bowls
TOAST
Toro Tapas

Catch Oyster Bar Inc.
Cocomotion
Ellie J. & Co.
Flo’s
Independent Adjustment Co.
Indigo
Locale Gastro Bar
Paper Doll Curiosity Shoppe
Smallcakes Cupcakery
Stereo Garden LI
Swell Taco
Thread
Tranquility Within Corp.

Retail
Dining and Drinking
Professional Service
Personal Service
Entertainment



During this period, the commercial vacancy rate in the downtown is estimated at under 10 percent.

The 2013 to 2017 period witnessed the greatest amount of private investment in Patchogue over the 20-year period examined. During this five-year period, 35 new businesses opened their doors in the downtown area, with 15 (43 percent) of these businesses falling within the dining and drinking category, 13 (37 percent) being retail businesses, three categorized as professional services, three categorized as personal services, and one business falling within the entertainment category. During this same period, the \$120 million New Village mixed-use, multi-family rental project came online, featuring 291 apartments (30 percent of which are reserved as affordable) and 50,000 square feet of retail and office space.

Source: Greater Patchogue Chamber of Commerce, 2018

Interviews with Public & Private Sector Representatives

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Interviews: Overview & Takeaways

Over the course of several weeks, 4ward Planning conducted interviews with six Village of Patchogue public officials and four knowledgeable local real estate professionals, as well as held four focus group discussions with local business owners (18 in total) to gather a comprehensive portrait of Patchogue's recent economic history - in light of public and private investments - from the perspectives of some of its significant and longstanding stakeholders. Participants were asked for their insights on Patchogue's recent revitalization - its most consequential catalysts, its greatest beneficiaries, and suggestions for its continued success. The following pages contain summary narratives of our interviews and focus group sessions, with an emphasis on common threads of feedback. A list of interviewees and focus group participants can be found in the Appendix.

Takeaways

The major catalysts most critical to Patchogue's revitalization have been:

- **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
- **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

The sum of these combined efforts is greater than the whole; without the grant funding, for instance, most of the infrastructure improvements, commercial building improvements, and expansion of arts and cultural organizations would not have occurred. The Village of Patchogue has been a success because of its many essential elements working in tandem.

Interviews: Public Officials

The public officials with whom we spoke described Patchogue of the 1980s through most of the 1990s as a “ghost town,” with vacancy rates of approximately 60 percent in the late 1990s. Their accounts of what followed this period offer common turning points in the history of the Village’s revitalization: the restoration of the Patchogue Theatre for the Performing Arts, public infrastructure investments, establishment of Alive After Five programming, and the successful pursuit of grant funding. Despite the recession, a great influx of restaurants opened in Patchogue between 2008 and 2015, drawing more patrons from the Village and as far away as Nassau County. Detailing Patchogue’s commercial revitalization and residential real estate health, the interviewees also offered suggestions for maintaining the Village’s economic momentum.

Patchogue Theatre

The public officials interviewed described the Patchogue Theatre’s 1998 restoration as the key catalyst for private investment prior to the Village’s public infrastructure investments (sewer lines). Though struggling initially with attendance, the restored theater currently sees approximately 90,000 patrons per year. The theater’s generally well-educated, affluent patrons create strong demand for local commercial business – restaurants, in particular, which sprang up following its renovation. The theater’s year-round programming and additional events on Tuesdays, Wednesdays, and Thursdays have been of particular benefit to local businesses and restaurants, creating more foot traffic during times that were previously much quieter.

Additionally, the theatre’s relatively large geographic area from which it draws patrons (from all over Long Island) has brought thousands of visitors to Patchogue’s downtown – something that few other businesses or organizations could do.

Interviews: Public Officials (continued)

Public Infrastructure Investments

According to public officials, the expansion of the West Avenue sewer main in 1998 and subsequent sewerage treatment plant upgrades were essential steps in the revitalization of Patchogue's commercial district. Without these investments, the Village could not have attracted such a steady influx of businesses. Other public investments occurring in the early- to mid-2000s, such as sidewalk additions and repairs, lighting improvements, and the public façade improvement program were also important in attracting private investment to the Village. The Business Improvement District (BID) is credited with making many of these improvements possible.

Grant Funding

Many of Patchogue's public infrastructure investments were made possible by grant funding. The public officials interviewed credited active pursuit of grant funding as an important element in Patchogue's commercial revitalization (with grant funded park and waterfront improvements cited as influential to the increase in the number of young families residing in the Village). The 2008 New York Main Street Downtown Revitalization Grant, the Village's first Main Street grant, was used to update facades and support building rehabilitation – making the downtown more attractive to prospective businesses, as well as paving the way for subsequent grant applications, such as the Suffolk County Round Grants for downtown revitalization, used for directional signage, walkway improvements, archway pocket parks, and theater marquis.

Alive After Five

The Alive After Five program is cited by public officials as an important catalyst in Patchogue's commercial revitalization, as well as residential attraction, encouraging residents and visitors to populate downtown Patchogue on Thursday nights. The Blue Point Brewery and Brick House were anchors for the first years of Alive After Five events, but soon after, other restaurants followed suit, giving the increasing numbers of visitors more dining options. On any given night, Alive After Five currently attracts approximately 25,000 people.

Interviews: Public Officials (continued)

Challenges & Suggestions

The following is a list of challenges and suggestions for the continued economic health of Patchogue, as offered by the public officials with whom we spoke:

- Patchogue would be better served in the long term with a more balanced retail mix (i.e., fewer restaurants and more boutique, specialty, and convenience stores).
- Assessed commercial and residential real estate values have not increased as quickly as they have in many other local communities. While there has been much private investment in downtown Patchogue, much of it has occurred to the interior of buildings and, as such, is not recognized by the assessor's office. A village-wide revaluation study would amend this discrepancy.
- If the Long Island Railroad (LIRR) line was electrified beyond Babylon, it could be transformative. Although more people are using the train to get to Patchogue for dining and events, the train is underutilized.
- Babylon, Huntington, Port Jefferson, and Bayshore are the municipalities most likely competing with Patchogue for business. The Village of Patchogue should continue capitalizing on its strengths as a smaller municipality, allowing it to make decisions more efficiently than some of the bigger municipalities.

Interviews: Real Estate Professionals

Our interviews with local real estate professionals offered feedback similar to and compatible with that from our interviews of public officials. According to the real estate professionals with whom we spoke, Patchogue was thriving economically in the 1950s and 1960s. However, when shopping centers sprang up beyond the Village, its commercial center began to wane to the point of being desolate in the 1990s. At this time, the Chamber of Commerce (CoC) teamed up with the Village to form the Business Investment District (BID) - propelling a public security force, grants initiatives, a fast-track approval process for businesses, and storefront updates. The reintroduction of mixed-use development projects, which had not been seen in Patchogue for years after the introduction of malls beyond the village center, was a controversial move that ended in success - catalyzing other commercial development. The real estate professionals interviewed offered their views on significant public investments and actions catalyzing private investment, the commercial and residential real estate markets, and suggestions for further economic growth.

Village Leadership

Patchogue's leadership was cited as its greatest public, "non-physical" catalyst to private investment. The governing body, inclusive of the Chamber of Commerce and Business Improvement District, was described by the real estate professionals interviewed as supportive, interactive, and "pro-business," encouraging of private investment with public action and creating a more open form of government where renovations and permits are actively reviewed and granted. In concert with this openness, the Village encourages complimentary retail businesses, with an eye on sustaining the future economic health of the Village.

Patchogue Theatre

The Patchogue Theatre renovation was cited by the real estate professionals interviewed as the Village's first physical catalyst for private investment, ultimately allowing more extensive public investments (e.g., the sewer district) to catalyze even more commercial growth.

Interviews: Real Estate Professionals (continued)

Public Infrastructure Investment

Patchogue's sewer district creation and updates allowed increasing density of private investment. The sewer district extended the reach of Patchogue's downtown, offering connection for businesses along the waterfront as well as for those on Main Street. Additionally, the installation of four municipal public parking lots on the corners of the Village were important, allowing the growing number of visitors to the downtown easier access to its businesses and events.

Alive After Five

All of the real estate professionals with whom we spoke cited Alive After Five as an important public event, drawing visitors, residents, and businesses. With attendance starting at around 3,000 people per night in 2001, the event now attracts approximately 25,000 visitors per night.

Commercial Real Estate

The real estate professionals we interviewed reported that commercial lease rates in Patchogue ten years ago ranged from approximately \$9 to \$15 per square foot, compared to today's \$28 to \$35 per square foot - which is, reportedly, higher than all other retail rates in Suffolk County. As the commercial real estate market is very tight, spaces do not stay vacant for more than three weeks.

Residential Real Estate

Mirroring the commercial real estate market, housing demand is strong. Houses sell within 30 days in Patchogue, and a three-bedroom home that would have sold for \$200,000 ten years ago, would now sell for \$375,000. The real estate professionals interviewed described the majority of home buyers and renters as young professionals, young families, and retirees.

Interviews: Real Estate Professionals (continued)

Challenges & Suggestions

The following is a list of challenges and suggestions for the continuing economic health of Patchogue, as offered by the real estate professionals with whom we spoke:

- Patchogue is in need of a more diverse mix of retail, as it is saturated with restaurants. The Village should invite more everyday retail operation for its residents.
- There is and will be growing competition for visitors on Long Island, as some other communities are looking at Patchogue's success for guidance. As such, Patchogue should not become complacent in its success.
- Patchogue's economy would benefit from a boutique hotel placement.

Interviews: Focus Groups

The four focus group discussions were structured around the same set of questions, which are categorized below, along with summaries of the most salient responses. As most of the participants were business owners, the questions differed, slightly, from those posed in our interviews with public officials and real estate professionals.

What was the catalyst which set in motion the downtown's revitalization?

Many focus group participants cited the Patchogue Theatre renovation as the major catalyst of the downtown's revitalization, as well as an engine for its support of the arts in general. Arts Space and Alive After Five programming further perpetuate Patchogue's reputation as a cultural center, which is attractive to visitors, residents, and businesses. Focus group participants also cited Patchogue's sewer improvements as vital to its commercial success. Additionally, community volunteerism and cooperation were cited as essential catalysts to Patchogue's revitalization. This unique sense of community was described as touching all of the Village's stakeholders – from its governing body to business owners to citizens.

What types of businesses have most benefitted from the public improvements and new private investments?

Focus group participants believe that restaurants have benefitted the most from Patchogue's public improvements and private investments. Some noted, however, that residential rents have outperformed commercial rents in Patchogue.

How far a distance from the downtown encompasses 70 percent of your customer base?

Focus group participants responded with a variety of answers to this question. Depending on the business frequented, patrons were reported coming from as close as within Patchogue to as far away as Nassau County.

Interviews: Focus Groups (continued)

Has the revitalization mostly impacted the commercial district or have the residential areas of Patchogue also seen a resurgence?

Although focus group participants recognized Patchogue's revitalization helped, to some extent, attract new residential development, most believe the benefit was much greater for its commercial district. The sewer improvements, however, have been of benefit to both the commercial and residential areas.

Other Comments

- There are too many restaurants in Patchogue and not enough retail.
- However, there are challenges in attracting more retail to Patchogue: not a lot of traditional retail activity occurs during downtown events (e.g., Alive After Five doesn't substantially benefit retail). Additionally, many landlords seem to prefer the revenue restaurants can command, as opposed to traditional retail.
- There is not enough available parking, which is a substantial limitation for Patchogue's economic growth. Parking was becoming a problem in the 1950s and 1960s, which ultimately hampered retail activity in Patchogue.
- The school district in Patchogue does not have as strong a reputation as those in surrounding school districts. As Bayport/Blue Point and Sayville offer the best school districts in the area, Patchogue should focus on improvements to its schools.

Economic Impact Analysis

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Economic Impact Analysis: Downtown Patchogue

In order to quantitatively identify the impacts of public investments within downtown Patchogue, 4ward Planning performed an economic impact analysis of new development that occurred within downtown from 2000 to 2017 and prospective development expected to occur between 2019 and 2020. This analysis considers both temporary (during construction) and permanent economic impacts, including job creation and economic output (direct, indirect, and induced), sales tax revenue, and non-local household/visitor spending estimates.

- **Development Construction:** Nine major recent development projects with \$246.0 million in construction costs by 2017 and another two prospective projects with \$47.8 million in construction costs by 2020.
- **New Households:** 211 estimated new non-local households by 2017 and 28 additional new non-local households by 2022
- **New Businesses:** 42 new business became stabilized in downtown Patchogue between 2000 and 2017, attracting new non-local visitors. One new hotel being developed.



Development Construction (temporary)

- Recent Projects
- Prospective Projects



New Households (permanent)

- Non-Local Household Spending
- Sales Tax Revenue



New Businesses (permanent)

- Non-Local Visitor Spending
- Sales Tax Revenue

Definitions

Employment: Includes all full- and part-time jobs

Output: Output represents the value of industry production. In IMPLAN these are annual production estimates for the year of the data set and are in producer prices. For manufacturers this would be sales plus/minus change in inventory. For service sectors, production = sales. For retail and wholesale trade, output = gross margin and not gross sales.

Direct effects: A series (or single) of production changes or expenditures made by producers/consumers as a result of an activity or policy.

Indirect effects: The impact of local industries buying goods and services from other local industries

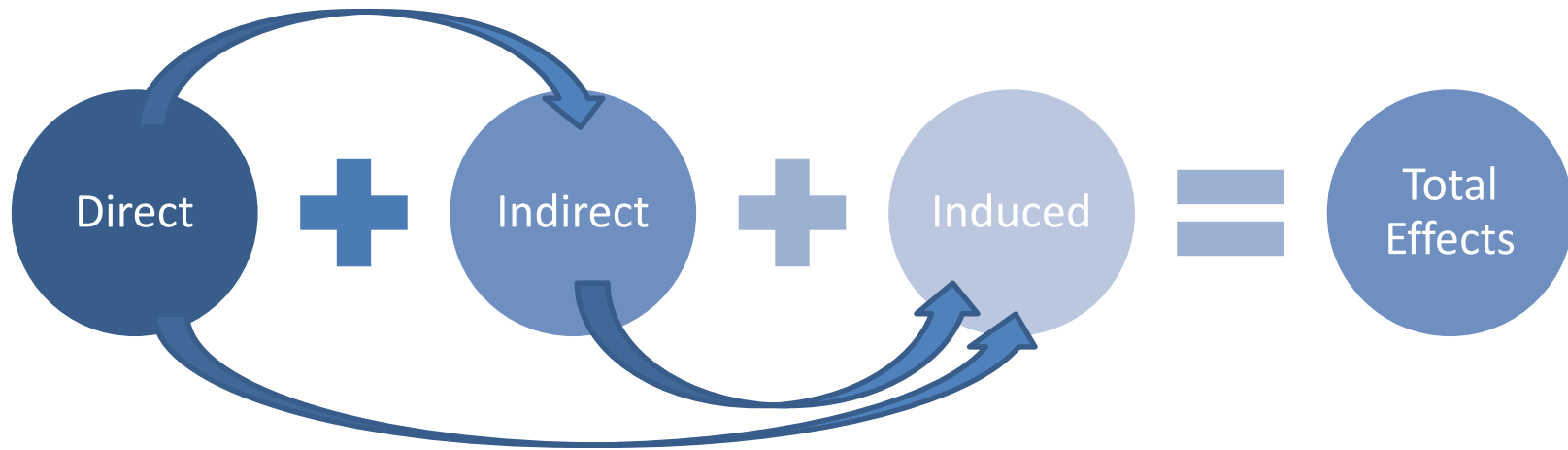
Induced effects: The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added

Methodology: General Input-Output Impact Modeling – Overview

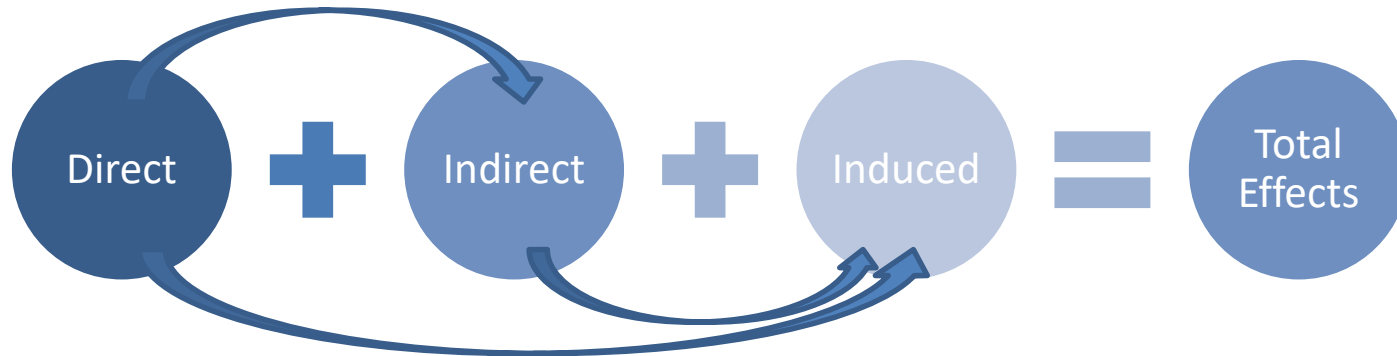
Economic impact analysis involves applying a final demand change to a predictive economic input-output model, and then analyzing the resulting changes in the economy under study.

More concisely, an impact analysis is an assessment of change in overall economic activity as a result of change in one or several specific economic activities.

Economic impacts, whether for employment or output, are typically referenced as **direct**, **indirect**, and **induced**. 4ward Planning has expressed the estimated direct, indirect, and induced impacts for each activity in this analysis.



Methodology: General Input-Output Impact Modeling - Example



Direct impacts are the result of a change in final demand.

For example, if \$10 million is invested in building construction, increasing demand for buildings by \$10 million...

Indirect effects result from changes in demand for factors of production.

...the \$10 million increase in the construction industry sector revenue causes a \$4 million increase in purchase orders to related industries, like lumber and heavy machinery.

Induced effects result from changes in household spending.

Building construction, lumber production, and heavy machinery manufacturing pay their workers wages to deliver various products, enabling workers to spend an additional \$100,000 within the regional economy.

Total effects are the combination of direct, indirect, and induced effects.

The total effect of a \$10 million increase in building construction demand, then, is equal to \$14.1 million (\$10 million + \$4 million + \$100,000).

Development Construction from Recent and Prospective Projects

Key Findings: Recent Development Construction, 2010-2017

\$246.0 million in direct project investment

Between 2006 and 2017, an estimated \$246.0 million in direct project investment (2018 dollars) from nine projects under construction in downtown Patchogue was captured locally, within Suffolk County. These projects include: Copper Beech Townhouses, Condos on Waverly, Riverview Condos, Bay Village Condos, Artspace, Lofts, New Village Rental, River Walk Condos, Blue Point Brewery, and Village Walk Assisted Living (AL).

2,670 temporary jobs

During construction, these nine projects created 2,670 temporary jobs (representing cumulative jobs over the 13-year period), including 1,435 direct jobs, 582 indirect jobs, and 651 induced jobs.

\$418.8 million in total economic output

The estimated \$246.0 million in direct project investment (construction costs in 2018 dollars) is estimated to have generated an additional \$79.4 million in indirect and \$93.4 million in induced economic output – resulting in an estimated total economic output of \$418.8 million – or, for every \$1.00 directly invested in construction-related activity, an additional \$0.70 in indirect and induced economic activity resulted throughout various areas of Suffolk County.

