

LONG ISLAND CENTER FOR SOCIO-ECONOMIC POLICY

THE SOCIO-ECONOMIC IMPACT

OF

**WESTFIELD GREEN: RE-DEVELOPMENT OF 14.25 ACRES AT 495
MIDDLE COUNTRY ROAD, SELDEN, NEW YORK**

PREPARED FOR

495 MIDDLE COUNTRY ROAD, LLC

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The Socio-Economic Impact
of
Westfield Green-
Redevelopment of 14.25 Acres at 495 Middle Country Road, Selden, New York
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ABSTRACT

Westfield Green will bring much needed economic activity to the Selden community. Created will be 156 construction jobs with a direct payroll of \$7.8 million, 234 secondary jobs with aggregate payroll of \$8.19 million and over \$912,000 in new Suffolk County sales tax revenues. The permanent and recurring direct economic activity from the residents of Westfield Green will bring a minimum aggregate annual household income of nearly \$10 million to the Selden community and 105 primary and secondary jobs with aggregate payroll of \$3.9 million and generating over \$330,000 in new and recurring Suffolk County sales taxes.

The residents of Westfield Green will replenish the decreasing and aging Selden population and households. Between 2000 and 2015 Selden's population decreased by 7.95 percent as compared to the 5.78 percent increase in the population of Suffolk County. Selden's households decreased by 8.8 percent while Suffolk County households increased by 5.23% percent.

Selden's changing demographics have impacted the Middle Country School District. Student enrollment in 2015 in the Middle Country School district has decreased by 1,397 or 12.9 percent from the 2005-2006 school year. Of greater concern is that since 2000 total enrollment has decreased by 12.9%, kindergarten by 13.8 percent, Grades 1-6 by 15.0 percent and Grades 7-12 by 10.7 percent. The instructional cost to educate the few, if any, children from Westfield Green will result in a net property tax benefit to the school district. Westfield Green will be paying more in school taxes than the pro rata instructional cost for educating any children from Westfield Green, with Westfield Green in effect subsidizing the public education of children of single family home owners attending Middle Country schools.

INTRODUCTION

In support of the application for financial assistance from the Suffolk County Industrial Development Agency, we have been retained by 495 Middle Country Road, LLC to prepare a report on the projected economic impact generated in the Town of Brookhaven community of Selden from the construction of a 126-unit residential development – Westfield Green- on a previously underutilized and blighted golf driving range.

Westfield Green is 126 residential units, comprised of 12 Town Homes, 82 market rate units, and 32 units designated as “workforce housing” for residents earning less than 120 percent of the area median household income.

The economic activity generated from Westfield Green is achievable because of the 2011 re-zoning of the property to MF (multi-family) thus allowing for the 126 resident units. The projected economic activity will create new jobs; attract new businesses; generate a positive trend in neighborhood real estate values; create other new housing opportunities; develop vacant and underutilized properties for commercial and residential development in Selden; generate additional local and school district tax revenues while not adding to the student enrollment; and enhance and improve the aesthetics and overall area environment.

495 Middle Country Road, LLC is prepared to bring its investment in the redevelopment of the 14.25 acres to over \$32 million to construct a 126-unit residential community preserving green space, and allocating resources accommodating local civic organizations and the community’s children who use the Middle Country Library. The new residents of these units will provide a much-needed injection of economic activity to a post-Great Recession Selden Community.

The development at Westfield Green will be on a previously underutilized and blighted driving range property which has lain vacant for years, and will bring socio-economic improvements to the Selden community that are compatible with the surrounding neighborhood.

The development will provide needed housing for Long Island’s young professionals and active adults; create nearly 500 temporary construction and secondary jobs and permanent primary and secondary jobs; and generate upwards of two million dollars of new sales tax revenues for Suffolk County. The new \$10 million economic activity that Westfield Green will attract can only benefit Selden businesses.

The Middle Country School District will benefit from the new property tax revenues generated by Westfield Green in as few, if any, school age children will be living there. Similar residential communities indicate that few, if any, have children attending local schools. Recent examples include “The Riverwalk” - a 163-unit condominium development in Patchogue which has no school age children, the 290-rental unit “New Village” in Patchogue has five children attending local schools and The 166 rental unit “Mill Creek” in Hempstead has only 4 school age children.

