DOWNTOWN HICKSVILLE REVITALIZATION ANALYSIS

Retail Market Conditions
Development Opportunity Analysis
Fiscal Impact Analysis

NYU Wagner Capstone Team
Prepared For: Vision Long Island
May 2013

NYU Wagner
Robert F. Wagner Graduate School of Public Service

VISION LONG ISLAND
Creating Smart Growth Communities

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ACKNOWLEDGMENTS

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III.
EXECUTIVE SUMMARY

Hicksville is an unincorporated hamlet with a population of 41,547 located within the Town of Oyster Bay in Nassau County, NY. Situated 31 miles east of New York City, it is accessible to the region's core by the Long Island Rail Road (LIRR) and a number of limited access highways. The downtown core of Hicksville, adjacent to the LIRR station, is defined by wide roads and surface parking that date back to post-war trends and policies enacted in the highway era of transportation planning. A revitalization effort has been put forth so that Hicksville can better capitalize on its existing transit infrastructure and the economic opportunities it provides.

The current effort, backed by public, non-profit, and private agencies such as Vision Long Island, AECOM, Urbanomics, the Hicksville Chamber of Commerce and the Town of Oyster Bay, has already produced the Downtown Hicksville Revitalization Action Plan, and is now in its second phase, which includes an analysis of the revitalization strategy. Stakeholders include the Hicksville Chamber of Commerce, residents, business owners, and elected officials. The NYU Wagner Capstone Team, whose findings are reported here, was tasked by Vision Long Island to provide quantitative and qualitative support to the proposals outlined in the Downtown Hicksville Revitalization Action Plan. The NYU Capstone Program is a studio project that Master's of Urban Planning candidates enrolled in the NYU Wagner School of Public Service are required to complete prior to graduation. The program provides graduate students with an opportunity to serve as a consultant team to address real-world issues in urban planning.

The NYU Capstone Team identified the following existing conditions within the downtown, with regards to existing land use, zoning, and businesses:

- In terms of number of parcels, the downtown Hicksville area (defined by the boundaries of the Central Business zone) contained 21% single family

residential, 24% commercial, 11% mixed use, and 12% parking.

- 3.7 million square feet of land in downtown Hicksville, more than 37% of total land area, is non-taxable and does not belong to a designated tax parcel. This non-taxable land primarily represents parking lots, roads or transportation infrastructure.
- The study area (Figure 5-1) is located entirely within the Town of Oyster Bay's Central Business zone, and it is surrounded by R1-6 and R1-7 residential zones, the General Business commercial zone (GB), and the Light Industry zone (LI).
- The entire study area is in the CB zoning district, which permits development of retail, service, office, and other commercial uses only and does not permit residential development. The maximum buildable floor area ratio (FAR) ranges from 1.0 – 2.0, depending on building coverage. The current zoning permits buildings as high as 5 stories tall and requires minimum front yard setbacks of 25 feet. As a result, businesses in Downtown Hicksville cannot be built to the curb, creating a less friendly pedestrian environment (see Table 5-1 and Figure 5-7).

A retail market analysis was performed to determine whether the mixed-use development with ground-floor retail called for in the Action Plan is plausible given the existing market conditions within Hicksville's Downtown. This analysis resulted in the following findings:

- There is a total of $76 million in unmet spending potential across a diverse range of retail categories in the hamlet of Hicksville, otherwise referred to as the "Hicksville Trade Area."
- This translates to 10% more retail sales than current levels and 244,000 additional square feet of retail space that could be built solely based on unmet spending potential within the Hicksville Trade Area.
- Using a similar methodology, a total of $1.2 billion in unmet spending potential was estimated for the Surrounding Market Area, which includes Westbury, Jericho, Syosset, Plainview, Bethpage, Levittown, and East Meadow.
- An estimated $26.5 million of the total unmet retail sales both the Hicksville Trade Area and the Surrounding Market Area could potentially be captured in the Downtown Hicksville study area. This could support 92,450 additional square feet of retail space.
- Most of these recaptured retail sales would originate from unmet spending potential in the surrounding market area, indicating that much of Hicksville's retail potential will come from attracting shoppers from neighboring towns.

The Capstone Team also examined downtown market potential under conditions of population growth related to the implementation of the Revitalization Plan. The following are some of the highlights of this analysis:

- Assuming a 7% population growth rate in the Hicksville Trade Area from 2010 to 2020, which accounts for both 1) the population increase associated with a buildout under the proposed zoning in the Plan and 2) background growth, this analysis estimates that the total unmet

consumer spending potential in the Hicksville Trade Area will be $92.3 million. This is $16 million higher than the unmet spending potential based on the existing population and translates to an additional 54,000 additional square feet in supportable retail space in the Hicksville Trade Area.

- The total unmet spending potential that can reasonably be captured downtown would increase to $31 million with new residential development downtown, representing an additional $4.7 million in spending capture, and translating to 107,000 square feet of supportable retail space.
- It was assumed that a greater share of spending driven by local demand could be captured, because the new population in Downtown Hicksville will likely live in mixed-use, infill development that is closer to stores.

A qualitative analysis of existing and future market segments identified opportunities for additional spending capture that may not be reflected in the spending gap analysis. A survey of existing residents indicated that there may be additional spending capture opportunities if a greater diversity of retail categories were to be provided downtown, even if a spending gap did not exist for that category.

The retail market analysis reveals there is a significant opportunity for retail development in Downtown Hicksville, especially with clothing stores, health and personal care stores, home furnishing stores, convenience goods and services, drinking places, specialty stores, and a greater diversity of restaurants.

Next, a land development analysis was performed to determine developable and taxable square footage under three potential growth scenarios for Downtown Hicksville. The total developable floor area under each growth scenario was affected by height, setback, and off-street parking requirements. The following are the highlights of this analysis:

- 93 empty or underbuilt parcels, otherwise known as “soft sites,” were identified within the study area (the CB zone north of Nicholai Street) for comparison between three scenarios.
- For Scenario 1, the No Build scenario under current CB zoning, 166,801 square feet (SF) of built floor area were found on the 93 parcels, resulting in an assessed value of $426,532.
- Under Scenario 2, full buildout under current CB zoning, 1,891,140 SF of total developable floor area were found for the 93 parcels, resulting in an assessed value total of $6,618,990, all in Class IV properties. Due to zoning restrictions, only commercial ratables would be added under this scenario.
- Scenario 3 represents a full buildout under the mixed-use zoning districts proposed in the Downtown Hicksville Revitalization Action Plan. The proposed zoning would split the CB zone into three smaller zoning districts: CB-1, CB-2, and CB-3. Developable square footage was then calculated for each of the new zones by tax class. The result was a new total of 2,964,609 buildable SF, resulting in a total assessed value of $8,278,318.

These assessed value estimates were then factored into the fiscal impact analysis to determine whether tax revenues generated from such development would outweigh expenditures. Revenues and expenditures were calculated for both Nassau County and the Town of Oyster Bay under each of the scenarios, and net fiscal impact was calculated.

- Under the No Build Scenario, the net tax benefit to Nassau County was estimated to be $630,226, and the net tax benefit to the Town of Oyster Bay and the school district was estimated to be $1.5 million combined. This resulted in a net tax benefit of $2.1 million for the No Build Scenario.
- Under the Existing Zoning Buildout Scenario, the net tax loss to the county was estimated to be $731,427, and the net tax benefit to the municipality and school district was $23.2 million. A total net tax benefit of $22.5 million would occur under the Existing Zoning Buildout Scenario.
- **Under the Proposed Zoning Buildout Scenario, the net tax benefit was estimated to be $2.2 million for the county and $26.6 million for the municipality and school district, resulting in a total net tax benefit of $28.8 million**.
- **The growth scenario with the greatest total net tax benefit was a full buildout of the 93 soft sites under the proposed zoning**. The public school system analysis assumes that the majority of future residential development will consist of studio and 1-bedroom apartments, both of which are not likely to have a significant number of schoolchildren. In addition, expenditures resulting from in-fill, downtown development are likely to experience economies of scale and be less than suburban development on a per-capita basis.

This analysis shows that should the proposed zoning changes be implemented, mixed-use, infill redevelopment on underbuilt or empty parcels in Downtown Hicksville provide the best opportunity for relieving the municipal property tax burden for existing and future residents and business owners. While the existing zoning also yields $22.5 million in net tax benefit, this growth scenario is much less likely to occur than the proposed zoning buildout, in the absence of any changes to the status quo that would create new market opportunities that would trigger such development. The proposed zoning has the potential to create new market opportunities and spur new development that will benefit local residents and stakeholders, while also serving as a more favorable growth scenario for municipal tax rolls than if the existing zoning were kept in place.

Incentivizing private development is one of the key elements that can lead to the success of the revitalization plan becoming a reality. Creative financing mechanisms can be utilized to promote public benefit and attract private sector development. Downtown Hicksville would benefit from public private partnerships in which the private sector begins the development process and assumes the risk associated with development, but is later reimbursed by the town through funding public improvements that are necessary for private development to commence. Finally, the use of District Improvement Bonuses (DIB) can incentivize private development to exchange public amenities, such

as a park or funding for the local library, for increases in the size of a building's envelope.

The findings of the retail market analysis, land development analysis, and fiscal impact analysis all provide support for the zoning change proposed in the Revitalization Plan. The retail development opportunities identified in the retail market analysis shows that the proposed zoning recommendations *are market-oriented,* and mixed-use development with ground-floor retail space is feasible. Lastly, the new retail development would provide new amenities for present and future residents, increasing the likelihood that the additional residential capacity could also be filled. Put together, this Downtown Revitalization Analysis should serve as a powerful case that supports the market-oriented recommendations set forth in the Downtown Hicksville Revitalization Action Plan.

IV.
HISTORY OF DEVELOPMENT IN DOWNTOWN HICKSVILLE

In its early years, Hicksville had a thriving economy due to the introduction of the German gold beating industry and the tourism trade that evolved out of the introduction of the LIRR to Hicksville.[i] Unfortunately, beginning in the late 19th century and early 20th century, as industry left Hicksville and tourism began to fade, Hicksville was left without an identity or plan to shape its community character. This left Hicksville in a position to develop haphazardly in the early 20th century.[ii]

During the war periods of the 1930s and 1940s, Hicksville and the Long Island region as a whole were able to contribute to the war effort through manufacturing supplies and other goods to support American soldiers in foreign lands.[iii] With the return of American soldiers from overseas, Hicksville experienced a significant population increase. Between 1944 and early 1960s Hicksville's population reached over 50,000 due to returning veterans purchasing homes through the assistance of the G.I. Bill.[iv] The impact of the surge in population left Hicksville's infrastructure overwhelmed and unprepared to handle the capacity of the returning soldiers and their new families. [v]

Between 1949 and 1954, Hicksville saw its largest population increase, and the street-level rail line was responsible for 54 vehicle accidents with 4 fatalities.[vi] By 1963, 58 collisions between a train and vehicles had occurred with a total of 9 fatalities as a result from the collisions.[vii] The community voiced opposition to the train at street level when a collision between a train and a vehicle with teenager passengers claimed the lives of the teenage passengers. In 1966 the Metropolitan Transit Authority (MTA) elevated the train line to address the community concerns and to increase emergency vehicle response time that was often delayed due to waiting at the street level crossing gates.[viii]

With the population growth during the 1950s, Hicksville's main roadways were forced to handle a record amount of vehicle travel. Vehicle congestion became

such an issue that community residents would regularly complain to elected officials to take action to alleviate the congestion.[ix] To address community concerns and improve traffic conditions, Broadway was widened in 1967[x]. Widening Broadway may have improved roadway capacity, but many small businesses along Broadway had to be demolished to accommodate the expansion[xi], including many architecturally unique and historical buildings, which ultimately destroyed some of Hicksville's community character in the process.[xii]

In 1969 the Nassau County Planning Commission Survey on Hicksville Volume I was published highlighting Hicksville's unique position between a central commuter hub with a disconnected downtown. The report made two interesting findings that:

- "Hicksville's downtown can be considered an 'old' area when viewed in terms of the age of its building structures."[xiii]
- "There is a shortage of long term parking in the area."[xiv]

The impact of these two statements led to an increase in off-street parking capacity and more destruction of historical buildings. Volume II of the Nassau County Planning Commission Survey laid the foundation for Hicksville to become a strategic component of Long Island's transportation network. In the report, the MTA describes its plan to create Hicksville into a "multi-purpose transportation area."[xv] The MTA's plan for Hicksville included the construction of new facilities in Hicksville's downtown area that served the "bus, taxi or auto passengers, and provided rail loading and unloading as well as ticketing."[xvi] The findings of the Nassau County Planning Commission Survey played a critical role in shaping Hicksville into the commuter parking and transportation hub it is today.

In May 1971, the planning consulting firm of Raymond, Parish, & Pine at the request of the Town of Oyster Bay Planning Advisory Board created a technical report studying the Hicksville Triangle.[xvii] The report made the following recommendations:

- Connect Duffy Ave. and E. Marie St to improve east-west traffic flow.
- Provide municipal off-street parking to meet the needs of new office buildings as well as existing uses and commuters.[xviii]

Overall, identifying and transforming Hicksville into a transportation hub and improving traffic flow through Hicksville was meant to provide positive benefits to both residents and commuters. Improved traffic flow in Hicksville was meant to allow shoppers easier access from one point in the downtown shopping area to another. Reducing traffic congestion was meant to increase business activity for small business owners.[xix] Consequently, Newbridge Road was constructed in the fall of 1968 as four-lane divided highway that attracted shoppers to the former Mid-Island and Sears shopping complexes.[xx]

The MTA's plan, identified in Volume II of the Nassau County Planning Commission Survey, was to transform Hicksville into a transportation hub to "close the comfort gap" for commuters.[xxi] In other words, since Hicksville was already a popular commuter destination prior to the MTA designating Hicksville as a transportation hub, any changes the MTA made to Hicksville would allow

commuters to be able to find a parking spot, shorten their commute time, and enjoy the newly purchased high speed electric train cars.[xxii] The MTA's "modernization" initiative, a portion of Volume II of the Nassau County Planning Commission Survey, anticipated and intended for increases in commuter conveniences would make more commuters choose to commute to Manhattan via rail than via automobile.[xxiii]

The modernization of the Hicksville station included purchasing 270 new high speed electric cars that would be more comfortable than traveling in a vehicle that would cut the transit time between Hicksville Station and Penn Station during peak rush hours from 51 minutes to 25 minutes.[xxiv] The consequence of modernizing Hicksville's train station required additional parking space for the influx of the anticipated new commuters. Creating additional parking required further building demolition and paving over of developable space.[xxv] Thus, MTA's plan for a more convenient commute and improved traffic flow has done little to contribute to the economic revitalization of Hicksville's downtown core.

V.
PROJECT BACKGROUND

5-1) Project Overview

The Downtown Hicksville Revitalization Action Plan was created by Vision Long Island through participation from private sector planning and architectural firms, community members, the Hicksville Chamber of Commerce, and other community groups. The Plan focuses on distinct improvements in downtown Hicksville to create a mixed-use, walkable environment to attract businesses, visitors, and residents.

The Plan's main objective is to improve the streetscape and pedestrian environment of Downtown Hicksville to attract new residents and provide a stimulus to local small businesses, through additional landscaping, street lighting, on-street parking, sidewalk improvements, and traffic calming measures. Off-street parking would still be provided for future visitors, workers, and residents, but are to be situated in the rear of buildings, rather than in the front.

The Plan encourages commercial and retail development as an economic engine for the Hicksville community. A combination of "mom and pop" storefronts with a major national chain would attract a variety of shoppers to Hicksville. A national chain can be an anchor to draw shoppers to downtown Hicksville and then encourage shoppers to browse a variety of small businesses that are also located within downtown Hicksville.

Revitalization of a downtown area typically attracts new residents to the area to take advantages of the new conveniences offered in the downtown. To address this, the Plan identifies numerous scenarios in which an influx of population could be accommodated without compromising the character of downtown Hicksville. For example, apartments over stores can be beneficial to young adults

who like to live in an active community. Downtown apartment buildings can accommodate families while providing a visually appealing entrance connected to the sidewalk. Empty nesters can downsize their living space while remaining close to children and grandchildren, and seniors might prefer to live within walking distance of health and personal care stores and groceries.

Finally, the Plan examines ways in which to beautify downtown Hicksville in a manner that not only encourages pedestrian traffic and shopping, but also creates visually appealing public spaces that can be used for events and community gatherings. Ultimately, the Plan is meant to benefit the community and there is no better way to benefit the community than to create areas in which community members can congregate and participate in events together.

5-2) Project Study Area

The project encompasses the area commonly referred to as the "Hicksville Triangle." As illustrated in Figure 5-1, the study area is bounded by Nicholai Street to the South, continuing along Newbridge Road and including parcels surrounding the LIRR station. The study area continues north along Newbridge Road until it meets Broadway to come to a point to create the northern barrier, and extends east to encompass several parcels east of the split between the Ronkonkoma and Port Jefferson LIRR Branches.