Key Findings: Prospective Development Construction: 2019-2020

\$45.4 million in direct project investment

From 2019 to 2020, during project construction, an estimated \$45.4 million in direct project investment (2018 dollars) from the prospective 100-room hotel and 60-unit apartment building in Patchogue is expected to be captured locally within Suffolk County.

490 temporary jobs

During construction, these two projects are expected to create approximately 490 temporary jobs (representing cumulative jobs over the two-year period), including 289 direct jobs, 80 indirect jobs, and 122 induced jobs.

\$74.6 million in total economic output

The estimated \$45.4 million in direct local project investment is estimated to generate an additional \$11.7 million in indirect and \$17.6 million in induced economic output – resulting in an estimated total economic output of \$74.6 million – or, for every \$1.00 directly invested in construction-related activity, an additional \$0.65 in indirect and induced economic activity resulted throughout various areas of Suffolk County.

Economic Impact Analysis: Construction Cost Assumptions

Using total private project costs, 4ward Planning estimated construction costs (excludes 30 percent of project costs that are associated with land acquisition, financing, and other carry costs) and separated out both hard and soft construction costs (assumes 80 and 20 percent of construction costs, respectively). Next, 4ward Planning purchased 2016 IMPLAN data for Suffolk County and utilized IMPLAN input-output modeling software to identify the direct, indirect, and induced employment and economic output value generated by the construction activities which were captured within Suffolk County’s economy. 4ward Planning calibrated the IMPLAN model to reflect the given year of construction to be modeled (e.g., if the project being modeled was constructed in 2008, a deflator function in the model was utilized to accurately represent wage and material pricing for that year). The table below presents IMPLAN model assumptions by project (e.g., construction years, hard and soft construction costs). While the economic impacts identified in this analysis are for those captured within Suffolk County, there were, likely, economic impacts which occurred in adjacent Nassau County.

Construction Period	Year Open	Project	IMPLAN Modeled Development Costs	Cost Breakdown	
				Hard Softs (80%)	Soft Costs (20%)
2004-2005	2006	Copper Beech, 80 Townhouses, 50% Affordable	\$18,200,000	\$14,560,000	\$3,640,000
2005	2006	Condos on Waverly 36 Units	\$9,100,000	\$7,280,000	\$1,820,000
2006	2007	Riverview 36 Condos	\$12,600,000	\$10,080,000	\$2,520,000
2006-2007	2008	Bay Village Condos 64 Units	\$16,800,000	\$13,440,000	\$3,360,000
2007-2008	2009	Artspace Lofts 45 Rental Units	\$15,400,000	\$12,320,000	\$3,080,000
2012-2013	2014	New Village, 291 Rental Units 30% Affordable	\$84,000,000	\$67,200,000	\$16,800,000
2014-2015	2016	River Walk, 163 Condos	\$35,700,000	\$28,560,000	\$7,140,000
2016-2017	2018	Blue Point Brewery/AB Brewery	\$28,000,000	\$22,400,000	\$5,600,000
2017	2018	Village Walk, Assisted Living	\$26,600,000	\$21,280,000	\$5,320,000
2019-2020	2020	Hotel, 100-Room	\$28,623,375	\$22,898,700	\$5,724,675
2019-2020	2020	Apartment, 60 Units	\$19,165,440	\$15,332,352	\$3,833,088

Prospective Projects

Source: IMPLAN, 4ward Planning, 2018

Economic Impact Analysis: Construction Impacts, 2010-2017

The tables below summarize the economic impact effects (direct, indirect, and induced temporary jobs and economic output in Suffolk County) from major private construction occurring in the downtown area between 2004 and 2017. According to our analysis, during construction, these projects created approximately 2,670 temporary jobs (representing cumulative jobs over the 13-year period), including 1,435 direct jobs, 582 indirect jobs, and 651 induced jobs. The estimated \$246.0 million in direct project investment (construction costs in 2018 dollars) is estimated to have generated an additional \$79.4 million in indirect and \$93.4 million in induced economic output – resulting in an estimated total economic output of \$418.8 million – or, for every \$1.00 directly invested in construction-related activity, an additional \$0.70 in indirect and induced economic activity resulted throughout various areas of Suffolk County.

Employment (Cumulative)

Impact Type	New Village Rental	River Walk Condos	Blue Point Brewery	Copper Beech Townhouses	Bay Village Condos	Artspace Lofts	Village Walk AL	Riverview Condos	Condos on Waverly	Total Employment (Cumulative)
Direct Effect	528	207	186	144	115	102	74	44	35	1,435
Indirect Effect	232	91	34	63	51	45	33	19	15	582
Induced Effect	244	96	75	66	53	47	34	20	16	651
Total Effect	1,003	394	295	273	219	194	140	84	66	2,669

Economic Output (Cumulative)

Impact Type	New Village Rental	River Walk Condos	Blue Point Brewery	Copper Beech Townhouses	Bay Village Condos	Artspace Lofts	Village Walk AL	Riverview Condos	Condos on Waverly	Total Output
Direct Effect	\$92,456,824	\$36,235,237	\$27,318,114	\$25,224,894	\$20,160,298	\$17,882,793	\$12,916,210	\$7,721,517	\$6,100,232	\$246,016,119
Indirect Effect	\$31,200,373	\$12,243,135	\$5,575,332	\$8,496,030	\$6,804,255	\$6,035,981	\$4,366,092	\$2,606,028	\$2,055,917	\$79,383,142
Induced Effect	\$34,957,358	\$13,736,385	\$10,718,540	\$9,498,708	\$7,624,814	\$6,764,390	\$4,901,064	\$2,920,249	\$2,300,162	\$93,421,669
Total Effect	\$158,614,555	\$62,214,757	\$43,611,985	\$43,219,631	\$34,589,368	\$30,683,164	\$22,183,366	\$13,247,794	\$10,456,311	\$418,820,930
ROI	\$66,157,731	\$25,979,520	\$16,293,871	\$17,994,737	\$14,429,070	\$12,800,371	\$9,267,156	\$5,526,277	\$4,356,079	\$172,804,811

Source: IMPLAN, 4ward Planning, 2018 Projects highlighted in green received public subsidy in the form of either grants, low-interest rate loans, and/or tax abatements

Economic Impact Analysis: Construction Impacts, 2019-2020

The tables below summarize the economic impact effects (direct, indirect, and induced temporary jobs and economic output in Suffolk County) from two prospective major private construction projects expected to occur in the Patchogue between 2019 and 2020. According to IMPLAN, during construction, an estimated \$45.4 million in direct project investment (construction costs in 2018 dollars) is estimated to be spent locally within the county. This direct local investment will generate an additional \$11.7 million in indirect and \$17.6 million in induced economic output – resulting in an estimated total economic output of nearly \$74.6 million within Suffolk County. These two projects will support approximately 490 total temporary jobs (representing cumulative jobs over the two-year period), including 289 direct jobs, 80 indirect jobs, and 122 induced jobs.

Employment (Cumulative)

Impact Type	100-Room Hotel	60-Unit Apartment Building	Total Project Construction
Direct Effect	185	104	289
Indirect Effect	34	46	80
Induced Effect	74	48	122
Total Effect	294	198	492

Economic Output (Cumulative)

Impact Type	100-Room Hotel	60-Unit Apartment Building	Total Project Construction
Direct Effect	\$27,163,559	\$18,187,986	\$45,351,545
Indirect Effect	\$5,547,692	\$6,148,691	\$11,696,383
Induced Effect	\$10,660,046	\$6,902,795	\$17,562,841
Total Effect	\$43,371,297	\$31,239,472	\$74,610,769
ROI	\$16,207,738	\$13,051,486	\$29,259,224

Source: IMPLAN, 4ward Planning, 2018

Non-Local Household Spending from Multifamily Development

Key Findings: Non-Local Household Spending

\$2.0 million in total economic output generated in 2017 from three projects

From 2004 to 2017, there were three major multi-family residential development projects constructed within downtown Patchogue (Artspace, Copper Beech, and New Village) that received public subsidy in the form of either grants, low-interest rate loans, and/or tax abatements. By 2017, these three projects, combined, brought an estimated 211 new non-local households to downtown Patchogue. Spending from these new non-local households supported an estimated 35 total jobs and nearly \$2.0 million in total annual economic output in 2017 and generated nearly \$10.0 million in total economic output from 2004 to 2017.

\$386,400 in projected total economic output generated in 2022 from a prospective new apartment project

From 2019 to 2020, construction of a prospective 60-unit apartment project within Patchogue is expected to be completed by 2020, bringing new non-local households to Suffolk County. By 2022, when the project is expected to be stabilized (assuming a five percent vacancy rate), annual spending from the apartment's estimated 28 new non-local households (50 percent of all occupied households) will support an estimated seven total jobs and generate \$386,400 in annual economic output within Suffolk County. From 2020 to 2029, spending from these new non-local households will generate nearly \$3.7 million in total economic output within Suffolk County.

Economic Impact Analysis: Non-Local Households

From 2004 to 2017, three multi-family housing projects in downtown Patchogue received some sort of public subsidy in the form of either grants, low-interest rate loans, and/or tax abatements: Copper Beech, Artspace, and New Village. Based on housing unit breakdowns by project, bedroom size, and general affordability (share of market versus affordable units), 4ward Planning estimated the number of non-local households by bedroom size and project assuming a natural vacancy rate of five percent. Utilizing area median income (AMI) estimates by household size provided by HUD for Suffolk County, median household income levels were estimated for workforce (120 percent of AMI), market-rate households (100 percent of AMI), and affordable households (50, 60, and 80 percent of AMI). Persons per household assumptions are outlined in the table to the right (e.g., a studio accommodates a one-person household, while a three-bedroom unit accommodates a four-person household).

Projects	Studio	1 BDR	2 BDR	3 BDR	Total
Non-Local Units					
Artspace (50% AMI)	1	5	5	1	12
Artspace (60% AMI)	1	5	5	1	12
Copper Beech (120% Workforce)	0	0	10	0	10
Copper Beech (100% Market)	0	0	10	0	10
Copper Beech (80% Affordable)	0	0	20	0	20
New Village (100% Market)	6	19	23	1	49
New Village (80% Affordable)	6	19	23	1	49
New Village (50% Affordable)	6	19	23	1	49
Total Units	20	67	119	5	211
Non-Local Households (5% Vacancy)					
Artspace (50% AMI)	1	5	5	1	12
Artspace (60% AMI)	1	9	8	1	19
Copper Beech (120% Workforce)	0	0	10	0	10
Copper Beech (100% Market)	0	0	10	0	10
Copper Beech (80% Affordable)	0	0	19	0	19
New Village (100% Market)	6	18	22	1	47
New Village (80% Affordable)	6	18	22	1	47
New Village (50% Affordable)	6	18	22	1	47
Total Households	20	68	118	5	211
Persons per HH Assumption	1	2	3	4	
Median HH Income (Suffolk County)					
Workforce (120% of Median HH Income)	\$93,050	\$106,350	\$119,650	\$132,950	
Market (100% of Median HH Income)	\$81,690	\$93,360	\$105,030	\$116,700	
Affordable (80% of Median HH Income)	\$62,050	\$70,900	\$79,800	\$88,650	
Affordable (60% of Median HH Income)	\$46,550	\$53,200	\$59,850	\$66,500	
Affordable (50% of Median HH Income)	\$38,000	\$44,350	\$49,900	\$55,400	
Project Median HH Income					
Artspace (50% AMI)	\$38,000	\$44,350	\$49,900	\$55,400	\$47,054
Artspace (60% AMI)	\$46,550	\$53,200	\$59,850	\$66,500	\$56,350
Copper Beech (120% Workforce)	\$93,050	\$106,350	\$119,650	\$132,950	\$119,650
Copper Beech (100% Market)	\$81,690	\$93,360	\$105,030	\$116,700	\$105,030
Copper Beech (80% Affordable)	\$62,050	\$44,350	\$49,900	\$55,400	\$49,900
New Village (100% Market)	\$81,690	\$93,360	\$105,030	\$116,700	\$97,829
New Village (80% Affordable)	\$62,050	\$70,900	\$79,800	\$88,650	\$74,314
New Village (50% Affordable)	\$38,000	\$44,350	\$49,900	\$55,400	\$46,372
Average HH Income	\$58,750	\$65,523	\$77,011	\$76,530	\$71,566

Source: Consumer Expenditure Survey, 2016; IMPLAN, 4ward Planning, 2018

Economic Impact Analysis: Non-Local Households and Income

The prospective 60-unit apartment building is expected to be completed in 2020, bringing new non-local households to the Suffolk County. Approximately 50 percent of all units (30 units) are expected to be occupied by non-local residents. Housing occupancy is assumed to reach 60 percent by 2020, 80 percent by 2021, and 95 percent by 2022. The table to the right presents unit breakdowns by bedroom size and affordability at 95 percent occupancy (assuming a natural five percent vacancy rate). Utilizing area median income (AMI) estimates by household size provided by HUD for Suffolk County, median household income levels were estimated for market rate (100 percent of AMI) and affordable households (60 and 80 percent of AMI). Persons per household assumptions are outlined in the table to the right (e.g., a one bedroom accommodates a two-person household, while a three bedroom accommodates a four-person household). Rents are estimated to be equivalent to 30 percent of each household's monthly income.

60-Unit Apartment (2022)

Projects	1 BDR	2 BDR	3 BDR	Total
Non-Local Units (50%)				
100% of Median HH Income	10	10	4	24
80% of Median HH Income	1	1	1	3
60% of Median HH Income	1	1	1	3
Total Units	12	12	6	30
Non-Local Households (95% Occupied)				
100% of Median HH Income	9	9	4	22
80% of Median HH Income	1	1	1	3
60% of Median HH Income	1	1	1	3
Total Households	11	11	6	28
Persons per HH Assumption	2	3	4	
Est. Median HH Income				
100% of Median HH Income	\$93,360	\$105,030	\$116,700	
80% of Median HH Income	\$74,688	\$84,024	\$93,360	
60% of Median HH Income	\$46,680	\$52,515	\$58,350	
Weighted Average HH Income	\$87,914	\$98,903	\$103,085	
Rent (30% of Monthly Income)				
100% of Median HH Income	\$2,330	\$2,630	\$2,920	
80% of Median HH Income	\$1,870	\$2,100	\$2,330	
60% of Median HH Income	\$1,170	\$1,310	\$1,460	
Weighted Average Rent	\$2,180	\$2,460	\$2,580	

Source: Consumer Expenditure Survey, 2016; IMPLAN, 4ward Planning, 2018

Economic Impact Analysis: Non-Local Household Spending

Summarized in the table below, 4ward Planning estimated retail spending as a share of household income (by household size and spending category) based on national consumer expenditure survey data. Next, based on our experience and research in this area, 4ward Planning estimated the share of household expenditures likely captured locally (within Suffolk County). Based on these household spending assumptions, average annual non-local household spending as estimated by project across spending categories and bedroom size, are summarized in the table to the right.

Household Spending and Capture Assumptions

Category	Share of Annual HH Income by Number of Persons in Household				% Local Capture
	One	Two	Three	Four	
Transportation	13.1%	12.9%	11.5%	10.3%	80%
Food at home	5.7%	5.2%	5.2%	4.8%	95%
Food away from home	4.9%	4.3%	3.8%	3.8%	80%
Entertainment	4.7%	4.2%	3.3%	3.4%	80%
Apparel and services	2.8%	2.1%	2.3%	2.4%	80%
Personal care products	1.2%	1.0%	0.9%	0.7%	80%

Source: Consumer Expenditure Survey, 2016; IMPLAN, 4ward Planning, 2018

Artspace

Category	Studio	1 BDR	2 BDR	3 BDR	Total
Transportation	\$8,861	\$72,297	\$67,004	\$10,045	\$158,206
Food at home	\$4,578	\$34,607	\$35,978	\$5,559	\$80,722
Food away from home	\$3,314	\$24,099	\$22,140	\$3,706	\$53,259
Entertainment	\$3,179	\$23,538	\$19,227	\$3,316	\$49,260
Apparel and services	\$1,894	\$11,769	\$13,401	\$2,340	\$29,404
Personal care products	\$812	\$5,604	\$5,244	\$683	\$12,342
Total	\$22,638	\$171,915	\$162,994	\$25,648	\$383,195

Copper Beech

Category	Studio	1 BDR	2 BDR	3 BDR	Total
Transportation	\$0	\$0	\$293,931	\$0	\$293,931
Food at home	\$0	\$0	\$157,828	\$0	\$157,828
Food away from home	\$0	\$0	\$97,125	\$0	\$97,125
Entertainment	\$0	\$0	\$84,345	\$0	\$84,345
Apparel and services	\$0	\$0	\$58,786	\$0	\$58,786
Personal care products	\$0	\$0	\$23,003	\$0	\$23,003
Total	\$0	\$0	\$715,019	\$0	\$715,019

New Village

Category	Studio	1 BDR	2 BDR	3 BDR	Total
Transportation	\$114,278	\$387,514	\$475,094	\$21,486	\$998,371
Food at home	\$59,047	\$185,496	\$255,105	\$11,890	\$511,538
Food away from home	\$42,745	\$129,171	\$156,987	\$7,927	\$336,831
Entertainment	\$41,001	\$126,167	\$136,331	\$7,092	\$310,591
Apparel and services	\$24,426	\$63,084	\$95,019	\$5,006	\$187,535
Personal care products	\$10,468	\$30,040	\$37,181	\$1,460	\$79,149
Total	\$291,965	\$921,472	\$1,155,717	\$54,862	\$2,424,016

Prospective 60-Unit Apt.

Category	Studio	1 BDR	2 BDR	3 BDR	Total
Transportation	\$0	\$99,238	\$99,526	\$50,965	\$249,730
Food at home	\$0	\$47,503	\$53,441	\$28,204	\$129,149
Food away from home	\$0	\$33,079	\$32,887	\$18,803	\$84,769
Entertainment	\$0	\$32,310	\$28,560	\$16,823	\$77,693
Apparel and services	\$0	\$16,155	\$19,905	\$11,875	\$47,936
Personal care products	\$0	\$7,693	\$7,789	\$3,464	\$18,946
Total	\$0	\$235,979	\$242,109	\$130,135	\$608,222

Economic Impact Analysis: Non-Local Household Spending Impacts

Utilizing average annual spending estimates provided on the proceeding page and percent local purchase data provided by IMPLAN, 4ward Planning calculated the economic impacts from new resident spending for each project assuming a one-year start-up period (where new housing is not yet fully occupied). The economic impacts of new resident spending is summarized below and in the table to the right.

- By 2017, spending from the 31 Artspace non-local households created an estimated four total jobs and \$248,360 in annual output. From 2010 to 2017, spending from these new residents generated nearly \$2.1 million in total economic output.
- By 2017, spending from the 39 Copper Beech non-local households created an estimated eight total jobs and \$465,800 in annual output. From 2007 to 2017, spending from these new residents generated over \$5.5 million in total economic output.
- By 2017, spending from the 141 New Village non-local households created an estimated 27 total jobs and nearly \$1.6 million total annual output. From 2015 to 2017, spending from these new residents generated over \$4.7 million in total economic output.

