



Village of Patchogue Revitalization, Economic Impact Analysis

Prepared for: Long Island Regional Planning Council



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

**The Long Island Regional Planning Council
acknowledges and appreciates the support of
the Suffolk County Economic Development
Corporation in producing this study.**

VILLAGE OF
PATCHOGUE

Economic and Fiscal Impact Analysis:

Methods Employed

Interviews

- Village of Patchogue public officials
- Patchogue-Medford School District superintendent
- Town of Brookhaven officials
- Local real estate professionals
- Local business owners

Economic and Fiscal Impact Analysis:

Methods Employed

Economic Impact Analysis

- Public Subsidies
- Private Development Investment
- Spending from New Non-Local Households
- New Businesses Operations
- Prospective residential and commercial development

Economic and Fiscal Impact Analysis: Methods Employed

Fiscal Impact Analysis

- New residents and public school-age children.
- Net fiscal impacts to the school district
- Prospective residential and commercial development

Economic and Fiscal Impact Analysis:

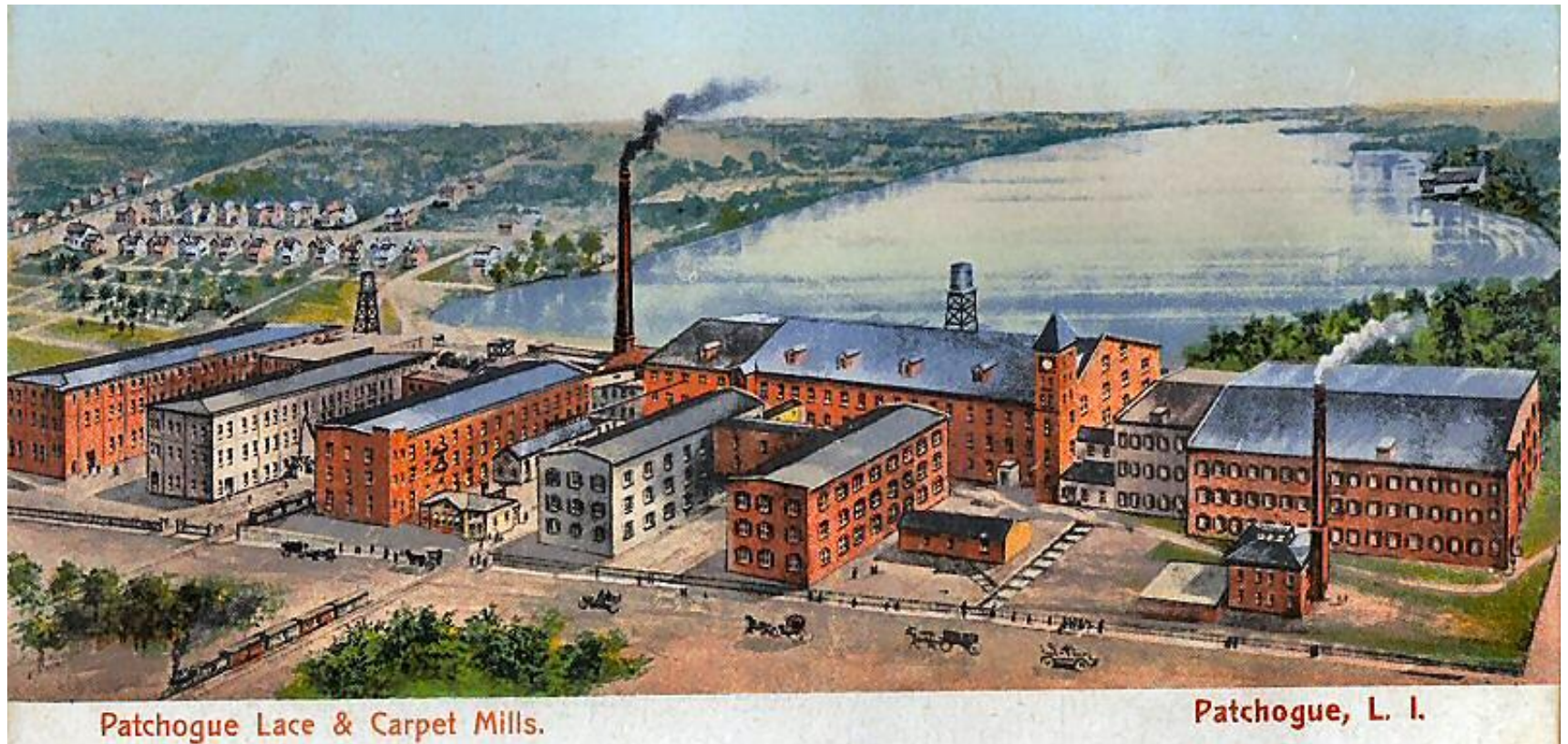
Methods Employed

Comparative Analysis

- Real Property Values
- Number of Business Establishments
- Value of Sales, Receipts or Revenues
- Annual Payroll
- Number of Employees

Historical Overview





The economic foundation of Patchogue was developed around heavy industry, which led to the establishment of retail, hospitality and entertainment businesses.

"The Theatre Classic of Long Island"
WARD and GLYNNE'S

PATCHOGUE THEATRE

OPENS! Wednesday Evening MAY 23rd.

OFFERING A POLICY OF

Vaudeville & Feature Picture
COMBINED

Symphony Orchestra -- \$10,000.00 Concert Organ -- Ben Nelson, Dir



Patchogue's commercial district was a regional destination for many decades and a good deal of the building architecture remains – lending to Patchogue's current visitor appeal.



The Central Business District (CBD) Remains Healthy

2% to 5%
Vacancy Rate



Pre 1960s

The CBD Begins to Experience Increased Vacancies

10% to 20%
Vacancy Rate



1960s to 1970s

The CBD Experiences Full Blown Distress

40% to 50%
Vacancy Rate



1980s to 1990s



What happened next?

What were the catalysts underpinning Patchogue's revitalization?

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

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

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

Vigorous Pursuit of Grant Funding: *municipal projects, arts organizations, and business groups all benefitted*

What were the catalysts underpinning Patchogue's revitalization?

