

APPENDIX J



THE ECONOMIC IMPACTS OF AVALONBAY AT HUNTINGTON STATION

HUNTINGTON STATION, TOWN OF HUNTINGTON



Background

AvalonBay at Huntington Station is a Transit-Oriented Residential Development to be built on a 30-acre property within a quarter of a mile of the Huntington Long Island Railroad Station. The proposed development will comprise of 530 units, of which 80 percent are rental and 20 percent are for sale units. Twenty-five (25) percent of housing units are programmed for Workforce, Next Generation, and Moderate Income residents. Amenities will include a clubhouse, swimming pool, and fitness center. In addition to helping meet the housing need for multifamily housing in the region, the proposed development is envisioned as an economic catalyst for the revitalization of Huntington Station.

The Need

The need for mixed-use housing was clearly established in a 2008 report by the Long Island Index.¹

- From 1990 to 2006, the number of young professionals, those within the 25 to 34 years age cohort, has declined by 35 percent, compared to 8 percent nationwide.
- 65 percent of those between the ages of 18 and 34 years expressed the possibility of moving away from Long Island within the next 5 years.
- Long Island has a lower percentage of multi-family housing and rentals than other New York suburb.
- 83 percent of Long Island housing units are single-family homes. However, one resident out of every three would prefer a condo, townhouse or apartment.

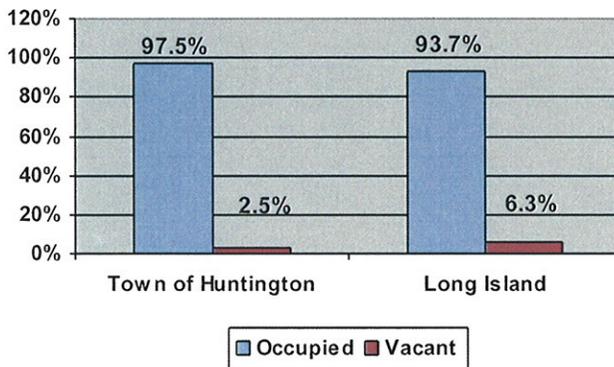
¹ Long Island Index 2008.

- A majority of empty nesters (ages 50 to 64) and seniors (65 years and older) would prefer to live in walkable neighborhoods, where homes are not far apart.

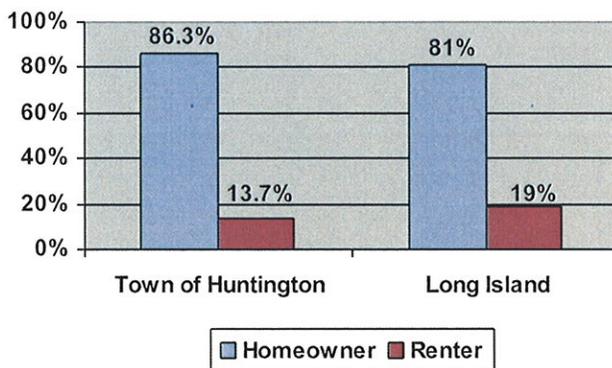
An analysis of the housing situation in the Town of Huntington, also indicates a strong need to provide rental housing.

- Only 13.7 percent of all housing units in the Town of Huntington were rental units in 2008, compared to 19 percent for Long Island.
- In 2008, the overall vacancy rate in the Town of Huntington was 2.5 percent. This low vacancy rate indicates a tight housing market and the need for more opportunities for both renters and homebuyers in the Town of Huntington. A 5 percent vacancy rate is generally considered ideal for the housing market to operate properly.

Occupancy and Vacancy Rates
(Source: Easidemographics 2008)



Tenure
(Source: Easidemographics 2008)



Residential Mix

The residential development will include 530 multi-family housing units, of which 424 are rental and 106 are for sale. Twenty-five (25) percent of all units are programmed as Workforce, Next Generation and Moderate Priced housing.

