

A. INTRODUCTION

This chapter evaluates potential effects that the Proposed Project may have on economic conditions. The chapter provides a profile of the current population and employment, as well as future trends both for the immediately affected study area and within the regional context of Saratoga County.

PRINCIPAL CONCLUSIONS

This analysis concludes that the Proposed Project would not adversely affect the population or employment characteristics of the study area since the project is not anticipated to generate permanent residents and only modest levels of new employment.

The Saratoga Race Course has been an important part of the local and regional economy. With the Proposed Project, the existing facilities of the Race Course would be restored and upgraded, allowing the facility to serve current and future generations of visitors and enabling the facility to continue to be an important part of the local and regional economy. With primarily rehabilitation and restoration objectives, the project is not expected to generate a substantial increase in attendance or new expenditures that would generate new tax revenues. However, in the future with the proposed project, it is likely that tax revenues to Saratoga Springs, Saratoga County, and New York State could increase in proportion to the anticipated modest increases in attendance (up to 5 percent on any given weekday and up to 2 percent on a Saturday) and increased food and beverage sales.

B. METHODOLOGY**STUDY AREA DELINEATION**

This analysis examines demographic and economic conditions in the City of Saratoga Springs and Saratoga County.

DATA SOURCES

The following data sources have been used to prepare this analysis: U.S. Census Bureau's 2010 Census; 2010-2012 American Community Survey three-year estimates; and ESRI, Inc. (a national provider of geographic planning data). This chapter also presents findings from a report, *Economic Analysis of the Saratoga Race Course*, which was prepared by HR&A Advisors, Inc. for the Saratoga County Industrial Development Agency in October 2011 (HR&A Report). In the HR&A Report, the economic impacts of the Race Course were estimated in the Study Region, which was defined as Saratoga County and the following counties: Albany, Columbia, Greene, Montgomery, Rensselaer, Schenectady, Warren, and Washington.

The economic benefits associated with construction activities were estimated using the IMPLAN (Impact analysis for PLANning) input-output modeling system. IMPLAN was originally developed by the U.S. Department of Agriculture Forest Service in 1979 and was subsequently privatized by the Minnesota IMPLAN Group (MIG). This analysis is based on the 2011 model for the Capital Region, which includes the following counties: Albany, Columbia, Greene, Rensselaer, Saratoga, Schenectady, Warren, and Washington Counties. IMPLAN uses economic data from sources such as the U.S. Bureau of Economic Analysis, the U.S. Bureau of Labor Statistics, and the U.S. Census Bureau to predict effects on the local economy from direct changes in spending. The model contains data for the Capital Region on 440 economic sectors, showing how each sector affects every other sector as a result of a change in the quantity of a product or service.

IMPLAN OVERVIEW

Using IMPLAN terminology, economic impacts are broken into three components: direct, indirect, and induced effects:

- Direct effects represent the initial benefits to the economy of new investment (e.g., a construction project, changes in employment, or changes in employee compensation).
- Indirect effects represent the benefits generated by industries purchasing from other industries as a result of the direct investment (e.g., indirect employment resulting from construction expenditures would include jobs in industries that provide goods and services to the contractors). A direct investment triggers changes in other industries as businesses alter their production to meet the needs of the industry in which the direct impact has occurred. These businesses in turn purchase goods and services from other businesses, causing a ripple effect through the economy. The ripple effect continues until leakages from the region (caused, for example, by imported goods) stop the cycle. The sum of these iterative inter-industry purchases is called the indirect effect.
- Induced effects represent the impacts caused by increased income in a region. Direct and indirect effects generate more worker income by increasing employment and/or salaries in certain industries. Households spend some of this additional income on local goods and services, such as food and drink, recreation, and medical services. Benefits generated by these household expenditures are quantified as induced effects.

C. EXISTING CONDITIONS

STUDY AREA DEMOGRAPHIC CHARACTERISTICS

POPULATION

Table 14-1 presents the population for the City of Saratoga Springs and Saratoga County. In 2010, the City included 26,586 residents, a 1.5 percent increase from the population in 2000. This population growth rate was lower than the growth rate in Saratoga County (9.5 percent).

Table 14-1
Total Population: 2000 and 2010

Geography	Total Population		Percent Change
	2000	2010	2000-2010
City of Saratoga Springs	26,186	26,586	1.5%
Saratoga County	200,635	219,607	9.5%

Sources: U.S. Census Bureau, 2000 and 2010 Census.