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

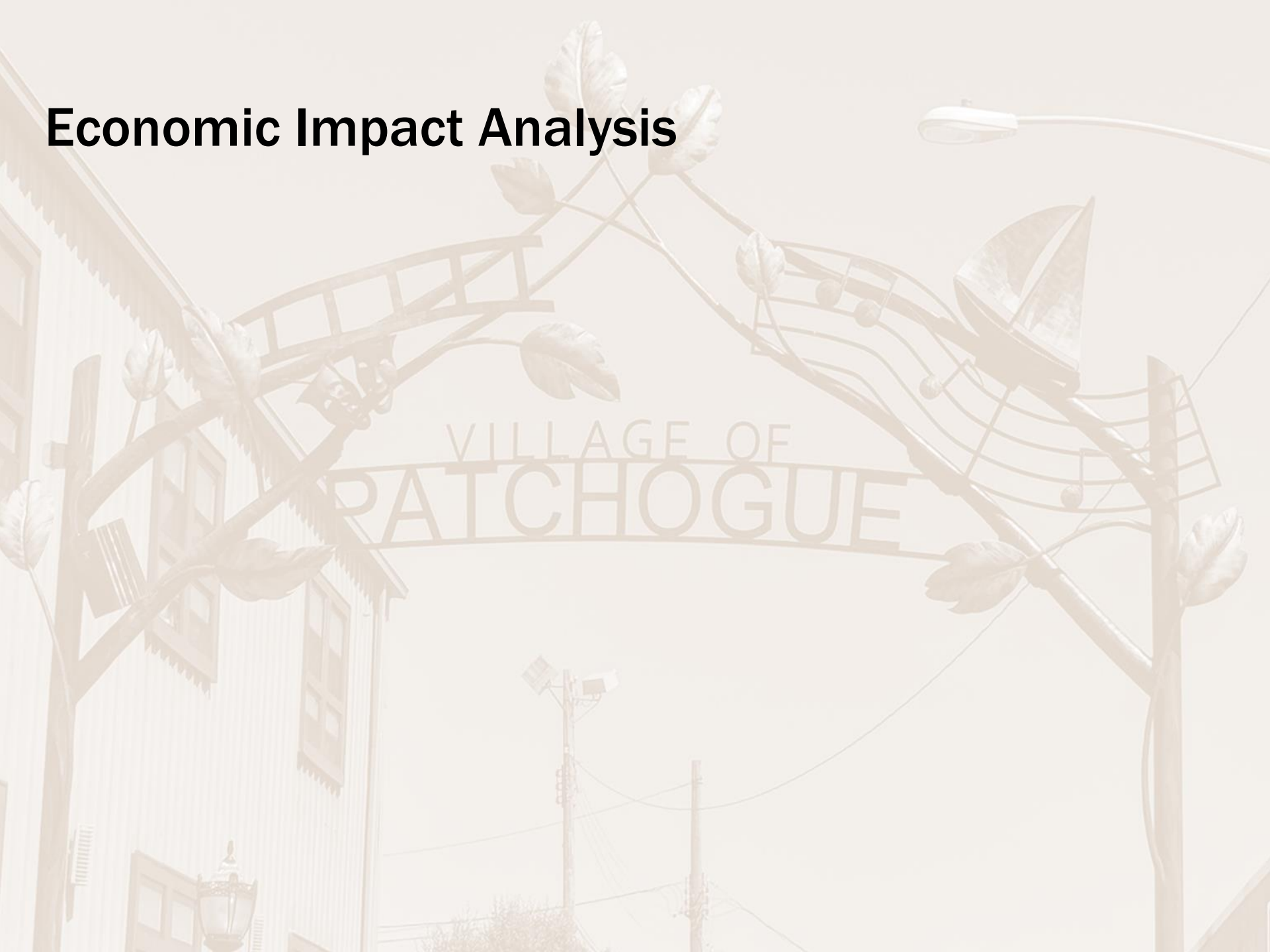
Attracting Visitors with Community Events: *including the annual Alive at Five event welcoming thousands to the village*

Building a New Arts and Cultural Scene: *including renovation of the Patchogue theater and artist housing*

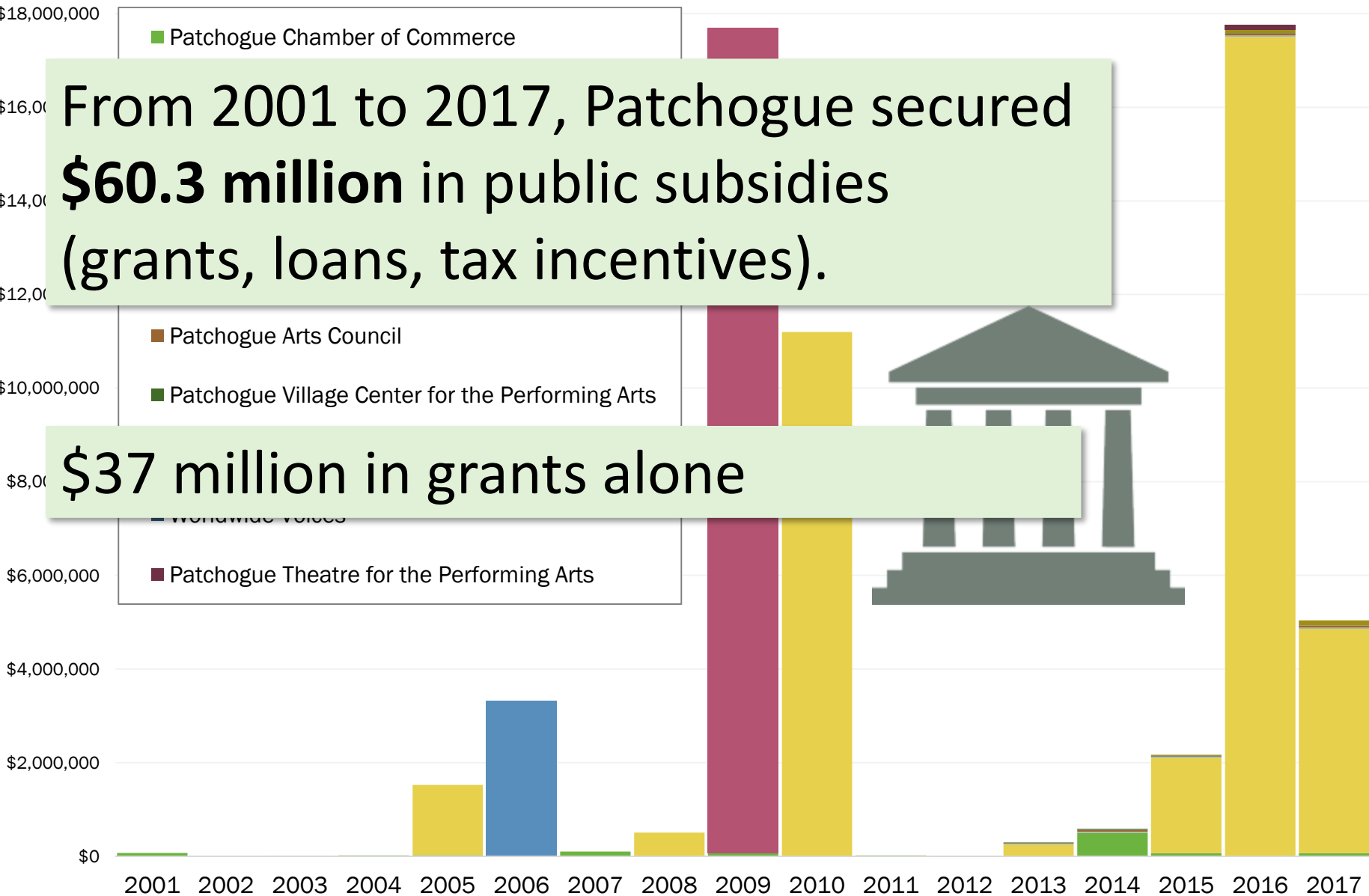


Every successful revitalization effort has a champion at its beginning.

