

LONG ISLAND CENTER FOR SOCIO-ECONOMIC POLICY

ECONOMIC DEVELOPMENT POTENTIAL

OF

MIDWAY CROSSING IN RONKONKOMA LONG ISLAND

PREPARED FOR

JONES LANG LASALLE

PREPARED BY

DR. MARTIN R. CANTOR, CPA

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The Long Island Center for Socio-Economic Policy

Director, Dr. Martin R. Cantor, CPA

28 Woodmont Road

Melville, New York 11747

Tel: (631) 491-1388

Fax: (631) 491-6744

E-Mail: EcoDev1@aol.com

WEB SITE: WWW.MARTINCANTOR.COM

**Economic Development Potential
of
Midway Crossing at Ronkonkoma Long Island
April 27, 2020**

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ABSTRACT

This study illustrates how the economic impact of Midway Crossing, a \$2 billion 2.1 million square foot mixed use public private development including life sciences and rapid technology transfer, a hotel and convention center, youth sports and an entertainment and retail venue, addresses the untapped economic development potential of Long Island's MacArthur Airport. That economic development potential was illustrated by comparing the financial and economic impact generated by Long Island MacArthur airport with three selected regional suburban airports.

The criteria used for selecting the three comparison airports was that they be both located near a major airport hub and in close proximity to commuter rail. The airports selected for evaluation were Stewart Airport in Orange County New York; Westchester County Airport in Westchester County New York; and T.F. Green in Providence County Rhode Island. To provide greater context to these findings, regional economic, demographic, and financial data is analyzed for each of the airport's host counties.

The analysis revealed that T.F. Green Airport located in Providence Rhode Island, a county smaller in population than Suffolk County had fewer flights than Long Island MacArthur Airport but had more major air carriers and more passengers per plane than Long Island MacArthur Airport.

The evaluation also identified how a North Terminal Expansion at Long Island MacArthur Airport and the attraction of a next generation carrier could attract more businesses and business and non-business travelers, all of which would be critical if Long Island MacArthur is fulfill its economic development potential.

INTRODUCTION

Midway Crossing in Ronkonkoma Long Island is a transformative \$2 billion, 2.1 million square foot mixed use transit oriented public private partnership development initiative. Located adjacent to Long Island MacArthur Airport, Midway Crossing is a low-rise development that will bring to Ronkonkoma a national and international life sciences and rapid technology transfer hub, a youth sports tourism and convention destination, and a local community retail, entertainment and recreational venue.

The construction of Midway Crossing will create 6,875 construction jobs and 6,875 secondary jobs with a combined \$756.3 of primary and secondary economic activity, while also generating \$42.1 of sales tax revenues.

When completed, Midway Crossing will generate \$1.77 billion of recurring economic activity from: 5,534 permanent and recurring jobs with direct payroll of \$544.3 million with secondary payroll of \$114.5 million, \$1,109.2 billion of additional economic activity to include \$973 million from the Life Sciences and Rapid Technology Transfer anchor, \$97.8 million from the Hotel and Convention Center, \$14.9 from the entertainment venue, and \$23.5 million from Youth Sports. This activity will generate a permanent stream of local sales tax revenues of \$58.4 million and \$5.2 million of property taxes of which the school district will receive \$3.7 million without the addition of new students to educate. The property taxes over a 30-year period is projected to aggregate \$220.5 million with \$154.4 million in local school tax revenues.

Midway Crossing also understands the role that regional airports play in the regions they serve. They spur economic development through job creation, facilitate and attract tourism and both establish and encourage business links between their home territory and other geographic areas. Compared to other regional airports, Long Island MacArthur Airport has untapped economic potential that a North Terminal Expansion and a next generation air carrier with direct linkage with the Long Island Railroad would fill.

To assess the economic activity that a North Terminal Expansion and next generation air carrier could generate to fill, this analysis compares the financial and economic impact generated by Long Island MacArthur Airport with three similar regional suburban airports.

The three regional airports selected for analysis are:

*Westchester County Airport in New Windsor, Westchester County (29 Miles from LaGuardia Airport);

*Stewart International Airport in West Harrison, Orange County New York (77 miles from Newark International Airport and LaGuardia Airport); and

*Theodore Francis Green Airport in Warwick, Providence County Rhode Island (60 miles from Logan Airport in Boston Massachusetts).

In comparison, Long Island MacArthur Airport is 52 miles from JFK International Airport and 47 from LaGuardia Airport.

The comparison of the regional economic, demographic and financial data of the three regional airports selected provides insight into how the use of land adjacent to the airports, with convenient access to mass transit, contributed to the economic development engine at each airport.

The land adjacent to Long Island MacArthur Airport, in parcels controlled by Suffolk County and the Town of Islip, are convenient to the Ronkonkoma Long Island Railroad Station and a North Terminal Extension. A North Terminal Extension is integral to attracting a new generation of aircraft and passengers bringing hundreds of millions of dollars of recurring economic activity and new sales tax revenues to New York State and Long Island.

The following analysis presents how Midway Crossing, an integrated development of Long Island MacArthur Airport with life sciences, rapid tech transfer, a hotel and convention center, youth sports, retail and entertainment venue, will economically benefit New York State, Suffolk County, The Town of Islip and the local community

CHAPTER 1: COUNTY DEMOGRAPHIC COMPARISONS

The first criteria evaluated are the age and population of the county where each regional airport is located.

