

APPENDIX 4

GROWTH INDUCING AND SECONDARY IMPACTS

APPENDIX

to

**Chapter 7
Supplemental Draft Environmental Impact Statement
of the
Modified Belleayre Resort at Catskill Park
in
Shandaken and Middletown, New York**

***Growth-Inducing and Secondary Impacts of the Proposed Modified
Belleayre Resort at Catskill Park***

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7.1 Introduction

This appendix report evaluates the potential for secondary or indirect development in the study area as a result of the construction and operation of the proposed Modified Belleayre Resort at Catskill Park (the “proposed project”), in Shandaken and Middletown, New York. This appendix report was prepared in support of the Supplemental Draft Environmental Impact Statement pursuant to the New York State Environmental Quality Review Act (SEQRA). New economic activity associated with the proposed project, as described in the Appendix report accompanying Chapter 3.9 of the SDEIS, would generate economic activity and changes to land use off of the project site. Two main types of potentially induced economic activity are considered:

- New commercial development along the Route 28 corridor; and
- New residential development, both seasonal and year-round.

The conclusions presented in this evaluation are based upon the collection and evaluation of baseline economic conditions within the study area and an analysis of the economic demands generated by the construction and operation of the proposed Resort development.

The direct and indirect economic effects of construction and operations are evaluated, and these data are supplemented by an estimation of the effects of the new visitors attracted to the Resort. The estimations of the economic effects of construction and operations were generated using the Regional Input-Output Modeling System (RIMS II) developed by the U.S. Department of Commerce, Bureau of Economic Analysis, and customized for Delaware, Ulster, and Greene Counties. The projections of visitor effects, including on-site and off-site spending, were estimated by an analysis of the number and types of visitors to the proposed Resort, and an estimation of the likely spending patterns of these visitors while in the area.

It is expected that the primary economic effects of the Resort within the study area would result from off-site spending generated by visitors to the Resort, and off-site spending from Resort-generated employment (direct and indirect). It is anticipated these effects would stimulate business activity, and that the bulk of this new economic activity would be largely absorbed occur within the existing stock of businesses now operating in the affected area.

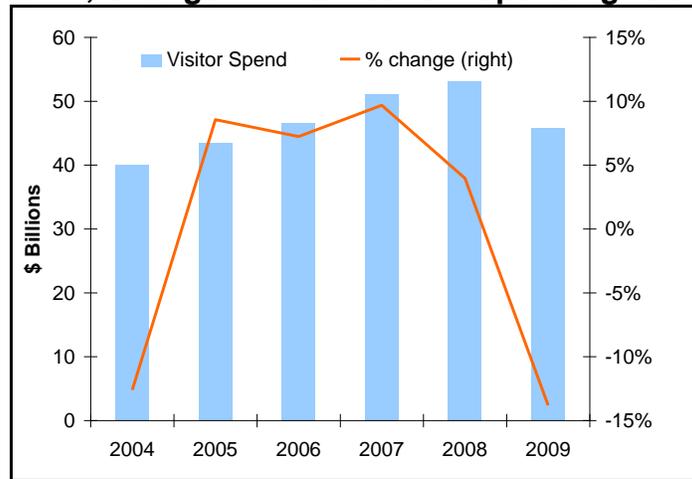
It is further anticipated that the current commercial centers located in village and hamlet areas is where most economic activity would occur. These locations are where commerce now is centered, and are where existing buildings and commercial spaces are available for business expansions and new business starts. Land use policies, combined with environmental and regulatory constraints, as well as public land ownership by the New York City Department of Environmental Protection and the New York State Department of Environmental Conservation render new development on Route 28 corridor sites unattractive, while these same factors – combined with available commercial spaces – enhance the attractiveness of village and hamlet centers as places for new and expanded commercial activity.

The economic effects of the Resort are considered within the current economic context of the region, and of the Route 28 Corridor, in particular. Over the past decade, the national and regional economies have experienced a deep recession, resulting in decreased discretionary spending patterns. Tourism and vacation spending have been especially affected. The upside of this trend has been increased domestic and close-to-home travel and tourism. Nonetheless, surveys have shown that tourism and vacation spending throughout New York State has declined from pre-

recession highs, and is currently similar to spending levels from 2002-2003, when the Draft Environmental Impact Statement for the earlier configuration of the Belleayre Resort was prepared.

Figure 7.1, below, illustrates the trajectory of annual New York State tourism spending occurring between 2004 and 2009, as presented in the recent report titled *Economic Impact of Tourism in NYS*, prepared in May 2010, by Tourism Economics, of Wayne, PA. By way of explanation, Figure 7.1 shows the amount of tourist expenditure per year, as well as the percent change from year to year. The figure contains two “y-axes” (the vertical scales). The axis to the left shows total tourist dollar expenditures in New York State in billions of dollars, and the axis on the right shows the percentage of change in the rate of this spending from year-to-year. The “x-axis” (the horizontal scale on the bottom of the figure) shows the years for which the expenditure amounts and percent change is shown. Because of the different y-axes, the figure illustrates that there can be an increase in dollars spent (bars), while the percentage change line can decrease, illustrating the decreasing percent in increase from one year to the next.

Figure 7.1, Change in NYS Tourism Spending 2004-2009



The economy of the Route 28 Corridor has suffered on account of these trends. In the summer of 2000, a Business Community Survey was conducted in preparation for the DEIS, and the results of this survey were discussed in Section 7 and Appendix 26 of the DEIS. Of the 153 survey returns, 136 businesses responded. These businesses were re-contacted in February 09, 2011. Of the 136 businesses participating in the initial survey in 2000, 44 businesses, or nearly 33 percent, have since closed and have not been replaced by a similar or another business. Of the 44 that had closed, the breakdown included 9 restaurants, 3 hotels, 4 automotive establishments, 1 amusement/recreation business, a real estate agency, 6 building construction/materials, 13 miscellaneous retail shops, and 7 personal services businesses.

While current building vacancy information is not available for this analysis, it is noted that approximately 80,000 square feet of vacant commercial and retail space was documented to be available in the hamlets and villages of the Route 28 Corridor Study Area in mid-2004. The closure of these businesses over the past decade attests to the continuation, if not the increase, in vacant commercial space capable of accommodating new business activity in these locales.

In regard to seasonal housing effects, the Belleayre Resort is designed, to a large extent, as a residential facility that aims to capture much of the region’s existing demand for seasonal

residences, particularly those generated by the adjacent Belleayre Mountain Ski Center and Forest Preserve trails, and to deliberately capture the demand generated by its own recreational amenities, such as the golf course and spa facilities. Little off-site seasonal home demand is therefore expected, and the same is true of off-site year-round residential demand. The Resort does not propose to significantly affect any existing demands for year-round housing. More importantly, any new demand for year-round homes as a result of Resort operations is expected to be small, and would be the result of the few specialized employment positions (e.g., hotel management) that will likely be recruited from outside the existing regional labor pool. These new year-round residents will, to a large extent, be accommodated within the existing housing stock, with few new housing starts anticipated.

Land use impacts from induced development would therefore be minimal given the regulatory and environmental constraints on new development and the ability of hamlets and villages of Phoenecia, Margaretville, Fleishmanns, Boiceville, and Pine Hill to accommodate additional commercial activity.