Buildout

Impact Type	Artspace	Copper Beach	New Village	Total
Operation Years	2010-2017	2007-2017	2015-2017	
Units	24	40	147	211
Households	31	39	141	211

Employment: 2017

Impact Type	Artspace	Copper Beach	New Village	Total
Direct Effect	3.3	6.3	21.2	27.5
Indirect Effect	0.2	0.4	1.2	1.6
Induced Effect	0.7	1.4	4.6	6.0
Total Effect	4.2	8.1	27.0	35.1

Economic Output: 2017

Impact Type	Artspace	Copper Beach	New Village	Total
Direct Effect	\$116,817	\$217,925	\$740,415	\$958,340
Indirect Effect	\$28,135	\$52,809	\$178,497	\$231,306
Induced Effect	\$103,404	\$195,063	\$654,603	\$849,666
Total Effect	\$248,356	\$465,797	\$1,573,515	\$2,039,312

Economic Output: All Years

Impact Type	Artspace	Copper Beach	New Village	Total
Direct Effect	\$983,476	\$2,593,062	\$2,231,904	\$4,824,966
Indirect Effect	\$236,551	\$626,924	\$537,867	\$1,164,791
Induced Effect	\$865,832	\$2,298,121	\$1,969,854	\$4,267,975
Total Effect	\$2,085,859	\$5,518,107	\$4,739,625	\$10,257,732

Economic Impact Analysis: Non-Local Household Spending

Utilizing average annual spending estimates and percent local purchase data previously provided, 4ward Planning calculated the economic impacts from new non-local household spending from the prospective 60-unit apartment project assuming a two-year start-up period (where new housing has not yet reached 95 percent occupancy). Approximately 50 percent of all apartment units are expected to be occupied by non-local residents. The economic impacts of new non-local household spending is summarized below and in the table to the right.

- By 2022, annual spending from the apartment's 28 new non-local households will support an estimated seven total jobs and generate \$386,400 in annual economic output. From 2020 to 2029, spending from the apartment's new non-local households will generate nearly \$3.7 million in total economic output.

Buildout

Impact Type	60-Unit Apartment
Operation Years	2022-2029
Units/ Rooms	30
Non-Local HHs by 2022	28
Total Annual Spending by 2022	\$608,222

Employment: 2022

Impact Type	60-Unit Apartment
Direct Effect	5
Indirect Effect	0
Induced Effect	1
Total Effect	7

Economic Output: 2022

Impact Type	60-Unit Apartment
Direct Effect	\$181,185
Indirect Effect	\$43,732
Induced Effect	\$161,489
Total Effect	\$386,406

Economic Output: 2020-2029

Impact Type	60-Unit Apartment
Direct Effect	\$1,725,519
Indirect Effect	\$416,804
Induced Effect	\$1,543,891
Total Effect	\$3,686,214

Source: IMPLAN, 4ward Planning, 2018

Business Operations & Non-Local Visitor Spending

Key Findings: Business Operations

537 new jobs by 2017

According to data provided by the Greater Patchogue Chamber of Commerce, approximately 54 new businesses were established in downtown Patchogue between 2000 and 2017, with 42 of these new businesses becoming stabilized during this same 17-year period (assuming a one-year start-up period where businesses are not yet at full capacity). Assuming industry average employment per establishment, based on 2002-2012 data sourced from the U.S. Census Bureau's Economic Census, these new businesses created an estimated 408 direct jobs (on-site). According to our analysis, by 2017, these estimated 408 in total direct jobs generated an additional 50 indirect jobs and 78 induced jobs – resulting in 537 total jobs.

196 additional new jobs by 2022

By 2022, annual visitor spending from the prospective hotel's 73 new nightly non-local visitors will support an estimated 196 total jobs (84 on-site and 112 off site).

\$48.7 million in a total economic output by 2017

In 2017, these downtown businesses also generated \$30.5 million in direct economic output, \$7.5 million in indirect economic output, and \$10.6 million in induced economic output – resulting in an annual total output of over \$48.7 million. From 2000 to 2017, these downtown businesses generated \$156.6 million in total direct economic output, \$43.5 million in indirect economic output, and \$61.9 million in induced economic output – resulting in a total output of \$262.1 million each year.

Key Findings: Business Operations (cont.)

\$21.5 million in direct non-local annual visitor spending by 2017

Utilizing direct industry sales and percent local purchase data provided by IMPLAN, 4ward Planning derived the estimated value of annual business sales by industry associated with each year of operations. Based on interviews with business owners and operators, 4ward Planning derived percent non-local visitor spending by industry from non-county visitors. By 2017, these downtown businesses generated \$21.5 million in direct annual non-local visitor spending.

\$113.1 million in direct non-local visitor spending over 17 years

Utilizing direct industry sales and percent local purchase data provided by IMPLAN, 4ward Planning derived the estimated value of annual business sales by industry associated with each year of operations. Based on interviews with business owners and operators, 4ward Planning derived percent non-local visitor spending by industry from non-county visitors. From 2000 to 2017, these downtown businesses generated \$113.1 million in direct non-local visitor spending.

\$160.8 million in an additional total economic output by 2029

By 2022, annual visitor spending from the hotel's 73 new nightly non-local visitors will support an estimated 196 total jobs (84 from on-site spending and 112 from off-site spending), and generate \$17.0 million in annual economic output within Suffolk County. From 2020 to 2029, spending from these new non-local visitors will generate nearly \$160.8 million in total economic output within Suffolk County.

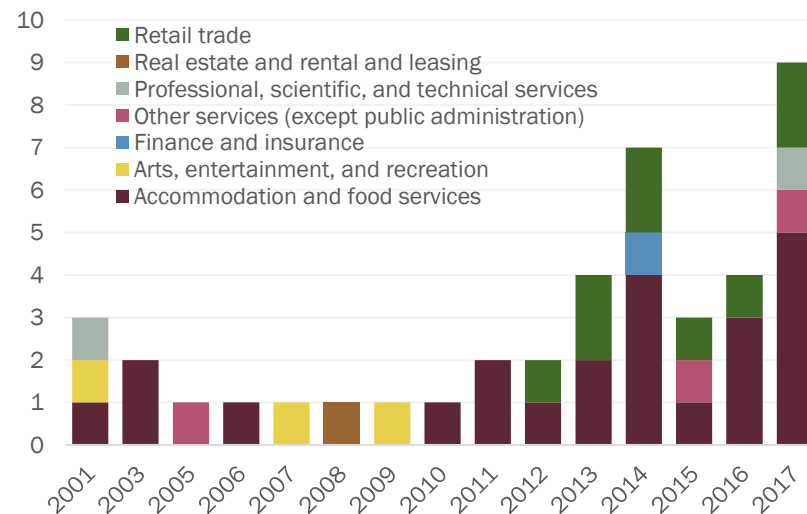
Economic Impact Analysis: Businesses Operations

According to data provided by the Greater Patchogue Chamber of Commerce, summarized below and presented in more detail on the following page, approximately 54 new business were established in downtown Patchogue between 2000 and 2017. Assuming a one-year start-up period where businesses are not yet at full capacity, 42 of these new business became stabilized in downtown Patchogue during this same 17-year period. Assuming industry average employment per establishment, based on 2002-2012 data sourced from the U.S. Census Bureau’s Economic Census (most recent data available), these new businesses created an estimated 408 direct jobs (on-site), with 65 percent of these jobs (264 jobs) within the accommodation and food service industry.

New Downtown Business by Industry, 2000-2017

NAICS Description	Downtown Businesses Established	Downtown Businesses Stabilized	Average Employee Assumptions	New Downtown Jobs
Accommodation and food services	29	24	11	264
Retail trade	12	9	11	99
Arts, entertainment, and recreation	5	2	8	16
Finance and insurance	2	1	9	9
Other services (except PA)	3	3	3	9
Professional, scientific, and technical svcs.	2	2	4	8
Real estate and rental and leasing	1	1	3	3
Total	54	42		408

Downtown Business Established, 2000-2017



Source: U.S. Census Bureau, 2002-2012 Economic Census, 4ward Planning, 2018

Economic Impact Analysis: Businesses Operations, 2000 to 2017

Business Name	Business Type	Year Estab.	Year Stabilized
Del Fiore Pizza & Food Co.	Restaurant	2000	2001
Yoga Yama	Yoga Studio	2000	2001
D & S Advertising, Inc.	Advertising	2000	2001
Gallo Restaurant of Patchogue	Restaurant	2002	2003
TOAST	Restaurant	2002	2003
Studio 80 Salon	Beauty Salon	2004	2005
Bobbique	Restaurant	2005	2006
Finest Fitness Health & Sports Club	Fitness Center	2006	2007
Signature Premier Properties	Real Estate Services	2007	2008
89 North Music Venue	Live Music & Event Venue	2008	2009
Public House 49	Bar/Restaurant	2009	2010
PeraBell Food Bar	Bar/Restaurant	2010	2011
Roast Coffee & Tea Trading Co.	Coffee Shop	2010	2011
The Tap Room	Bar/Restaurant	2011	2011
Dahlia Fashions Inc.	Women's Clothing	2011	2011
Cheese Patch	Cheese Shop/Wine	2012	2013
Hoptron Brewtique	Bar/Restaurant	2012	2013
Hoshi Hibachi & Sushi Restaurant	Restaurant	2012	2013
Sensationally Sweet	Candy Shop	2012	2013
Berry Good Yogurt Cafe	Self-Serve Yogurt Café	2013	2014
Goldberg's Famous Bagels of Patchogue	Deli/Bakery	2013	2014
That Meatball Place	Restaurant	2013	2014
Village Idiot Pub	Bar/Restaurant	2013	2014
Wallen's Natural Market	Grocery (Health Food)	2013	2014
Industrial Coverage	Insurance	2013	2014
Village Cigar Headquarters	Retail	2013	2014
Fulton's Gate Irish Pub	Restaurant	2014	2015
Tranquility Within Corp.	Health & Wellness	2014	2015
Say More Boutique	Retail	2014	2015

Business Name	Business Type	Year Estab.	Year Stabilized
360 Taiko Sushi & Lounge	Restaurant	2015	2016
Del Fuego	Restaurant	2015	2016
Kilwins Patchogue	Bakery	2015	2016
The Dusty Attic Shop	Retail	2015	2016
Amazing Olive	Gourmet Grocery	2016	2017
Arooga's	Restaurant	2016	2017
Catch Oyster Bar Inc.	Restaurant	2016	2017
Freezology	Ice Cream Shop	2016	2017
RHUM	Bar/Restaurant	2016	2017
Super Bowls	Café	2016	2017
Bella Salon and Dry Bar	Beauty Salon	2016	2017
Fishbat Media	Digital Marketing	2016	2017
South Shore Vintage	Retail	2016	2017
ButterMilk's Kitchen	Restaurant	2017	2018
Flo's	Restaurant	2017	2018
Indigo	Restaurant	2017	2018
Locale Gastro Bar & Pizzette	Restaurant	2017	2018
Smallcakes Cupcakery & Creamery	Bakery	2017	2018
Swell Taco	Restaurant	2017	2018
Cocomotion	Yoga Studio	2017	2018
Stereo Garden LI	Multi-Purpose Venue	2017	2018
Independent Adjustment Company	Insurance	2017	2018
Ellie J & Co.	Retail	2017	2018
Paper Doll Curiosity Shoppe	Retail	2017	2018
Thred	Retail	2017	2018

Note: 11 businesses were excluded due to insufficient data.

Businesses highlighted in green are not included for purposes of estimating economic impacts, given that they were considered stabilized after 2017.

Source: U.S. Census Bureau, 2002-2012 Economic Census, 4ward Planning, 2018

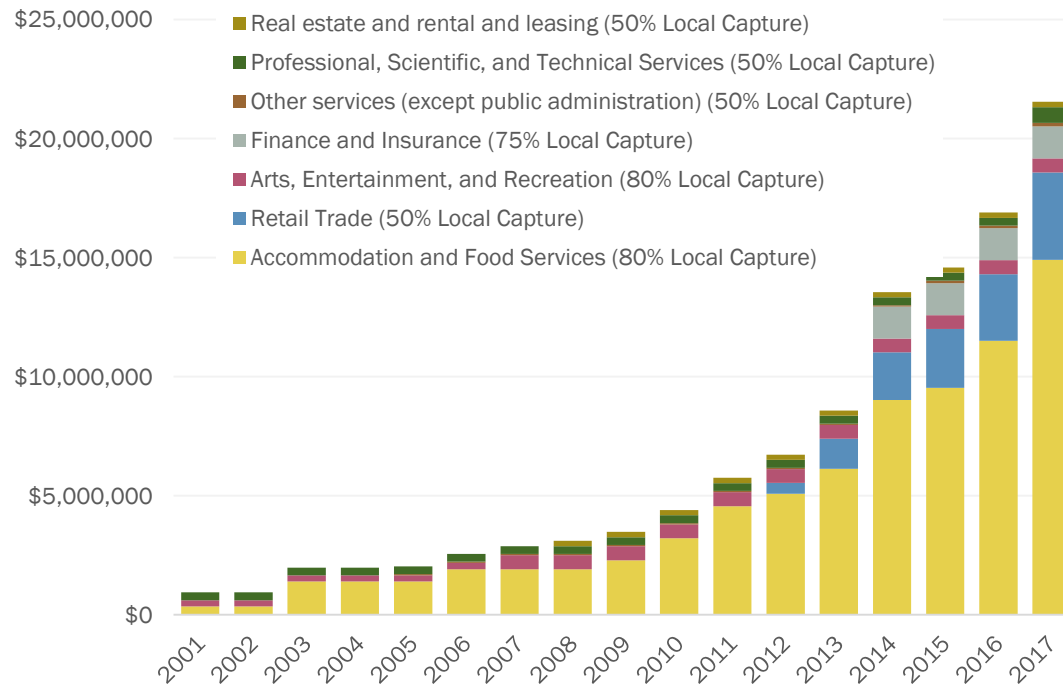
Economic Impact Analysis: Non-Local Visitor Spending

Utilizing direct industry sales and percent local purchase data provided by IMPLAN, 4ward Planning derived the estimated value of annual business sales by industry associated with each year of operations. Based on interviews with business owners and operators, 4ward Planning derived percent non-local visitor spending by industry from non-county visitors (presented in the table to the right).

By 2017, these downtown businesses generated \$21.5 million in direct non-local visitor spending. From 2000 to 2017, these downtown businesses generated \$113.1 million in direct visitor spending.

Downtown Non-Local Visitor Spending by Industry, 2000-2017

Industry	Direct Spending	% Visitor Spending Assumption	Visitor Spending
Accommodation & Food Services	\$96,112,856	80%	\$76,890,285
Retail Trade	\$25,323,773	50%	\$12,661,887
Arts, Entertainment, & Recreation	\$9,972,337	80%	\$7,977,870
Finance and Insurance	\$7,172,295	50%	\$3,586,147
Other services (except PA)	\$1,796,500	50%	\$898,250
Professional, Scientific, & Technical Services	\$11,835,586	75%	\$8,876,690
Real estate & rental & leasing	\$4,438,729	50%	\$2,219,365
Grand Total	\$156,652,076		\$113,110,492

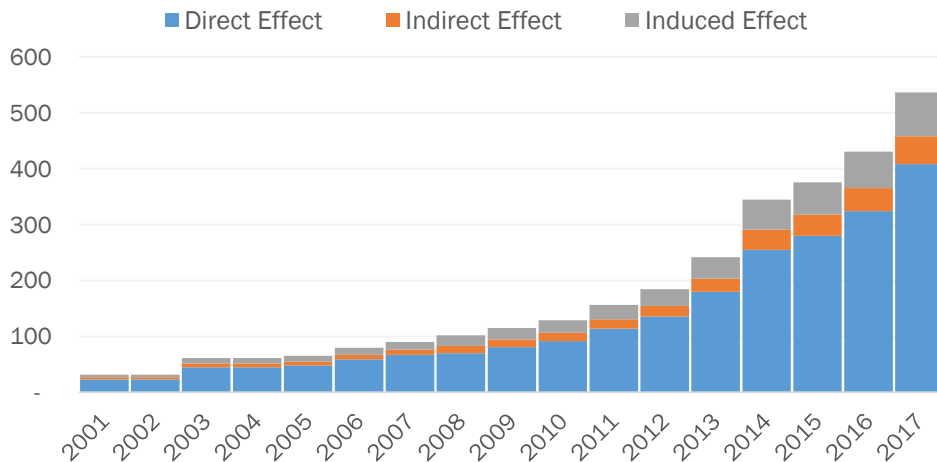


Source: IMPLAN, 4ward Planning, 2018

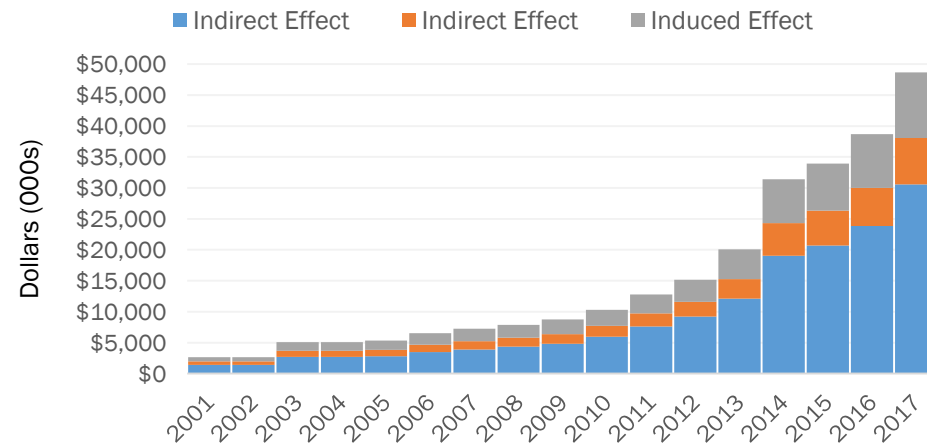
Economic Impact Analysis: Businesses Operations, 2001-2017

The charts presented below and the tables on the following page summarize the annual economic impact effects (direct, indirect, and induced permanent jobs and economic output in Suffolk County) from the identified downtown business that became stabilized between 2000 to 2017. According to our analysis, by 2017, these estimated 408 total direct jobs generated an additional 50 indirect jobs and 78 induced jobs— resulting in 537 total jobs. In 2017, these downtown businesses also generated \$30.5 million in direct economic output, \$7.5 million in indirect economic output, and \$10.6 million in induced economic output – resulting in an annual total output of over \$48.7 million. From 2000 to 2017, these downtown businesses generated \$156.6 million in total direct economic output, \$43.5 million in indirect economic output, and \$61.9 million in induced economic output – resulting in a total output of \$262.1 million.