Rental Units

Rental Unit Mix

Rental	Market		Income Restricted		Total Rental	
	Units	%	Units	%	Units	%
One Bedroom	110	35%	46	43%	156	37%
Two Bedroom	160	50%	54	51%	214	50%
Three Bedroom	48	15%	6	6%	54	13%
Total Rental	318	100%	106	100%	424	100%

Distribution of Rental Units by Income

	Total Units	Market		Income-Restricted Units	Income-Restricted					
		Market-Rate Units	Monthly Rents		50% AMI		80% AMI		110% AMI	
					Units	Monthly Rents	Units	Monthly Rents	Units	Monthly Rents
One Bedroom	157	111	\$1,920	46	17	\$911	18	\$1,456	11	\$2,003
Two Bedroom	213	159	\$2,316	54	22	\$1,093	21	\$1,748	11	\$2,403
Three Bedroom	54	48	\$2,466	6	3	\$1,263	3	\$2,020	0	-
Total	424	318		1060	42		42		22	

For Sale Units

For-Sale Unit Mix

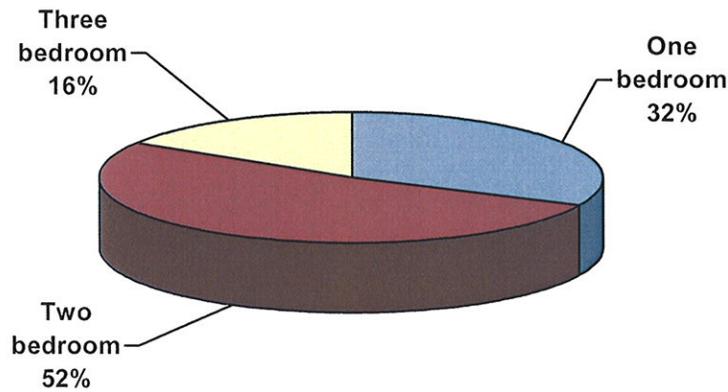
For-Sale	Market		Income Restricted		Total For-Sale	
	Units	%	Units	%	Units	%
One Bedroom	13	16%	0	0%	13	12%
Two Bedroom	44	55%	16	62%	60	57%
Three Bedroom	23	29%	10	38%	33	31%
Total Rental	80	100%	26	100%	106	100%

The Economic Impacts of Avalon at Huntington Station

Distribution of For-Sale Units by Income

	Total Units	Market		Income-Restricted				
		Total Market-Rate Units	Projected Selling Price	Total Income-Restricted Units	80% AMI		120% AMI	
					Units	Projected Selling Price	Units	Projected Selling Price
One Bedroom	13	13	\$295,990	0	0	-	0	-
Two Bedroom	60	44	\$443,250	16	6	\$174,750	10	\$262,125
Three Bedroom	33	23	\$508,542	10	5	\$202,000	5	\$291,250
Total	106	80		26	11		15	

Total Project



Total Project Unit Mix

Total Project	Market		Income Restricted		Grand Total	
	Units	%	Units	%	Units	%
One Bedroom	123	31%	46	35%	169	32%
Two Bedroom	204	51%	70	53%	274	52%
Three Bedroom	71	18%	16	12%	87	16%
Total Rental	398	100%	132	100%	530	100%

The Target Market

Based on actual statistics from AvalonBay properties in Long Island, residents can be recent college graduates, young professionals, young couples and empty nesters.

- 43 percent are under the age of 35.
- 21 percent are over the age of 55.
- 41 percent lived in the same town as where the community was built.
- 73 percent come from the same county.
- 82 percent of residents work in Long Island.
- 22 percent work in the same town where they live.

A demographic analysis of Avalon Court at Melville² indicates that:

- Over 41.5 percent of residents lived in Melville before moving to the residential development, while over 11 percent came from surrounding communities.
- Over 38 percent of residents are under the age of 35.
- Almost 22 percent are over the age of 55.
- Residents at Avalon Court at Melville have an average annual income of \$131,825.
- Residents are employed in a variety of sectors, with the largest number coming from the Services Industries, Finance and Insurance, Health Care, Retail, and Education.
- With over 41 percent of potential customers anticipated to come from Huntington and its surrounding communities, a demographic analysis of communities within 5 miles of Huntington Station was undertaken. There

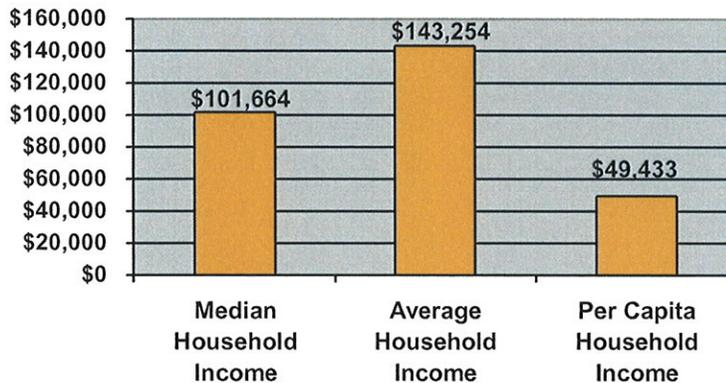
² Avalon Bay Demographic Analysis, 2008.

are over 164,563 residents and 54,668 households within 5 miles of Huntington Station.

