

Appendix I

Economic and Fiscal Impact Report

WALKWAY OVER THE HUDSON

FINAL REPORT

ECONOMIC & FISCAL IMPACT

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Economic & Fiscal Impact of Construction and Visitation: Proposed Walkway Over The Hudson

Introduction

In an effort to assess the potential costs and benefits of the proposed \$25 million pedestrian Hudson River crossing, Walkway Over The Hudson commissioned economic development consulting firm Camoin Associates of Saratoga Springs, New York to conduct an economic and fiscal impact study.



The purpose of the Walkway Over The Hudson study is to assess how construction and visitor spending would benefit both the local and state economies through job creation and increased sales, wages and tax revenue. Additional public revenue would be the result of increased economic activity and would come in the form of sales, hotel occupancy, property and income taxes.

As background, an *economic impact study* measures the direct, indirect and induced effects new spending or investment has on an economy's employment, wages and business sales. As such, this study is intended to project the new jobs, employment wages and business income resulting from the injection of construction spending and spending by visitors from outside the region and state.

Fiscal impact analysis utilizes the results of the economic impact study to project the net cash flow to the state and local taxing jurisdictions.



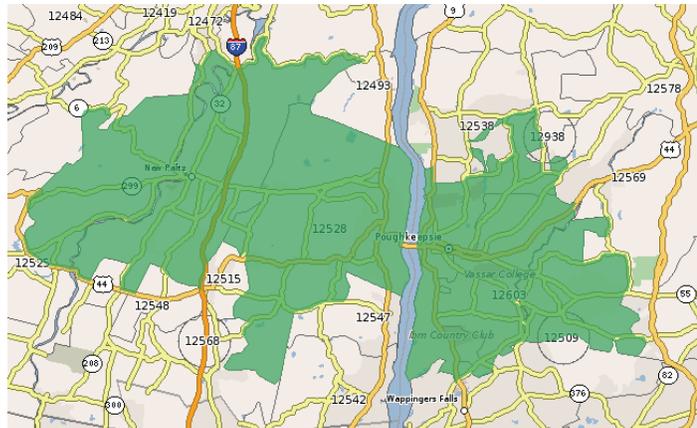
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Direct Construction Spending

A total construction cost of \$25 million has been estimated by engineering firm Bergmann Associates. Based on discussions with Peter Melewski, Project Manager for Bergmann Associates, 37% of the total construction expenditures (\$9.25 million) is likely to be spent on firms located in Dutchess or Ulster Counties, and 95% is likely to be spent on construction firms in New York State.

Projected Usage by Area Residents

Given that the Walkway will connect two existing recreational trails, it was important to estimate the number of area residents that are likely to utilize the Walkway. Prior trail use studies have determined that local resident usage is a direct function of the total population surrounding a recreational trail. Based on the 2009 projected population of 123,202 for the geographic area surrounding the future pedestrian bridge (shown in the map to the right) and a local trail usage ratio obtained from the *NYS DOT Maybrook Multi-Modal Corridor Study*, local residents will likely use the Walkway approximately 157,699 times each year. These residents will use segments of the bridge and trail for walking, biking, etc.



While projected 2009 spending by these residents will average approximately \$14.44 per use for a total of \$2.3 million, this spending is not considered to be a new injection of money into the local economy, as it would likely have been spent elsewhere within Dutchess or Ulster Counties.

2009 Local Trail Usage & Spending Based on Population					
Area	2009 Population	Usage Ratio	Annual Usage	Ave. Spending per Use	Total Trail Spending
Poughkeepsie/Highland Area	123,202	1.28	157,699	\$ 14.44	\$ 2,277,399

Note: \$2.2 million in local spending is not considered to be new to the local economy

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Non-Local Visitation & Direct Spending Projections

Based on prior research and information provided by a number of significant Hudson Valley attractions, Camoin Associates estimates that approximately 267,699 visits total will be made to the bridge each year and that 41% of those visits will be by individuals from outside Dutchess and Ulster Counties. Thirty-five (35%) of individuals using the bridge are expected to come from outside the Hudson Valley.

Visitor Origin	
Origin	% of Total
Regional Visitors (Hudson Valley non-Dutchess & Ulster)	5.6%
Day-trip Outside Hudson Valley	20.5%
Overnight Outside Hudson Valley	14.9%
Total Visitors from Outside Dutchess & Ulster Counties	41.1%

It is also anticipated that of the 110,000 visitors from outside Dutchess and Ulster Counties, 70,000 will be day-trippers and 40,000 will be overnight travelers. Furthermore, 45,000 of the total visitors are expected to come from outside New York State. It is important to note that visitors from outside Dutchess and Ulster Counties are comprised of individuals that have decided to extend their stay, as well as those that decided to visit the area as a direct result of the new attraction.