Figure 5-1: Downtown Revitalization Analysis Study Area Boundaries

Map: Jeremy Safran

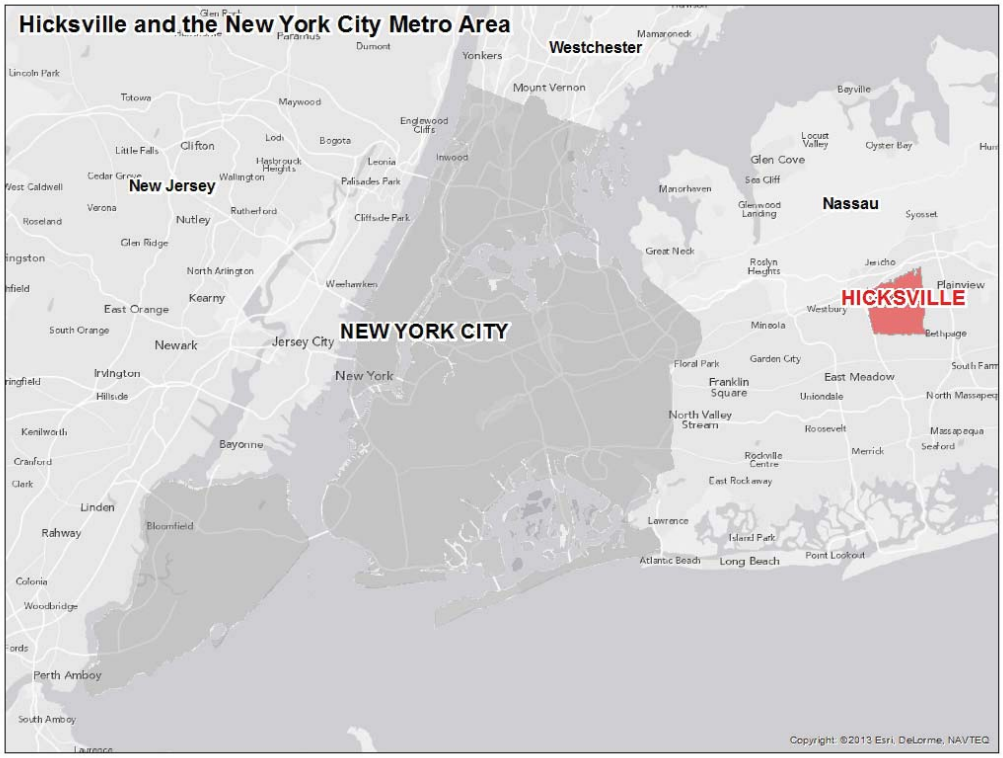
5-3) Transportation Network

An important element of Hicksville is its unique position as a major transportation hub serving bus, vehicle, and train travelers. Downtown Hicksville is also conveniently located near major highways, such as the Long Island Expressway, the Northern State Parkway, the Seaford-Oyster Bay Expressway, and the Wantagh State Parkway, and at the intersection of four major arterial roads serving 28,000 vehicles per day: Route 107, Route 106, Old Country Road, and Jerusalem Avenue. The Hicksville train station is one of the busiest train stations on the Long Island Rail Road (LIRR) system, where the Port Jefferson and Ronkonkoma branches merge to the Main Line that connects to Jamaica Station.

Additionally, the Nassau Inter County Express (NICE) bus system has 11 unique routes that traverse Hicksville, including the train station. The NICE system lacks a formal bus station causing safety issues for passengers and drivers. The Downtown Hicksville Revitalization Plan addresses this issue by proposing an Intermodal Bus Facility in which the NICE buses are consolidated into one area that provides passengers and bus drivers a safe area in which to embark on their travels.

Hicksville is located 31 miles east of Midtown Manhattan, and is 40-minute drive, and a 45-minute ride on the LIRR, from New York City under free flow traffic conditions and normal rail operations.

Figure 5-2: Hicksville and the New York City Metro Area



Map: Carson Qing

5-4) Land Use

Most of the Downtown Revitalization Analysis study area is characterized by a mix of commercial and institutional uses and a substantial supply of off-street parking. The Hicksville LIRR station is surrounded on all sides by expansive parking lots utilized by commuters, visitors, and employees, as shown in Figure 5-3. There is also a large concentration of empty parcels dedicated for parking, driveways, and other automobile uses around Marie Street and Nelson Avenue only a block away from the LIRR station.

Figure 5-3: Off-Street Parking in the Study Area

Photos: Jeremy Safran, Carson Qing

There are also several blocks of continuous, low-rise, mixed-use buildings built to the curb located along Downtown Hicksville's traditional core of Broadway, from Barclay Street to Nicholai Street, situated a short walk east of the LIRR station. Here, there is a diverse mix of ethnic restaurants, specialty shops, and other locally-owned businesses. These older buildings are located on a busy, four-lane, two-way road with on-street parking only allowed on the east blockfaces. The west block of Broadway can be characterized by predominantly empty, underutilized, or underbuilt parcels, from Herzog Place to Nicholai Street. Land uses on the western and eastern blocks of Broadway south of Marie Street are shown in Figure 5-4 below.

Figure 5-4: The western (left) and eastern (right) blocks of Broadway from Marie Street to Nicholai Street

Photos: Google Maps

The map in Figure 5-5 describes the land use category of all parcels in the study area, based on the description of the parcels provided by the Nassau County Planning Department.

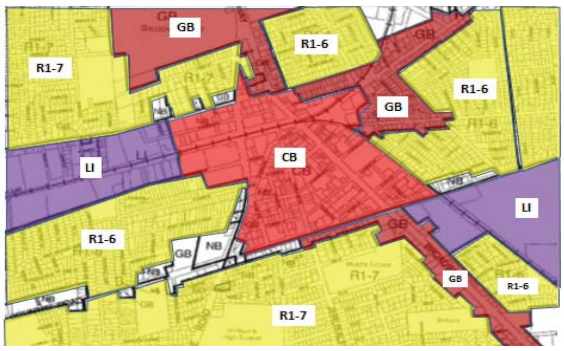
Figure 5-5: Downtown Revitalization Analysis Study Area Land Use (Current)

Data Source: Nassau County Dept. of Planning. Map: Jeremy Safran

5-5) Existing Zoning

The entire Downtown Revitalization Analysis study area is currently located in the CB zoning district, based on zoning maps obtained from the Town of Oyster Bay's Planning Department. Under CB zoning, development of retail, service, office, and other commercial uses are permitted. Currently, residential development is not permitted under CB zoning. The maximum buildable floor area under CB zoning ranges from 1.0 (60% lot coverage) to 2.0 (40% lot coverage). The Downtown Hicksville "Triangle" is surrounded by general business (GB) zoning districts to its north and to its southeast along Broadway, and low-density residential zoning districts to its west, east, and south. Light industrial zoning districts (LI) encompass tax parcels adjacent to the Main Line and the Ronkonkoma Branch of the Long Island Rail Road, extending out of Hicksville's central business district. Figure 5-6 is a map of the zoning districts within and surrounding the study area: yellow shaded districts denote residential zones, red districts denote commercial zones, and purple districts denote light industrial zones.

Figure 5-6: Downtown Hicksville Zoning Districts (Current)



Data Source: Town of Oyster Bay. Map: Jeremy Safran

The existing zoning also specifies requirements for minimum setbacks, off-street parking, and building heights (Table 5-1). Currently, new development within the CB zoning district can be as high as 60 feet (5 stories), with a minimum front yard setback requirement of 25 feet. The minimum front yard setback requirement prevents any new construction from being built to the curb. The leftover space often is utilized to satisfy minimum off-street parking requirements and creates a less attractive downtown environment for pedestrians, as illustrated by the image in Figure 5-7. Minimum off-street parking requirements for office and retail uses under the current zoning are 1 space per 200 square feet of built floor area, according to the Town of Oyster Bay's zoning code.

Table 5-1: Dimensional Requirements of Existing CB Zoning

Zoning District	Maximum Building Height (Stories)	Minimum Front Yard Setback	Minimum Side Yard Setback	Minimum Rear Yard Setback
CB-current	60 feet (5 stories)	25 feet	0 feet	20 feet

Source: Downtown Hicksville Revitalization Action Plan

Figure 5-7: Impact of Dimensional Requirements on Walkability in Downtown Hicksville

Photo: Carson Qing

5-6) Proposed Zoning Districts in the Downtown Hicksville Revitalization Plan

The Hicksville Revitalization Plan outlined proposed zoning code changes to make Downtown Hicksville a mixed-use and pedestrian-friendly district, as shown in Figure 5-7 and Table 5-2. The proposed changes are broken down into three sections, CB-1, CB-2, and CB-3. Each district has its own unique characteristics given its position within the study area:

- CB-1 is closest to the train station and encourages multifamily housing with easy pedestrian access to the train station to reduce auto dependence;
- CB-2 aims to keep the traditional downtown feel by preserving the historical and architecturally unique buildings along Broadway and promoting a pedestrian friendly mixed-use environment.
- In the CB-3 zoning district, neighborhood amenities and mixed housing would be constructed within walking distance to the downtown core. The proposed zoning removes the minimum front yard setback requirement and replaces it with a maximum setback requirement so that new development can be built to the curb, creating a more pedestrian-friendly downtown environment.

Most importantly, the proposed zoning permits a greater mix of uses, including apartments over stores, townhouses, and the commercial and retail uses allowed under the current zoning. The maximum heights of new development under the proposed zoning are 10 to 25 feet *lower* than those under the current CB zoning, which allows new buildings to be constructed as high as 60 feet (5 stories)

Table 5-2: Dimensional Requirements Under the Proposed Zoning

Zoning District	Maximum Building Height (Stories)	MAXIMUM Front Yard Setback	Minimum Side Yard Setback	Minimum Rear Yard Setback
CB-1	50 feet (4 Stories)	10 feet	0 feet	15 feet
CB-2	40 feet (3.5 stories)	10 feet	0 feet	20 feet/5 feet*
CB-3	35 feet (3 stories)	15 feet	0 feet	20 feet

Source: Downtown Hicksville Revitalization Action Plan

Table 5-3: Permitted Uses in Proposed Zoning Districts

Land Use	Permitted?
Commercial and Retail Uses Under Existing Zoning	Yes (auto-centric uses should be eliminated/reviewed to determine impact on walkability)
Drive-through Uses and Gas Stations	Yes (by special permit. Drive through uses, if allowed by planning board, must be behind the building, and driveway should be on side roads whenever possible)
Storage Facilities	Yes (by special permit)
Automobile Uses (dealerships, repair shops, commercial vehicle storage)	No
Multi-family residential	Yes (on side streets, with parking behind units. Main entrance should front sidewalk, rather than rear parking)

Source: Downtown Hicksville Revitalization Action Plan

Figure 5-8: Downtown Hicksville Zoning Districts (Proposed)

Map: Jeremy Safran

VI.
RETAIL MARKET ANALYSIS

6-1) Demographic and Economic Profile

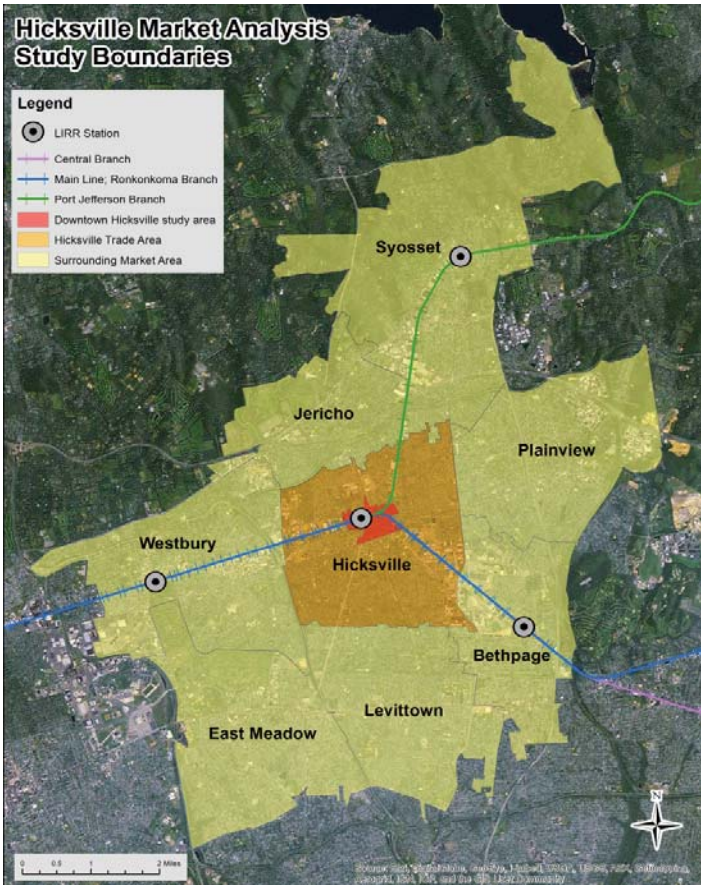
The purpose of the retail market analysis is to determine the following:

- Are market conditions are favorable for retail development in Downtown Hicksville?
- Can the ground floors in future mixed-use development be realistically filled with retail uses
- What types of retail categories have the greatest opportunities for spending capture?

The first stage in this retail market analysis aims to identify the characteristics of existing residents, nearby residents, and commuters, who represent key market segments that will affect the potential for future retail development in Downtown Hicksville.

The map in Figure 6-1 identifies the study boundaries of this market analysis:

Figure 6-1. Market Analysis Study Boundaries



Map: Carson Qing

The innermost area (red) is the **"Downtown Hicksville"** study area defined in the Downtown Hicksville Revitalization Action Plan.

The area immediately surrounding Downtown Hicksville will be referred to as the "**Hicksville Trade Area"** (orange) and is defined by the 11801 Zip Code that encompasses most of the hamlet of Hicksville. The Hicksville Trade Area includes the entire area of Downtown Hicksville.

The outer-most area (yellow) will be referred to as the "**Surrounding Market Area**" and is defined by seven zip codes that include the towns of Westbury, Jericho, Syosset, Plainview, Bethpage, Levittown, and East Meadow. This area is separate from the Hicksville Trade Area.

The two larger study areas were designated to identify market conditions and demographic and economic trends based on recent Census data.

Hicksville is at the crossroads of two major Long Island Rail Road lines--the Ronkonkoma and the Port Jefferson branches--and has a station downtown that serves 15,000 commuters per weekday. Downtown Hicksville is also conveniently located near major highways, such as the Long Island Expressway, the Northern State Parkway, and the Wantagh State Parkway, and at the intersection of four major arterial roads: Route 107, Route 106, Old Country Road, and Jerusalem Avenue. These geographic advantages have led to a clustering of economic activity in the Hicksville Trade Area. Compared to the Surrounding Market Area, the Hicksville Trade Area has 72% more jobs per square mile and 64% more businesses per square mile. Compared to the rest of Nassau County, it has 121% more jobs per square mile and 73% more businesses per square mile.

However, Table 6-1 shows Hicksville Trade Area lags Nassau County averages with regard to population growth, unemployment, household income, average pay, job growth, and business growth. Conversely, surrounding municipalities generally exceed or outperform county averages for each of these indicators, indicating that the Hicksville Trade Area is well positioned to take advantage of relatively favorable demographic and economic conditions nearby. The Hicksville Trade Area has an ethnically diverse population with a high concentration of Asians and Hispanics, who together represent one-third of the population. Despite having more residents per square mile than Nassau County, both the Hicksville Trade Area and Surrounding Market Area generally have a lower share of rental units in its housing stock than the County as a whole. This indicates a potential opportunity for more rental units.

As shown in Table 6-2, the Hicksville Trade Area has a higher concentration of retail establishments (17% of total businesses) than both the Surrounding Market Area and Nassau County. Despite significant losses in retail and wholesale establishments over the past decade in the surrounding market area and in the county, the Hicksville Trade Area's retail and wholesale sectors have been relatively resilient since 2000. Professional services has been a major area of growth in Hicksville, particularly in the high-tech engineering sector, in which the number of "computer engineering services" establishments increased 50% from 32 in 2000 to 48 in 2010.

