
ECONOMIC AND FISCAL IMPACT ANALYSIS

Rechler Business District 10 Donald's Way

Horseblock Road, Peconic Avenue, Americus Avenue & Donald's Way
Hamlet of Medford, Town of Brookhaven, New York

NPV No. 21391

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

1.0	INTRODUCTION	2
2.0	METHODOLOGY	5
3.0	SUMMARY OF ECONOMIC AND FISCAL IMPACTS	7
3.1	DEFINITION OF ECONOMIC IMPACTS	7
3.2	KEY FINDINGS	8
3.2.1	ECONOMIC IMPACTS OF CONSTRUCTION	8
3.2.2	ECONOMIC IMPACTS OF ANNUAL OPERATIONS	9
3.2.3	EXISTING FISCAL CONDITIONS	11
3.2.4	ANTICIPATED FISCAL IMPACTS	13
4.0	REFERENCES	16

ATTACHMENT A NPV ECONOMIC ANALYSIS QUALIFICATIONS

EXECUTIVE SUMMARY

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of an industrial development to be known as Rechler Business District, 10 Donald's Way. The subject site is located on the west side of Donald's Way, south of Peconic Avenue and Horseblock Road, and east of Americus Avenue, in the **Hamlet of Medford**, Town of Brookhaven, Suffolk County, New York. The subject property is strategically located within a half mile south of the Long Island Expressway at Exit 65, allowing easy truck access to and from the property. The proposed project will provide a **140,895 square-feet** industrial building, with the capability of being single tenant or split into multiple smaller tenants. The area surrounding the project site is primarily composed of industrial land uses and a residential neighborhood located to the southwest.

The proposed project will create strong economic activity by providing jobs and a solid tax base as quantified in this report. The proposed industrial development will support local businesses in Medford and the surrounding areas, bringing increased patronage and spending power to the community. Consumer activity will ripple through the local community, creating beneficial economic and fiscal impacts throughout Medford, the Town of Brookhaven, Suffolk County, and the region as a whole.

Economic benefits include direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 12-month construction period, and annually upon stabilized operations of the proposed project. During **construction**, direct, indirect, and induced impacts of the proposed project will result in **\$31,647,650** in **total output**, **179.53 jobs** (total full-time equivalent [FTE] jobs), and **\$12,280,846** in **labor income** (total wages). During **annual operations**, direct, indirect, and induced impacts of the proposed project will result in **\$4,419,694** in **output** (total revenue), **44.9 jobs** (total FTE jobs), and **\$2,222,961** in **labor income** (total wages).

This report includes the fiscal impacts that are anticipated to result from the proposed project. The proposed project is projected to generate **\$577,321** in **annual taxes** under full build-out and full taxation of the property, of which **\$414,826** is allocated to the **Longwood Central School District (CSD)** without introducing any new school aged children or increasing the costs of education for the district. The projected full taxation represents a net increase of \$517,745 when compared to existing site conditions of the subject parcels. As noted, this is based on full buildout and full taxation. It is noted that Town Industrial Development Agency (IDA) tax deferral will be sought. This taxation would be phased in over time and a Payment in Lieu of Taxes program would be anticipated to provide fiscal support to critical taxing jurisdictions as taxation is phased in over the time of the deferral.

In summary, the proposed project is beneficial to economic conditions of the hamlet of Medford, the Town of Brookhaven, Suffolk County, and the region, as a result of job creation (construction and operations) and tax generation. The economic (employment) and fiscal (taxation) benefits are discussed in more detail in the full report.

1.0 INTRODUCTION

Nelson, Pope & Voorhis, LLC (NPV) has been requested to prepare an economic and fiscal impact analysis for a proposed industrial development to be known as Rechler Business District, 10 Donald's Way in the hamlet of Medford, Town of Brookhaven. NPV is a professional environmental and planning firm with qualifications and expertise to prepare economic and fiscal impact analyses, and has a track record of similar completed projects, as well as residential and commercial market analysis and related economic development services to private and municipal clients. The economic qualifications of the firm and personnel are provided in **Attachment A**.

This analysis examines the economic and fiscal impacts that are anticipated to occur through the construction and annual operations of an industrial use comprised of 140,895 square-feet of space, with the capability of being single tenant or split into multiple smaller tenants. The subject site is located on the west side of Donald's Avenue, south of Peconic Avenue and Horseblock Road, and east of Americus Avenue, in the Hamlet of Medford, Town of Brookhaven, Suffolk County, New York. The subject property is strategically located within a half mile south of the Long Island Expressway at Exit 65, allowing easy truck access to and from the property. 0

The industrial sector on Long Island continues to be strong, with demand far exceeding supply. The pandemic has increased the pre-existing demand for trucking, storage and delivery of goods and services to commercial and domestic consumers. This has spurred a need for local and regional warehouse and distribution centers and support facilities.

A reputable source of real estate information specific to the Long Island industrial market research is available from Cushman & Wakefield through the Marketbeat Long Island report. Available research for the first quarter of 2022 is provided in **Attachment B** and supports a finding that the industrial market on Long Island is strong and will remain strong, and that there is unfilled surplus demand for industrial warehouse space. More specifically, the industrial vacancy rates was 2.3%, an historic low for Long Island, which indicates the need for additional industrial space.

As economic stability returns after the severe conditions of the coronavirus pandemic of 2020-22, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will advance the planning goals of the Town and will establish many new construction and operations jobs that will help in the post-pandemic recovery. The proposed project will create strong economic activity by providing jobs and a solid tax base. Consumer activity will ripple through the local community, creating beneficial economic and fiscal impacts throughout Medford, the Town of Brookhaven, Suffolk County, and the region as a whole.

The following analysis examines and quantifies the economic and fiscal impacts that are anticipated to result from the proposed development. **Section 2.0** outlines the methodology and the sources of data used to project the economic and fiscal impacts generated in this analysis. **Section 3.0** summarizes the economic and fiscal conditions related to the proposed project. **Section 3.1** defines economic impacts for the purpose of the report, and **Section 3.2** presents the key findings of the direct economic impacts, as well as those indirect and induced impacts that are projected to occur – on output, employment, and labor income – during both the 12-month construction period, and annually upon stabilized operations of the proposed project. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions. A summary of these key economic findings is provided in **Table 1**.

**TABLE 1
SUMMARY OF KEY ECONOMIC FINDINGS**

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
<i>Economic Impacts during Construction</i>			
Direct Impact	\$21,141,997	125.30	\$8,456,799
Indirect Impact	\$4,697,129	20.80	\$1,729,414
Induced Impact	\$5,808,524	33.42	\$2,094,633
Total Impact	\$31,647,650	179.53	\$12,280,846
<i>Economic Impacts during Annual Operations</i>			
Direct Impact	\$2,536,110	35.2	\$1,586,398
Indirect Impact	\$841,610	4.0	\$259,743
Induced Impact	\$1,041,974	5.7	\$376,820
Total Impact	\$4,419,694	44.9	\$2,222,961

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

Section 3.2 also includes key fiscal findings, including enrollment trends/population, budget, and current tax rates and levies for the Longwood Central School District (CSD), Town, and County. Moreover, this section summarizes the fiscal impacts that are anticipated to result from the proposed project. These include beneficial property tax revenues allocated to each of the taxing jurisdictions that receive taxation from the site.

The Applicant will be applying to the Town of Brookhaven IDA for tax deferral and a negotiated Payment in Lieu of Taxes (PILOT) program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as stimulating construction jobs and permanent employment. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts anticipating full occupancy and full taxation based on current assessments and projected revenues.

The proposed project is projected to generate \$577,321 in annual taxes under full build-out and full taxation of the property. This represents a net increase of \$517,745 per year when compared to existing site conditions. The distribution of anticipated tax revenues is shown in **Table 2**. This projection of tax revenues is useful in assisting with an understanding of existing and future taxes to help structure a PILOT agreement. Any tax deferral programs will delay and phase-in full taxation.

