

**APPENDIX L**

**ECONOMIC AND FISCAL IMPACTS**

**Appendix L: Economic and Fiscal Impacts**

**Economic Impacts**

**Methodology**

Economic Impact Modeling software allows an analyst to trace spending through an economy and measure the cumulative effects of that spending. I.e., the ripple effects of spending throughout the economy. This can be measured in terms of value added (GDP), output (business revenues), and jobs and wages. The events measured can include the construction of a development, operations of said development, as well as the likely expenditures of any households in the development.

IMPLAN is currently the foremost provider of economic impact modeling software. It allows customized inputs based on construction expenditures, operations costs by industry sector, as well as household expenditures based on average income of resident households.

The economic impacts estimated by the model include employment, labor income, value-added (gross domestic product), and gross output (local business revenues). For the sake of clarity, only employment, labor income and gross output will be discussed.

**Assumptions**

The model for Suffolk County, NY was calibrated to the appropriate build or operations year as well as to the Local Purchase Percentage—which indicates how much of the benefit will occur within the zip code as opposed to other areas in the County or State. For construction-related spending, the modeled local purchase percentage is 89.37%. For operations and occupation, the percentage is just under 100%.

The following developer assumptions were used as inputs into the modeling software:

**Construction Costs**

Construction costs for the proposed development were derived using the RS Means Construction Cost Catalogue by building size for New York State and adjusted to meet local cost conditions by applying the Riverhead multiplier of 1.21 times listed costs per square foot (PSF). Each of these costs were then applied to the floorspace totals by type from the development program, as shown in Table L-1.

**Table L-1. Construction Costs**

	SF	Construction Costs PSF	Total Construction Costs
Retail	133,517	\$219.83	\$29,350,430
Office/Med Office/Prof Services	62,000	\$221.43	\$13,728,674
Hotel	82,973	\$226.57	\$18,799,414
Residential	2,551,341		\$513,332,976

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	SF	Construction Costs PSF	Total Construction Costs
Townhomes	188,400	\$156.19	\$29,426,196
Multi-family	2,362,941	\$204.79	\$483,906,780
Parking Garage SF	182,120	\$98.13	\$17,871,436
Adult Care/Nursing Home (Asst'd Units)	63,910	\$253.37	\$16,193,132
Artisan Lofts/ Production	30,900	\$154.40	\$4,770,836
Cultural	11,032	\$223.73	\$2,468,178
Ice Rink	100,000	\$196.02	\$19,602,000

Source: Development Program, RS Means Construction Cost Catalogue

For the purpose of this analysis, it is anticipated that redevelopment efforts will commence in 2016, with construction distributed evenly over a period of 10 years. It is anticipated that the construction of the Theoretical Development Scenario will be complete in 2025.

Operations

Estimates of the direct economic activity of operations was derived from the expected number of employees per square foot by use type for commercial activities and the direct operations costs of the residential buildings as drawn from the Renaissance Downtown pro forma.

**Table L-2. Operations Assumptions**

	SF	SF Per Employee	Operations	
			Employees	Cost
Retail	133,517	500	267	
Office/Med Office/Prof Services	62,000	200	310	
Hotel	82,973	600	138	
Adult Care/Nursing Home (Asst'd Units)	63,910	600	107	
Artisan Lofts/ Production	30,900	800	39	
Cultural	11,032	600	18	
Ice Rink	100,000	3000	33	
Residential	2,551,341			\$10,205,366

Source: Development Program Pro Forma, Urbanomics

Household Occupancy

Additional economic activity is generated in terms of the consumer expenditures of the new resident households. In order to model this activity, the aggregate household incomes of the new resident households are estimated by income level by determining the minimum income required

to “afford” the buying cost or lease rate at one third the cost or 40 times the monthly rent as shown in Table L-3.

For each unit type, assumptions on average cost or lease rate were acquired from Renaissance Downtowns at a price of \$200 psf for the owner-occupied units<sup>1</sup> and \$2 psf per month for the rental units. Thus, the studios, at an average size of 600 square feet, would have a sales price of \$120,000 or a monthly rent of \$1,200. The 1-Bedrooms average 900 square feet and would have a sales price of \$180,000 or a monthly rent of \$1,800. Finally, the 2-Bedroom units, regardless of whether they are in townhouses or in the larger multi-family buildings, will have an average sales price of \$240,000 and a monthly rent of \$2,400.

The 2,667 new households in the proposed development would have an aggregate household income of \$150.5 million, of which a portion will be spent on items such as food, clothing, household goods and supplies, health care, entertainment, and recreation. It is these expenditures that will ripple through the local economy as described in the section that follows.

**Table L-3. Household Incomes in New Units**

	Tenure	Units	Average Size (SF)	Average cost (Sale or Lease)	Household Income	Aggregate Household Income
<b>Townhomes</b>						
2 Bedroom	Owner	47	1200	\$240,000	\$80,000	\$3,768,000
	Renter	110	1200	\$2,400	\$96,000	\$10,550,400
<b>Multi-Family</b>						
<b>Studios</b>						
	Owner	68	600	\$120,000	\$40,000	\$2,720,000
	Renter	158	600	\$1,200	\$48,000	\$7,584,000
<b>1 Bedroom</b>						
	Owner	340	900	\$180,000	\$60,000	\$20,400,000
	Renter	794	900	\$1,800	\$72,000	\$57,168,000
<b>2 Bedroom</b>						
	All	750				
	Owner	159	1200	\$240,000	\$80,000	\$12,720,000
	Renter	371	1200	\$2,400	\$96,000	\$35,616,000

Source: Development Program, Urbanomics

As shown in Table L-3, a household will require a higher income to afford a rental unit than to buy a unit for sale. It should be noted that these incomes are the minimum required to meet the standard definition of affordability and incomes will likely be higher than the average for some households and lower for others.

**Economic Impacts**

Construction Impacts

The aggregate values of construction by type, construction of new multi-family residential structures, construction of new health care structures, construction of new manufacturing structures and construction of new commercial structures were entered into the Implan Model calibrated for Suffolk County, to a sum total of \$636.1 million of investment. The model outputs are shown in Table L-4, below.

**Table L-4. Economic Impacts of Construction**

Impact Type	Employment	Labor Income	Output
Direct Effect	3,186	\$252,436,728	\$636,117,069
Indirect Effect	2,011	\$89,804,389	\$254,111,258
Induced Effect	1,750	\$83,625,024	\$242,159,497
Total Effect	6,947	\$425,866,140	\$1,132,387,823

Source: Urbanomics, Minnesota IMPLAN Group, Inc.

The \$636 million in direct output is projected to generate an indirect impact of over \$254.1 million, and an induced impact of over \$242.2 million, bringing the total economic impact on output to \$1.1 billion during the 10-year long construction period, or the equivalent of \$113.2 million per year.