- Households within 5 miles of the proposed development have an average household income of \$143,254 and a median household income of \$101,664.

Household Income Within 5 Miles of Huntington Station

(Source: Easidemographics 2008)



- Based on HUD standards, the New York State Division of Housing and Community Renewal (DHCR)³ classifies households into the following categories:
 - Extremely Low-Income: at or below 30% Area Median Income
 - Low-Income: 31% to 50% Area Median Income
 - Moderate Income: 51% to 80% Area Median Income
 - Middle Income: 81% to 95% Area Median Income
 - All Other Income: above 95% Area Median Income
- While the community surrounding Huntington Station could be considered relatively affluent,³ more than 6,000 households or 1.6 percent of all households are Extremely Low Income, almost 5,600

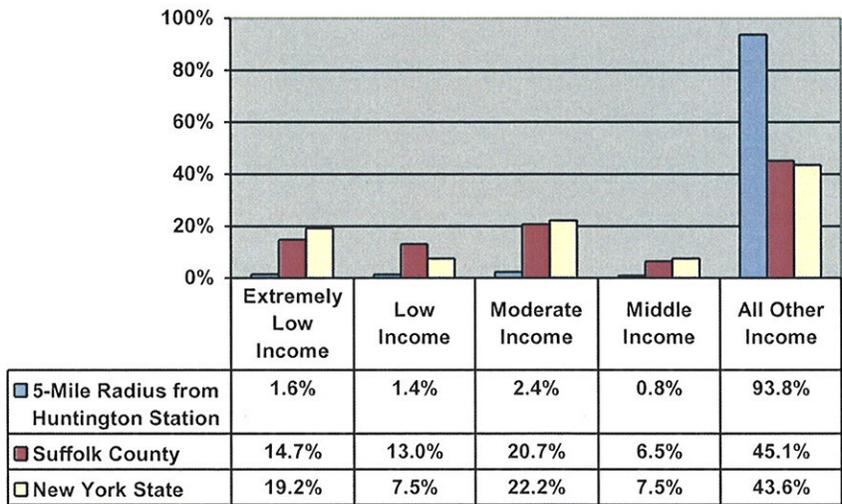
³ DHCR Consolidated Plan 2006 – 2010.

households or 1.4 percent of all households are Low-Income, and over 9,300 households or 2.4 percent are Moderate Income. A total of 20,789 households or 5.4 percent of all households within a 5-mile radius from Huntington Station have incomes below 80 percent of the HUD Adjusted Median Income of \$97,100 for Suffolk County. Roughly 10,200 households within 5 miles of Huntington Station could possibly be eligible for income-restricted housing at AvalonBay at Huntington Station. The workforce housing component of the proposed residential development will cater to residents within 50 percent to 120 percent of the Area Median Income.

- Income-restricted housing will be marketed to Huntington Union Free School District teachers, local healthcare professionals, first responders, and Huntington residents.

Income Classifications 2008

(Source: Easidemographics 2008; Analysis by Saratoga Associates)



Economic Benefits to the Community

AvalonBay at Huntington Station will provide economic benefits to the community around Huntington Station, Suffolk County and Long Island, both during the construction stage and operation stage of the residential development. New residents in the community will also generate businesses for local shops and services, as well as contribute increased sales tax revenues.

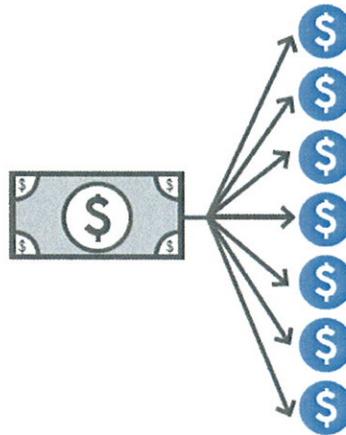
▪ Economic Impacts During Construction⁴

- The initial capital investment of \$125.0 million will generate a spin-off of \$1.98 for every dollar, bringing the total economic impact at \$373.13 million in output.
- The construction of 530 units will provide jobs for 397 construction workers. Each construction job will create an additional 13.93 jobs in other sectors of the economy, bringing the total economic impact on employment at 5,929 jobs.
- These jobs in the construction industry will also generate wages estimated at approximately \$50.0 million over 2 years. Each dollar in wages will create a spin-off estimated at 58 cents per dollar, bringing the total economic impact on earnings at \$79.07 million.

