

*2010
Nassau County
Master Plan*

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A. INTRODUCTION

As one of the nation's first suburban communities and home to Levittown, Nassau County was the prototype for suburban America. Due in part to the GI Bill, which promoted home ownership for returning veterans and their families, in the post World War II period Nassau represented the realization of the American dream with its single-family homes, back yards, parks, and baseball fields. Sixty years later, while other suburbs across the country continue, up to the Great Recession, to experience suburban expansion, Nassau County is no longer growing.

We now live in unprecedented and difficult economic times. Thousands of jobs have been lost and retirement savings have vanished. The value of our homes has decreased; more homes have been foreclosed in Nassau County than ever before. With a looming \$343 million County budget deficit in 2011, we are facing economic challenges that have not been faced since our County's founding in 1899.

Nassau County and other mature suburbs across the country were the first to experience the possibilities of suburbia and are now the first to face the real challenges of maturity and low rates of economic growth. Very **high property taxes and costs of doing business, failure to retaining young people and recent graduates**, and stagnation in **employment growth**, are putting a tremendous strain on Nassau's residents, economy, and environment. The County's slow rate of economic growth has been further exacerbated over the past 2 years by the national economic recession which has caused unemployment in the County to rise to nearly 6.9%¹.

PROPERTY TAXES

Between 1995 and 2005 property taxes in Nassau County increased by 75.8%, while the consumer-price-index (CPI) for the New York metropolitan area over the same period has increased 31%². According to the U.S. Census, today Nassau residents pay the fifth highest property taxes in the country as a percentage of income (see Table 1) and the second highest in terms of total property taxes paid (see Table 2). Compared to the Country as a whole, Nassau residents pay nearly three times the amount of property taxes as a percentage of income. Property taxes levied by Nassau's school districts represent approximately 60 percent of homeowners' property taxes. The balance of the property tax burden is from County, local and special district

¹ U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics Program (LAUS). July, 2010

² U.S. Bureau of Labor Statistics, Consumer Price Index (CPI) for the New York – New Jersey – Pennsylvania Metropolitan Statistical Area

taxes (see Figures 1 and 2). Currently, Nassau’s residents pay approximately 8% of their income to property taxes, up from 7% in 2005. Based on this trend, Nassau residents could be paying nearly 14% of their income to property taxes by 2030³.

Table 1

Total Property Taxes Paid as a Percentage of Income - 2009					
Rank	County	State	Median Property Taxes Paid	Home Owner Median Income	Taxes as % of Income
	United States	--	\$1,917	\$63,306	3.03%
1	Passaic County	New Jersey	\$7,939	\$82,038	9.68%
2	Essex County	New Jersey	\$8,245	\$94,867	8.69%
3	Union County	New Jersey	\$7,793	\$90,092	8.65%
4	Bergen County	New Jersey	\$8,708	\$101,369	8.59%
5	Nassau County	New York	\$8,940	\$104,465	8.56%
6	Rockland County	New York	\$8,542	\$99,843	8.56%
7	Westchester County	New York	\$9,044	\$109,692	8.24%
8	Suffolk County	New York	\$7,361	\$92,207	7.98%
9	Putnam County	New York	\$7,295	\$93,387	7.81%
10	Hudson County	New Jersey	\$6,653	\$87,734	7.58%

Source: U.S. Bureau of the Census, The Tax Foundation, 2010

Table 2

Median Property Taxes Paid on Homes - 2009			
Rank	County	State	Amount
	United States	--	\$1,917
1	Westchester County	New York	\$9,044
2	Nassau County	New York	\$8,940
3	Bergen County	New Jersey	\$8,708
4	Hunterdon County	New Jersey	\$8,671
5	Rockland County	New York	\$8,542
6	Essex County	New Jersey	\$8,245
7	Passaic County	New Jersey	\$7,939
8	Morris County	New Jersey	\$7,904
9	Union County	New Jersey	\$7,793
10	Somerset County	New Jersey	\$7,720

Source: U.S. Bureau of the Census, The Tax Foundation, 2010

³ Calculated using U.S. Bureau of the Census, The Tax Foundation, and New York Metropolitan Transportation Council’s “2010-2035 Regional Transportation Plan” forecast for average household income.