The Development Scenario is anticipated to generate 3,186 construction jobs in terms of labor years—the unit of work representing the effort of one person in a 12-month period—over the 10-year construction period, an average of 319 jobs per year. Development under the ROD will require conformance to the Community Benefits Policies, which will include a Construction Jobs Policy, an Operations Jobs Policy and a Local Contracting Policy which will encourage the use of local labor, and thus it is likely that a significant portion of these construction workers will be hired from within local labor unions in cooperation with the Town.

The 3,186 jobs created over the course of the construction period will have an indirect impact of 2,011 and an induced impact of 1,750 employees in other industry sectors, bringing the total impact of construction to 682 jobs per year during the 10-year construction period. This job creation – direct, as well as indirect and induced – is most crucial given Riverside’s high levels of unemployment, and presents opportunities for job seekers throughout the region.

Labor income from the construction jobs are projected to amount to \$79,224 per year, per employee. When applied to the 10-year construction period, this represents approximately \$252 million in collective earnings. Labor income stemming from the indirect and induced impacts of

construction is projected at \$89.8 million and \$83.6 million, respectively, bringing the total economic impact of the construction to over \$425.9 million in labor income.

**Operations and Occupancy Impacts**

For the purpose of this analysis, it is assumed that the construction will be phased uniformly over the 10-year long construction period. As soon as each phase of construction is completed, it is assumed that the housing units will be available for lease and the commercial operations open. This process will continue, with impacts increasing incrementally until the development reaches full buildout, as anticipated to occur in 2025. At that point in time, it is assumed that the buildings constructed under the Development Scenario will be operating at near full occupancy, with the majority of its units sold/leased and occupied, and thus the operations outputs described will occur annually upon full buildout.

The operations and occupancy inputs described in the assumptions were loaded into the Suffolk County IMPLAN model. The results are shown in Table L-5. This table presents the cumulative impacts of construction over the ten year development period and the impacts of that can be expected on an annual basis once the Theoretical Development Scenario has been completed and operations and occupancy achieved.

**Table L-5. Economic Impacts of Operations and Occupancy**

Impact Type	Employment	Labor Income	Output
Direct Effect	678	\$26,125,612	\$56,380,109
Indirect Effect	117	\$5,870,334	\$17,100,441
Induced Effect	1,176	\$56,937,614	\$165,557,358
Total Effect	1,971	\$88,933,560	\$239,037,908

Source: Urbanomics, Minnesota IMPLAN Group, Inc.

The buildings constructed under the Development Scenario are projected to generate over \$56.4 million in annual operational revenues. This includes revenue generated through monthly rent for the residential units, annual leases from the commercial space, sales of the townhouse/live-work units, and sales revenues from the commercial space.

The \$56.4 million in direct operational revenues are projected to generate an indirect impact of over \$17.0 million.

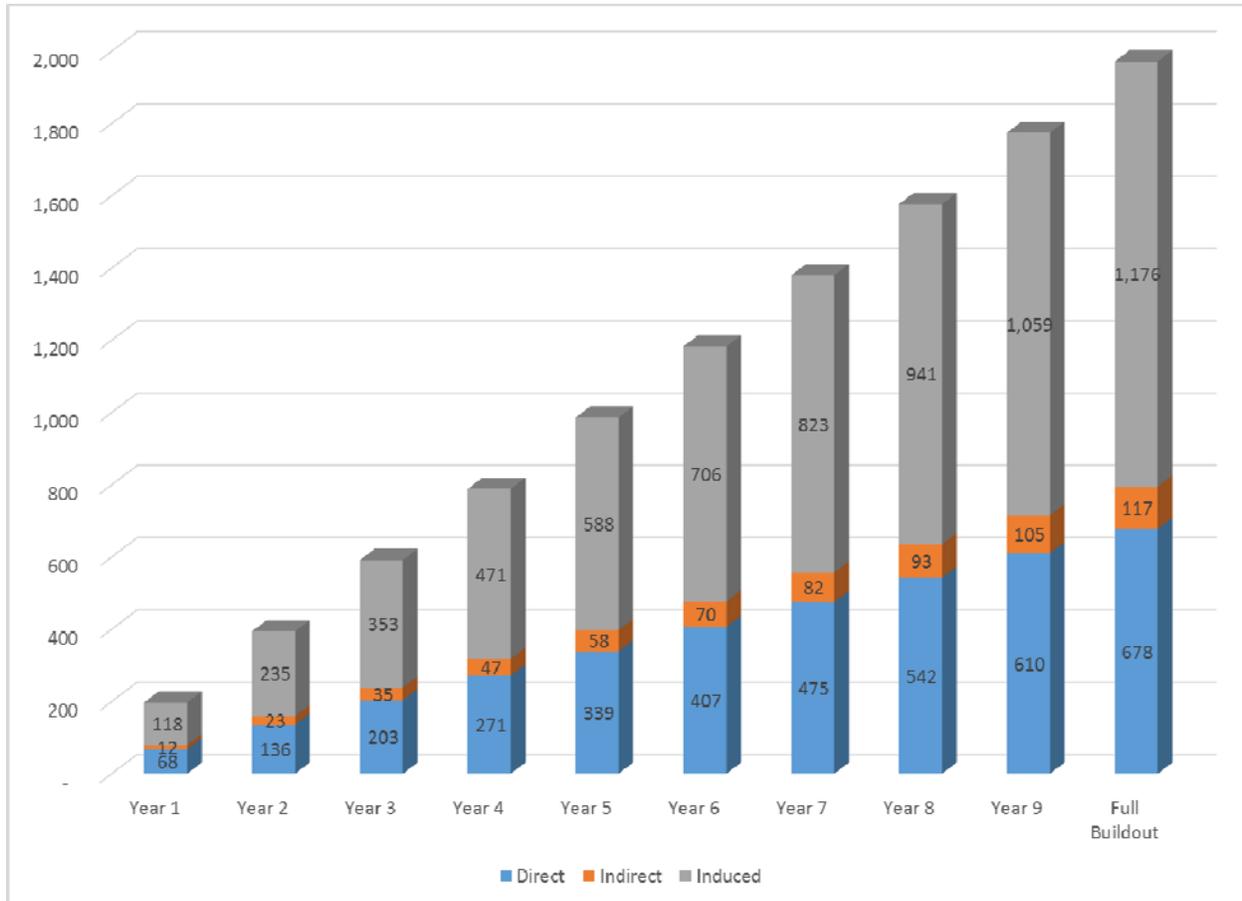
The induced impact of building operations alone totals \$22.6 million. Added to that is the impact of the expenditures of the new residents, which is quantified only in induced impacts. Residential expenditure impacts add another \$142.9 million in output. Induced impacts of operations and occupancy total \$165.6 million per year. This additional output is generated through round-by-round sales made by households supported by or living in the development 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 \$239.0 million during annual operations once the project reaches full buildout.

Given the phasing of operations and occupancy, the impacts will accrue incrementally over time as well. **Graphs L-1** and **L-2** illustrate the incremental change in revenue and job impacts of operations on an annual basis from the first year of occupancy to full buildout.