HOUSEHOLDS

Between 2000 and 2010, there was a 4.9 percent increase in the number of households in the City of Saratoga Springs, from 10,784 households in 2000 to 11,312 households in 2010 (see **Table 14-2**). Saratoga County’s 13.0 percent household growth rate outpaced the growth rate in the City. In 2010, the City’s average household size (2.13 persons per household) was lower than the County’s average household size (2.44 persons per household).

Table 14-2
Household Characteristics: 2000 and 2010

Geography	Households		Percent Change	Average Household Size	
	2000	2010	2000-2010	2000	2010
City of Saratoga Springs	10,784	11,312	4.9%	2.21	2.13
Saratoga County	78,165	88,296	13.0%	2.51	2.44

Sources: U.S. Census Bureau, 2000 and 2010 Census.

MEDIAN HOUSEHOLD INCOME & POVERTY STATUS

The 2010-2012 median household income in Saratoga Springs was \$64,448, which was lower than the median household incomes in Saratoga County (\$67,321). As reported in the 2010-2012 ACS, approximately 7.1 percent of the population in Saratoga Springs was living below the poverty level. This was a decrease from the 8.8 percent poverty rate in 2000 (see **Table 14-3**). In contrast, the county’s poverty rate increased from 5.7 percent in 2000 to 6.3 percent in the 2010-2012 time period.

Table 14-3
Median Household Income and Poverty Status

Geography	Median Household Income ^{1,2}			Poverty Status	
	1999	2010-2012	% Change	2000	2010-2012
City of Saratoga Springs	\$64,620	\$64,448	-0.3%	8.8%	7.1%
Saratoga County	\$70,820	\$67,321	-4.9%	5.7%	6.3%

Notes: 1. Median incomes are shown in constant 2013 dollars.
2. The ACS collects data throughout the period on an on-going, monthly basis and asks for respondents’ income over the “past 12 months.” The 2010–2012 ACS data therefore reflects incomes over 2010 and 2012, while Census 2000 data reflects income over the prior calendar year (1999).

Sources: U.S. Census Bureau, 2000 Census and 2010-2012 American Community Survey 3-Year Estimates.

HOUSING UNIT CHARACTERISTICS

Table 14-4 presents housing unit characteristics for Saratoga Springs and Saratoga County. In 2010, there were approximately 12,936 housing units in Saratoga Springs, representing 13.1 percent of housing units in Saratoga County. Approximately 87.4 percent were occupied in Saratoga Springs. While 56.9 percent of the housing units in Saratoga Springs were owner occupied, almost three-quarters of the housing units were owner occupied in the county.

**Table 14-4
Housing Unit Characteristics**

Geography	Housing Units			2010 Occupancy Status		2010 Tenure, All Occupied Units	
	2000	2010	% Change	% Occupied	% Vacant	% Owner Occupied	% Renter Occupied
City of Saratoga Springs	11,584	12,936	11.7%	87.4%	12.6%	56.9%	43.1%
Saratoga County	86,701	98,656	13.8%	89.5%	10.5%	72.7%	27.3%

Sources: U.S. Department of Commerce, Bureau of Census, 2000 and 2010 Census

HOUSING VALUE CHARACTERISTICS

The 2010-2012 median home value in Saratoga Springs was \$313,949, which was 35.6 percent higher than the median home value in the county (\$231,544). There have been significant increases in median home values in Saratoga Springs compared to the county. Between 2000 and the 2010-2012 time period, the median home value in Saratoga Springs increased by 76 percent from \$178,081 in 2000 to \$313,949 over the 2010-2012 time period. In comparison, the median home value in Saratoga County increased by 48 percent from \$155,925 in 2000 to \$231,544 over the 2010-2012 time period.

Similarly, the median contract rent in Saratoga Springs was also higher than the median contract rent in the county. As shown in **Table 14-5**, the median contract rent in Saratoga Springs over the 2010-2012 time period was \$859, approximately 6.1 percent higher than the county's median contract rent.