Table 1 illustrates that while the 2018 Suffolk County population is the largest suburban county of the four included in this analysis, the percent of Suffolk County population age distribution is similar to the other counties excepting Orange County which has a slightly younger population as compared to the others.

While the median age in the populations of Suffolk County and Westchester County are nearly identical, the Suffolk County median age of 41.3 is nearly 11 percent older than the 36.9 median age in Orange County and 37.3 median age in Providence County.

Table 1: Demographic Comparison-2018 Age and Population				
GENDER AND AGE	Orange County, New York	Suffolk County, New York	Westchester County, New York	Providence County, Rhode Island
	Totals	Totals	Totals	Totals
Total population	378,227	1,487,901	968,815	634,533
Median age (years)	36.9	41.3	40.8	37.3
	Percent	Percent	Percent	Percent
Male	50.1%	49.2%	48.4%	48.6%
Female	49.9%	50.8%	51.6%	51.4%
Under 18 years	25.7%	21.7%	22.4%	20.8%
16 years and over	77.4%	81.1%	80.4%	81.7%
18 years and over	74.3%	78.3%	77.6%	79.2%
21 years and over	69.7%	74.4%	73.7%	74.1%
62 years and over	16.7%	19.7%	20.0%	18.1%
65 years and over	13.3%	16.1%	16.4%	14.7%
Source: 2014-2018 American Community Survey 5-Year Estimates – Table DP05: ACS Demographic and Housing Estimates				

The age of a population is of significance to an airport because travel habits of individuals often change with age. While there are some differences between the county median ages, the percent distribution of each age category with-in each county, are basically the same, with Orange County trending younger. However, any variations in travel habits between the airports influenced by age can be considered minimal.

CHAPTER 2: COUNTY ECONOMIC COMPARISONS

Tables 2, 3, and 4 compare the percent of the 2018 Suffolk, Westchester, Orange and Providence County's: Population that is in the workforce, Civilian population 16 years of age and older included in the workforce, Industry sectors where the over 16 population employed are

working, Median and mean household and family incomes in each county, and the median full-time wages for both males and females in each county's workforce.

2018 Employment Status: 16 Year of Age and Older: Similar for Each County

Table 2: Economic Characteristics 2018- Employed Population Over 16 Years of Age								
Subject	Orange County, New York		Suffolk County, New York		Westchester County, New York		Providence County, Rhode Island	
	Total	Percent	Total	Percent	Total	Percent	Total	Percent
Population 16 years and over	292,565	(X)	1,206,115	(X)	778,474	(X)	518,298	(X)
In labor force	187,618	64.1%	782,446	64.9%	509,611	65.5%	332,771	64.2%
Civilian labor force	183,891	62.9%	781,705	64.8%	509,497	65.4%	332,522	64.2%
Employed	174,834	59.8%	744,693	61.7%	479,775	61.6%	310,070	59.8%
Unemployed	9,057	3.1%	37,012	3.1%	29,722	3.8%	22,452	4.3%
Armed Forces	3,727	1.3%	741	0.1%	114	0.00%	249	0.0%
Not in labor force	104,947	35.9%	423,669	35.1%	268,863	34.5%	185,527	35.8%
Civilian Unemployment Rate	(X)	4.9%	(X)	4.7%	(X)	5.8%	(X)	6.8%
Source: 2014-2018 American Community Survey 5-Year Estimates -Table DP03: Selected Economic Characteristics								

Table 2 illustrates that of the population over 16 years of age, Suffolk County has the largest population, the largest labor force, the greatest percent distribution in both the civilian labor force and those employed, and the lowest unemployment rate.

However, while Suffolk County has a larger population, the percent of Suffolk County's distribution of the over 16 population, in both the labor force and the civilian labor force, is nearly the same as in Westchester, Orange, and Providence County.

**2018 Industry Sector Employment of Those 16 Years of Age and Older:
Suffolk County Potential for Growth in Management, Science and Manufacturing**

Table 3 illustrates that while Suffolk County had the largest civilian employed population 16 years of age and older, there were some similarities and differences in the percent distribution of the industry sector jobs between Suffolk County and Counties of Orange, Westchester, and Providence.

Suffolk County, while having the lowest percent workforce distribution in the service industry sector and highest percent distribution in the sales and office industry sectors, these percent industry sector employment distributions are within range of Orange, Westchester and Providence Counties.

In the Management, Business, Science and Arts industry sectors, Suffolk County’s 39.2 percent distribution was 11 percent greater than Providence County and Orange County. Suffolk County, although it has a larger population, more people employed and more businesses, was 18 percent less than the 47.7 percent of Westchester County’s civilian employment distribution in the management, business, science, and arts job categories.

In the Manufacturing, Transportation, and Material Moving industry sectors, despite Suffolk County having the most jobs, these sectors represented only ten percent of the Suffolk County industry sector employment. By comparison, Suffolk County was 31 percent lower than the 14.5 percent these sectors represented in Providence County’s industry sector employment, and 21 percent less than the 12.7 percent reported in Orange County.