Total Employment from New Businesses



Total Economic Output from New Businesses



Source: IMPLAN, 4ward Planning, 2018

Economic Impact Analysis: Businesses Operations, 2001-2017

Employment

Impact Type	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Direct Effect	23	23	45	45	48	59	67	70	81	92	114	136	180	255	280	324	408
Indirect Effect	4	4	7	7	7	8	9	13	14	15	17	19	24	36	38	41	50
Induced Effect	5	5	10	10	10	13	14	19	21	22	26	29	38	54	58	65	78
Total Effect	32	32	61	61	65	80	90	102	116	129	157	184	242	345	376	431	537

Economic Output (000s)

Impact Type	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
Direct Effect	\$1,419	\$1,419	\$2,725	\$2,725	\$2,831	\$3,483	\$3,890	\$4,334	\$4,801	\$5,953	\$7,640	\$9,205	\$12,123	\$19,017	\$20,687	\$23,829	\$30,572	\$156,652
Indirect Effect	\$556	\$556	\$967	\$967	\$1,008	\$1,195	\$1,339	\$1,474	\$1,577	\$1,773	\$2,079	\$2,388	\$3,128	\$5,296	\$5,620	\$6,152	\$7,489	\$43,565
Induced Effect	\$653	\$653	\$1,409	\$1,409	\$1,487	\$1,831	\$1,999	\$2,079	\$2,352	\$2,555	\$3,056	\$3,582	\$4,823	\$7,084	\$7,643	\$8,704	\$10,609	\$61,928
Total Effect	\$2,629	\$2,629	\$5,101	\$5,101	\$5,326	\$6,509	\$7,228	\$7,887	\$8,729	\$10,281	\$12,775	\$15,175	\$20,075	\$31,396	\$33,950	\$38,684	\$48,671	\$262,145

Source: IMPLAN, 4ward Planning, 2018

Economic Impact Analysis: Businesses Operations, 2001-2017

The table to the right (above), summarizes annual estimates state and local sales tax generated from the identified downtown businesses that became stabilized between 2000 to 2017. According to our analysis, by 2017, these downtown businesses generated between \$1.2 and \$1.5 million in annual sales tax. Between 2000 to 2017, these downtown businesses generated between \$6.7 and \$8.3 million in total annual sales tax.

Sales Tax Revenue from New Businesses, 2001-2017

Year	Low Estimate (90%)	IMPLAN Estimate	High Estimate (110%)
2001	\$64,580	\$71,756	\$78,932
2002	\$64,580	\$71,756	\$78,932
2003	\$145,721	\$161,912	\$178,103
2004	\$145,721	\$161,912	\$178,103
2005	\$149,674	\$166,304	\$182,934
2006	\$186,536	\$207,262	\$227,988
2007	\$198,052	\$220,058	\$242,064
2008	\$213,350	\$237,055	\$260,761
2009	\$232,512	\$258,347	\$284,182
2010	\$268,310	\$298,122	\$327,934
2011	\$328,931	\$365,479	\$402,027
2012	\$409,174	\$454,638	\$500,102
2013	\$553,936	\$615,484	\$677,032
2014	\$772,898	\$858,775	\$944,653
2015	\$857,274	\$952,527	\$1,047,780
2016	\$973,613	\$1,081,792	\$1,189,971
2017	\$1,217,933	\$1,353,259	\$1,488,585
Total	\$6,782,794	\$7,536,438	\$8,290,082

Economic Impact Analysis: Businesses Operations, 2020-2029

According to CBRE, a national provider of real estate market data, Long Island has an estimated hotel occupancy rate of 73 percent and an average daily rate of \$150. Utilizing consumer survey data based on Longwoods Travel USA, the largest ongoing survey of US business and leisure travel, and provided by Oxford Economics, percent on-site and off-site hotel guest spending assumptions were developed based on the average daily rate in Long Island. Given the characteristic of a hotel's customer base (catering to tourists or business travelers), it is assumed that 100 percent of hotel guest would be non-local visitors. Assuming constant percent occupancy and spending levels, by 2022, the prospective 100-room hotel project's estimated 73 daily non-local daily guests (26,645 non-local annual guests) would spend approximately \$15.4 million on trip-related goods and services. Next, utilizing percent local purchase data provided by IMPLAN, 4ward Planning calculated the economic impacts from new annual non-local visitor spending assuming a two-year start-up period (where the hotel is not fully stabilized). The economic impacts from new non-local visitor spending is summarized on the following page.

Source: Oxford Economics, *Economic Impact of the US Hotel Industry*, June 30, 2016; CBRE; 4ward Planning, 2018

Hotel Buildout Assumptions

	2020	2021	2022
Hotel Rooms	100	100	100
Occupied Rooms (Rate)	53 (53%)	63 (63%)	73 (73%)
Annual Occupied Room Nights	19,345	22,995	26,645

Non-Local Hotel Visitor Spending (2022)

Projects	On-Site	Off-Site	Total
Percent Spending Assumptions			
Lodging	61.3%	0.0%	31.1%
Transportation	0.0%	49.6%	24.4%
Food and Beverage	13.7%	23.7%	18.6%
Gaming	18.1%	0.0%	9.2%
Retail	1.3%	13.7%	7.4%
Recreation	0.0%	13.0%	6.4%
Other	5.6%	0.0%	2.9%
Total	100.0%	100.0%	100.0%
Overnight Spending			
Lodging	\$150	\$0	\$150
Transportation	\$0	\$165	\$165
Food and Beverage	\$34	\$79	\$113
Gaming	\$44	\$0	\$44
Retail	\$3	\$45	\$48
Recreation	\$0	\$43	\$43
Other	\$14	\$0	\$14
Total	\$245	\$332	\$577
Annual Spending			
Lodging	\$2,901,750	\$0	\$3,996,750
Transportation	\$0	\$3,794,175	\$4,396,425
Food and Beverage	\$657,730	\$1,816,605	\$3,010,885
Gaming	\$851,180	\$0	\$1,172,380
Retail	\$58,035	\$1,034,775	\$1,278,960
Recreation	\$0	\$988,785	\$1,145,735
Other	\$270,830	\$0	\$373,030
Total	\$4,739,525	\$7,634,340	\$15,374,165

Economic Impact Analysis: Businesses Operations, 2020-2029

Utilizing average annual spending estimates and percent local purchase data previously provided, 4ward Planning calculated the economic impacts from new non-local visitor spending for the prospective 100-room hotel project assuming a two-year start-up period (where new rooms have not yet reached stabilized occupied). Approximately 100 percent of all occupied hotel rooms (73 rooms) are expected to be occupied by non-local residents. The economic impacts of new non-local visitor spending is summarized below and in the table to the right.

- By 2022, annual visitor spending from the hotel's 73 new nightly non-local visitors will support an estimated 196 total jobs (84 on-site and 112 off site), and generate \$17.0 million in annual economic output within Suffolk County.
- From 2020 to 2029, spending from these new non-local visitors will generate nearly \$160.8 million in total economic output within Suffolk County.

Buildout: 100-Room Hotel

Impact Type	On-Site	Off-Site	Total
Non-Local Spending by 2022	\$6,528,025	\$8,846,140	\$15,374,165

Employment: 2022

Impact Type	On-Site	Off-Site	Total
Direct Effect	60	87	147
Indirect Effect	11	6	16
Induced Effect	13	20	33
Total Effect	84	112	196

Economic Output: 2022

Impact Type	On-Site	Off-Site	Total
Direct Effect	\$6,093,056	\$3,777,014	\$9,870,070
Indirect Effect	\$1,527,282	\$872,173	\$2,399,455
Induced Effect	\$1,904,072	\$2,860,734	\$4,764,806
Total Effect	\$9,524,410	\$7,509,921	\$17,034,331

Economic Output: 2020-2029

Impact Type	On-Site	Off-Site	Total
Direct Effect	\$57,405,947	\$35,665,829	\$93,071,776
Indirect Effect	\$14,389,112	\$8,235,682	\$22,624,794
Induced Effect	\$17,955,468	\$27,131,321	\$45,086,789
Total Effect	\$89,750,527	\$71,032,832	\$160,783,359

Source: IMPLAN, 4ward Planning, 2018

Economic Impact Analysis: Total Economic Impacts

Total Economic Impacts

As summarized below, from 2000 to 2017, project construction, new construction, non-local household spending, and downtown business operations combined supported approximately 5,920 total jobs (the cumulative number of annualized jobs over the 17-year period), and generated over \$693.3 million in total economic output. *Based on economic impact findings, the various public and private investments made in and around Patchogue's downtown, over the past 17 years, which have helped attract new residents and businesses to downtown, has helped leverage a considerable amount of direct, indirect, and induced economic activity within Suffolk County.*

Furthermore, from 2019 to 2029, the prospective new hotel and apartment projects combined are estimated to support approximately 2,530 additional total jobs (over the 10-year period), and generated nearly \$239.1 million in total economic output. The impact from public and private investments made in and around downtown Patchogue is expected to continue increasing, to the extent infrastructure, development, and building improvements continue to attract new residents, businesses, and visitors to downtown.

Total Economic Impacts

Impact Type	Employment (Cumulative)		Economic Output	
	2000-2017	2020-2029	2000-2017	2019-2029
Direct Effect	3,852	1,842	\$408,476,636	\$140,148,840
Indirect Effect	904	238	\$124,349,678	\$34,737,982
Induced Effect	1,163	448	\$160,483,644	\$64,193,521
Total Effect	5,918	2,527	\$693,309,958	\$239,080,343

Economic Impact Analysis: Total Economic Impacts

Recent Development, 2000-2017

Employment (Cumulative)

Impact Type	Construction (2004-2017)	New Household Spending (2010-2017)	New Business Operations (2000-2017)	Total (2000-2017)
Direct Effect	1,435	167	2,250	3,852
Indirect Effect	582	9	312	904
Induced Effect	651	36	476	1,163
Total Effect	2,668	212	3,038	5,918

Economic Output

Impact Type	Construction (2004-2017)	New Household Spending (2010-2017)	New Business Operations (2000-2017)	Total (2000-2017)
Direct Effect	\$246,016,119	\$5,808,441	\$156,652,076	\$408,476,636
Indirect Effect	\$79,383,142	\$1,401,342	\$43,565,194	\$124,349,678
Induced Effect	\$93,421,669	\$5,133,808	\$61,928,167	\$160,483,644
Total Effect	\$418,820,930	\$12,343,591	\$262,145,437	\$693,309,958

Prospective Development, 2019-2029

Employment (Cumulative)

Impact Type	Construction (2019-2020)	New Household Spending (2020-2029)	New Business Operations (2020-2029)	Total (2019-2029)
Direct Effect	289	50	1,503	1,842
Indirect Effect	80	3	155	238
Induced Effect	122	11	314	448
Total Effect	492	64	1,972	2,527

Economic Output

Impact Type	Construction (2019-2020)	New Household Spending (2020-2029)	New Business Operations (2020-2029)	Total (2019-2029)
Direct Effect	\$45,351,545	\$1,725,519	\$93,071,776	\$140,148,840
Indirect Effect	\$11,696,383	\$416,804	\$22,624,795	\$34,737,982
Induced Effect	\$17,562,841	\$1,543,891	\$45,086,789	\$64,193,521
Total Effect	\$74,610,769	\$3,686,214	\$160,783,360	\$239,080,343

Fiscal Impacts

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Multi-Family Housing Development Projects Built Since 2004

Fiscal Impacts: Multi-Family Housing Development

Overview

A fiscal impact analysis (FIA) examines the linkage between local government revenue generated by new development and its resultant municipal service costs (e.g., police, fire, schools, sanitation, etc.). The outcome of such an analysis is to produce a project-related estimate of community service costs to projected revenues - a “cost-revenue ratio” - which will either be positive (a revenue surplus), negative (a revenue shortfall), or neutral (break-even).

Generally, fiscal impact analysis is performed prior to the development and occupancy of a particular project (residential, office, retail or industrial) for purposes of anticipating net new service costs and revenues for a given municipality and school district. However, 4ward Planning’s charge for this study is to perform a post development FIA on the major residential development projects constructed and occupied in the Patchogue since 2006. This approach offers the benefit of evaluating actual service costs incurred and revenues generated, as opposed to projecting these metrics.

Further, the two analytic methods critical to performing a post development FIA are the per capita method and case study method, each of which is more fully described on the following page.

Fiscal Impacts: Multi-Family Housing Development

Overview (continued)

Per Capita Method – Quite simply, this FIA approach determines public service costs on an average unit basis – per pupil for the school district and per capita and per employee for the municipality. It is, generally, a straightforward division of known annual service costs divided by either total students, residents or workers. This method is the most widely used FIA approach due to both its simplicity and its low cost to perform. The recommended multipliers for population and student enrollment changes are derived from U.S. Census based data (e.g., persons per household, dependent upon housing unit type (single-family detached, single-family detached, multi-family, etc.) and housing tenure (owner-occupied or renter-occupied)).

Case Study Method – The case study approach relies on site-specific interviews of public officials knowledgeable of local service and capacity conditions as the primary means of determining the effects of population growth on public services and costs. The interviews identify the anticipated marginal costs of growth given conditions of excess or deficient service capacity. In the case of excess capacity (capacity beyond that needed to accommodate the existing population at current service levels), development induced growth will add to costs at lower-than-average per capita/student/employee levels. In the case of deficient capacity (capacity below that needed to accommodate the existing population at current service levels), development induced growth will add to costs at higher-than-average per capital/student/employee levels.

This fiscal impact analysis focuses exclusively on the number of public school age-children associated with multi-family residential projects developed since 2006, and, thus, examines seven such housing projects.

Fiscal Impacts: Multi-Family Housing Development

Overview (continued)

The residential development projects included in this FIA are exhibited below:

Year Opened	Multi-Family Housing Developments	Units	Studios	1BR	2BR	3BR
2006	Copper Beech, Townhouses, 50% Affordable	80	-	-	80	-
2006	Condos on Waverly (Pinewood Terrace)	36	-	-	36	-
2007	Riverview Condos	35	-	-	21	14
2008	Bay Village Condos	64	-	-	64	-
2009	Artspace Lofts Rental Units, 100% Affordable	45	3	20	18	4
2014	New Village, Rental Units 30% Affordable	291	35	113	138	5
2016	Riverwalk Condos ¹	163	-	-	127	36
	Totals	714	38	133	484	59

¹ Riverwalk Condos was developed in multiple phases, with the completion of the final phase occurring in 2016.

In order to estimate the number of persons (inclusive of the number school-age children) occupying the above 714 multi-family residential units, 4ward Planning utilized the most current residential multipliers developed by the Rutgers University Center for Urban Policy Research (CUPR). These residential multipliers (exhibited on the following page) are based on primary research utilizing the U.S. Census' Public Use Microdata Sample (PUMS), which represents population and housing unit records with individual response information, such as relationship, sex, educational attainment, and employment status. PUMS data is far more detailed than the summary socio-economic data generally provided by the Census and, thus, allows for an examination of such statistics as the number of persons living in a certain housing unit type (e.g., two-bedroom rental apartment; single-family detached house, etc.).

Fiscal Impacts: Multi-Family Housing Development (continued)

The below table exhibits residential multipliers which are specific to housing in New York State. The multipliers listed are based on 2000 Census Data (utilizing PUMS data sets for New York State) and, therefore, are considered outdated. Further, and based on 4ward Planning’s extensive experience performing market studies and fiscal impact analyses regionally and nationally, the below multipliers likely overstate the total number of projected residents, generally, given that there has been a marked decline in the number of households with children, as well as the number of children per household, due to lower fertility rates and a

growing trend among young adults deciding to have fewer children (if not to forgo starting a family altogether). Consequently, the projected number of new residents to the Village of Patchogue, based on the adjacent metrics, likely overstates the number of public school-age children, in particular (see page XX).

Residential Multipliers¹

<u>Unit Type</u>	<u>Total Persons</u>	<u>Total PSAC</u>	<u>K-6</u>	<u>7-9</u>	<u>10-12</u>	<u>9th Only</u>
Multi-Family Condo						
Studio	1.20	0.00	0.00	0.00	0.00	0.00
1 br	1.86	0.15	0.12	0.01	0.02	0.00
2 br	1.88	0.09	0.06	0.02	0.01	0.01
3 br	3.00	0.49	0.17	0.14	0.19	0.06
Multi-Family Rental						
Studio	1.20	0.00	0.00	0.00	0.00	0.00
1 br	1.66	0.15	0.10	0.03	0.02	0.01
2 br	2.51	0.43	0.27	0.08	0.08	0.03
3 br	4.20	1.07	0.60	0.25	0.23	0.09

Source: Rutgers University, Center for Urban Policy Research, June 2006

¹ These residential multipliers are specific to New York State residential development and based on 2000 Census Data.

Finally, it should be noted that the adjacent residential multipliers only account for public school-age children (PSAC), as children who attend private or parochial schools (representing about 22 out of 100 students) do not, generally, pose a cost burden to the local school district.

Fiscal Impacts: Multi-Family Housing Development (continued)

Based on the multi-family residential project unit counts exhibited on page 83, and utilizing the residential multipliers exhibited on page 84, **the expected number of total residents and associated public school-age children** per project are exhibited in the below table:

Residential Project	Households	Residents	K-6 PSAC	7-9 PSAC	10-12 PSAC	Total PSAC
Copper Beech	80	151	5	2	1	8
Condos on Waverly	36	68	2	1	1	4
Riverview Condos	35	82	4	1	1	6
Bay Village Condos	64	120	4	1	1	6
Artspace Lofts	45	99	10	4	4	18
New Village Apartments	291	598	51	16	14	81
Riverwalk Condos	163	347	14	3	2	19
Totals	714	1,465	90	28	24	142

However, and subsequent to the completion of the original version of this report, the Patchogue-Medford School District provided actual student enrollment data associated with each of the above properties (displayed on the following page).

Fiscal Impacts: Multi-Family Housing Development (continued)

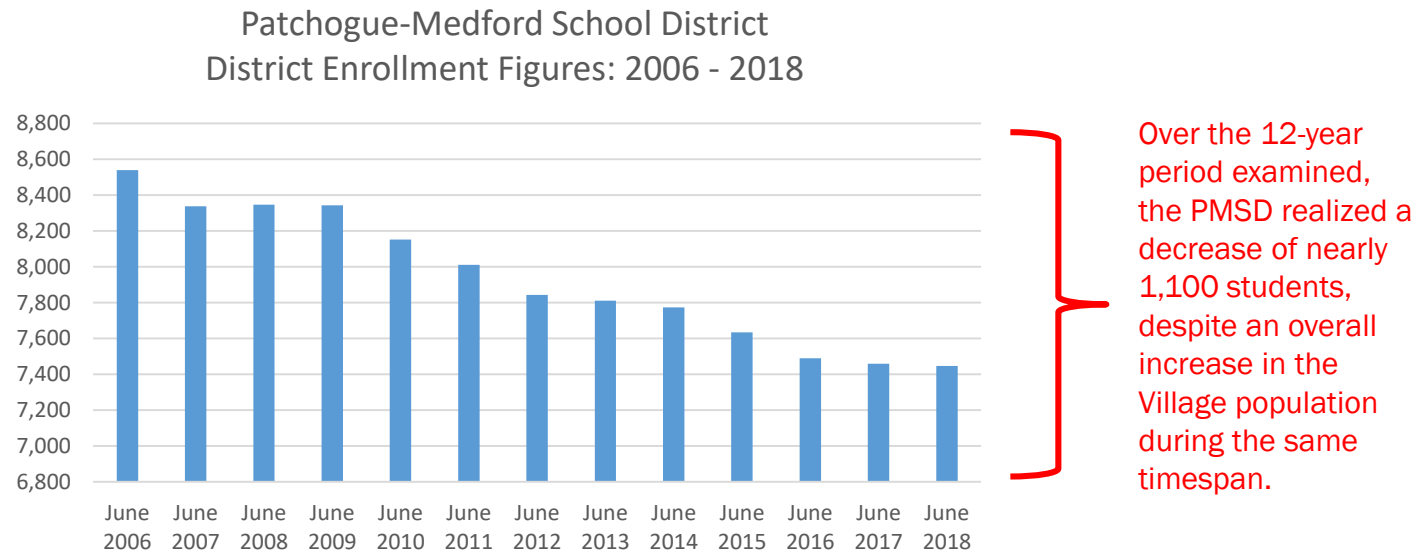
As can be seen in the below table, the actual number of total public school-age children is far below what the residential multipliers projected and only in once instance (Condos on Waverly) is the actual number of public students produced greater than the projected number of public school students:

Residential Project	Households	Projected	Actual
Copper Beech	80	8	4
Condos on Waverly	36	4	10
Riverview Condos	35	6	0
Bay Village Condos	64	6	4
Artspace Lofts	45	18	5
New Village Apartments	291	81	12
Riverwalk Condos	163	19	5
Totals	714	142	40

The actual number of public school-age children is 28 percent of the projected total and only in one case – Condos on Waverly – are the number of actual students greater than what was projected.