⁴ RIMS II Multipliers from the Bureau of Economic Analysis were used as basis to determine economic spin-off for Economic Impacts during Construction and Operation.

Economic Impacts During Construction

	Direct Impact	Spin-Off	Total Economic Impact
Output	\$125.0 Million	\$1.98 per \$	\$373.13 Million
Employment	397 construction jobs	13.93 jobs for every construction job	5,929 jobs
Earnings	\$50.0 Million	\$0.58 per \$ in wages	\$79.07 Million



Every dollar invested generates economic spin-offs that benefit the community.

▪ **Economic Impacts During Operation**

- The 106 For Sale Units will generate approximately \$41.18 million in output based on initial sales of homeowner units. This will result in an economic spin-off of \$1.37 for every dollar, bringing the total economic impact on output at \$97.58 million for homeowner units. These units will create a total of 25 jobs, with total earnings reaching \$3.26 million.

Initial Economic Impacts of For Sale Units

	Direct Impact	Spin-Off	Total Economic Impact
Output	\$41.18 Million	\$1.37 per \$	\$97.58 Million
Employment	5 real estate jobs	4.24 jobs for every real estate job	25 jobs
Earnings	\$2.88Million	\$0.13 per \$ in wages	\$3.26 Million

- The 424 Rental Units will produce annual revenues estimated at \$9.81 million and creating an economic spin-off of approximately \$1.49 for every dollar. These rental units will generate an economic impact on output projected at approximately \$24.48 million annually. The residential development will also create 14 full-time jobs with wages estimated at almost \$0.51 million. These property management jobs will create a spin-off of approximately 6.24 jobs for every job, bringing the total impact on jobs at 101 jobs. Spin-offs from annual wages are projected to generate a total economic impact of almost \$0.65 million on earnings every year.⁵

⁵ Rental units generate an annual economic impact based on annual income from rental fees, while economic impacts resulting from For Sale units are based on one-time initial sales.

Annual Economic Impacts for Rental Units

	Direct Impact	Spin-Off	Total Economic Impact
Output	\$9.81 Million	\$1.49 per \$	\$24.48 Million
Employment	14 property management jobs	6.23 jobs for every property management job	101 jobs
Earnings	\$0.51 Million	\$0.26 per \$ in wages	\$0.65 Million

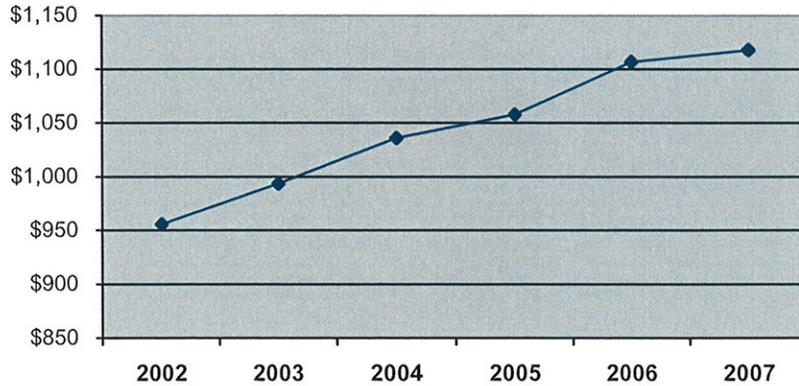
- The residential development is projected to add 530 new households with a population of approximately 1,128 persons. These households have a collective purchasing power of almost \$28 million annually.⁶
- These new households will contribute approximately \$1.23 million in annual sales taxes.