Table 3: 2018 Population Employed-Industry Sector Employment By Occupation

OCCUPATION	Orange County, New York		Suffolk County, New York		Westchester County, New York		Providence County, Rhode Island	
	Total	%	Total	%	Total	%	Total	%
Civilian employed population 16 years and over	174,834	100%	744,693	100%	479,775	100%	310,070	100%
Management, business, science, and arts occupations	62,811	35.9%	291,625	39.2%	228,757	47.7%	109,813	35.4%
Service occupations	33,711	19.3%	128,090	17.2%	88,646	18.5%	62,692	20.2%
Sales and office occupations	41,866	23.9%	181,948	24.4%	96,557	20.1%	70,538	22.8%
Natural resources, construction, and maintenance occupations	14,329	8.2%	68,663	9.2%	34,027	7.1%	22,085	7.1%
Manufacturing, transportation, and material moving occupations	22,117	12.7%	74,367	10.0%	31,788	6.6%	44,942	14.5%

Source: 2014-2018 American Community Survey 5-Year Estimates – Table DP03: Selected Economic Characteristics

The fact that Suffolk County manufacturing jobs lags behind Orange and Providence Counties is an essential leading indicator of regional economic activity due to its' high economic multiplier. The more higher paying manufacturing jobs that are created the more secondary service sector jobs that will be created along with their resulting economic impact.

As will be discussed later in this analysis, Midway Crossing's planned use of the land adjacent Long Island MacArthur Airport will integrate, support and generate economic activity from airfreight, life sciences, convention, and business travelers.

2018 Regional Family and Household Income Suffolk County Can Support More Flights at Long Island MacArthur Airport

Table 4 illustrates the differences existing between the Counties of Suffolk, Westchester, Orange and Providence in median and mean family and household incomes, per-capita income, and median earnings of full-time employed males and females.

In all the aforementioned income categories, Suffolk County exceeds Providence County, suggesting that Suffolk County residents have the family and household income capacity capable of supporting more flights at Long Island MacArthur Airport. Illustrating that there is unfilled flight and passenger capacity at Long Island MacArthur Airport is Table 6, which shows that Providence County's TF Greene Airport reports more annual flights, more carrier flights, and more passengers; as compared to Long Island MacArthur Airport which has fewer annual flights, fewer carrier flights, and fewer passengers.

Table 4 further illustrates that Suffolk County had the most families and households, followed by Westchester, Providence, and Orange Counties. At \$96,675, Suffolk County also had the highest median household income, followed by Westchester, Orange, and Providence Counties, with Providence County's median household income 43 percent below Suffolk County. However, Westchester County led Suffolk, Orange, and Providence Counties in the remaining income categories

The Westchester County mean household income, median and mean family income, per capita income, mean and median nonfamily income, median worker earnings, and median earnings for full-time male and female workers all exceeded Suffolk, Orange and Providence Counties in these same descriptive income categories.

Table 4: Economic Characteristics: 2018 Income and Benefits (Adjusted for Inflation)				
	Orange County, New York	Suffolk County, New York	Westchester County, New York	Providence County, Rhode Island
	Total	Total	Total	Total
Per capita income (dollars)	33,472	42,204	54,572	30,356
Median earnings for workers (dollars)	38,442	43,307	46,500	33,459
Median earnings for male full-time, year-round workers (dollars)	60,290	68,738	77,599	51,949
Median earnings for female full-time, year-round workers (dollars)	50,266	53,560	61,498	42,696
Total households (h/h)				
	126,776	487,981	347,332	238,171
Median household income (dollars)	76,716	96,675	92,758	55,233
Mean h/h income (dollars)	96,483	123,111	148,770	76,155
Families				
	88,791	357,400	239,615	145,967
Median family income (dollars)	93,694	113,432	119,798	70,759
Mean family income (dollars)	110,856	139,849	180,735	90,114
Nonfamily households				
	37,985	130,581	107,717	92,204
Median nonfamily income (dollars)	39,624	48,356	48,707	32,363
Mean nonfamily income (dollars)	57,510	69,065	73,140	50,344
Source: 2014-2018 American Community Survey 5-Year Estimates. Table DP03 : Selected Economic Characteristics				

However, the data also indicates that while Westchester County displays some greater levels of wealth than Suffolk County, there is sufficient economic activity in Suffolk County that can support additional flights out of MacArthur Airport.

CHAPTER 3: BUSINESS ACTIVITY IN VICINITY OF REGIONAL AIRPORTS

Untapped Economic Development Potential for Long Island MacArthur Airport

The convenience and location of Long Island MacArthur Airport provides it with an underutilized competitive advantage over JFK and LaGuardia Airports in attracting air carriers. The untapped economic potential of Long Island MacArthur Airport lies not only with the fact that it can serve Long Islander's wanting ease of access to an airport for recreational travel, but that it can serve local businesses requiring air freight service for their manufactured goods while also meeting the travel requirements of businesses and their employees.

Tourism is also important for attracting air carriers. A tourist destination draws visitors who in turn create a demand for air travel. Discover Long Island, the region's tourism promoting agency, produces marketing campaigns seeking to attract air travelers, and the money they spend to Long Island destinations such as beaches, museums, golf courses, cultural venues, wineries and parks, creating a demand for air carrier service to MacArthur Airport. Additionally, building a convention center, something that Long Island lacks, would add to the already \$6.1 billion of economic activity that tourism generates for the Long Island economy and would create a consistent increase in demand for air service to MacArthur Airport. Included in Midway Crossing is a tourist attracting convention center.