7.2 Commercial Development Demand

As described above, the potential increase in consumer spending from both visitors and employees generated by the proposed Belleayre Resort can be expected to induce secondary demand for goods and services. This economic activity would result in changes in the Route 28 Corridor Study Area economy. This section describes the economic model used to develop a reasonable estimate of this demand, and estimates how that new demand might be manifested in terms of new or expanded business growth in the study area.

In general, the projected demand is expected to stimulate existing businesses to expand their sales within their existing business locations. New business starts are expected to occupy existing vacant commercial space along the Route 28 corridor, with most occurring within commercial districts of villages and hamlets where individual businesses benefit from the presence of complementary business activities. This “agglomerative effect” is expected to foster hamlet and village center revitalization. As noted above, environmental and regulatory constraints, as well as land ownership patterns, discourage new construction and development of commercial space outside of existing hamlet and village center locales.

To estimate the consumer expenditures in the Route 28 Corridor Study Area that may result from the Belleayre Resort, a model was developed that incorporates new expenditures by both new visitors to the area and by new wages and salaries paid to local employees of the Resort. These new expenditures are then compared with existing sales estimates for the corridor to measure the relative impact of the new demand.

The project can be expected to generate new consumer spending due to the off-site expenditures made by visitors to the Resort; and Resort employees spending their new personal income.

7.2.1 Off-site Visitor Expenditures

This section discusses how the anticipated users and visitors of the Resort might contribute to economic activity in the region by virtue of their purchases of goods and services outside of the Resort.

The discussion in this section summarizes the expected spending characteristics of the visitors to the Resort, and estimates that the amount of spending that might occur off-site within the local economy. The off-site spending of Resort visitors is estimated to be approximately \$10.64 million per year, and it expected to occur throughout the Route 28 corridor, most particularly in the village and hamlet centers where existing businesses and shops are concentrated, and where business expansions are anticipated to occur.

The discussion relies in part on data provided by Crossroads, L.L.C, with further analytic information derived from industry, government, and academic sources. The estimation of visitor effects and economic activities is an inexact science, and the assumptions, approximations, and conclusions contained herein are based upon revenue and visitation projections made by Crossroads, LLC, and available studies and sources of information describing relevant economic and consumer behavior.

Resort Visitation

The proposed Belleayre Resort would generate new visits to the Central Catskill Mountains and the NYS Route 28 corridor. The Resort's attractions and amenities would include its timeshare and fractional ownership units, hotel accommodations, golf course and on-site amenities, as well as its proximity to the Belleayre Mountain Ski Area and other natural and cultural attractions of the Catskill Region.

Visitors to the Resort would generate economic activity on account of their purchases of goods and services as they acquire supplies, meals, and souvenirs, and as they travel to and from, as well as within, the Resort's region. The economic activity generated *on-site* is accounted for in the economic analysis of the Resort's operations described earlier in this chapter. These on-site revenues result from visitor expenditures for resort goods and services, including hotel units, food and beverages, spa treatments, recreational fees (e.g., greens fees), and other purchases, such as spa services and pro shop purchases. As discussed below, these on-site expenditures represent an estimated 75 percent of the non-lodging visitor spending expected to be generated by the Resort's visitors. The remainder of their spending is expected to occur off-site, during the patrons' visitation period to the region.

The proposed Resort is expected to attract into the study region timeshare owners/club members and parties that use timeshare units through a rental or exchange service. The Resort would also attract overnight and weekend visitors lodging at the Resort's hotels. In addition, the Resort's amenities would attract day visitors, including tourists and recreational users coming to the Resort to enjoy on-site and off-site amenities, such as the spa facilities, restaurants, and the golf course, not to mention the adjacent ski area and trail system.

In addition to newly-attracted visitors to the Catskills, the existing population of Catskill residents, as well as seasonal residents and weekend and day visitors to the Catskills, would find the Resort's on-site amenities an attraction, and would be expected to make on-site purchases, thereby contributing to Resort revenues and to overall regional economic activity. These parties would be expected to include visits to the Resort among their leisure time activities. In particular, the Resort's golf courses, restaurants, retail outlets, and spas would be expected to draw from the existing population of Catskill visitor parties. The effects of these visitors' on-site spending are accounted for in the analysis of Annual Operations of the resort, presented above in Section 3.9.

Timeshare and Fractional Ownership Unit visitors

The Belleayre Resort would establish timeshare and fractional ownership unit ownership opportunities. Fractional ownership is shared ownership of real estate. It gives the owner a deed to the property. In comparison, timeshare buyers own the weeks they purchase for a vacation. The proposed Belleayre Resort would include a total of 120 fractional units at the Highmount Spa and Resort, and 97 fractional units at the Wildacres Resort, for a total of 217 fractional units, plus 84 timeshare units to be located within the Wildacres section of the resort, for a total of 301 units.

The key characteristic defining the economic effects of these Resort visitors is that they would be non-local seasonal visitors periodically coming to the Resort throughout the year and making expenditures both on-site and off-site.

Due to the luxury nature of the Resort, and a targeted marketing thrust, fractional ownership residents would be expected to stay at the Resort property for longer periods of time, and they would view their units as though they were seasonal homes. As a result, Resort patrons would be expected to purchase staples, such as groceries and liquor, for example, and it could be expected that many would make regular purchases of daily necessities, such as clothing, newspapers, and magazines. Due to their more settled vacation pattern, however, they would be expected to prepare food for themselves on a regular basis, and would eat out at restaurants less frequently. They would, though, be expected to seek higher-end dining opportunities when they did dine out.

A difference between the fractional owners and the timeshare owners is that the Wildacres timeshare visitors would generally be expected to have shorter vacation visits than fractional ownership guests, and many of the timeshare visitors would include one-time visitors on a timeshare-exchange basis. Timeshare visitors, in general, would be reliable purchasers of recreational experiences, and would be likely to rent or buy sports and outdoor equipment, pay entrance fees, and participate in the region's offerings. Many of these purchases would be made on-site, as one of the major attractions to the Resort would be the golf course. Many timeshare owners and exchange visitors buy into a timeshare arrangement specifically to sample golf courses and enjoy on-site Resort amenities, such as swimming pools, tennis courts, restaurants, and spa facilities. Timeshare visitors would be expected to dine out at on-site restaurants, with occasional ventures to off-site restaurants, and would be expected to only occasionally prepare meals in their timeshare units. Exploring new regions and shopping for local crafts, artwork, and souvenirs would be an expected activity of timeshare visitors.

As is typical in the timeshare industry, the fractional and timeshare units would be fully furnished. Consequently, the individual share owners or Club members would not be likely to make purchases of furnishings (furniture, carpets, etc.). The shared nature of the individual units among share owners or members would reduce the likelihood that individuals would be making significant purchases to decorate or otherwise personalize their units. By the same token, all physical aspects of the units would be overseen by the Resort management, making it impossible for individual owners to modify, expand, or otherwise improve their units. Therefore, these patrons would not be expected to purchase major appliances or home improvement services.

Given the relatively captive nature of the Resort, the anticipated expenditure patterns for visitors would suggest that the Resort complex would absorb the majority of the visitors' spending.

Hotel Visitors

Accompanying the fractional ownership and timeshare units would be two hotel components, the 250-unit Wildacres Hotel, and the 120-unit Highmount Resort and Spa. These lodging facilities would be expected to draw overnight and weekend visitors coming into the Catskills to enjoy the

Resort's golf course, ski at the adjacent Belleayre Mountain Ski Center, and to enjoy the natural and cultural resource opportunities in the surrounding area. The Resort is also expected to attract overnight and weekend visitors seeking a relaxing and luxurious resort experience, including in their stays visits to the spa, restaurants, health clubs, pools, and other visitor amenities.