Figure 1

Property Taxes: 2002

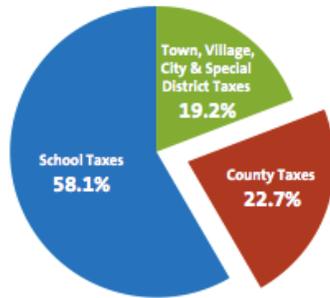
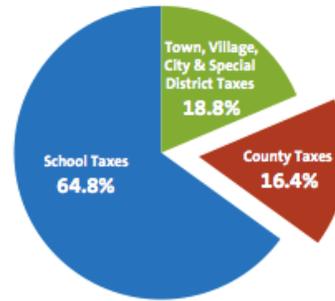


Figure 2

Property Taxes: 2010



Source: Nassau County, 2009

The large number of properties owned by, institutions, non-profit organizations, and governments that are not on the tax rolls also contribute to the County’s high taxes. High property taxes are a significant burden to both homeowners and industry. They substantially add to housing costs and are a disincentive to commercial investment. Currently over 40 percent of Nassau’s mortgaged households spend more than 35 percent of their income on housing (see Table 3). This is a notable drain on families’ resources that reduces discretionary spending and impacts the local economy.

Table 3
Selected Monthly Owner Costs as a percent of Household Income

Owner-occupied units	359,211		
Housing unit with a mortgage	232,968		
	Number	Percent of all owner-occupied	Percent of units with mortgage
Less than 35 percent	138,115	39.20%	59.20%
35.0 percent or more	94,618	25.90%	40.60%
Not Computed	235	0.01%	0.01%

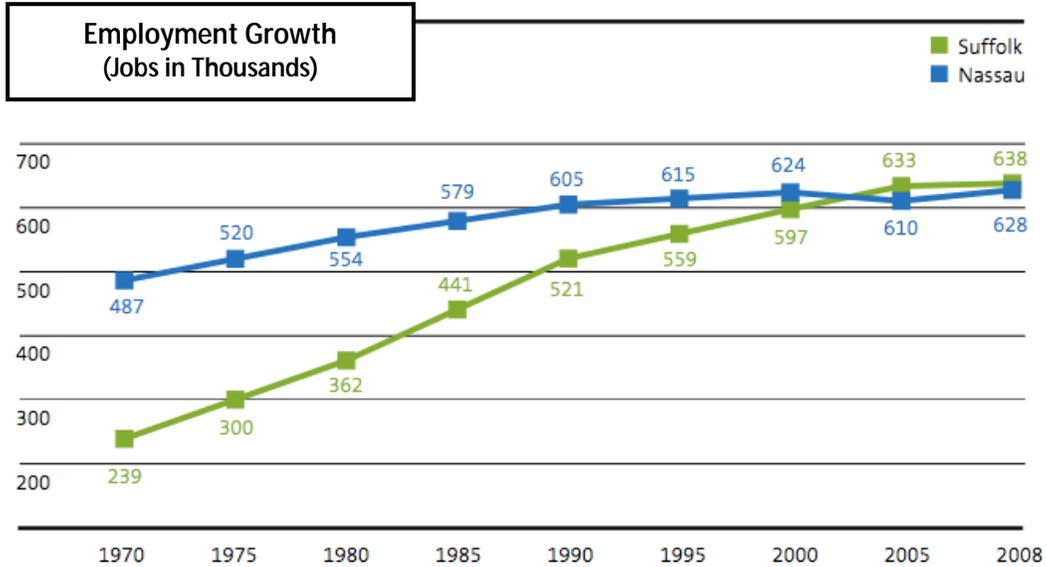
Source: US Census, American Community Survey 2007