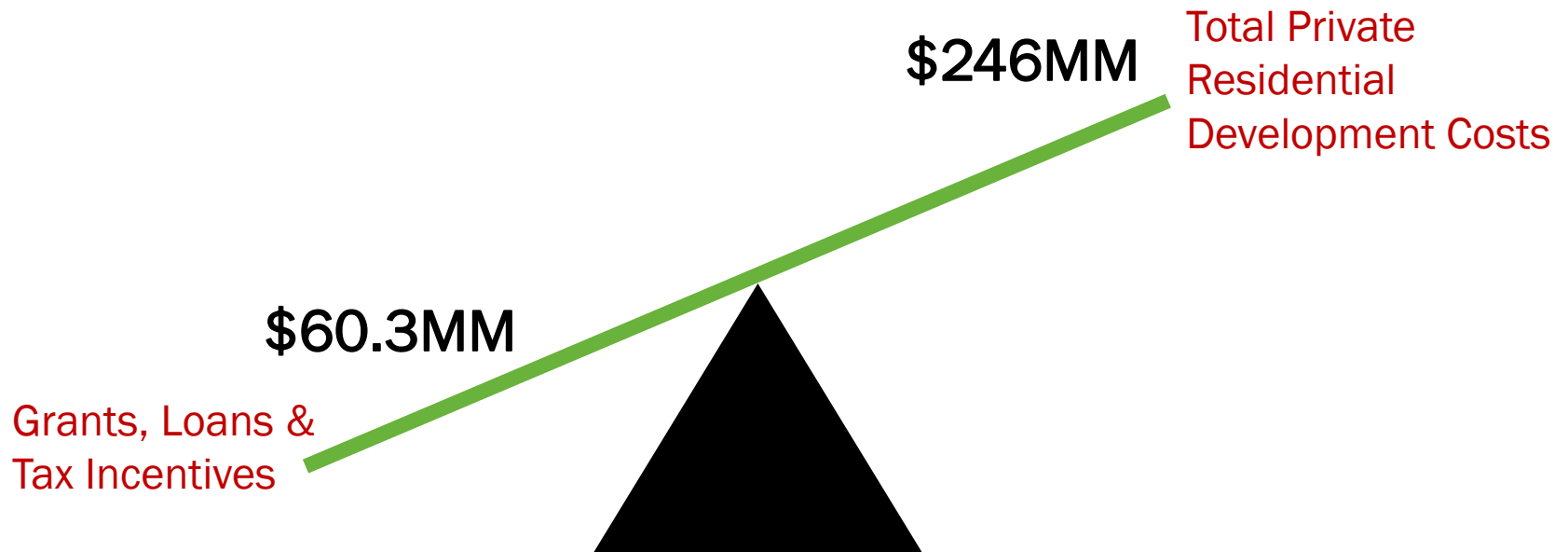
Economic Impact Analysis



Economic Impact Analysis: Public Subsidies

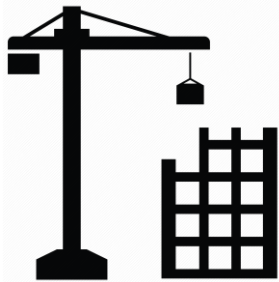


Patchogue's ability to secure and/or provide grants, loans and tax incentives was critical to the scale of private investment made over the past 17 years



For every \$1.00 directly invested in construction activity, \$0.70 in indirect and induced activity resulted throughout the Suffolk County economy.

**\$246 Million in
Construction
Investments**



\$79.4MM in indirect economic output +
\$93.4MM in induced economic output +
\$246.0MM in direct economic output =
\$418.8MM in total economic output

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

For every 100 direct construction related jobs created, 86 indirect and induced jobs were created within the Suffolk County economy.

Economic Impact Analysis: Direct & Indirect Employment Impacts

- 54 new businesses established in downtown Patchogue between 2000 and 2017.
- 42 of these businesses are considered stable (operating for at least one full year).
- An estimated 408 direct new jobs in the downtown are attributed to these new businesses.
- An additional 128 indirect and induced jobs were created in Suffolk County as a result.

