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ECONOMIC IMPACT OF REGIONAL BEACH CLOSINGS ON THE LONG ISLAND ECONOMY

Prepared for
Senator Charles Schumer
(D, New York)

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INTRODUCTION

On Long Island there are over 150 beaches operated by federal, state, county, town and local municipalities, including the 26-mile long Fire Island. These beaches feature miles of boardwalks, beach trails, restaurants, historic sites and picnic areas. In addition to the beauty, Long Island beaches are destinations for millions of visitors each year who in turn generate millions of dollars of primary economic activity from the dollars that they spend, and secondary economic activity as these dollars percolated through the economy. In addition to the thousands of jobs that operating and maintaining the beaches create, the goods and services that beachgoers purchase such as parking, food and refreshments, ice chests, ice, rental of bicycles, umbrellas and beach chairs generate millions of dollars of state and local sales tax revenues.

Unquestionably, beaches are vital assets in Long Island's over \$4 billion tourism industry, and it is for that reason that when they are closed due to rain or inclement weather, elevated levels of bacteria, unknown sources or contamination, storm water runoff, or from sewage leaks or spills it should be a concern to all Long Islanders. Beach closures and the reasons they close not only have adverse economic impacts, but if the beaches are not opened quickly, and the causes of the closures not remedied, all the unblemished public imagery of Long Island as a tourism paradise can become tarnished.

Tables 1, 2, and 3 illustrate the many facets confronting Long Island beaches, and the challenges to regional government to keep them open.

CAUSES OF ADVISORIES AND CLOSINGS OF LONG ISLAND BEACHES

Table 1, compiled from media sources, indicates that between 2001 through 2005 there were 951 instances of beach closings. While there may be some beaches closings not reflected, the 951 beach closings presents an excellent indication of the challenge to keep beaches open for use. Of the 951 beach closures, applying state statistics for beach closings, just over 36% or 345 could be projected as due to monitoring that revealed elevated bacteria levels. Of the 345 closures, 52% or 180 could be projected from unknown sources of contamination, 41% or 141 were from storm water runoff, 5% or 17 were due to other reasons, and 2% or 7 were from sewage leaks or spills. Furthermore, just over 10% or 97 closing/advisory days were in response to various circumstances such as algal blooms, cloudiness, strong waves, and over 2% or 23 days were in response to a sewage spill. The leading cause of beach closures in both Nassau and Suffolk counties was and as shown in Table 3 continues to be pre-emptive rain.

TABLE 1: BEACH CLOSURES/ADVISORIES

| County | 2005 | 2004 | 2003 | 2002 | 2001 | Total |
|---------|------|------|------|------|------|-------|
| Nassau | 75 | 92 | 8 | 0 | 1 | 176 |
| Suffolk | 137 | 318 | 187 | 76 | 57 | 775 |

Source: Compiled from Media Sources

While Table 1 indicates the instances of closures, the closure orders impact more than one beach. The compiled information also reflected that in 2005, in Nassau County there were 5 days where 76 beaches were closed, and Suffolk County had 33 days where 46 beaches were closed. The result is that an aggregate of 380 beach days were lost in Nassau County and 1,518 days in Suffolk County.



Table 2 illustrates the Suffolk County effort to monitor beach water quality standards and the increased trend of Suffolk County beach advisories and closures. The certainty is that whether it is an advisory or closure, beachgoers heed the warnings and the attendance at beaches reflects that concern. The 2007 Nassau and Suffolk Counties beach closures to date appear in Table 3, with the regional economic impact of those closings discussed subsequent sections and appear in Tables 4, 5, and 6.

TABLE 2: SUFFOLK COUNTY ADVISORIES AND CLOSURES

| Summary of 2000-2006 Bathing Beach Advisories and Closures | | | | | | | |
|---|------|------|------|-------|-------|-------|-------|
| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| Beaches/Coastal Areas Monitored | 82 | 124 | 71 | 108 | 218 | 206 | 201 |
| Samples Collected | 560 | 522 | 479 | 2,364 | 4,754 | 4,109 | 4,160 |
| Beaches Affected By Advisories | 1 | 3 | 2 | 38 | 50 | 38 | 72 |
| Total Days Advisories in Effect | 5 | 13 | 11 | 162 | 269 | 114 | 504 |
| Beaches Closed Due to Water Quality Exceeding Acceptable Levels | 2 | 2 | 3 | 8 | 12 | 14 | 21 |
| Total Closure Days | 54 | 44 | 114 | 40 | 125 | 152 | 165 |
| Total Closure + Advisory Days | 59 | 57 | 125 | 202 | 394 | 266 | 669 |

Source: Suffolk County Health Department

2007 LONG ISLAND BEACH CLOSURES THROUGH AUGUST 3, 2007

Table 3, based on the best information currently available, illustrates that the 2007 beach season has been severely impacted by the unusual rain activity that Long Island has been experiencing. Through August 3, 2007, 30 days or 46% of the available beach days since Memorial Day in Nassau and Suffolk Counties have been closed for an aggregate impact of 1155 beach days, or an average of 40 beaches closed per day.