**Table 14-5
Housing Value Characteristics (2000, 2010-2012)**

Geography	Median Home Value			Median Contract Rent		
	2000	2010-2012	% Change	2000	2010-2012	% Change ¹
City of Saratoga Springs	\$178,081	\$313,949	76%	\$720	\$859	NA
Saratoga County	\$155,925	\$231,544	48%	\$741	\$810	NA

Notes:
¹ Median contract rent is not comparable between Census 2000 and the 2010-2012 ACS study since the universe in the ACS is "renter occupied," whereas the universe in Census 2000 was "specified renter-occupied housing units."
² All dollars presented are in 2013 dollars using the U.S. Department of Labor's 1st Half 2013 Consumer Price Index for the "Northeast Urban area."
Sources: U.S. Department of Commerce, Bureau of Census, 2000 Census and 2010-2012 American Community Survey

EMPLOYMENT AND LABOR FORCE

Table 14-6 presents labor force data, which includes the total number of people employed or seeking employment for Saratoga Springs and Saratoga County. In 2013, the labor force

included 14,400 people in Saratoga Springs, which was a 1.4 percent lower than the city's labor force in 2000. In contrast, the county's labor force increased by 6.6 percent during this time period.

Table 14-6
Average Annual Labor Force

Geography	2000	2013	% Change
City of Saratoga Springs	14,600	14,400	-1.4%
Saratoga County	110,800	118,100	6.6%

Source: New York State Department of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics

Table 14-7 shows businesses and employment by sector in Saratoga Springs and Saratoga County. In 2012, there were an estimated 14,754 employees at 2,011 businesses in Saratoga Springs. Employment in Saratoga Springs represented 21.4 percent of total employment in Saratoga County. Approximately 16.6 percent of employment in Saratoga Springs was concentrated in the health care and social assistance sector. The next highest concentrations of employment in Saratoga Springs was the accommodations and food services sector (11.1 percent), manufacturing (11.1 percent), and retail trade (11.0 percent).

Table 14-7
2012 Businesses and Employment

Sector	Saratoga Springs				Saratoga County			
	Businesses	Percent	Employees	Percent	Businesses	Percent	Employees	Percent
Agriculture, forestry, fishing and hunting, and mining	9	0.4%	28	0.2%	226	1.9%	478	0.7%
Utilities	1	0.0%	99	0.7%	21	0.2%	319	0.5%
Construction	113	5.6%	357	2.4%	1,254	10.4%	4,079	5.9%
Manufacturing	53	2.6%	1,642	11.1%	370	3.1%	5,405	7.8%
Wholesale trade	72	3.6%	396	2.7%	459	3.8%	2,676	3.9%
Retail trade	241	12.0%	1,629	11.0%	1,343	11.2%	12,125	17.5%
Transportation and warehousing	29	1.4%	350	2.4%	225	1.9%	1,565	2.3%
Information	55	2.7%	417	2.8%	206	1.7%	1,337	1.9%
Finance and insurance	84	4.2%	345	2.3%	414	3.4%	3,131	4.5%
Real estate and rental and leasing	103	5.1%	444	3.0%	452	3.8%	1,728	2.5%
Professional, scientific, and technical services	331	16.5%	1,173	8.0%	1,642	13.7%	5,430	7.9%
Management of companies and enterprises	4	0.2%	7	0.0%	21	0.2%	44	0.1%
Admin., support, waste mgmt, and remed. svcs.	252	12.5%	703	4.8%	2,295	19.1%	5,076	7.3%
Educational services	42	2.1%	559	3.8%	192	1.6%	4,146	6.0%

**Table 14-7 (cont'd)
2012 Businesses and Employment**

Sector	Saratoga Springs				Saratoga County			
	Businesses	Percent	Employees	Percent	Businesses	Percent	Employees	Percent
Health care and social assistance	188	9.3%	2,454	16.6%	778	6.5%	6,111	8.8%
Arts, entertainment, recreation	61	3.0%	794	5.4%	246	2.0%	1,459	2.1%
Accommodation and food services	154	7.7%	1,633	11.1%	567	4.7%	4,860	7.0%
Other services (except public administration)	203	10.1%	731	5.0%	1,111	9.2%	3,555	5.1%
Public administration	16	0.8%	993	6.7%	190	1.6%	5,591	8.1%
Total	2,011	100.0%	14,754	100.0%	12,012	100.0%	69,115	100.0%

Source: ESRI Business Analyst

Table 14-8 presents unemployment and the unemployment rate in Saratoga Springs and Saratoga County. In 2013, there were 800 unemployed people in Saratoga Springs which represented 5.6 percent of the total labor force. In comparison, approximately 5.9 percent of the labor force was unemployed in the county.

