
4.0 ECONOMIC CONDITIONS

4.1 Introduction

The Applicant is proposing a commercial baseball-centered recreation facility, Brewster Yards, on approximately 82 acres of land located on Pugsley Road and Fields Corner Road in the Town of Southeast, Putnam County, New York. The project site consists of two land parcels separated by land owned by the Town of Southeast (formerly Zimmer Road). The proposed project would include the securing of approvals to develop portions of the Pugsley Road lands and, through an agreement with the Town following a positive conclusion to this environmental review of the site development plan, transfer of ownership of the subject land from town to private ownership (parcel to Applicant ownership) as well as a transfer of private ownership (a parcel owned by the Applicant) to town ownership.

The proposed project would be an indoor and outdoor baseball-centered facility. The project is expected to be completed in 2023. Brewster Yards would include the following amenities: nine (9) baseball/little league fields, one (1) multi-purpose field, concession buildings, support buildings, and +35,000 square foot indoor recreation facility. Provision for a hiking / fitness trail is also planned on the site to circulate around the adjacent ridgeline area which will remain Town owned and open to the public.

Brewster Yards is to be utilized year-round. The hours of operation are planned to be as follows: Monday through Friday: 10am to 10pm – in season, 3pm to 10pm - off season/winter; Saturday, Sunday, and Holidays: 8am to 10pm.

The Applicant's projections of site usage are based on similar facilities in the Northeast region. Weekday afterschool and weekend patronage during the baseball season is projected to be up to 1023 persons -- players, spectators and staff. On school days, after-school field use is expected to be up to 358 persons. During peak use the project is anticipated to employ up to 63 people.

The main access to the project site would be directly from Pugsley Road. Several internal access points are proposed to allow for emergency response vehicles to reach the baseball fields, multi-purpose field, concession plazas, and main building areas. The main building of the Brewster Yards would be equipped with a sprinkler system.

Economic Analysis

The proposed project will create a significant economic benefit for the Town of Southeast and the greater Putnam County.

For the economic analysis, the proposed project is evaluated in two phases: the construction and operation phase. The construction phase is the time from construction commencement to completion. The operation phase includes the time when the project is up and running and is fully operational. The operational phase analysis also accounts for the loss in tax revenues from land owned by the Applicant that would transfer to town ownership as a result of the proposed development.

The potential economic impacts associated with these two phases include:

- Direct Impacts: all direct effects from the construction or operation phase on the local economy (i.e., costs of labor, equipment, material).
- Indirect Impacts: indirect impacts refer to direct business to business purchases for the project. (i.e., purchase of supplies, materials, and services for the project).
- Induced Impacts: induced impacts are the economic impacts from the spending and consumption of those directly and indirectly involved with the project. (i.e., the income spent on different economic services by employees involved directly or indirectly with the project).

4.2 Existing Conditions

The property proposed for development (“project site”) consists of two parcels of land on Pugsley Road located in and currently owned by the Town of Southeast. These lands would be transferred from town ownership to private ownership as part of the proposed development. Additionally, an agreement between the Town and the Applicant (subject to approval of this project) would result in a separate parcel of land on Starr Ridge Road currently owned by the Applicant to be transferred to Town ownership. These three parcels of land and associated tax revenues, or lack thereof due to Town ownership, were utilized to evaluate the existing and potential economic conditions and impacts from the proposed development.

Project Site

The current market value of the project site is over \$1.7 million. However, due to its present status as town-owned parkland, the current annual property taxes generated by the project site is \$0.0. There is no sales tax revenue generated by the unimproved project property. Refer below to Table 4-1 for details of the project site’s current economic conditions.

Table 4-1 Existing Economic Conditions - Project Site Tax Block & Lot, Market Value, Annual Property Taxes						
Tax Block & Lot	Address	Current Owner	Acres	Market Value	Date of Assessment	Annual Property Taxes
45.-1-10	160 Pugsley Road	Town of Southeast <i>Class 330</i>	93.01	\$789,040	July 1, 2020	\$0
45.-1-11	132 Pugsley Road	Town of Southeast <i>Class 330</i>	60.45	\$985,600	July 1, 2020	\$0
Totals			153.46	\$1,774,640		\$0

Starr Ridge Road Parcel

The parcel of land owned by the Applicant is located at 309 Starr Ridge Road, Town of Southeast, Putnam County, New York. The parcel consists of 94.884 acres of undeveloped land and holds the market value of \$375,000 as of July 1, 2020, assessment date. The tax revenues from the parcel of land owned by the Applicant are distributed to Putnam County, Town of Southeast (Town, Fire, Library) and the North Salem Central School District. Refer below to Table 4-2 for the most recent economic conditions for this parcel of land.¹