After the first phase of construction has been completed, the total employment generated by operations and occupation of the commercial and residential space totals 197 jobs in the first year of occupancy. By full buildout, employment supported by the completed development will total 1,971 jobs, including those in industries ranging from maintenance, retail, and business services to health care and hospitality.

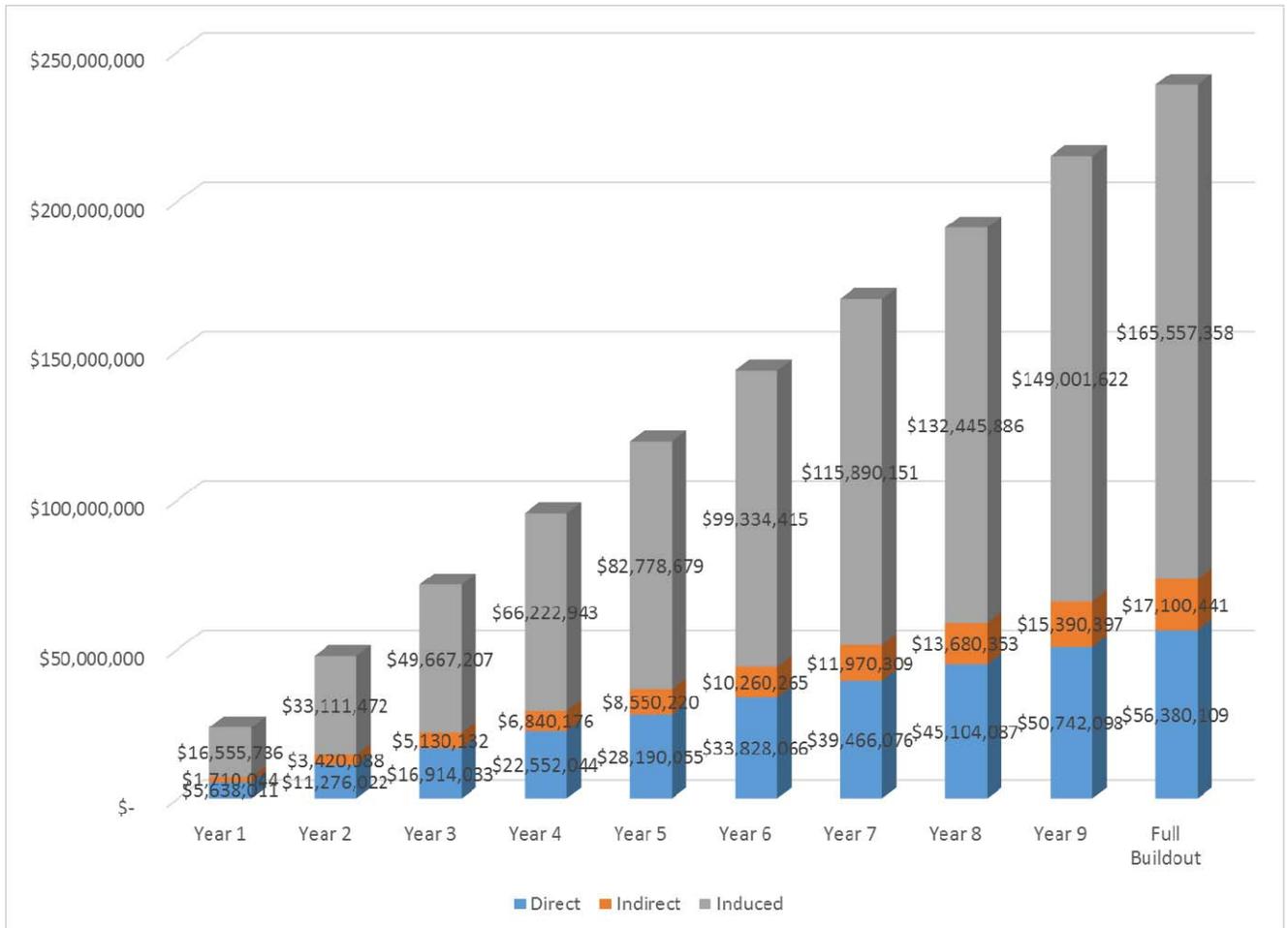
**Graph L-1  
JOBS IMPACTS OF OPERATIONS AND OCCUPANCY OF DEVELOPMENT OVER TIME**



Source: Urbanomics, Inc., via IMPLAN software.

Revenues from the direct, indirect and induced impacts of occupancy and operations will accrue slowly, with the first phase yielding an output of only \$23.9 million. That amount will increase incrementally each year, until reaching a total of \$239.0 million in output upon full buildout. The full buildout impacts will accrue to Southampton in this and each year thereafter.

**Graph L-2**  
**OUTPUT (REVENUE) IMPACTS OF OPERATIONS AND**  
**OCCUPANCY OF DEVELOPMENT OVER TIME**



Source: Urbanomics, Inc, via IMPLAN software.

### **Fiscal Impacts**

More directly measurable are the fiscal impacts of the development to the tax collecting districts of which the study area is a part. The following sections discuss property taxes and rates under existing conditions as well as expectation of property tax revenues and school district revenues and costs under the development program.

#### **Existing Conditions**

The majority of the Town's revenues are levied through property tax generation, which is based upon a rate per \$1000 of assessed valuation for a given parcel. As indicated in **Table L-6**, property owners within the Study Area are currently taxed at varying rates depending upon location. All non-exempt properties pay taxes to the Riverhead CSD, Riverhead & Baiting Hollow Library District, Suffolk County, Southampton Town, Metropolitan Transportation Authority, Highway, Police, Emergency Dispatching, Out of County Tuition and the Part Town outside of Villages tax and the Northampton Ambulance District as well as the Riverhead Fire District and the Riverside Lighting District. The combined rate for these is 18.0077 per \$1000 of assessed value. In addition, several properties within the Study Area are located in the Southampton Fire District (tax rate of 0.2729) and the Flanders Water District (tax rate of 0.4893), but all of these properties in these districts currently have tax exempt status.

The majority of the subject redevelopment area is privately owned and therefore is not exempt from property taxes. Twenty percent of the assessed value within the study area is tax-exempt under current conditions. According to the Town of Southampton's Assessor's Office, the tax parcels that comprise the Study Area are assessed at \$158,629,458 (100 percent of the market valuation), of which taxable value ranges between \$126,374,702 under County and Southampton standards, to \$135,386,718 for the Riverhead and Baiting Hollow Library District. This translates into a current generation of \$2,268,592 in property tax revenues. Of this, \$1.7 million or 75.9 percent of the total taxes generated by the site are distributed to the Riverhead UFSD, and \$139,809 or 6.2 percent of the taxes are allocated to the Riverhead Fire District.