As was earlier mentioned, there are a number of reasons that the actual number of total public school-age children is far lower than what would be expected, including lower fertility rates, regionally and nationally, as well as an increasing number of children who are being enrolled in parochial and private schools.

Fiscal Impacts: Multi-Family Housing Development (continued)



Source: Patchogue-Medford School District, 2018

The above table illustrates student enrollment trends within the Patchogue-Medford School District (PMSD) from 2006 through 2018. Student enrollment in the district has declined by 1,093 since 2006 (nearly a 13 percent decrease). This student enrollment decline is surprising, given that total population within the Village has increased by nearly six-percent since 2010, according to U.S. Census estimates.

Further, enrollment data for each of the schools within the PMSD (save for the River Elementary School) exhibit a steady decline, suggesting the decrease in students is fairly broad across grade levels.

Fiscal Impacts: Multi-Family Housing Development (continued)

Patchogue-Medford School District Service Costs

Based on an interview with Dr. Michael Hynes, Superintendent of the PMSD, there has been an increase in instructional staffing that has more to do with the changing demographics within PMSD (inclusive of special needs and bilingual education), than student enrollment associated with the seven multi-family residential projects. Further, and based on the interview with Dr. Hynes, there has not been need to expand building facilities within the district, as a result of the new multi-family projects. Indeed, Dr. Hynes stated that the PMSD has given serious consideration to school redistricting, given the student enrollment decline over the past dozen years.

It should be noted that the River Elementary School is the only PMSD school to experience a student enrollment increase from 2006 to 2018 – a net increase of 74 students for a 24 percent increase. However, from 2002 to 2006, the school realized a net loss of 58 students (a 16 percent decline). Consequently, it is assumed that there was likely sufficient capacity to absorb the net 74 students between 2006 and 2018 (a net of 16 new students when expanding the period of observation from 2002 to 2018).

When a school district (and its member schools) have capacity for new students (e.g., existing materials and equipment, available desk space, existing instructional staff and administrative personnel), the cost to educate the incoming pupil is, generally, marginal. For example, while the average per pupil educational cost might equal \$25,000 (spreading all current operating costs over the existing student body), the next student to arrive (and assuming there is sufficient capacity) would not generate a \$25,000 cost of service but something quite lower (as low as 20 percent of the average cost, assuming no special needs requirements).

Fiscal Impacts: Multi-Family Housing Development (continued)

Accordingly, and based on demonstrated student capacity within the PMSD, we utilize an average per pupil cost range of \$4,000 (lower average and approximately one-sixth of the current average per pupil expenditure) and \$8,000 (higher average which takes special education costs into consideration) to estimate the likely educational service costs associated with new multi-family housing.

Residential Project	Total Actual PSAC	Lower Limit Average Cost (\$4,000/Pupil)	Upper Limit Average Cost (\$8,000/Pupil)
Copper Beech	4	\$16,000	\$32,000
Condos on Waverly	10	\$40,000	\$80,000
Riverview Condos	0	\$0	\$0
Bay Village Condos	4	\$16,000	\$32,000
Artspace Lofts	5	\$20,000	\$40,000
New Village Apartments	12	\$48,000	\$96,000
Riverwalk Condos	5	\$20,000	\$40,000
<i>Totals</i>	40	\$160,000	\$320,000

What is important to understand is that the above estimated annual school services costs are based on the identified total PSAC attending during the same period of time; however, residential development projects generate school children at different periods of time (and despite the projected number of PSAC per unit, it's a mere chance that they all appear on the date of the residential project's opening). Consequently, the above identified estimated annual service cost ranges should be considered worst case cost estimates.

Fiscal Impacts: Multi-Family Housing Development (continued)

The below table exhibits a summary of PMSD student educational costs on an average annual basis and over the ten-year period – associated with when the first of the seven large multi-family projects opened. The annual per pupil cost (low cost average of \$4,000) is based on the preceding table. Further, the total values found in the last column are considered a worst-case (and assuming no special needs among the 40 students), assuming that not all of the projected public school-age children enroll from the time the residential project is open for occupancy.

Residential Project	Years Open	Actual Total PSAC	Lower Limit Average Cost (\$4,000/Pupil) Total Annual Average Cost	Total Educational Service Cost Since Project Opening
Copper Beech	10	4	\$16,000	\$160,000
Condos on Waverly	11	10	\$40,000	\$440,000
Riverview Condos	9	0	\$0	\$0
Bay Village Condos	10	4	\$16,000	\$160,000
Artspace Lofts	5	5	\$20,000	\$40,000
New Village Apartments	5	12	\$48,000	\$240,000
Riverwalk Condos	7	5	\$20,000	\$140,000
<i>Totals</i>		40	\$160,000	\$1,180,000

Fiscal Impacts: Multi-Family Housing Development (continued)

Arrayed in the below table are each of the multi-family projects examined and their associated annual assessment values. The blue bars beneath a given year indicates the property was not yet developed.

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Copper Beech												
Assessed Value		\$538,689	\$568,050	\$568,050	\$568,050	\$568,050	\$568,050	\$568,050	\$568,050	\$568,050	\$568,050	\$568,050
Condos on Waverly												
Assessed Value	\$76,000	\$76,000	\$384,240	\$381,234	\$381,995	\$384,640	\$384,640	\$384,640	\$384,640	\$384,640	\$384,640	\$384,640
Riverview Condos												
Assessed Value			\$225,695	\$298,297	\$319,064	\$319,064	\$319,064	\$320,049	\$320,049	\$320,049	\$320,049	\$320,049
Bay Village Condos												
Assessed Value	\$343,038	\$581,560	\$581,560	\$581,560	\$581,560	\$581,560	\$581,560	\$581,560	\$581,560	\$581,560	\$581,560	\$490,000
Artspace Lofts												
Assessed Value												
New Village¹												
Assessed Value							\$105,704	\$105,704	\$105,704	\$105,704	\$105,704	\$105,704
Riverwalk Condos												
Assessed Value												

Sources: Village of Patchogue Tax Assessor

¹ New Village has a PILOT agreement in place which bases its annual assessment value (\$105,704) on the 2010 total land value assessment. Going forward into 2019, the PILOT is based on the 2010 land assessed value multiplied by the tax rate, plus a percentage share of the new total assessed value (\$2,382,750), reflecting the total project development: rental apartments, ground level commercial space, and underground parking garage. Starting in tax year 2028, the real property tax levy will be based on the full property assessed value.

Fiscal Impacts: Multi-Family Housing Development (continued)

The below table exhibits the PMSD tax levies for each of the multi-family residential projects examined and based on when these projects placed on the tax rolls.

Tax Year	Copper Beech	Condos on Waverly	Riverview Condos	Bay Village Condos	Artspace Lofts	Riverwalk Condos	New Village Apartments ¹
2007-08	-	\$13,458	-	-	-	-	-
2008-09	\$192,889	\$14,669	-	\$51,245	-	-	-
2009-10	\$181,120	\$4,613	\$21,089	\$89,738	-	-	-
2010-11	\$176,463	\$130,924	\$49,428	\$191,636	-	-	-
2011-12	\$186,460	\$135,183	\$72,337	\$195,621	-	-	-
2012-13	\$191,374	\$139,651	\$71,138	\$199,854	-	-	-
2013-14	\$197,877	\$143,628	\$71,213	\$204,230	\$11,605	\$56,892	-
2014-15	\$197,804	\$145,178	\$69,638	\$204,432	\$11,661	\$83,949	\$0
2015-16	\$168,657	\$145,950	\$100,706	\$207,582	\$11,903	\$142,017	\$0
2016-17	\$180,621	\$147,309	\$102,413	\$197,208	\$12,110	\$307,866	\$0
2017-18	\$196,294	\$152,643	\$110,715	\$212,019	\$12,630	\$456,653	\$0
Totals	\$1,869,561	\$1,215,206	\$668,679	\$1,753,566	\$59,910	\$1,047,377	\$0

Sources: Town of Brookhaven Tax Assessor's Office, 2018

¹The negotiated PILOT agreement does not require the project to pay levies to these districts.

Fiscal Impacts: Multi-Family Housing Development (continued)

The below table summarizes the cumulative tax levies for each of the multi-family residential projects examined and since they were first placed on the tax roles.

Residential Project	Years Open	Total PMSD Taxes
Copper Beech	10	\$1,869,561
Condos on Waverly	11	\$1,215,206
Riverview Condos	9	\$668,679
Bay Village Condos	10	\$1,753,566
Artspace Lofts	5	\$59,910
New Village Apartments	5	***
Riverwalk Condos	7	\$1,047,347
<i>Totals</i>		<i>\$6,614,297</i>

Sources: Village of Patchogue Tax Assessor; Town of Brookhaven Tax Assessor's Office, 2018

*** The negotiated PILOT agreement does not require the project to pay levies to these districts.

Fiscal Impacts: Multi-Family Housing Development (continued)

Patchogue-Medford School District Estimated Net Fiscal Impact

Under the assumption that the PMSD realized a worst-case enrollment and cost per pupil scenario, the current aggregate educational cost associated with the seven multi-family residential projects is an estimated \$1,180,000. The aggregate tax levy accruing to the PMSD over the same period of time is an estimated \$6,614,297 – a net surplus of \$5,434,297.

However...

As not all of the public school-age children were likely to have occupied the residential units from the first year of the project's opening, it is likely that the true educational cost is lower than what is projected in this analysis.

Prospective Large-Scale Development Projects

Fiscal Impacts: Prospective Large-Scale Development

Based on the revitalization success Patchogue is experiencing, private investment interest in a variety of prospective commercial and residential projects remains robust.

Two such prospective projects are a 100-room full-service hotel within the downtown (on the site of the former medical center) and a 60-unit multi-family rental apartment building to be located somewhere along the Patchogue riverfront. As part of 4ward Planning's study charge, fiscal impact analyses were performed for each of these prospective projects, as if they were built and operationally stabilized.

The objective for performing fiscal impact analyses on prospective development is to determine if such projects would, on net, be beneficial to the Village, in terms of projected tax revenues exceeding projected Village and PMSD service costs.

As is demonstrated on the following pages, the projected annual net fiscal impacts to the Village and PMSD are, indeed, positive. Specifically, the annual net fiscal impact to the Village and PMSD associated with the prospective 100-room full-service hotel is \$236,544 and \$500,188, respectively. The annual fiscal impact to the Village and PMSD associated with the prospective 60-unit multi-family rental apartment building is \$130,202 and \$342,032.

Following is a description of the property valuation methodology employed for each of the analyzed prospective projects, along with the calculations of projected number of new residents (inclusive of public school-age children), workers, and associated annual service costs and tax revenues.

Fiscal Impacts: Prospective Large-Scale Development

Commercial properties (including multi-family residential properties, which are recognized by New York State tax assessors as commercial property) are most often valued based on what is known as the income method approach to real estate valuation. Barron's Dictionary of Real Estate Terms offers the following definition for the Income Approach:

“One of three approaches to appraising real estate. (The others are the Cost Approach and Sales Comparison Approach.) Typically considered the most important for Apartments, Office Buildings, Hotels, and Shopping Centers. Two principal methods are Direct Capitalization, which is based on one year of income, and Discounted Cash Flow, based on a multiple-year projection period and reversionary value.”

For purposes of simplicity, 4ward Planning elected to utilize the Direct Capitalization income approach method for both properties analyzed. This method takes the first stabilized year (where the vacancy rate is usually stable at five- to ten-percent) of net operating income (NOI) and divides this value by a market capitalization rate (cap rate). Definitions for these key terms are provided below:

Net Operating Income (NOI): NOI refers to the residual money remaining after all of a property's annual operating expenses (utilities, insurance, security, management fees, marketing, minor repairs, capital reserves, and landscaping) are subtracted from the property's effective annual rent (gross rent minus vacancy and tenant credits, but including other income such as storage rent and laundry income).

Cap Rate: According to Investopedia, it is an annual rate of return on a real estate investment property, based on the income before income taxes the property is expected to generate, given the age and quality of the project, managed expenses, and stabilized occupancy rate. Where a property is not yet built and operational, a market area cap rate can be used as a proxy (a cap rate for similar property types in the local area).

Fiscal Impacts: Prospective Large-Scale Development

100-Room Hotel Valuation

Early in 2018, the Village of Patchogue commissioned a hotel feasibility study which was prepared by Diamond Hospitality Consulting Group (DHCG), a third-party consultancy specializing in market and financial feasibility analysis for the hospitality industry.

DHCG was engaged to conduct a market study and estimate operating results for a proposed hotel project to be located in the downtown area of the village of Patchogue, NY. The scope of DHCG's work and description of deliverables included the following:

- Potential site and location analysis.
- Market overview within defined market segments (guest profiles).
- Analysis of competitive facilities.
- Five-year historical trend analysis of market.
- Recommendation of appropriate facilities, services and amenities required to attract the targeted market segment(s).
- Preparation of a five-year forecast of income and operating expenses

Based on DHCG's market study and financial feasibility analysis, a NOI in year three (the first stabilized year assumed for the project) is approximately \$1,903,329.

4ward Planning then divided this NOI value by regional area cap rate of 8.25 percent (this cap rate value is based on a 2018 CBRE cap rate survey for Class A properties in the New York City suburban sub-market area) to arrive at an estimated direct capitalization value of \$23,070,659. This estimated market value becomes the basis for deriving a local tax assessment value and associated tax levy for Village and PMSD purposes.

Fiscal Impacts: Prospective Large-Scale Development

60-Unit Multi-Family Rental Valuation

Unlike the prospective 100-room hotel project, there is no earlier market and financial feasibility study identifying NOI. However, based on 4ward Planning's considerable experience financially analyzing similar projects, we have made the following assumptions which underpin the derivation of NOI for a prospective 60-unit multi-family apartment building to be located somewhere along the Patchogue Riverfront:

- 25 units will be one-bedrooms; 25 units will be two-bedrooms; 10 units will be three-bedrooms;
- 20 percent of the total units (12) will be affordable to low- and very low-income persons as defined by HUD and relating to area median income (AMI) within Suffolk County, New York;
- 7 of the affordable units will be affordable to persons making no more than 50 percent of the 2018 Suffolk County AMI; 5 of the affordable units will be affordable to persons making no more than 60 percent of the 2018 Suffolk County AMI;
- Market rents are based on current market rents achieved by the New Village at Patchogue apartment complex, for its one-, two- and three-bedroom units. Specifically, the one-, two- and three-bedroom market rents modeled are \$2,200, \$2,800 and \$3,200, respectively;
- At stabilization, the apartment building is assumed to have a five-percent vacancy rate;
- NOI is estimated to be 65-percent of effective gross rental income (for this modeling scenario, we are not assuming any other income, such as storage fees or laundry income). The 65-percent factor is a proven average NOI to effective gross rent ratio, based on numerous financial modeling exercises performed by 4ward Planning;
- We utilize a 5.5 percent cap rate, based on third party research (CBRE) current regional market cap rates for Class A apartment buildings.

The following page exhibits the full calculation used to derive direct capitalization value for the project

Fiscal Impacts: Prospective Large-Scale Development

Market Units	Monthly Market Rent	Annual Market Rent
1BR 20	\$2,200	\$528,000
2BR 20	\$2,800	\$672,000
3BR 8	\$3,200	<u>\$307,200</u>
Total 48		\$1,507,200

Market rents are similar to those for units found at New Village at Patchogue

LI Units	Monthly LI Rent	Annual LI Rent
1BR 2	\$1,400	\$33,600
2BR 2	\$1,575	\$37,800
3BR 1	\$1,751	<u>\$21,012</u>
Total 5		\$92,412

Affordable rents are based on Suffolk County, New York's AMI and qualified low- (60 percent of AMI is low-income) and very-low (50 percent of AMI is very low-income) incomes.

VLI Units	Monthly VLI Rent	Annual VLI Rent
1BR 3	\$1,167	\$42,012
2BR 3	\$1,313	\$47,268
3BR 1	\$1,459	<u>\$17,508</u>
Total 7		\$106,788

Total Units
60

Total Annual Gross Rent
\$1,706,400

5% Vacancy Factor
\$92,146

Total Annual Effective Rent
\$1,614,254

NOI @ 65% of Effective Rent
\$1,049,265

Direct Cap Value
 \$19,077,552

The apartment project's cap value of \$19,077,552 will serve as the basis for identifying the estimated tax assessment value.

LI Units: Low-Income Units
VLI Units: Very Low-Income Units

Fiscal Impacts: Prospective Large-Scale Development

Deriving the Tax Assessment Value for Multiple Service Jurisdictions

Prior to applying a jurisdiction’s tax rate to derive a tax levy, market values (in this case, the direct capitalization values calculated on the preceding pages) must first be equalized – that is, market values are converted to assessed values by applying a tax equalization rate. The state of New York’s Office of Real Property Tax Services (ORPTS) *“is statutorily obligated to administer an equalization program in order to assure equitable property tax allocation among nearly 4,000 taxing jurisdictions in New York State, and to ensure the proper allocation of State Aid to Education funds, among other purposes. Equalization seeks to measure the relationship of locally assessed values to an ever-changing real estate market.”*¹

Accordingly, the earlier derived market values for the prospective hotel and apartment building projects are converted to a locally assessed value utilizing the below methods

<u>Taxing Jurisdiction</u>	<u>Hotel Cap Value</u>	<u>Equalization Rates²</u>	<u>Assessment Value</u>
Village	\$23,070,655	0.0492	\$1,135,076
School	\$23,070,655	0.0086	\$198,408
Library	\$23,070,655	0.0086	\$198,408
Fire	\$23,070,655	0.0086	\$198,408

<u>Taxing Jurisdiction</u>	<u>Apt. Bldg. Cap Value</u>	<u>Equalization Rates²</u>	<u>Assessment Value</u>
Village	\$19,077,552	0.0492	\$938,616
School	\$19,077,552	0.0086	\$164,067
Library	\$19,077,552	0.0086	\$164,067
Fire	\$19,077,552	0.0086	\$164,067

Note: The equalization rate for the Village (0.0492) is different than the rate of the other service jurisdictions (0.0086), due to the fact that the town of Brookhaven’s property equalization rate is used, rather than the Village’s equalization rate. The town of Brookhaven also administers the tax collections for those service jurisdictions and distributes the revenue accordingly.