**Table 14-8
Unemployment**

Geography	Unemployed		Unemployment Rate	
	2000	2013	2000	2013
City of Saratoga Springs	500	800	3.4%	5.6%
Saratoga County	3,700	7,000	3.3%	5.9%

Source: New York State Department of Labor, Local Area Unemployment Statistics

ECONOMIC PROFILE OF SARATOGA RACE COURSE

The Saratoga Race Course has been an important part of the local and regional economy, as evident by trends in employment, hotel room nights, and home values. Employment in Race Course-related industries in Saratoga County has increased at a higher rate compared with total employment. While employment in Race Course-related industries increased by 30 percent from 14,000 jobs in 2000 to about 18,260 jobs in 2010, total employment in the county increased by only 13 percent during this time period.¹ In addition, demand for hotel rooms in Saratoga County has outpaced the demand for hotel rooms in the Albany/Schenectady market. The annual number of room nights in Saratoga County increased by 3.1 percent per year between 2005 and 2010. In comparison, the annual number of room nights in the Albany/Schenectady market increased by only 0.7 percent per year.² This higher demand for hotel room nights is likely a result of Saratoga County’s cultural amenities, including the Race Course. Trends in housing values suggest that the Race Course had a positive influence on housing values in Saratoga County. The 2010-2012 median home value for Saratoga County was approximately \$231,500, and was the highest median home value compared to other counties in the region which range from \$103,000 in Montgomery County to \$231,500 in Saratoga County. As stated in the HR&A

¹ HR&A Advisors, Inc., *Economic Analysis of the Saratoga Race Course* (October 2011), 16.

² HR&A Advisors, Inc., *Economic Analysis of the Saratoga Race Course* (October 2011), 7.

Report, “This premium attests to Saratoga County’s unique quality of life and cultural identity that makes it a desirable place to reside. The Saratoga Race Course and the complementary activities it sustains are inexorable parts of this unique identity.”¹ With the Proposed Project, the existing facilities of the Race Course would be restored and upgraded, allowing the facility to serve current and future generations of visitors and enabling the facility to continue to be an important part of the local and regional economy.

EMPLOYMENT

NYRA Employment

NYRA employs a significant number of full-time and part-time workers in Saratoga Springs. As shown in **Tables 14-9 and 14-10**, full-time and part-time employment is higher in the summer months. On average, NYRA employs 970 full-time employees each month with more employees during the racing season. Full-time employment is lower between January and March with between 894 and 931 full-time employees. Full-time employment increases through the spring and summer to a high of 1,013 full-time employees in July. Full-time employment decreases in the fall to 968 full-time employees in November and 983 full-time employees in December.

NYRA also employs a significant number of part-time workers at the Race Course in Saratoga Springs. On average, NYRA employs 458 part-time employees each month. Similar to the full-time employment, part-time employment is low between January and March, ranging from 188 employees to 201 employees. Throughout the spring and summer, part-time employment increases to a high of 798 part-time employees in July. Part-time employment decreases through the fall to 322 part-time employees in December.

Training and Racing Employment

Employment at the Race Course also includes training and racing employment. HR&A Advisors estimated that there are 600 FTEs (see **Table 14-11**). These include jockeys, trainers, assistant trainers, foremen, exercise riders, hot walkers, and groomers.

¹ HR&A Advisors, Inc., *Economic Analysis of the Saratoga Race Course* (October 2011), 19.

Table 14-9
NYRA Full-Time Employment at Saratoga Race Course

Job Position	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Administration (off-site)	227	228	231	233	235	236	107	108	241	239	241	247
Administration (on-site)	8	8	8	8	8	8	141	141	9	7	7	7
Cleaners	56	57	69	70	70	72	74	73	74	75	71	69
Food & Beverage	3	4	3	4	3	3	4	4	4	3	3	3
Maintenance	126	126	126	123	138	133	134	134	135	133	132	130
Mutuels	148	135	153	157	159	167	162	152	161	156	148	167
Parking	13	10	9	12	16	16	15	15	15	15	14	14
Program Sellers	1	1	1	1	1	1	1	1	1	1	1	1
Racing/Simulcast	142	142	141	152	153	153	153	148	152	151	149	147
Security	135	135	137	137	138	147	152	154	151	137	136	137
Trades	48	48	53	61	61	69	70	67	69	71	66	61
Total NYRA	907	894	931	958	982	1005	1013	997	1012	988	968	983