**TABLE 2
 ANTICIPATED TAX REVENUE GENERATION**

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Change in Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	\$45,001	\$436,079	\$391,078	75.5%
School District - Longwood CSD	\$42,808	\$414,826	\$372,019	71.9%
Library District - Longwood CSD	\$2,193	\$21,252	\$19,059	3.7%
TOTAL COUNTY TAXES	\$6,668	\$64,616	\$57,948	11.2%
County of Suffolk	\$443	\$4,297	\$3,854	0.7%
County of Suffolk- Police	\$6,225	\$60,319	\$54,094	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	\$3,633	\$35,205	\$31,572	6.1%
Town - Town Wide Fund	\$865	\$8,383	\$7,518	1.5%
Highway- Town Wide Fund	\$235	\$2,276	\$2,041	0.4%
Town- Part Town Fund	\$280	\$2,715	\$2,435	0.5%
Highway- Part Town Fund/Snow Removal	\$2,253	\$21,831	\$19,578	3.8%
TOTAL OTHER TAXES	\$4,274	\$41,421	\$37,147	7.2%
New York State MTA Tax	\$21	\$207	\$186	0.0%
Open Space Preservation	\$330	\$3,198	\$2,868	0.6%
Fire Districts - Medford	\$2,166	\$20,985	\$18,819	3.6%
Lighting Districts - Brookhaven	\$174	\$1,689	\$1,515	0.3%
Ambulance District - Medford	\$1,004	\$9,728	\$8,724	1.7%
Real Property Tax Law	\$448	\$4,337	\$3,889	0.8%
Out of County Tuition	\$101	\$977	\$876	0.2%
Suffolk County Community College Tax	\$31	\$301	\$270	0.1%
TOTAL: ALL TAXING JURISDICTIONS	\$59,576	\$577,321	\$517,745	100.0%

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

Lastly, **Section 4.0** outlines the references and sources of information utilized in this analysis, and as previously noted, the economic qualifications of the firm and personnel are provided in **Attachment A**.

2.0 METHODOLOGY

Various data and information from federal, state, local, and commercial data sources was used to analyze the existing conditions and projected economic and fiscal impacts stemming from the construction and annual operation of the proposed development.

Rechler Equity supplied information regarding the construction cost and construction schedule, building size, and anticipated rental rates per square foot.

Longwood Central School District provided data pertaining to the district budget, enrollment trends and per-pupil education costs.

The Town of Brookhaven and Suffolk County provided information regarding approved budgets and current tax rates for the subject properties. This tax information was used to compare the existing revenues to those that are projected to be generated upon full build-out of the proposed project.

New York State Education Department provided the New York State District Report Cards and the Fiscal Accountability Summary reports specific to the Longwood CSD. This information allows for an analysis of how the school district's enrollment.

United States Bureau of Labor Statistics and New York State Department of Labor publish the Occupational Employment Statistics survey. This survey was used to estimate the wages earned among those employed within "construction and extraction," and the "laborers and freight, stock and material movers ,hand" occupations in the Long Island labor market. These wages were assumed for each of the workers responsible for the construction and operations of the proposed project.

United States Census Bureau provides pertinent demographic data for the hamlet of Medford, Town of Brookhaven, and the Longwood CSD.

IMPLAN (formerly known as the Minnesota IMPLAN Group) developed an economic impact modeling system called IMPLAN, short for "IMpact analysis for PLANning." The program was developed in the 1970s through the United States Department of Agriculture's Forest Service and was privatized in 1993.

IMPLAN is built on a mathematical input-output (I-O) model to express relationships between various sectors of the economy in a specific geographic location. The I-O model assumes fixed relationships between producers and their suppliers based on demand, and the inter-industry relationships within a region largely determine how that economy will respond to change. In an I-O model, the increase in demand for a certain product or service causes a multiplier effect; increased demand for a product affects the producer of the product, the producer's employees,

the producer's suppliers, the supplier's employees, and so on, ultimately generating a total impact in the economy that is greater than the initial change in demand.

The IMPLAN model is a method for estimating local economic multipliers, including those pertaining to production, value-added, employment, wage, and supplier data. IMPLAN differentiates in its software and data sets between 576 sectors that are recognized by the United States Department of Commerce. Multipliers are available for all states, counties and zip codes, and are derived from production, employment and trade data from sources including the United States Census Bureau, County Business Patterns, Annual Survey of Government Employment, Annual Survey of Retail Trade; United States Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Consumer Expenditure Survey; United States Department of Labor; Office of Management and Budget; United States Department of Commerce; Internal Revenue Service; United States Department of Agriculture, National Agricultural Statistical Service; Federal Procurement Data Center; and United States Bureau of Economic Analysis, Regional Economic Information System, Survey of Current Business, among other national, regional, state and local data sources.

IMPLAN is widely accepted as the industry standard for estimating how much a one-time or sustained increase in economic activity in a particular region will be supplied by industries located in the region. Federal government agencies such as the Army Corps of Engineers, Bureau of Economic Analysis, Bureau of Land Management, Environmental Protection Agency, Federal Reserve Bank, Fish and Wildlife Service, and National Park Service have used the multipliers to study the local impact of government regulation on specific industries and to assess the local economic impacts of Federal actions. State and local governments including New York State Department of Labor, New York State Division of the Budget, New York State Office of the State Comptroller, New York State Assembly and New York City Economic Development Corporation, have used the multipliers to estimate the regional economic impacts of government policies and projects and of events, such as the location of new businesses within their state, or to assess the impacts of tourism. Likewise, businesses, universities and private consultants have used the multipliers to estimate the economic impacts of a wide range of projects, such as building a new sports facility or expanding an airport; of natural disasters; of student spending; or of special events, such as national political conventions.

NPV personnel have received formal IMPLAN training through IMPLAN and possess the qualifications to project economic impacts for a multitude of project types using this software. For the purpose of this analysis, multipliers specific to socio-economic data in Suffolk County's "Construction of new commercial structures" industry, which includes warehouses according to IMPLAN descriptions, were analyzed to determine the direct, indirect, and induced economic impacts during the proposed project's construction period. Moreover, multipliers specific to socio-economic data in Suffolk County's "General warehousing and storage" industry were analyzed to determine the direct, indirect, and induced economic impacts during the annual operations of the proposed project. A summary of these impacts can be found in **Section 3.2.1** and **Section 3.2.2** of this analysis.

3.0 ECONOMIC AND FISCAL IMPACTS

As noted in **Section 1.0**, this analysis summarizes the existing conditions and the economic and fiscal impacts associated with the development of an industrial building, consisting of 140,895 square-feet of space, with the capability of being single tenant or split into multiple smaller tenants in the hamlet of Medford, Town of Brookhaven. Economic impacts include direct, indirect, and induced benefits on output, employment, and associated labor income during the construction phase and during a stabilized year of annual operations. Fiscal impacts include the generation of property tax revenues and their distribution among local taxing jurisdictions subject to any tax deferral and PILOT arrangements. It is noted that these analyses are based on conditions approximately 29 months into the coronavirus pandemic and therefore represent conditions as the construction industry regains momentum and the economy stabilizes in post-pandemic conditions.

The proposed project will generate immediate construction jobs as well as increased job opportunities related to the operations and management of the facility. The proposed project will create strong economic activity by providing jobs and a solid tax base. The proposed project will also increase the distribution of tax ratables throughout the Town and County, upon full build-out and full-taxation of the development. Such economic and fiscal benefits are most crucial to the economic well-being throughout the Medford community, the Town of Brookhaven, Suffolk County, and the region as a whole.

A summary of findings is provided herein, with detailed methodologies and references provided throughout this analysis. This analysis was prepared using methods, data and information that are considered to be industry standard for such economic and fiscal impact analyses.

3.1 Definition of Economic Impacts

A direct impact arises from the first round of buying and selling and includes the production of changes and expenditures made as a result of the proposed action. These direct impacts can be used to identify additional rounds of buying and selling for other sectors of the economy and to identify the impact of spending by local households. An indirect impact refers to the increase in sales of other industry sectors stemming from business-to-business purchases in the supply chain due to the initial input purchases, which include further round-by-round sales. An induced impact accounts for the changes in household spending resulting from the labor income generated by the employees of the proposed action during construction and operations, resulting from direct and indirect impacts. The total impact is the sum of the direct, indirect and induced impacts.