An additional \$98,623 or 4.3 percent of the total tax revenues are distributed to Suffolk County, which includes the General Fund, the Police Department, and Out of County Tuition. Approximately 4.5 percent of the tax revenue is levied to the Town of Southampton, which includes the Town/Part Town funds, Highway Tax and the General Town. These three line items combine to total \$102,452 in revenues. The Riverhead Fire District and Riverhead & Baiting Hollow Library District levies a total of \$207,015, or 9.2 percent of the total tax revenue generated by the subject property. The balance of the current property tax revenues are apportioned to various other taxing jurisdictions including the MTA commuter tax, as seen in **Table L-6**.

**Table L-6**  
**TAX GENERATION & DISTRIBUTION, 2014 Tax Year**  
Existing Conditions

Levy Name	Rate Value (per \$1000 AV)	Property Assessment	Taxable Value	Taxes Raised
Suffolk County General	0.2086	\$158,629,458	\$126,374,702	\$26,362
NYS Real Property Tax Law	0.1435	\$158,629,458	\$126,374,702	\$18,135
MTA	0.0063	\$158,629,458	\$126,374,702	\$796
Out of County Tuition	0.0053	\$158,629,458	\$126,374,702	\$670
General Town	0.3769	\$158,629,458	\$126,374,702	\$47,631
Highway	0.3739	\$158,629,458	\$126,374,702	\$47,252
Police	0.5665	\$158,629,458	\$126,374,702	\$71,591
Emergency Dispatching	0.0495	\$158,629,458	\$126,374,702	\$6,256
Part-Town Outside of Villages	0.0599	\$158,629,458	\$126,374,702	\$7,570
Riverhead School District	13.7966	\$158,629,458	\$124,827,958	\$1,722,201
Riverhead & Baiting Hollow Library District	0.4964	\$158,629,458	\$135,386,718	\$67,206
Riverhead Fire District	1.0637	\$151,530,658	\$131,436,233	\$139,809
Southampton Fire District	0.2729	\$7,098,800	\$-	\$-
Riverside Lighting District	0.1635	\$151,530,658	\$131,434,733	\$21,490
Flanders Water District	0.4893	\$7,098,800	\$-	\$-
Northampton Ambulance District	0.6971	\$158,453,358	\$131,436,233	\$91,624

Public Schools

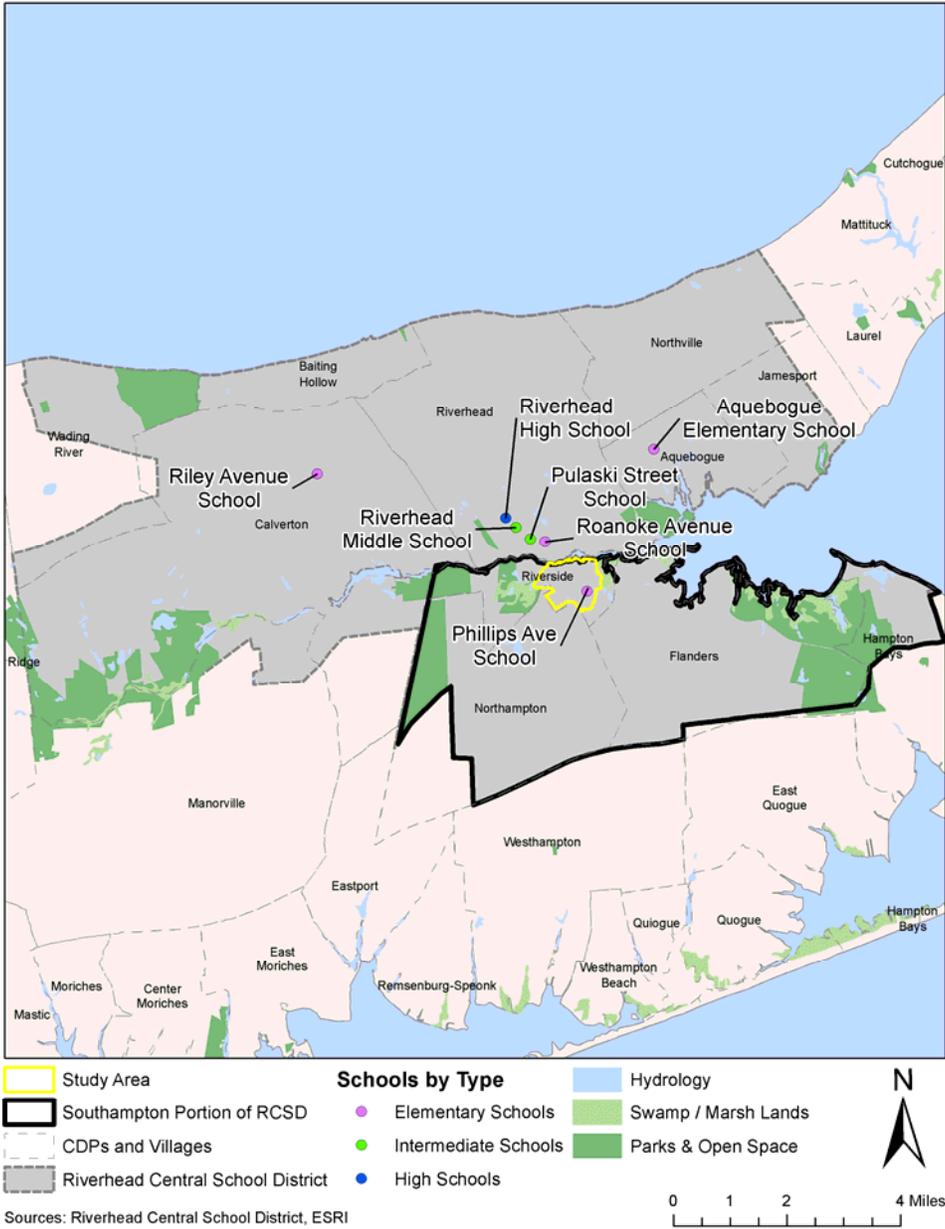
The community of Riverside is served by the Riverhead Central School District (RCSD) (**Figure L-1**) and its seven public schools. The public schools comprising the RCSD are as follows:

- Phillips Avenue Elementary School (located within the subject Study Area; 586);
- Aquebogue Elementary School (461);
- Pulaski Street Elementary School (745);
- Riley Avenue Elementary School (578);
- Roanoke Avenue Elementary School (396);

- Riverhead Middle School (709); and
- Riverhead Senior High School (1,570).

Several small communities and neighborhoods within the Towns of Southampton and Riverhead fall within the district’s boundaries, including the Hamlets of Riverside and Flanders in the Town of Southampton and the Hamlets of Calverton, Aquebogue, Jamesport, Baiting Hollow, downtown Riverhead, and a portion of Wading River in the Town of Riverhead. Children living in Riverside who are enrolled in public schools would attend Phillips Avenue Elementary, Riverhead Middle School and Riverhead High School.