The Belleayre Resort would be designed as a destination resort, with its high-quality championship golf course, first-rate restaurants, spas, and other amenities, all set in the splendor of the Catskill Mountains. Additionally, the surrounding Catskill region offers its own set of attractions and amenities, including the Belleayre Mountain Ski Area, hiking trails, and other tourist-related elements. The Resort's lodging opportunities would be expected to attract overnight and weekend visitors wishing to enjoy this rich range of opportunities and activities. The hotel and lodging facilities at the Resort would be expected to serve visitors attracted primarily to the Resort's facilities or the adjacent ski area, and secondarily to the amenities offered in the surrounding Catskill region.

Conference Centers

Wildacres and Highmount would each include facilities available for conference use. The conference centers would include meeting space, and kitchen facilities. Conference visitors are expected to be day and overnight visitors to the Resort. Conference visitors generally are captive to the conference location, and would be expected to enjoy the on-site facilities and amenities, including the restaurants and golf. All overnight conference visitors would be expected to lodge on-site. The conference facilities would operate year-round. During winter, however, it would be anticipated that a certain number of conference planners would include free time in their conference and meeting schedules for conference visitors to enjoy the adjacent Belleayre Mountain Ski Center. The presence of the ski area and the on-site amenities are expected to make this conference location competitive with other non-urban conference locations within the Greater New York City-Albany metropolitan region.

Due to the captive nature of conference visitors, the effect of conference visitors on businesses in the study area is anticipated to be negligible.

Wilderness Activity Center

Belleayre Resort would feature a Wilderness Activities Center based at the former Highmount Ski Center. The four-season facility would offer programs in outdoor education, environmental workshops, and organized outdoor activities, including mountain biking, hiking, cross country skiing, and rock climbing. The center is intended to appeal primarily to young adults vacationing with parents. However, the activities would be open to all age groups, and corporate retreats and challenge courses also would be offered through the Wilderness Activities Center.

The Wilderness Activities Center's clientele is expected to be drawn largely from families already vacationing at the Belleayre Resort, and is not anticipated to generate a substantial customer base as a stand-alone attraction. Therefore, the incremental effect of the Wilderness Activities Center on businesses in the study area is anticipated to be negligible.

Restaurant Visitors

The various club house and lodging facilities at Belleayre Resort would feature a wide range of restaurant and dining options for Resort visitors and the public. It is anticipated that the majority of the customers of the Resort's restaurants would be drawn from on-site hotel and

fractional/timeshare visitors, as well as from day visitors to the Resort’s golf course and Belleayre Mountain Ski Center visitors. In addition, the Resort’s restaurants are expected to draw from among Catskill day visitors, seasonal overnight visitors, and residents of the Catskill region.

The Resort restaurants are not expected to have a measurable effect on the local economy beyond their employment of local workers, the effect of which is accounted for in the analysis of Resort operations presented in Section 3.9.

While it is expected that on-site Resort restaurants would draw some clientele from the non-Resort population, it is important to note that Resort visitation would increase the pool of restaurant patrons throughout the Route 28 Corridor area. The increased demand for restaurant meals generated by Resort visitors would not be fully satisfied on-site, and would spill over into the local food and beverage industry, resulting in an overall positive effect on the Route 28 Corridor dining economy. In addition to patronizing the Resort’s on-site restaurants, visitors to the Resort, including day visitors and employees, but especially extended-stay fractional/timeshare unit and hotel guests, would take occasional meals at off-site food and beverage places, thereby increasing business activity at local restaurants and eating establishments. As discussed more fully in Section 7.3 below, the Resort is expected to generate approximately \$2.76 million per year in off-site Route 28 Corridor restaurant spending.

Summary Estimation of Resort Visitor Expenditures

As shown in Table 7.2-1, below, based on projections provided by Crossroads Ventures, the annual Resort revenues are expected to an estimated \$67.35 million. Wildacres Resort is expected to generate approximately \$40.14 million per year in guest expenditures, and Highmount Spa and Resort is expected to generate revenues of approximately \$27.21 million per year. These amounts closely approximate on-site visitor spending by hotel guests, fractional and timeshare unit visitors, and others visiting the Resort’s restaurants, spa and golf facilities, and other amenities. The figures presented in Table 7.2-1 were derived from the fiscal and marketing information contained in Appendix 5, and included such things as expected stabilized total revenues for hotel rooms, food and beverage purchases, and spa, golf, and other revenues.

These net visitor expenditures can be further categorized broadly as lodging-related, and non-lodging related. Visitor spending on lodging is estimated to account for a total of \$35.42 million, with \$20.97 million incurred at Wildacres Resort and \$14.45 million at Highmount Resort and Spa. The non-lodging expenditure (\$31.93 million) represents visitor spending within the Resort on a variety of other non-lodging goods and services, including food, recreation (e.g., golf), souvenirs, spa treatments, etc. These spending patterns are shown below, in Table 7.2-1.

**Table 7.2-1
Estimated On-Site Spending by Resort Visitors**

	Total Visitor On-Site Expenditures	Lodging Expenditures	Non-Lodging On-Site Expenditures
Highmount Resort and Spa	\$27.21 million	\$14.45 million	\$12.76 million
Wildacres Resort	\$40.14 million	\$20.97 million	\$19.17 million
Total	\$67.35 million	\$35.42 million	\$31.93 million
Source: Crossroads Ventures, L.L.C.			

As discussed above, it is expected that Resort visitors would not limit their spending solely to on-site Resort goods and services, and would be expected to make purchases off-site and in the local

economy. The fractional and timeshare unit owners would be expected to make numerous purchases of items from local vendors, as well as explore Phoenecia, Margaretville, Fleishmanns, Boiceville, and Pine Hill, to make purchases, dine, service their automobiles, and purchase outdoor equipment. Similarly, it is expected that nearly all visitors would stop along Route 28 or visit one of the hamlets or towns along the way, potentially making purchases.

A review of vacation traveler expenditure research by Ulster County and others,* including Stynes, D.K. Shifflet, Inc., indicates that off-site spending would primarily be expected to involve purchases of gas and oil, food and beverages, recreational fees for off-site attractions, groceries and liquor, newspapers and magazines, and souvenirs. In addition, these visitors would be expected to purchase antiques or other items unique to the Catskill region, particularly crafts and artwork, the purchases of which would likely occur off-site.

Because not all Resort visitor spending would occur entirely within the Resort, this analysis assumes that the on-site non-lodging Resort spending represents approximately 75 percent of the total spending by Resort visitors on non-lodging items. The off-site spending, accounting for the remaining 25 percent, would be money invested in the local economy in the form of purchases made outside of the Resort by Resort visitors. This amount, or \$10.64 million, is expected to represent, for example, shopping in the local area (e.g., for antiques, crafts, etc.), restaurant meals, groceries, gas and oil, recreational fees for off-site amenities, and cultural attractions.