3.2 Key Findings

3.2.1 Economic Impacts of Construction

A detailed analysis of direct, indirect, and induced impacts generated during the construction period is outlined below. It is important to note that each of these impacts are temporary and are projected to occur only while the proposed project is being constructed. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- For the purpose of this analysis, it is anticipated that construction of the proposed project will commence in November 2022, with the construction period anticipated to occur over a period of 12 months.¹
- The proposed project is projected to represent over \$21.1 million² in construction costs over the 12-month construction period.³ This \$21.1 million in direct annual output is projected to generate an indirect impact of nearly \$4.7 million, and an induced impact of an additional \$5.8 million, bringing the total economic impact output to over \$31.6 million during the 12-month construction period.⁴
- During the construction period, direct employment refers to the number of short-term jobs necessary to complete the construction of the proposed project. The construction period is anticipated to generate 125.3 full time equivalent (FTE) jobs, which are anticipated to last the entire duration of the 12-month construction period.
- The 125.3 FTE jobs created during the construction period will have an indirect impact of 20.80 FTE employees and an induced impact of 33.42 FTE employees in other industry sectors, bringing the total impact of the 12-month construction period to 179.53 FTE jobs.⁵ This job creation – direct, as well as indirect and induced – is most crucial to Long Island's economic well-being, and presents opportunities for persons who remain unemployed throughout the region.
- During the construction period, direct labor income refers to the annual earnings, wages, or salary paid to each of the workers responsible for the construction of the proposed project. Labor income typically comprises approximately 40% of the cost of industrial construction; the remaining portion represents the cost of materials.⁶

¹ Construction schedule provided by Rechler Equity in July 2022.

² For the purpose of this analysis, this figure and all other figures in the construction portion of this analysis reflect 2022 dollars, the year in which construction is assumed to commence.

³ Construction costs provided by Rechler Equity in July 2022, and include pre-construction consultants, demolition, and construction costs of the building. It is important to note that all costs are estimates based upon market conditions as of the date of preparation of this analysis.

⁴ According to IMPLAN, a multiplier of 1.579270 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

⁵ According to IMPLAN, a multiplier of 9.69 represents the total change in the number of jobs that occurs in all industries for each additional one million dollars of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

⁶ Construction/renovations labor and materials estimates per architectural design group Nelson + Pope.

- Labor income is projected to total \$65,197 per employee⁷ for the 12-month construction period, resulting in \$8.4 million in collective earnings among the 125.3 FTE employees. This labor income is projected to have an indirect impact of over \$1.7 million and an induced impact of nearly \$2.1 million, bringing the total economic impact of the 12-month construction period to over \$12.2 million in labor income.⁸

A summary of key economic findings projected to occur during the 12-month construction period is provided in **Table 3**.

TABLE 3
SUMMARY OF KEY ECONOMIC FINDINGS DURING 12-MONTH CONSTRUCTION PERIOD

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	\$21,141,997	125.30	\$8,456,799
Indirect Impact	\$4,697,129	20.80	\$1,729,414
Induced Impact	\$5,808,524	33.42	\$2,094,633
Total Impact	\$31,647,650	179.53	\$12,280,846

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

3.2.2 Economic Impacts of Annual Operations

A detailed analysis of direct, indirect, and induced impacts generated annually during operations is outlined below. It is important to note that each of these impacts is permanent and on-going and they are projected on an annual basis, assuming continued stabilized operations. As previously noted, these projections anticipate stabilization of the economy in post-pandemic conditions.

- It is assumed that the proposed project will begin the operational phase of development upon the completion of the 12-month construction period. For the purpose of this analysis, the first year of stabilized operations is assumed to occur in the second full year of operations in 2025.

⁷ New York State Department of Labor's Occupational Employment Statistics survey reports a median wage of \$63,298 among those employed within construction and extraction occupations in the Long Island labor market. Data was collected between November 2018 and May 2021, and then updated to the first quarter of 2021 by making cost-of-living adjustments. An additional 3% increase was added to the average annual wage to approximate salaries in 2022, the year construction is anticipated to commence.

⁸ According to IMPLAN, a multiplier of 0.731501 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand through the "Construction of new commercial structures" (IMPLAN Sector 55) in Suffolk County, New York.

- Annual output will be generated in the form of monthly rental rates for the facility totaling \$2,536,110.
- The annual operational revenues are projected to generate an indirect impact of over \$800,000, and an induced impact of over \$1.0 million per year. This additional output is generated through round-by-round sales made at various merchants in other sectors of the regional economy. These include local retailers, service providers, banks, grocers, restaurants, financial institutions, insurance companies, health and legal services providers, and other establishments in the region.
- The sum of the direct, indirect, and induced impacts results in a total economic impact on output of over \$4.4 million during annual operations.⁹
- The proposed project is anticipated to generate 35.2 FTE jobs on site.¹⁰
- The 35.2 FTE jobs will have an indirect impact of 4.0 FTE employees and an induced impact of 5.7 FTE employees in other industry sectors, bringing the total economic impact of employment to 44.9 FTE jobs during annual operations.¹¹
- The 35.2 FTE jobs will generate a total of \$1.5 million in collective labor income.¹² This labor income will have an indirect impact of over \$250,000 and an induced impact of over \$370,000, bringing the total economic impact of labor income to over \$2.2 million during a stabilized year of operations of the proposed project.¹³

A summary of key economic findings projected to occur during annual operations is provided in **Table 4**.

⁹ According to IMPLAN, a multiplier of 1.734651 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

¹⁰ Assumptions pertaining to the direct employment based on 1 employee per 4,000 square-feet of warehousing space, based on similar projects. It is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

¹¹ According to IMPLAN, a multiplier of 12.73 represents the total dollar change in employment that occurs in all industries for each additional dollar of output delivered to final demand by the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

¹² Assumptions pertaining to the employment compensation based on New York State Department of Labor's Occupational Employment Statistics survey, which reports a median wage of \$39,314 among those employed within "laborers and freight, stock, and material movers, hand" occupations in the Long Island labor market. Data was collected between November 2018 and May 2021, and then updated to the first quarter of 2022 by making cost-of-living adjustments. It is important to note that all assumptions are estimates based upon market conditions as of the date of preparation of this analysis.

¹³ According to IMPLAN, a multiplier of 0.842701 represents the total dollar change in labor income of households employed by all industries for each additional dollar of output delivered to final demand of the "General Warehousing and Storage" (IMPLAN Sector 422) in Suffolk County, New York.

TABLE 4
SUMMARY OF KEY ECONOMIC FINDINGS DURING ANNUAL OPERATIONS

Impact Type	Output (Total Revenue)	Employment (Total Number of FTE Jobs)	Labor Income (Total Wages)
Direct Impact	\$2,536,110	35.2	\$1,586,398
Indirect Impact	\$841,610	4.0	\$259,743
Induced Impact	\$1,041,974	5.7	\$376,820
Total Impact	\$4,419,694	44.9	\$2,222,961

Source: Data provided by Rechler Equity; Analysis by Nelson, Pope & Voorhis, LLC, via IMPLAN software.

3.2.3 Existing Fiscal Conditions

- According to the U.S. Census Bureau, there are 24,613 persons residing within 8,334 housing units in the hamlet of Medford, and 482,671 persons residing within 175,957 housing units in the Town of Brookhaven.¹⁴
- The vast majority of assessed parcels in the Town of Brookhaven are residential properties, comprising 74.0% of the total number of parcels. However, such properties comprise 46.9% of the Town's tax base and cause the greatest burden on community services.
- The Town of Brookhaven adopted a budget for 2021 of \$307.1 million¹⁵ and have prepared a tentative 2022 budget of \$316.8 million.¹⁶ Suffolk County adopted a 2021 budget of \$3.197 billion¹⁷ and prepared a recommended 2022 budget of \$4.742 billion.¹⁸
- The proposed project is located within the Longwood CSD and will result in additional revenue for the school district. The latest Census estimates suggest that 95.7% of all school-aged children who are enrolled in school and reside within the school district boundaries attended public schools; the remaining 4.3% of school-aged children attend private schools.
- Student enrollment within the Longwood CSD has decreased by 187 students, or -2.1%, over the ten (10) years between the 2011-12 and 2020-21 academic years.¹⁹
- According to the New York State School Report Card Fiscal Accountability Summary for the Longwood CSD, expenditures averaged \$23,232.56 per student during the 2020-21 academic year.