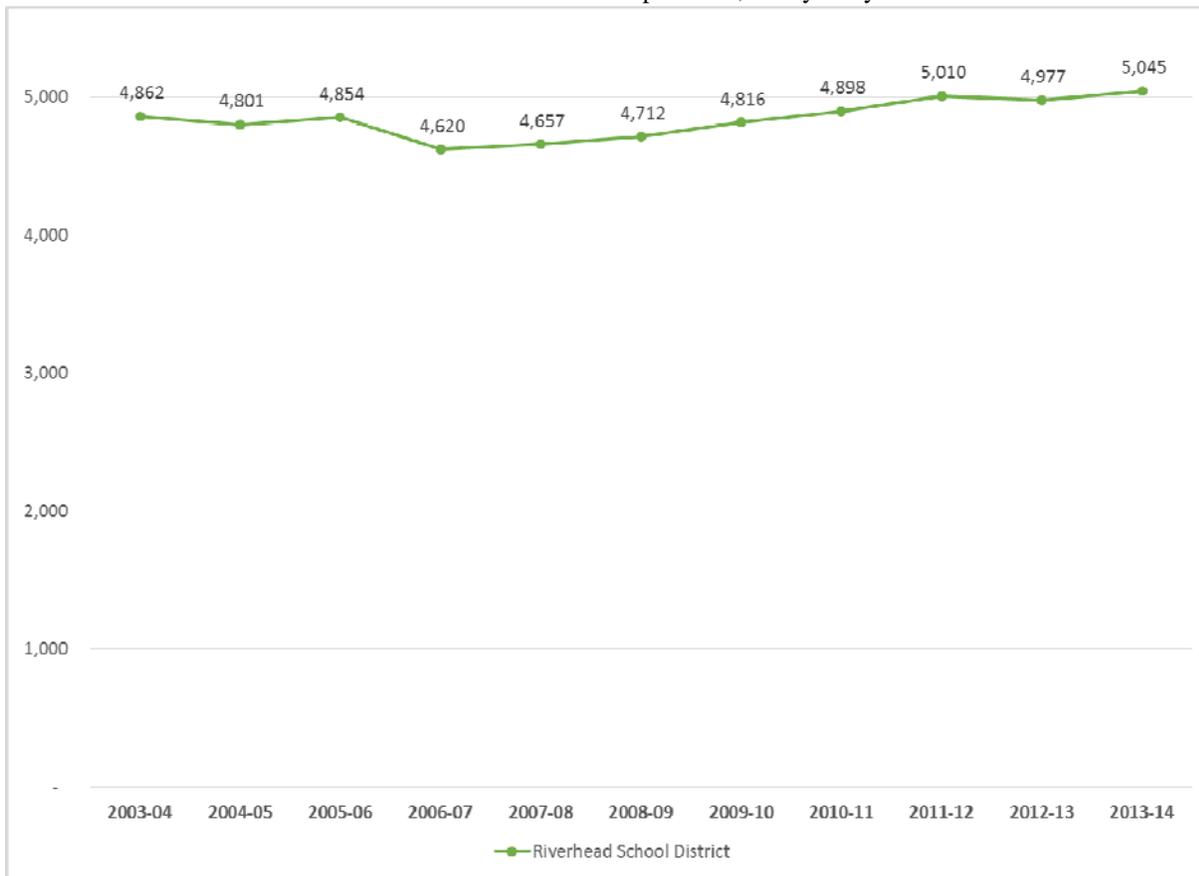
**Figure L-1: Riverhead Central School District**



As seen in **Graph L-3**, the cumulative enrollment within the school district has increased by 183 students, or 3.8 percent, over the eleven (11) years between 2003-04 and 2013-14. Growth has increased more rapidly in the short term, with the number of students increasing by 7.1 percent, or 1.4 percent each year between 2008-09 and 2013-14. This reflects anecdotal information received from the Riverhead CSD that they have seen a steady increase of students new to the District since 2008-09—an average net of 65 per year according to reported enrollment data.

**Graph L-3**  
**RIVERHEAD CSD ENROLLMENT TRENDS**

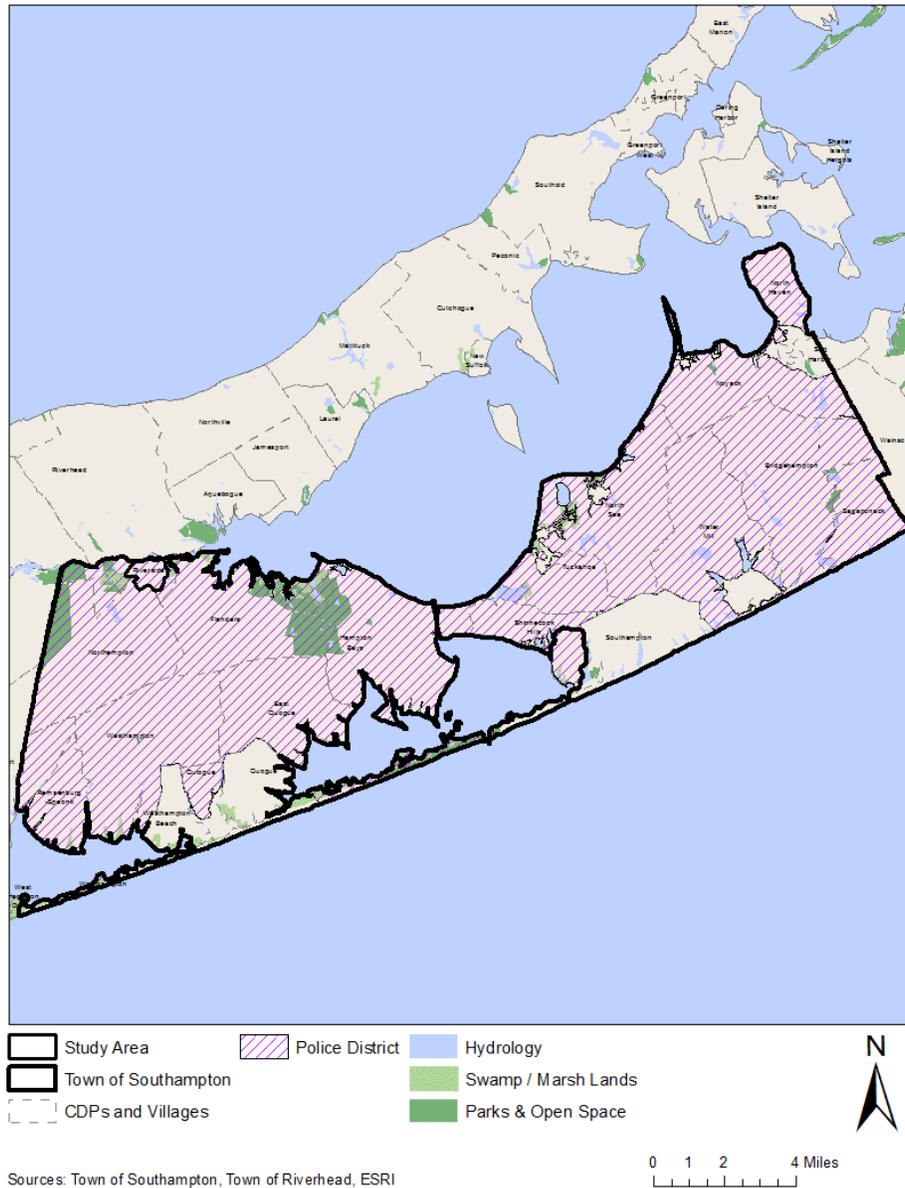
Source: New York State Education Department; Analysis by Urbanomics.