Research by the Urban Land Institute (ULI) affirms that higher-density housing with fewer families with children, such as Westfield Green, puts less demand on schools and other public services as compared to low density housing such as single family homes. ULI notes that the compact nature of higher density housing requires less extensive infrastructure to support it, such as longer sewer lines and sprawling and more costly water, gas, and electric supply infrastructure. ULI research also noted that higher-density development generates less traffic than low-density development such as single family homes and puts less stress on emergency fire and police services.

The following analysis will show that Westfield Green will benefit the Selden community and add to its socio-economic quality of life.

POPULATION: SELDEN DECREASES WHILE SUFFOLK COUNTY GROWS

As illustrated in Table 1, Selden’s population decreased by 7.95 percent between 2000 and 2015 as compared to the 5.78 percent increase the population of Suffolk County. Further, as a percent of the Suffolk County population, Selden’s population decreased by 13 percent from 1.54 percent in 2000 to 1.34 percent in 2015. Westfield Green at Selden would also reverse the trend of people leaving Selden and bring new residents to the community.

Table 1: Total Population Growth - 2000-2015

	<u>2000</u>	<u>2010</u>	<u>2015</u>	<u>Increase (Decrease) 2000-2015</u>	<u>% Increase (Decrease) 2000-2015</u>
Suffolk County	1,419,369	1,493,350	1,501,373	82,004	5.78%
Selden	21,861	19,851	20,123	(1,738)	(7.95%)

Source: U.S. Census 2000 Tables Summary File 1 and 2; U.S. Census 2010-American FactFinder Table DP-1, U.S Census 2010-Quickfacts, U.S. Census 2015-American Community Survey – 2015.

THE AGING OF SELDEN: SELDEN LOSING ITS' YOUNG PEOPLE

As in Suffolk County the Selden community has aged without a corresponding influx of younger families. Table 2 illustrates that the under 5 population in Selden has decreased as a percentage of the population between 2000 and 2015 as did those between 5 and 54 years of age while those over 55 grew. Those under 5 years of age in the Selden community fell by 29.8 percent between 2000 and 2015 to 5.6 percent of the Selden population while those over 55 increased by 27.3 percent to 23.4 percent of the Selden population.

The 13.7 percent loss of people in the 5 to 54 years of age demographic in Selden between 2000 and 2015 was nearly ten times greater than the 1.4 percent decrease of those between the ages of 5 and 54 years of age in all of Suffolk County. Additionally, the 27.3 percent growth of those over 55 years of age in Selden was 72 percent of the 38 percent growth rate of the same Suffolk County demographic.

While Selden's 55 years of age population increased at a slower rate than Suffolk County, Selden's future, as does Long Island's, relies on attracting young families to the community. Countering the exodus of young people from Selden, as illustrated by the 12 percent increase in the median age of Selden residents, Westfield Green will attract tenants who will become a market for the single family residential housing in the community while not creating demand on the Middle Country School District. As Table 3 illustrates, any young families attracted to the Westfield Green will not overburden the school district but would offset the declining enrollment that the school district has experienced since 2005.

Table 2: Population By Age-2000-2015-The Aging of Suffolk County and Selden

<u>Age</u>	<u>Suffolk County</u>		<u>Selden</u>	
	<u>2000</u>	<u>2015</u>	<u>2000</u>	<u>2015</u>
Total Pop.	1,419,369 (100%)	1,501,373 (100%)	21,861 (100%)	20,123 (100%)
Under 5	100,304 (7.1%)	82,232 (5.5%)	1,611 (7.4%)	1,131 (5.6%)
5-54 Yrs	1,018,731 (71.8%)	1,004,561 (66.9%)	16,553 (75.7%)	14,285 (71.0%)
Over55	300,334 (21.1%)	414,580 (27.6%)	3,697 (16.9%)	4,707 (23.4%)
Median Age	36.5 Yrs Old	40.6Yrs (+11.2%)	34.0Yrs Old	38.1 Yrs (+12.1%)

Source: U.S. Census-2000 Tables 1 and 2; U.S. Census 2015-American Community Survey.

MIDDLE COUNTRY SCHOOLS: DECLINING STUDENT ENROLLMENT

Student enrollment in 2015 in the Middle Country School district has decreased by 1,397 or 12.9 percent from the 2005-2006 school. This is reflective of a combination of factors. The first is that the final wave of offspring from the baby boomers and their children are working their way through the Middle Country School System with the result being lower enrollments in the Kindergarten and grades 1-6. The other is that as shown in Table 2 there has been a decrease in children under 5 years of age that would enroll in the Middle Country School system.