¹⁴ 2020 American Community Survey 5-Year Estimates, via the U.S. Census Bureau.

¹⁵ Town of Brookhaven, "2021 Adopted Budget."

¹⁶ Town of Brookhaven, "2022 Tentative Budget."

¹⁷ Suffolk County, "2021 Adopted Operating Budget."

¹⁸ Suffolk County, "2022 Recommended Operating Budget."

¹⁹ New York State Education Department.

- The Longwood CSD fiscal year 2021 expenditures totaled \$262,530,731, of which over \$161.6 million is spent on education and over \$59.6 million is spent on employee benefits, and revenues totaling \$263,886,185, of which over \$132.6 million is levied through real property taxes and assessments, over \$92.9 million through state aid, and over \$9.0 million through federal aid.²⁰
- The Longwood CSD adopted a balanced budget for the 2022-23 academic year, with revenues and expenditures totaling \$271,000,000.²¹
- Prior to the coronavirus pandemic of 2020-22, unemployment had been decreasing substantially since its peak in 2010-2012. Unemployment in the Town, County, Long Island, and New York state increased significantly in 2020; but started to decline in 2021 and continued to decline through 2022. As of June 2022, approximately 8,200 persons – 3.1% of the Town's labor force – are unemployed. While it is important to note that these data have not been seasonally adjusted, the trends recorded as of June 2022 were slightly higher than the unemployment rates in Suffolk County (2.8%) and Long Island (2.9%) and slightly lower than the statewide unemployment rate (4.4%) at that time.²²
- Under existing conditions, the parcels that comprise the subject property are estimated to generate existing taxes of \$59,576 per Town tax bills. The tax rates and distribution of existing taxes are provided in **Table 5**.

²⁰ Office of the New York State Comptroller.

²¹ Longwood Central School District.

²² New York State Department of Labor.

**TABLE 5
EXISTING TAX REVENUE GENERATION**

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	309.816	\$436,079	75.5%
School District - Longwood CSD	294.717	\$414,826	71.9%
Library District - Longwood CSD	15.099	\$21,252	3.7%
TOTAL COUNTY TAXES	45.907	\$64,616	11.2%
County of Suffolk	3.053	\$4,297	0.7%
County of Suffolk- Police	42.854	\$60,319	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	25.012	\$35,205	6.1%
Town - Town Wide Fund	5.956	\$8,383	1.5%
Highway- Town Wide Fund	1.617	\$2,276	0.4%
Town- Part Town Fund	1.929	\$2,715	0.5%
Highway- Part Town Fund/Snow Removal	15.510	\$21,831	3.8%
TOTAL OTHER TAXES	29.428	\$41,421	7.2%
New York State MTA Tax	0.147	\$207	0.0%
Open Space Preservation	2.272	\$3,198	0.6%
Fire Districts - Medford	14.909	\$20,985	3.6%
Lighting Districts - Brookhaven	1.200	\$1,689	0.3%
Ambulance District - Medford	6.911	\$9,728	1.7%
Real Property Tax Law	3.081	\$4,337	0.8%
Out of County Tuition	0.694	\$977	0.2%
Suffolk County Community College Tax	0.214	\$301	0.1%
TOTAL: ALL TAXING JURISDICTIONS	410.163	\$577,321	100.0%

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

3.2.4 Anticipated Fiscal Impacts

- For taxing purposes, the total estimated market valuation of the proposed project is based upon the anticipated rental rates of the proposed buildings during a stabilized year of operations, resulting in gross annual rents of over \$2.5 million.²³ A vacancy loss of 5% and a 20% expense ratio results in a net income of over \$1.9 million. When applying a capitalization rate of 0.1 and an equalization rate of 0.74%, the estimated assessed valuation of the proposed project during a stabilized year of operations is approximately \$140,754. This is shown in **Table 6**.

²³ Annual rental rates of \$18 per square-foot provided by Rechler Equity in July 2022.

TABLE 6
PROJECTED ASSESSED VALUATION

Parameter	Value
Gross Annual Rents	\$2,536,110
Vacancy Loss	5%
Expense Ratio	20%
Net Operating Income	\$1,902,083
Capitalization Rate	0.1
Estimated Market Value	\$19,020,825
Equalization Rate	0.74%
Assessed Value: Proposed Project	\$140,754

Source: Client; Town of Brookhaven Assessor's Office; Analysis by Nelson, Pope & Voorhis, LLC.

- Fiscal impacts are projected based on a stabilized year of operations and full taxation based on current assessments and projected revenues. It is noted that any tax deferral programs will delay and phase-in full taxation. The projection of tax revenues is useful in determining future taxation and in assisting with an understanding of existing and future taxes to help structure a PILOT agreement.
- During a stabilized year of operations and full taxation, the proposed project is projected to generate approximately \$577,321 in annual property taxes. This represents a net increase of over \$517,745 per year when compared to existing site conditions. The distribution of tax revenues is shown in **Table 7**.
- It is important to note that the information provided in **Table 7** was derived from the current assessment factors and tax rates provided by the Town of Brookhaven Assessors Office, as well as the total projected assessed valuation for the proposed project upon a stabilized year of operations. It is also important to note that all analyses are based on current tax dollars, and the revenue allotted among taxing jurisdictions will vary from year to year, depending on the annual tax rates, assessed valuation and equalization rates. Further, the final assessment and levy will be determined by the sole assessor at the time of occupancy. Projections included herein are as accurate as possible using fiscal impact methodologies, for the purpose of the planning and land use approval process.

**TABLE 7
ANTICIPATED TAX REVENUE GENERATION**

Taxing Jurisdiction	Current Tax Revenue (all parcels)	Projected Tax Revenue	Change in Tax Revenue	Percent of Total Tax Revenue
TOTAL SCHOOL TAXES	\$45,001	\$436,079	\$391,078	75.5%
School District - Longwood CSD	\$42,808	\$414,826	\$372,019	71.9%
Library District - Longwood CSD	\$2,193	\$21,252	\$19,059	3.7%
TOTAL COUNTY TAXES	\$6,668	\$64,616	\$57,948	11.2%
County of Suffolk	\$443	\$4,297	\$3,854	0.7%
County of Suffolk- Police	\$6,225	\$60,319	\$54,094	10.4%
TOTAL TOWN OF BROOKHAVEN TAXES	\$3,633	\$35,205	\$31,572	6.1%
Town - Town Wide Fund	\$865	\$8,383	\$7,518	1.5%
Highway- Town Wide Fund	\$235	\$2,276	\$2,041	0.4%
Town- Part Town Fund	\$280	\$2,715	\$2,435	0.5%
Highway- Part Town Fund/Snow Removal	\$2,253	\$21,831	\$19,578	3.8%
TOTAL OTHER TAXES	\$4,274	\$41,421	\$37,147	7.2%
New York State MTA Tax	\$21	\$207	\$186	0.0%
Open Space Preservation	\$330	\$3,198	\$2,868	0.6%
Fire Districts - Medford	\$2,166	\$20,985	\$18,819	3.6%
Lighting Districts - Brookhaven	\$174	\$1,689	\$1,515	0.3%
Ambulance District - Medford	\$1,004	\$9,728	\$8,724	1.7%
Real Property Tax Law	\$448	\$4,337	\$3,889	0.8%
Out of County Tuition	\$101	\$977	\$876	0.2%
Suffolk County Community College Tax	\$31	\$301	\$270	0.1%
TOTAL: ALL TAXING JURISDICTIONS	\$59,576	\$577,321	\$517,745	100.0%

Source: Town of Brookhaven Statement of Taxes 2021-2022; Analysis by Nelson, Pope & Voorhis, LLC

- The proposed project includes the development of industrial space and therefore, will not generate additional students to the Longwood CSD. The proposed project is anticipated to levy approximately \$414,826 in property tax revenues for the school district, without generating additional costs stemming from an increased student enrollment. This net revenue could ease the district's need to tap into additional fund balances and could also help alleviate an increased burden on other taxpayers throughout the district.
- As noted, the Applicant will be applying to the Town of Brookhaven IDA for tax deferral and a negotiated PILOT program. IDA tax deferral promotes beneficial development/redevelopment and creates jobs while supplementing taxes and meeting other goals such as stimulating construction jobs and permanent employment. Since the exact terms of the PILOT have not yet been negotiated, this study analyzes the projected fiscal impacts anticipating full occupancy and full taxation based on current assessments and projected revenues.