### Town of Southampton Police Department

The Town of Southampton’s Police Department provides traffic control and policing services to the community of Riverside (**Figure L-2**). The Department’s headquarters are centrally located at the Town’s Jackson Avenue Complex at the corner of Jackson Avenue and Old Riverhead Road in Hampton Bays. The barracks is located approximately 6.5 miles south of the Study Area which allows for an approximately five to seven minute response time from headquarters and less for officers who may be patrolling the Riverside area.

**Figure L-2: Southampton Police District**



The Southampton Police Department is a full-service police patrol force. It provides law enforcement services over 122 square miles within the Town, not to mention the Villages of North Haven and Sagaponack, and serves a year-round population of over 60,000 residents, which often more than doubles on weekends in the summer. The Department conducts criminal investigations, and provides staffing for an E-911 dispatch system, 24 hours a day and 365 days per year. The department administers a number of programs including, Crime Prevention, Neighborhood Watch, Citizens Police Academy, and Silver Alerts for missing persons. It also provides Medicine Disposal Locations, and representation on numerous advisory boards, panels, and committees. (Town of Southampton, 2015)

The Department is funded by taxpayers and provides police associated emergency services. In 2014-2015 the Town raised \$20,966,728 in taxes for police services with an increase of 3.6 percent over the previous year. The tax rate was 0.5665 per \$1,000 of assessed value. However this cost did not include emergency dispatching service (911). The additional dollars raised in 2014-2015 for emergency dispatching was \$2,142,364.

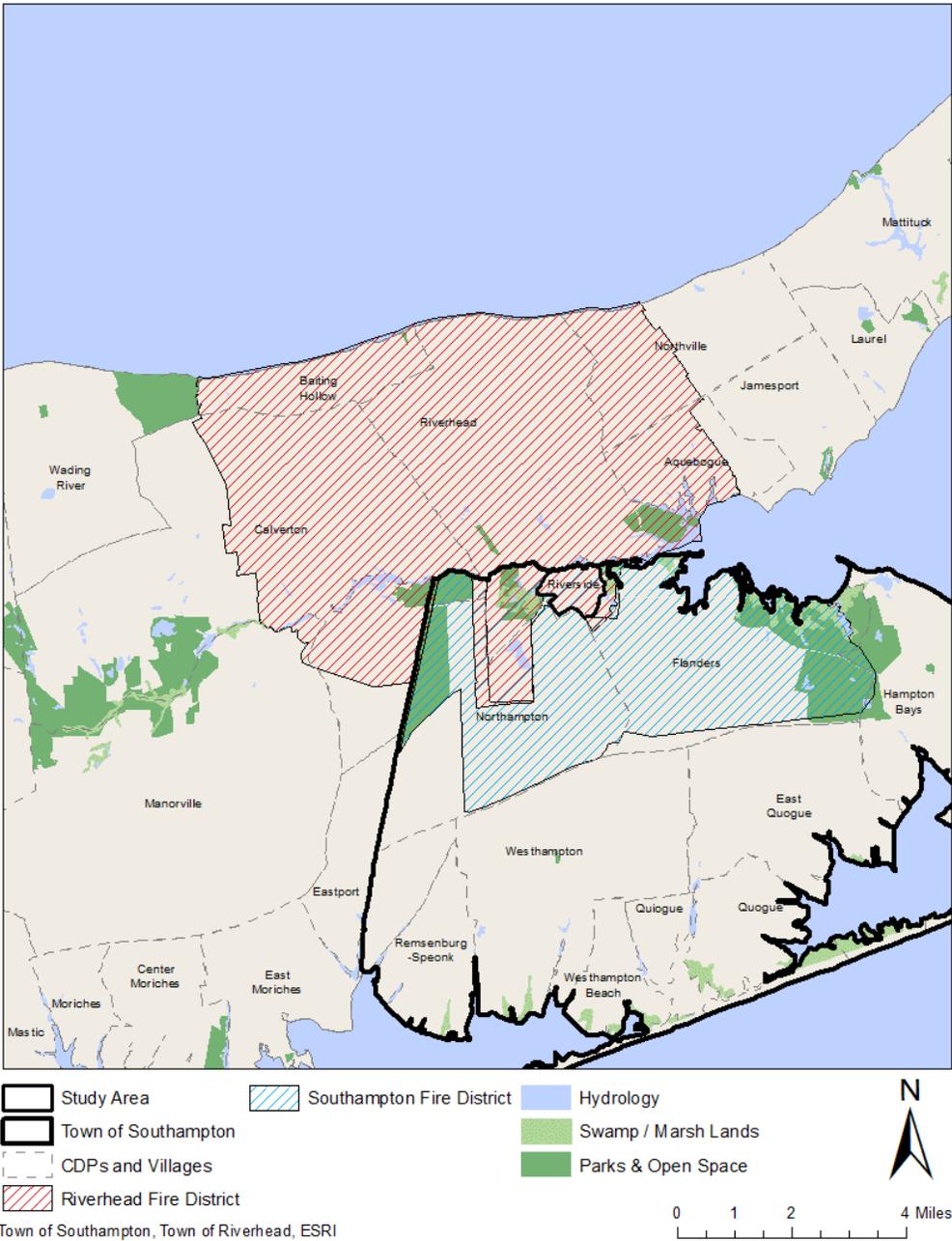
#### New York State Police

The New York State Police has a barracks located off of Riverleigh Avenue in Riverside. This barracks (Troop “L”) is relatively new to this location but replaces another local barracks that had previously operated several miles to the south in the Flanders/Hampton Bays area, near the former site of the “Big Duck.” Troop L serves the entire East End of Long Island, which includes the five towns of the Peconic Region: East Hampton, Southampton, Riverhead, Southold and Shelter Island, as well as residents of the Shinnecock Nation. Troop L works toward ensuring the safety of the State’s roadways, preventing and investigating crime, preparing for and responding to emergencies and disasters, and providing support to other law enforcement agencies, including the Town Police. (New York State Police, 2015)

#### Fire Protection

The Riverhead Fire District/Riverhead Volunteer Fire Department provides fire protection services to the community of Riverside (**Figure L-3**). The District, which was established in 1836, covers approximately 48 square miles stretching across the Town of Riverhead and into parts of the Southampton and Brookhaven. Currently, the Department has approximately 175 volunteer firefighters.