42 new businesses stabilized by 2017

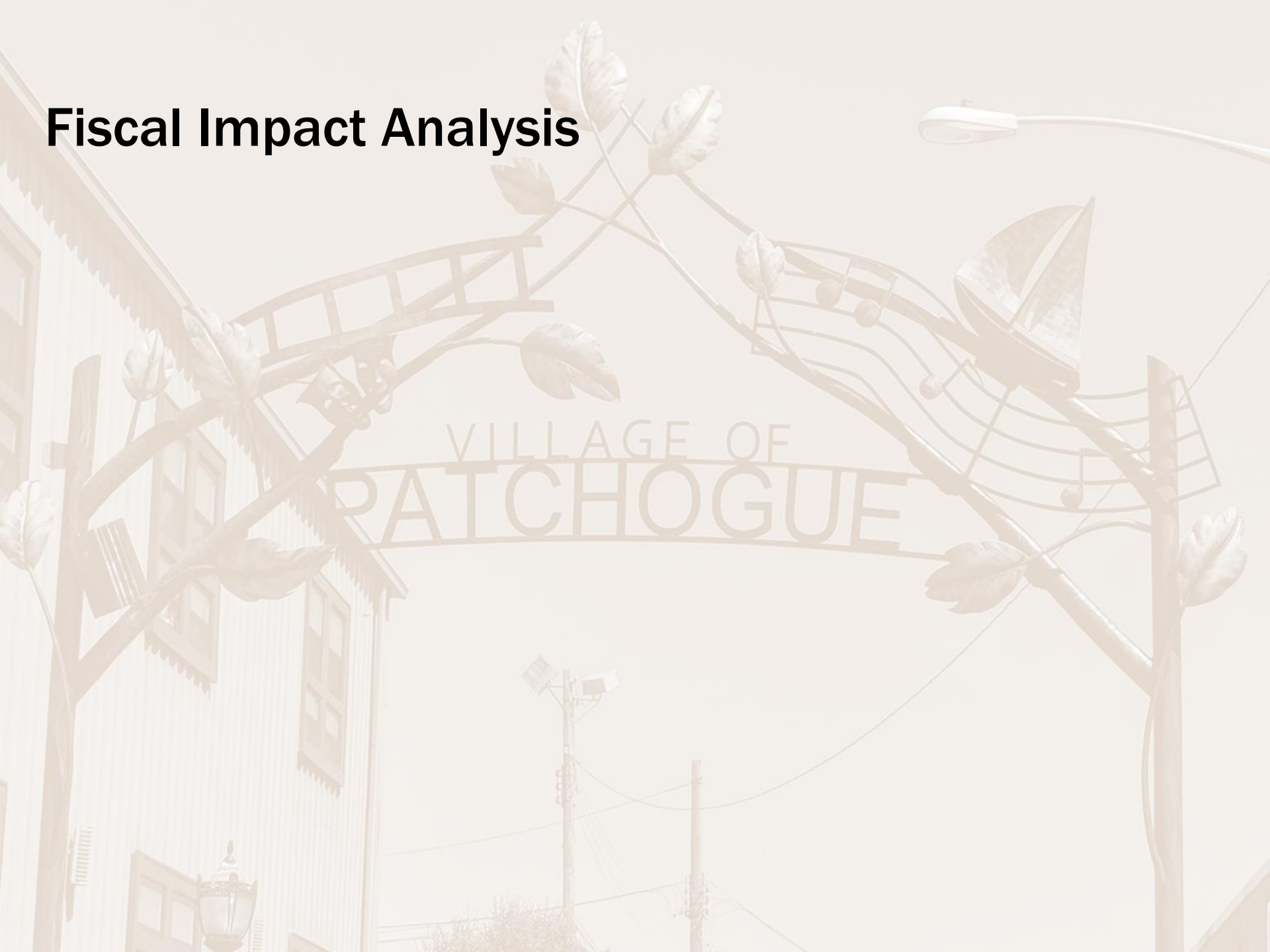


Economic Impact Analysis: 2000 to 2017 Total Economic Impacts

Cumulative number of jobs:	5,918
Total Direct Economic Output:	\$408,476,636
Total Indirect Economic Output:	\$124,349,678
Total Induced Economic Output:	<u>\$160,483,644</u>
Total Economic Output:	\$693,309,958

The above values pertain to construction, new households spending and new business operations over the 17-year period.

Fiscal Impact Analysis



Fiscal Impact Analysis Findings: Public School Children Impacts



Copper
Beech



Condos
on Waverly



Riverview
Condos



Bay Village
Condos



Artspace
Lofts



New
Village



Riverwalk
Condos

714 total dwelling units

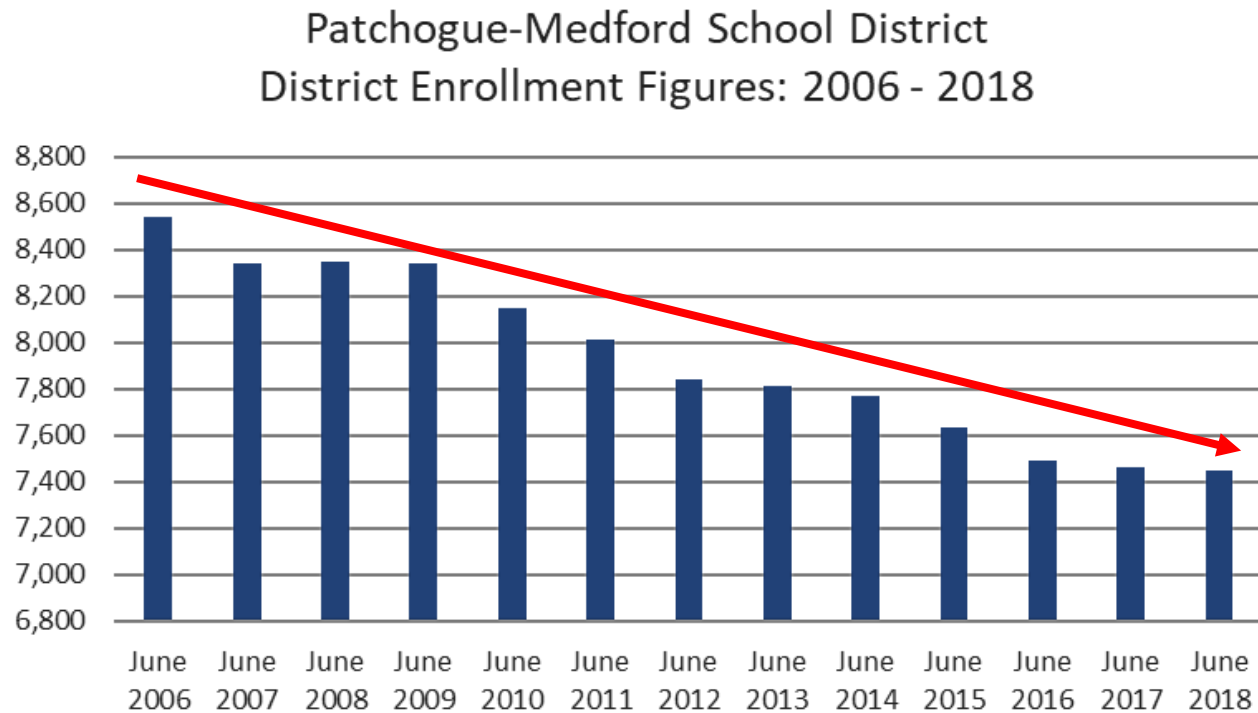
1,465 total residents

142 total public school-age children

The above population figures are likely overstated, based on local interviews and secondary research



Fiscal Impact Analysis Findings: Public School Children Impacts



Over the 12-year period examined, the PMSD realized a decrease of nearly 1,100 students, despite an overall increase in the Village population during the same timespan.

Fiscal Impact Analysis Findings: Public School Children Impacts

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	8	\$32,000	\$320,000
An estimated \$3.5 million in total educational service costs since 2006.				
Artspace Lofts	5	18	\$72,000	\$360,000
New Village Apartments	5	81	\$324,000	\$1,620,000
Riverwalk Condos	7	19	\$76,000	\$532,000
Totals		142	\$568,000	\$3,464,000

The likely average per pupil cost for new students in the district is assumed to be \$4,000 (approximately one sixth of the current average cost).

Fiscal Impact Analysis Findings: Public School Children Impacts

Residential Project	Years Open	Total PMSD Taxes
Copper Beech	10	\$1,869,561
Condos on		5,206
Riverview C		3,679
Bay Village		3,566
Artspace Lofts	5	\$59,910
New Village Apartments	5	***
Riverwalk Condos	7	\$1,047,347
Totals		\$6,614,297

An estimated \$6.6 million
in total tax levies 2006.

Based on tax assessor data, the seven multi-family projects examined have a cumulative tax levy total of \$6,614,297 since 2006.