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ATTACHMENT A
Nelson Pope Voorhis
Economic Analysis Qualifications

STATEMENT OF QUALIFICATIONS ECONOMIC AND FISCAL IMPACT ANALYSIS



NELSON POPE VOORHIS
environmental • land use • planning

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TABLE OF CONTENTS

INTRODUCTION	1
KEY PERSONNEL.....	3
RELEVANT EXPERIENCE.....	5

INTRODUCTION

Nelson, Pope & Voorhis, LLC (“Nelson Pope Voorhis” or “NPV”) is an environmental planning and consulting firm established in 1997 that serves governmental and private sector clients preparing creative solutions specialized in the area of complex environmental project management and land use planning/analysis. Our offices are strategically located in Melville, Long Island, NY and Suffern, NY in the Hudson River Valley. NPV consists of three divisions, created to better serve clients with high quality, innovative and responsive consulting services in all aspects of environmental planning. The three divisions are:

- **Environmental and Community Planning Division:** prepares comprehensive plans, long-term planning studies, corridor redevelopment studies, brownfield plans and comprehensive and strategic zoning amendments. The group is effective in the use of geographic information systems (GIS) mapping to evaluate issues and present baseline data. Effective community outreach strategies are developed and tailored for each project and the community in which the project is taking place. The group represents a number of planning boards in the region.
- **Phase I/II ESA and Remediation Division:** prepares Phase I/II Environmental Site Assessments with soil and groundwater sampling services, lead based paint, asbestos and radon inspection services, and all forms of environmental sampling. The division evaluates the implications of past and/or present contamination and property uses on future land uses.
- **Environmental Resource and Wetland Division:** conducts ecological assessment and planning, landscape and coastal restoration, wetland delineation and restoration, habitat assessment, conducts stormwater modeling and green infrastructure planning and implementation. This division assists clients through permitting and SEQRA processes.

The primary focus of the firm is to provide quality consulting services that meet the needs and goals of our clients while respecting the environment. We pride ourselves being extremely responsive to each client. Clients rely on NPV’s depth of experience and expertise to provide solutions to each unique project within budget and on schedule. Our clientele, some of whom we have represented for decades, recognize NPV’s capabilities and are secure in knowing that they receive quality professional services from project inception through completion. NPV’s multidisciplinary staff includes AICP-certified planners, economists, ecologists, hydrologists, certified environmental professionals, grants specialists, and GIS specialists.

As a local firm, NPV has significant expertise in performing both Economic and Fiscal Impact Analyses as well as Market Studies. We have served as a primary consultant to many private developers as well as municipalities and have established a solid track-record of completed projects and local government references throughout Long Island, with an emphasis on economic related projects.

NPV has the capabilities to provide the following services:

PHASE I/II ESA AND REMEDIATION	COMMUNITY AND LAND PLANNING	ENVIRONMENTAL AND WETLAND ASSESSMENT
<p><u>ENVIRONMENTAL AUDITS</u> Phase I ESA & Due Diligence Investigations Phase II ESA Groundwater Investigations Soil Sampling, Boring and Classifications Soil Gas Surveys Monitoring Wells & Piezometers Tank Sampling Pesticide Sampling & Plans Soil Management Plans Remediation Brownfield/Voluntary Cleanup Plans RCRA Closures Superfund Sites Asbestos Surveys Influent/Effluent Sampling Lead Based Paint Surveys Subsurface Investigations Ground Penetrating Radar (GPR) Dewatering Services Pipe Camera Magnetometer Groundwater Monitoring Studies Flow Studies Water Supply Studies Nitrogen Load/TMDL Evaluation</p> <p><u>ENVIRONMENTAL ANALYSIS</u> NYS SEQRA/NYC CEQR Administration NEPA Analysis/Documentation EIS/EAF Preparation GEIS & Regional Impact Analysis Noise Monitoring & Assessment Air Impact Analysis Visual Assessment</p>	<p><u>ECONOMIC</u> Fiscal Impact Analysis Economic Impact Analysis IMPLAN and RIMS II Economic Impact Modeling School District/Community Service Impact Analysis Market Studies Niche Market Analysis Demographic Studies Economic Development Planning Business Retention & Expansion Strategies Downtown Revitalization IDA Financing Assistance</p> <p><u>PLANNING</u> Development of Feasibility Studies LEED Planning Public Outreach Meetings Demographic Analysis Municipal Review Services Planning & Zoning Analysis Build Out Analysis GIS Analysis Code Preparation & Review Downtown Revitalization Regional Planning & Land Use Plans Recreation Planning LWRP & Harbor Management Plans Grant Writing & Administration Public Outreach & Community Surveys Community Visioning District Mapping Spatial Analysis of Call Database Needs Assessment Demographic Analysis</p>	<p><u>STORMWATER MANAGEMENT</u> Stormwater Permitting Stormwater Pollution Prevention Plans (SWPPP) Erosion & Sediment Control Plans NYSDEC “Qualified Inspectors” for Construction Field Monitoring Stormwater Management Programs NYSDEC Annual Reports Construction Stormwater Field Monitoring Outfall & Infrastructure Inventory GIS Mapping & Analysis Stormwater BMP’s Stormwater Management Planning Low Impact Design</p> <p><u>ECOLOGY & WETLANDS</u> Wetland Delineation and Permits Permit Plans Restoration/Mitigation Plans Ecological Studies and Surveys Endangered Species Surveys Pond Management Plans Invasive Species Control Water Quality Evaluation Habitat Management Watershed Management Plans Environmental Education /Outreach</p> <p><u>COASTAL & WATERFRONT MANAGEMENT</u> Waterfront Management Plans Waterfront Certifications Coastal Erosion Hazard Area FEMA Compliance Shoreline Restoration Planning Ecological Landscape Design</p>

Economic and Fiscal Impact Analyses & Market Studies

NPV performs economic impact analyses and utilizes the software IMPLAN (a model that combines a set of extensive databases, economic factors, multipliers, and demographic statistics) to estimate short and long-term employment projections generated by a development. Economic impacts are determined by inputting the anticipated direct spending from construction and operations of each of the development through the IMPLAN model which may be calibrated to reflect local spending patterns. The IMPLAN model estimates the full-time job creation during construction and under operation — and the direct, indirect and induced economic benefits related to purchase of goods and services. Direct effects are the immediate result of the project

implementation. Indirect benefits stem from the purchase by local businesses/industries of goods and services from other local businesses/industries (also known as intermediate expenditures). Induced benefits reflect the spending of wages from residents (accounting for household purchases made by paid employees or from new residents in housing developments).

For fiscal impact analyses, NPV identifies project benefits and/or impacts in terms of tax revenue projections and demand for community services from various providers – including the ramifications of development on local school districts.

NPV prepares market studies to evaluate the need for a particular type of development, which include housing needs assessments, evaluation of retail gaps and surpluses, and niche market and branding studies.



