Appendix A.2

Review of the Age and Adequacy of Socioeconomic and Market Data Used in the DEIS

RKG Associates, Inc. Economic Planning and Real Estate Consultants
277 Mast Road, Durham, NH 03824, Tel: (603) 868-5513, FAX: (603) 868-6463, E-Mail: jsd@rkg1.com

Project Technical Memorandum

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Introduction
This Technical Memorandum provides an overview of our review of the age and adequacy of data used in the preparation of the Draft Environmental Impact Statement (DEIS) for the Crossroads project. This memorandum covers those areas of the DEIS reviewed by RKG Associates (RKG), including socioeconomic issues and factors affecting induced growth, which were ultimately used to evaluate potential water quality impacts for the proposed Belleayre Resort (see Appendix B.4, Evaluation of Potential Long-Term Regional Land Use Changes Associated with the Proposed Belleayre Resort). This Technical Memorandum concludes that faulty assumptions and data and inaccurate predictive models are frequently used as the basis of the conclusions in the DEIS. Numerous impacts are either not identified or are dismissed. As a result, mitigation measures are often inadequate or not considered.

The primary portions of the DEIS reviewed for this analysis include the Executive Summary and affiliated chapters of the DEIS, as well as Appendices 26 and 27. A separate Technical Memorandum was prepared by EA Engineering regarding key aspects of the project including water, wastewater, traffic and other environmental issues (see Appendix A.3, Review of the Age and Adequacy of Engineering Data Used in the DEIS). It should be noted that this review of the adequacy and age of data used in the DEIS does not specifically address issues related to the definition of the study areas used in the DEIS. These issues were addressed in a prior Technical Memorandum (see Appendix A.1, Review of Study Areas used in the DEIS for Economic and Labor Market Impacts).

General Comments Regarding the DEIS
There are numerous problems with the adequacy of the data used in the DEIS which should be corrected so that the impacts associated with the project can be realistically evaluated. General issues include:

- As discussed in Technical Memorandum A.1 (see Appendix A.1, Review of Study Areas used in the DEIS for Economic and Labor Market Impacts), the DEIS uses a variety of study areas in evaluating the potential impacts of the proposed project. In addition, the study areas were not adequately discussed or explained in the document, and more recent data, such as journey-to-work data from the 2000 Census rather than information used in the DEIS from Claritas, makes re-evaluating the study areas for operational employment, construction employment, and visitor spending advisable.

- There are major flaws with the internal logic and consistency of the document. For example, the DEIS indicates that the project will have a major positive economic impact on a relatively depressed region of the Catskills (see DEIS Executive Summary, page iii), while simultaneously have no adverse impact on traffic, induced development or the local communities (see DEIS Executive Summary, page vi). These statements are contradictory. Furthermore, many assumptions are highly questionable, such as:

  - all off-site development will occur within the existing hamlets;
  - there will be no impact on workers, housing or the local labor force; and
  - most of the residential and commercial development will occur on-site.

- The DEIS assumes that existing merchants in nearby hamlets will simply "expand" to meet new demand (see DEIS Appendix 26, page 7-6). However, merchants' ability to finance the expansion/modernization is uncertain, and renovation is not necessarily feasible in locations with limited highway visibility. New investors may come into the market and put some of the existing undercapitalized/marginal establishments out of business. This possibility, as well as new construction occurring along the NYS Route 28 corridor, is simply dismissed.

- There are a number of inconsistencies with the data, errors and mistakes are apparent, and relevant trend data is lacking in some cases. Housing supply and the residential real estate market are not discussed quantitatively or in sufficient detail. For example, the DEIS indicates that there is limited land for development (see DEIS Appendix 26, Chapter 5). If this were indeed true (NYCDEP review's has shown that it is not), property values could rise, forcing a situation where area residents/workers could be priced out of the market. This is a factor in many successful destination resorts, which results in more commuting and additional off-site and induced impacts, all of which could result in water quality impacts.