Source: NYRA

Table 14-10
NYRA Part-Time Employment at Saratoga Race Course

Job Position	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Administration (off-site)	32	23	21	20	29	32	26	19	28	30	25	23
Administration (on-site)	1	1	2	2	4	4	11	11	6	4	3	3
Cleaners	19	20	25	29	47	54	52	29	52	56	52	34
Food & Beverage	8	19	10	10	12	13	89	93	97	14	8	9
Maintenance	3	5	4	30	54	58	78	78	63	50	51	35
Mutuels	20	7	8	40	69	175	82	68	79	71	57	97
Parking	2	1		7	12	17	13	11	13	13	11	6
Program Sellers					1	1	1		1	1	1	
Racing/Simulcast	28	23	24	42	76	76	81	53	80	73	71	28
Security	65	82	73	98	114	172	336	373	342	114	103	67
Trades	19	20	21	26	26	30	29	26	35	22	20	20
Total NYRA	197	201	188	304	444	632	798	761	796	448	402	322

Source: NYRA

Table 14-11
Training and Racing Employment

Position	Horses/Horse Starts per employee	Employee Days¹	Employee Hours²	FTEs³
Jockey	1 horse start	3,337	26,696	13
Trainer	20 horses	10,005	80,040	40
Assistant Trainer	20 horses	10,005	80,040	40
Foreman	20 horses	10,005	80,040	40
Exercise Rider	6 horses	33,350	266,800	133
Hot Walker	6 horses	33,350	266,800	133
Groom	4 horses	50,025	400,200	200
Total		150,077	1,200,616	600

Notes:

1. Jockey days are equivalent to the number of horse starts (i.e. each horse start requires one day of a jockey's time). Employee days for other positions are calculated by dividing the number of horse days by the number of horses per employee.
2. Employee hours are calculated assuming an eight-hour workday.
3. Full-time equivalents (FTEs) are calculated assuming full-time employment of 2,000 hours per year.

Source: HR&A Advisors, Inc., *Economic Analysis of the Saratoga Race Course* (October 2011), 54.

ECONOMIC ACTIVITY

Table 14-12 shows the 2010 operating expenses of Saratoga Race Course and Oklahoma Training Track, as reported by HR&A Advisors. Expenses totaled \$35.6 million. Approximately 60 percent of the expenses covered facilities costs. Food services expenses followed with 20 percent of total expenditures.

Table 14-12
Expenditures within the Study Area

Expenditure Category	Expenditures
Facilities Costs	\$21,230,000
Administration and Security	\$1,890,000
Advertising	\$1,390,000
Benefits and Insurance	\$3,960,000
Food Services (Concessions)	\$7,120,000
Total	\$35,590,000

Source: HR&A Advisors, Inc., *Economic Analysis of the Saratoga Race Course* (October 2011), 51.

TRAINING AND RACING AGGREGATE EXPENDITURES

Table 14-13 presents training and racing expenditures, as presented by HR&A Advisors. Training and meet expenditures are \$26.3 million. Race day expenditures are \$5.9 million. In total, it is estimated that training and racing expenditures are \$32.2 million.

Table 14-13
Training and Racing Expenditures

Expenditure Category	Expenditures
Training Bill	\$20,010,000
Veterinary Fees	\$5,000,000
Farrier (Shoeing)	\$1,330,000
<i>Sub-total (Training/Meet Expenditures)</i>	<i>\$26,340,000</i>
Race Day Expenditures	
Jockey Fees	\$2,830,000
Trainer Fees	\$2,980,000
Pony to Post	\$70,000
<i>Sub-total (Race Day Expenditures)</i>	<i>\$5,880,000</i>
Grand Total	\$32,220,000

Source: HR&A Advisors, Inc., *Economic Analysis of the Saratoga Race Course* (October 2011), 55.

OFF-TRACK EXPENDITURES BY RACE VISITORS

Table 14-14 presents off-track spending by race visitors as estimated by HR&A Advisors. It was estimated that non-Study Region visitors spend between \$39.0 million and \$54.7 million annually on lodging, meals, entertainment, retail, and transportation.