KEY PERSONNEL

All NPV professionals are available to assist on an as-needed basis. Kathy Eiseman will serve as the project coordinator, working as the primary contact and assigning projects to the various professionals on the team. Specific individuals expected to provide services and their individual roles for Economic and Fiscal Impact Analyses initiatives are noted as follows:

Personnel	Qualifications, Project Role
Kathryn J. Eiseman AICP Partner	Project Oversight
Charles J. Voorhis, CEP, AICP Principal	Project Coordination
Taylor Garner, AICP Senior Environmental Planner	Project Coordination, Preparation of Reports
Valerie Monastra Principal Planner	Preparation of Reports

Nelson Pope Voorhis is managed by a select group of partners. Each provides specific expertise in the field of environmental planning, land use planning/analysis, remediation, engineering and land surveying that is unique within the industry. The diverse leadership of NPV couples the experience of our senior partners with the innovation and enthusiasm of our younger staff. Many of the team’s staff have advanced technical degrees and/or technical certifications. Such as LEED Accredited Professional (LEED AP), OSHA 40 Hour HAZWOPER, and American Institute of Certified Planners (AICP), etc.

Kathryn J. Eiseman, AICP, Partner is a Partner and Division Manager of the Environmental & Community Planning Division. She has over 20 years of planning experience in environmental planning and manages both private and public planning projects. Current projects include the Local Waterfront Revitalization Program for the Town of Islip and Brownfield Opportunity Area (BOA) for the Town of Riverhead BOA. Ms. Eiseman is the planner for the Villages of Southampton and Sag Harbor Planning Boards and directs her staff to perform site plan and subdivision reviews and advises the Board on a regular basis. She is skillful in managing complex projects and working with team members both in house and as subconsultants. Her staff is proficient in the use of GIS and design software for preparation of high-quality graphic products. Ms. Eiseman is experienced in the art of public participation and education and tailors her approach to the unique needs of each project community. She is an enthusiastic and creative planner who endeavors to bring a fresh approach to each project as well as to her position as Treasurer for the Long Island Section of the American Planning Association.

Charles Voorhis, CEP, AICP is Principal of NPV and has over 40 years of experience in environmental planning on Long Island and in the New York metropolitan area. Mr. Voorhis is a member of the American Institute of Certified Planners (AICP) and is a Certified Environmental Professional (CEP). He has a wealth of experience in managing large scale municipal projects including regional environmental planning, downtown revitalization and action planning, Generic Environmental Impact Statements, stormwater management, wetlands and coastal management, and municipal consulting. Mr. Voorhis and his firm serve as environmental planning consultants to many of New York Towns and Villages and are currently in the process of preparing several long-range planning initiatives for several Towns in Nassau and Suffolk Counties.

Taylor Garner is an environmental planner with an undergraduate degree in Environmental Science from Villanova University and a master's degree in Urban Planning with a concentration in Sustainability and the Environment from Hunter College. Ms. Garner has undergone the Formal training course in the IMPLAN Economic Modeling System IMPLAN. She oversees the preparation of market analyses and feasibility studies, niche market studies and branding plans, school district analyses, economic development strategies, as well as fiscal (projecting taxes and the impact to local jurisdictions) and economic (projecting job creating and associated revenues circulating throughout the economy) impact analyses for residential, commercial, office, industrial, recreational, hospitality, tourism and mixed-use developments. She has experience in analyzing demographic data and preparing grant applications. Ms. Garner has been involved with comprehensive plans, local waterfront revitalization plans, brownfield development, zoning plans, and public participation and community visioning processes. Ms. Garner is also experienced in the preparation and review of environmental assessment documents, including SEQRA and CEQR documents, and site plan review for the Villages of Southampton and Sag Harbor and the Town of Oyster Bay.

Valerie Monastra is an is an AICP Certified Environmental Planner with over 18 years of experience throughout the Hudson Valley in management and planning pertaining to land use development, zoning, environmental review, affordable housing and community development projects. Her educational and employment history encompass both urban and environmental planning as well as governmental administration. Ms. Monastra has experience providing planning services to New York State agencies including DOS, DEC, OPRHP and ESD and is expert in the SEQRA and NEPA processes. Ms. Monastra serves as the President of the Westchester Municipal Planning Federation. She has vast experience working on the local level with municipalities to complete plans and navigate projects through the land use approval process.

Detailed resumes can be provided upon request.

RELEVANT EXPERIENCE

The following list of projects have been selected to demonstrate the team’s qualifications and capabilities.

City of New Rochelle Downtown Overlay Zone (DOZ) Zoning Amendments (New Rochelle, NY)

NPV prepared an economic and fiscal impact analysis for the proposed 2021 Amendments to the City of New Rochelle Downtown Overlay Zone (DOZ), located in the downtown area of New Rochelle, New York. The City is proposing updates to the Theoretical Development Scenario (TDS), which was originally evaluated as part of the 2015 Generic Environmental Impact Statement (GEIS). The GEIS was prepared to evaluate potential impacts that could result from the adoption of the DOZ. The 2021 TDS changes are proposed to address the shift in demand away from certain commercial uses and to provide for additional residential and live/work options, as well as retail and restaurant options designed to integrate the outdoors and new outdoor recreational opportunities into the DOZ. Additionally, the 2021 DOZ Amendments include the continuation of the DO Zones to the south and east to add a new “Waterfront Overlay District” (“DO-7 Zone”) to allow for development on or near a newly created publicly accessible waterfront. Collectively, the 2021 DOZ Amendments (the “Proposed Action”) are intended to continue the successful growth within the entire DOZ while re-balancing the potential development impacts of a revised TDS.

The analysis examines the economic and fiscal impacts that are anticipated to occur through the implementation, construction and annual operations of the revised TDS, intended to continue growth within various zoning districts within the City’s downtown and waterfront.

Greybarn Sayville (Sayville, NY)

NPV has updated this fiscal and economic impact analysis for the Greybarn-Sayville Planned Development District (PDD) as part of the Draft Environmental Impact Statement (DEIS). The proposed project is on the site of a former Country Club, a 114.33-acre property in the hamlet of Sayville of the Town of Islip. The proposed project will include the development of 1,365 multi-family residential rental units, on-site stormwater and sanitary wastewater treatment systems, connections to the public water supply, recreational and commercial amenities (limited to the site’s residents, and including small retail/commercial spaces, interior open spaces, outdoor pool/patio areas, and an internal walking trail network), and a 25±-acre public open space along the perimeter of the site, in which a pedestrian path is proposed. The proposed project also includes expanded wastewater treatment capabilities for wastewater from downtown Sayville, and installation of a sewer main from downtown Sayville to the on-site sewage treatment plant (STP).

The project responds to the public need for increased quality rental housing opportunities in the area. The proposed project has been designed using smart growth development principles, by incorporating features and characteristics including internal walkability, sense-of-place features, safe and convenient pedestrian access to on-site amenities (within the site and limited to use of the site’s residents), and on-site recreational amenities for its residents. In addition, the proposed project will create strong economic activity by providing jobs and a solid tax base.

Concern for Independent Living (Southampton, NY)

NPV prepared a fiscal and economic impact summary to examine the fiscal and economic impacts that are anticipated to occur through the construction and annual operations of a proposed residential development with 60 workforce rental apartment units to be located on County Road 39 in the Village of Southampton. Due to the generally affluent nature of the south fork of Long Island, and many parts of Southampton in particular, the demand for workforce housing units in Southampton is strong, and there is documented need for this type of housing in the community. The proposed project responds to the Town's and community's desire to provide such rental housing opportunities in the area, as recognized in various comprehensive planning documents and evidenced by current conditions within the surrounding community.

There also remains an unmet demand for veteran housing, including housing for disabled veterans who may have a need for accessible housing and supportive services. The units will be comprised of 36 one-bedroom and 24 two-bedroom apartment units, and the proposed project will also include a 5,000 square foot (SF) community building with a gym, computer room, and community room for use by residents and staff, as well as service provision for the supportive housing units. All of the units will be designated as "affordable" units under the Town Code and will be occupied by households that meet applicable economic standards as administered by the Town. A portion of the units will be occupied by veterans, including disabled veterans and disabled veterans in need of support. The project will benefit the community by transforming an overgrown and littered site into attractive, high-quality workforce housing that will enhance the community. As economic stability returns following the coronavirus pandemic of 2020, the proposed project is expected to contribute to the long-term economic health of the community.