Table 7.2-2
Estimated Off-Site Spending by Resort Visitors

	Total Visitor On-Site Expenditures	Non-Lodging On-Site Spending	Off-Site Visitor Spending
Highmount Resort and Spa	\$27.21 million	\$12.76 million	\$4.25 million
Wildacres Resort	\$40.14 million	\$19.17 million	\$6.39 million
Total	\$67.35 million	\$31.93 million	\$10.64 million

Table 7.2-2, above, summarizes the estimated annual off-site spending by the primary visitor parties to the Belleayre Resort. The anticipated on-site spending for non-lodging purchases, totaling an estimated \$31.93 million, is accounted for in the analysis of the Resort facility revenues earlier in this chapter. The off-site spending amounting to an estimated \$10.64 million per year would occur throughout the NYS Route 28 corridor, most particularly in the village and hamlet centers where businesses and shops are concentrated and where business expansions are anticipated to occur.

7.2.2 Employee Expenditures

As discussed in Appendix 3, the proposed project is expected to generate an employment demand of about 771 direct (on-site) employees, and 264 indirect (off-site) employees from the Resort's direct expenditures (see Table 3.9.3-5). The direct workforce is expected to be formed primarily from existing labor pools within the tri-county region, and would be a mix of new full-time and part-time employment opportunities that are expected to increase the personal income of existing households.

* Heintz, J., Pollin, R., & Garrett-Peltier, Heidi. (2009). The New York State Park System: An Economic Asset to the Empire State. University of Massachusetts. Amherst: Political Economy Research Institute

Resort economies typically are based on a workforce that weaves together a variety of income opportunities based on seasonal demand for workers and services. Whether the new income is supplemental to existing worker salaries or is to an entirely new entrant to the workforce, the potential effect of wages and salaries paid to employees of the proposed Resort represents new household income.

While labor would be drawn from the tri-county area, and for this analysis it is conservatively assumed that a large proportional concentration of the Resort's direct employees would be drawn from within the Route 28 Corridor Study Area. This assumption represents a reasonable worst-case scenario in respect to the analysis of effects; the assumption of a more dispersed workforce would diffuse effects over a broader geographic area and could be deemed an underestimation of potential effects. The corridor represents only about five percent of the households or workforce of the tri-county region. However, the expenditure model assumes that 50 percent of direct wages and salaries would be paid to (and subsequently spent by) Resort employees residing within the corridor. Based on a total projected payroll of \$24.85 million and the assumption that 50 percent of these direct wages and salaries would accrue to households within the NY Route 28 Corridor Study Area, there would be an estimated \$12.43 million in new expenditure potential within the NY Rote 28 Corridor Study Area from Resort employees' wages and salaries.

The indirect employment generated by the project would include jobs in business establishments providing goods and services to the project's components and in businesses servicing the project's direct employees. The estimated 264 indirect jobs generated by the Resort operations are expected to be more dispersed throughout the tri-county area. Therefore, the analysis assumes that approximately 5 percent of indirect wages and salaries from the Resort would be captured by residents living within the corridor, corresponding to the percentage of tri-county workforce living within the Route 28 Corridor Study Area. Based on total indirect wages and salaries within the tri-county area of \$12.96 million, there would be an estimated \$650,000 in new expenditure potential within the NY Route 28 Corridor Study Area from indirect employment generated by resort operations.

7.2.3 Off-Site Economic Activity of Resort Operations

In addition to visitor and employee expenditures, it is anticipated that the Resort's operations would purchase certain goods and services within the Route 28 Corridor Study Area. In Section 3.9, the overall economic activity generated by the proposed Resort was estimated using the RIMS II model that incorporates the direct activity (wages and salaries, purchase of goods and services) and the secondary activity that is generated or induced by the direct input to the local and regional economy. To reflect the wide area of economic influence for this rural area, the RIMS II model was based on a combination of Delaware, Ulster, and Greene Counties.

The RIMS II analysis estimated a total economic output within the tri-county area of \$167.94 million per year, based on the direct, on-site economic activity of \$111.16 and indirect, off-site economic activity of \$56.78 million per year. The commercial and retail businesses of the Route 28 Corridor Study Area can be expected to capture a share of the off-site economic activity generated by Resort operations (e.g., purchase of food or office materials), but they are unlikely to experience substantial amounts of economic activity associated with goods and services bought by the Resort as much of this would occur beyond the Route 28 Corridor Study Area.

To estimate the corridor's share of this activity, the off-site activity was estimated proportionate to the corridor's share of retail sales within the tri-county area. This amount—about 2.4 percent based on ESRI Business Analyst estimates—was applied to the net economic activity after

subtracting the indirect wages and salaries which was applied in a different and specific manner described above. Thus, the corridor’s share of the off-site activity is approximately \$7.15 million per year.

7.2.4 Summary of Resort Off-site Spending

The combined off-site spending within the Route 28 Corridor anticipated to be generated by the Resort is estimated at about \$24.77 million. This includes the amounts discussed in the above sections:

- \$10.64 million from off-site visitor expenditures;
- \$12.43 million in potential expenditures from Belleayre Resort employees;
- \$0.65 million in potential expenditures from indirect employment generated by the Resort; and
- \$1.05 million in expenditure potential from the operational (non-employment) demands of the project.

The following section of this analysis estimates how this spending would be spent within the Route 28 Corridor. This spending (“incremental consumer demand”) is broken down by type of retail sector in which the spending is anticipated to occur, and based on these expenditures, the analysis estimates how much commercial development demand is reflected in this expenditure estimate.

7.3 Potential Induced Commercial Development

The \$24.77 million that is estimated to be spent by Resort visitors, employees, and Resort operations would be spent on a variety of retail goods and service in the Route 28 corridor. Table 7.3-1 shows the anticipated primary industry and business sectors in which this visitor spending is expected to occur.

**Table 7.3-1
Belleayre Resort Visitors’ Projected Off-Site Spending**

Trip Spending Category	NAICS Industry Sector	Total
Restaurants	Food Services & Drinking Places (NAICS 722)	\$2.76 million
Groceries	Food & Beverage Stores (NAICS 445)	\$2.02 million
Gas and Oil	Gasoline Stations (NAICS 447/4471)	\$1.60 million
Recreation Fees	Various	\$0.74 million
Shopping and Souvenirs	General Merchandise Stores (NAICS 452) and Miscellaneous Store Retailers (NAICS 453)	\$1.49 million
Other	Various	\$2.02 million
Total		\$10.64 million
Sources: Stynes, et. al., Univ. of Michigan, Golf Research Institute, Inc., Halcyon, Ltd., D. K. Shifflet Associates, AKRF, Inc.		

Expenditures generated by employees (direct and indirect) would primarily be household expenditures, mirroring the distribution of goods and services demanded by existing residents within the corridor. Table 7.3-2, below, presents the average annual expenditures by tri-county area households for the retail goods and services most likely to be purchased within the Route 28

Corridor Study Area, and presents these expenditure amounts as a percentage of total average annual household expenditures.