Table 14-14
Off-Track Spending by Race Visitors

Expenditure Category	Expenditures per day/night (2010 dollars)	Estimated Aggregate Annual Spending by Saratoga Race Course Visitors (2010 \$)	
		Low	High
Lodging	\$191.62 per room	\$6,283,778	\$15,462,303
Meals	\$16.95 per person	\$5,521,149	\$6,625,613
Entertainment/ Attractions	\$29.80 per person	\$9,703,813	\$11,644,989
Retail	\$39.08 per person	\$12,728,005	\$15,274,148
Transportation	\$14.59 per person	\$4,750,333	\$5,700,601
Total		\$38,987,078	\$54,707,653

Source: HR&A Advisors, Inc., *Economic Analysis of the Saratoga Race Course* (October 2011), 59.

TOTAL EXPENDITURES

Table 14-15 presents total direct expenditures in the region. As shown in the table, it is estimated that Saratoga Race Course generates a total of approximately \$106.8 million to \$122.5 million of direct spending within the region.

Table 14-15
Direct Expenditures in the Region

	Low	High
Saratoga Race Course Operations ¹	\$35,590,000	\$35,590,000
Training and Racing Expenditures	\$32,220,000	\$32,220,000
Off-Track Spending by Race Visitors	\$38,990,000	\$54,710,000
Total Direct Expenditures in the Region	\$106,800,000	\$122,520,000

Source: Based on data presented in HR&A Advisor's *Economic Analysis of the Saratoga Race Course* (October 2011).

EXISTING TAX REVENUES

Table 14-16 shows tax revenues attributable to the Saratoga Race Course based on estimates prepared by HR&A Advisors. Tax revenues were estimated between \$7.92 and \$8.88 million to New York State for income tax, sales tax, and NYRA statutory payments. In addition, it was estimated that the Race Course generates between \$5.16 and \$6.15 million in tax revenue to Saratoga Springs/Saratoga School District/Saratoga County for sales tax, room tax, property tax, admissions tax, and OTB surcharge revenue. In total, it was estimated that the Race Course generates between \$13.08 million and \$15.03 million in taxes to Saratoga Springs/Saratoga County and New York State.

Table 14-16
Summary of Fiscal Benefits from Racing

Tax Category	Low Estimate		High Estimate	
	New York State	Saratoga Springs/ Saratoga County	New York State	Saratoga Springs/ Saratoga County
Income Tax Revenue	\$2,590,000	-	\$2,960,000	-
Sales Tax Revenue	\$1,369,200	\$1,026,900	\$1,960,000	\$1,470,000
Room Tax Revenue	-	\$376,800	-	\$927,600
Property Tax Revenue	-	\$1,302,647	-	\$1,302,647
Admissions Tax Revenue	-	\$1,048,737	-	\$1,048,737
OTB Surcharge Revenue	-	\$1,405,785	-	\$1,405,785
NYRA Statutory Payments	\$3,960,001	-	\$3,960,001	-
Total	\$7,919,201	\$5,160,869	\$8,880,001	\$6,154,769

Source: HR&A Advisors, *Economic Analysis of the Saratoga Race Course* (October 2011), 68.

D. FUTURE WITHOUT THE PROPOSED PROJECT

As shown in Table 2-1 (see Chapter 2, “Land Use”), there are approximately 1,006 residential units and 652,789 square feet of commercial space that are under construction, pending approval, or are approved site plans/subdivisions in the future without the proposed project. The construction of these projects will result in significant direct jobs, employee compensation, and sales in the study area. In addition to benefits that would result from on-site construction, there would also be jobs, employee compensation from businesses supplying goods and services to construct the No Build projects. In addition, the employees associated with these direct and indirect activities will spend the wages and salaries on goods in the local area.

Operations of these projects that will be introduced by the No Build projects will also result in direct, indirect, and induced jobs, employee compensation, and sales.

E. POTENTIAL IMPACTS OF THE PROPOSED PROJECT

As discussed in Chapter 1, “Project Description,” the Proposed Project is not expected to lengthen the racing season and peak attendance and overall attendance volumes are not expected to increase substantially. The goals of the proposed project are to retain and lengthen the stay of existing patrons, sustain and attract visitors into the future, and to provide an array of diverse new services and offerings that can increase overall revenues from Race Course operations. With the Proposed Project, the existing facilities of the Race Course would be restored and upgraded, allowing the facility to serve current and future generations of visitors and enabling the facility to continue to be an important part of the local and regional economy. The following section describes the probable economic benefits that would be associated with construction and annual operations of the proposed project.