**Figure L-3: Riverhead and Southampton Fire Districts**

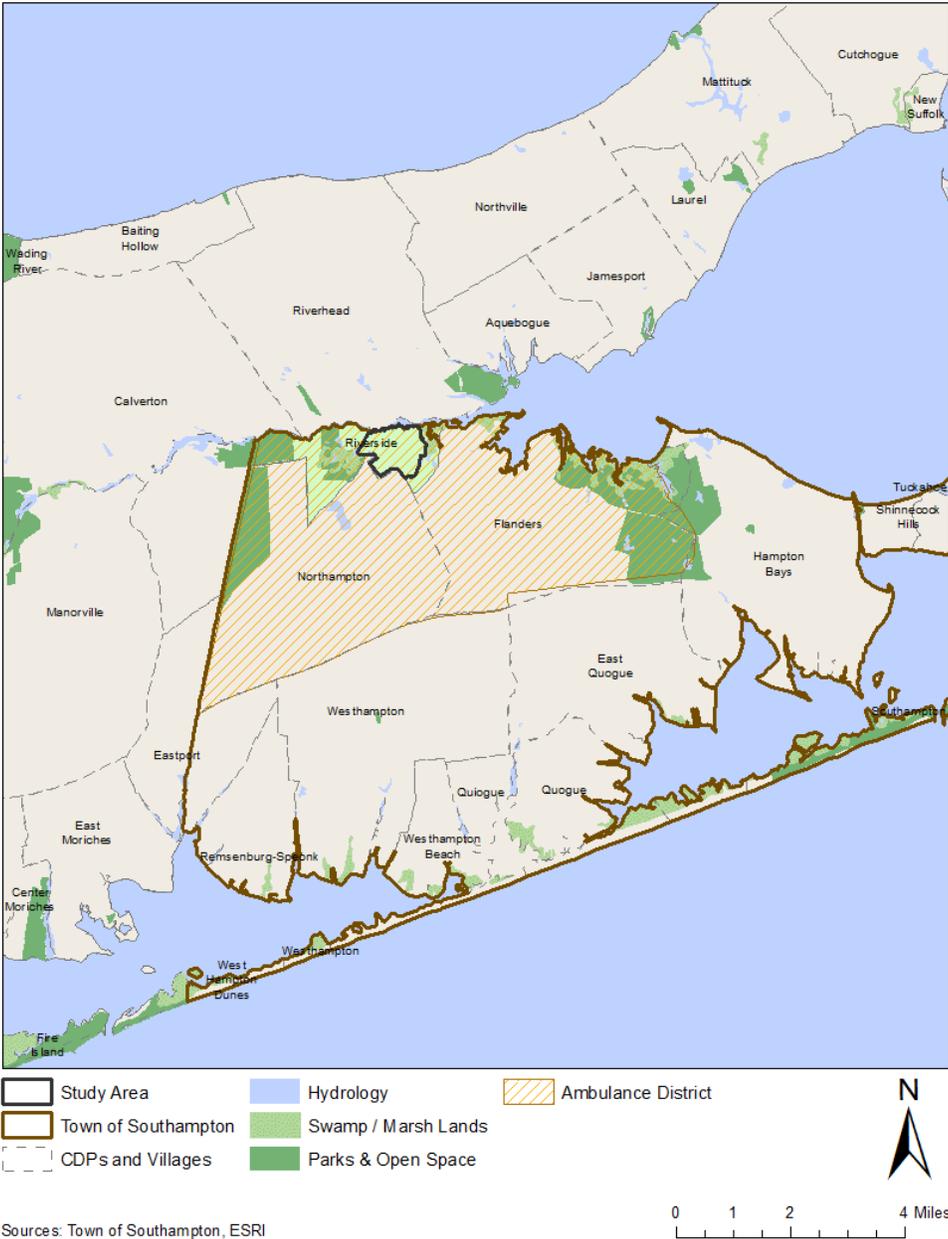


The Town of Riverhead collects taxes from property owners within the Fire District to pay for the Fire Department’s operating costs. In 2014-2015 the tax rate for Riverhead’s Fire District was 1.0637 per \$1,000 of assessed value. The Southampton portion of the district raised \$218,023, a decrease of 6.7 percent from the previous year.

Ambulance Service

Ambulance services in Riverside are provided by the Flanders-Northampton Ambulance Company (FNAC). FNAC headquarters are located at 641 Flanders Road, approximately 0.6 of a mile east of the Study Area or just a minute or two away. Suffolk County Community College’s “Riverhead Campus,” the Suffolk County Correctional Facility, Evan K. Griffing County Center, and State and County parklands are some of the major facilities served by the FNAC and other emergency service providers in the area.

**Figure L-4: Northampton Ambulance District**



The ambulance company has at times expressed financial concerns due to the fact that Suffolk County owns approximately 80 percent of the land in the Flanders-Northampton district leaving just 16 percent of the property owners to pay 100 percent of the taxes (Merrill, 2006) not to mention the significant demands of serving the large nearby County facilities. In order to alleviate this burden, service reimbursement strategies have been considered (Merrill, 2006 and Moran, 2012).

As of the 2014-15 tax year however, the Northampton Ambulance District was charging a levy of 0.6971 per \$1000 of assessed value, yielding \$498,346 in revenues from its properties within the Town of Southampton alone.

### **Potential Property Tax Impacts**

Many of the Town and County's community services and facilities are supported in large part by the revenues generated through property taxes. The Town of Southampton and Suffolk County, as well as other local taxing jurisdictions will greatly benefit from an increase in such property tax revenues, resulting from the development and operation of the Proposed Project.

The proposed community will increase taxes generated by the component parcels, resulting in a substantial increase in revenues distributed to each taxing jurisdiction. The Market approach was used to determine the increase in market value for new construction for all property types with the exception of residential in buildings with fewer than 4 units. As per Town of Southampton assessor, the equalization rate is 100% of the assessed value.

Development parcels within the BOA study area make up 38 percent of total assessed value and 43.4 percent of total taxable property value. The new assessed value of the development parcels within the BOA was estimated using the market approach. In aggregate, the proposed project will generate \$12.6 million in annual taxes. This represents a net increase of \$10.3 million per year when compared to existing site conditions (see **Table L-7**). This is a more than 500 percent increase in tax revenues in the BOA study area.