Superblock Long Beach (Long Beach, NY)

NPV prepared a Fiscal Impact Analysis and a Household Buying Power Analysis for a residential development in Long Beach, New York. This analysis will assist the developer in quantifying the fiscal impact that the new residential development will have on the local tax base, and the economic impact that new household spending will have on the local economy. Economic impact including construction and operational job creation was addressed in detail in the Economic Impact Summary Analysis prepared by NPV earlier in 2020. This analysis examines the fiscal impacts and the household spending that is anticipated to occur during annual operations of a new residential development including: 200 one- and two-bedroom condominiums; and, 238 market-rate and workforce studio, one- and two-bedroom rental units.

Prior to the coronavirus pandemic of 2020, the condominium market in Long Beach has been quite attractive, with a strong demand and a supply of such housing units proximate to the boardwalk, and/or with water views. The rental market has suffered from a dearth of new transit-oriented communities. The proposed residential development is responsive to this demand in Long Beach, and as economic stability returns, is expected to contribute to the long-term economic health of the community through the provision of such newly constructed luxury housing opportunities. The proposed residential development is expected to create strong economic activity by providing a solid tax base upon completion and full taxation of the project. The new residents living within the 200 condominiums and 238 rental units proposed for development will patronize downtown establishments, bringing significant new disposable income to the merchants in the community. Consumer activity will ripple through the local community, creating beneficial fiscal and economic impacts throughout Long Beach, Nassau County, and the region as a whole. Consequently, economic activity including job creation and

consumer buying power will be generated by the project.

Storage Deluxe (Valley Stream, NY)

NPV prepared a market feasibility, fiscal and economic impact summary analysis for a commercial storage facility in Valley Stream, New York. This analysis examines the feasibility in the local market, as well as fiscal and economic impacts that are anticipated to occur through the construction and annual operations of a new four-story, 140,000 square foot (SF) commercial storage facility. With the decline in the number of warehouse facilities in the region, and rising commercial rents, many companies can no longer afford large warehouses. Such businesses have nowhere to store their inventory, which is a major roadblock to their success and growth. The proposed commercial storage facility is responsive to this need and anticipates serving the needs of hundreds of local businesses in Valley Stream and surrounding communities, in a cost-effective manner.

The proposed commercial storage facility will create strong economic activity by providing new employment opportunities and will provide a tax revenue and/or payment in lieu of taxes. The analysis served to accompany the IDA application to the Town of Hempstead.

RD Industrial Site (Yaphank, NY)

NPV prepared a series of economic and fiscal calculations as part of the Land Use Application being prepared for a 47+ acre project site is located the hamlet of Yaphank, Town of Brookhaven. The proposed project includes the development of two one-story distribution warehouses, as well as a three-story self-storage building. For the purpose of this analysis, it was assumed that both distribution warehouse buildings will be occupied by a mix of industrial and office uses, with a split of 90%/10% favoring pure industrial use.

As economic stability returns following the coronavirus pandemic of 2020-21, the proposed project is expected to contribute to the long-term economic health of the community. More specifically, the proposed project will establish many new construction and operational jobs that will help in the pre- and post-pandemic recovery, as well as a solid tax base upon full build-out and full-taxation of the property.

Canoe Place Inn and Hampton Boathouses (Hampton Bays, NY)

The Canoe Place Inn (CPI) has a longstanding history and serves as an important part of the character of the Hampton Bays community. The rehabilitation the formerly vacant CPI included synergistic uses on the site reminiscent of its history, working together to draw interest for destination weddings, charity events, business conferences and other special events.

In the 2014 preparation of the Environmental Impact Statement, NPV prepared a Fiscal Impact Analysis and Assessment of Needs and Benefits for the Canoe Place Inn and Hampton Boathouses properties. The study examined and quantified the beneficial impacts to the local school district as well as the generation of annual property tax revenues. Moreover, the analysis projected the economic impacts – on output, employment and labor income – during both the construction period and annually, upon a stabilized year of operations of the rehabilitated CPI and residential project components. NPV also prepared a Residential Market Analysis for the Hampton Boathouses property on Shinnecock Canal. The analysis analyzed the relationship between the demand for, and supply of, comparable residential developments and ultimately,

quantified the amount and type of housing units that could be supported by the target market – including both those for year-round residents and seasonal residents.

In 2019, NPV prepared a Market Feasibility Analysis for CPI, for submission to the Suffolk County Industrial Development Agency (SCIDA) for tax deferral and other financial assistance. The analysis examined the demand for CPI, the local and regional tourism market and forecasted growth, and determined that CPI will establish a tourism destination that is likely to attract a significant number of visitors from outside the economic development region, and therefore eligible for SCIDA assistance.

Danford’s Hotel, Marina & Spa: Economic Planning Analysis(Port Jefferson, NY)

Danford’s Hotel, Marina & Spa is an integrated water-dependent facility in Port Jefferson, New York, and is referred to as “the anchor of Port Jefferson.” The hotel, marina, spa and restaurant are inter-related uses that support recreational/commercial boating, marine trades, marine material suppliers and related industries. The combined facility is an economic engine for Port Jefferson and the region, with the annual maintenance to, and operations of, the facility creating strong economic activity. An abundant amount of consumer activity ripples through the

local community, contributing vastly to the economy of downtown Port Jefferson, and into the Town of Brookhaven, Suffolk County and the region as a whole.

NPV prepared an Economic Planning Analysis that quantified the beneficial economic impacts associated with Danford’s Hotel, Marina & Spa. The analysis examined the direct, indirect and induced impacts on output, employment and labor income, during the annual maintenance and repair construction of the facility, as well as during annual operations of the hotel, marina & spa.

TopGolf Market Feasibility Analysis (Holtsville, New York)

Topgolf is a global sports and entertainment community, which was first launched in the United States in 2005. It has served as the pioneer in the golf entertainment industry ever since. The most recent location in Holtsville, NY includes a 65,000 square foot, state-of-the-art, multi-level golf entertainment complex, and allows for a unique experience that can be enjoyed year-round. No such facility currently exists on Long Island. The synergistic uses provided at the Topgolf Holtsville location will work together to draw interest for local residents, college students and employers, as well as persons originating from outside of the area for patronage, corporate and charity events, business conferences and other special activities. This broad combination of guests will provide economic activity both at the site and into the surrounding community.

In 2016, NPV prepared a Economic and Fiscal Impact Analysis that examined and quantified the beneficial tax revenue benefits as well as economic impacts – on output, employment and labor income – during both the construction period and annually, upon a stabilized year of operations of the proposed Entertainment Recreation Facility. In 2019, NPV prepared a Market Feasibility Analysis for Topgolf, to accompany the Industrial Development Agency (IDA) application to the Town of Brookhaven. The analysis examined the strength of the regional entertainment recreation industry, the demand for this type of use, the lack of supply of comparable facilities in the local and regional economy, and various benefits that would be accrued to the local economy and community at large, through the annual operations of the Topgolf project. The analysis concluded that

Topgolf would provide a combined entertainment and recreation facility, that but for the project, would not be reasonably available to the residents of the Town of Brookhaven or Suffolk County, and therefore it was deemed eligible and appropriate for IDA assistance.

Economic Development Chapter of the Comprehensive Plan Update (Town of Southold)

In an effort to achieve the Town's vision, five goals and numerous objectives were formed to provide direction for future decision-making pertaining to the Town's economy. Much of the Town's economic vitality is based on the Town's unique rural, historic and maritime-based character as well as its natural resources. NP&V prepared the economic chapter of the Comprehensive Plan Update for the Town of Southold to allow for the formation of appropriate recommendations and implementation strategies focused on long-term economic sustainability throughout the Town.