Table 6-1. Demographic Characteristics

DEMOGRAPHICS	HICKSVILLE TRADE AREA	SURROUNDING MARKET AREA	NASSAU COUNTY
TOTAL POPULATION	39,553	214,566	1,339,532
POPULATION PER SQUARE MILE	5,993	4,815	4,667
POPULATION GROWTH 2000-10	0.26%	1.79%	0.37%
MEDIAN AGE (years)	41.4	42.3	41.1
RACE			
White	62.6%	69.1%	65.5%
Black	1.1%	5.6%	10.5%
Hispanic	14.9%	13.0%	14.6%
Asian	19.3%	10.6%	8.5%
AVG HOUSEHOLD SIZE	3.09	2.98	2.94
PERCENT HOUSEHOLDS MARRIED	62.5%	64.7%	60.0%
HOUSEHOLDS WITH CHILDREN UNDER 18 YRS OLD	27.3%	34.4%	20.7%
OWNER OCCUPIED HOUSING UNITS	84.3%	86.1%	79.9%
RENTER OCCUPIED HOUSING UNITS	15.7%	13.9%	20.1%
MEDIAN HOUSEHOLD INCOME	$85,397	$104,347	$93,613
GROWTH IN MEDIAN HOUSEHOLD INCOME 2000-10	26.4%	30.0%	30.3%

Sources: 2010 Decennial Census and American Community Survey

Table 6-2: Economic Characteristics

ECONOMY	HICKSVILLE TRADE AREA	SURROUNDING MARKET AREA	NASSAU COUNTY
UNEMPLOYMENT RATE	5.90%	5.10%	5.80%
TOTAL JOBS	25,969	101,910	511,467
JOBS PER SQUARE MILE	3,935	2,287	1,782
JOB GROWTH 2000-10	-25.10%	-5.50%	-9.00%
AVERAGE PAY	45,657	54,591	47,961
TOTAL BUSINESSES	1,872	7,702	47,113
BUSINESSES PER SQUARE MILE	284	173	164
BUSINESS GROWTH 2000-10	-0.80%	3.10%	-0.20%
TOP INDUSTRIES BY BUSINESS ESTABLISHMENTS	1. Retail (17%) 2. Professional Services (11%) 3. Wholesale (11%)	1. Professional Services (15%) 2. Retail (12%) 3. Health Care (11%)	1. Professional Services (15%) 2. Retail (13%) 3. Health Care (12%)
GROWING INDUSTRIES BY BUSINESS ESTABLISHMENTS (2000-10)	1. Professional Services (+38) 2. Accommodation and Food Services (+17) 3. Wholesale (+15)	1. Health Care (+123) 2. Professional Services (+92) 3. Accommodation and Food Services (+87)	1. Health Care (+561) 2.Accommodation and Food Services (+454) 3. Prof Services (+392)
DECLINING INDUSTRIES BY BUSINESS ESTABLISHMENTS (2000-10)	1. Transportation and Warehousing (-46) 2. Manufacturing (-24) 3. Retail (-7)	1. Retail (-79) 2. Manufacturing (-75) 3. Construction (-72)	1. Retail (-589) 2. Wholesale (-570) 3. Manufacturing (-476)

Source: U.S. Census County Business Patterns, 2010 American Community Survey

6-2) Commuter Flows in Hicksville

Hicksville's accessibility advantages have made the town a major focal point for daily commuter flows in central Nassau County, as employment is more concentrated in the Hicksville Trade Area than in the Surrounding Market Area and elsewhere in the county, and its LIRR station serves as a key transfer point for Manhattan-bound commuters. Table 6-3 below shows where individuals employed in Hicksville live: 24% of workers in Hicksville are "reverse commuters" from New York City, representing 6,283 total individuals. However, many of those individuals live in Queens and are more likely to commute to Hicksville by car than by LIRR.

Table 6-3: Where Hicksville Trade Area Workers Live, 2010

CITY OF RESIDENCE	Total Commuters	Share of Total
New York, NY	6,283	24.4%
Queens	*2,738*	*10.6%*
Hicksville, NY	1,710	6.6%
Levittown, NY	876	3.4%
Hempstead, NY	383	1.5%
East Meadow, NY	374	1.5%
Bethpage, NY	363	1.4%
Plainview, NY	353	1.4%
New Cassel, NY	316	1.2%
West Babylon, NY	314	1.2%
Lindenhurst, NY	228	0.9%

Source: US Census Bureau Longitudinal Employer-Household Dynamics

Table 6-4 shows where residents in the Hicksville Trade Area (Table 6-5 for the Surrounding Market Area) are currently employed. A worker living in the Hicksville Trade Area is three times as likely to be employed in Hicksville as a worker in the Surrounding Market Area. However, nearly one-third of both Hicksville Trade Area and Surrounding Market Area residents commute to New York City. Roughly 15% of all commuters work in Manhattan, and 72% of Manhattan commuters use LIRR as their primary means of travel. This indicates that commuters to Manhattan in both the Hicksville Trade Area and the Surrounding Market Area are a key market segment to consider in assessing retail potential near major LIRR stations in these areas.

Table 6-4: Where Hicksville Trade Area Residents Work, 2010

CITY OF WORKPLACE	Total Commuters	Share of Total
New York, NY	5,883	28.9%
Manhattan	*3,241*	*15.9%*
Hicksville, NY	1,604	7.9%
Mineola, NY	885	4.3%
Plainview, NY	708	3.5%
Melville, NY	545	2.7%
Syosset, NY	424	2.1%
East Garden City, NY	419	2.1%
Jericho, NY	401	2.0%
Manhasset, NY	376	1.8%
Woodbury, NY	376	1.8%

Source: US Census Bureau Longitudinal Employer-Household Dynamics

Table 6-5: Where Surrounding Market Area Residents Work, 2010

CITY OF WORKPLACE	Total	Share of Total
New York, NY	29,732	29.4%
Manhattan	*15,382*	*14.9%*
Mineola, NY	4,489	4.4%
Plainview, NY	3,466	3.3%
Hicksville, NY	2,916	2.8%
Melville, NY	2,658	2.6%
Levittown, NY	2,380	2.3%
East Garden City, NY	2,312	2.2%
East Meadow, NY	2,263	2.2%
Syosset, NY	2,219	2.2%
Manhasset, NY	1,856	1.8%

Source: US Census Bureau Longitudinal Employer-Household Dynamics

6-3) Spending Gap Analysis for Hicksville Trade Area

Given the context of these recent demographic and economic trends, a full assessment of market conditions, based on a spending gap analysis, was conducted for the Hicksville Trade Area (this section) the Surrounding Market Area (in the next Section 6-4).

Consumer spending potential among residents of the Hicksville Trade Area (defined as the 11801 zip code) was estimated based on

1) typical spending habits of a Nassau County consumer and
2) income characteristics of Hicksville residents relative to those of Nassau County.

Total sales by retail industry sector were calculated using estimates from ESRI's Retail Marketplace Profile data tool.

Leakage and Surplus

This analysis compares consumer spending (existing demand) with total sales (existing supply) to calculate whether there is a retail **surplus** (supply exceeds demand) or a **leakage** (demand exceeds supply) in the Hicksville Trade Area. As indicated in Figure 6-1, this area includes both the downtown shopping district and other destinations within Hicksville, such as the Broadway Mall shopping center.

Retail industry sub-sectors with **leakage** have an opportunity to capture additional spending, as consumer spending potential in each category exceeds existing sales in the Hicksville Trade Area. **Leakages indicate that opportunities exist for additional retail development within those subsectors in Hicksville.**

A retail **surplus** indicates that businesses in that sector are 1) already satisfying local demand or 2) drawing in additional spending from customers who live outside Hicksville; as a result, market conditions indicate there is not likely to be potential for additional spending capture through new retail development in retail sub-sectors with a surplus.

Table 6-6 shows the results of the Hicksville Trade Area Spending Gap Analysis by retail sub-sector. Using Urban Land Institute's estimates of sales per square foot by industry sector for a community shopping district, the following are some of the major findings from this analysis:

- The Hicksville Trade Area has **$76 million in unmet spending potential** across a diverse range of retail typologies. This translates to a potential for 244,000 additional square footage (or 10% more than current levels) in retail space within the Hicksville Trade Area.
- The largest opportunities are in health and personal care (pharmacies/drug stores), general merchandise (bulk retailers such as Costco, or dollar stores), and home furnishings stores.

Table 6-6: Hicksville Trade Area Spending Gaps

HICKSVILLE TRADE AREA SPENDING GAP ANALYSIS					
NAICS Code	**Industry Sector**	**Spending Potential**	**Total Sales**	**Unmet Potential**	**Supportable Square Feet**
446	Health & Personal Care Stores	$46,423,113	$27,306,573	$19,116,540	44,561
4529	Other general merchandise stores	$22,201,845	$8,297,057	$13,904,788	30,211
4422	Home furnishings stores	$12,346,645	$5,884,812	$6,461,833	29,916
4481	Clothing stores	$40,584,431	$34,208,177	$6,376,254	23,704
4511	Sports/hobby/musical instruments	$10,350,862	$4,299,597	$6,051,265	27,381
4431	Electronics & appliance stores	$25,637,620	$20,343,983	$5,293,637	17,529
7223	Special food services	$9,377,203	$4,929,202	$4,448,001	23,047
4483	Jewelry, luggage, & leather stores	$6,859,364	$3,020,750	$3,838,614	12,669
4453	Beer, wine, and liquor stores	$6,894,145	$3,206,142	$3,688,003	9,313
4512	Book stores and news dealers	$3,210,918	$473,544	$2,737,374	11,128
7224	Drinking places (alcoholic beverages)	$1,624,619	$261,064	$1,363,555	3,809
4531	Florists	$1,848,900	$823,263	$1,025,637	3,870
4442	Lawn & Garden Equipment	$2,459,914	$1,476,619	$983,295	2,528
4532	Office supplies, stationery, & gifts	$6,560,933	$5,720,254	$840,679	4,162
4482	Shoe stores	$5,574,221	$5,455,662	$118,559	624
4412	Other motor vehicle dealers	$4,151,028	$5,882,439	$0	0
4521	Department stores	$40,819,773	$43,033,455	$0	0
7221	Full-service restaurants	$26,816,926	$29,993,147	$0	0
4441	Bldg Material & Supplies Dealers	$36,751,464	$40,330,679	$0	0
4452	Specialty food stores	$5,093,288	$8,868,056	$0	0
4411	Automobile dealers	$138,528,480	$149,983,480	$0	0
4413	Automotive parts, accessories, and tire stores	$4,938,569	$20,395,170	$0	0
447	Gas stations	$30,528,382	$49,565,448	$0	0
4421	Furniture stores	$10,498,977	$44,796,873	$0	0
7222	Limited-service eating places	$20,025,709	$59,306,604	$0	0
4451	Grocery stores	$71,972,064	$167,754,661	$0	0
TOTAL		$592,431,658	$746,121,867	$76,248,033	244,450

Sources: 2007 Economic Census, 2011 American Community Survey, ESRI Retail Marketplace Profile, Urban Land Institute, NYU Capstone Team Estimates

6-4) Spending Gap Analysis for Surrounding Market Area

A spending gap analysis was conducted for the Surrounding Market Area, which consists of the seven zip codes of Westbury, Jericho, Syosset, Plainview, Levittown, and East Meadow. As described in the demographic overview, the surrounding market area has a growing population of over 210,000 as of 2010, and households in the Surrounding Market Area are slightly more affluent than those in the Hicksville Trade Area. Using a similar methodology from Section 6-3 for the Hicksville Trade Area, $1.22 billion in unmet spending potential was estimated for the Surrounding Market Area, which is itemized in the table below.

Table 6-7. Surrounding Market Area Spending Gaps

SURROUNDING MARKET AREA SPENDING GAP ANALYSIS				
NAICS Code	**Industry Sector**	**Spending Potential**	**Total Sales**	**Unmet Spending Potential**
4411	Automobile dealers	$828,362,714	$426,492,735	$401,869,979
4481	Clothing stores	$242,683,881	$79,048,262	$163,635,619
446	Health & Personal Care Stores	$277,597,619	$118,661,912	$158,935,707
4521	Department stores	$244,091,164	$123,266,147	$120,825,017
4441	Bldg Material & Supplies Dealers	$219,763,782	$112,826,260	$106,937,522
4422	Home furnishings stores	$73,829,586	$26,300,921	$47,528,665
4511	Sporting good/hobby/musical instr	$61,895,348	$19,695,599	$42,199,749
4483	Jewelry, luggage, & leather stores	$41,017,133	$9,953,681	$31,063,452
4421	Furniture stores	$62,781,032	$33,791,683	$28,989,349
4532	Office supplies, stationery, & gift stores	$39,232,601	$11,372,103	$27,860,498
4431	Electronics & appliance stores	$153,306,012	$131,555,556	$21,750,456
4482	Shoe stores	$33,332,327	$18,832,477	$14,499,850
4512	Book stores and news dealers	$19,200,416	$7,433,266	$11,767,150
4453	Beer, wine, and liquor stores	$41,225,114	$30,963,825	$10,261,289
4531	Florists	$11,055,920	$2,396,196	$8,659,724
4442	Lawn & Garden Equip & Supply Stores	$14,709,620	$7,322,236	$7,387,384
4452	Specialty food stores	$30,456,481	$25,941,720	$4,514,761
4412	Other motor vehicle dealers	$24,822,023	$22,226,821	$2,595,202
7224	Drinking places (alcoholic beverages)	$9,714,778	$7,319,321	$2,395,457
4413	Automotive parts, accessories, and tire stores	$29,531,301	$27,414,840	$2,116,461
7221	Full-service restaurants	$160,357,940	$160,239,021	$118,919
7223	Special food services	$56,073,127	$73,820,229	$0
7222	Limited-service eating places	$119,748,306	$194,540,281	$0
4529	Other general merchandise stores	$132,761,005	$152,854,328	$0
4451	Grocery stores	$430,373,411	$574,846,347	$0
447	Gas stations	$182,551,437	$218,447,260	$0

Sources: 2007 Economic Census, 2011 American Community Survey, ESRI Retail Marketplace Profile, Urban Land Institute, NYU Capstone Team Estimates

6-5) Downtown Hicksville Retail Development Potential

Based on the spending gap analysis of both the Hicksville Trade Area and the Surrounding Market Area, **Downtown Hicksville could potentially capture an additional $26.5 million in retail sales, which translates to 92,450 additional square feet of retail space**. The vast majority of the unmet spending potential is in the Surrounding Market Area, due to competitive advantages that Hicksville Trade Area has over the Surrounding Market Area in certain sectors, which is illustrated by relatively lower leakage rates in those sectors.

Assumptions

This analysis uses five assumptions to determine a realistic estimate of how much additional sales could be captured in Downtown Hicksville.

1) Competitive Advantage

For retail sectors that have a lower leakage rate in the Hicksville Trade Area than the Surrounding Market Area, it was assumed that Downtown Hicksville could potentially capture 5% of the total Surrounding Market Area leakage in that sector. This lower leakage rate in the Hicksville Trade Area indicates that some competitive advantage or niche attraction exists locally, and that there is strong potential for Downtown Hicksville to capture unmet demand from the surrounding area. These competitive advantage industries are the primary sources of potential sales that could be captured in Downtown Hicksville (labeled "Competitive Advantage" in Figure 6-9).

2) Sales Surplus

For any retail sub-sector with a spending surplus in either the Hicksville Trade Area or Surrounding Market Area, it was assumed Downtown Hicksville could not capture any additional sales in those sub-sectors, since demand was already being met both within Hicksville and nearby (labeled "Market Area Surplus" or "Trade Area Surplus" in Figure 6-9).

3) Not Appropriate Downtown

Retail categories with leakages that were considered inappropriate for a walkable downtown retail environment, such as gas stations and lawn and garden centers, were assumed to have no additional spending capture potential (labeled "Not appropriate downtown" in Figure 6-9).

4) Comparison Goods

For retail sub-sectors that sell comparison goods, which customers travel longer distances to purchase, it was assumed that Downtown Hicksville can only capture 10% of the leakage in the Hicksville Trade Area, given that Hicksville does not have a competitive advantage in that sector.

If retail leakage rates for sectors that sell comparison goods exceed 50% for the Hicksville Trade Area but are below 50% for the Surrounding Market Area, it was assumed that no "capture potential" exists in Downtown Hicksville. Here, it is likely that local demand for comparison goods has been adequately met by

nearby establishments.