**Table L-7  
TAX GENERATION & DISTRIBUTION, 2014 Tax Year  
Existing Conditions & Proposed Project**

Levy Name	Rate Value	Existing BOA		Development Parcels		BOA Post-Development	
		Total Taxable Value	Total Taxes Raised	Existing Taxable Value	Post-Development Taxable Value	Taxable Value	Total Taxes Raised
SUFFOLK COUNTY - GENERAL	0.2086	\$126,374,702	\$26,362	\$54,835,592	\$636,117,077	\$707,656,187	\$147,617
NY STATE REAL PROP TAX LAW	0.1435	\$126,374,702	\$18,135	\$54,835,592	\$636,117,077	\$707,656,187	\$101,549
NY STATE MTA TAX	0.0063	\$126,374,702	\$796	\$54,835,592	\$636,117,077	\$707,656,187	\$4,458
OUT OF COUNTY TUITION	0.0053	\$126,374,702	\$670	\$54,835,592	\$636,117,077	\$707,656,187	\$3,751
GENERAL TOWN	0.3769	\$126,374,702	\$47,631	\$54,835,592	\$636,117,077	\$707,656,187	\$266,716
Highway	0.3739	\$126,374,702	\$47,252	\$54,835,592	\$636,117,077	\$707,656,187	\$264,593
Police	0.5665	\$126,374,702	\$71,591	\$54,835,592	\$636,117,077	\$707,656,187	\$400,887
Emergency Dispatching	0.0495	\$126,374,702	\$6,256	\$54,835,592	\$636,117,077	\$707,656,187	\$35,029
Part-Town Outside of Villages	0.0599	\$126,374,702	\$7,570	\$54,835,592	\$636,117,077	\$707,656,187	\$42,389
Riverhead School District	13.7966	\$124,827,958	\$1,722,201	\$53,978,980	\$636,117,077	\$706,966,055	\$9,753,728
Riverhead & Baiting Hollow Library District	0.4964	\$135,386,718	\$67,206	\$55,004,100	\$636,117,077	\$716,499,695	\$355,670
Riverhead Fire District	1.0637	\$131,436,233	\$139,809	\$55,158,900	\$636,117,077	\$712,394,410	\$757,774
Southampton Fire District	0.2729	\$-	\$-			\$-	\$-
Riverside Lighting District	0.1635	\$131,434,733	\$21,490	\$55,158,900	\$636,117,077	\$712,392,910	\$116,476
Flanders Water District	0.4893	\$-	\$-			\$-	\$-
Northampton Ambulance District	0.6971	\$131,436,233	\$91,624	\$55,158,900	\$636,117,077	\$712,394,410	\$496,610
<b>Total</b>			<b>\$2,268,592</b>				<b>\$12,599,629</b>

Suffolk County

Upon full development of the site, Suffolk County's income in terms of General, Out of County Tuition, and Police taxes, will total \$552,255, an increase of \$450,000 over existing income, each year upon full buildout.

Southampton

The Town/Part Town funds, Highway Tax and the General Town taxes that accrue to the Town of Southampton will total some \$573,697 upon full buildout for the total study area.

Police Protection

It is expected that the project will result in an increase of approximately \$252,252 in annual tax revenue for the SCPD upon full buildout and occupation of the development, which is expected to offset the costs to provide the increase in police services.

Fire Protection

It is expected that the project will result in an increase of about \$473,646 per year in tax revenue for the Riverhead Fire District upon full buildout and occupation, which is expected to offset the costs to provide the increase in fire protective services related to the development.

Ambulance Service

The Northampton Ambulance District is expected to receive an increase of \$310,406 per year in tax revenue from the proposed development upon full buildout and occupation, which is expected to offset the costs to provide the increase in EMS services related to the development.

School District Benefits and Costs

The greatest share of tax revenues and the greatest share of per capita costs is supported by the school district, so for this particular tax district, extra detail on the cost/benefit ratio is discussed.

According to residential demographic multipliers published by the Center for Urban Policy Research at Rutgers University and supplemented by Urbanomics, the proposed 2,267 units will, upon full buildout, generate some 3,899 residents, which includes approximately 283 school-aged children. Given the relatively small apartment sizes (1,125 sf on average) in the proposed development, it is important to note that such housing statistics represent a conservative population projection.

Table L-8, on the following page shows the anticipated costs and benefits of the proposed development on the Riverhead School District over all phases of occupation and residency. Because benefits and costs accrue on an annual basis as construction occurs, results are compounded (e.g., Year 3 is the total impact of Years 1, 2 and 3) to give a year-by-year expectation of net benefits.

The Proposed Project will generate additional school-aged children to the Riverhead CSD, necessitating an increase in school district expenditures. According to budgetary information from the school district, the current annual cost to the taxpayers of each student is \$18,384; the total costs to the district for the Proposed Project upon full buildout is therefore \$5.2 million. The Proposed Project will cause a substantial increase in property taxes for the Riverhead CSD over the existing condition, particularly as several parcels will be returned to the tax rolls.

**Table L-8 Fiscal Impacts of Renaissance Development on Riverhead School District<sup>1</sup>**

**Current Budget Levy** \$92,746,772  
**Current Population Served** 5,045

Phase	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Full Buildout Year 10	Each Year Thereafter
Total Projected Students	28	57	85	113	142	170	198	226	255	283	283
Cost per Student	\$18,384	\$18,384	\$18,384	\$18,384	\$18,384	\$18,384	\$18,384	\$18,384	\$18,384	\$18,384	\$18,384
Total Renaissance Student Costs	\$520,264	\$1,040,529	\$1,560,793	\$2,081,057	\$2,601,322	\$3,121,586	\$3,641,850	\$4,162,115	\$4,682,379	\$5,202,644	\$5,202,644
Assessed Value (100% Equalization Rate)	\$63,611,708	\$108,139,903	\$152,668,099	\$197,196,294	\$241,724,489	\$286,252,685	\$330,780,880	\$375,309,076	\$419,837,271	\$464,365,466.4	\$445,281,954
School Tax Rate 2015 (\$13.7966 per \$1000)											
Riverhead School District Tax Revenues	\$877,625	\$1,491,963	\$2,106,301	\$2,720,638	\$3,334,976	\$3,949,314	\$4,563,651	\$5,177,989	\$5,792,327	\$6,406,665	\$6,143,377
Net Cost/Benefit	\$357,361	\$451,434	\$545,508	\$639,581	\$733,654	\$827,728	\$921,801	\$1,015,874	\$1,109,948	\$1,204,021	\$940,734

<sup>1</sup> Notes:  
Phase Buildout is divided equally over 10 year development timeframe.  
Because benefits and costs accrue on an annual basis as construction occurs, results are compounded. (E.g., Year 3 is the total impact of Years 1, 2 and 3)  
Total Projected Students Rutgers multipliers by structure type, bedrooms and costs, plus Urbanomics supplemental information.  
Cost per Student 2015-16 tax levy/total number of students --this should be run by the School District for a better estimate  
Total Renaissance Student Costs Projected Students X Cost per Student

Based on the current 2014-15 tax rates, the school tax revenue from the proposed project would be approximately \$6.14 million per year, creating a net-benefit to the district of \$940,734 each year after full buildout. These additional revenues will assist in easing the increased burden of rising school district costs on other taxpayers throughout the district. It is noted that the District's response letter indicated concern with an influx of additional students to the district.

The projected 283 additional school aged children generated by the Proposed Project, will not enter the Riverside CSD system all at once, but will be phased in over the ten year construction period. Therefore 28 new children will be introduced per year, representing an annual enrollment increase of only 0.6 percent. Enrollment would also be distributed across the various grade levels served by the District.