Fiscal Impact Analysis Findings: Public School Children Impacts

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

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

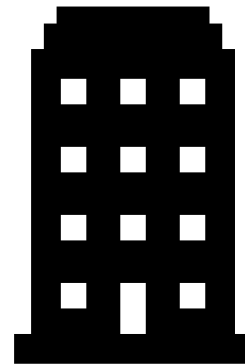
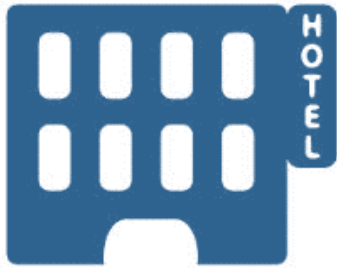


\$3,150,297 estimated net surplus revenues to the School District

Fiscal Impact Analysis Findings: Prospective Development

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

Or a new 60-unit apartment building?



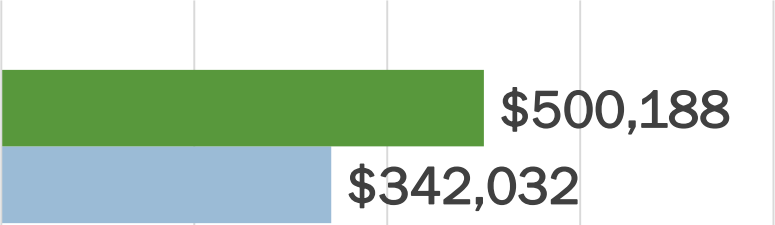
Net Fiscal Impact Findings:

Prospective Large Scale Development Projects

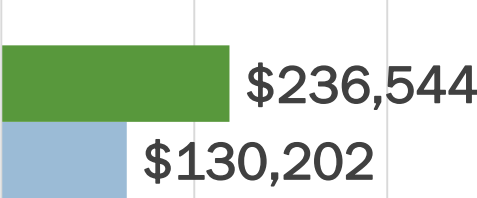
- 100 room Hotel
- Multi-family Residential