Table 7.3-2

**2010 Average Annual Household Spending on Retail Goods and Services
Tri-County Area Households**

Expenditure Category	NAICS Industry Sector	Average Amount Spent per Household	As a Percent of Average Annual Household Expenditures¹
Apparel and Services	Clothing and Clothing Accessories Stores (NAICS 448)	\$1,459	2.5%
Computer	Electronics & Appliance Stores (NAICS 443/4431)	\$193	0.3%
Entertainment and Recreation	Sporting Goods, Hobby, Book, and Music Stores (NAICS 451) and various recreational service categories	\$2,998	5.1%
Food at Home	Food & Beverage Stores (NAICS 445)	\$4,071	6.9%
Food Away from Home	Food Services & Drinking Places (NAICS 722)	\$2,843	4.8%
Home Maintenance and Remodeling Materials	Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$359	0.6%
Household Furnishings and Equipment	Furniture & Home Furnishings Stores (NAICS 442)	\$1,132	1.9%
Housekeeping Supplies ²	General Merchandise Stores (NAICS 452)	\$1,038	1.8%
Personal Care Products ³	Health & Personal Care Stores (NAICS 446/4461)	\$1,034	1.7%
School Books and Supplies	Miscellaneous Store Retailers (NAICS 453)	\$94	0.2%
Smoking Products	Gasoline Stations (NAICS 447/4471)	\$422	0.7%
Gasoline and Motor Oil	Gasoline Stations (NAICS 447/4471)	\$2,660	4.5%
Vehicle Maintenance and Repair	Motor Vehicle & Parts Dealers (NAICS 441)	\$856	1.4%

Notes: 1) The total average household expenditure for the tri-county area is an estimated \$59,260.
 2) Housekeeping Supplies includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, delivery services, lawn and garden supplies and equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.
 3) Personal Care Products includes nonprescription drugs, prescription drugs, eyeglasses and contact lenses, hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, and personal care appliances.

Source: ESRI Business Analyst, 2011.

As shown in Table 7.3-1, the NY Route 28 Corridor Study Area is expected to capture about one-third of a household's total annual expenditures. Household expenditures on other items such as home mortgages, airline fares, and insurance are not likely to be captured by businesses within the corridor, and therefore are excluded from consideration in this analysis.

In order to estimate the incremental sales likely to occur within the corridor, the percentages of average household expenditure shown in Table 7.3-2 above were applied to the estimated \$13.08 million in total expenditure potential from direct and indirect employment. The analysis assumes that the corridor will capture household expenditures from the project-generated employees at the same rate (i.e. equivalent capture rate for various goods and services) as existing area consumers. This household expenditure estimate for project employees was then added to the project visitor revenues (generated by AKRF and Crossroads Ventures, LLC) in order to estimate the total project-generated expenditures in the corridor, as shown in Table 7.3-3, below.

Table 7.3-3 summarizes the estimated total annual incremental Route 28 corridor sales generated by the proposed project by estimating the total amounts of expenditure from project-generated employees (direct and indirect) and adding that to the projected expenditures of project visitors. As shown in Table 7.3-3, when combined with the projected expenditures from Resort visitors, the NY Route 28 Corridor Study Area is estimated to capture \$12.85 million in incremental sales as a result of the proposed project. The data presented in Table 7.3-3 are based on ESRI Business Analysts estimates of existing consumer expenditures in the corridor and AKRF analytical assumptions. The data on visitor expenditures was developed by AKRF in coordination with Crossroads Ventures LLC.

Table 7.3-3

**Projected Annual Incremental Sales Generated by Proposed Project
in the NY Route 128 Corridor Study Area**

NAICS Industry Sector	Incremental Sales from Direct and Indirect Employees	Incremental Sales from Resort Visitors	Total Incremental Sales
Motor Vehicle & Parts Dealers (NAICS 441)	\$183,120	\$0	\$183,120
Furniture & Home Furnishings Stores (NAICS 442)	\$248,520	\$0	\$248,520
Electronics & Appliance Stores (NAICS 443/4431)	\$39,240	\$0	\$39,240
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$78,480	\$0	\$78,480
Food & Beverage Stores (NAICS 445)	\$902,520	\$2,020,000	\$2,922,520
Health & Personal Care Stores (NAICS 446/4461)	\$222,360	\$0	\$222,360
Gasoline Stations (NAICS 447/4471)	\$680,160	\$1,600,000	\$2,280,160
Clothing and Clothing Accessories Stores (NAICS 448)	\$327,000	\$0	\$327,000
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$166,770	\$0	\$166,770
General Merchandise Stores (NAICS 452)	\$235,440	\$745,000	\$980,440
Miscellaneous Store Retailers (NAICS 453)	\$26,160	\$745,000	\$771,160
Food Services & Drinking Places (NAICS 722)	\$627,840	\$2,760,000	\$3,387,840
Entertainment & Recreation	\$500,310	\$740,000	\$1,240,310
Total	\$4,237,920	\$8,610,000	\$12,847,920
<p>Notes: 1) The total average household expenditure for the tri-county area is an estimated \$59,260.</p> <p>2) Housekeeping Supplies includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, delivery services, lawn and garden supplies and equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.</p> <p>3) Personal Care Products includes nonprescription drugs, prescription drugs, eyeglasses and contact lenses, hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, and personal care appliances.</p> <p>Source: The data presented in this table are based on 2011 ESRI Business Analysts estimates of existing consumer expenditures in the corridor, and AKRF analytical assumptions. The data on visitor expenditures was developed by AKRF in coordination with Crossroads Ventures LLC.</p>			

Estimates of existing corridor sales by relevant industry sector are shown in Table 7.3-4, below. According to data from ESRI Business Analyst, in 2010 there were approximately 162 businesses generating \$56 million in retail sales within the industry categories relevant to this analysis.†

Table 7.3-4
2010 Retail Sales Estimates
NY Route 28 Corridor Study Area

Industry Sector (NAICS Category)	Estimated Number of Businesses	Estimated Retail Sales
Motor Vehicle & Parts Dealers (NAICS 441)	7	\$1,502,985
Furniture & Home Furnishings Stores (NAICS 442)	9	\$2,261,534
Electronics & Appliance Stores (NAICS 443/4431)	4	\$705,149
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	11	\$2,490,918
Food & Beverage Stores (NAICS 445)	18	\$13,442,166
Health & Personal Care Stores (NAICS 446/4461)	7	\$2,646,312
Gasoline Stations (NAICS 447/4471)	7	\$17,575,224
Clothing and Clothing Accessories Stores (NAICS 448)	7	\$730,440
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	11	\$542,700
General Merchandise Stores (NAICS 452)	6	\$3,322,596
Miscellaneous Store Retailers (NAICS 453)	29	\$2,001,345
Food Services & Drinking Places (NAICS 722)	46	\$8,756,771
Total	162	\$55,978,140
Sources: ESRI Business Analyst, 2011.		

† Corridor expenditures on amusement and recreation services are not estimated by ESRI Business Analyst. According to estimates from the DEIS, in 2000 there was \$10.92 million in NY Route 28 Corridor Study Area sales in the entertainment and recreation category.