¹New York State Department of Taxation and Finance, Office of Real Property Tax Services; 2011

²New York State Department of Taxation and Finance; Town of Brookhaven Tax Assessor; 2018

Fiscal Impacts: Prospective Large-Scale Development

Projected Real Property Tax Levies by Service Jurisdiction

Having derived the real property tax assessment values by local service jurisdiction for both the hotel and apartment building projects, the estimated real property tax levies per local service jurisdiction are derived and exhibited in the tables to the right.

Note that in both tax levy examples, the school district tax levy (PMSD) represents approximately two-thirds of the total local tax levy (which is fairly common across many localities). The tax levy associated with the Village represents about 23 percent of the total levy.

We have broken out non-school levy revenues in both examples as one aggregate value as this value will be used in the fiscal impact analysis to offset local area service costs not related to PMSD service costs.

Prospective 100-Room Hotel

<u>Jurisdiction</u>	<u>Assessment Value</u>	<u>Tax Rates</u> ¹	<u>Tax Levy</u>
Village	\$1,135,076	0.1531	\$173,780
School	\$198,408	2.52101	\$500,188
Library	\$198,408	0.19804	\$39,293
Fire	\$198,408	0.18135	\$35,981

Non-School Tax Levy	\$249,054
Total Local Tax Levy	\$749,242

Prospective 60-Unit Apartment Building

<u>Taxing Jurisdiction</u>	<u>Assessment Value</u>	<u>Tax Rates</u> ¹	<u>Tax Levy</u>
Village	\$938,616	0.1531	\$143,702
School	\$164,067	2.52101	\$413,614
Library	\$164,067	0.19804	\$32,492
Fire	\$164,067	0.18135	\$29,754

Non-School Tax Levy	\$205,948
Total Local Tax Levy	\$619,562

¹Town of Brookhaven Tax Assessor's Office; 2018

Fiscal Impacts: Prospective Large-Scale Development

Methodology for Determining Municipal Annual Service Costs

The most basic method for identifying the municipal service cost per unit (resident and worker) is to divide the current year municipal budget by the current year municipal population (residents only). The resultant figure is the budget expenditure (service costs) per capita.

However, not all line items in a municipal budget should be included for this calculation, as certain budget components, such as those funded through intergovernmental transfers, fee revenue (e.g., clerk document recording fees; building inspection fees, and park use fees, etc.), sale of public property, fines, and general departmental income unrelated to real property tax revenues, are, generally, unaffected by modest gains or losses to a municipality's population.

Consequently, 4ward Planning examines all of the revenue line items (revenue line items identify if the associated service is a function of the municipality's population size) to determine which line item values are to be included in the cost per unit calculation. The real property tax line item is, with few exceptions, the largest revenue line included in the calculation and is positively and strongly correlated with a municipality's population size (large municipal populations, generally, equate to a large number of residential and commercial properties, while small municipal populations, generally, equate to a small number of residential and commercial properties).

The table on the following page exhibits the budget revenue amounts included in the calculation of service costs per capita:

Fiscal Impacts: Prospective Large-Scale Development

2018-19 Select Adopted Budget Revenues Used for Calculating per annual per capita service costs

Real Property Tax Revenues ¹	\$8,104,928
Non Property Tax Revenues ²	\$205,000
Departmental Income	\$0
Public Safety	\$0
Transportation ³	\$40,000
Culture & Recreation	\$0
Home & Community Services ⁴	\$1,962,740
Intergovernmental Charges	\$0
Use of Money & Property	\$0
Licenses & Permits	\$0
Fines & Forfeitures	\$0
Sale of Property & Compensation for Loss	\$0
State Aid - General Government ⁵	\$105,000
State Aid - Culture Recreation	\$0
Federal Aid & Other Financing	\$0
Total Revenues	\$10,417,668

¹Value includes \$87,500 in 2018-19 PILOT revenues and \$8,017,428 in estimated 2018-19 property tax revenues (3% increase over 2017-18)

²Represents the 2018-19 combined revenues for electric and gas gross receipts (\$185,000) and telephone gross receipts (\$20,000).

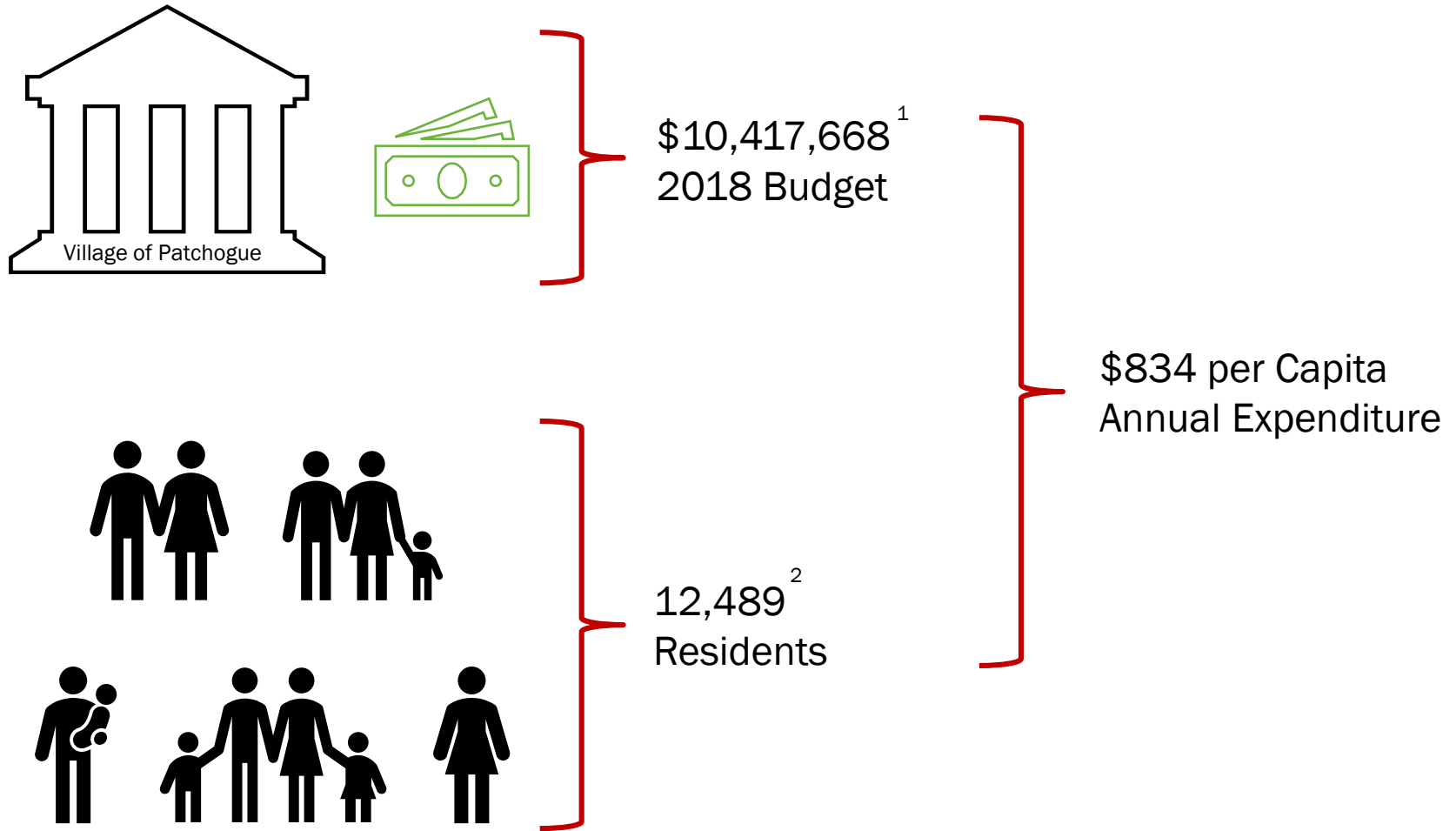
³Represents 2018-19 public works services line item.

⁴Combines refuse and garbage charges line item (\$1,960,940) with recycling-dumping fees (\$1,800).

⁵Per capita based state aid.

Source: Village of Patchogue

Fiscal Impacts: Prospective Large-Scale Development



¹ Calculated budget value based on methodology identified on prior page.

² U.S. Census 2017 estimated population for the village of Patchogue

Fiscal Impacts: Prospective Large-Scale Development

Methodology for Determining Municipal Per Capita Service Costs

Utilizing the per capita method for identifying annual unit service costs (e.g., cost per new resident and worker) requires several methodological steps, which are identified below:

1. Appropriating annual unit service costs among residents and workers typically requires an understanding of the average ratio of residential property parcels and assessed values to the combined residential and commercial property parcels and assessed values. An example of this method is provided below:

Total Residential Parcels

Total Commercial & Industrial Parcels

Total Parcels

Pct. of Residential Parcels to Total Parcels

Pct. of Commercial & Industrial Parcels to Total Parcels

Total Residential Assessment Value

Total Commercial & Industrial Assessment Value

Total Assessment Value

Pct. of Residential Assessment Value to Total Assessment Value

Pct. of Commercial & Industrial Parcels to Total Parcels

Average Residential Pct.

Average Commercial & Industrial Pct.

The average percentages obtained through the above methodology are then multiplied against the per capita budget cost to estimate the unit service cost per resident and the unit service cost per worker.

Fiscal Impacts: Prospective Large-Scale Development

As 4ward Planning was unable to obtain parcel data for residential and commercial parcels within the village of Patchogue, we elected to use an estimated residential percentage of 75 percent – meaning, we assume that 75 percent of municipal service expenditures are associated with residential land uses and 25 percent of municipal service expenditures are associated with commercial and industrial land uses. This assumed residential percentage cost share is based on the fact that outside of the Village’s department of public safety (which functions as zoning and parking enforcement within the commercial district), the lion share of public services provided to the commercial and industrial properties, generally, and the downtown in particular, are furnished by the county (police) and private contractors (sanitation).

Based on the above assumption, we estimate the per capita residential and non-residential worker costs as follows:

Annual Per Capita Residential Cost is 75% of \$834 = \$625.50 or \$626

Annual Per Capital Worker Cost is 25% of \$834 = \$208.50 or \$209

Consequently, each new resident added to the Village would consume an average annual \$626 in public services, all other factors held constant. Each new non-resident worker added to the Village would consume an average annual \$209 in public services, all other factors held constant.

Fiscal Impacts: Prospective Large-Scale Development

Methodology for Determining School District Service Costs

Deriving a per public school student service cost is a similar technique to that of deriving the per capital municipal service cost, with the major difference being that budget expenditure line items (as opposed to revenue line items) are the pertinent values used. For example, all school district budget expenditures pertaining to instruction and administration are included within the per student cost calculation, as these budget categories are, generally, a function of student enrollment. Budget expenditures generally excluded from the calculation include debt service costs and capital reserves (as these figures would not be impacted if new students enrolled and did not influence the need for capital improvements to the building plant).

Based on the above methodology, the adjacent table exhibits the 2018-19 PMSD proposed budget expenditures included in the per student cost calculation.

Based on 2018 PMSD enrollment figures (7,446), the annual per student service cost associated with each new student is \$25,541. Further, and per the PMSD budget document, approximately 59 percent of this per student figure (\$15,062) is funded through local taxes.

Patchogue-Medford School District 2018-19 Proposed Budget Expenditures

Administrative Expenditures

<i>Board of Education</i>	\$190,058
<i>Central Administrative Support</i>	\$2,253,019
<i>Legal Services and Insurance</i>	\$1,393,823
<i>Other Central Services</i>	\$2,753,232
<i>Instructional Educational Support</i>	\$6,891,256
<i>Employee Benefits</i>	\$4,575,349
Total	\$18,056,737

Program Expenditures

<i>General Instruction</i>	\$52,308,005
<i>Students with Disabilities Programs</i>	\$28,154,327
<i>Occupational Education</i>	\$1,460,010
<i>Special School</i>	\$806,371
<i>Library & Media</i>	\$1,615,847
Total	\$84,344,560

Additional Program Expenditures

<i>Computer Instruction</i>	\$1,348,746
<i>Student Support Services</i>	\$6,441,386
<i>Extracurricular and Athletics</i>	\$1,720,918
<i>Transportation</i>	\$9,440,975
<i>Employee Benefits</i>	\$36,916,926
<i>Community Services</i>	\$1,666,117
Total	\$57,535,068

Capital Expenditures

<i>Operations, Maintenance & Security</i>	\$12,324,239
<i>Employee Benefits</i>	\$3,789,615
<i>Debt Service</i>	\$288,255
<i>Transfers</i>	\$14,128,842
Total	\$30,530,951

Total Expenditures	\$190,467,316
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Total Expenditures (less debt service)	\$190,179,061
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Source: Patchogue-Medford School District, 2018

Fiscal Impacts: Prospective Large-Scale Development

Increase in Workers – 100-Room Hotel Project

As earlier identified within the economic impact analysis, the 100-room hotel is projected to create 60 full- and part-time employment positions, inclusive restaurant and bar staff within the hotel. The below table exhibits the estimated service costs associated with these workers

Development Generated Estimated Service Costs						100 Room Hotel Project
	Resident Percent	Worker Non-Resident Percent	Estimated Per Resident Service Cost	Est. per Worker Non-Resident Service Cost		
Estimated 2018 Per Capita Municipal Service Cost:	\$834	75%	\$626	\$209		
			Estimated Non-Resident Jobs Factor	Estimated Non-Resident Jobs	Est. New Service Costs	
Development Generated Employment:	60	1.00	60	\$12,510	\$12,510	
Retail/Dining/Entertainment:	0	1.00	0	\$0	\$0	
Office:	0	1.00	0	\$0	\$0	
Industrial:	0	1.00	0	\$0	\$0	
Lodging: ¹	60	1.00	60	\$12,510	\$12,510	
			New Const. Cost/Mile/SF	Maintenance Cost/Mile/SF	Annual Capital Reserve	
Development Generated Infrastructure	Miles	S.F.				
Roads:	0.0			\$9,500	\$0	\$0
Water & Sewer:						
Parks:						
					Projected Total New Public Costs:	\$12,510

¹ The 60 full- and part-time employees include restaurant and bar workers.

Fiscal Impacts: Prospective Large-Scale Development

Increase in Residents – 60-Unit Multi-family Rental Project

Based on the earlier exhibited residential multiplier table (page 78 of the report), the 60-unit multi-family residential rental project is projected to result in 121 new residents, inclusive of 11 public school-age children.

The below table exhibits the estimated service costs associated with these residents and students:

Development Generated Estimated Service Costs				60 Unit Multi-family Residential Project			
	Resident Percent	Worker Non-Resident Percent	Estimated Per Resident Service Cost	Est. per Worker Non-Resident Service Cost			
Estimated 2018 Per Capita Municipal Service Cost:	\$834	75%	\$626	\$209			
Estimated 2017 Per Pupil Public School Expenditure:	\$25,541						
Est. Per Pupil School Expenditure (local cost):	\$15,062						
		Estimated Percent New	Number New	Est. New Service Costs	New School Expenditures		Sub Totals
Development Generated Population:	121	100%	121	<u>\$75,746</u>			\$75,746
Total Public School Age Children:	<u>11</u>	100%	<u>11</u>		<u>\$180,682</u>		\$180,682
Total Public Elementary School Children:	6	100%	6		\$90,372		
Total Public Junior High School Children:	2	100%	2		\$30,124		
Total Public High School Children:	3	100%	3		\$45,186		
Included Special Needs Children:	2 ¹	100%	2		\$15,000 ²		
			<i>New Const. Cost/Mile/SF</i>	<i>Maintenance Cost/Mile/SF</i>	<i>Annual Capital Reserve</i>		
Development Generated Infrastructure	<i>Miles</i>	<i>S.F.</i>					
Roads:	0.0			\$9,500	\$0		\$0
Water & Sewer:							
Parks:							
Projected Total New Public Costs:							\$256,428

¹ The 60 full- and part-time employees include restaurant and bar workers.

² Assumes an average estimated \$7,500 additional cost per special needs student.

Source: 4ward Planning Inc., 2018

Fiscal Impacts: Prospective Large-Scale Development

Estimated Tax Levies

Exhibited in the tables to the right are the estimated tax levies by service jurisdiction for each of the prospective development projects analyzed.

As can be seen, the school tax levy represents approximately 67 percent of the total tax revenues generated by each development – this is a fairly standard ratio for many local jurisdictions in the region.

Prospective 100-Room Hotel

<u>Jurisdiction</u>	<u>Assessment Value</u>	<u>Tax Rates</u>	<u>Tax Levy</u>
Village	\$1,135,076	0.1531	\$173,780
School	\$198,408	2.52101	\$500,188
Library	\$198,408	0.19804	\$39,293
Fire	\$198,408	0.18135	\$35,981
		Non-School Tax Levy	\$249,054
		Total Local Tax Levy	\$749,242

Prospective 60-Unit Apartment Building

<u>Taxing Jurisdiction</u>	<u>Assessment Value</u>	<u>Tax Rates</u>	<u>Tax Levy</u>
Village	\$938,616	0.1531	\$143,702
School	\$164,067	2.52101	\$413,614
Library	\$164,067	0.19804	\$32,492
Fire	\$164,067	0.18135	\$29,754
		Non-School Tax Levy	\$205,948
		Total Local Tax Levy	\$619,562

Fiscal Impacts: Prospective Large-Scale Development

Based on the foregoing analysis for the prospective 60-unit multi-family residential development scenario, the projected net fiscal impact to the local school district is a positive \$342,032; the projected first stabilized year net fiscal impact to the village of Patchogue is a positive \$130,202. The combined net fiscal impact associated with this scenario is a positive \$472,234.

Summary of Net Fiscal Impact Findings: Multi-family Residential

	Total Local Net Fiscal Impacts	\$472,234
	Net Impact to Village	\$130,202
	Net Impact to Public Schools	\$342,032
	Projected Net New Service Costs	\$256,428
	Village Services ¹	\$75,746
	Public Schools	\$180,682
	Projected Capital Costs	\$0
	Schools	\$0
	Wastewater	\$0
	Roads	\$0
	Projected Net New Revenues	\$728,662
	Village ²	\$205,948
	School	\$413,614
	Public School State Aid ³	\$109,100

This fiscal impact analysis for this project demonstrates that a multi-family project of similar scale and bedroom count would be financially net positive to the village and school district.

¹ Village service include those costs associated with local fire and library services.

² Village revenues include local fire and library tax levy revenue.

³ Public school state aid is based on the 2018 PMSD budget and is estimated at \$9,918 per additional pupil

Fiscal Impacts: Prospective Large-Scale Development

Based on the foregoing analysis for the prospective 100-room full-service hotel development scenario, the projected net fiscal impact to the local school district is a positive \$500,188; the projected first stabilized year net fiscal impact to the village of Patchogue is a positive \$236,544. The combined net fiscal impact associated with this scenario is a positive \$736,732.

Summary of Net Fiscal Impact Findings: Multi-family Residential		
	Total Local Net Fiscal Impacts	\$736,732
	Net Impact to Village	\$236,544
	Net Impact to Public Schools	\$500,188
	Projected Net New Service Costs	\$12,510
	Village Services ¹	\$12,510
	Public Schools	\$0
	Projected Capital Costs	\$0
	Schools	\$0
	Wastewater	\$0
	Roads	\$0
	Projected Net New Revenues	\$749,242
	Village ²	\$249,054
	School	\$500,188
	Public School State Aid	\$0



This fiscal impact analysis for this project demonstrates that a hotel project of similar service type and room count would be financially net positive to the village and school district.