5) Convenience Goods

For retail sectors that sell goods and services that usually attract a greater share of demand from local residents (e.g., food, medicine, groceries, and beer), it was assumed that Downtown Hicksville could capture 20% of the Hicksville Trade Area leakage. For these sub-sectors, no competitive advantage exists, that leakage rates in Hicksville, expressed as the total leakage divided by total sales, are higher than those of the surrounding area in that sector, and that the leakage rate in the surrounding market area in that sector is less than 50%. The potential for additional development in Downtown Hicksville by retail sub-sector under existing market conditions is summarized in Tables 6-8 and 6-9:

Table 6-8. Leakage Rate Comparison: Hicksville Trade Area vs. Surrounding Market Area

LEAKAGE RATE COMPARISON: HICKSVILLE VS. MARKET AREA			
NAICS	**Industry Sector**	**Hicksville Trade Area Leakage Rate**	**Surrounding Market Area Leakage Rate**
4481	Clothing stores	18.6%	207.0%
446	Health & Personal Care Stores	70.0%	133.9%
4422	Home furnishings stores	109.8%	180.7%
4511	Sporting good/hobby/musical instr	140.7%	214.3%
4483	Jewelry, luggage, & leather stores	127.1%	312.1%
4532	Office supplies, stationery, & gift stores	14.7%	245.0%
4453	Beer, wine, and liquor stores	115.0%	33.1%
4482	Shoe stores	2.2%	77.0%
4431	Electronics & appliance stores	26.0%	16.5%
4531	Florists	124.6%	361.4%
4512	Book stores and news dealers	578.1%	158.3%
7224	Drinking places (alcoholic beverages)	522.3%	32.7%
7223	Special food services	90.2%	0.0%
7222	Limited-service eating places	0.0%	0.0%
7221	Full-service restaurants	0.0%	0.1%
4529	Other general merchandise stores	167.6%	0.0%
4521	Department stores	0.0%	98.0%
4452	Specialty food stores	0.0%	17.4%
4451	Grocery stores	0.0%	0.0%
4442	Lawn & Garden Equip & Supply Stores	66.6%	100.9%
4441	Bldg Material & Supplies Dealers	0.0%	94.8%
4421	Furniture stores	0.0%	85.8%
4413	Automotive parts, accessories, & tire	0.0%	7.7%
4412	Other motor vehicle dealers	0.0%	11.7%
4411	Automobile dealers	0.0%	94.2%
447	Gas stations	0.0%	0.0%

Sources: 2007 Economic Census, 2011 American Community Survey, ESRI Retail Marketplace Profile, NYU Capstone Team Estimates

Table 6-9. Estimated Downtown Hicksville Retail Development Potential

DOWNTOWN HICKSVILLE RETAIL DEVELOPMENT POTENTIAL					
Industry Sector	**Hicksville Capture Potential**	**Market Area Capture Potential**	**Potential Downtown Sales**	**Supportable Square Feet**	**Assumption**
TOTAL DOWNTOWN RETAIL POTENTIAL			$26,532,576	92,451	
Clothing stores		5%	$8,181,781	30,416	Competitive advantage
Health & Personal Care Stores		5%	$7,946,785	18,524	Competitive advantage
Home furnishings stores		5%	$2,376,433	11,002	Competitive advantage
Sporting good/hobby/musical instr		5%	$2,109,987	9,547	Competitive advantage
Jewelry, luggage, & leather stores		5%	$1,553,173	5,126	Competitive advantage
Office supplies, stationery, & gift stores		5%	$1,393,025	6,896	Competitive advantage
Beer, wine, and liquor stores	20%		$737,601	1,863	Convenience good
Shoe stores		5%	$724,993	3,816	Competitive advantage
Electronics & appliance stores	10%		$529,364	1,753	Comparison good
Florists		5%	$432,986	1,634	Competitive advantage
Book stores and news dealers	10%		$273,737	1,113	Comparison good
Drinking places (alcoholic beverages)	20%		$272,711	762	Convenience good
Special food services			0	0	Market area surplus
Limited-service eating places			0	0	Trade area surplus
Full-service restaurants			0	0	Trade area surplus
Other general merchandise stores			0	0	Market area surplus
Department stores			0	0	Trade area surplus
Specialty food stores			0	0	Trade area surplus
Grocery stores			0	0	Trade area surplus
Lawn & Garden Equip & Supply Stores			0	0	Not appropriate downtown
Bldg Material & Supplies Dealers			0	0	Trade area surplus
Furniture stores			0	0	Trade area surplus
Automotive parts, accessories, and tire stores			0	0	Trade area surplus
Other motor vehicle dealers			0	0	Trade area surplus
Automobile dealers			0	0	Trade area surplus
Gas stations			0	0	Trade area surplus

Sources: 2007 Economic Census, 2011 American Community Survey, ESRI Retail Marketplace Profile, Urban Land Institute

Based on these market conditions, the strongest **potential for retail development in Downtown Hicksville consists of clothing stores, health and personal care stores, and home furnishing stores.** These retail typologies could accommodate more than 10,000 square feet of retail space in Downtown Hicksville, based on competitive advantages or niche attractions unique to Hicksville. In addition, significant spending gaps in the Hicksville Trade Area and the Surrounding Market Area present an excellent opportunity for these types establishments to be profitable and successful. For sectors, in which Hicksville does not a have competitive advantage, establishments that sell convenience goods (e.g., drinking places and liquor stores) and comparison goods (e.g., bookstores and electronic stores) have the greatest potential for retail development in the downtown study area.

6-6) Impacts of Future Population Growth on Retail Market

To estimate the impact of Downtown Hicksville's anticipated population growth on the Hicksville Trade Area's retail market, the following assumptions were made:

- The zoning recommendations of the Downtown Hicksville Revitalization Action Plan will be implemented, which will lead to new residential development on empty and underbuilt parcels and generate 2,724 residents in Hicksville.
- The population of the Hicksville Trade Area will increase by 0.26% (+102) by 2020, regardless of whether the new infill development in Hicksville's downtown will be built out by 2020.
- Future residents in Hicksville will have similar spending characteristics as other Nassau County residents.
- The population of the Surrounding Market Area will continue growing at the current rate of 1.8%.

Together, this growth scenario would result in no more than a 7% net increase (2,826 total = 2,724 from the new development + 102 background growth) in the Hicksville Trade Area's population by 2020. The population growth related to the residential development after a buildout under the proposed zoning is meant to be the *extreme upper limit* in future population increase associated with new residential development, and should be interpreted as a theoretical projection only (see Section 8-4: County Expenditures).

Hicksville Trade Area

The findings of this analysis project that the anticipated population growth in the area will lead to a total unmet consumer spending potential in the Hicksville Trade Area will be $92.3 million, which is $16 million higher than the unmet spending potential based on the existing population. This translates to 54,000 additional square feet in supportable retail space in the Hicksville Trade Area.

Downtown Hicksville

Since the growth scenario assumes that 95% of the projected population increase in Hicksville will be from infill development in Downtown Hicksville, it is also assumed that a majority share of the unmet spending potential in convenience good and comparison good retail categories can be captured downtown. This would increase the downtown spending capture rates for convenience goods from 20% to 50% and likewise for comparison goods from 10% to 25%. The capture for retail categories that are considered competitive advantages would remain constant at 5% of the spending leaking out of the Surrounding Market Area. These assumptions and adjusted capture rates would result help **Downtown Hicksville capture an additional $4.7 million in unmet retail spending for a total capture of $31.2 million, translating to 107,000 square feet of supportable retail space.**

6-7) Analysis of Comparable Downtowns

In addition to spending patterns, this market assessment also compares two different downtown areas in Nassau County to determine the most viable candidates for new retail tenants in Downtown Hicksville, based on business mix characteristics of similar retail environments and markets. **Farmingdale** and **Westbury** were selected out of a pool of eleven nearby downtowns that were similar communities and possess a LIRR station. These two downtowns were identified as the most similar to Downtown Hicksville with regards to various data points, such as demographics, population, employment, household income, educational attainment, affordability, distance from New York City, and average weekday LIRR ridership. This analysis defines the "downtowns" of Farmingdale and Westbury based on census block groups within a ½ mile radius of each LIRR station. The indicators for the three downtown districts are summarized in Table 6-10 below.

Table 6-10. Selected Downtowns for Comparative Analysis

	Hicksville	Westbury	Farmingdale
Total Population	3,656	6,190	4,971
Total Jobs	7,587	4,264	5,048
Median Household Income	$71,859	$59,706	$77,162
Percent of 25+ Year Olds With College Degree	25%	27%	29%
Housing & Transportation Costs as % of Income	53%	52%	55%
Miles from New York City	32	28	39
Average Weekday LIRR Riders	14,442	3,669	4,091

Sources: Center for Transit Oriented Development, Long Island Index

Despite these demographic similarities, there is variation in the physical and land use characteristics between the two comparative downtowns and the Downtown Hicksville study area. Specifically, due to the high volume of commuters passing through Hicksville Station and the convergence of several major arterial roads, a far greater percentage of the Downtown Hicksville study area is dedicated to parking, pavement, road surfaces, and transportation infrastructure.

The Downtown Hicksville study area is smaller in land area than the comparative downtown districts, as it excludes much of the residential areas in the periphery of the commercial core, but it still has 34% more square feet of land dedicated exclusively for parking, pavement, blacktop, or fencing than the two comparative downtowns combined. **About 3.7 million square feet of land, more than 37% of the total land area of the Hicksville study area, is not located on a taxable parcel; much of this non-taxable land are roads or other transportation infrastructure.** A substantially smaller share of the Westbury and Farmingdale downtown districts is not located on a taxable parcel, at 21% and 17%, respectively. Even though it is a smaller study area, Downtown Hicksville has more square feet of land consisting of commercial uses than either Downtown Westbury or Downtown Farmingdale, indicative of a greater concentration of economic activity in the comparative downtowns.

All three of the downtowns possess at least a few blocks of low-rise, mixed-use,

walkable retail environments. In Downtown Hicksville, these consist of 3 to 4 short blocks located on the east side of Broadway (a 4-lane, 2-way, median-separated road) between Barclay Street and Nicholai Street, as described in Section 5-4.

Downtown Westbury has a larger walkable downtown district that extends for up to six blocks north of the LIRR station, on both the western and eastern sides of Post Avenue (a 2-way, 2-lane street with on-street parking on both sides) and additional parking in the rear of the establishments. Westbury also has multi-family housing units close to its downtown retail establishments and its LIRR station, as there is a total population of 6,190 living within ½ mile of the train station. 130 Post Avenue, shown in Figure 6-2 below, was built in 2006 and offers multi-family apartments units in Downtown Westbury across from the train station.

Figure 6-2. Multi-Family Residential Development Near the Westbury LIRR Station

Photo: Zillow.com

Figure 6-3. Multi-Family Residential Development Near the Farmingdale LIRR Station

Photo: Google Maps

The Downtown Farmingdale retail district is centered at Main Street and Conklin Street and consists of two long blocks of Main Street between Front Street and Prospect Street. Main Street in Farmingdale resembles Post Avenue in Westbury as stores face both sides of a 2-way, 2-lane street. Stores and on-street parking exist on both sides of the street, with additional parking in the rear of the stores, providing a walkable retail environment. But Main Street in Farmingdale has an

even narrower travel lane than Post Avenue in Westbury, contributing to a calmer traffic flow and to a more walkable retail environment than much of Downtown Hicksville. Like Westbury, Farmingdale also has multi-family housing located within walking distance from the LIRR station and its downtown retail core (Figure 6-3). A final key difference between Downtown Farmingdale and the other two downtowns is that it is situated farther from the LIRR station, which requires an 8 minute walk to reach the town center, compared to a 5 minute walk to Broadway in Downtown Hicksville and 3 minutes for Westbury.

Figure 6-4: Comparing Downtown Retail Environments

BROADWAY (4-lane, 2-way)
Hicksville, NY

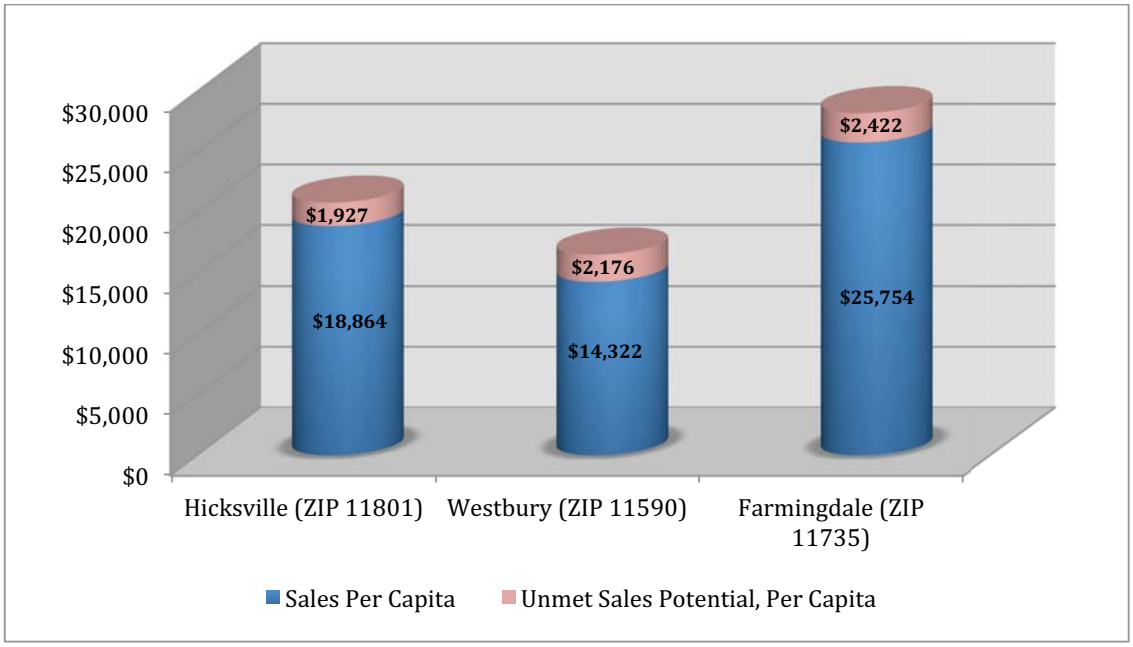
POST AVENUE (2-lane, 2-way)
Westbury, NY

MAIN STREET (2-lane, 2-way)
Farmingdale, NY

Photos: Google Maps

Despite these differences in each downtown's physical context, the market conditions in the broader trade areas (representative of each town's primary zip code) are similar, possibly due to its demographic similarities. While Figure 6-5 below shows that there is some variation in sales per capita for each of the three zip codes, the total sales leakage (i.e., unmet spending potential) in each zip code is roughly similar, ranging from $1,927 in Hicksville to $2,422 in Farmingdale. The total unmet spending potential represents 9% of existing sales in Farmingdale, 10% of sales in Hicksville, and 15% of sales in Westbury. This indicates that there are similar sales leakages in each town, and there are opportunities for additional sales capture in each of the three downtowns selected for comparative analysis.

Figure 6-5: Sales Per Capita and Unmet Sales Potential Per Capita for Hicksville, Westbury, and Farmingdale

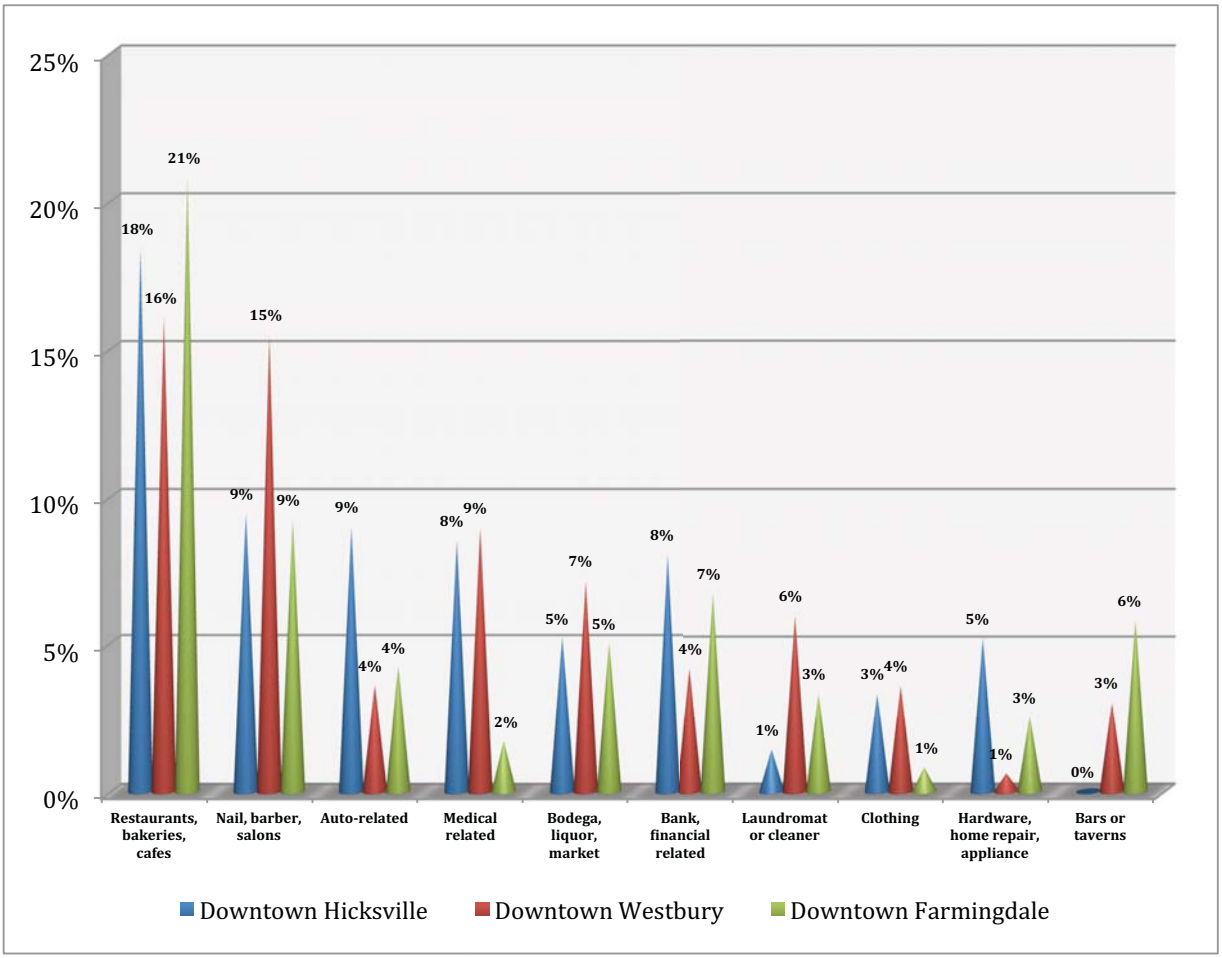


Source: ESRI Business Analyst, 2011 American Community Survey

The overall objective of this comparative analysis is to identify business categories that Downtown Hicksville currently lacks, despite having similar demographic, economic, and market conditions as Westbury and Farmingdale. Assuming that the capital investments in the Downtown Hicksville Revitalization Action Plan succeed in creating a more physically appealing downtown retail environment, Hicksville may consider attracting retail typologies that are underrepresented in its downtown compared to those in Westbury and Farmingdale, which are relatively more accessible by foot and less dominated by vehicular traffic.