Of greater concern is that since 2000 total enrollment has decreased by 12.9%, kindergarten by 13.8 percent, Grades 1-6 by 15.0 percent and Grades 7-12 by 10.7 percent. To maintain its' teaching staff, parents of young children must be attracted to the Middle Country School district for enrollment in the early grades. However recent examples suggest that Westfield Green will attract few new students to the Middle Country school district.

Table 3 illustrates the instructional cost per student of the Middle Country School District of \$7,265.66 in 2000 modestly growing to \$14,548 in 2015. The instructional cost to educate the few, if any, children from Westfield Green will result in a net property tax benefit to the school district. In effect those occupying Westfield Green will be paying more in school taxes than the pro rata instructional cost for educating any children from Westfield Green, with Westfield Green in effect subsidizing the public education of children of single family home owners attending Middle Country School District schools.

Table 3: Total Middle Country School District Student Enrollment-Decreasing Since 2005

	<u>2000-2001</u>	<u>2005-2006</u>	<u>2009-2010</u>	<u>2015-2016</u>	<u>2005-2016 Increase (Decrease)</u>	
Total Enrollment	10,843(100%)	10,863(100%)	10,401 (100%)	9,466 (100%)	(1,397)	(12.9%)
Kindergarten	759 (7.0%)	768 (7.1%)	762 (7.3%)	662 (7.0%)	(106)	(13.8%)
Grades 1-6	5,308 (48.9%)	4,893 (45.0%)	4,660 (44.8%)	4,160 (43.9%)	(733)	(15.0%)
Grades 7-12	4,776 (44.1%)	5,202 (47.9%)	4,979 (47.9%)	4,644 (49.1%)	(558)	(10.7%)
Instructional Cost per Student	\$7,265.66	\$9,021.55 +24%	\$12,120.97 +34.4%	\$14,548 +20%		

Source: New York State Education Department School Report Cards.

The Middle Country School District will benefit from the new property tax revenues generated by Westfield Green because few, if any, school age children will be living there. In fact, these findings are substantiated by recent examples including “The Riverwalk” - a 163-unit condominium development in Patchogue which has no school age children, the 290-rental unit “New Village” in Patchogue which has five children attending local schools, and the 166 rental unit “Mill Creek” at 303 Main Street in Hempstead which has 4 school age children.

Additionally, research by the Urban Land Institute (ULI) concluded that higher-density housing with fewer families with children, such as Westfield Green, puts less demand on schools and other public services as compared to low density housing such as single family homes. ULI notes that the compact nature of higher density housing requires less extensive infrastructure to support it, such as longer sewer lines and sprawling and more costly water, gas, and electric supply infrastructure. ULI research also noted that higher-density development generates less traffic than low-density development such as single family homes and puts less stress on emergency fire and police services.

SELDEN HOUSEHOLDS: DECREASING AS SUFFOLK COUNTY GROWS

As presented in Table 4, there has been a notable 8.8 percent decrease in Selden households between 2000 and 2015 from 6,809 to 6,211. This is in contrast with the 5.23 percent increase in Suffolk County households during the same period. Additionally, the size of Selden households has barely increased by .62 percent between 2000 and 2015, as compared to the 2.4 percent growth in the size of Suffolk County households.

Table 4: Occupied Households-Suffolk County and Selden.

<u>Household Size</u>	<u>Suffolk County</u>		<u>Selden</u>	
	<u>2000</u>	<u>2015</u>	<u>2000</u>	<u>2015</u>
Average Household Size	2.97	3.04	3.21	3.23
Total Households	469,299	493,849	6,809	6,211
H/H Increase 2000-2015		+5.23%		(8.8%)

Source: U.S.Census-2000 Tables 7, 10 and 11; U. S. Census 2015 American Community Survey.

SELDEN HOUSEHOLD INCOME: LAGGING BEHIND SUFFOLK COUNTY

Table 5 illustrates how the growth of household income in Selden compared to the household income growth in Suffolk County.

Table 5: Household Income-Suffolk County and Selden.