While municipalities are not impacted by loss of beach permit fees that usually are purchased for the season, daily parking fees, concession revenues and food and beverages purchased from vendors outside of the beaches and brought in by beachgoers have. Furthermore, while state beaches officially had not been closed, the weather and resulting beach closure notifications could reasonably be assumed to damper state attendance and state revenues. The aggregate of the losses of direct economic and secondary economic impact appear after Tables 4, 5, and 6.



TABLE 3: 2007 LONG ISLAND BEACH CLOSURES THROUGH AUGUST 3

| Location | Impacted Beaches | County | From/To | Beach Days Lost All Beaches total |
|-----------------|---|--------------------|---|--------------------------------------|
| Various | 23 Beaches | Nassau | 6/28/2007- 6-29/2007 | 46 Days |
| Bayshore | Benjamin's Beach | Suffolk | 7/2/2007- 7/3/2007 | 2 Days |
| Various | Biltmore Beach Club, Hewlett Point Beach, Island Park Beach, Merrick Estates Civic Association Beach, Phillip Healey Beach, Bar Beach, Roosevelt Beach, Centre Island Bay, Sea Cliff Village Beach, Centre Island Sound, Soundside Beach, Creek Club, Crescent Beach, Stehli Beach, Tappen Beach, Hempstead Harbor Beach, West Harbor Beach, Lattingtown Beach, Laurel Hollow Beach, Morgan Sound, Piping Rock Beach Club, Pyrbil Beach, Ransom Beach | Suffolk/ Nassau | 6/29/2007- 7/6/2007 <i>(see note below)</i> | 176 Days |
| Various | *Advisory* Amityville Beach, Bayberry Beach & Tennis Club, Bayport Beach, Benjamin's Beach, Brightwaters Village Beach, East Islip Beach, Islip Beach, Patchogue Village Pool & Beach Club, Sandspit Beach, Sayville Beach, Sayville Marina Park, Shirley Beach, West Islip Beach, West Oaks Recreation Club | Suffolk | 6/29/2007- 7/2/2007 | 56 Days |
| Various | Advisory on all 69 | Suffolk | 7/30/2007- 8/1/2007 | 42 Days |
| Various | Advisory on all 69 | Suffolk | 7/5/2007- 7/6/2007 | 138 Days |
| Rocky Point | Tides Beach | Suffolk | 7/12/2007 | 4 Days |
| Setauket | Grantland | Suffolk | 7/12/2007- 7/16/2007 | 5 Days |
| Various | Bayport, Sayville, Sayville Marina | Suffolk | 7/16/2007- 7/17/2007 | 2 Days |
| Various | Biltmore Beach Club, Hewlett Point, Island Park Beach, Merrick Estates Civic Association Beach, Phillip Healey Beach, Bar Beach, Centre Island Bay, Centre Island Sound, Creek Club, Crescent Beach, Hempstead Harbor Beach, Lattingtown Beach, Laurel Hollow Beach, Morgan Sound, Piping Rock Beach Club, Pyrbil Beach, Ransom Beach, Roosevelt Beach, Sea Cliff Village Beach, Soundside Beach, Stehli Beach, Tappen Beach, West Harbor Beach. | Nassau/ Suffolk | 7/18/2007- 7/19/2007 | 46 Days |
| Various | Advisory on 70 beaches | Suffolk | 7/5/2007 - 7/6/2007 | 46 Days |
| Various | Advisory on 70 beaches | Suffolk | 7/18/2007- 7/20/2007 | 210 Days |
| Various | Advisory on 59 beaches | Suffolk | 7/23/2007- 7/24/2007 | 118 Days |
| Great South Bay | Bayport Beach, Sayville Beach, Sayville Marina Park Beach | Suffolk | 7/23/2007- 7/25/2007 7/30/2007- 8/3/2007 | 9 Days 12 Days |
| Various | Biltmore Beach Club, Hewlett Point Beach, Island Park Beach, Island Park Beach, Phillip Healey Beach, Bar Beach, Centre Island Bay, Centre Island Sound, Creek Club, Crescent Beach, Hempstead Harbor Beach, Lattingtown Beach, Laurel Hollow Beach, Morgan Sound, Piping Rock Beach Club, Pyrbil Beach, Ransom Beach, Roosevelt Beach, Sea Cliff Village Beach, Soundside Beach, Stehli Beach, Tappen Beach, West Harbor Beach | Nassau | 7/23/2007 7/25/2007 | 69 Days |
| Various | All 18 North Shore beaches, Biltmore Beach Club, Hewlett Point Beach, Island Park Beach, Merrick Estates Civic Association Beach, Phillip Healey Beach | Nassau | 7/24/2007- 7/25/2007 | 46 Days |