Table 5 illustrates that, of all the airports evaluated in this analysis, TF Green Airport in Providence, Rhode Island had the most businesses in their surrounding area with 1,681, a 47 company or 2.9 percent increase from 1634 in 2013. Long Island MacArthur Airport followed with 1,483 businesses, a 13 company or 0.9 percent increase from 1,470 businesses in 2013. Of importance is that the business growth surrounding T F Green Airport was 3.5 times that of the business growth surrounding Long Island MacArthur Airport, with T F Green was located in a county that had per capita income and median household income respectively, 28 and 43 percent lower than Suffolk County.

What is most sought after by major carriers, and what is most needed by Long Island MacArthur Airport, is the regular and sustained business or recreational traveler. The regular business traveler is essential to airports in their efforts to attract major air carriers because major air carriers calculate the regularity of passengers and ticket prices into their economic evaluation of which airports are profitable enough for them to provide service. As Table 5 illustrates, T.F. Green Airport in Providence, Rhode Island has met that challenge.

Table 5: 2017 Business Census (by Zip Code)					
(Bold Italic Values Denote Businesses Most Likely to Utilize Air Travel)					
2017 NAICS code	Meaning of NAICS code	TF Green ZIP 02886 Warwick, Rhode Island	Westchester ZIP 10604 West Harrison, New York	MacArthur ZIP 11779 Ronkonkoma New York	Stewart ZIP 12553 New Windsor, New York
0	Total for all sectors	1681	641	1483	645
23	Construction	105	37	259	66
31-33	Manufacturing	<i>60</i>	N/A	<i>127</i>	<i>27</i>
42	Wholesale trade	79	44	157	29
44-45	Retail trade	264	22	124	71
48-49	Transportation and warehousing	50	45	70	29
51	Information	<i>30</i>	<i>23</i>	<i>16</i>	<i>15</i>
52	Finance and insurance	<i>119</i>	<i>71</i>	<i>57</i>	<i>27</i>
53	Real estate and rental and leasing	<i>69</i>	<i>41</i>	<i>49</i>	<i>38</i>
54	Professional, scientific, and technical services	<i>221</i>	<i>105</i>	<i>168</i>	<i>51</i>
55	Management of companies and enterprises	<i>18</i>	<i>20</i>	<i>11</i>	<i>3</i>
56	Administrative and support and waste management and remediation services	85	75	73	42
61	Educational services	15	15	24	13
62	Health care and social assistance	252	62	87	82
71	Arts, entertainment, and recreation	25	10	16	13
72	Accommodation and food services	151	33	100	70
81	Other services (except public administration)	138	38	145	69
Number of employees		33,783	11,773	18,540	7,885
Annual payroll (\$1,000)		\$1,643,556	\$1,307,856	\$1,043, 632	\$349,754

Source: U.S. Census Bureau – 2017 ZIP Code Business Patterns (ZBP)

Businesses in the vicinity of the four regional airports evaluated in this study are a potential source of additional business air travelers and resulting revenue streams sought by major airlines and regional airports.

These businesses are: 40.6 percent of the 641 businesses in the vicinity of Westchester County Airport, a 59 percent increase from 25.6 percent in 2013; 28.9 percent of the 1,483 businesses surrounding MacArthur Airport, a slight decrease from 29.7 percent in 2013, 25.0 percent of the 645 businesses in Stewart Airport's Zip Code a 42.5 percent decrease from 43.9 percent in 2013; and 30.8 percent of the 1,681 businesses in the area surrounding Theodore Francis Green Airport, a slight decrease from the 31.7 percent In 2013.

The business bases in the vicinity of T. F. Green Airport and Long Island MacArthur Airport are similar in size, comprised of similar percentages of business, and have a Foreign Trade Zone, all of which provide a market for business air travelers. However, because of its central location to businesses and business travelers, with an integrated transportation system, travelers and major carriers from T. F. Green Airport are greater in number than travelers and major air carriers flying out of Long Island MacArthur Airport.

While there may be additional passenger travel, a reasonable expectation is that there is more of a significant, continuous and consistent business traveler flying from T. F. Green Airport. The consistency of air travel from T. F. Green generates a reliable and dependable return on the carriers' investment. Obtaining that consistency of business travel, supplemented by other passenger travel such as tourism and leisure travel is critical for Long Island MacArthur Airport. Demonstrative demand for airline destinations from Long Island MacArthur is essential to address airline financial requirements if they are to establish a base in a regional airport such as Long Island MacArthur.

In addition, creating better connectivity throughout the region could potentially ameliorate some of this challenge. This could include creating new infrastructure as well as better connecting existing infrastructure and regional assets and work centers.

These considerations would indicate that there is untapped business travel potential at Long Island MacArthur Airport as nearly 71 percent of the businesses located in proximity to MacArthur are not likely utilizing its services. If businesses with air service needs could be attracted to the area, the number of consistent and sustained business travelers utilizing the MacArthur Airport could be increased. This potential is illustrated in Table 6 which presents a comparison of each airport's resources, permanent carriers, and economic impact.

CHAPTER 4: AIRPORT ACTIVITY, RESOURCES AND ECONOMIC IMPACT

Table 6 further explores the untapped economic development potential at MacArthur Airport and compares its activity to the other regional airports.