Table 7.3-5

**Projected Annual Incremental Sales Generated by Proposed Project
in the NY Route 128 Corridor Study Area**

NAICS Industry Sector	Existing Corridor Sales Estimates	Projected Incremental Sales	Projected Sales as a Percent of Existing Sales
Motor Vehicle & Parts Dealers (NAICS 441)	\$1,502,985	\$183,120	12.2%
Furniture & Home Furnishings Stores (NAICS 442)	\$2,261,534	\$248,520	11.0%
Electronics & Appliance Stores (NAICS 443/4431)	\$705,149	\$39,240	5.6%
Bldg Materials, Garden Equip. & Supply Stores (NAICS 444)	\$2,490,918	\$78,480	3.2%
Food & Beverage Stores (NAICS 445)	\$13,442,166	\$2,922,520	21.7%
Health & Personal Care Stores (NAICS 446/4461)	\$2,646,312	\$222,360	8.4%
Gasoline Stations (NAICS 447/4471)	\$17,575,224	\$2,280,160	13.0%
Clothing and Clothing Accessories Stores (NAICS 448)	\$730,440	\$327,000	44.8%
Sporting Goods, Hobby, Book, and Music Stores (NAICS 451)	\$542,700	\$166,770	30.7%
General Merchandise Stores (NAICS 452)	\$3,322,596	\$980,440	29.5%
Miscellaneous Store Retailers (NAICS 453)	\$2,001,345	\$771,160	38.5%
Food Services & Drinking Places (NAICS 722)	\$8,756,771	\$3,387,840	38.7%
Entertainment & Recreation	\$10,920,000	\$1,240,310	11.4%
Total	\$66,898,140	\$12,847,920	19.2%
<p>Notes: 1) The total average household expenditure for the tri-county area is an estimated \$59,260.</p> <p>2) Housekeeping Supplies includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, delivery services, lawn and garden supplies and equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.</p> <p>3) Personal Care Products includes nonprescription drugs, prescription drugs, eyeglasses and contact lenses, hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, and personal care appliances.</p> <p>Source: ESRI Business Analyst, 2011.</p>			

Table 7.3-5 compares projected incremental sales from the proposed project (as shown in Table 7.3-3) to existing corridor sales (from Table 7.3-4). Certain retail categories, particularly those in which both visitors and residents are likely to spend on goods and services in the corridor, can be expected to see some relatively large increases in spending. The most significant of these include:

- Eating and Drinking sales would increase \$3.4 million per year over the existing base of about \$8.8 million per year, or nearly a 40 percent increase.
- General merchandise sales are expected to increase by nearly 30 percent, with incremental sales of nearly \$1 million over a base of \$3.3 million.
- Food stores (i.e., food for home) are projected to have an increased sales base of about \$2.9 million, a 21.7 percent increase over the existing base.
- Gasoline stations are projected to have an increased sales base of about \$2.3 million, a 13.0 percent increase over the existing base.
- Amusement and recreation spending is expected to increase \$1.2 million per year over the base amount of \$10.9 million with the new expenditures, or an 11.4 percent increase.

Based upon the inventory of existing businesses, a business survey completed by the applicant, and windshield surveys within the Route 28 Corridor and in Phoenecia, Margaretville, Fleishmanns, Boiceville, and Pine Hill, there appears to be sufficient capacity within existing businesses to accommodate the additional projected spending anticipated to occur within the Route 28 corridor. As discussed above, in Section 7.1, approximately 80,000 square feet of vacant commercial and retail space was documented to be available in the hamlets and villages of the Route 28 Corridor Study Area in mid-2004. The closure of these businesses over the past decade attests to the continuation, if not the increase, in vacant commercial space capable of accommodating new business activity in these locales, attesting to the conclusion that the Route 28 Corridor contains sufficient available vacant commercial and retail space in which new economic activity – new business starts and business expansions – could take place.

The increase in local spending would be expected to enable many businesses to simply experience increased sales resulting in higher profits and/or wages. Some businesses may stay open later or hire additional employees as a result of new spending. Other businesses that experience an increase in revenues may also respond by increasing inventory and sales, modifying the product line to cater to different consumer tastes, or by adding nominal amounts of area to existing structures. The predominant response would be an increase in existing levels of business activity among existing business. It is also anticipated that there would be new business starts that would locate within and occupy existing structures within hamlets and villages.

While it is unlikely that new corridor spending would directly result in construction of new business structures, a conservative estimate was prepared of the potential impact of new Resort-related spending if it were considered as demand accommodated by all new construction.

Projected spending in the corridor was converted to equivalent square feet using an industry standard revenue multiplier of \$326 of revenue per square foot.* Applying this standard, approximately 39,400 square feet of new space is estimated as a result of \$12.85 million in new projected sales within the corridor.

As an example of the anticipated effects of this spending, the anticipated \$3.4 million expenditure by Resort-related visitors and employees in eating and drinking establishments translates into approximately 10,400 square feet of eating and drinking places could theoretically be supported by new spending. This theoretical demand for new square footage of space does not necessarily translate to a demand for new construction to accommodate this demand. As stated previously, the existing business sector is expected to respond to new spending demand by simply doing more business. In the case of eating and drinking places, the demand represented by this spending is expected to be largely met by existing restaurants already doing business within the study area.

Existing restaurants along the Route 28 Corridor and in the villages and hamlets of Phoenecia, Margaretville, Fleishmanns, Boiceville, and Pine Hill are observed to now operate during limited hours, with some establishments only open on weekends. As a result of the Resort-related spending, existing eating and drinking establishments would experience new demands to provide meals, and would be expected to experience increased dining room occupancy rates. In turn, such establishments would extend their hours of operation, increase the number of days, and potentially increase staff to take advantage of new business opportunities. A natural response of business is to seek competitive advantages in order to capture new spending potential. It is fully anticipated that this will occur among restaurants – and among all retail sector businesses – within the Study Area.

It is also expected that individual restaurants and other commercial operations may also increase their capacity to deliver goods and services and enhance their competitive potential through physical improvements to their structures, including structural additions to existing buildings. In addition, it is reasonable to expect that there would be failures of existing businesses that succumb in a more competitive economic environment, as a limited number of businesses compete for the new spending potential. These failures create opportunities for new businesses to take their place by re-occupying their vacant spaces.

It is expected that existing businesses would respond similarly across the board as demands for their goods and services increased. Business and commercial enterprises have an inherent flexibility that allows them to expand and contract as economic demands rise and fall. The enhanced economic activity resulting from Resort-related spending would induce existing businesses to absorb the demand, and as a result little if any new building or development that would affect land use or environmental conditions within the study area is anticipated.

It is reasonable to anticipate that new commercial establishments would endeavor to open in the Study Area as the Resort's spending potential enhances the region as a place to do business, and as the hamlet and village centers experience more vibrant economic activities. For the reasons cited earlier – environmental constraints, land use regulations, public land ownership, and high vacancy rates – it is expected that such new business starts would most likely locate in existing structures and buildings, and within the Corridor's hamlets or villages. For these reasons, new

* This sales estimate is from the Urban Land Institute's *Dollars and Cents of Shopping Centers 2000-2008*. It is the average sales rate for neighborhood shopping centers (thus with a retail mix similar to that of the NYS NY Route 28 corridor) in the northeast United States.

business starts are not expected to result in commercial construction on undeveloped sites along the Route 28 Corridor in any appreciable degree. Any new construction, regardless of its location, would have to comply with the rigorous land use and environmental regulations, as further discussed below.

7.4 New Residential Development

In assessing the effects of the Belleayre Resort on residential development in the study area, it is important to consider the inherent residential character of the Resort. As a residential resort, Belleayre Resort is designed with two primary objectives. First, it is designed to capture the market for seasonal residences generated by the immediately adjacent Belleayre Mountain Ski Center and other nearby amenities. Second, it is designed to capture the residential demand generated by its own on-site recreational and resort amenities (e.g., golf course, spa, dining, resort ambience, etc.).

7.4.1 Seasonal Residential Development

Residential demand in resort areas is driven by popular recreational amenities, such as ski areas, outdoor recreation opportunities, scenic beauty, and related relaxation, shopping and dining. For example, as Gore Mountain has upgraded its facilities and enhanced its marketing, the demand for seasonal residential real estate and overnight accommodations has increased. Similarly, this has been the experience of the seasonal real estate marketplace in the vicinity of Ski Windham.

