



An Economic Snapshot of Coney Island and Brighton Beach

Thomas P. DiNapoli
New York State Comptroller

Kenneth B. Bleiwas
Deputy Comptroller

Report 8-2012

July 2011

Highlights

- Of the 111,063 residents in Coney Island and Brighton Beach in 2009, nearly half of the population (49.8 percent) was foreign-born, well above the Citywide average of 35.6 percent.
- Almost half (46.4 percent) of the immigrants in Coney Island and Brighton Beach come from just two countries—Ukraine and Russia.
- The greater Coney Island area, which includes a part of Brighton Beach, gained 1,840 private sector jobs in 2010, an increase of 7.1 percent. This rate of job growth far exceeded the citywide rate of 0.9 percent and was more than twice the growth rate in the rest of Brooklyn.
- The health care and social assistance sector is the area's largest employer, accounting for 30 percent of jobs.
- Large area employers in health care include Shorefront Jewish Geriatric Center, Sea Crest Health Care Center, and Saints Joachim and Anne Nursing and Rehabilitation Center.
- Coney Island Hospital has begun a \$10 million expansion of its emergency room, which will increase the current space by 60 percent. The renovation will also add new treatment/exam rooms and several specialized facilities.
- Between 2000 and 2008, the number of businesses in the area grew by 21.4 percent, significantly faster than the citywide gain of 5.8 percent.
- In 2008, 75 percent of the 4,030 firms in the area had fewer than five workers; 88 percent had fewer than ten workers.
- Home prices in Coney Island and Brighton Beach rebounded strongly in 2010.
- From 2009 to 2010, attendance at Coney Island's beaches tripled to more than 12.8 million visitors.
- New amusement parks have opened in Coney Island. Luna Park opened in the summer of 2010, and Scream Zone opened in the spring of 2011.
- A \$100 million renovation is planned for the New York Aquarium.

Coney Island and Brighton Beach are located on a peninsula in southern Brooklyn, along the Atlantic Ocean. The oceanfront location, along with access to mass transit, helped shape the development of these neighborhoods, which became a summer resort and home to the country's oldest amusement area. While changing vacation patterns led to the decline of the amusement parks over time, the beaches and boardwalks have remained popular attractions for New York City residents.

The neighborhoods of Coney Island and Brighton Beach draw strength from their cultural vibrancy—they are home to people from 50 countries, with residents from Ukraine and Russia the most numerous. Nearly half of the area's residents are immigrants—the seventh-highest concentration in all of New York City.

During 2010, the area began a sharp recovery from the recession, which had cost it one out of every ten jobs. Private sector employment rose to 27,530 jobs, a gain of 7.1 percent—a much faster rate of job growth than in the City overall (0.9 percent), and more than twice the rate for the rest of Brooklyn. Though jobs expanded in many sectors, two sectors accounted for two-thirds of the gains in 2010: transportation and education services. Importantly, employment stabilized in the health care and social assistance sector (the largest sector in the area), after large losses in 2009.

New York City has moved to stimulate economic growth and revive the area's traditional role as an urban amusement destination. After several years of discussion, the City rezoned the neighborhood in 2009 to create a 27-acre Coney Island amusement and entertainment district. The redevelopment plan will provide new housing and increase retail development. In 2010, the first new amusement park in almost 50 years opened, and a second park has opened in 2011. As part of these efforts, the City is also investing heavily in infrastructure improvements to help stimulate private development.

Population and Demographics

According to data from the U.S. Census Bureau, there were 111,063 people living in Coney Island and Brighton Beach in 2009.¹ This represents an increase of 7.1 percent from 2006. During the same period, the population grew in both Brooklyn (2.3 percent) and the City overall (2.2 percent), but at significantly slower rates.

The area had the seventh-highest concentration of immigrants among all neighborhoods in the City in 2009, with foreign-born residents accounting for almost half of the area's population. Although immigrants in Coney Island and Brighton Beach have come from 50 different countries, the majority are from either Ukraine (25.2 percent) or Russia (21.2 percent). The next three most common countries of origin are China (9.7 percent), Belarus (5.3 percent), and Hong Kong (3.2 percent).

In a January 2010 report, the State Comptroller found that neighborhoods with large immigrant populations had stronger economic growth than the City as a whole. From 2000 to 2008, the number of businesses in Coney Island and Brighton Beach grew by 21.4 percent, far faster than in the rest of the City (5.5 percent). Likewise, the total number of paid employees in the area grew by 31.8 percent compared to a 3.7 percent gain in the rest of the City.