- **Experience from Avalon at Glen Gove indicated a growth in sales tax revenues estimated at almost 17 percent occurred in the City of Glen Cove from 2002 to 2007. Avalon at Glen Cove was built in 2003 and has an estimated population of 390 residents in 256 units. In the same manner, Suffolk County and the Town of Huntington are anticipated to benefit from sales tax revenues resulting from new residents at AvalonBay at Huntington Station.**

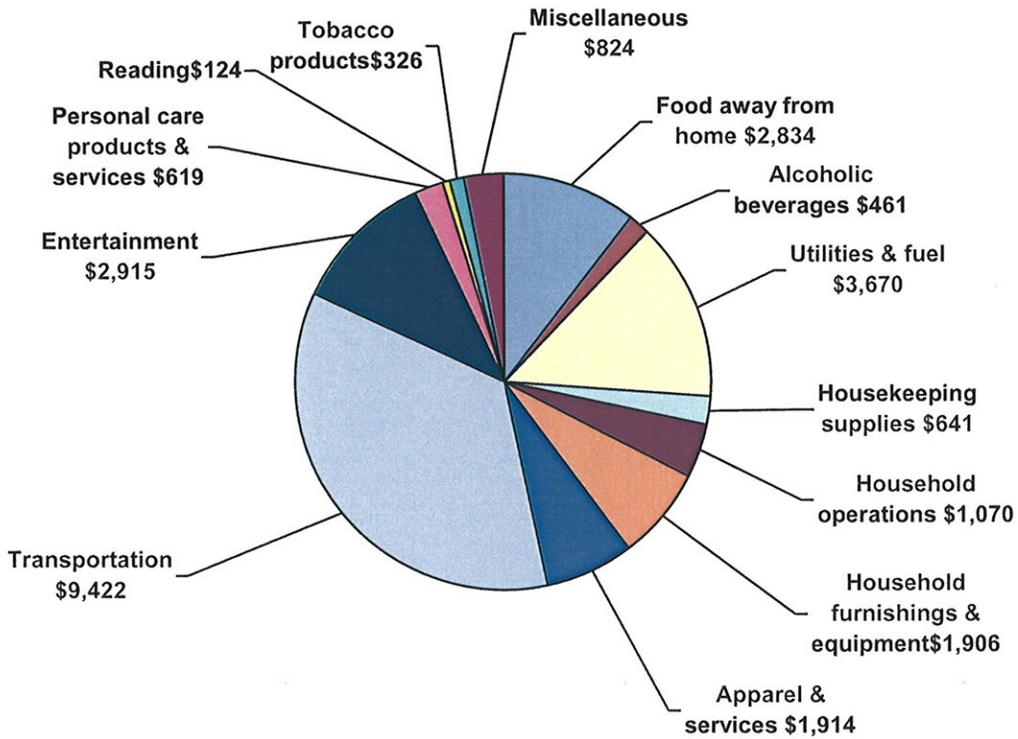
⁶ Based on an average annual consumer expenditure of \$52,664 per household as per the 2007 Consumer Expenditure Survey of the Bureau of Labor Statistics.

Sales Tax Revenues, City of Glen Cove (in \$000)

(Source: NYS Office of the Comptroller)



Average Annual Expenditure Per Household on Taxable Goods & Services



**530 Households x \$2,305 in Annual Sales Taxes
 ≈ \$1.23 Million in Total Sales Taxes**

Summary:

- AvalonBay at Huntington Station is a Transit-Oriented Residential Development to be built on a 30-acre property within a quarter of a mile of the Huntington Long Island Railroad Station.
- The proposed development will comprise of 530 units, of which 80 percent are rental and 20 percent are for sale units. Initial capital investment is estimated at \$125.0 million.
- Twenty (20) percent or 106 units are income-restricted housing, while 80 percent or 420 units are market-rate housing.
- AvalonBay at Huntington Station will provide economic benefits to the community around Huntington Station, Suffolk County and Long Island, both during the construction stage and operation stage of the residential development.
- The residential construction will result to a direct impact on the local economy estimated at \$125 million in output, 397 construction jobs and around \$50.0 million in wages.
- The construction will create economic spin-offs resulting to a total economic impact on the region estimated at \$373.13 million in output, 5,949 jobs, and \$79.07 million in total earnings.
- The operation of AvalonBay at Huntington Station will create an initial economic impact of approximately \$41.18 million in output based on the initial sales of 106 units. This will result in an economic spin-off of \$1.37 for every dollar, bringing the total economic impact on output at \$97.58 million for homeowner units. These units will create a total of 25 jobs, with total earnings reaching \$3.26 million.
- The 424 rental units will generate annual revenues estimated at \$9.81 million and create 14 full-time jobs with wages estimated at almost \$0.51

million annually. These units will create spin-offs resulting to a total economic impact of \$24.48 million in output annually, support 101 jobs, and provide almost \$0.65 million in earnings every year.

- The 530 new households are projected to generate a total of \$1.23 million in sales tax every year.