EMPLOYMENT GROWTH

Nassau saw a decline in employment relative to Suffolk between 2000 and 2008. While the total number of jobs in Nassau increased by 0.6 percent during this period, the number of jobs in Suffolk increased by 6.8 percent. This lagging job growth negatively impacts Nassau County’s tax base. As shown in Figure 3, over the nearly forty year period between 1970 and 2008 the number of jobs in Suffolk increased by over 150 percent while the number of jobs in Nassau grew by only 30 percent. Due in part to the fact that Nassau experienced suburbanization before

Suffolk did, these employment trends indicate that Nassau must refocus its employment base in order to effectively compete with a younger and expanding Suffolk County.

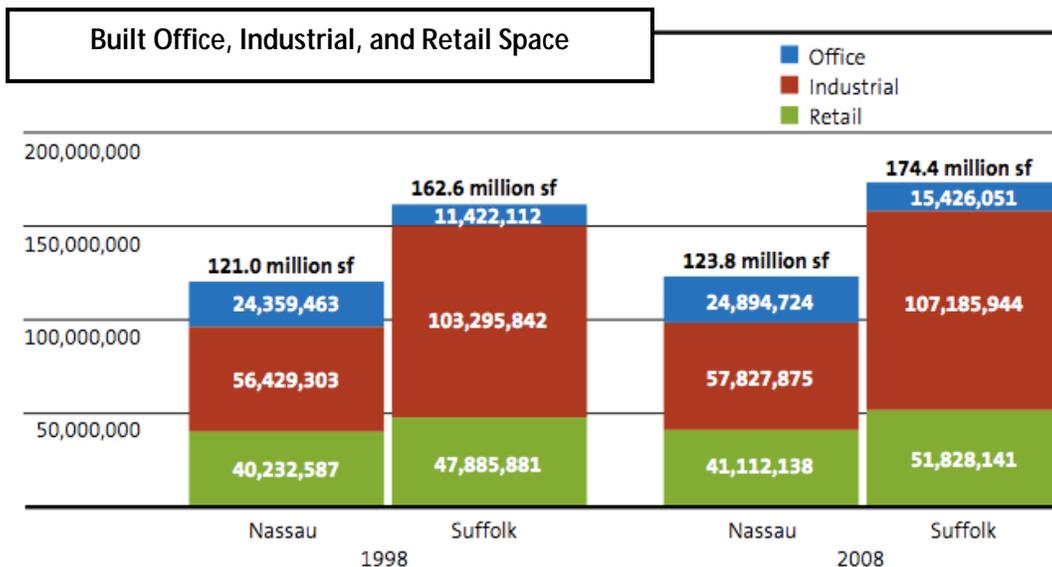
Figure 3
Nassau and Suffolk County Employment Comparison: 1970 - 2008



Source: NY State Department of Labor

Related to job growth is the growth in commercial square footage in Nassau and Suffolk Counties. Based on data provided by CB Richard Ellis, during the last decade (1998-2008) Suffolk grew by 11.8 million commercial square feet, or 7 percent, while Nassau grew by only 2.8 million commercial square feet, or 2.3 percent (see Figure 4).

