



Babylon IDA generates \$593 million in economic development

October 03, 2017 - Long Island

Babylon, NY The Babylon Industrial Development Agency (IDA), in partnership with Farmingdale State College, released an Economic Impact Study (EIS) of transactions completed between 2011 and 2015. During this time, 80 transactions incentivized by the Babylon IDA are responsible for creating \$593 million in economic investment in the town and adding more than 10,000 jobs for residents. This economic activity was spurred with net tax exemptions amounting to \$6.2 million.

“Babylon is an economically vibrant Town that continues to become a more and more attractive place to do business thanks to the ever-important work of the IDA,” said town supervisor Rich Schaffer.

“We thank Farmingdale State College for their assistance in compiling this economic impact study as it helps us to better visualize and articulate the positive effect the IDA’s transactions have had on our community, and plan for an even brighter economic future.”

“The Babylon IDA takes its job very seriously and works hard to induce projects that provide the Town of Babylon with the greatest return on its investment,” said Patrick Halpin, Chairman of the Babylon IDA Board of Directors. “The results of the economic impact study conducted by Farmingdale State College provide additional reassurance that the types of business we look to attract and incentivize are the right fit for Babylon. Their growth and success is all the evidence we need to show we are doing what’s best for Babylon’s economy now and in the future.”

The total impact of the 80 projects incentivized by the IDA between 2011 and 2015 were divided into two phases, construction and operation. During the construction phase, these projects collectively increased the Town of Babylon’s Gross Regional Product (GRP) by an average of \$154,258,354 per year (\$771 million over the five-year period), which is equivalent to a 1.1 percent increase in overall GRP. The operation phase of these projects—the expected yearly impact—is to increase the Town’s GRP by \$585 million per year, equivalent to a 4.1 percent increase. It is also expected that these projects will increase current levels of employment by 3.8 percent.

“The study produced through our Business and Economic Research Center shows that the projects supported through the IDA have contributed significantly to Babylon’s continued growth and economic vitality,” said Dr. Richard Vogel, Dean of the School of Business at Farmingdale State College. “These projects have resulted in the creation of new jobs, increases in gross regional product and helped to revitalize many central business and industrial districts in the community.”

The projects analyzed during this EIS were broken down into four industry segments: service, wholesale trade, manufacturing and residential/mixed use—13 service industry, 19 wholesale trade, 43 manufacturing and five residential/mixed use. Each of these phases are then broken out into direct, indirect and induced effects which are described as the following:

- Direct Effects – due to the money actually spent in the Town of Babylon
- Indirect Effects – due to the business-to-business transactions triggered by the initial investments
- Induced Effects – due to the additional income obtained by jobs directly and indirectly created by the projects

The economic impact during the construction phase saw the addition of \$514 million in direct effects, \$157 million in indirect effects, and \$100 million in induced effects (totaling \$771 million of aggregate economic output). Likewise, the economic impact during a normal year of operations is expected to add a direct effect of \$395 million, an indirect effect of \$97 million, and an induced effect of \$93 million (\$585 million of aggregate economic output).

“While the IDA has many tasks, we have one mission—make the Town of Babylon a more attractive place to do business so we continue to grow our economy and long-term tax base,” said Tom Dolan, Babylon IDA’s Vice President of Business Development. “The results of this study show that our hard work is paying off and the companies we seek to attract and retain are in fact having a significant impact on our local economy. It was an honor to be able to share these results with our clients—the individuals who selected our Town to base their business operations.”

Last month, the Babylon IDA and Farmingdale State College School of Business hosted a networking event for IDA clients and a presentation of the EIS. With distinguished guests including Town of Babylon Supervisor Rich Schaffer, Deputy Supervisor Tony Martinez, Suffolk County Legislature’s Presiding Officer DuWayne Gregory, President of Farmingdale State College Dr. John. S. Nader and Dean of Farmingdale’s Business School Dr. Richard Vogel, 35 Babylon IDA clients attended the event to learn more about how their businesses are collectively impacting the overall economy of the Town of Babylon.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540