TABLE 3: 2007 LONG ISLAND BEACH CLOSURES THROUGH AUGUST 3 (continued)

| Location | Impacted Beaches | County | From/To | Beach Days Lost All Beaches total |
|---|-------------------------------|---------|---------------------|-----------------------------------|
| Northern shoreline of Great South Bay, harbors of Huntington, Centerport & Northport, and Long Island Sound beaches | Closure of 59 Beaches | Suffolk | 7/23/2007-7/24/2007 | 118 Days |
| Cold Spring Harbor | Cold Spring Harbor Beach Club | Nassau | 7/11/2007-7/12/2007 | 2 Days |
| Strongs Necks | Minasseroke Beach | Nassau | 7/25/2007-8/1/2007 | 8 Days |

Source: Compiled from Information Found in Media and Supplied by Municipalities

ECONOMIC IMPACT OF 2007 BEACH CLOSURES

To calculate the economic impact of the beach closures on the Long Island economy, a survey was conducted whereby each town and county on Long Island was asked to provide their 2006 beach attendance and revenues so an estimate of attendance and economic loss due to the 2007 beach closings could be calculated. As of the issuance date of this report, Table 4 reflects the municipalities that have responded, with Tables 5 and 6 indicating the additional information concerning state parks obtained from the 2006 New York State Statistical Yearbook. Based upon these tables the estimated economic impact of the beach closings on Long Island has been calculated.



TABLE 4: LONG ISLAND BEACH ATTENDANCE & REVENUE

| Town | 2006 Beach Attendance | Form of Attendance | Estimated Revenue | Type of Revenue | Additional Information |
|-----------------|---------------------------------|---|----------------------------|------------------------------------|---|
| Babylon | 16,245 | Cars-single day fees | \$338,233.00 | Daily Parking Fees | Does not include seasonal parking passes |
| Southold | 12,688 | Beach parking permits | \$117,784.00 | From Permits | |
| East Hampton | 1,024,030 | Vehicle permits | \$275,800.00 | From Permits | \$18,000,450 from hotels, businesses, restaurants |
| Southampton | 39,900 | Beach parking permits | Gross revenue: \$967,000 | | 3.5 people/car formula-370,000 people attended. This information is for their 8 official beaches and does not include villages and other unattended beaches |
| Brookhaven | N/A | N/A | \$18,717.00 | Parking/Permit Fees | N/A |
| Hempstead | N/A | N/A | N/A | N/A | N/A |
| Long Beach | | Seasonal, daily & LIRR deal passes | \$1,518,506.00 | Seasonal, daily & LIRR deal passes | This amount is half of what it was in 2005 |
| Glen Cove | expected 8,700 (1/3 population) | 5000 permits given out (1 per vehicle) | Free entrance – no revenue | | 100 permits (1 per vehicle) are given for Morgan Memorial Park shared with Locust Valley residents |
| Oyster Bay | N/A | N/A | N/A | N/A | N/A |
| North Hempstead | 7,319 | Day/Weekend/Annual Seniors Fees | N/A | \$106,426.00 | N/A |
| Riverhead | 14,856 | | \$126,700.00 | | |
| Huntington | 9,750 | Permits | \$243,724.00 | Permits | Permits equate to approximately 34,150 actual beach goers |
| Islip | 74,626 | | \$110,859.50 | | |
| Suffolk County | 130,113 | Beach Parking Fees | \$813,520.00 | Beach Parking Fees | Does not include Green Key Sales, Camping, Hunting, or OB permits |
| Nassau County | 35,144 | Approximate number of cars based on revenue | \$1,328,388.00 | Beach Parking Fees | |