Figure 4

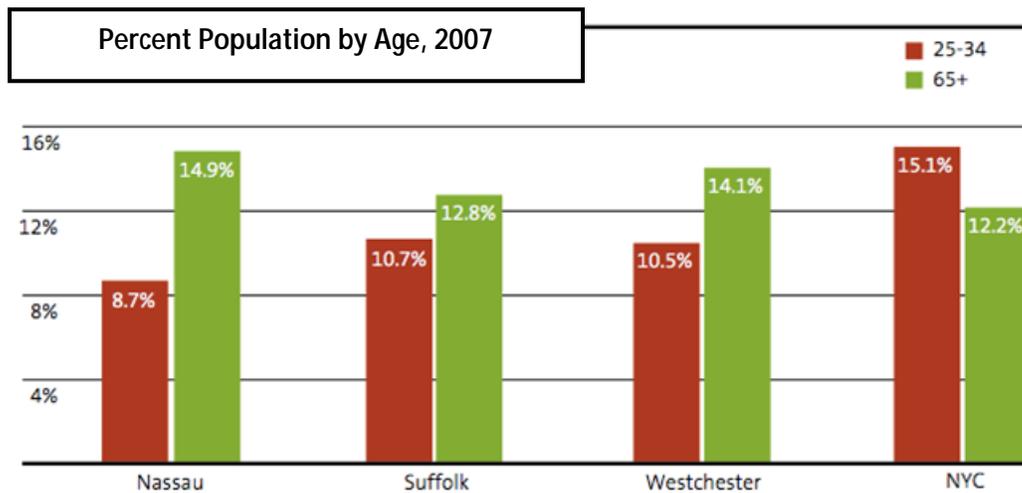


Source: CB Richard Ellis

RETAINING YOUNG PEOPLE AND RECENT GRADUATES

Nassau’s population is aging and its talented youth are seriously considering living and working elsewhere. Educated in the County’s generally strong public school system, a substantial portion of Nassau’s young people do not return home after college. This trend often referred to as “brain drain” or “human capital flight” has an economic cost. The creativity and energy of young people fuels innovation and economic development; and a strong proportion of working age adults is crucial to support a growing elderly population as baby boomers enter retirement. As shown in Figure 5, in Nassau County only 8.7 percent of the population is between the ages of 25 and 34, compared with 10.7 percent in Suffolk County, 10.5 percent in Westchester County, and 15.1 percent in New York City.

Figure 5



Source: US Census, American Communities Survey, 2007

B. THE PARADIGM SHIFT

While Nassau’s identity as a suburban county catering to the needs of young families was attractive to 25 to 34 year olds during the early years of its development, this is no longer the case. The needs of this demographic have dramatically shifted; today people are marrying and settling down later in life. Single family homes are both too large and too expensive for single young people and alternative housing options such as rental apartments and townhouses in Nassau are few.

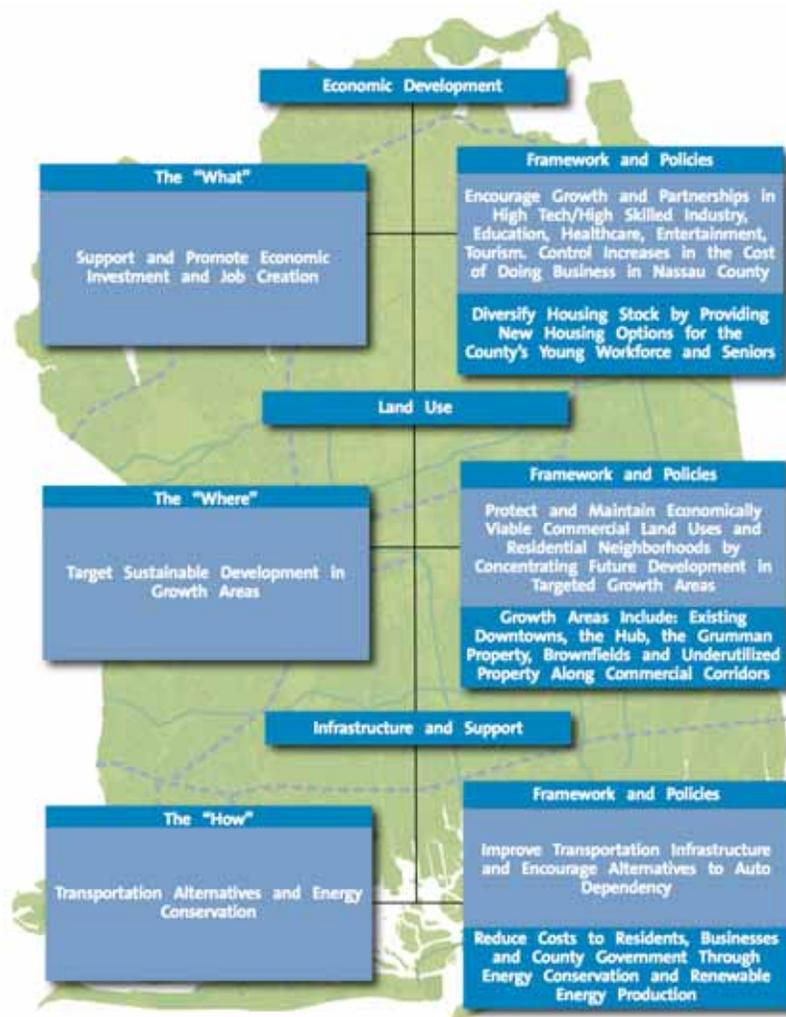
In addition, Nassau’s suburban land use pattern provides limited opportunities for the types of entertainment and social interaction that are important to many young people. As Richard Florida notes in *The Rise of the Creative Class*, “These [young] people insist they need to live in places that offer stimulating, creative environments. Many will not even consider taking jobs in certain cities or regions. They will pick a place to live, and then focus their job search there.”