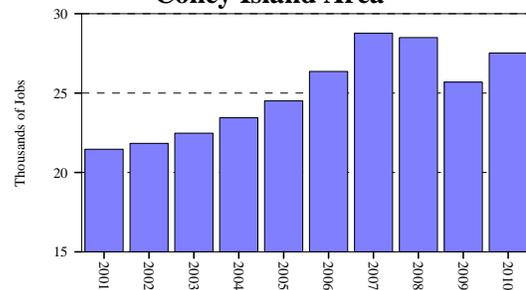
The population of Coney Island and Brighton Beach is significantly older than the population in the borough and in the City as a whole. In 2009, the median age in the area was 47.9 years, whereas the median age was 34.2 years in Brooklyn and 36.0 years in the City. Between 2006 and 2009, the number of residents aged 65 years and older in Coney Island and Brighton Beach rose by 4.1 percent, so that senior citizens accounted for more than one-quarter of the area's population in 2009. This was about two times the share that senior citizens represent in Brooklyn as a whole. The area's greater concentration of older residents reflects the large number of nursing homes and other care facilities.

¹ Neighborhood data used in this report are either for the greater Coney Island area, covered by ZIP codes 11214, 11223, and 11224; or for a U.S. Census neighborhood area that covers Coney Island and Brighton Beach.

Employment

The greater Coney Island area had enjoyed vibrant job growth throughout much of the 2000s, but the area was hit hard by the recession (see Figure 1).² During 2010, however, private sector employment in the greater Coney Island area rebounded sharply, adding 1,840 jobs, or 60 percent of the 3,080 jobs lost in the recession. The rate of job growth was 7.1 percent, which far exceeded the City's growth rate (0.9 percent) and was more than twice the rate in the rest of Brooklyn (3 percent). Two-thirds of the job gains came from the transportation, warehousing, and utilities sector, and the education services sector.

Figure 1
Private Sector Employment in the Greater Coney Island Area



Note: Includes data for ZIP codes 11214, 11223, and 11224.
Source: NYS Department of Labor

The largest employment sector in the greater Coney Island area is health care and social assistance, which accounted for 8,370 jobs in 2010. This represented 30 percent of all jobs in the area—a much higher concentration than the sector's share citywide (18.8 percent).

The health care and social assistance sector lost 2,130 jobs in 2009 (three-quarters of the area's private sector job losses that year), which departed from the citywide trend of job gains in this sector during the recession. In 2010, this sector showed signs of recovery in the greater Coney Island area, with a job gain of 1.6 percent.

Retail trade is the second-largest employment sector in the area—accounting for 4,850 jobs, or more than one out of every six jobs in 2010. Between 2003 and 2010, employment in retail trade expanded by 660 jobs, increasing every year except for 2008.

² Employment data for the greater Coney Island area includes only a part of Brighton Beach. Most of Brighton Beach is included in a neighboring ZIP code for Sheepshead Bay and Manhattan Beach.

The area's third-largest employment sector is transportation, warehousing, and utilities, which provided 2,880 jobs in 2010 (just over 10 percent of area employment). After losing 1,170 jobs during the recession, this sector added 590 jobs in 2010—one-third of the total private sector gains.

The education services sector, which accounts for less than 5 percent of area employment, had the largest job gain (650 jobs) of any sector in 2010.

Most businesses in the area are small. In 2008, 75 percent of the area's 4,030 businesses employed fewer than five workers, and 88 percent had fewer than ten workers. Between 2000 and 2008, the number of businesses in the area increased by 21.4 percent. Almost all of these new firms (94 percent) had fewer than ten workers.

More than half of all the businesses in the area in 2008 were concentrated in four sectors: retail trade, health care and social assistance, other services (which includes services such as beauty salons and car repair shops), and construction.

Though small business predominates, the area has some large institutions. In 2008, 15 firms had more than 250 employees. Thirteen of the largest firms (including three with more than 1,000 employees) were in the health care and social assistance sector; one was in transportation; and one was education-related.

In 2009, the median commute time for residents of Coney Island and Brighton Beach was 44 minutes, indicating that most employed residents did not work in the neighborhood—although 60 percent worked in Brooklyn. Another 30 percent of employed residents worked in Manhattan.

Wages and Salaries

After a sharp decline in 2009, total private sector wages in the greater Coney Island area rebounded in 2010, increasing by 8.5 percent to reach \$898 million. This was more than twice the rate of growth in the rest of Brooklyn (4 percent). Private sector wage growth in 2010 was primarily fueled by job gains, as the average salary for all jobs in the area increased by only 1.3 percent.

Overall, wages grew faster in the greater Coney Island area between 2000 and 2010 (nearly 60 percent) than they did in the rest of Brooklyn (41 percent).

Among the largest employment sectors in the area, health care and social assistance had a higher average salary (\$34,570) than the overall private sector average (\$32,630), but salaries were lower than average in the transportation, warehousing, and utilities sector (\$32,280) and in retail trade (\$25,460). The highest average salary in the area in 2010 (\$90,200) was in the information sector (which includes publishing, motion pictures, broadcasting, and telecommunications).

Housing

Coney Island and Brighton Beach had 49,350 housing units in 2008, an increase of 2,380 units since 2002. The number of units grew at a faster pace (5.2 percent) than citywide (3.6 percent).