Airport and County where Located	Stewart International, Orange Cty.	Long Island MacArthur, Suffolk Cty.	Westchester County Air. Westchester	T.F. Green Providence County
Airport Code	SWF	ISP	HPN	PVD
Miles to Major Airport Hub	77 miles to Newark NJ-LaGuardia NYC Region	52 miles to JFK and 47 to LaGuardia Airport NYC	29 miles to LaGuardia Airport-NYC	60 Miles to Logan Airport Boston
Foreign Trade Zone	Yes	Yes	No	Yes
Airport Ownership	NY-NJ Port Authority	Town of Islip	County of Westchester	Quasi Govt. Rhode Island
Airport Size	1,552 Acres	1,311 Acres	702 Acres	1,111 Acres
Runways/Helipads	2 / 1	3 / 2	2 / 0	2
Runway Length	11,817 ft 6,004 ft	7,006ft 3,175ft 5,186ft	4,451ft 6,549ft	8,700 and 6,081
Mass Transit Options to Airport	Yes-Metro North + Short Line Bus	Yes – LIRR + Suffolk Bus	Yes-Metro North + Bee Line Bus	Yes – Rail and Bus service
Carriers (a)	4 + 1 Regional	3	5+2 Regional	7+2 Seasonal
Air Carrier Operations (a)	5,016	11,445	8,413	39,323
Air Taxi Operations (a)	6,921	7,116	13,724	11,466
Annual Flights	40,710	132,524	151,368	72,410
Passengers (b)	367,000	1,551,000	1,743,000	3,889,000
Passengers/Flight(c)	9.0	11.7	11.5	53.7
Depart On Time (d)	72 %	83%	76 %	81%
Arrive On Time (d)	76%	78%	75%	79%
Direct Employ (e)	3,636	4,870	4,946	8,187*
Direct Income (e)	\$254,870,100	\$168,269,600	\$251,026,700	\$760,805,200*
Indirect Jobs(e)	1,943	1,215	1,382	3,380*
Indirect Income	\$78,751,800	\$60,910,100	\$83,111,500	\$454,365,200*
Annual Economic Activity(e)	\$750,722,800	\$577,016,600	\$735,879,600	\$1,215,170,400*
State/Local Tax(e)	\$60,775,500	\$ 54,284,700	\$ 72,056,200	\$76,606,200

Note: (a) Based on arriving and departing operations -12 Months ending 10/31/2019
 (b) Based on passengers (U.S. Flights Only) arriving and departure-12 months ending January 2020.
 (c) Passengers per flight include air taxi, general, local, itinerant and military aviation. T.F. Green is significantly higher because it proportionately runs more commercial flights..
 (d) Major U.S. Carriers Only, for 12-month period ending February 2020.
 (e) New York airport data from New York Statewide Airport Economic Impacts Study, May 2011 (Tables 5,6,7,8,10,11). T.F Green Airport based on 2013/2014 year (latest information available).
 Sources: Federal Aviation Administration, Master Records and Reports:
 *Rhode Island Airport Commission. (Latest Information Available 2013/2017 year)

The comparison in Table 6 presents the varied airport resources, flight activity, and economic impact of Stewart International Airport, Long Island MacArthur Airport, Westchester County Airport and T.F. Green Airport.

T. F. Green Airport has the most direct employment and highest economic impact because it has the most commercial carriers and carrier flights, the highest percent of carrier flights to annual flights and the most passengers per flight. The passengers per flight at T. F. Green Airport is significantly higher because it proportionately runs more commercial flights as opposed to private, taxi, and charter flights.

Airport Location Matters: Distance from a Major Airport Hub a Factor

As illustrated in Table 6, review of the latest data from the Federal Aviation Administration reveals that excepting for Westchester County Airport, which is 29 miles from LaGuardia Airport; the other three airports are between 47 and 77 miles from a major airline hub. Long Island MacArthur Airport is 52 miles from JFK International Airport and 47 miles from LaGuardia Airport while T.F. Green Airport is 60 miles from Boston's Logan International Airport.

Furthermore, T. F. Green Airport not only provides service to Providence County and much of Rhode Island, but its central location also draws passengers from Eastern Connecticut and Massachusetts communities both North and East of the airport. There are few air choices for travelers, thus lessening the competition facing T. F. Green Airport. The result is more major carriers operating from T.F. Green Airport and more destination choices for the traveler flying from T. F. Green Airport.

By comparison, unlike T.F. Green Airport, Long Island MacArthur Airport is located in the region with the largest population, but is not located convenient to Long Island's population center. Slightly less than half the residents of Long Island live closer to LaGuardia and JFK Airports than MacArthur Airport. The result is greater competition facing Islip MacArthur Airport for the air traveler, making it more difficult to attract major air carriers who locate where the traveling public is.

While distance from a major airline hub may impact travelers selecting Stewart International Airport and T.F. Green Airport, the closer the distance to a major airport hub appears to have impacted flights from Long Island MacArthur Airport and Westchester County Airport. A North Terminal Expansion could attract a carrier offering more destination choices and attract

A North Terminal Expansion, conveniently linked with the Long Island Railroad would attract a carrier, passengers, and their economic impact to Long Island MacArthur Airport

Major Carriers Go Where the Passengers Are

Another paradox is that while T.F. Green Airport has fewer annual flights, it has the most enplanements, more carriers and the largest percent of carrier flights to all annual flights. Westchester County Airport has the second largest enplanement, yet the lowest percent of carrier flights to annual flights. The result is that T.F. Green Airport has the most passengers per flight and the lowest percentage of non-carrier flights to carrier flights. Non-carrier flights include taxi flights, local general aviation, itinerant general aviation and military. Clearly the ability to attract passengers also attracts the commercial carriers to T.F. Green Airport.