One of the specific tasks involved with the economic chapter of the Town's Comprehensive Plan is the zoning/build-out analysis. The Town of Southold is facing development pressure and is concerned about the impact that the current zoning may have on the Town's resources. The Town of Southold prepared a build-out analysis of several zoning districts, and NP&V funneled these findings into a model to assess the regional impact of full build-out and modified development scenarios. Ensuring quality of life, protection of environmental resources, housing needs and maintenance of the tax base were key elements of the model. This project involved the creation of a model to synthesize multiple evaluation factors to analyze the impact of full build out of the Town of Southold under its current zoning.

Niche Market and Branding Plan & Build-Out/Tax Base Analysis(Bellport, NY)

NPV worked with the Town of Brookhaven on a niche market and branding plan for the Greater Bellport community. The focus of this plan was to form a set of recommendations that outlined the necessary steps that members in the Greater Bellport community can take in order to successfully create a sense of place, community pride and positive perceptions through a more niche-oriented position in the local market. NPV recommended various initiatives to make the Greater Bellport community unique and marketable, creating a place that people want to be, where people are comfortable, and a place that people remember and come back to time and again. The niche market and branding plan strives to promote the community's niche market to new residents, visitors and economic development opportunities alike, offering the Greater Bellport community the opportunity to develop a theme that they want to be known for. NPV worked with the Town of Brookhaven on a build-out/tax base analysis, to analyze how the local school district could be impacted by growth. NPV created a GIS model to compare tax assessments for various land use scenarios to ensure an adequate tax base to support increased growth in school population without disproportionate increases in residential tax rates. This model was used to test assumptions for future development and to analyze various alternatives in an automated fashion, allowing for easy comparison of scenarios and results. Ultimately, the model will provide a reality check for future planning with respect to provision of quality community services and may provide support for creating additional commercial tax base within the district.

ATTACHMENT B
Cushman & Wakefield
Market Beat Long Island
Industrial Q1 2022

	YoY Chg	12-Mo. Forecast
2.3% Vacancy Rate	▼	▼
320K YTD Net Abs., SF	▲	▲
\$13.79 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS Q1 2022

	YoY Chg	12-Mo. Forecast
1.3M Long Island Employment	▲	▲
3.6% Long Island Unemployment Rate	▼	▼
3.6% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY: Unemployment Rate Declines as Industrial Job Sector Expands

Long Island economic conditions continued to trend upward during the first quarter, as total nonfarm employment grew by 11,500 jobs since year-end 2021. Despite the slight reduction of manufacturing workers, the addition of 4,710 trade, transportation & utilities occupations fueled industrial job growth. The regional economy also benefited from higher employment levels, as the unemployment rate fell by 120 basis points (bps) to 3.6%.

SUPPLY & DEMAND: Vacancy Hits Historic Low as Tenant Demand Eclipses Supply

The industrial vacancy rate for Long Island closed the quarter at a new historic low, posting a year-over-year (YOY) decrease of 150 bps to 2.3%. At quarter-end, the Central Nassau submarket boasted a 1.1% rate, the lowest in the region. Surging demand continued to outpace supply, resulting in a year-to-date (YTD) positive net absorption of 320,000 square feet (sf)—7.4% higher than 2021's first quarter. Even with supply shortages, leasing activity exceeded 1.3 million square feet (msf)—the highest point in recent history—surpassing the previous peak by 140,000 sf achieved during the third quarter of 2020. Although first quarter deal volume is traditionally slower, activity tripled fourth quarter 2021 totals, resulting from eight deals inked above 50,000 sf. Suffolk County led the charge in overall leasing activity with nearly 1.1 msf transacted, driven by a confidential e-commerce company's 246,500-sf lease at 90 Ruland Road in Melville and Tekweld's 104,000-sf lease at 85 Nikon Court in Hauppauge.

Overall asking rents increased by \$0.68 per square foot (psf) to \$13.79 since year-end 2021—the market's highest rent on record as existing product continued to dissipate. This can be attributed to increases across the board for warehouse/distribution buildings, which surpassed \$14.00 psf for the first time. Most notably, Eastern Nassau's warehouse average asking rental rate yielded a 19.2% quarterly increase, the largest growth rate on Long Island during this period. The market's average rate surged by 42.2% over the last three years.

OUTLOOK: Construction Delays Put Pressure on Supply as Older Buildings Attract Tenants

Out of the gate in 2022, the industrial market improved with labor indicators and robust tenant demand. However, several developments currently under construction have reported delays of up to one year due to global supply chain issues and longer lead times for construction materials. This has redirected tenants to focus on older Class B and C buildings to meet their requirements, pushing rental rates for these properties to similar levels of Class A product. Investors are now shifting their priority toward redeveloping antiquated office buildings in tandem with adapting to the office market's flight-to-quality trend to meet evolving market needs.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION	UNDER CONSTRUCTION (SF)	OVERALL WEIGHTED AVG NET RENT (HT)*	OVERALL WEIGHTED AVG NET RENT (MF)*	OVERALL WEIGHTED AVG NET RENT (W/D)*	OVERALL WEIGHTED AVG NET RENT*
Western Nassau	16,348,964	362,093	2.2%	-77,773	-77,773	235,234	\$10.66	\$15.48	\$15.56	\$15.32
Central Nassau	7,439,778	80,028	1.1%	13,500	13,500	101,930	N/A	\$13.00	\$13.03	\$13.00
Eastern Nassau	21,072,583	657,893	3.1%	94,100	94,100	204,000	\$12.04	\$15.82	\$17.48	\$16.39
NASSAU TOTALS	44,861,325	1,100,014	2.5%	29,827	29,827	541,164	\$11.83	\$14.95	\$16.74	\$15.74
Western Suffolk	30,698,646	381,880	1.2%	320,672	320,672	599,983	\$15.00	\$10.75	\$12.88	\$12.44
Central Suffolk	43,217,905	1,146,752	2.7%	69,656	69,656	206,134	\$11.36	\$12.10	\$13.71	\$13.35
Eastern Suffolk	14,181,032	434,160	3.1%	-100,000	-100,000	177,620	N/A	N/A	\$12.02	\$12.02
SUFFOLK TOTALS	88,097,583	1,962,792	2.2%	290,328	290,328	983,737	\$12.50	\$11.65	\$13.08	\$12.86
LONG ISLAND TOTALS	132,958,908	3,062,806	2.3%	320,155	320,155	1,524,901	\$12.13	\$13.25	\$14.03	\$13.79

*Rental rates reflect weighted net asking \$psf/year

HT = High Technology/Flex MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET	LEASE TYPE
90 Ruland Road, Melville	246,500	Confidential E-Commerce Tenant	Warehouse/Distribution	Eastern Suffolk	New Lease
300 Michael Drive, Syosset	150,145	Krystal Fruits and Vegetables	Warehouse/Distribution	Eastern Nassau	New Lease
85 Nikon Court, Hauppauge	104,000	Tekweld	Warehouse/Distribution	Central Suffolk	New Lease

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE/\$PSF	SUBMARKET
81 Spence Street, Bay Shore	129,500	Duro Dyne Corporation / Metropolitan Realty Associates	Warehouse/Distribution	\$22.3M / \$172	Central Suffolk
45 Oser Avenue, Hauppauge	121,830	STORE Capital Corporation / Link Logistics	Flex	\$21.0M / \$172	Central Suffolk
1 Newport Plaza, Freeport	114,000	Aml Realty LLC / Uniware	Warehouse/Distribution	\$14.5M / \$127	Western Nassau

NOTABLE PROJECTS UNDER CONSTRUCTION

PROPERTY	SF	DEVELOPER	MAJOR TENANT	SUBMARKET
235 Pinelawn Road, Melville	599,983	Hartz Mountain Industries	Speculative	Western Suffolk
253-51 Rockaway Boulevard/ JFK Logistics Center, Woodmere	235,234	Wildflower LTD	Confidential	Western Nassau
303 Robbins Lane, Syosset	204,000	Scannell Properties	Confidential	Eastern Nassau

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