About 70 percent of the housing units in the area are rental apartments, and more than three-quarters are rent-regulated. In 2008, the median rent for all apartments in the area was \$700, which was lower than in the borough (\$900) and in the City as a whole (\$950). Overall, the median rent in Coney Island and Brighton Beach rose by 30.8 percent between 2002 and 2008, which was slightly less than the increase in the borough (32.4 percent).

Of the 15,080 housing units that are owner-occupied, 45 percent are one-, two-, and three-family homes, and 47 percent are cooperatives. The area has a higher share of co-ops than Brooklyn (19.3 percent) or the City overall (30.1 percent).

The foreclosure crisis has been less severe in the greater Coney Island area than in the rest of the City. In 2010, there were 210 foreclosure filings in the area—down more than 10 percent from 2009. This represents 2.4 filings for every 1,000 households—less than half the citywide rate.

The area's median sales price for one-, two-, and three-family homes rebounded in 2010, increasing by 6.2 percent to \$600,000. Between 2006 and 2009, prices had fallen by 11.2 percent from a peak of \$636,000. (For Brooklyn overall, the median sales price declined another 1 percent in 2010 to reach \$520,000.)

The median sales price for co-ops and condominiums in the area declined sharply between 2006 and 2009 (falling by 18.7 percent, from \$375,000 to \$305,000, a steeper drop than the median price for homes), but prices rebounded in 2010, rising by 9.7 percent to reach \$334,620.

Economic Development

Coney Island is well-known as an entertainment and amusement destination. Between 1880 and World War II, Coney Island became the largest amusement area in the United States, attracting several million visitors per year. It featured three major parks (Dreamland, Luna Park, and Steeplechase Park) as well as many smaller independent amusements. Another Coney Island institution, Nathan's Famous original hot dog stand, opened in 1916.

Coney Island is home to the world-famous Cyclone roller coaster. Built in 1927, the 85-foot-high wooden amusement ride, which is still in operation today, was designated a New York City landmark in 1988 and was placed on the National Register of Historic Places in 1991.

After World War II, the area began to suffer setbacks. By 1964, the last of the original major amusement parks (Steeplechase Park) had closed. One of the smaller parks (Astroland) continued to operate until 2008.

In response to the decline of the historic area, the City issued a Comprehensive Development and Rezoning Plan for Coney Island (the "Plan") in 2007 in order to catalyze the redevelopment of the Coney Island amusement area and the surrounding blocks. In 2009, the New York City Council approved the rezoning of 19 blocks in Coney Island (bounded by the New York Aquarium to the east, West 24th Street to the west, Mermaid Avenue to the north, and the Riegelmann Boardwalk to the south).

The Plan calls for a year-round, 27-acre amusement and entertainment district, which will include a 12-acre amusement park, indoor and outdoor entertainment, large-scale retail space, and hotels. To the north of the amusement area, up to 1,800 residential units will be constructed, along with extensive retail space. To the west of the amusement district, a large residential and retail district is being developed. This area will include 2,700 residential units, with 540 affordable units, a large park, and 360,000 square feet of retail space.

Ocean Dreams, a 500,000 square foot, mixed-use oceanfront development, is being planned for the west end of the Coney Island boardwalk, between West 34th and West 36th Street. The development

will feature three residential towers with more than 400 market rate condominiums, 25,000 square feet of retail space, and 400 parking spaces.

Coney Island Commons is a mixed-use development being planned for Surf Avenue. It will include 196 rental apartments (studios and one- and two-bedroom units) for low- and middle-income families, and a community center operated by the YMCA of Greater New York.

Luna Park, the first new amusement park built in Coney Island in almost 50 years, opened in June 2010. The facility features 19 rides. In 2011, another new park, Scream Zone, opened alongside Luna Park. Scream Zone offers the first new roller coasters built in New York City since the Cyclone opened in 1927.

Coney Island is also the home of the New York Aquarium, which is currently undergoing a \$100 million renovation that will include two large shark tanks. The Wildlife Conservation Society projects that the expansion, which is scheduled for completion in 2015, will increase the number of visitors annually from 750,000 to 1 million.

The Municipal Credit Union (MCU) Park, built in 2001, is the home of the Brooklyn Cyclones, a popular and successful minor-league baseball team that is part of the New York Mets system. The 7,500-seat stadium, which includes standing room for another 2,500 people, overlooks the Atlantic Ocean, as well as attractions including the Cyclone, the Wonder Wheel, and the Parachute Jump.

There are plans to build a new 5,000-seat performing arts facility (to be located at the site of the current band shell) in Asser Levy Park. The \$64 million project will also include improved drainage, new walkways, and a new playground.

Brighton Beach is known for its many ethnic dining and entertainment venues (Brighton Beach has been nicknamed "Little Odessa" as a reflection of its strong immigrant community).

The Coney Island and Brighton Beach area offers a variety of other recreational amenities, including three miles of public beaches along the Atlantic Ocean. The summer of 2010 was a good one for Coney Island, as high temperatures and the new amusement park helped beach attendance to triple, to 12.8 million visitors, compared to 2009.