CHAPTER 5: ECONOMIC IMPACT OF MIDWAY CROSSING

Midway Crossing is a 2.1 million square foot, \$2 billion, mixed use initiative anchored by life sciences and rapid technology transfer, a hotel and convention center, an entertainment and retail venue, and youth sports, creating 6,875 construction jobs and 6,875 secondary jobs and 9,350 permanent and secondary jobs generating \$1.67 billion of recurring economic impact along with a \$58.4 million of recurring local sales taxes.

The construction of Midway Crossing generates 6,875 construction jobs with a direct payroll of \$550 million and 6,875 secondary jobs with payroll of \$206.3 million for a combined payroll of \$756.3 million. Local sales taxes generated during the construction period are projected to be \$42.1 million.

When completed, as illustrated in Table 7, Midway Crossing will generate \$1.77 billion of recurring economic activity from: 5,534 permanent and recurring jobs with direct payroll of \$544.3 million with secondary payroll of \$114.5 million, \$1,109.2 billion of additional economic activity: \$973 million from the Life Sciences and Rapid Technology Transfer anchor, \$97.8 million from the Hotel and Convention Center, \$14.9 from the entertainment venue, and \$23.5 million from Youth Sports. This activity will generate a permanent stream of local sales tax revenues of \$58.4 million and \$5.2 million of property taxes of which the school district will receive \$3.7 million without the addition of new students to educate. The property taxes over a 30-year period is projected to aggregate \$220.5 million with \$154.4 million in school tax revenues.

Table 7: Economic Impact of Midway Crossing

<u>Economic Impact From Construction Activity (millions)</u>			<u>Recurring Economic Activity From Midway Crossing (in millions)</u>						
	<u>Primary</u>	<u>Secondary</u>	<u>Anchor</u>	<u>Jobs</u>		<u>Direct Payroll</u>		<u>Other Econom Impact</u>	<u>Sales Taxes(a)</u>
				<u>Primary</u>	<u>Secondary</u>	<u>Primary</u>	<u>Secondary</u>		
Jobs	6,875	6,875	Life Sciences	4,450	3,382	\$511.8	\$101.5	\$973 (b)	\$51.8
Direct Payroll	\$550	\$206.3	Hotel and Convention Center	640	256	\$18.6	\$7.5	\$97.8 (c)	\$4.6
Construc Material	\$550	\$275	Entertainmt and Retail	444	178	\$13.9	\$5.5	\$14.9 (d)	\$963,371
Sales Taxes(a)	\$32.7	\$9.4	Youth Sports	---	---	---	---	\$23.5(d)	\$988,125
			Total	5,534	3,816	\$544.3	\$114.5	\$1,109.2	\$58.4
<p>Note (a): Sales taxes computed at Suffolk County rate of 4.25 percent. Note (b): Other economic impact is the Direct and Secondary economic impact of operating expenses of Life Sciences and Rapid Tech Transfer that are spent locally. Note(c): Other economic impact of the hotel and convention center based on estimated convention visitors and the average amount each tourist spends daily (Tourism Economics). Note (d): Other economic impact of entertainment and youth sports based on estimated attendees.</p>									

ECONOMIC IMPACT OF A NORTH TERMINAL EXPANSION

There is untapped economic impact at Long Island MacArthur Airport that can be filled by a North Terminal Expansion and the attraction of a next generation air carrier. A next generation carrier offering more non-stop flights to more destinations would attract more travelers and their economic impact to Long Island. For example, a next generation carrier offering 59 daily flights to Long Island MacArthur Airport, integrated with the Long Island Railroad, would generate 2.2 million annual enplanements and \$982 million of annual economic activity.

Next generation carriers define the ideal market opportunity as secondary airports in close proximity to major population centers where the main airports are congested and expensive to operate in. Next generation carriers typically are well financed, led by a seasoned management team with a track record of success, integrate air travel with digital purchasing behaviors, seek to back fill markets abandoned by legacy carriers since the 2008 Great Recession, have low production costs, have high customer experience standards and focusses on saving customers time and money by avoiding the delays and hassles of flying out of major airports. Long Island

MacArthur Airport is such a secondary airport, where inbound air passengers can arrive nonstop on a next-generation-carrier and easily transition to the Long Island Railroad station for a one seat ride into Manhattan.

Illustrating that an untapped passenger market exists at Long Island MacArthur Airport is Table 8 which compares the relationship between enplanements and population. This relationship is called a region’s propensity to travel, which is a measurement of a localities air travel demand. When enplanements are calculated as a percentage of the population, the result is the percentage of the population that has taken at least one trip, termed net propensity to travel.

Table 8: Propensity To Travel

Airport	Catchment Area	Catchment Area Population(b)	Enplanements (2019)	Propensity to Travel(a)	
Long Island MacArthur	Nassau/Suffolk County	1,800,000	805,000	.45	
Bergstrom International	Austin, Texas	2,058,351	7,545,000	3.67	
John Glenn International	Columbus, Ohio	2,054,062	3,934,000	1.92	
Indianapolis International	Anderson, Indiana	2,007,497	4,562,000	2.28	
Kansas City International	Kansas City Missouri	2,106,632	5,748,000	2.73	
Memphis International	Memphis Tennessee	1,345,991	2,184,000	1.62	
Nashville International	Nashville Tennessee	1,864,138	7,745,000	4.16	
St. Louis Lambert Intl	St. Louis Missouri	2,805,551	7,463,000	2.66	
Note (a): Propensity to Travel is Enplanements divided by the Catchment Area Population. Note (b): Catchment Area Population from U.S. Census ACS Demographic and Housing Estimates, American Community Survey 2018 5-year Estimates – Table DP05. Note (c): Enplanements from United States Bureau of Transportation Statistics.					