ECONOMIC BENEFITS DURING THE CONSTRUCTION PERIOD

NYRA estimates that with the proposed project, there would be approximately \$15.0 million dollars spent on construction per year for the next 10 years.

EMPLOYMENT

As a result of the \$15.0 million in direct expenditures each year, the direct employment is estimated at about 84 person-years of employment, see **Table 14-17**.¹ When new direct jobs are introduced to an area, those jobs lead to the creation of additional indirect and induced jobs. Indirect employment resulting from construction expenditures would include jobs in industries that provide goods and services to the contractors, and induced employment will include jobs generated by new economic demand from households spending salaries earned through the direct and indirect jobs. Based on the IMPLAN model’s economic multipliers for the Capital Region industrial sectors, the proposed development would generate an additional 16 person-years of indirect employment and 33 person-years of induced employment within the Capital Region, bringing the total number of jobs from construction to 133 person-years. Over the ten-year period, the Proposed Project would generate 1,338 direct, indirect, and induced person-years of employment. (See Methodology, above, for a description of the IMPLAN model.)

Based on 2013 Quarterly Census of Employment and Wages data, there are 4,903 workers in the construction of buildings sector and 12,591 specialty trade contractors in the Capital Region. As the current supply of construction workers in the region far exceeds the number of workers that would be on-site each year, it is likely that construction of the Proposed Project would not result in pressure on the construction labor market.

Table 14-17
Economic and Fiscal Benefits During Construction

	Annual	Over 10 years
Employment (Person-years)¹		
Direct	84	843
Indirect (jobs in support industries)	16	162
Induced (jobs from household spending)	33	333
Total	133	1,338
Employee Compensation (Millions of 2014 dollars)		
Direct	\$6.11	\$61.08
Indirect (earnings in support industries)	\$1.12	\$11.21
Induced (earnings from household spending)	\$1.86	\$18.59
Total	\$9.09	\$90.88
Total Effect on the Local Economy² (Millions of 2014 dollars)		
Direct	\$15.00	\$150.00
Indirect (output from support industries)	\$3.59	\$35.95
Induced (output from household spending)	\$6.93	\$69.33
Total	\$25.52	\$255.28
Notes:		
1 A person-year is the equivalent of one person working full-time for a year.		
2 The economic output or demand for local industries derived from the direct construction spending. The following IMPLAN sectors were used to model the economic effects of project construction: Sector 36, Construction of other new nonresidential structures, Sector 39 Maintenance and repair construction of nonresidential structures, Sector 367 Legal Services, and Sector 369 Architectural, engineering, and related services.		
Sources: IMPLAN economic modeling system; and AKRF, Inc.		

¹ A person-year is the equivalent of one person working full-time for a year.

Saratoga Race Course Redevelopment Plan DGEIS

EMPLOYEE COMPENSATION

Each year of construction would generate \$9.09 million in employee compensation, including \$6.11 million for direct, \$1.12 million for indirect, and \$1.86 million for induced. Over the ten-year construction period, the direct employee compensation is estimated at \$61.08 million. Total direct, indirect, and induced employee compensation from construction of the proposed project is estimated at \$90.88 million.

TOTAL EFFECT ON THE LOCAL ECONOMY

As indicated above, the total construction cost for the Proposed Project (excluding financing, the value of the land, and similar costs) is estimated at approximately \$15 million each year for 10 years, or a total of \$150 million. Based on the IMPLAN models for the Capital Region, the total economic activity that would result from construction of the proposed development is estimated at about \$255.28 million (or \$25.52 million annually).

TAXES GENERATED DURING CONSTRUCTION

The economic activity associated with each year of construction will have associated with it significant tax revenues for Saratoga County and New York State. Each year, the sale of construction materials would generate approximately \$145,800 in sales taxes for Saratoga County and \$194,400 in sales taxes for New York State, for a total of \$340,200. Over the ten-year construction period, sales taxes from construction materials would be about \$1.94 million for New York State and \$1.46 million for Saratoga County for a total of \$3.40 million over the ten-year period. In addition to sales tax on construction materials, other fiscal benefits that would be generated from construction would include income taxes on direct, indirect, and induced employment, corporate taxes, utility taxes, and numerous other taxes.