This analysis identified businesses that have a comparative surplus or deficit in Downtown Hicksville, based on a business inventory of each study area using recent imagery (2009-11) from Google Maps. The inventory consisted of 212 businesses in Downtown Hicksville, 168 in Downtown Westbury, and 120 in Downtown Farmingdale. The findings are summarized in the figure below for several predominant business types:

Figure 6-6: Percent of Total Businesses Inventoried by Type for Comparable Downtowns



Source: NYU Capstone Team Analysis

The analysis reveals that Downtown Hicksville has a significant **oversupply of auto-related businesses,** which could be explained by its proximity to a major commuter rail station, park-and-ride facility, and the convergence of several heavily trafficked arteries. 9% of inventoried businesses in the Downtown Hicksville study area were auto-related establishments (does not include gas stations), compared to just 4% in both the Westbury and Farmingdale downtown areas. This surplus is also reflected in the Trade Area Gap Analysis in Table 6-6 and the area's land use characteristics. Downtown Hicksville also has a slight oversupply in banking and financial services offices, as they represent 8% of all inventoried businesses, compared to 4% in Downtown Westbury and 7% in Downtown Farmingdale.

Figure 6-7: Overrepresented and Underrepresented Business Categories in Downtown Hicksville

Auto-related businesses: SURPLUS

Bars and drinking places: DEFICIT

Photos: Google Maps

Businesses that are relatively **underrepresented in Downtown Hicksville include laundromats and dry cleaners**, as they are were only 3 of such establishments identified within the study area (1.4% of total), compared to 10 in Downtown Westbury (6% of total) and 4 in Downtown Farmingdale (3% of total). Also, **Downtown Hicksville has no "bars and drinking places**," while 4 and 7 of those businesses were inventoried in the Westbury and Farmingdale areas, respectively; however, Downtown Hicksville has a high volume of restaurants and cafes (39 total). This undersupply of drinking establishments is also reflected in the Trade Area Gap Analysis (Table 6-6). Lastly, **drug stores and pharmacies were scarce** in all three downtowns, but particularly in Hicksville, where only one pharmacy was identified within the downtown study area boundaries.

6-8) Retail Market Segment Profiles

Given Downtown Hicksville's unique character as a location that attracts a variety of possible visitors, this section describes qualitative factors to complement the quantitative analysis of market conditions summarized in previous sections to determine which retail categories may appeal to each segment of prospective consumers and what each segment's needs are. Four market segments, whose spending behavior will impact retail development opportunities in Downtown Hicksville, were identified:

1) Existing Residents

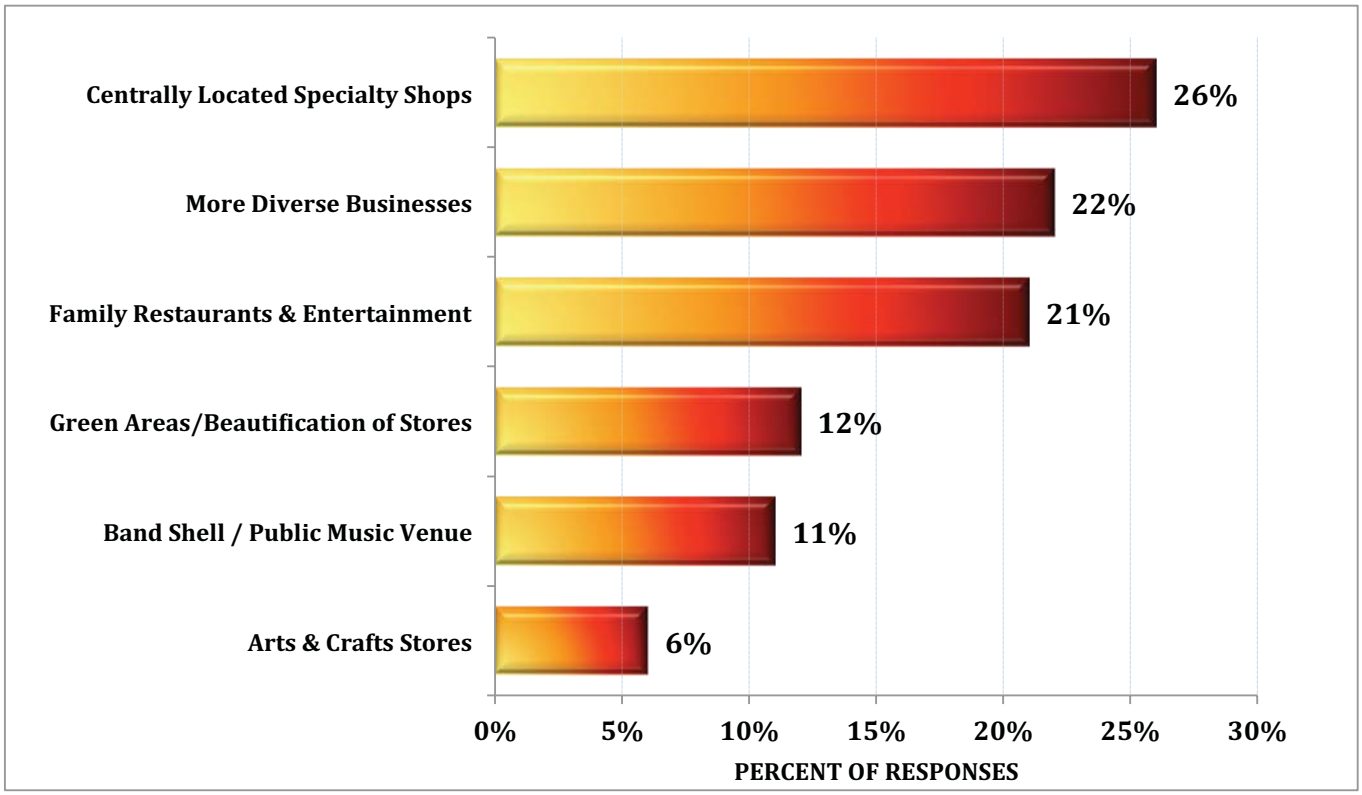
Vision Long Island conducted a survey of residents and visitors to Downtown Hicksville, gauging the level of interest in various types of downtown retail categories. Existing residents were most interested in 1) family restaurants and entertainment venues, such as movie theaters, 2) centrally located specialty shops, and 3) a greater diversity of retail establishments. The top responses to the survey question are shown in Figure 6-8.

In response to the question: "How would you like to see Downtown Hicksville changed?" respondents expressed a similar desire to see more restaurants, entertainment, weekend activities, diversity of retail uses, and multi-family housing units, coupled with streetscape improvements, traffic calming, and more

green space, in the downtown area. **These responses indicate that there may be latent demand among existing residents for a more diverse and lively range of downtown activities that may not have been apparent in the quantitative analysis of market conditions and spending patterns**.

Figure 6-8: Residential Survey Results

Q: "What additional stores, offices, entertainment, or other uses would you like to see in downtown Hicksville?



Source: Vision Long Island

2) Future Residents

New housing in an infill development scenario would likely appeal to one of the following types of populations:

- A younger demographic, such as Millennials and young professionals employed in New York City (studios and 1 bedroom tenants),
- Empty nesters and/or seniors looking to downsize their living space while remaining close to their children and grandchildren and living within walking distance of medical offices and stores, or
- New families with a single child (2-bedroom tenants).

Given these assumptions of future residents, qualitative assessments of their preferences can be made to determine an ideal retail mix for Downtown Hicksville. Future residents would likely share an interest in a diverse range of restaurants, bars, specialty stores and offices, activities, and entertainment downtown, within walking distance of their apartments. They are also likely to

generate additional demand for electronics, home furnishings, health and personal care products, and convenience goods and services. All of these retail categories either have strong spending capture potential or are relatively scarce in Downtown Hicksville.

3) Motorists

Hicksville is located at a junction of several major roadways with an average daily traffic volume of 28,000 vehicles. This high level of connectivity represents a tremendous opportunity for downtown businesses to draw spending from motorists and make Hicksville a more attractive destination, rather than simply a place to pass through. The vast majority of Downtown Hicksville's spending capture opportunities will likely come from this market segment, given that there is already a level of attraction or competitive advantage in Hicksville that is drawing shoppers from nearby towns.

Retail categories with the greatest opportunity to capture spending from motorists are midday or weekend shoppers, who are willing to travel further for certain goods, such as clothing stores, shoe stores, jewelry stores, home furnishing stores, and sporting goods stores. These are retail categories, in which the Hicksville Trade Area already has a competitive advantage, indicating strong inherent potential to capture spending from non-Hicksville residents.

4) LIRR Commuters

Hicksville Station attracts 15,000 rail passengers per day, including many commuters traveling to jobs in New York City. Residents of Hicksville and neighboring towns, who commute by public transportation, tend to have higher median incomes than the average working resident in these areas, according to the U.S. Census Bureau's American Community Survey. This indicates that rail commuters and their relatively high spending capacity will potentially play a key role in creating new opportunities in Downtown Hicksville's retail market.

New retail opportunities for commuters should 1) focus on products that will likely be purchased en route to their destination, and 2) should be within a short walk of the LIRR station and nearby parking facilities. Generally, these commuters are likely to purchase "convenience goods," which are frequently purchased and require minimal effort and time spent in decision-making. Retail categories with capture potential (Table 6-9) that will likely appeal to commuters include health and personal care stores, office supplies and gift stores, and florists. The Hicksville Trade Area has a "competitive advantage" in each of these convenience good categories, indicating strong inherent potential to capture spending from outside the town.

To a lesser extent, commuters may also generate increased demand for activities within walking distance of the LIRR station and its adjacent parking facilities that they can engage in after work, such as a greater diversity of restaurants, bars, and entertainment. However, substantial spending capture in these categories may be challenging considering that 1) commuters may be less inclined to prolong or interrupt their return trip by making intermediate stops, and 2) Hicksville establishments would be competing against similar businesses in New

York City for commuters' attention.

6-9) Recommended Retail Candidates for Downtown Hicksville

This market analysis has determined that there are strong opportunities for retail development in Downtown Hicksville given existing market conditions. **As a result, mixed-use development in Downtown Hicksville is not only feasible, but is also likely to create additional market opportunities with more residents living close to downtown businesses to further drive consumer demand.**

Retail tenants with the greatest opportunity for spending capture under existing market conditions in Downtown Hicksville are pharmacies and drug stores, clothing stores, home furnishing stores, convenience goods and services (including laundromats and dry cleaners), and drinking establishments.

Figure 6-9: Pharmacies and Laundromats in Long Island Downtowns

Value Drugs. Huntington, LI

Main Street Laundromat. Farmingdale, LI

Both the spending gap analysis and the comparative analysis have revealed that Hicksville is highly underserved in pharmacies and drug stores, with only one business establishment located within the downtown study area. New pharmacies and drug stores in Downtown Hicksville, particularly near the LIRR station, can offer convenience goods that can attract new customers and additional spending from the 15,000 commuters who pass through Hicksville each weekday. This market analysis also indicates that clothing stores are strong potential retail tenants for Downtown Hicksville, as they provide an opportunity to rebrand Downtown Hicksville as a "weekend destination" for comparative goods and capture existing spending leakages.

This analysis indicates both spending leakages and a comparative undersupply for bars and drinking establishments in Downtown Hicksville, despite a surplus of dining opportunities. To better complement the existing restaurants in Downtown Hicksville, bringing new drinking establishments into the area would help with the downtown's rebranding as a more attractive destination by offering new, vibrant gathering places for social interaction and nightlife.

Also, a qualitative analysis of existing and potential market segments indicates that there may be latent demand for restaurants and a greater variety of stores and entertainment venues that may not have been identified in the estimation of consumer spending potential. Even though market conditions indicate that consumer spending potential was already being met in some of these categories,

providing a greater variety of restaurants, centrally located specialty stores, and activities that appeal to a broader audience could be a viable strategy to induce further spending capture downtown**. Thus, this analysis also recommends providing more diversified downtown retail offerings that will not only capture unmet demand from existing residents, but also appeal to a broader range of demographic groups that include future residents and other vital customers who live outside the Hicksville Trade Area.**

6-10) Potential for Other Commercial Uses

In addition to retail and residential uses, other commercial activity in Downtown Hicksville could include offices. The number of business establishments in office-oriented industry sectors has increased by 9.3% in the Hicksville Trade Area since 2000, compared to a 9.4% increase in Nassau County, based on data from County Business Patterns. Based on Table 6-10 below, this growth can be attributed to a net increase in accounting firms (+18), high-tech firms (+17), and medical offices (+12).

Table 6-10: Office-Based Business Trends in the Hicksville Trade Area

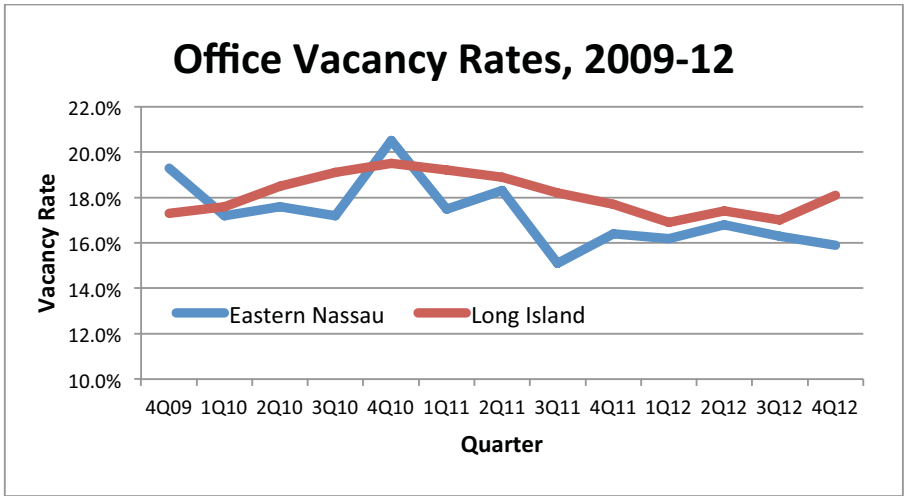
OFFICE-BASED BUSINESS TRENDS BY INDUSTRY CATEGORY IN THE HICKSVILLE TRADE AREA			
Category	**Establishments, 2010**	**Establishments, 2000**	**Change 2000-10**
Finance and Insurance	**73**	**92**	**-19**
Commercial banking	13	11	2
Savings institutions	3	5	-2
Other credit intermediation	13	11	2
Securities brokerage	4	4	0
Commodity contracts	1	0	1
Portfolio mgmt	3	1	2
Investment advice	3	5	-2
Direct insurance carriers	2	8	-6
Insurance agencies	26	43	-17
Claims adjusting	4	3	1
Other insurance activities	1	0	1
Real Estate & Leasing	**57**	**51**	**6**
Lessors of residential bldgs	4	2	2
Lessors of other real estate	12	8	4
Real estate agents & brokers	12	10	2
Property managers	11	2	9
Real estate appraisers	5	1	4
Vehicle rental	4	6	-2
Formal wear and costume rental	1	1	0
Video tape and disc rental	2	1	1
All other consumer goods rental	2	1	1
General rental centers	1	1	0
Machinery and equipment rental	3	8	-5
Professional Services	**212**	**174**	**38**
Legal	37	29	8
Accounting	46	28	18