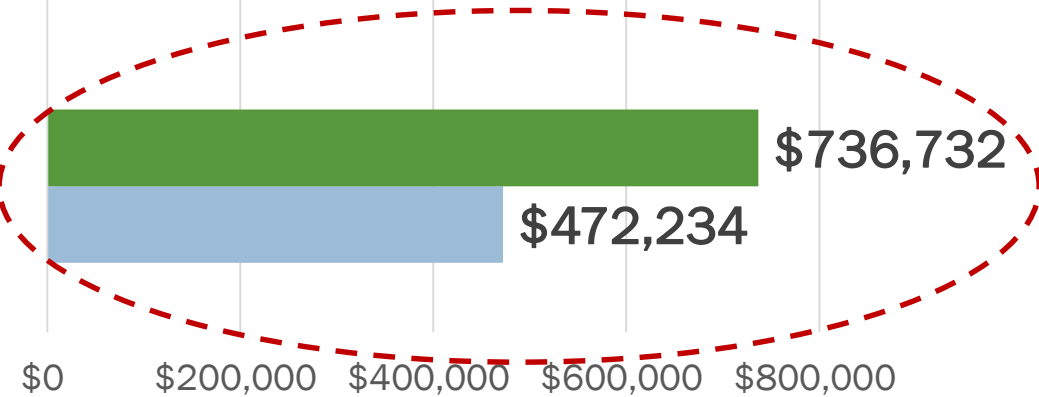
Net Impact to Public Schools



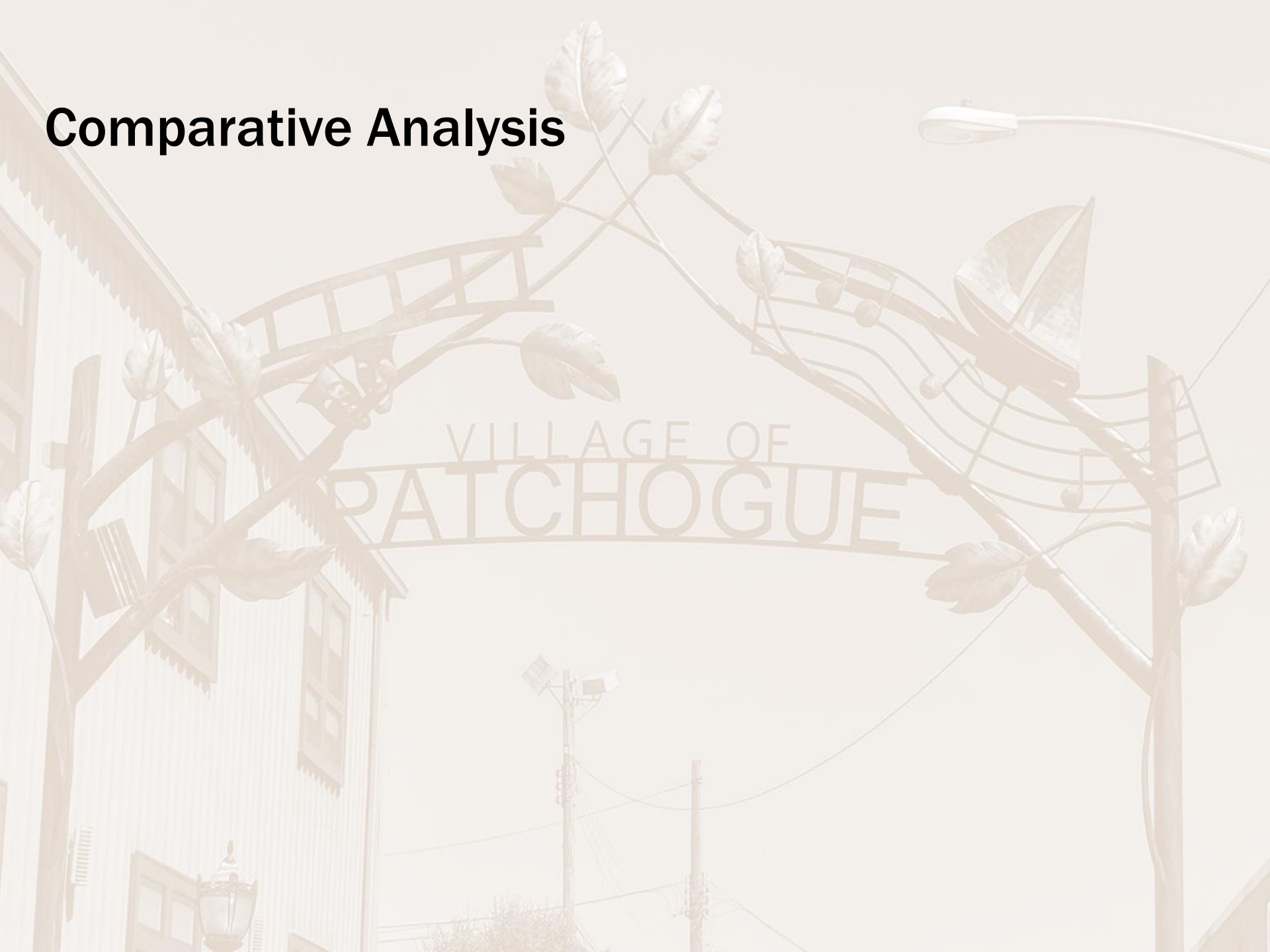
Net Impact to Village



Total Local Net Fiscal Impacts

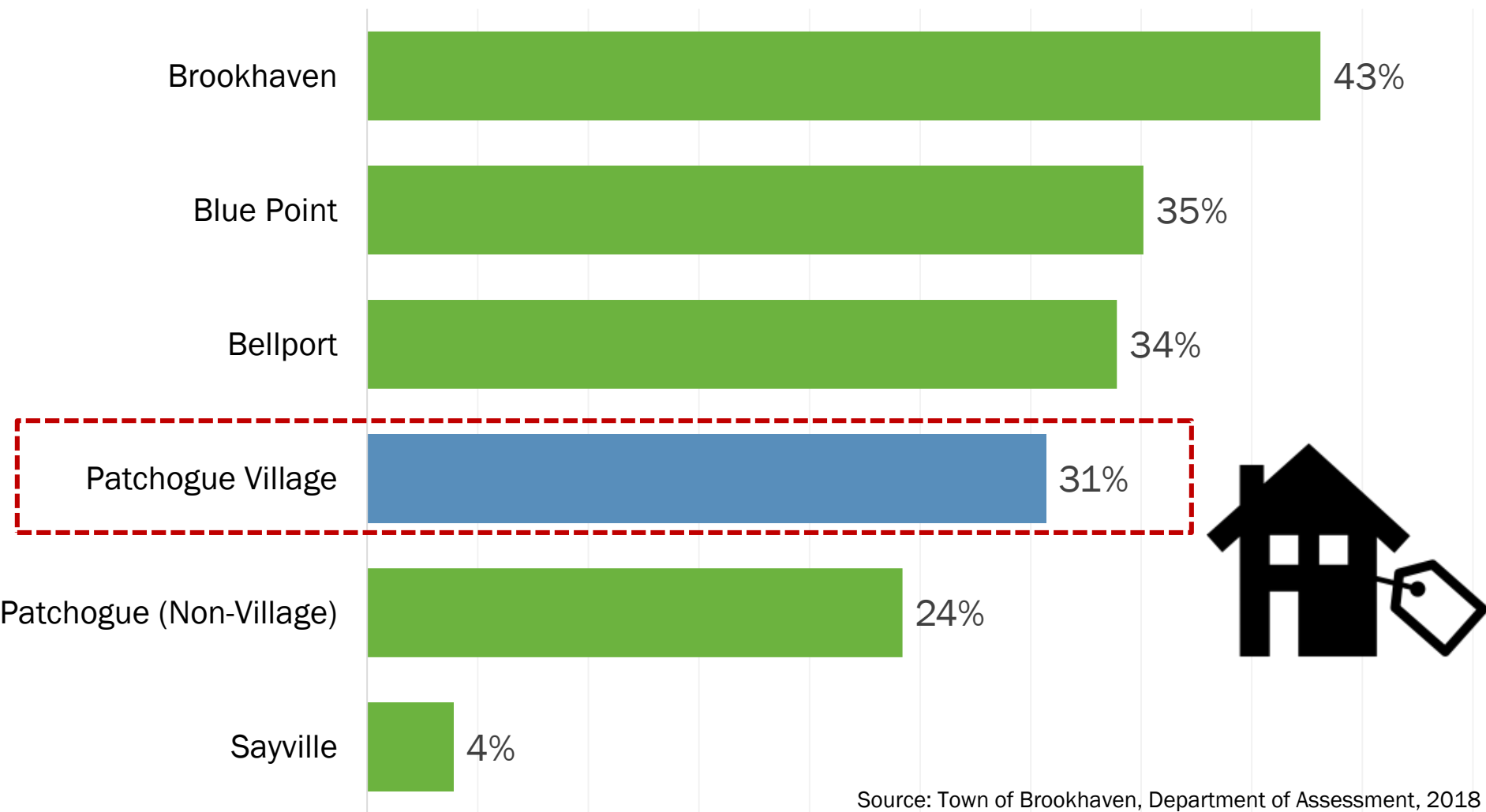


Comparative Analysis



Real Estate Market Value Trends: Real Estate Market Value