Table 8 assesses the untapped demand for increased passengers at Long Island MacArthur Airport by comparing its propensity to travel with seven other airports serving similar populations. All seven

airports have triple digit propensity to travel between 1.62 and 4.16, with an average of 2.72, all greater than the .45 propensity to travel at Long Island MacArthur Airport.

Increasing the propensity to travel is influenced by a population that is older, more educated, and with higher household income, all Long Island attributes. Table 1 indicates that Suffolk County has the highest median age and Table 4 reflects that it has the greatest median household income when compared to TF Green, Stewart and Westchester regional Airports. Long Island MacArthur Airport, with a North Terminal Expansion and a next-generation-carriers, can increase the propensity to travel by meeting the demand for more flights to more destinations that would attract the untapped Long Island traveler that looks to JFK and LaGuardia as their airport of choice.

CHAPTER 6: SUMMARY AND CONCLUSIONS

ECONOMIC IMPACT OF MIDWAY CROSSING AND A NORTH TERMINAL EXPANSION

Socio-Economic Summary of Suffolk County and Long Island MacArthur Airport

Suffolk County has the largest population, the largest population 16 years of age and older in the labor force and the largest population employed of the four counties evaluated.

Suffolk County, despite having the most jobs in the management, business and science sectors, the percent of this job sector in the employment base was nine percent greater than Providence County and Orange County and 17.8 percent less than Westchester County.

With 10 percent of Suffolk County's workforce in the manufacturing, transportation, and material moving industry sectors, Suffolk County was 31 percent lower than the 14.5 percent reported for Providence County and 21 percent less than the 12.7 percent reported in Orange County. Manufacturing is an important leading indicator of regional economic activity because of its high economic multiplier. The more manufacturing and higher paying jobs created the more secondary service sector jobs created.

When household and family incomes were compared, Westchester County exceeded Suffolk, Orange, and Providence Counties in mean household income, mean and median family income, per capita income, mean and median nonfamily income, median worker earnings, and median earnings for full-time male and female workers. Suffolk County exceeded all counties only in median household income.

As for businesses in the vicinity of each airport that could generate air travel activity, the 1681 business near T.F. Green Airport in Providence Rhode Island was greater than the 1,483 businesses surrounding Long Island MacArthur Airport, with Westchester and Stewart Airports lagging behind at 641 and 645 businesses respectively.

An analysis of these businesses provided insight into which businesses could avail themselves of additional air travel needs. These included manufacturing; information; finance and insurance; real estate, rental and leasing; professional, scientific and technical services; and management and enterprise administration.

These identified businesses constituted 40.6 percent of businesses in the vicinity of Westchester County Airport, 28.9 percent of businesses surrounding MacArthur Airport, 25.0 percent in Stewart Airport's Zip Code, and 30.8 percent of businesses in the area surrounding Theodore Francis Green Airport. These results, combined with Westchester County Airport having more than twice the enplaned passengers than Long Island MacArthur Airport would indicate that there is untapped business travel potential at Long Island MacArthur Airport. A review of each airport's activity, resources, and economic impact illustrates that potential.

T.F. Green Airport with 72,410 annual flights, had the most passengers at 3.89 million, more major carriers at 7, and the largest percent of carrier flights to annual flights with 54.3 percent. Westchester County Airport had the second largest number of passengers and the lowest percent of carrier flights to annual flights. Long Island MacArthur Airport had 1.55 million passengers, the second most flights at 132,524, and the third highest percent of carrier flights to total annual flights with 8.6 percent.

The result is that T.F. Green Airport had the most passengers per flight and the lowest percentage of non-carrier flights to carrier flights. Non-carrier flights include taxi flights, local general aviation, itinerant general aviation and military. Clearly the ability to attract passengers also attracted the major carriers to T. F. Green Airport.

Location appears to be a factor in the success of T. F. Green Airport which not only provides service to Providence County and much of Rhode Island, but its central location draws passengers from Eastern Connecticut, and Massachusetts communities both North and East of the airport. Other than Logan International Airport in Boston, there are few air carrier choices for these travelers, thus lessening the competition facing T. F. Green Airport. The result is that more major carriers operate from T.F. Green Airport with more destination choices for air travelers.

By comparison, while Suffolk County-based Long Island MacArthur Airport is located in a region with the largest population, it is not centrally located within that population. Less than half of Long Island's population lives closer to LaGuardia and JFK Airports than Long Island MacArthur Airport. This factor results in greater competition for the air traveler, making it more difficult for Long Island MacArthur Airport to attract major carriers.

While distance from a major airline hub may impact travelers selecting Stewart International Airport and T.F. Green Airport, the closer the distance to a major airport hub appears to have adversely impacted flights from Long Island MacArthur Airport and Westchester County Airport.