The 2010 Nassau County Master Plan seeks to address the problems currently facing our residents and business owners. The Plan calls for all levels of government, the private sector,

not-for-profits, and County’s residents to partake in a paradigm shift for sustainable growth over the next 20 years that results in:

- the creation of sustainable high-value jobs in targeted growth areas
- controlling the increases in the cost of government
- new housing choices and availability for the County’s young workforce and seniors
- the revitalization and reinvestment in downtowns and underutilized commercial and industrial areas
- streamlining and expediting the entire land use regulatory process
- an increase in public transit infrastructure and usage
- selective and affordable preservation of remaining open space and environmentally-valuable areas
- energy conservation and affordable local renewable energy generation

In addressing the issues and problems currently facing the County, the Plan sets forth the “what” – in terms of the type of sustainable economic growth, the “where” – in terms of the appropriate locations for growth, and the “how” – in terms of what is required to support existing and future growth and development.



C. NASSAU COUNTY POPULATION AND EMPLOYMENT PROJECTIONS: 2010 - 2030

The Plan utilizes the New York Metropolitan Transportation Council's (NYMTC) 2010-2035 Regional Transportation Plan (RTP), adopted on September 24, 2009, as the basis for current and projected demographic and socioeconomic trends.

NEW YORK METROPOLITAN TRANSPORTATION COUNCIL (NYMTC)

Federal policy mandates that transportation planning take place at the regional level. The New York Metropolitan Transportation Council (NYMTC) is the federally-designated Metropolitan Planning Organization (MPO) for the New York City, Long Island and lower Hudson Valley region, which encompasses an area of 2,440 square miles and a population of 11.3 million, approximately 65% of New York State's population.

NYMTC coordinates a continuing, cooperative and comprehensive planning process to address transportation-related issues from a regional perspective, providing a foundation for decisions on the allocation and use of federal transportation funds. There are nine voting members of NYMTC who represent the New York City Department of City Planning, the New York City Department of Transportation, Nassau County, Suffolk County, Westchester County, Rockland County, Putnam County, the Metropolitan Transportation Authority and the New York State Department of Transportation.

As a Metropolitan Planning Organization, NYMTC is responsible for preparing and adopting a Regional Transportation Plan (RTP). The RTP is a major, federally-mandated planning product which outlines the NYMTC region's transportation needs and desires over a minimum of a twenty year period. The RTP provides a framework to implement transportation improvements by focusing on identifying current and future needs, determining financial needs, establishing a regional framework for future improvements and investments, defining investment possibilities, measuring the region's performance and identifying future planning work.