Regions with successful ski areas and places with other seasonal (or year-round) recreational attractions, such as golf courses, have been observed to generate demands for housing and overnight accommodation. The converse is not, however, the case: the availability of housing and lodging does not translate to new demands for major recreational amenities. The management of Ski Windham believes that the new seasonal housing does not generate additional skier visits, but that enjoyable skiing opportunities result in a desire for new housing.

The proposed Belleayre Resort, then, is in a highly favorable position to take advantage of the overnight accommodation and seasonal housing demand that the Belleayre Mountain Ski Center generates. This will only increase as NYSDEC's long range plans for the ski area are carried out. As a result of the Resort, Belleayre Mountain region visitors and skiers will have significant new lodging opportunities from which to select, all of which are located in close proximity to the ski area facilities.

While the proposed Resort would absorb many of the overnight visitors to the adjacent ski area, and while it can be expected that many purchasers of interval ownership or timeshare units would be skiers, it is reasonable to assume that not all of the housing demand and demand for overnight stays would be captured by Belleayre Resort. However, timeshare and interval ownership is a real estate product with which not all seasonal home purchasers would be comfortable, resulting in the continued off-site accommodation of individuals seeking seasonal ownership or rental opportunities. Further, many overnight visitors to the Resort might find the cost of the Belleayre Resort's lodging facilities to be expensive, and would choose to stay in less expensive, perhaps less luxurious motels and bed and breakfast accommodations in the area. It can be expected, however, that the Resort would compete with the region's traditional lodging market, and that its presence could, in fact, decrease the demand for existing lodging facilities by introducing to the area a new range of overnight stay options.

In sum, as regards the winter season, the proposed Belleayre Resort would serve to absorb many, but certainly not all of the overnight and seasonal home demand generated by the area's winter amenities. Further, it would compete head-on with existing facilities. The projected effect of this competition would be to foster an upgrading of existing facilities to retain market share, resulting in an overall increase in the quality, but not necessarily in quantity, of off-site lodging options.

There would, of course, be people coming into the region as a result of the Resort's amenities who would not stay at, or acquire units within, the Resort. These visitors would be expected to enjoy existing lodging facilities within the area, or the existing inventory of rental or real estate purchase opportunities. The Resort amenities visited by non-resort guests and residents would include the golf course and the restaurants. Restaurant visitors not lodging or residing at the Resort, however, would likely be staying overnight, and would mainly be drawn from among existing full-time or seasonal residents (renters and seasonal home owners), and from among lodgers at existing motels or lodging facilities. It can be expected, then, that most such visitors coming for golf rounds would be existing resident day visitors, and would not generate a demand or market for lodging or seasonal home development. Overall, it is anticipated that there would be little off-site seasonal or year-round residential housing demand as a result of the Resort project.

Finally, the presence of the Belleayre Resort will, over time, tend to increase the attractiveness of the immediate region. This will occur as a result of the off-site spending discussed above and the overall enhancement of the existing hamlets and villages as a result of this spending. In addition, the region would become more attractive due to the presence of the high-quality facilities at the Resort, as well as the continuing increase in the quality of year-round facilities at the adjacent Belleayre Mountain Ski Center. In addition, as described elsewhere in this section, the Resort is expected to induce a gradual increase in the general quality of other visitor and tourist amenities and services throughout the NY Route 28 corridor, and within the villages and hamlets of Phoenecia, Margaretville, Fleishmanns, Boiceville, and Pine Hill. As a result of the gradual improvement in the area's tourist and economic fabric, second home buyers will increasingly consider the study area to be an attractive option for seasonal home purchase. Among those seeking to establish a seasonal home in the Catskills as a result of this phenomenon will certainly be those who will elect to build a new home. At this point, this potential effect can be noted, but estimating or even further characterizing it is not possible.

In conclusion, Belleayre Resort is expected to absorb on-site the bulk of any seasonal or second home demand that it creates. Further, the Resort is designed to accommodate existing and projected seasonal home demand created by the Catskill region's major recreational amenities, particularly that which is generated by Belleayre Mountain Ski Center. The on-site amenities at the Resort are expected to generate marginal demand for lodging and seasonal residences, and the majority of this off-site demand is expected to be satisfied by the existing stock of lodging and seasonal home rental and ownership opportunities. Off-site seasonal residential development-related effects are projected to include upgrading of existing overnight lodging facilities. Any increase in off-site demand is expected to be offset by the Resort's on-site lodging and seasonal ownership opportunities, resulting in a marginal increase, if not a potential net decrease, in off-site seasonal real estate activity. In any case, the demand for seasonal homes as a result of the Belleayre Resort would not be any greater than the second-home demand generated by the ski area, and it may, in fact, satisfy a portion of the ski area's demand for new housing thereby reducing the ski area's growth-inducing effects.

7.4.2 Year-Round Residential Development

Belleayre Resort is expected to have a negligible effect on year-round residential development in the study area. The Resort itself is not designed to accommodate year-round residential occupancy.

The Resort's potential for generating year-round residential occupancy in the region would derive from its employment of new workers in the area. An analysis of the projected employee profile and employment opportunities shows, however, that the vast majority of the year-round (and seasonal) jobs created by the Resort would be filled by local residents or people within a commuting radius.

As discussed in Section 3.9, Delaware and Ulster Counties contain a sufficient number of unemployed and "underemployed" persons who may acquire jobs at the proposed Resort. Moreover, workers who are currently employed may choose to pursue a job at the proposed Resort. Although relatively little inter-county commutation currently takes place among all three counties, the introduction of the Belleayre Resort may alter commutation patterns, particularly with respect to the potentially higher-paying jobs that the Resort will generate. As noted in an employer survey for Ulster County, "the better the pay for a job, the farther a worker is willing to commute."* Furthermore, residents who currently commute outside of their county of residence may seek jobs at the Resort in order to work closer to home and reduce their travel time. Those residents currently working outside of their county of residence in lower-paying, non-managerial jobs would be most likely to seek jobs at the Resort to shorten their commutes as workers are less willing to commute long distances for such jobs. Short commutes are also important for part-time employees, particularly if they are caring for children or parents, or are phasing in retirement. In general, the employment opportunities offered by the Resort would not result in significant employee relocation, and would not consequently result in new year-round occupancies or new construction.

In addition, the demand for rental units is not expected to increase as a result of new workers. Many current area non-homeowners (e.g., renters) are among the un- and under-employed and commuters to distant job markets who are in fact the workers most likely to seek stable and close-to-home jobs at the Resort.

The Resort would, however, provide a small number of mid- and upper-management jobs that would probably be filled by non-residents. These would include management positions in the lodging/hotel operations, restaurants (including executive chefs), timeshare management and sales, golf course management and the golf pro(s), and financial management. Because of the specialty or technical nature of these positions, filling them from among the available labor pool may not be possible. Consequently, the recruitment program would most likely search nationally or internationally for the best candidates, and the Resort will therefore be likely to import these workers into the region. These positions would have salaries in the approximate \$50,000 to \$150,000 range. Approximately 16 to 20 such positions would fall into this category.