Real Estate Market Value
Percentage Change: 2004 -2018

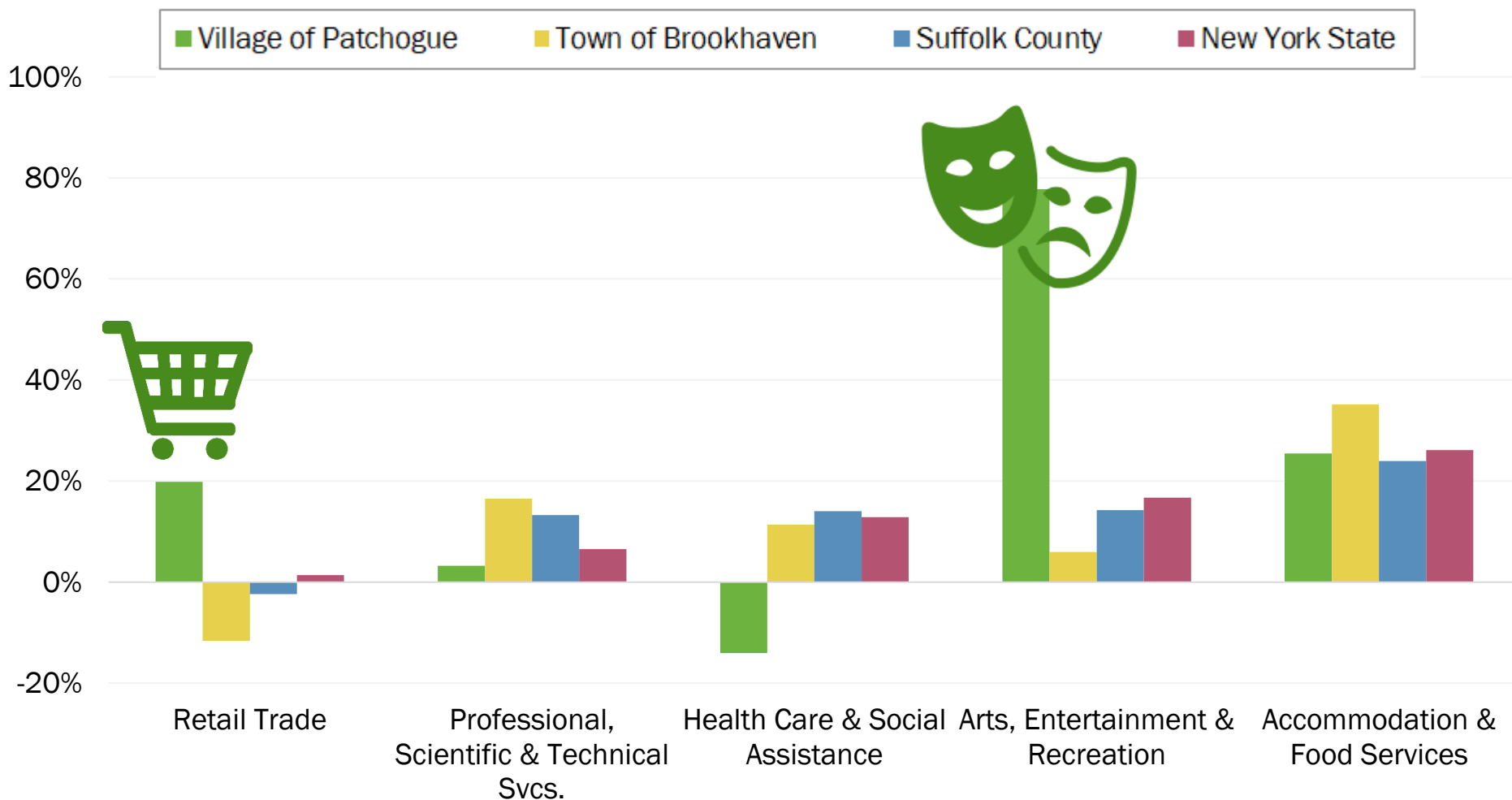


Source: Town of Brookhaven, Department of Assessment, 2018

Comparative Business Employment & Investment Trends



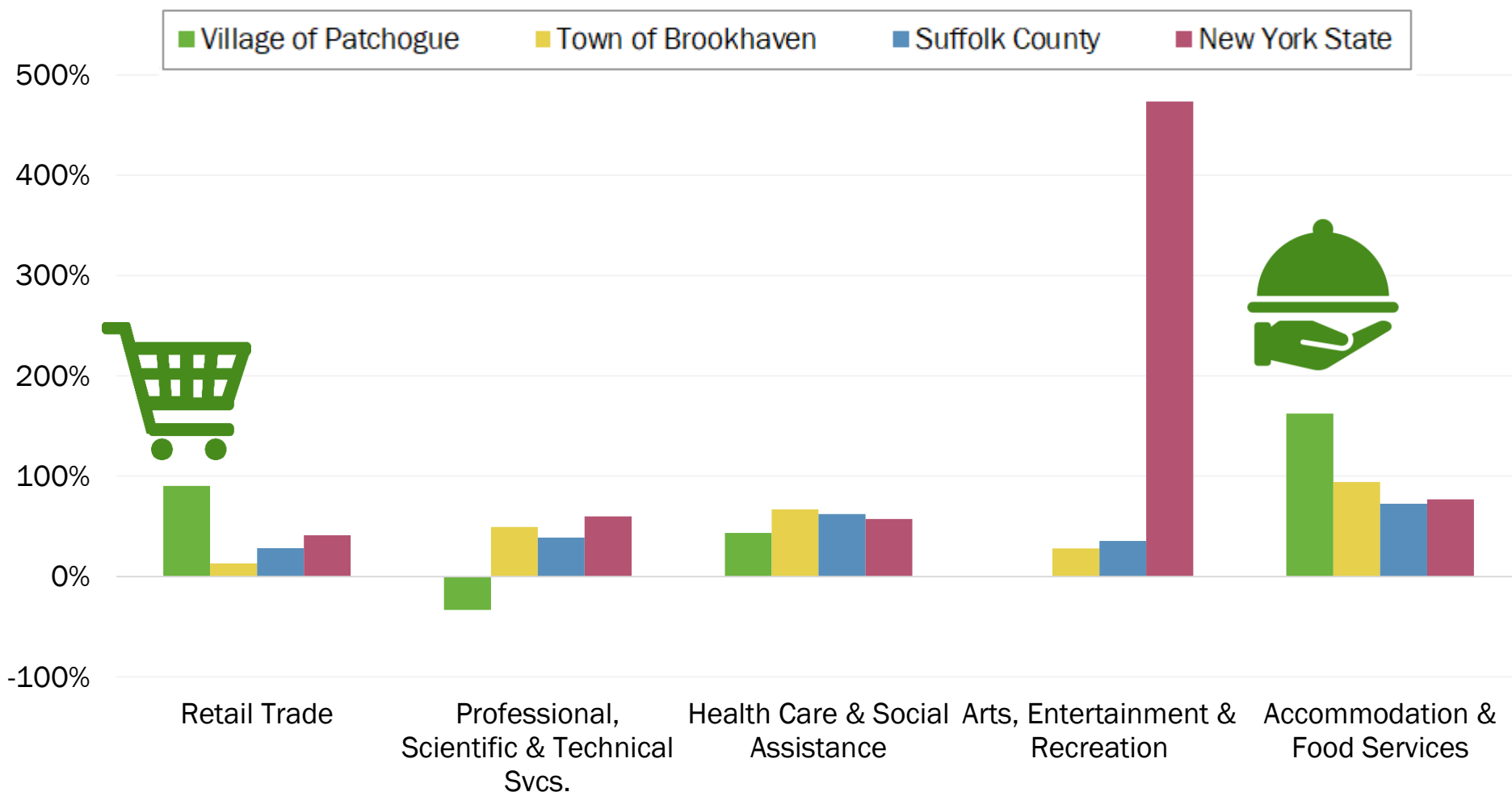
Businesses Established: Percentage Change Since 2002-2012