Table 4-2 Existing Economic Conditions - Starr Ridge Road Site Tax Block & Lot, Market Value, Annual Property Taxes						
Tax Block & Lot	Address	Current Owner	Acres	Market Value	Dates of Assessment	Annual Property Taxes
79.-1-10.12	309 Starr Ridge Road	ProSwing Sports Realty, Inc. <i>Class 332</i>	94.884	\$375,000	July 1, 2020	\$9,989.36

According to the 2022 Town and County and 2021-2022 School tax bills, the Starr Ridge Road parcel generated the following amounts to Putnam County, the Town of Southeast and North Salem Central School District:

- Putnam County: \$1,131.31
- Town of Southeast: \$1,102.31
- Brewster Library; \$70.43
- Brewster Fire: \$198.84
- North Salem Central School District: \$7,486.47
- Total: \$9,989.36

4.3 Future without the Proposed Project

Project Site

Without the proposed development, the property would continue to allot \$0.0 in tax revenues to the Town of Southeast, Brewster Library and Fire Department, Brewster Central School District, and the greater Putnam County.

Starr Ridge Road Parcel

Without development at either the Starr Ridge Road or Pugsley Road site, the parcel of land owned by the Applicant would continue to generate approximately \$10,000 in annual tax

¹ Source: Town of Southeast: Town and County 2022 Tax Bill and North Salem Central 2021-2022.

revenues to the Town of Southeast, Putnam County, and the North Salem Central School District.

With or without the proposed development, the Town of Southeast and Putnam County would still incur potential economic impacts associated with the other pending or approved projects within the Town of Southeast slated for completion in 2023. Refer to Section 3.0, Community Services, Subsection, 3.2.2 Future without the Proposed Project for a list of approved and pending projects used for analysis.

However, since the North Salem Central School District is located outside the boundaries of the Town of Southeast, the School District would continue to benefit from the approximate \$7,500 annual tax revenues from the Starr Ridge Road parcel to the School District in the future without the project scenario.

Should the proposed development not occur at the Pugsley Road site, and the contemplated land transfer not occur, future development is possible at the Starr Ridge Road parcel thereby increasing the aforementioned tax revenues to the Town of Southeast, Putnam County, and the North Salem Central School District. This scenario has not been included in this assessment.

4.4 Potential Impacts

4.4.1 Construction Phase

The estimated construction cost of the proposed project is \$28.3 million, according to the Applicant. This direct benefit to the local economy is projected to result in indirect and induced benefits, as outlined in the table below.

Table 4-3 Potential Economic Impacts Construction Phase				
	Direct Effect	Indirect Effect	Induced Effect	Total
Output	\$28,300,000	\$3,903,742	\$6,905,299	\$39,109,041
Labor Wages	\$12,763,905	\$1,262,998	\$2,052,483	\$16,079,386
Jobs	212	24	53	289

For the construction phase, it is estimated that 212 jobs (person-years) would be created and added to the local economy and the estimated income for these construction phase jobs would be \$12,763,905. Additionally, it was evaluated that \$3,903,742 would indirectly be projected to the local economy from other businesses involved with the construction phase of the project (business to project business operations). The induced effect output, which is disposable

income spent by the various direct employees associated with the construction phase of the project would be \$6,905,299.²

The construction phase of the proposed project is estimated to create a total of 289 jobs. The direct construction phase jobs would consist of 212 of the total 289 jobs created. Twenty-four (24 jobs) would be created indirectly from businesses providing goods and services to the project and 53 jobs are expected to be created from the induced effect spending habits (disposable income) of the project's direct employees of the construction phase of the project.

4.4.2 Operation Phase

Based on information provided by the Applicant, an average of 52 full time employees (FTE) are projected to be employed at Brewster Yards during operation.³ Of these projected employees, four (4) would be assumed to hold general and operations managerial positions, 32 FTEs would be assumed to work in food preparation and serving portion of the facility (assumed to include ticket booth jobs) and 16 employees would be assumed to be employed under building and grounds sector of the Brewster Yards.⁴

Due to the lower income nature of most employment opportunities (direct, indirect, and induced) projected with Brewster Yards and the accessibility of the project site from surrounding areas, it is not expected that employees associated with the project would relocate to the Town of Southeast because of their employment but would rather travel from other areas.