These full-time mid- and upper-management positions would require year-round housing, presumably close to the Resort location. The salary range for these positions is well above the median income level of the area (the estimated median household income in the tri-county area is

* New York State Department of Labor. *An Analysis of the Ulster County Employer Survey*. December 2000. p. 26.

approximately \$52,376). These employees, therefore, would have an advantage in finding quality year-round rental properties, or home ownership opportunities. As newly settled employees, however, it is likely that they would either rent or purchase; it is unlikely that they would build. The timeshare and hospitality industry workforce is highly mobile, rotating jobs within the industry, often on a national and international basis. Employees of this mobile nature are not likely candidates to construct homes from scratch, however, there remains the possibility that among the 16 to 20 individuals in this group there may be a very small number of whom, once their employment at the Resort is stable and considered long-term, may choose to build a permanent year-round residence.

It is anticipated, though, that the majority of Resort employees would already reside in existing housing, and that only a small number would enter the regional housing market as new renters and purchasers of existing housing stock. Very few, if any, new employees would be expected to construct new year-round housing. No other potential new housing construction is anticipated as a result of resort development and operations.

7.5 Potential Impacts from Induced Growth

Based professional judgment on how markets and marketplaces function, and in consideration of the analyses of the environmental and regulatory constraints, an assessment of available land, an evaluation of existing businesses within the study area, as well as the projection of minimal new potential residential and commercial development that could be anticipated as a result of Belleayre Resort's construction and operation, the indication is that new business growth would have an insignificant impact on land use in the study area. Initially, the new demands for goods and services resulting from the Resort would tend to stimulate additional commerce in existing businesses, especially among gas stations, food and lodging establishments, general merchandise (including local crafts and souvenirs), as well as recreational facilities. However, there appears to be adequate available capacity among existing businesses to accommodate significant new retail demands as would be generated by the Resort's employees and its visitors.

The response of existing businesses in the study area would be seen in increased hours and/or days of operation, increased customer traffic, and increased inventory and product turnover. To the extent that the Resort directly stimulates new business growth, the analysis shows that it would generate a maximum demand for an additional 39,400 square feet of new commercial development in the study area. This need would more likely be accommodated by improvements to existing businesses, re-occupancy of existing structures or in-fill development in hamlets and villages, including Phoenecia, Margaretville, Fleishmanns, Boiceville, and Pine Hill. It is not anticipated that there will be a significant amount of new construction.

In addition to realizing existing capacity of currently operating establishments, the presence of the Resort as a direct competitor to existing businesses would be expected to stimulate existing businesses to upgrade their facilities. This would be expected to be most apparent among competing lodging establishments and restaurants in the face of the Resort's proposed high-quality hotel facilities and its range of restaurant and dining opportunities.

The land use and environmental effects of business upgrades would be expected to have a negligible impact on the region's infrastructure or natural or cultural resources.

GIS analysis and windshield land-use survey of the study area indicates that there is little suitable land for large-scale commercial development along Route 28 or many of its side roads. Instead, smaller properties (both those with existing but vacant structures and undeveloped properties)

near, or within, the villages and hamlets may be subject to additional economic investment as a result of the Belleayre Resort project.

Based on the limitations inherent in the regulatory and environmental constraints, and based upon the public policy doctrines contained in the local zoning laws and comprehensive plans, it is anticipated that this new demand for development would gravitate to existing building stock within the hamlets rather than attempting to break ground for new construction. Attractive vacant buildings and storefronts, as well as attractive rents, would be expected to induce the redevelopment of existing underutilized spaces prior to the creation of new commercial space on undeveloped sites.

The redevelopment or establishment of new businesses in existing space would not consume new land or create new impervious surfaces. It would, however, result in the generation of minor amounts of new wastewater flows. As noted earlier, even if all of the projected 39,400 square feet of new commercial development were to occur on undeveloped sites outside of the hamlet or village centers, this would result in the conversion of only approximately three acres of land. This should be adequate to accommodate needed buildings, parking, landscaping, buffering, stormwater management, and onsite septic disposal.

Since the Resort is estimated to result in negligible new seasonal or year-round housing construction, the impacts are anticipated to be insignificant. Virtually all of the employees of the Resort are expected to come from within a regional labor pool, with very few relocating to the Resort area. Those who would relocate include the top 16 to 20 mid- to upper-management positions, and it is expected that these employees would either rent or purchase existing homes for the duration of their employment, which in this particular sector of the hospitality industry, could be two or three years. These employees are unlikely to build new homes, although it is possible that a few might. Regardless, it would be a very small number.

The Resort is expected to meet the housing demand that its amenities generate, and it is specifically designed to capture the latent seasonal housing demand that the case studies indicate has been generated by the adjacent Belleayre Mountain Ski Center. In this sense, the Resort would concentrate and manage the effects of a housing demand that might otherwise result in a highly diffuse and more difficult to control pattern of second-home growth over a much larger area.

7.6 Guiding New Commercial Development

The existing hamlets and villages of Phoenecia, Margaretville, Fleishmanns, Boiceville, and Pine Hill are the historic and current focus of commercial and economic activity throughout the Route 28 corridor, between Boiceville and Margaretville. Limited commercial development along Route 28 does exist between hamlet areas, but there is no concentration of “commercial strip” development except for the areas immediately adjacent to Boiceville and Margaretville. This pattern is likely to continue for a number of reasons but primarily due to local and New York City regulations governing new development, combined with environmental constraints and New York City and State land ownership along the Corridor.

The primary method for controlling the location, scale, appearance, and character of any new development is through local zoning codes. The zoning codes of the Towns of Shandaken and Middletown direct commercial development into the existing villages and hamlets. The 2005 Comprehensive Plan for the Town of Shandaken states that “existing hamlets should be revitalized” and that NY Route 28 “must be planned and designed as a series of separate but

coordinated experiences—mountain views, bustling hamlets, open fields, unique shops and tourist shops, educational and historic sites, all with quality of design and maintenance worthy of the resource.” In addition, the Catskill Watershed Corporation’s REDI Loan program provides fast-track approval for loan or grant applications for businesses located in, or seeking to locate in, a hamlet or village that has prepared a Whole Hamlet Program plan.

Based on the inventory of businesses and land uses within the NY Route 28 corridor, the natural direction for new economic activity would be in the hamlets and villages. The potential impact of induced commercial development is largely a function of how strongly local regulations and plans are enforced. The Towns of Shandaken and Middletown can determine how any additional growth can be directed to reinforce existing community character.

Environmental constraints within the Route 28 corridor are severe constraints to new development activities. Of specific relevance to potential new commercial development is the location of primary streams (including the Esopus Creek and East Branch of the Delaware River) alongside Route 28, the prevalence of floodplain and wetland areas in close proximity to the road, and the numerous locations where steep slopes are located immediately adjacent to the right-of-way. These environmental constraints also tend to focus development in already build-up places, including Margaretville, Fleishmanns, Boiceville, Phoenecia, and Pine Hill, or in areas immediately outside these hamlets and villages.

As noted above, the increase in consumer spending in the Route 28 Corridor could be described in terms of square footage based on sales per square foot of commercial space. Even if all of the 39,400 estimated square feet of commercial space were to be developed, the total land area required to accommodate this space, including parking areas, would be approximately 3 acres. In an approximately 107,000 acre study area, this does not appear to represent a significant increase in developed area. However, as discussed above, little, if any, of the increase in consumer spending is anticipated to result in new development on account of the expectation that existing businesses will take advantage of the enhanced sales potential stemming from the Resort’s economic effects.