Architecture/Engineering	27	27	0
Computer	49	32	17
Scientific and Technical Consulting	29	27	2
Advertising/Marketing/PR	16	19	-3
Photography	5	7	-2
Veterinary	1	1	0
All Other Professional Services	3	5	-2
Medical Offices	**91**	**79**	**12**
Physicians	29	29	0
Dentists	29	27	2
Chiropractors	8	8	0
Optometrists	1	1	0
Mental health specialists	1	1	0
Mental health practitioners	4	4	0
Specialty therapists	9	3	6
Podiatrists	5	5	0
All Other Misc Health Offices	5	1	4
TOTAL OFFICE-BASED FIRMS	**433**	**396**	**37**

Source: US Census Bureau County Business Patterns

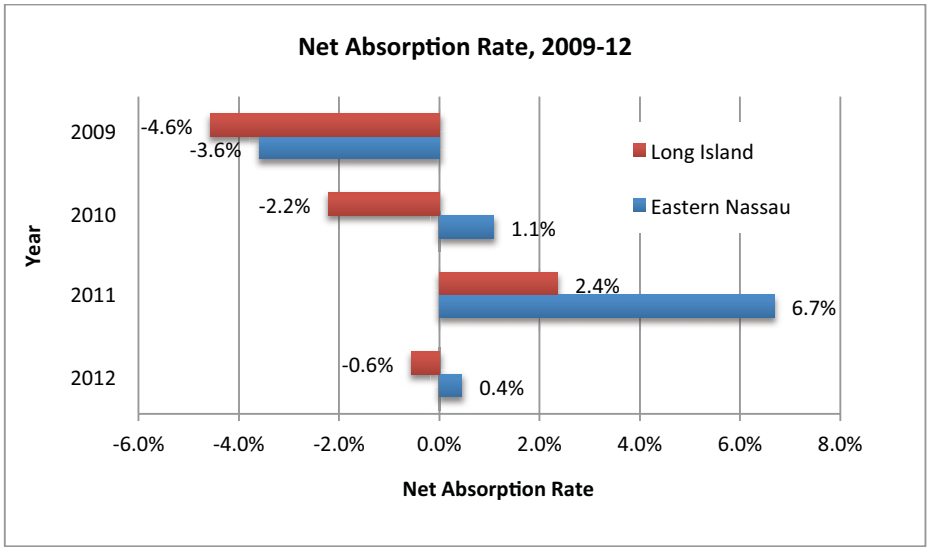
Since 2009, the Eastern Nassau County office market, which includes the Hicksville Trade Area, has generally seen relatively favorable trends in demand when compared to the rest of Long Island. Office vacancy rates have generally remained several percentage points lower in Eastern Nassau than elsewhere in Long Island. As of the end of 2012, the overall vacancy rate in the office market in Eastern Nassau was 15.9%, compared to 18.1% in all of Long Island, according to Cushman and Wakefield. Net absorption rates in Eastern Nassau's office market have also outperformed the rest of Long Island each year since 2009. Asking rents have hovered around $30 per square foot in Eastern Nassau, relatively lower than other regions of Nassau County, indicating that office space is slightly more affordable in the Hicksville area. These trends indicate strong potential for additional office development in Downtown Hicksville, particularly given its high level of accessibility to New York City and other points in Long Island by rail and by car.

Figure 6-10: Office Vacancy Rate Comparison, 2009-12



Source: Cushman and Wakefield

Figure 6-11: Net Office Absorption Rate Comparison, 2009-12



Source: Cushman and Wakefield

VII.
LAND DEVELOPMENT ANALYSIS

7-1) Land Development Analysis Overview

To assess the net fiscal benefits of the proposed downtown revitalization plan, a land development analysis was conducted to identify parcels that are considered "soft sites." **Soft sites were defined as vacant parcels, or any parcels greater than 5,000 square feet in lot area where the existing built floor area is less than 50% of the floor area allowed under zoning regulations.**

A total of 93 soft sites (all Class IV properties) were identified, as residential, recreational, utilities, and civic/institutional land uses were excluded in the selection process. A soft site analysis was then conducted to calculate the total developable square footage in the 93 parcels under three growth scenarios.

Scenario 1: NO BUILD: No new development will occur on the soft sites identified in the study area.

Scenario 2: EXISTING ZONING BUILDOUT: The maximum potential development that could occur in the study area without any changes to the current zoning, with consideration made for maximum floor area ratio (FAR), height limits, minimum setbacks (the required distance that regulates the minimum size of the front, rear, and side yards of a lot), and off-street parking requirements (currently 5 spaces per 1,000 square feet of built floor area of office or retail uses). The study area is in the Central Business (CB) zone, which permits only commercial development.

Scenario 3: PROPOSED ZONING BUILDOUT: The maximum potential development that could occur in the study area under the proposed zoning districts set forth in the Downtown Hicksville Revitalization Plan. This was also determined by factoring in the height, setback, and off-street parking requirements (estimated to be 2 spaces per 1,000 square feet of built floor area) to estimate maximum buildable floor area on a given parcel. Residential and mixed-use development could occur under this scenario.

The developable square footage identified on the 93 commercial parcels in the soft site analysis was classified into tax classes and then redistributed according to the type of redevelopment called for in each scenario. Table 7-1 below shows the four Nassau County tax classes, and the nature of the land uses included within each. Importantly, Scenario 1 is concerned with the existing tax classes of soft sites, while Scenarios 2 and 3 represent the future tax classes of the proposed developments on the sites.

Table 7-1: Property Class Definitions

Class I:	One, two and three-family houses and residential condominiums of three stories or less and most residential vacant land.
Class II:	Apartment buildings, residential cooperatives and residential condominiums of four stories or more
Class III:	Public utility equipment
Class IV:	All properties not defined in the first three classes. This class contains primarily commercial and mixed-use properties and vacant land.

Source: Nassau County Assessor's Office

7-2) Scenario 1: NO BUILD

Figure 7-1: Soft Sites in the Study Area by Property Class

Map: Jeremy Safran

As Figure 7-1 shows, all 93 soft sites fall within the Central Business zone study area. Because Scenario 1 deals strictly with existing conditions and is not a build-out scenario, the outcomes of this scenario were based on the existing built floor area on the 93 soft sites rather than their developable potential. On the 93 parcels, which comprise a total area of 1,390,544, there are only 166,801 square feet of built floor area. These parcels are considerably underbuilt under the

existing zoning,

According to Table 7-2, all of the built square footage under Scenario 1 falls within tax class IV, and is therefore taxed at the same rate. The 166,801 square feet of built floor area translates to a modest $426,532 of assessed value, indicating that very few ratables (taxable buildings or other property) currently exist on the 93 soft sites.

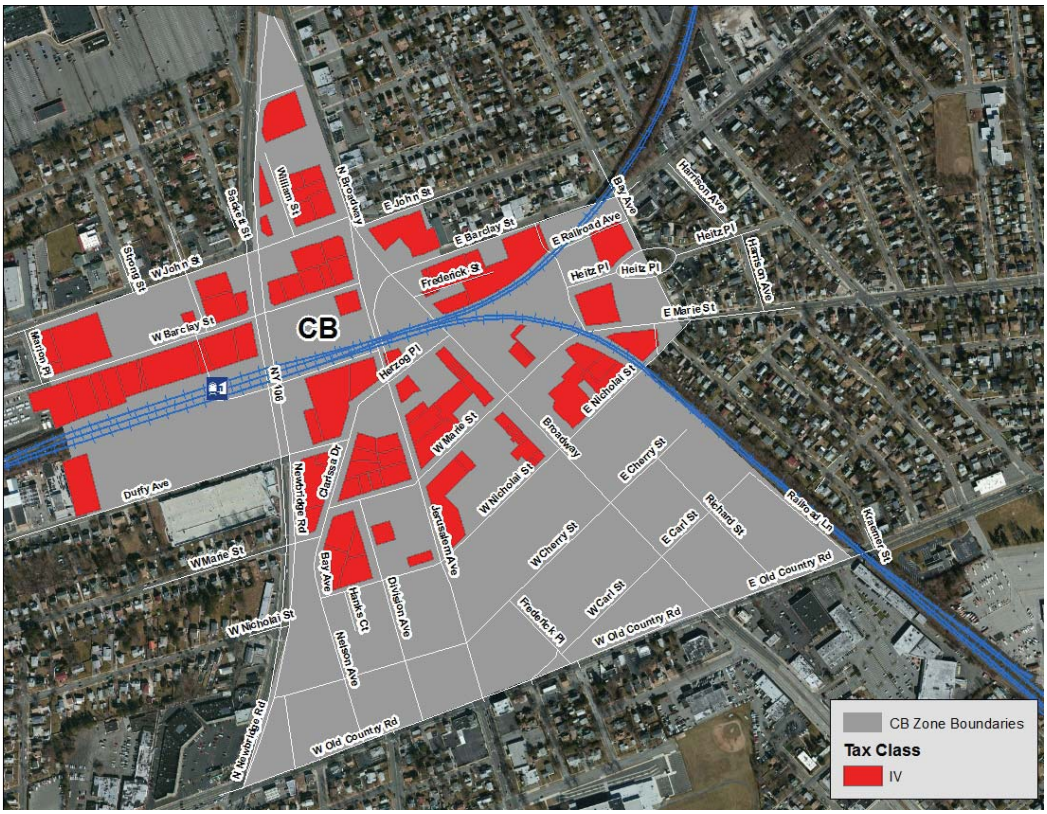
Table 7-2: Existing Built Floor Area by Tax Class in Square Feet

Property Class	Built Floor Area (SF)	Lot Area (SF)	Number of Parcels	Assessed Value
Class I	0	0	0	0
Class II	0	0	0	0
Class IV	166,801	1,390,544	93	$426,532
Total	**166,801**	**1,390,544**	**93**	**$426,532**

Source: Nassau County Planning Department, NYU Capstone Team Estimates

7-3: Scenario 2: EXISTING ZONING BUILDOUT

Figure 7-2 Soft Sites Under an Existing Zoning Buildout, by Property Class



Map: Jeremy Safran

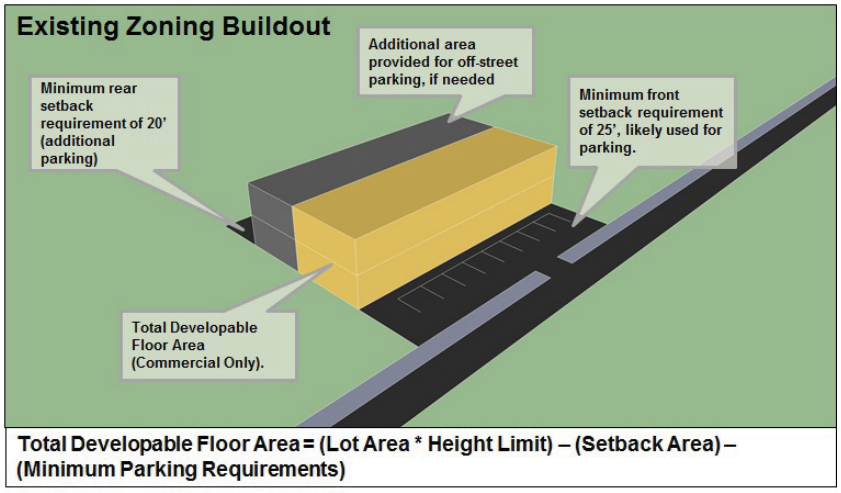
Table 7-3: Dimensional Requirements Under Existing CB Zoning

Zoning District	Maximum Building Height / Stories	Minimum Front Yard Setback	Minimum Side Yard Setback	Minimum Rear Yard Setback
CB-current	60 feet (5 stories)	25 feet	0 feet	20 feet

Source: Downtown Hicksville Revitalization Action Plan

Because Scenario 2 represents a buildout of existing zoning, developable square footage was calculated for the 93 parcels based on bulk and parking requirements within the existing zoning (Table 7-3). As Figure 7-3 shows, total lot area was multiplied by building height, with lost building area due to minimum setback and off-street parking requirements subtracted to get the total developable square footage. Parts of the parcel where development was not permitted due to setback requirements were assumed to also satisfy the off-street parking requirement, as shown below.

Figure 7-3: Diagram of Developable Floor Area Calculation for Existing Zoning Buildout



Source: NYU Wagner Capstone Team

Because the existing CB zone allows only commercial development, all of the total developable square footage for the 93 parcels under Scenario 2 was grouped into class IV (see Table 7-4). The 1,891,140 square feet of developable square footage under this buildout scenario can be considered an improvement over the 166,801 of built square feet under existing conditions, as this represents a large increase in the amount of taxable property.

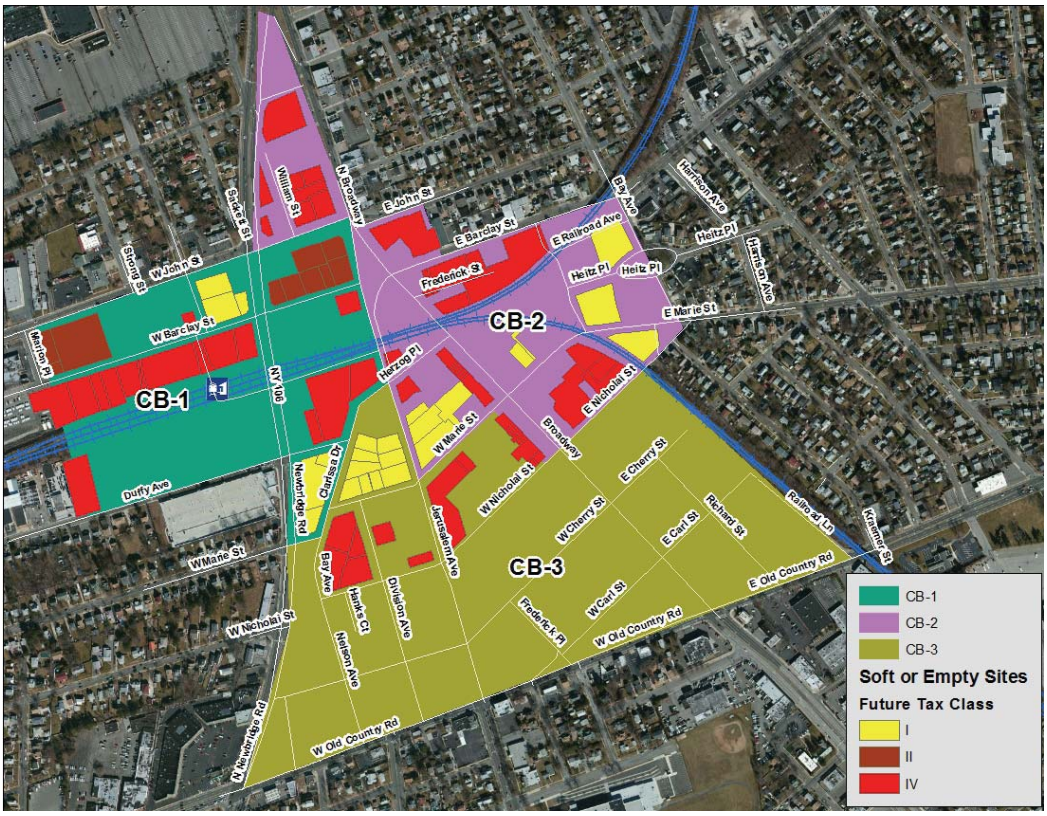
Table 7-4: Total Developable Floor Area by Property Class for Existing Zoning Buildout

Property Class	Developable Floor Area (SF)	Lot Area (SF)
Class I	0	0
Class II	0	0
Class IV	1,891,140	1,390,544
Total	**1,891,140**	**1,390,544**

Source: NYU Capstone Team Estimates

7-4: Scenario 3: PROPOSED ZONING BUILDOUT

Figure 7-4: Soft Sites Under Proposed Zoning Buildout, by Property Class



Map: Jeremy Safran

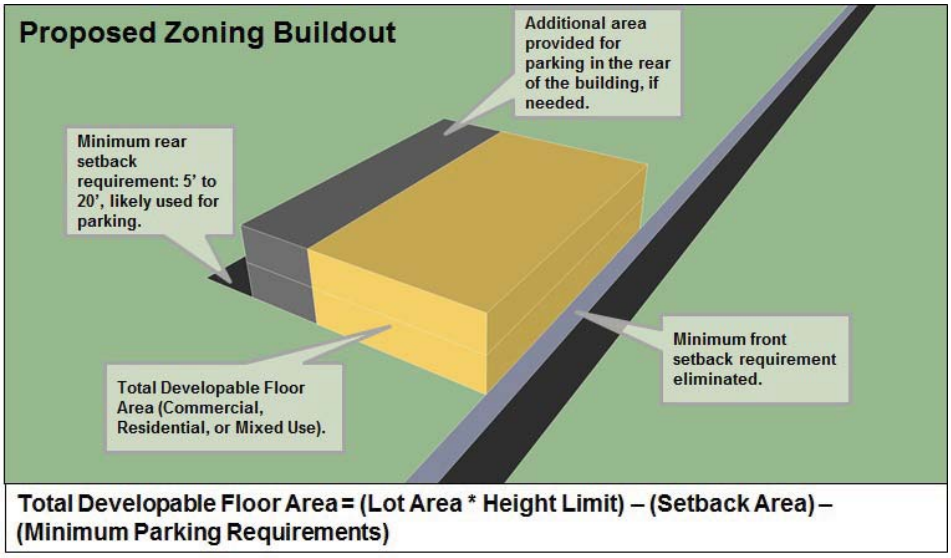
Table 7-5: Dimensional Requirements under Proposed Zoning Districts

Zoning District	Maximum Building Height (Stories)	MAXIMUM Front Yard Setback	Minimum Side Yard Setback	Minimum Rear Yard Setback
CB-1	50 feet (4 Stories)	10 feet	0 feet	15 feet
CB-2	40 feet (3.5 stories)	10 feet	0 feet	20 feet/5 feet*
CB-3	35 feet (3 stories)	15 feet	0 feet	20 feet

Source: Downtown Hicksville Revitalization Action Plan
**for parcels on the west side of Broadway*

Scenario 3, because it is based on the zoning proposed in the Downtown Hicksville Revitalization Action Plan, splits the existing CB zone into 3 new zones: CB-1, CB-2, and CB-3- all with slightly different height, setback, and off-street parking requirements. Because the boundaries of these zoning districts are different from those under the existing zoning, total developable floor area was recalculated.