Source: Compiled From Information Supplied by Municipalities



**TABLE 5: ACREAGE/ATTENDANCE AT NEW YORK STATE OPERATED BEACHES ON LONG ISLAND
1997-2004**

| | | Acreege | Attendance (1) |
|---|---------------|-------------------|-----------------------|
| <u>All New York State Regions</u> | | <u>313,064</u> | <u>56,980,000</u> |
| Long Island Region | | 26,584 | 18,967,000 |
| Remaining New York Regions | | 286,480 | 38,013,000 |
| Long Island Beaches | County | Acreege | Attendance (1) |
| A.E. Smith/Sunken Meadow | Suffolk | 1,288 | 1,495,000 |
| Captree | Suffolk | 340 | 1,680,000 |
| Gilgo | Suffolk | 1,223 | N/A |
| Jones Beach | Nassau | 2,413 | 6,049,000 |
| Montauk Point | Suffolk | 862 | 910,000 |
| Napeague | Suffolk | 1,364 | 197,000 |
| Orient Beach | Suffolk | 364 | 127,000 |
| Robert Moses | Suffolk | 875 | 3,467,000 |
| Sag Harbor | Suffolk | <u>341</u> | <u>36,000</u> |
| Total | | <u>9,070</u> | <u>13,961,000</u> |
| Percent of Total Attendance At Long Island Beaches | | | |
| <u>Attendance At All NYS Parks/Beaches</u> | | <u>18,967,000</u> | <u>100.00 %</u> |
| Attendance At Long Island Beaches | | 13,961,000 | 73.61 |
| Attendance At Other NYS Parks/Historic Sites | | 5,006,000 | 26.39 |

Source: 2006 New York State Statistical Yearbook 31st Edition. Online 25 July 2007. Tables O-9 Acreege of and Attendance at Facilities Operated by the Office of Parks, Recreation and Historic Preservation Fiscal Years 1997-98—2003-2004; Table O-8 Acreege of and Attendance at State parks and Historic sites New York State by Region Fiscal years 1997-98----2003- 2004.

Note 1: Attendance reflected as an average of the seven-year attendance between fiscal years 1998-2004.

TABLE 6: NEW YORK STATE BEACH REVENUES FROM LONG ISLAND: 1997-2004

| | Revenues (1) | Percent |
|--|----------------------|-----------------|
| <u>All Parks/Recreation Regions In New York State:</u> | <u>\$ 59,791,000</u> | <u>100.00 %</u> |
| Remaining New York Regions | \$ 35,742,000 | 59.78 % |
| Long Island Region | \$ 24,049,000 | 40.22 % |
| <u>Percent From Table 5: Attributable to Beaches</u> | <u>x 73.61 %</u> | |
| <u>Total Long Island Beach Revenue</u> | <u>\$ 17,702,468</u> | |

Source: 2006 New York State Statistical Yearbook 31st Edition. Online 25 July 2007. Table E-29 Revenues from State Parks and Historic Sites New York State by Region Fiscal Years 1997-98-2003-2004.

Note 1: Revenues reflected as an average of the seven-year revenues between fiscal years 1998-2004 for all New York State Beaches, Parks, and Historic Sites.



The economic impact of the beach closures and advisories for the municipalities that have reported appears below. The calculation is based on the 30 beach closure days between Memorial Day and August 3, 2007, or 31% of the total season between Memorial Day and Labor Day, or 96 days. To be conservative, where attendance is not defined, the calculation will assume that each car or permit will cover 2 persons; where attendance is defined, 31% will be assumed to have not gone to the beach. In either case, the direct economic impact of beachgoers will be based on an estimated \$20 per day per beachgoer that will be spent on food, beverages and other incidentals for a day at the beach. Estimates of lost attendance will be conservatively based on the 31% of the projected attendance. Since closures were not announced for beaches run by New York State, the Towns of Southampton and East Hampton, and the City of Long Beach, lost attendance and economic activity is based on a 96-day season, with 10 days lost due to rain and inclement weather. Lost municipal parking fee revenue due to beach closures or inclement weather or rain is not included in the lost economic activity.