¹ Village service include those costs associated with local fire and library services.

² Village revenues include local fire and library tax levy revenue.

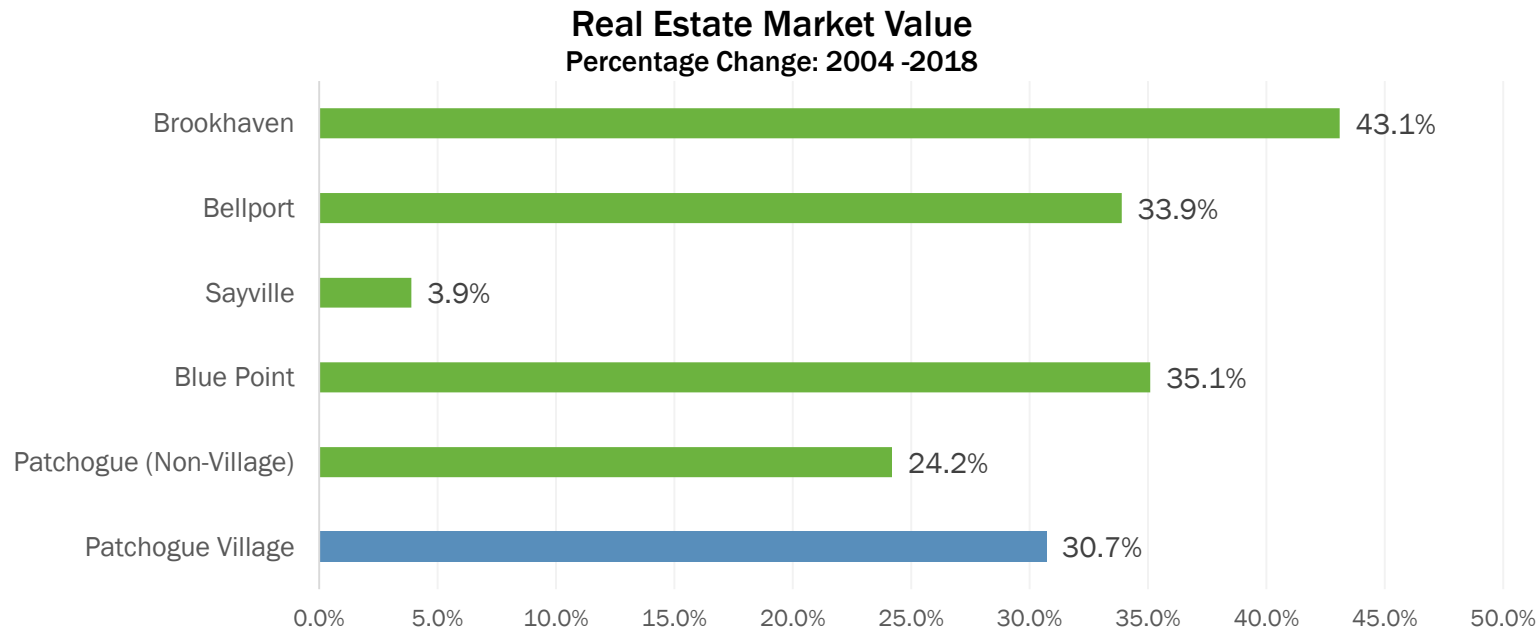
Documentation of the Increase in Assessed Property Values

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Real Estate Market Value Trends: Percent Change Since 2004

The below chart illustrates that while there has been a significant percentage increase of the Village of Patchogue’s combined residential and commercial real estate property value since 2004, it’s recorded increase (30.7 percent) is only slightly above the average increase (28.5 percent) of the six communities identified. If Sayville is removed as an outlier (it is unclear as to why its percentage change rate is so low), the average percentage increase in real property value over the 2004 to 2018 period is 33.4 percent (with all areas of Patchogue falling below this threshold). If one were to rely on this measure, alone, it would appear as though the economic improvements in the Village of Patchogue are modest, at best.



Source: Town of Brookhaven, Department of Assessment, 2018

Real Estate Market Value Trends: Overview

As a means of demonstrating how new private investment in the Village since 2004 has positively influenced assessed property values throughout the Village, 4ward Planning examined the aggregate assessed and market-rate real property values in neighboring jurisdictions and compared the annual percentage change (increase/decrease) in aggregate real property values (residential and commercial) in the Village of Patchogue against the annual percentage change in aggregate real property values in those neighboring jurisdictions. This technique, while somewhat crude, generally provides a good order of magnitude for determining the influence of new private investment on the existing ratable base within a given jurisdiction.

However, and as is illustrated in the chart on the preceding page, the methods by which real property value changes (in this case, increases) are identified by tax assessment offices are not capable of capturing much of the private real estate investment and associated impacts that occurred in the Village of Patchogue from 2004 through the current period (second quarter of 2018).

Specifically, and similar to most tax assessor's offices, the town of Brookhaven's Assessor's Office determines an up-to-date and accurate market valuation for commercial and residential real estate either through a property's recently recorded sale or by way of conducting a re-evaluation of all real estate property within its jurisdiction (in the intervening periods, valuations for residential and commercial real estate are estimated based on sporadic market transactions). As there have been relatively few recorded sales of large commercial properties in the Village of Patchogue over the past dozen years (and particularly during the last five years), in addition to there not having been a revaluation of real property since before 2000, a large share of private investments made in the downtown area (millions of dollars in extensive renovations to building interiors and

Real Estate Market Value Trends: Overview (continued)

façades) are not picked up by the assessor's office (this issue was confirmed with the Brookhaven Tax Assessor, Ronald Devine).

Further, and notwithstanding the major residential development that has occurred in the downtown area such as New Village (an estimated \$120 million project), Copper Beech (an estimated \$26 million project), and Artspace Lofts (an estimated \$22 million project), projects which receive a real property tax abatement and/or contain affordable housing units (as all three of the aforementioned projects do) reflect market values (for tax assessment purposes) which are far below their true market value and, thus, the local tax base market value is misleadingly low – as appears to be the case in the Village of Patchogue.

Consequently, the Village of Patchogue's economic resurgence cannot be deciphered from a review of real property tax assessment data.

Comparative Business Employment & Investment Trends

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Business Employment & Investment Trends: Overview

As tax assessment data proved unhelpful in demonstrating the observed and quantifiable private investments that have been made in Patchogue over the past 16 years, 4ward Planning elected to utilize U.S. Census data pertaining to business and employment trends for select industries at the state, regional, and local level, under the assumption that these select industry trends would, likely, illuminate the Village of Patchogue's observed economic resurgence.

The major industries selected for this analysis include the following: retail trade; professional, scientific and technical services; healthcare and social assistance; arts, entertainment, and recreation; accommodation and food services. The aforementioned industry sectors were selected as they collectively represent 80 percent or more of total employment within each of the geographies examined and are, generally, industry sectors that have been consistently among the top job producing sectors, regionally and nationally.

Utilizing the U.S. Census Bureau's American Community Survey (ACS) database, 4ward Planning obtained the following industry data sets for the Village of Patchogue and, for purposes of comparison, the Town of Brookhaven, Suffolk County, and the State of New York:

- Number of Business Establishments by Industry
- Value of Sales, Receipts, or Revenues
- Annual Payroll
- Number of Employees

Business Employment & Investment Trends: Overview (cont.)

Years for which data were obtained are 2002, 2007, and 2012 – Census business data for a broad swath of industries is tallied in years ending in two and seven (every five years). At the time of this analysis, 2017 data has not been released. Nonetheless, the trend data covering a 10-year period is informative and, as will be shown on the following pages, demonstrates the Village of Patchogue’s relative economic performance (by industry), against the above identified geographies.

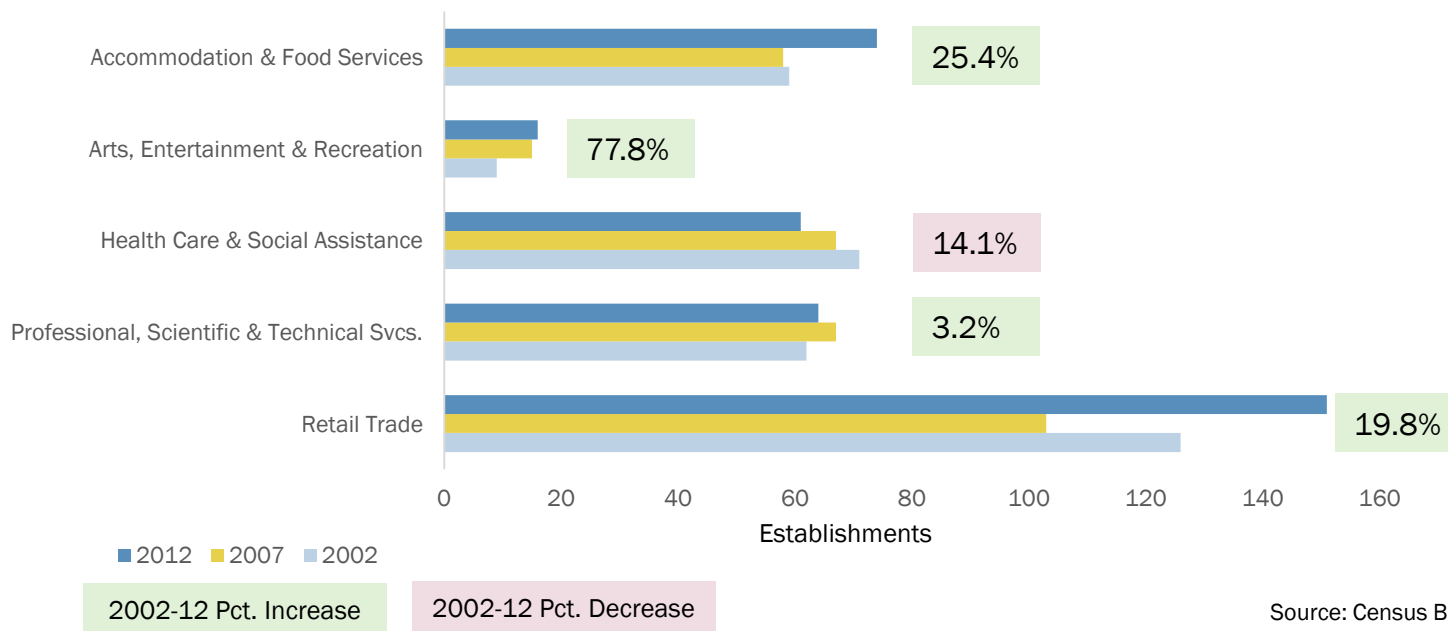
Key Findings

- The analysis demonstrates that growth in the number of businesses and associated sales, payrolls, and employment within the Village of Patchogue was relatively uneven from 2002 to 2007, suggesting that the economic renaissance had not yet become stable (and would not until after the Great Recession);
- By far, the industries demonstrating the strongest performance over the 2002 to 2012 period – in terms of an increase in business establishments, employment, and sales – were accommodation and food services (effectively, the restaurants and bars in Patchogue), retail trade and arts and entertainment (notwithstanding that some data for arts and entertainment is unavailable); and
- The impressive quality of Patchogue’s economic resurgence is made plain when viewed alongside Brookhaven, Suffolk County, and New York State – based only upon a review of economic metrics through 2012.

Comparative Business Employment & Investment Trends

Perhaps the most evident metric for determining economic progress is trend data pertaining to business establishments. The below chart demonstrates that all but one industry (health care and social assistance) experienced a net increase in the number of business establishments between 2002 (the early period in Patchogue’s economic resurgence) and 2012. In particular, the accommodation and food services industry (e.g., lodging, dining and drinking establishments); arts, entertainment and recreation; and the retail trade industry sectors experienced healthy growth, with respect to net new establishments. It is assumed, based on quantitative analysis and visual observations that these growth trends extended through 2017.

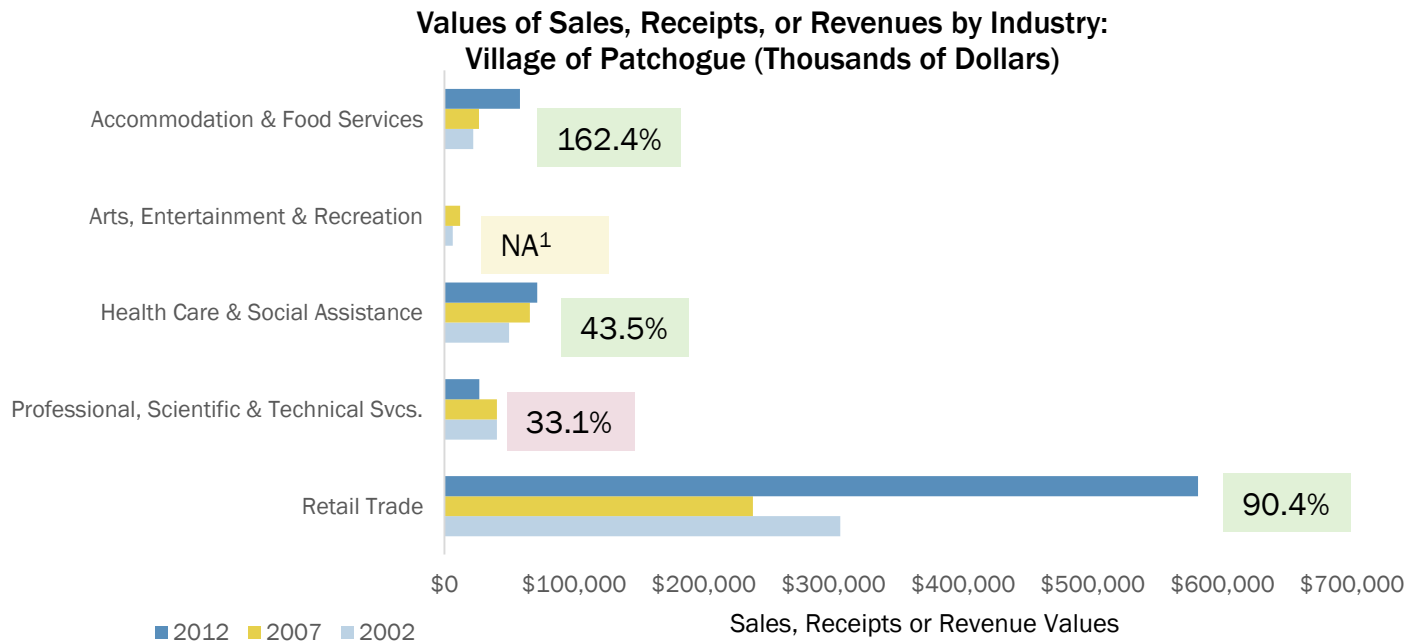
Number of Establishments by Industry: Village of Patchogue



Source: Census Bureau, ACS, 2018

Comparative Business Employment & Investment Trends (cont.)

The significant expansion of businesses within the accommodation and food services, and retail trade sectors is also exemplified by the robust increase in the percentage growth in sales, receipts, or revenues for these industries over the 2002 to 2012 period. The relatively modest percentage increase in annual sales, receipts, or revenues for the health care and social assistance sector is in spite of the fact that this industry featured fewer total establishments in 2012 than it did in 2002 (see prior chart). While the number of establishments within the professional, scientific and technical services sector was shown to have increased from 2002 to 2012, total sales, receipts, and other revenues declined.



2002-12 Pct. Increase

2002-12 Pct. Decrease

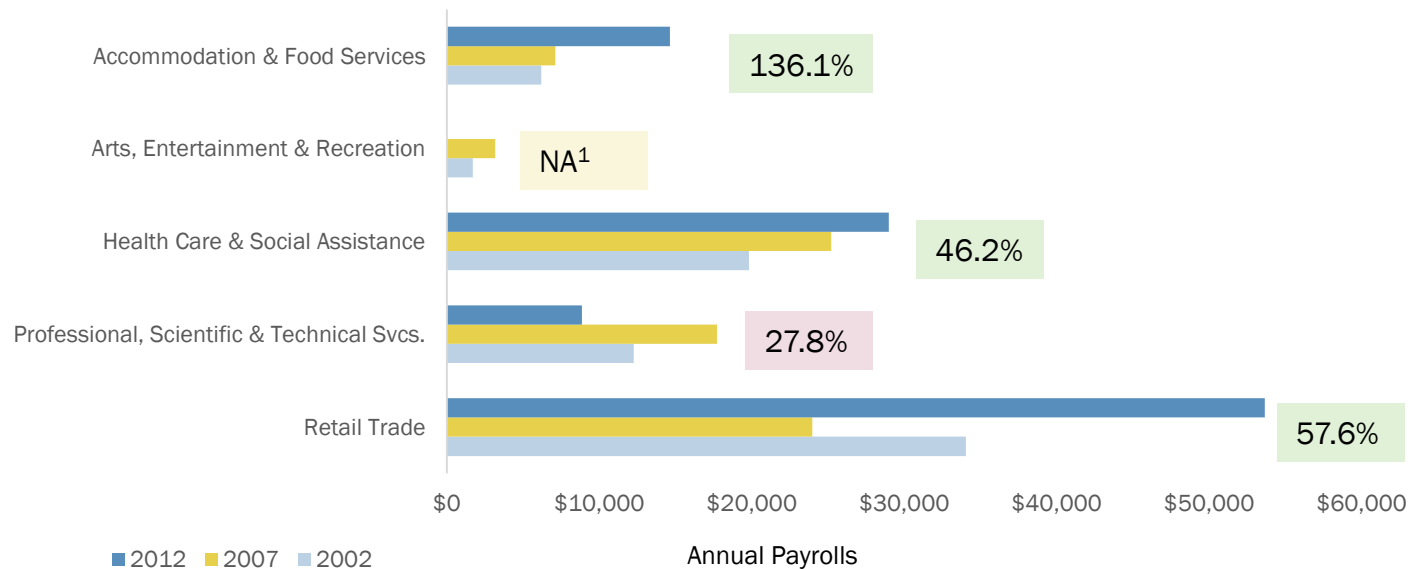
¹ Data not available due to sample size

Source: Census Bureau, ACS, 2018

Comparative Business Employment & Investment Trends (cont.)

As with the prior identified trend metrics, the accommodation and food services, and retail trade Industry businesses within Patchogue were first and second, respectively, in percentage growth in annual payrolls over the 2002 to 2012 period. Businesses within the accommodation and food services sector, in particular, produced explosive growth in annual payroll value, with much of that growth occurring in the years immediately after the Great Recession. As would be expected, based on a decline in sales and revenues, the professional, scientific and technical services sector realized a relatively modest percentage decrease in its annual payroll value, from 2002 to 2012 – with all of the decline occurring during and post recession.