Table 4-4 Potential Economic Impacts Operation Phase				
	Direct Effect	Indirect Effect	Induced Effect	Total
Output	\$19,363,204	\$5,431,477	\$4,826,477	\$29,621,158
Labor Wages	\$1,962,960	\$627,640	\$482,800	\$2,444,040
Jobs	52	13	10	87
Notes: Source of Labor Wages: New York State, Department of Labor, Occupation Wages, Hudson Valley Region, 2021; General and Operations Managers – Median Annual Salary - \$120,100; Food Preparation and Service-Related Workers, All Other – Median Annual Salary - \$28,210; Grounds Cleaning and Maintenance Occupations - Median Annual Income - \$36,240.				

² Source: IMPLAN, Local Zip Code Data, 10509

³ Source: Applicant. In season (8 months): 63 full time employees; Off Season (4 months): 34 full time employees; Average 52 employees.

⁴ Assumptions: 52 employees: Average based on information from Applicant (See footnote 2); Positions: Four (4) assumed for general operations management; Two-thirds of the remaining 48 employees assumed to be median salary for food and services and one-third of the remaining 48 would be assumed to work for grounds and maintenance.

At full operation for year one (1) of Brewster Yards, it is anticipated that \$19,363,204 would be placed directly into the local economy.⁵ As noted, an average of 52 jobs, with the wage production of \$1,962,960, are estimated to be created during the operation phase of proposed project within its first year of opening. Indirect output to the economy from business-to-business operations associated with Brewster Yards would result in \$5,431,477 and \$4,826,477 is expected from secondary spending by employees, businesses and suppliers attached to the project during its first year of operation. Refer to Table 4-4 for further operation phase details.⁶

Sales Tax Revenues

According to the Applicant's preliminary market study in August of 2021, Brewster Yards is expected to generate \$777,528 in sales tax for Putnam County in year one (1). This projection is conservative for Putnam County Sales tax is 4.375 percent and SFA evaluated utilizing a 4.0 percent sales tax for evaluation purposes.

Property Taxes

To assess the potential fiscal impacts of the proposed development including the transfers of property ownerships (i.e., private to town and vice versa), annual property tax revenues for the project site and the Starr Ridge Road parcel were calculated by estimating the future assessed value of the proposed development and multiplying that value by the tax rate applicable to each taxing jurisdiction.

Projected Tax Revenues and Losses

Consistent with fiscal impact methodology, property tax revenues were determined by what would be generated if the proposed development were completed and occupied today.⁷ This approach recognizes that development often requires several years to be completed and that inflation will increase costs and revenues over time. It assumes that the rising costs of public services will be matched by comparable increases in revenues generated by rising tax rates, with all other factors being held constant.

Brewster Yards would result in the conversion of vacant town owned land to a private owned commercial sports recreation facility as well as the transfer of ownership of the Starr Ridge Road parcel to the Town of Southeast. The market value of the project site, with the proposed improvements, would result in an increase in property tax revenues and to estimate the tax revenues that would be generated by the proposed development, the market value and the assessed value for the proposed development must be estimated and calculated. Additionally, the loss of tax revenues as result of the transfer of the Starr Ridge Road property to town ownership must be evaluated and addressed as well.

Projected Assessed Values

The market assessed value of Brewster Yards would be based on the proposed sales value of the completed project at its Town of Southeast location. For analysis purposes, the market

⁵ Source: Proprietary Market Study Executive Summary, Brewster Yards, Dated August 2021. Economic Impact Year One Output: \$19,363,204.

⁶ Source: New York State, Department of Labor, Occupation Wages, Hudson Valley Region, 2021; All Occupations — Median Annual Salary -\$48,280.

⁷The Fiscal Impact Handbook, Robert Burchell and David Listokin, 1978.

value was assumed to be the cost of the proposed project and the current combined market value of the two land parcels less the percentage of subdivided land to remain in Town ownership.

According to the Town of Southeast Tax receiver, the market value of Lot 45.-1-10 is \$789,040. As part of the proposed project, Lot 45.-1-10 would be subdivided into two lots: Lot 45.-1-10.1 (71 percent) to be conveyed to the Applicant and Lot 45.-1-10.2 (29 percent) to remain Town owned (parkland). Therefore, an estimated market value for Lot.45.-10.1 would be \$560,218.⁸ The market value of Lot 45.-1-11 is \$985,600.⁹ As with the above noted parcel, Lot 45.-1-11 would be subdivided into Lot 45.-1-11.1 (26 percent) conveyed to the Applicant and Lot 45.-1-11.2 (74 percent) would remain under Town ownership as parkland. The estimated market value for Lot.45.-11.1 of \$256,256.