| <u>Municipality</u> | <u>Attendance Lost</u> | <u>Lost Economic Activity</u> |
|---|------------------------|---|
| New York State | 1,454,270 | \$19,295,257 |
| Babylon | 10,072 | 201,438 |
| Southold | 7,867 | 157,331 |
| Southampton | 38,542 | 770,833 |
| East Hampton | 213,340 | 4,266,792 |
| Long Beach | not available | 158,178 |
| Glen Cove | 5,394 | 107,880 |
| North Hempstead | 4,538 | 90,756 |
| Riverhead | 4,605 | 131,384 |
| Huntington | 10,587 | 211,730 |
| Islip | 23,134 | 497,047 |
| Suffolk County | 80,670 | 1,613,401 |
| Nassau County | 21,789 | 435,786 |
| Total Lost Attendance | <u>1,874,808</u> | <u>\$27,937,813</u> |
| Activity | | <u>x 1</u> Direct Lost Economic Activity |
| | | <u>\$27,937,813</u> Economic Multiplier Effect |
| | | <u>\$ 55,875,626</u> Secondary Economic Impact |
| | | <u>x 8.625 %</u> Total Economic Impact |
| Total Lost Sales Taxes | | <u>\$ 4,819,272</u> State and Local Sales Tax % |
| Total Lost Economic Activity and State and Local Sales taxes | | \$ 60,694,898 |

CONCLUSION

The impact of the beach closings to date, based on information provided estimates that the Long Island economy has lost 1.4% of its tourism related economic activity and \$4.8 million of sales tax revenues at the rate of over \$2 million dollar per day. This at the very time that sales tax revenues collected by the counties of Nassau and Suffolk are falling below expectations. These are certainly significant revenue and tax short-falls. The results can be projected to be greater had the towns of Hempstead, Brookhaven, and Oyster Bay responded to the requests for attendance and revenues. If the trend of rain and beach closing continues for the remainder of this summer beach season, at the rate that they have been estimated as of August 3, 2007, it can be projected that Long Island could lose another \$20 million of lost economic activity and sales tax revenues.



ABOUT MARTIN R. CANTOR,
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Martin R. Cantor has a Bachelor of Science Degree in Accounting from Brooklyn College of the City University of New York, and a Master of Arts Degree in Interdisciplinary Studies from Hofstra University, focusing on the socio-economic relationships between education, household income, community and workforce development for New York City and Long Island.

Mr. Cantor has served as Suffolk County (New York State's largest suburban county) Economic Development Commissioner, brought Computer Associates to Suffolk County, and created over 23,000 jobs with an estimated \$1.4 billion annual payroll economic impact. He has served as: Chief Economist, New York State Assembly Subcommittee for the Long Island Economy; Senior Fellow at the White Plains, New York-based Institute for Socioeconomic Studies - a public policy think tank concentrating on poverty in America and senior citizens' quality of life; Chair of the Long Island Development Corp; a building trades labor/management arbitrator; a consultant to the Nassau Interim Financial Authority; a faculty member in the Brooklyn College Department of Economics; Executive Director of the Patchogue Village Business Improvement District; and, most recently, as Director of Economic Development and Chief Economist for Sustainable Long Island and the Long Island Fund for Sustainable Development, providing financial and technical assistance to businesses and not-for-profit organizations.

His work is included in the *National Tax Rebate-A New America With Less Government*, and has prepared downtown revitalization plans for Long Island and New York City neighborhoods featuring art districts, economic restructuring, waterfront projects and community organizing. He was the architect of the Nassau County Comptroller's debt restructuring plan for resolving Nassau County's fiscal crisis; has been a columnist for *Long Island Business Journal* and *LI Pulse* ; and has authored federal, state and local legislation; economic impact analyses; socio-economic profiles of the New York City and Long Island economic, employment and educational bases; annual reports on the State of the Long Island Economy; and a convention center feasibility study.

A Certified Public Accountant in private practice, Mr. Cantor is also a consulting economist and economic development and planning consultant to counties, towns, villages, Industrial Development Agencies, and communities; an economic development advisor to the Suffolk County Executive; chairman of the Suffolk County Legislatures Downtown Revitalization Advisory Panel; Chief Economist for the Long Island Development Corporation; and Chairman of the Suffolk County Judicial Facilities Agency which financed the acquisition of the Cohalan State Court Complex.

Mr. Cantor provides economic and business commentary on television and radio; is a columnist for the Long Island Business News, Long Island's largest business weekly; has appeared in *The New York Times* and *Newsday*, and has been syndicated nationally by Newsday, Bridge News and Knight-Ridder/Tribune News Service. He is an Honorary Member of Delta Mu Delta - The National Honor Society in Business Administration, and has been recognized by the National Association of Counties for innovative uses of Industrial Revenue Bonds, international trade promotion initiatives, and downtown revitalization. He was invited by Dr. William Julius Wilson of Harvard University's John F. Kennedy School of Government to present his paper entitled *Race Neutral Sustainable Economic Development*. He is the author of the recently published *Long Island, The Global Economy and Race: The Aging of America's First Suburb* (www.martincantor.com).