Annual Payrolls: Village of Patchogue (Thousands of Dollars)

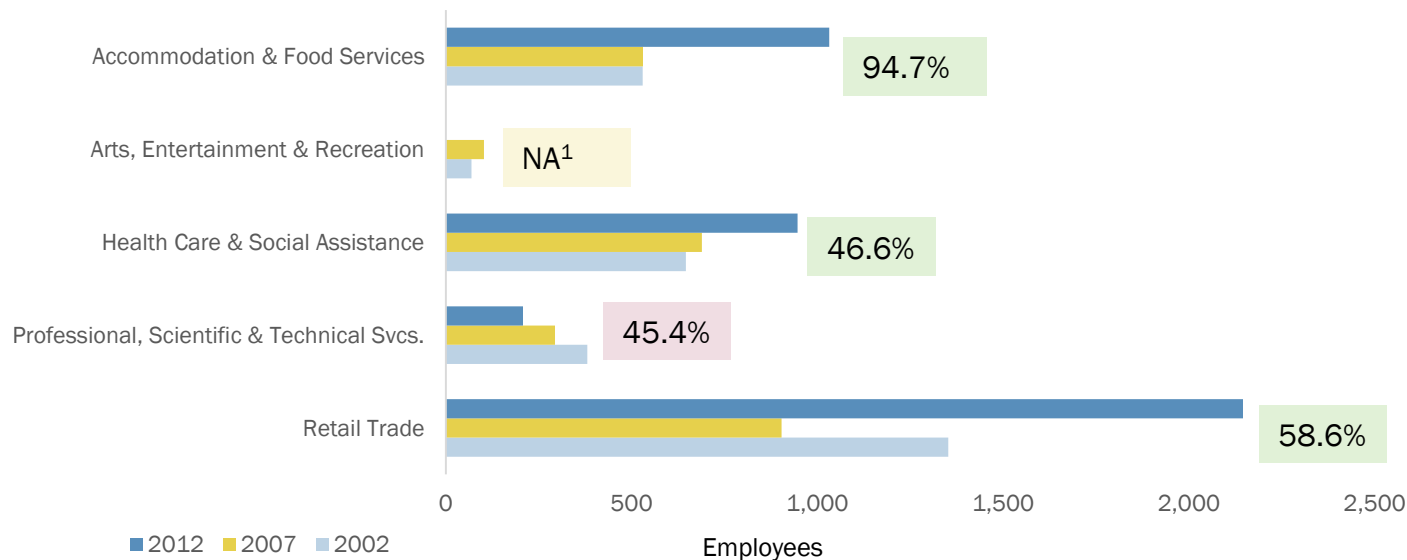


2002-12 Pct. Increase
2002-12 Pct. Decrease
¹ Data not available due to sample size
Source: Census Bureau, ACS, 2018

Comparative Business Employment & Investment Trends (cont.)

An employment trend is, perhaps, the best descriptive metric for identifying economic development success in a given geography. As can be seen in the below chart, three industry sectors (accommodation and food services, health care and social assistance, and retail trade) exhibit strong percentage growth increases in their respective employment bases from 2002 to 2012. While 2012 employment data was unavailable for the arts, entertainment and recreation sector, it is highly likely that this sector, too, greatly expanded its employment base, given the relatively large jump in employment from 2002 to 2007 (49.3 percent, as reported in ACS) and its nearly 78 percent increase in business establishments from 2002 to 2012.

Number of Employees per Industry: Village of Patchogue

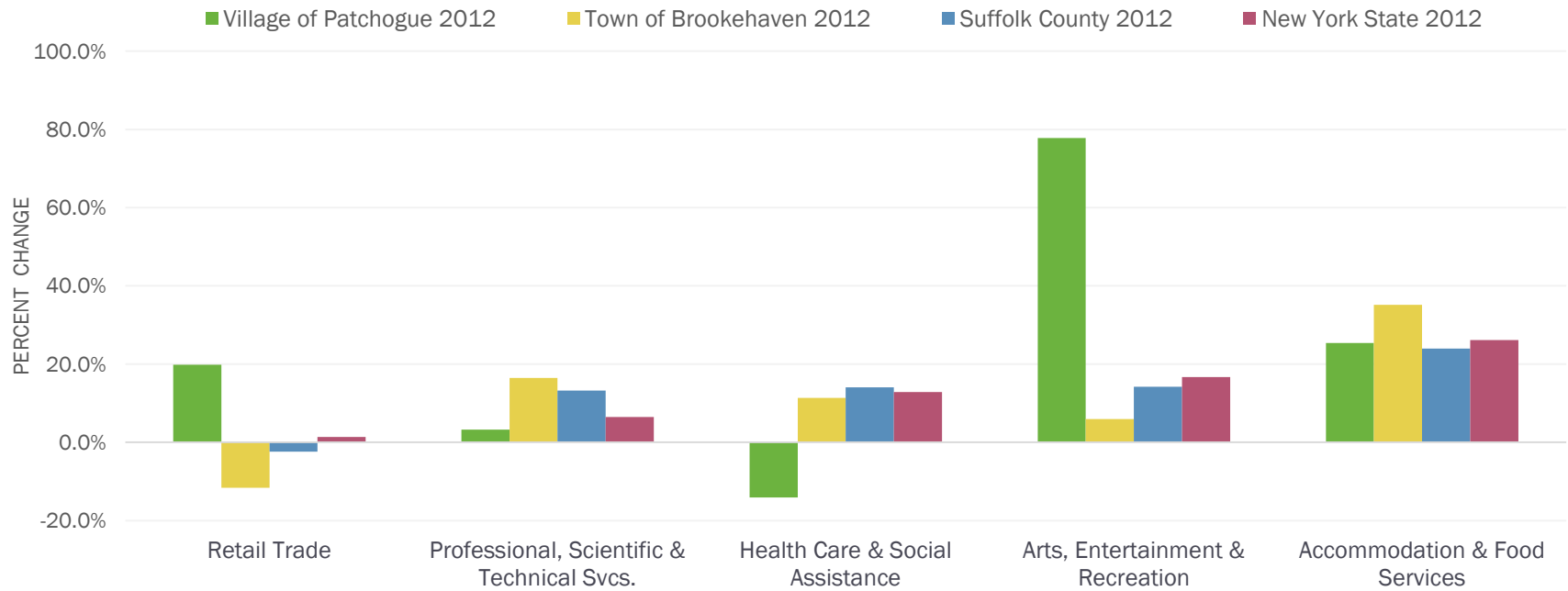


2002-12 Pct. Increase
2002-12 Pct. Decrease
¹ Data not available due to sample size
Source: Census Bureau, ACS, 2018

Comparative Business Employment & Investment Trends (cont.)

As exhibited in the below chart, Patchogue’s retail trade and arts, entertainment and recreation industry sectors outperformed all other geographies examined, from 2002 to 2012, with respect to the percentage increase in business establishments. And while the percentage growth in Patchogue establishments within the accommodation and food services sector appears to be average at best, it should be noted that a significant number of restaurants have been established in the Village since 2013.

Businesses Established: Percentage Change Since 2002

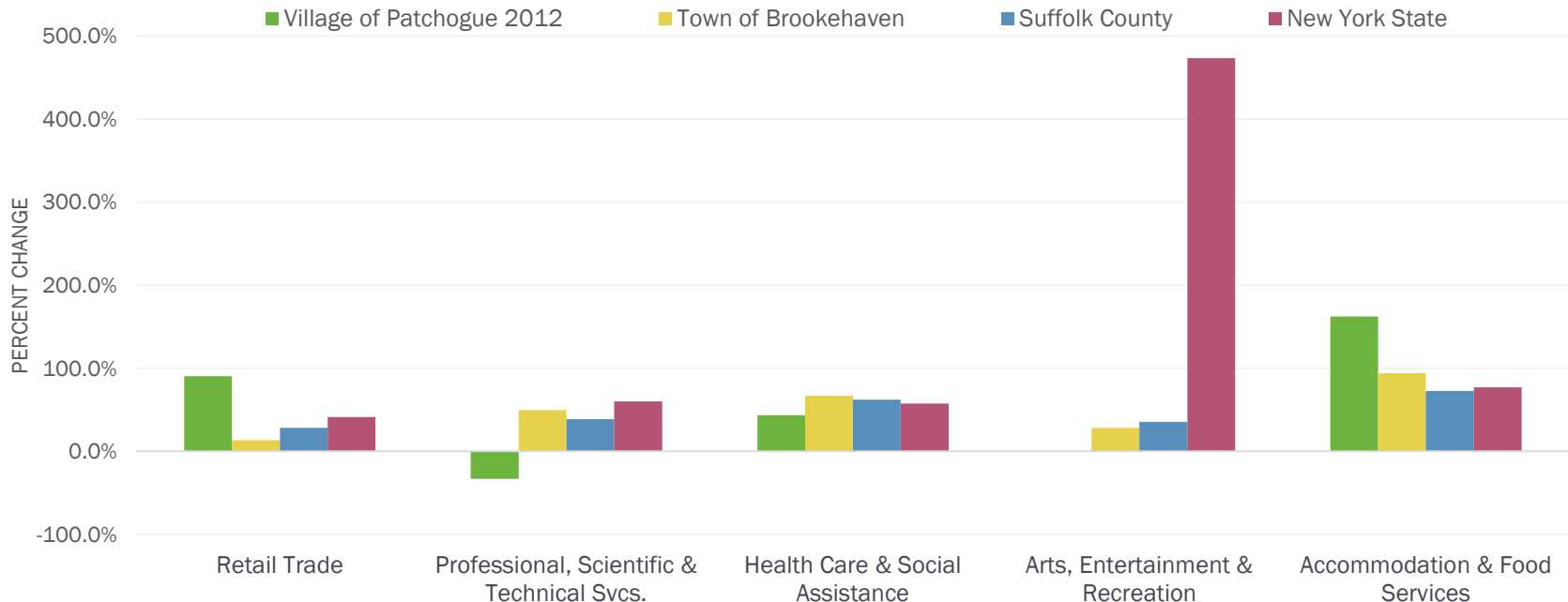


Source: Census Bureau, ACS, 2018

Comparative Business Employment & Investment Trends (cont.)

As exhibited in the below chart, Patchogue’s retail trade and accommodation and food services industry sectors outperformed all other geographies examined, from 2002 to 2012, with respect to the percentage increase in sales, receipts, and revenue value percentage growth. Patchogue’s professional, scientific and technical services sector was alone among all industry sectors within all geographies to have realized a percentage decrease in the value of its sales, receipts, or revenues.

Value of Sales, Receipts, Revenue Percentage Change Since 2002

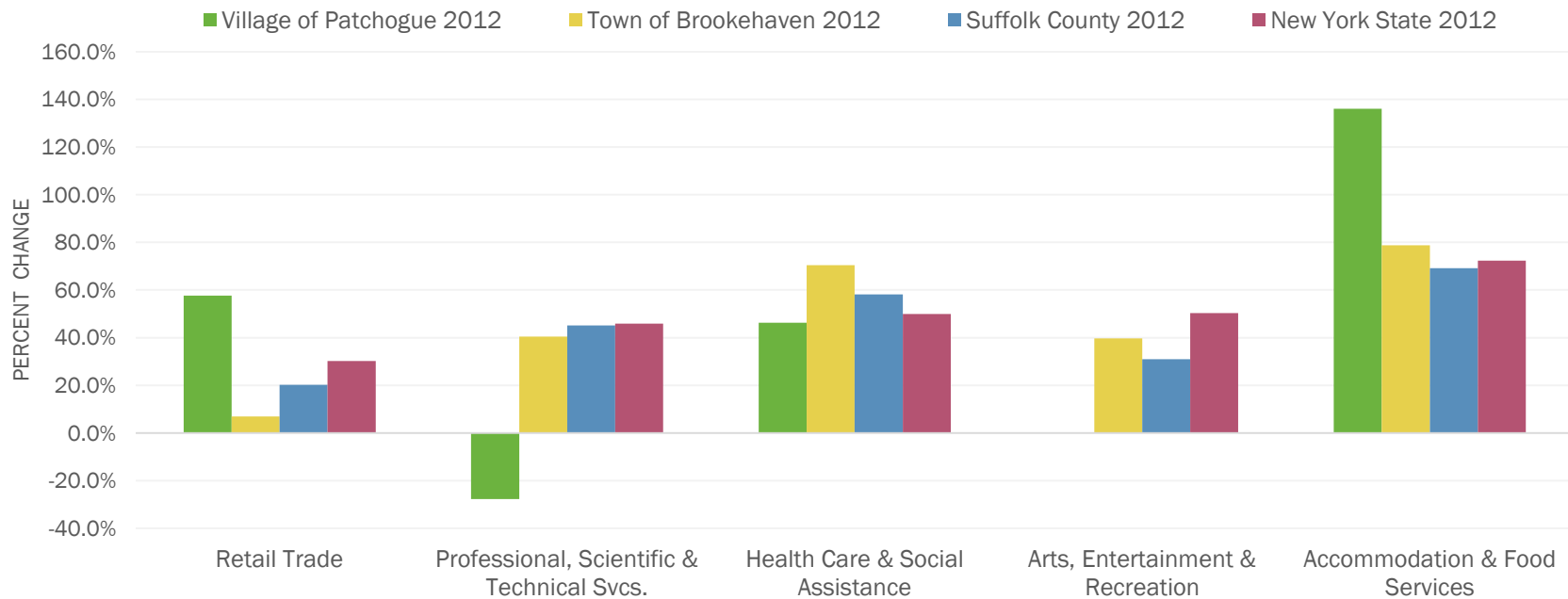


Source: Census Bureau, ACS, 2018

Comparative Business Employment & Investment Trends (cont.)

As exhibited in the below chart, Patchogue’s retail trade and accommodation and food services industry sectors outperformed all other geographies examined, from 2002 to 2012, with respect to the percentage increase in annual payroll percentage growth. Patchogue’s health care and social assistance sector underperformed against this sector in all other geographies examined, while Patchogue’s professional, scientific and technical services sector was, again, alone among all industry sectors in realizing a percentage decline in this category.

Annual Payroll Percentage Change Since 2002

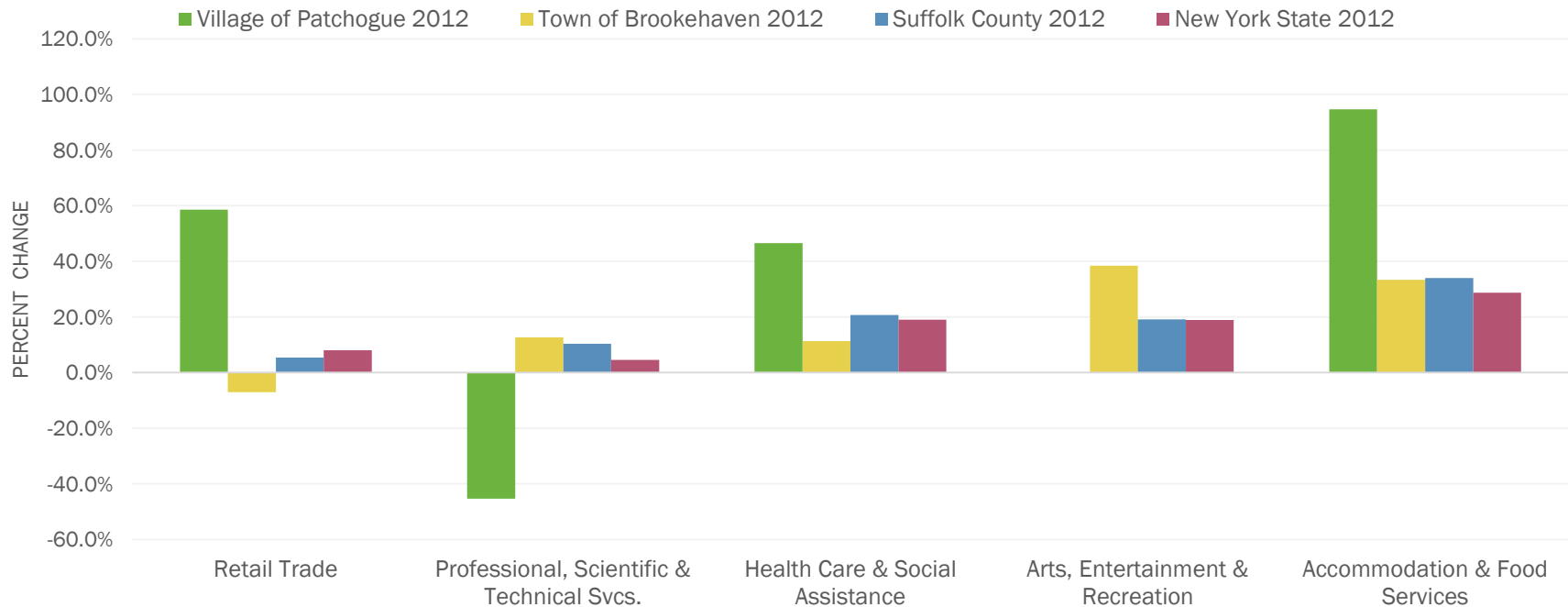


Source: Census Bureau, ACS, 2018

Comparative Business Employment & Investment Trends (cont.)

As exhibited in the below chart, Patchogue’s retail trade, health care and social assistance, and accommodation and food services industry sectors outperformed all other geographies examined, from 2002 to 2012, with respect to the percentage increase in employment percentage growth. Patchogue’s professional, scientific and technical services sector was, again, alone among all industry sectors in realizing a percentage decline in this category.

Number of Employees Percentage Change Since 2002



Source: Census Bureau, ACS, 2018

APPENDIX

ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™



Public & Private Sector Interviewees

Public and Non-Profit Officials

Hon. Paul Pontieri, Mayor

Ronnie Devine, Tax Assessor, Town of Brookhaven

Carol S. Sweeney, Village of Patchogue Assessor

Gary Hygom, Executive Director, Patchogue Theatre for the Performing Arts

David Kennedy, Executive Director, Village of Patchogue Chamber of Commerce

Anne Marie Monte, Deputy Treasurer, Village of Patchogue

Marian Russo, Executive Director, Patchogue Community Development Agency (CDA)

Dennis Smith, Executive Director, Patchogue Business Improvement District (BID)

James Berberich, Village of Patchogue Director of Public Safety

Joseph Dean, Patchogue Superintendent of Public Works

Dr. Michael Hynes, Superintendent of Patchogue-Medford School District

Real Estate Professionals

John Ashline

Gaspar Celauro

Bob Coughlan

Dan Hurney

Focus Groups Participants

Jo Bennett, Edward Jones Financial Services

Donna Boyle, Patchogue Family YMCA

Mark Burford, Blue Point Brewery

Lari Fiala, The Colony Shop

Joel Furman, Property Owner

James Gilroy, Fulton's Gate Irish Pub

Jacqueline Hensley, William J. O'Neills Sales Exchange

George Hoag, Brickhouse Brewery

Tom Keegan, Keegan & Keegan; Ross & Rosner

Steven King, Realty Connect

Danielle Paisley, Patchogue-Medford Library

John Peragine, Perabell Food Bar

Dave Rogers, Patchogue VFW

Mark Seigel, Blums Clothing

Merav Shiloni, Thred Clothing

Dawn Shultzer, Tranquility Within

Dawn Turnbull, BNB Bank

Ralph Wright, E&R Tax Services

General & Limiting Conditions

4ward Planning Inc. has endeavored to ensure that the reported data and information contained in this report are complete, accurate, and relevant. All estimates, assumptions, and extrapolations are based on methodological techniques employed by 4ward Planning Inc. and believed to be reliable. 4ward Planning Inc. assumes no responsibility for inaccuracies in reporting by the client, its agents, representatives, or any other third-party data source used in the preparation of this report.

Further, 4ward Planning Inc. makes no warranty or representation concerning the manifestation of the estimated or projected values or results contained in this study. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from 4ward Planning Inc. This study is qualified in its entirety by, and should be considered in light of, the above limitations, conditions, and considerations.



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