Figure 7-5: Diagram of Developable Floor Area Calculation for Proposed Zoning Buildout



Source: NYU Wagner Capstone Team

The lack of a minimum front setback under the specifications of the proposed zoning districts required the deduction of only the rear setbacks and additional off-street parking, likely provided in the rear of the building due to the establishment of maximum front setback requirements, to obtain the total developable floor area for the 93 soft sites. Under Scenario 3, the total developable floor area on the 93 soft sites is 2,964,609 square feet.

Because these three new zones allow for residential and mixed-use development, this developable square footage total could be distributed into new tax classes. While in the previous two scenarios the total developable square footage was aggregated only to tax class IV, the growth scenario under the proposed zoning allows for the distribution of some of the developable square footage towards smaller residential (class I) and larger residential (class II) developments. These class I and class II developments are subject to a different set of tax rates than class IV properties.

Table 7-6: Total Developable Floor Area by Property Class for Proposed Zoning Buildout

Future Property Class	Developable Floor Area (SF)
Class I	693,486
Class II	381,454
Class IV	1,889,669
Total	**2,964,609**

Source: NYU Wagner Capstone Team Estimates

Importantly, developable square footage was assigned to various classes in accordance with the goals of the Downtown Hicksville Revitalization Action Plan. Both the map in Figure 7-8 and the table in Figure 7-12 demonstrate that the majority of the developable floor area under this scenario is located in the CB-1 and CB-2 zoning districts, which include soft sites closest to the LIRR station and

along Broadway. Importantly, the only large (class II) residential developments called for in the Revitalization Plan are located within CB-1, closest to the train station. Also notable is the fact that all of the new zoning districts would contain a mix of residential, mixed use, and commercial developments, rather than the commercial-only development called for under existing zoning.

Table 7-7: Developable Floor Area and Total Soft Sites by Proposed Zoning District

Future Zoning District & Property Class	Developable Floor Area (SF)	Number of Soft Sites
CB-1	**1,417,939**	**32**
Class I	218,427	6
Class II	381,454	10
Class IV	818,057	16
CB-2	**1,166,796**	**42**
Class I	341,707	9
Class IV	825,089	33
CB-3	**379,875**	**19**
Class I	133,352	9
Class IV	246,523	10
Grand Total	**2,964,609**	**93**

Source: NYU Wagner Capstone Team Estimates

In comparing the total developable square footage under Scenario 3 with the square footage totals under Scenario 1 (166,801) and Scenario 2 (1,891,140), this analysis finds that the proposed zoning buildout has resulted in the greatest amount of taxable property (2,964,609) on the 93 soft sites, indicating more development potential.

VIII.
FISCAL IMPACT OF GROWTH SCENARIOS

8-1) Assessed Value by Property Class and Growth Scenario

Based on the land development analysis under the three growth scenarios, a fiscal impact analysis was conducted to estimate the tax revenues, expenditures, and annual net fiscal benefits that future development on the 93 identified soft sites could generate. This analysis assesses the impact of future development on property and sales tax revenues and public expenditures.

To estimate the tax revenues associated with the No Build scenario, the current assessed value (AV) of the soft sites by property class was obtained from tax parcel data provided by the Nassau County Planning Department. To estimate future assessed value under the two buildout scenarios, this analysis assumes that the market value of the future development will be $350/square feet (SF) for Class 4 properties and $300/SF for Class 1 and Class 2 properties. The Nassau County Assessor assesses taxable property value at 1% of market value for Class 2 and Class 4 properties, and 0.25% of market value for Class 1 properties. As the municipal tax assessments are based on the County's assessment, Table 8-1

describes the total taxable AV by property class and growth scenario, which are the same for both Nassau County and Hicksville.

The total AV estimates include any taxable value already associated with the parcels under existing conditions, and any additional assessed value associated with new development on the soft sites under the two buildout scenarios. As Table 8-1 shows, only commercial ratables would be added with a full buildout of the 93 soft sites under the existing zoning, representing roughly $6.6 million in total taxable value. Under a full buildout of the soft sites under the proposed zoning, an additional $1.7 million in taxable value would be added, but this growth scenario features an increase in ratables related to commercial, mixed-use, and residential development.

Table 8-1: County and Municipal Assessed Value by Property Class and Growth Scenario

Total Developable SF	**Class 1**	**Class 2**	**Class 4**	**TOTAL**
No Build	0	0	0	0
Existing Zoning Buildout	0	0	1,891,140	1,891,140
Proposed Zoning Buildout	693,486	381,454	1,889,669	2,964,609
Total Assessed Value	**Class 1**	**Class 2**	**Class 4**	**TOTAL**
No Build	$0	$0	$426,532	$426,532
Existing Zoning Buildout	$0	$0	$6,618,990	$6,618,990
Proposed Zoning Buildout	$520,115	$1,144,362	$6,613,842	$8,278,318

Source: NYU Capstone Team Estimates, Nassau County Planning Dept.

8-2) Projected County and Municipal Property Tax Revenues by Growth Scenario

Table 8-2 summarizes the most recent tax rates for Nassau County and Hicksville, and Table 8-3 applies the tax rates to calculate the projected county and municipal tax revenues by growth scenario. Properties in Nassau County are taxed to support eight separate funds, for total combined tax rates of 189.1 (per $100 of AV) for Class 1 properties, 125.1 for Class 2 properties, and 134.4 for Class 4 properties. Properties in Hicksville contribute taxes to eight separate municipal funds and four special district funds (fire, water, school, and library), listed below. The combined municipal tax rate is 801 (per $100 of assessed value) for Class 1 properties, 615.3 for Class 2 properties, and 582.6 for class 4 properties. The vast majority (roughly 75%) of the Hicksville property tax burden for all property classes is allocated to the school district.

Table 8-2: County & Municipal / Special District Tax Rates by Property Class, as of February 2013

Nassau County Tax Rates 2013 (per $100 AV)	Class 1	Class 2	Class 4
Sewage Collection District #3-H	7.242	6.34	7.786
General Fund	24.14	7.791	6.819
Environmental Bond	2.067	1.163	1.109
Fire Prevention	2.79	1.57	1.497
Nassau Community College	9.421	5.3	5.055
County Police Headquarters	56.97	32.047	30.566
County Police	69.174	56.724	65.452
Nassau County Sewage Disposal District #3	17.321	14.124	16.158
COUNTY COMBINED TAX RATE	**189.125**	**125.059**	**134.442**
Municipal Tax Rates 2013	**Class 1**	**Class 2**	**Class 4**
General Fund	26.975	14.648	12.935
Lighting District	2.928	2.281	3.108
Highway	36.693	21.014	21.542
Building Dept, Zoning & Appeals, Unincorporated Area	7.868	4.506	4.62
Solid Waste Disposal	15.296	12.385	16.13
Park District	15.76	15.959	17.685
Garbage District	28.49	35.241	28.218
Public Parking District	4.068	3.169	4.317
Unincorporated Area of District #1	3.969	3.092	4.213
Special District Tax Rates 2013	**Class 1**	**Class 2**	**Class 4**
Fire	30.174	30.561	33.89
Water	17.661	17.898	19.855
School/Library	611.13	454.497	416.057
MUNICIPAL COMBINED TAX RATE	**801.012**	**615.251**	**582.57**

Source: Nassau County Assessor's Office

Table 8-3: Projected County, School District, and Municipal Property Tax Revenues by Growth Scenario and Property Class

Nassau County Tax Revenues	Class 1	Class 2	Class 4	TOTAL
No Build	$0	$0	$573,438	$573,438
Existing Zoning Buildout	$0	$0	$8,898,703	$8,898,703
Proposed Zoning Buildout	$983,667	$1,431,128	$8,891,781	$11,306,575
School District Tax Revenues	**Class 1**	**Class 2**	**Class 4**	**TOTAL**
No Build	$0	$0	$1,774,616	$1,774,616
Existing Zoning Buildout	$0	$0	$27,538,771	$27,538,771
Proposed Zoning Buildout	$3,178,576	$5,201,091	$27,517,351	$35,897,017
Other Municipal Tax Revenues	**Class 1**	**Class 2**	**Class 4**	**TOTAL**
No Build	$0	$0	$710,231	$710,231
Existing Zoning Buildout	$0	$0	$11,021,479	$11,021,479
Proposed Zoning Buildout	$987,604	$1,839,608	$11,012,906	$13,840,117

Source: NYU Capstone Team Estimates

8-3) Projected County Sales and Hotel Tax Revenues by Growth Scenario

Assuming that future development in the project area could include retail or hotel uses, the additional retail and hotel room rentals will generate new tax revenue for Nassau County. The total sales and hotel tax revenues from the three buildout scenarios are summarized in Table 8-4. The square footage estimate under the No Build scenario was determined from tax parcel data provided by the Nassau County Planning Department.

To estimate the total taxable sales and room rates under each growth scenario, the following assumptions were applied:

1) 30% of the developable square footage in Class IV of each buildout scenario will be dedicated to retail uses that will generate taxable sales.
2) 2% of the developable square footage in Class IV of each buildout scenario will be dedicated to hotel uses.
3) Each square foot of retail space generated $350 in sales, of which 80% were taxable.
4) Hotel rooms are 325 square feet per unit, have a 75% annual occupancy rate, and charge an average room rate of $100 per night.

The total sales tax revenue accrued by Nassau County was estimated by applying the 4.25% county sales tax rate to the estimated taxable sales. Annual hotel tax revenues were projected by multiplying the total number of annual occupied rooms by the $100 room rate and by the 3% county hotel tax rate.

Table 8-4: Projected County Sales & Hotel Tax Revenues by Growth Scenario

GROWTH SCENARIO	Retail Square Footage	Taxable Sales	County Sales Tax Revenue (4.25%)	Hotel Rooms	Annual Occupied Rooms	County Hotel Tax Revenues (3%)	TOTAL SALES & HOTEL TAX REVENUES
No Build	100,473*	$28,132,440	$1,195,629	0	0	$0	$1,195,629
Existing Zoning Buildout	667,815	$186,988,200	$7,946,999	116	31,858	$95,575	$8,042,574
Proposed Zoning Buildout	667,374	$186,864,636	$7,941,747	116	31,834	$95,501	$8,037,248

Source: NYU Capstone Team Estimates.
**Retail SF under No Build is based on existing conditions, using data from Nassau County Planning Dept.*

8-4) Projected County Expenditures by Growth Scenario

To estimate the impact of future development on County spending, this analysis uses the total budgeted expenditures in FY 2013 for Nassau County, which totaled $2.96 billion excluding interdepartmental transfers. This analysis also applied the following assumptions to arrive at the final estimate:

1) Future residential development under the proposed zoning buildout was

estimated to be 50% 1-bedroom dwelling units (DUs), 25% studio DUs, 25% 2-bedroom DUs, and 0% 3+ bedroom DUs.

2) 20% of the total developable square footage under Class IV in the proposed zoning buildout is residential, as they represent apartments above stores on mixed-use parcels. The remaining 80% are commercial.
3) The average size of a future residential dwelling unit is 800 square feet.
4) The average number of persons per future dwelling unit is 1 per studio DU, 1.5 per 1-bedroom DU, 2 per 2-bedroom DU, and 3.06 per 3+ bedroom DU. These assumptions were derived from the Rutgers Center for Urban Policy Residential Demographic Multipliers and comparable multi-family residential development on Long Island.
5) Expenditures per capita for the County that will result from new development are estimated to be 50% of current county per capita expenditures, based on the expectation that compact, transit-oriented development will economize the provision of public services.

Using these assumptions, the total population generated from a full buildout of the soft sites under the proposed zoning is 2,724 people. (Since this growth scenario represents a theoretical full buildout of the soft sites, this population projection represents the extreme upper limit of population increase that would occur with new residential development in Downtown Hicksville, and should not be interpreted as an expected population increase)

This analysis also projected the potential impact of future commercial development on public spending. Tax parcel data from the Nassau County Planning Department was used to estimate the total assessed value of all Class 4 parcels at $1.11 billion. This total AV was used to calculate a multiplier for "county expenditures per dollar of Class 4 assessed value," which equals $2.67.

The final estimates of county expenditures generated under each growth scenario are summarized in Table 8-5:

Table 8-5: Projected County Expenditures by Growth Scenario

GROWTH SCENARIO	Studio DUs	1-Bedroom DUs	2 Bedroom DUs	3-Bedroom DUs	Projected Population	Per Capita Expenditures	Commercial Assessed Value	Expenditures per AV	Total County Expenditures
No Build	0	0	0	0	0	$1,101	$426,532	$2.67	$1,138,840
Existing Zoning Buildout	0	0	0	0	0	$1,101	$6,618,990	$2.67	$17,672,703
Proposed Zoning Buildout	454	908	454	0	2,724	$1,101	$5,291,073	$2.67	$17,126,442

Source: NYU Capstone Team Estimates, Nassau County FY 2013 Budget, Nassau County Assessor's Office, Rutgers Center for Urban Policy Residential Demographic Multipliers, Urbanomics

8-5) Projected School District Expenditures by Growth Scenario

The projected school district expenditures of each buildout scenario was estimated based on the same assumptions of residential development described in Section 8-4, and applying the following multipliers of "children generated by

dwelling unit type." The multipliers below are based on Rutgers Residential Demographic Multipliers and comparable multi-family residential development in Long Island:

1) 0 child per studio DU
2) 0.1 child per 1 bedroom DU
3) 0.19 child per 2 bedroom DU
4) 0.71 child per 3+ bedroom DU

Applying these multipliers, a full buildout under the proposed zoning should result in an additional 177 school children over the next 10 years. The modest number of students generated from residential development is a realistic projection, as exploratory data from a sample of transit-oriented residential development in New Jersey generated only one-sixth of the total number of public school children as homes of a similar type, size, value, and tenure that are not located near transit[xxvi].

Based on the most recent data from the Hicksville Union Free School District for the 2010-11 school year, the total per student expenditure is $20,744. Table 8-6 shows the projected school expenditures that would result from each growth scenario, using this data and the above multipliers.

Table 8-6: Projected School District Expenditures by Growth Scenario

GROWTH SCENARIO	Studio DUs	1-Bedroom DUs	2-Bedroom DUs	3-Bedroom DUs	Projected Total Students	Expenditure per Student	TOTAL SCHOOL EXPENDITURES
No Build	0	0	0	0	0	$20,744	$0
Existing Zoning Buildout	0	0	0	0	0	$20,744	$0
Proposed Zoning Buildout	454	908	454	0	177	$20,744	$3,671,688

Sources: NYU Capstone Team Estimates, Hicksville Union Free School District 2012-13 Budget, Urbanomics, Rutgers Center for Urban Policy Residential Demographic Multipliers

8-6) Projected Municipal Expenditures by Growth Scenario

To estimate the municipal expenditures generated by each growth scenario, the analysis used expenditures *per assessed values multipliers* instead of the *per capita* method because Hicksville's eleven municipal districts do not share the same boundaries and geographic areas. The *expenditures per assessed value* multipliers for residential development were derived by dividing the Town of Oyster Bay's FY 2013 budgeted expenditures by the town's total assessed value under existing conditions for Class 1 and Class 2 properties. The multiplier for commercial development was also derived using a similar method, but the expenditures were divided using Class 4 properties instead.