The market assessed value of Brewster Yards would result in an amount of \$29,076,474.¹⁰

The assessed value of the proposed project was determined by multiplying the market value by the Town's 2021 equalization rate of 100 percent. Therefore, the assessed value of the Brewster Yards project would be \$29,076,474.¹¹

Just to note, the full market value of the Starr Ridge Road parcel is \$375,000, according to the Town of Southeast's assessment conducted on July 1, 2020. The 2022 tax revenues for the Starr Ridge Road parcel were utilized to show the loss in tax revenues from the proposed transfer of ownership (private to town).

Adjusted Property Taxes from Proposed Development

The projected property taxes for the proposed development were calculated using the project's assessed value and the County and Town tax rates for 2022 less the 2022 tax revenues from the Applicant owned parcel located at 309 Starr Ridge Road. With development at the Pugsley Road site, the Starr Ridge Road parcel would be transferred to town ownership and removed from the tax rolls, thus this reduction in tax revenues was subtracted from the projected increase from the Pugsley Road development.

The total annual property tax revenue to Putnam County and the Town of Southeast (including the Brewster Central School District, Fire Department and Library) would be \$1,019,970.75 adjusted.

Refer to Table 4-5, Projected County and Town Property Tax Revenues, for the detailed breakdown of the projected and adjusted tax revenues expected from the proposed development.

⁸ Market Values of Property: Lot 45.-1-10 - \$789,040 dated 7.1.2020 – Source: Town of Southeast – Tax Receiver. Estimated Market Value for Lot 45.-1-10.1 is \$520,218 - 71 percent of the market value of Lot 45.-1-10.

⁹ Market Value of Property: 45.-1-11 - \$985,600 dated 7.1.2020 – source is Town of Southeast – Tax Receiver. Estimated Market Value for Lot 45.-1-10.1 is \$256,256 - 26 percent of the market value of Lot 45.-1-10

¹⁰ Sources: Construction cost for proposed project: 28.3 million - source is Applicant; Estimated Market Value: Lot 45.-1-10.1 \$520,218; Lot 45.-1-11.1 - \$256,256. Estimated Market Value of two parcels: \$776,474. Total Market Value: \$29,076,474.

¹¹ Putnam County 2021. "Equalization Rates - NYS ORPS Municipal Profiles." New York State Office of Real Property Services. 2021. 10 December 2021 and 28 March 2022. <http://www.tax.ny.gov> .

Table 4-5					
Projected County and Town Property Tax Revenues					
Levy Description	Total Tax Levy	Rate (Per \$1000 Assessed Valuation)	Project Site Tax Revenues	Starr Ridge Road Parcel Tax Revenues	Adjusted Tax Revenue of Proposed Project
Putnam County and Town of Southeast					
County Tax	46,687,781	3.016828	\$87,718.72	(-\$1,131.31)	\$86,587.41
Town Tax	6,683,328	2.9395	\$85,470.30	(-\$1,102.31)	\$84,367.99
Brewster Library	594,000	0.187809	\$5,460.82	(-\$70.43)	\$5,390.39
Brewster Fire	1,700,964	0.530245	\$15,417.66	(-\$198.84)	\$15,218.82
Brewster Central School District	78,965,175	28.487159	\$828,306.14	(\$0.0)	\$828,306.14
Total			\$1,022,373.64	(-\$2,502.89)	\$1,019,870.75
North Salem School District					
North Salem School District	40,227,073	19.963908	\$0.0	(-\$7,486.47)	(-\$7,486.47)
Total			\$0.0	(-\$7,486.47)	(-\$7,486.47)

Putnam County

Putnam County would receive approximately \$90,000 annually in adjusted property tax revenue from the completed Brewster Yards project.

Town of Southeast

The Town of Southeast would receive approximately \$84,000 annually in adjusted tax revenues from the project site after completion. Annual adjusted property tax revenues to the Brewster Fire Department and the Brewster Library would be \$15,218.82 and \$5,390.39, respectively. The Brewster Central School District would receive over \$800,000 annually in tax revenues from the completed project without the generation of any new school age children.

North Salem Central School District

As a result of the proposed project, the North Salem Central School District would see a \$7,500 annual loss in tax revenues.

4.5. Mitigation Measures

Due to the overall increase of property tax revenues realized from the proposed project, no mitigation measures are warranted and therefore, not proposed. Annual revenue of \$7,500 would be lost to the North Salem Central School District as a result of Brewster Yards, however, this represents approximately 0.016 percent of the total North Salem School District's budget.¹² Further, the currently undeveloped property does not incur any cost to the North Salem District as it does not generate any school age children, nor will it in the proposed condition.

¹² Source: Town of North Salem – North Salem Central School District 2021-2022 approved budget - \$45,914,756