The business and population bases in the vicinity of T. F. Green Airport and Long Island MacArthur Airport are similar in size and comprised of similar percentages of business that can be a market for air travel. However, travelers and major carriers from T. F. Green Airport are greater in number than travelers and major carriers flying out of Long Island MacArthur Airport. While there may be additional passenger travel, a reasonable expectation is that there is a significant and consistent business and non-business traveler flying from T. F. Green Airport that is lacking at Long Island MacArthur.

The consistency of business and non-business air travel from T. F. Green Airport generates a reliable and dependable return on investment for the major carriers. By comparison, while Long Island MacArthur Airport has passenger travel, a consistent business and non-business traveler is critical to Long Island MacArthur Airport efforts to attract a major carrier.

For Long Island MacArthur Airport to attract major carriers there must be a demonstrative business and non-business traveler demand for airline destinations flying from Long Island MacArthur Airport. This is essential to address airline financial requirements to establish a base in a regional airport such as Long Island MacArthur.

Midway Crossing and North Terminal Expansion: Bringing Economic Activity to Long Island MacArthur Airport

Midway Crossing in Ronkonkoma Long Island is a transformative \$2 billion, 2.1 million square foot mixed use transit oriented public private partnership development initiative. Located adjacent to Long Island MacArthur Airport, Midway Crossing is a low-rise development that will bring to Ronkonkoma a national and international life sciences and rapid technology transfer hub, a youth

sports tourism and convention destination, and a local community retail, entertainment and recreational venue.

The construction of Midway Crossing will create 6,875 construction jobs and 6,875 secondary jobs with a combined \$756.3 million of primary and secondary economic activity, while also generating \$42.1 million of sales tax revenues.

When completed, Midway Crossing will generate \$1.77 billion of recurring economic activity from: 5,534 permanent and recurring jobs with direct payroll of \$544.3 million with secondary payroll of \$114.5 million, \$1,109.2 billion of additional economic activity to include \$973 million from the Life Sciences and Rapid Technology Transfer anchor, \$97.8 million from the Hotel and Convention Center, \$14.9 million from the entertainment venue, and \$23.5 million from Youth Sports. These activities will generate a permanent stream of local sales tax revenues of \$58.4 million and \$5.2 million of property taxes of which the school district will receive \$3.7 million without the addition of new students to educate. The property taxes over a 30-year period is projected to aggregate \$220.5 million with \$154.4 million in local school tax revenues.

Midway Crossing also understands the role that regional airports play in the regions they serve. They spur economic development through job creation, facilitate and attract tourism and both establish and encourage business links between their home territory and other geographic areas. Compared to other regional airports, Long Island MacArthur Airport has untapped economic potential that a North Terminal Expansion and a next generation air carrier with direct linkage with the Long Island Railroad would fill.

A North Terminal Expansion with a increased enplanements from a next generation air carrier that would tap Long Island's propensity to travel market by flying to destinations they want to go to, and then bring back the business and tourist travelers and the hundreds of millions of dollars they bring with them to spend.

Midway Crossing economic impact builds on Long Island's strengths at the intersection of life science, academia, technology transfer, and a strong tourism sector and will put Long Island MacArthur airport on the path to become a major economic engine for Suffolk County and Long Island.

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Dr. MARTIN R. CANTOR, CPA
Director, Long Island Center for Socio-Economic Policy
28 Woodmont Road, Melville, New York 11747
www.martincantor.com

Tel: (631) 491-1388 - Fax: (631) 491-6744-E - Mail: EcoDev1@aol.com

Martin R. Cantor has a Bachelor of Science Degree in Accounting from Brooklyn College of the City University of New York, 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, and a Doctor of Education Degree from Dowling College. He has served as Suffolk County Economic Development Commissioner (New York State's largest suburban county), 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: Vice-Chair-Suffolk County Industrial Development Agency; 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 citizen quality of life; Chair and Chief Economist of the Long Island Development Corp; Chief Economist for Destination LI; 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 Director of Economic Development and Chief Economist for Sustainable Long Island, and the Long Island Fund for Sustainable Development, providing financial, 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 arts 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 Networking Newspaper for Women; has authored: federal, state and local legislation; economic impact analyses; analysis of Long Island's economic, demographic, employment, tax, and educational bases; a convention center feasibility study; an analyses of taxpayer costs of acquiring open space and health care reform; and Director of Dowling College's Long Island Economic and Social Policy Institute; and an Adjunct Associate Professor of Economics

He is a Certified Public Accountant in private practice; Director of the Long Island Center for Socio-Economic Policy, a consulting economist and economic development consultant to public officials, counties, towns, villages, Industrial Development Agencies, and communities; and Chairman of the Suffolk County Judicial Facilities Agency which financed the acquisition of the Cohalan State Court Complex, oversaw the construction of the Suffolk County Jail in Yaphank and financed the \$70 million purchase/leaseback of the Dennison Building to Suffolk County. He provides economic and business commentary on television and radio; was Co-host of Focus 55, a public affairs program on Channel 55, is a columnist for the Long Island Business News, Long Island's largest business weekly, has appeared in the New York Times, Newsday, and LI Pulse, 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, for international trade promotion initiatives, for downtown revitalization policies, and for minority business incubator initiatives. 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 *Long Island, The Global Economy and Race: The Aging of America's First Suburb*, and his paper *Retention of Long Island Millennials at a Community College: Are They College Ready?* appeared in the international peer-reviewed Journal for Leadership and Instruction.