Table 8-7: Projected Municipal Expenditures by Growth Scenario

GROWTH SCENARIO	Residential AV	Expenditures per Residential $AV	Commercial AV	Expenditures per Commercial $AV	TOTAL MUNICIPAL EXPENDITURES
No Build	$0	$2.47	$426,532	$2.32	$989,554
Existing Zoning Buildout	$0	$2.47	$6,618,990	$2.32	$15,356,057
Proposed Zoning Buildout	$1,664,477	$2.47	$6,613,842	$2.32	$19,455,369

Sources: NYU Capstone Team Estimates, Town of Oyster Bay FY 2013 Budget, Nassau County Planning Dept.

8-7) Net Fiscal Impact of Growth Scenarios

After estimating the total revenues and expenditures associated with each growth scenario for the county, town, and school district, **the growth scenario that will provide the greatest net tax benefit to Nassau County and Hicksville was determined to be the full buildout under the proposed zoning.**

Nassau County
Among the three growth scenarios, a full buildout of the soft sites under the proposed zoning yields the greatest net tax benefit of the three growth scenarios, with a projected net tax benefit of $2.2 million. However, this anticipated surplus is not likely to be substantial enough to create an opportunity for county property tax relief.

Hicksville
A full buildout of the soft sites under the proposed zoning also yields the greatest net tax benefit to the hamlet of Hicksville, with a total surplus of $28.8 million. The net tax benefit can be attributed to a $32.2 million tax surplus that the future mixed-use development of the soft sites will provide for the town's school district, which exceeds any increase in municipal spending generated by new residential and commercial development.

There are several key reasons to why this $28.8 million net tax benefit was projected. First, the proposed zoning buildout scenario results in the most developable square footage of each of the three growth scenarios, even though height limits are lower under the proposed zoning than under the existing zoning. This results in an increase in both taxable property value and anticipated property tax revenues. As mentioned in Section 8-5, multi-family residential development near transit typically yields very few schoolchildren, which limits the school district's expenditure burden resulting from future development. In addition, municipal expenditures are kept in check even with residential development, as mixed-use, transit-oriented development in already built-up areas allows for counties and towns to economize on municipal expenditures on a per-capita basis, since the development will not require a significant investment in infrastructure (i.e. roads, utilities) needed to support an influx of population. **This significant tax surplus is likely to provide an opportunity for the hamlet of Hicksville to relieve municipal property tax burdens.**

While a full buildout of the soft sites under the existing zoning also yields a $22.5 million net tax surplus, this scenario is less likely to occur in the absence of any changes to existing market conditions that would spur sufficient development for such a net tax benefit to be fully realized. Even though both buildout scenarios The proposed mixed-use zoning in Downtown Hicksville not only serves to provide a more diverse and attractive downtown environment and to open up new market opportunities (see Section 6-6), but it also yields $6 million in additional net tax benefit even with a projected increase in population and schoolchildren. These findings indicate that mixed-use development in Downtown Hicksville will not result in adverse impact on municipal tax rolls: in fact, it yields an even greater opportunity for municipal property tax relief than if the existing CB zoning were kept in place.

Summary

This fiscal impact analysis shows that the proposed zoning in the Downtown Hicksville Revitalization Plan, in addition to providing an opportunity for walkability enhancements and a more vibrant downtown business district, can also provide an opportunity for municipal property tax relief. The future tax surplus can be used to relieve the municipal property tax burden on current businesses and residents while making Hicksville a more affordable and desirable place to live, work, and play.

Table 8-8: Projected Net Fiscal Impact of Growth Scenarios

NET FISCAL IMPACT OF GROWTH SCENARIOS	No Build	Existing Zoning Buildout	Proposed Zoning Buildout
County Property Tax Revenues	$573,438	$9,472,141	$11,880,013
County Sales/Hotel Tax Revenues	$1,195,629	$8,042,574	$8,037,248
School District Tax Revenues	$1,774,616	$29,313,387	$37,671,633
Other Municipal Tax Revenues	$710,231	$11,731,710	$14,550,349
TOTAL REVENUES	**$4,253,914**	**$58,559,812**	**$72,139,243**
County Expenditures	$1,138,840	$18,811,544	$21,797,074
School District Expenditures	$0	$0	$3,671,688
Other Municipal Expenditures	$989,554	$16,345,611	$20,444,923
TOTAL EXPENDITURES	**$2,128,395**	**$35,157,155**	**$45,913,685**
Net Impact: County	$630,226	($1,016, 283)	($1,879,812)
Net Impact: School District	$1,774,616	$29,313,387	$33,999,945
Net Impact: Other Municipal	($279,323)	($4,613,901)	($5,894,575)
Net Impact: Total Municipal	$1,495,293	$24,699,486	$28,105,371
NET FISCAL GAIN	**$2,125,520**	**$23,402,657**	**$26,225,558**

Sources: NYU Capstone Team Estimates

IX.
SUMMARY

This analysis has shown that adoption of the proposed zoning changes is the most favorable growth scenario for downtown revitalization in Hicksville. It identified $76.2 million in unmet spending potential, translating to 244,000 square feet in supportable retail space in the Hicksville Trade Area. $26.5 million of additional spending can be captured in Downtown Hicksville, translating to 92,000 square feet in supportable retail space, demonstrating that market conditions do indicate strong opportunities for retail growth. New residential development downtown could create even more favorable market opportunities for retail development, representing $31 million in spending capture potential and 107,000 square feet of retail space.

This indicates that should the Town of Oyster Bay adopt the zoning proposal outlined in the revitalization plan, the additional commercial capacity (i.e. ground floors of mixed-use developments) would likely be filled by this market-driven retail development. The new retail development would provide new amenities for future residents, increasing the likelihood that the additional residential capacity could also be filled. The market analysis provides evidence supporting the notion that the proposed zoning recommendations are market-oriented, and the notion that mixed-use development can increase its likelihood of succeeding by targeting retail categories with the greatest opportunity for spending capture, such as pharmacies, clothing stores, or a more diverse mix of retail options than what currently exists in the downtown "Triangle."

Tremendous development opportunities exist in the downtown area, with 93 parcels that are empty or underbuilt, totaling 1.9 million square feet in developable floor space under the Existing Zoning Buildout scenario, and 3 million square feet in developable floor space under the Proposed Zoning Buildout scenario. For these growth scenarios, this analysis finds that the greatest net tax benefit will occur under the adoption of the proposed zoning recommendations outlined in the revitalization plan. This $26 million of potential tax surplus can be used for municipal property tax relief. Put together, this Downtown Revitalization Analysis should serve as a powerful case that supports the market-oriented recommendations set forth in the Downtown Hicksville Revitalization Action Plan.

X.
NEXT STEPS

10-1: Public Private Partnerships

Section VIII found that the proposed Downtown Hicksville Revitalization Action Plan, if fully implemented, could yield generous net tax benefits for the hamlet of Hicksville. Hicksville could use the net tax benefits anticipated from future redevelopment of the soft sites to relieve the tax burden on existing residents and businesses, but the town can also employ creative financing methods as an alternative means of enticing private sector investment. The town can consider a public private partnership, wherein the private sector bears the risk associated with design, construction, and financial responsibility but is later reimbursed by the town through taxes generated from the new development. In order to qualify for the reimbursement, new development would be required to meet specific criteria and goals set forth by the town. [xxvii]

10-2: Public Private Partnerships Case Study: Quincy, Massachusetts

Figure 10-1: Downtown Quincy, MA

Quincy, Massachusetts is an inner-ring suburb of about 92,000 people and is located 8 miles outside of Boston with direct access to major highways and Boston's regional public transportation system. The downtown redevelopment plan for Quincy called for the addition of 2.7 million square feet of residential, retail, and office space to be constructed over 4 phases. To incentivize private sector development, Quincy agreed to finance $50 million of the total $277 million estimated revitalization cost. Once the first phase of development was completed and met predetermined goals, Quincy would use the tax revenues from the new development to fund public improvements necessary for redevelopment. This would enable construction to begin the next phase of development, and that process would continue for each phase. [xxviii]

10-3: District Improvement Bonus

Another method that encourages private sector participation in the redevelopment process is through district improvement bonuses (DIB). Under a DIB, a developer is granted increases in building envelope size in exchange for

constructing public improvements. For example, a developer would construct a public amenity, such as a park, or set aside funds for improvements to a local library or school district building and, in exchange, receive size increases in a building's envelope. Specifically in the case of Hicksville a DIB could enable a developer of multifamily housing to build more units in a downtown area in the exchange of public investment.

10-4: District Improvement Bonus Case Study: Seattle, Washington

In April 2006, the City of Seattle looked to incentive zoning for public improvements and increase the energy efficiency of new buildings. Seattle used Leadership in Energy and Environmental Design (LEED) building criteria with a DIB to target the uptick of workforce development housing that was being developed. Seattle wanted to combine the benefits of Low Income Housing Tax Credits (LIHTCs) with a DIB to incentivize further development of workforce housing that met environmentally efficient standards. Once a project using LIHTCs met LEED Silver standards, the project became eligible for a DIB.

The combination of developers using LIHTCs and a DIB led to developers constructing more rental units, than they were previously able to, and generating larger amounts of tax credits, which were used to supplement development costs while new multifamily buildings were built to higher environmental standards. Additionally, developers who met DIB eligibility requirements paid approximately $19 per square foot into a fund that is used by the City of Seattle to fund other public improvements like the ones discussed above. [xxix]

10-5: Implications for Downtown Revitalization in Hicksville

The case studies above show the variety of financing mechanisms that can be utilized to encourage private sector development within downtown Hicksville. Mixed-use development utilizing a DIB has been proven successful to provide residents with new housing and attracting commercial tenants who can provide employment opportunities for its mixed-use residential neighbors. Additionally, successful public-private partnerships can mitigate some of the risks associated with new development while providing meaningful benefits to the local community.

XI. GLOSSARY[xxx]

11-1) Project Background Terms

CB Zoning District: The central business zoning district that encompasses most of the Downtown Hicksville "Triangle" Area. According to the Town of Oyster Bay's zoning code, retail, service, office, and other commercial development are permitted within the district's boundaries, with a buildable floor area ratio (FAR) of 1.0 to 2.0, depending on the lot coverage. Also see: **Zoning**

Floor Area Ratio (FAR): A multiplier used to determine the total amount of buildable floor area on a particular lot. The formula represents the gross floor area of all buildings or structures on a lot divided by the total lot area.

Form-based Code: Special districts intended to encourage high design standards usually for preservation or creation of unique architectural streetscapes.

Geographic Information Systems (GIS): A computer-generated mapping system for collecting, storing, analyzing, and integrating information about physical and man-made features on maps.

Infill Development: Development of new housing or other uses on scattered vacant sites in a built-up area.

Minimum Setbacks: Distances specified in zoning requirements that define the building envelope and establish the required yards – front, rear and side.

Traffic calming: The use of traffic management measures such as changes in existing street alignment, installation of barriers and diversions, and other physical measures to reduce traffic speeds and/or volumes in the interest of street safety and neighborhood amenity.

Walkability: A measure of how friendly an area is for pedestrian-oriented activities.

Zoning: The delineation of districts and the establishment of regulations governing the use, placement, spacing and size of land and buildings.

11-2) Retail Market Analysis Terms

American Community Survey: Published annually by the U.S. Census Bureau, it provides demographic and socioeconomic data for detailed geographies by sampling a small percentage of the population. Also see: **Census Block Groups**

Census Block Groups: Small areas into which large cities and adjacent areas have been divided for statistical purposes.

Comparable Downtowns: Downtowns in Nassau County that are similar to Downtown Hicksville in demographics and market conditions, even though the physical and land use characteristics may differ.

Comparison Goods: Large, high-price items that consumers buy at infrequent intervals and would normally compare prices and travel beyond their local trade area before purchasing.

Competitive Advantage: If the Hicksville Trade area has a lower leakage rate compared to the Surrounding Market Area with respect to a certain industry sector, it is said to have a competitive advantage in attracting consumer

spending in that category, and was assumed to capture 5% of the total spending leaking out of the surrounding towns.

Convenience Goods: Low-price goods purchased frequently by the same consumers. Consumers are likely to spend less time and travel shorter distances to purchase such items.

Hicksville Trade Area: A study area defined for the retail market analysis that represents the 11801 Zip Code, which includes the hamlet of Hicksville.

Market Segment: Specific consumers within a retail market with similar demographic or socioeconomic characteristics or travel behavior.

NAICS Industry Code: A number assigned by the U.S. Census Bureau to each business category for the purposes of classification. NAICS: North American Industry Classification System. Also see: **Retail Industry Sector**

Potential Sales: An indicator of consumer demand, as it reflects the total consumer retail spending that could exist in a given trade area based on household income, population, and the typical spending patterns of a local resident.

Retail Industry Sector: The specific category of retail use, as defined by the U.S. Census Bureau's North American Industry Classification System (NAICS). Also see: **NAICS Industry Code**.

Reverse Commuter: An individual who lives in the central city of a metropolitan area, but works in suburban and peripheral areas of that metropolitan area.

Spending capture: An estimate of the total consumer spending that can theoretically be captured within Downtown Hicksville, based on existing market conditions.

Spending Gap Analysis: An analysis that compares potential consumer spending (demand) with the total sales (supply) that currently exist in a given trade area, by retail category.

Spending Leakage: When potential sales (demand) exceeds existing sales (supply) in a given trade area, the difference is referred to as a leakage. A leakage indicates that consumer retail spending is "leaking" out of the trade area, as consumer demand exceeds supply.

Spending Leakage Rate: The total leakage in a trade area expressed as a percent of existing sales.

Spending Surplus: When existing sales (supply) exceeds potential sales (demand) in a given trade area, the difference is referred to as a spending surplus, as it indicates that consumer demand is already being satisfied by existing retail establishments within the study area.

Supportable Retail Space: An estimate of the total square feet of retail space that could theoretically be supported within a given trade area based on the average sales per square feet of a retail category in a comparable area.

Surrounding Market Area: A study area defined for the retail market analysis that represents the zip codes surrounding the 11801 Zip Code. This area includes the towns of Jericho, Syosset, Plainview, Bethpage, Levittown, East Meadow, and Westbury.

Unmet Spending Potential: see Spending Leakage

11-3) Land Development Analysis Terms

Assemblage: The merger of separate properties into a single tract of land.

Buildable Area: Area of a lot remaining after the minimum yard and open space requirements of the zoning ordinance have been met.

Building Footprint: The area encompassed by a building's outer wall at ground level.

Buildout Analysis / Buildout Scenario: An estimate of the projected development in a project area or other designated area in accordance with the current zoning ordinance or proposed zoning by the Downtown Hicksville Revitalization Plan.

Built Floor Area: The total floor area, in square footage, of the buildings that already exist on a given tax parcel.

Developable Floor Area: See Buildable Square Footage

Growth Scenario: A scenario developed by the NYU Capstone Team to represent three possible alternatives to redevelopment in Downtown Hicksville. Also see: **No Build Scenario, Buildout Scenario**

Property Tax Class: A grouping of parcel types based on land use that are assessed and charged property taxes similarly.

Ratable: Taxable buildings or other property that supply local governments with tax income.

Soft Site: A parcel for which the existing built floor area is less than 50% of the total buildable floor area under existing zoning. These parcels can also be referred to as "underbuilt."

Tax Parcel: A tract of land that is taxed for the purposes of financing local

governments and special districts.

11-4) Fiscal Impact Analysis Terms

Assessed Value: The value at which property is appraised for tax purposes.

Demographic Multipliers: An estimate of the total number of persons and schoolchildren generated from the development of a specific type of residential dwelling unit. The multiplier is applied to an estimate of the total number of dwelling units to calculate the total population and schoolchildren that would be generated from new residential development.

Dwelling Unit (DU): One or more rooms, designed, occupied, or intended for occupancy as separate living quarters, with cooking, sleeping, and sanitary facilities provided within the dwelling unit for the exclusive use of a single family maintaining a household.

Hotel Occupancy Rate: The share of available hotel rooms that are occupied by hotel guests.

Hotel Room Rates: The average price of staying a hotel room for one night.

Market Value: A property's value as determined by what it would sell for at that time.

Net Tax Benefit / Loss: The difference between projected county and municipal property tax revenues and expenditures.

Property Tax Rate: The rate applied per $100 of assessed property value that determines the revenues accrued to local government and special districts from local property taxes.

Taxable Sales: The total sales in Nassau County that are subject to the county's 4.25% sales tax.

11-5) Next Steps Terms:

District Improvement Bonus (DIB): A developer is granted increases in building envelope size in exchange for constructing public improvements, such as parks, streetscape enhancements, or improvements to a local library or school and, in exchange, receive size increases in a building's envelope.

Public Private Partnership: A municipal financing mechanism where the private sector bears the risk associated with design, construction, and financial responsibility but is later reimbursed by the town through taxes generated from the new development. New development would be required to meet specific criteria and goals set forth by the town.

Transit-Oriented Development (TOD): The concentration of development at nodes along public transit corridors, either rail or bus routes.

XII. REFERENCES

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