	<u>Suffolk County</u>		<u>Selden</u>	
	<u>2000</u>	<u>2015</u>	<u>2000</u>	<u>2015</u>
Median Household Income	\$65,288	\$88,663	\$58,103	\$88,187
“ Increase 2000-2015		+35.8%		+51.8%
Inflation adj Median H/H Inc	\$65,288	\$62,091	\$58,103	\$61,758
“ Dec/Inc 2000-2015		-4.9%		+6.29%
Mean Household Income	\$78,901	\$110,577	\$64,435	\$91,314
“ Increase 2000-2015		+40.1%		+41.7%
Inflation adj Mean H/H Inc.	\$78,901	\$ 77,438	\$64,435	\$ 63,948
“ Decrease 2000-2015		-1.9%		-.75%

Source: U.S.Census-2000 Tables 7 and 10; U. S. 2015 American Community Survey. Inflation adjusted median and mean Household Incomes in 2015 expressed in year 2000 dollars and based on CPI 1982-84=100 for New York Metropolitan Statistical Area.

The nominal (not adjusted for inflation) Suffolk County average or mean household income increased by 40.1 percent between 2000 and 2015 from \$78,901 to \$110,577, as compared to the 41.7 percent growth in Selden’s mean household income which in 2015 was \$91,314. While the percent growth in mean household income was equivalent, the \$110,577 mean household income in Suffolk County was greater than Selden’s.

When adjusted for inflation, by comparison the real Selden mean and median household incomes fared worse between 2000 and 2015. Adjusting for inflation is presenting the 2015 nominal household income in 2000 dollars by using changes in the Consumer Price Index. This allows for comparison of increases and decreases in median and mean household incomes using the same dollar basis.

The real median and mean household incomes as adjusted for inflation indicate that the percent growth in Selden fared better than Suffolk County. Selden’s real inflation adjusted

median household income increased by 6.29 percent between 2000 and 2015, while Suffolk County’s real median household income decreased by 4.9 percent. Similarly, in the change between 2000 and 2015 of the inflation adjusted real mean household income, Selden households decreased by .75 percent, as compared to Suffolk County households which decreased by 1.9 percent.

WESTFIELD GREEN BRINGS NEW ECONOMIC ACTIVITY TO SELDEN

As presented in Table 6, the 126 units at Westfield Green will create 156 construction jobs with a direct payroll of \$7.8 million. The primary construction jobs will in turn generate 234 secondary jobs with a total payroll of \$8.19 million. Also, generated by the construction activity will be nearly \$912,000 in new Suffolk County sales tax revenues.

The permanent and recurring economic activity generated by the residents of Westfield Green will bring to Selden economic activity lost during the Great Recession. The residents of Westfield Green will bring a minimum aggregate household income of nearly \$10 million, generating 105 primary and secondary jobs and their associated \$3.89 million in permanent and recurring payroll. The consumer activity of the permanent residents of Westfield Green and new jobs created by them will generate over \$331,000 in new Suffolk County sales taxes.

Table 6: Economic Activity From Westfield Green for the Selden Community

	<u>Temporary Economic Activity</u>		<u>Recurring Economic Activity</u>	
	From Construction Activity		From New Residents – Westfield Green Project	
	Primary	Secondary	Primary	Secondary
Jobs	156	234	75	30
Direct Payroll	\$7,800,000	\$8,190,000	\$2,595,360	\$1,297,680
Constr.Materials	\$11,055,000	\$5,527,500	-----	-----
Sales Taxes	\$ 450,394	\$ 461,168	\$ 275,760	\$ 55,151
Household Inc.	-----	-----	\$9,982,150	-----

Note: Household income is net of income taxes; Sales taxes computed on Suffolk County rate of 4.25%.

CONCLUSION

Westfield Green at Selden will bring much needed economic activity to the Selden community, will financially benefit the Selden School District and will not increase student enrollment. The nearly 500 jobs created by the primary construction and secondary jobs as well as the permanent primary and secondary jobs will result in approximately \$20 million of direct and secondary payroll, generate over \$1.3 million in new Suffolk County sales tax revenues, and generate new school property tax revenues for the Middle Country School District.

Westfield Green will have minimal impact on student enrollment in the Middle Country School District. When compared with other recent examples of multi-residential communities in Suffolk County, there will be few school age children living at Westfield Green. The real challenge confronting Selden is not the residents of Westfield Green but are the loss of young people in Selden and the declining enrollment in the Middle Country School District. Westfield Green will be sending new school property taxes to the Middle Country School District but no children to educate; a net financial gain for the Selden School District.

Taking all these factors into consideration, Westfield Green will have a positive socio-economic impact on the Selden Community and the Middle Country School District.

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