Comparative Business Employment & Investment Trends



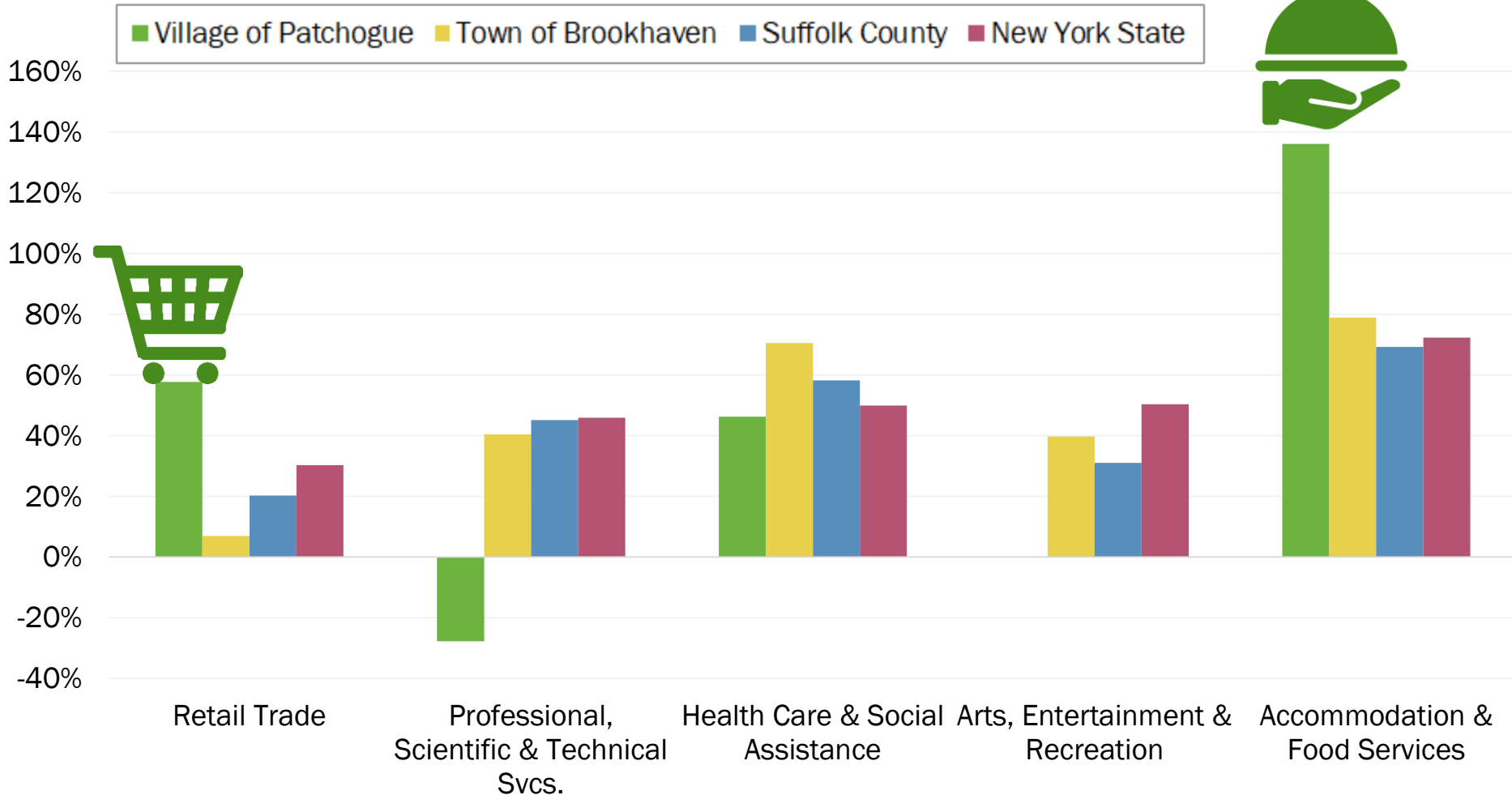
Value of Sales, Receipts, Revenue Percentage Change, 2002-2012



Comparative Business Employment & Investment Trends



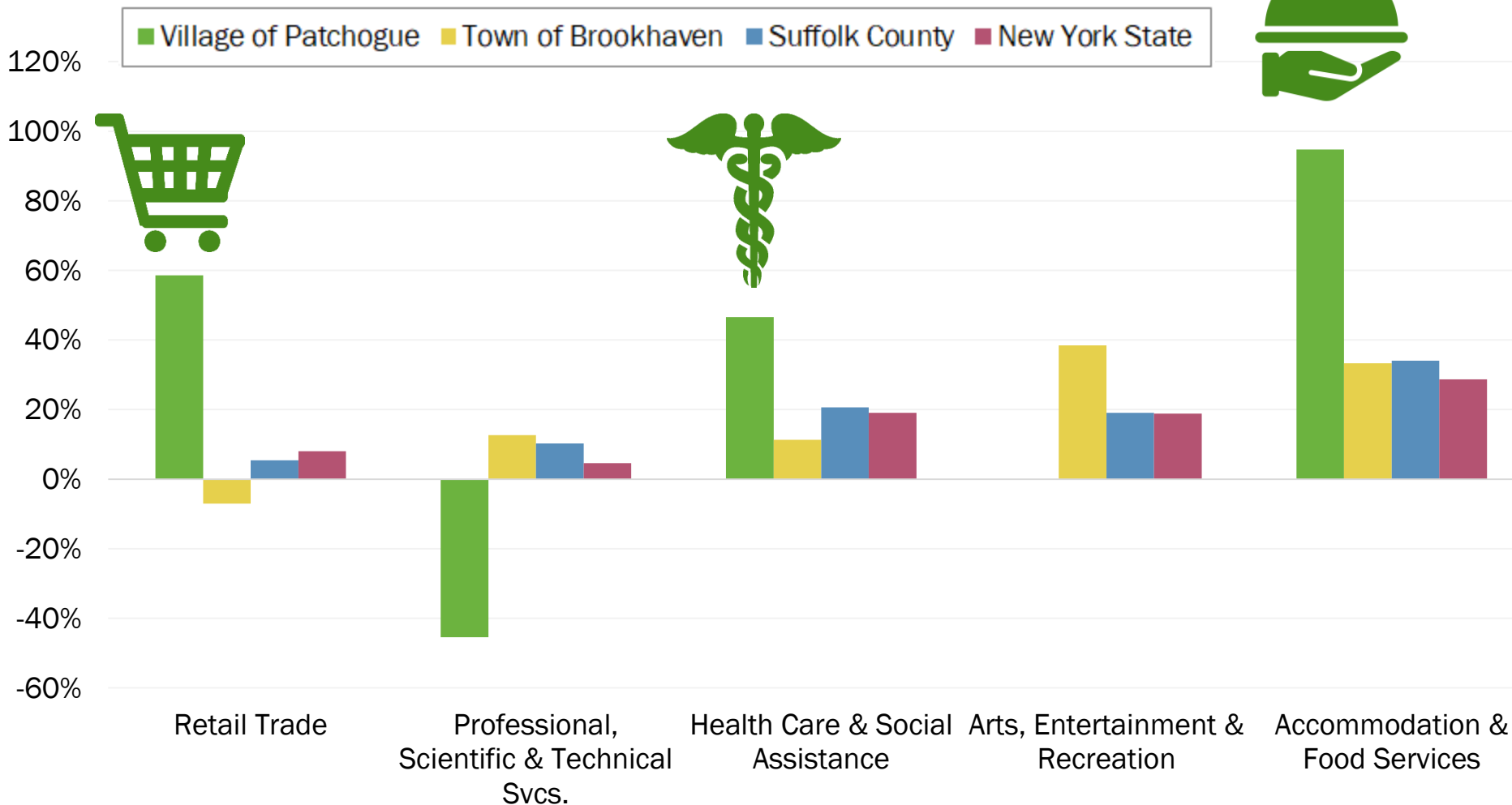
Annual Payroll Percentage Change, 2002-2012



Comparative Business Employment & Investment Trends



Number of Employees Percentage Change, 2002-2012



Study Takeaways



Economic and Fiscal Impact Analysis: Study Takeaways

- Upfront public investment can leverage many times its value in private investment.
- Cooperation among various public and private sector actors is critical!
- Without one or more steadfast champions, success is not likely to be realized.
- Residential development – particularly multi-family dwelling units – cannot be automatically assumed to be a fiscal burden to a community.



Questions?

www.4wardPlanning.com

www.LandUseImpacts.com