Spending By Visitor Origin			
Visitor Type	Visitors/ Users	2009 User \$ per day	Total Local Annual Spending
Total Trail Users & Bridge Visitors		\$ -	
Local Trail Users (City of Poughkeepsie & Town of Lloyd Zip Codes)	157,699	\$ 14.44	\$ 2,277,399
Total Non-Local Visitors	110,000		
Regional Day Trippers (Hudson Valley outside Dutchess & Ulster)	15,000	\$ 79.59	\$ 1,193,858
NYS Day Trippers (outside Hudson Valley from NYS)	35,000	\$ 100.00	\$ 3,499,972
Day Trippers (outside NYS)	20,000	\$ 125.00	\$ 2,499,980
Overnighters - New York State (outside Hudson Valley)	15,000	\$ 177.45	\$ 2,661,737
Overnighters - Outside New York State	25,000	\$ 190.50	\$ 4,762,422
Total Local and Out-of-Area Trail & Bridge Visitors	267,699		\$14,617,969

Note: Local Trail User Spending not considered new injection of dollars into local economy

A total of \$14.6 million in new annual visitor spending is expected in Dutchess and Ulster Counties after completion of the bridge in 2009. Direct spending by out-of-state day and overnight visitors is expected to be \$7.3 million in 2009 (Day Trippers-\$2.5 million and Overnighters \$4.8 million).

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Economic Impact of Construction

The initial economic and fiscal impact of the proposed project on the region and state will occur as a result of construction spending. While this impact will only have a one time affect on the local economy, it will result in \$13.7 million of additional economic activity for Dutchess and Ulster Counties and \$15.3 million for New York State. These projections are based on the \$25 million construction cost estimate, the sources of funding, and a determination of what portion of the construction contracts are likely to be awarded to firms in the area.

One Time Economic Impacts from Construction Phase			
Region	New Construction	Multiplier	Total Impact
Dutchess and Ulster County	\$ 9,262,572	1.48	\$ 13,708,606
New York State ¹	\$ 9,000,000	1.7	\$ 15,300,000

Note 1: It is assumed that \$9 million will come from private sources.

Economic Impacts of Visitation

In addition to construction, the second phase of economic impact will result from the introduction of new tourism spending by those visiting from outside the region and state. Such spending will circulate in the economy multiple times as businesses serving tourists make purchases from local vendors and as their employees spend their wages locally.

Dutchess and Ulster Economic Impacts of Operations - 2008						
	Lodging	Food & Beverage	Recreation	Retail	Transportation	Total
Direct	\$ 2,253,539	\$ 4,108,773	\$ 1,227,049	\$ 3,391,152	\$ 3,637,456	\$ 14,617,969
Multiplier	1.42	1.42	1.53	1.45	1.44	-
Total	\$ 3,200,025	\$ 5,834,458	\$ 1,877,384	\$ 4,917,171	\$ 5,237,937	\$ 21,066,975

The net new \$14.6 million of tourism spending in Dutchess and Ulster Counties means a total economic impact of \$21 million when the “multiplier effect” is taken into consideration. A review of national tourism spending data and prior Hudson Valley visitor survey results provides an indication of how the new money will enter into the local and state economy through lodging, food and beverage, retail, and transportation related businesses.

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Similarly, new direct spending in New York State by out-of-state visitors as a result of the new attraction is expected to total \$7.3 million per year. The circulation of this new money (“multiplier effect”) resulting from the additional business and employee spending, will produce a total increased economic activity of \$12.6 million. *[Note: new spending in New York State is less than new spending for the Counties because some of the new visitors to Dutchess and Ulster will be residents of New York State and are therefore not bringing “new dollars” into the State’s economy.]*

New York State Economic Impacts of Operations - 2008						
	Lodging	Food & Beverage	Recreation	Retail	Transportation	Total
NYS	\$ 1,747,809	\$ 2,094,515	\$ 526,436	\$ 1,708,332	\$ 1,185,310	\$ 7,262,402
Multiplier	1.76	1.73	1.81	1.74	1.69	-
Total	\$ 3,076,144	\$ 3,623,512	\$ 952,849	\$ 2,972,497	\$ 2,003,175	\$ 12,628,176

The total additional economic activity from construction and visitor spending will also result in the creation of new jobs. While many of these jobs will be in the construction and service sectors as the new spending is introduced into the economy, a portion of the total new jobs will be created in other industries as businesses and employees spend their earnings and wages on real estate, medical care, consumer goods, etc.

Annual Economic Impact Summary		
	Counties	State
New Sales	\$ 21,066,975	\$ 12,628,176
New Jobs	258	155
New Earnings	\$ 7,940,960	\$ 4,760,049

A total of 258 new jobs will be created in Dutchess and Ulster Counties as a result of the project. Of the total, 155 of the new jobs will be the result of new visitor spending in New York State. *[Note: new jobs in New York State is less than new jobs created for the Counties because a number of the new visitors to Dutchess and Ulster will be residents of New York State and are therefore not bringing “new dollars” and thus creating “new jobs” in the State’s economy.]*

Fiscal Impacts of Project

The new economic activity described below will provide sources of revenue to both the Counties and State in the form of sales tax, income tax, occupancy tax and property tax revenues. On an annual basis, visitor spending will bring in approximately \$730,000 in new revenue to Ulster and Dutchess Counties and over \$600,000 in new revenues to New York State for a combined total new State and local tax revenue of \$1.3 million.

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Summary of New Annual Tax Revenues			
Source	Counties	State	Total
Sales Tax	\$564,162	\$275,971	\$840,134
Income Tax	-	\$328,927	\$328,927
Property Tax	\$95,643	-	\$95,643
Occupancy Tax	\$67,606	-	\$67,606
Total Annual New Tax	\$727,411	\$604,898	\$1,332,310

Other benefits identified through the research, but not quantified as part of this study include increased values of properties adjacent and near the new connecting pedestrian paths leading to the Walkway over the Hudson. In addition, the project is likely to spur future investment in other waterfront redevelopment activities, thus contributing to new investment, consumer spending, job creation and tax revenue.