ECONOMIC BENEFITS DURING ANNUAL OPERATIONS

OPERATIONAL EMPLOYMENT

It is not expected that the Proposed Project would result in a significant increase in employment. NYRA employment is expected to remain the same in the future with the Proposed Project; however, there would be an increase in the number of employees due to the expanded horse stables. The new dormitory rooms could accommodate 576 new seasonal employees staying on the Race Course grounds; seasonal employees generally are on the campus from May/June to September. These 576 new employees would represent a 3.9 percent increase in existing employment in Saratoga Springs and would not result in a substantial change in employment. Moreover, these employees are generally traveling with the racehorses and not generally drawn from the local workforce. In addition, there would be some increase in employment in business establishments providing goods and services to the Race Course (indirect jobs), and jobs resulting from new household spending (induced jobs).

There could also be an increase in the number of part-time, seasonal employees to meet the new demand in a given season considering that the proposed project may have a modest increase in overall attendance (between 2 and 5 percent as discussed in Chapter 13 “Traffic and Transportation”). While the average number of monthly part-time employees is 458, part-time employment increases in the summer to 798 part-time employees in July and 796 part-time employees in September. Some of the part-time positions would be filled by unemployed workers. According to the New York State Department of Labor’s 2013 data, there were on

average 7,000 unemployed workers in Saratoga County (see **Table 14-8**). The estimate of unemployed workers is conservative as the unemployment data is derived principally from unemployment compensation rosters, and not all unemployed individuals apply for unemployment benefits. In addition, there are “under-employed” people who hold part-time jobs who may be looking for additional work. The unemployed and underemployed are viewed as the primary labor pool from which the employment for the Proposed Project would be drawn. The current number of unemployed workers is significantly higher than the highest number of monthly employment at the Project Site. It is expected that the current unemployment, as well as workers who are underemployed, would fill many of the seasonal, part-time employment opportunities that the proposed project would generate. Therefore, it is not expected that the proposed project would result in substantial impacts to the labor force.

EXPENDITURES IN THE FUTURE WITH THE PROPOSED PROJECT

As shown in **Table 14-12**, operational expenses of the Race Course were estimated at \$35.6 million for facilities costs, administration and security, advertising, benefits and insurance, and food services. It is not expected that the proposed project would result in significant increases in operational expenses. However, with the expanded horse stables, it is expected that the expenditures associated with the participant activities would increase. As shown in **Table 14-13**, expenditures associated with participant activities (training expenditures and race day expenditures) are estimated at \$32.2 million. These could increase to \$34.35 million in the future with the Proposed Project based on a 6.7 percent increase in the number of stalls with the Proposed Project. In addition, with the Proposed Project, there is expected to be a marginal increase in attendance (by approximately two percent to five percent at weekday and Saturday races). With the modest increase in visitation, off-track visitor expenditures could increase.

TAX REVENUES GENERATED BY OPERATIONS OF THE PROPOSED PROJECT

The Saratoga Race Course is an important part of the local and regional economy generating considerable expenditures by visitors to the Race Course and the tax revenues generated by those expenditures. As noted throughout this DGEIS, the Proposed Project is primarily intended to sustain this economic activity by restoring and upgrading the existing facilities to serve current and future generations of visitors. Therefore, the project is not expected in and of itself to generate a substantial increase in attendance or new expenditures that would generate new tax revenues. However, in the future with the Proposed Project, it is likely that tax revenues to Saratoga Springs, Saratoga County, and New York State could increase in proportion to the modest increases in attendance (up to 5 percent on any given weekday and up to 2 percent on a Saturday) and increases in food and beverage sales. This may also include a small increase in hotel room taxes and related off-site expenditures based on the potential for visitors to lengthen their stay. Also, there could be an increase in personal income taxes associated with the increase in part-time, seasonal employment. Therefore, the Proposed Project may have marginal beneficial impact generated by an increment in future tax revenues.

F. MITIGATION

The Proposed Project would be expected to have no impact or fiscal cost due to changes in demographic or workforce characteristics. Therefore, the Proposed Project would not adversely impact the study area populations or study area businesses and no mitigation is required to offset project generated changes. *