- The hotel, golf and timeshare markets for the proposed project may be overestimated. The golf industry has seen steady declines since 1999 due to many factors including increased competition and lower interest. The hotel and resort markets are still recovering after the recession and the impacts of the September 11th terrorist attacks, and the timeshare concept has not been widely used in the Catskills. Timeshare/vacation club sales drive the feasibility and utilization of the proposed Belleayre Resort (see DEIS Appendix 26, Table 4-3), accounting for more than half of all gross annual revenues. Full sell-out to 5,600 or so owners is speculative based on the data provided, especially in light of the pricing and intervals available for ownership (see DEIS Appendix 27, Tables 6-6 and 6-7). The so-called "shoulder seasons" (late October to mid-December and late winter/early spring) would be more difficult to market.

- The case studies primarily focus on ski areas, while the proposed project is focused on golf course development and hospitality/timeshare development. In addition, the case studies used for evaluation are not destination resorts. True destination resorts are limited in the Northeast due to weather-related issues. The report discusses the potential impact of new households caused by the project by narratively dismissing them as being “nil.” This is contradictory to the Developer’s contention that the project will serve as a “catalyst” to transition this area of the Catskills from a two-season destination (skiing and summer) to a four-season destination resort.

- The DEIS does not discuss the tourism market in the region via sales and lodging tax trends, nor is there an evaluation of the seasonal influence on the year-round economy. The report does not adequately evaluate the ability of the local labor force to fill the proposed resort jobs in sufficient detail to evaluate the potential impacts on existing businesses, and/or commuting patterns, or how the higher average wage to be paid at the resort may cannibalize the existing jobs in the region, and therefore force businesses to increase their wages. Also, the assertion that most of these jobs are permanent year-round positions is suspect, since this is not the case at most destination resorts, which either close or reduce staff at some point or points each year, and which typically hire many part-time employees such as housekeepers, wait staff, etc. In addition, the potential development of one or more casinos in proximity to this property may result in increased competition for employees in the area, which could also force an increase in wages.

- A major flaw in the DEIS is that the fiscal impact analysis looks at potential property tax increases but does not discuss, or attempt to quantify, any increase in costs for municipal services, including schools, police, fire, etc. This is a major flaw. Little information is provided for either Middletown or Shandaken, both of which would bear the majority of this project’s impacts, particularly from a fiscal impact perspective. Since the majority of the proposed resort is located in Shandaken, the Town is likely to see the majority of new tax revenue associated with the development. However, since housing is generally less expensive in Middletown, some resort workers (and their school-aged children) may live in Middletown. This could create a negative fiscal situation for the community, as they are forced to pay for education and municipal services, while only receiving tax revenues from the small portion of the development located in the Town of Middletown (primarily the 21 new homes at Highmount Estates). While RKG was not charged with evaluating fiscal impacts at the community level, it is important for the Towns to understand this shortcoming in the DEIS, and how it could affect them directly. As discussed in Technical Memorandum A.1 (see Appendix A.1, Review of Study Areas Used in the DEIS for Economic and Labor Market Impacts), the DEIS does not address baseline socioeconomic conditions for the host communities.

While the issues identified above are primarily general in nature, specific items of concern are presented on the following pages. The areas of concern are shown for each chapter in the report where RKG identified a data deficiency, inadequacy or uncertainty.

Executive Summary

Page iii, 5th paragraph: "The Resort is intended to be a catalyst, that will drive the revitalization of year-round tourism and provide improvements to the quality of life for those who live in, as well as those who visit, the Catskill Park." This sentence contradicts the statement that "…the project will have few, if any, impacts or increased demand on community resources" (See DEIS Executive Summary, page vi, 1st paragraph).

Page v, 3rd bullet: The average full time wage of $27,272 is lower than the $27,424 indicated when dividing annual wage and salary of $20,485,693 in Table 4-2 (See DEIS Appendix 26, Table 4-2) by the 747 full-time equivalent jobs in Table 4-1 (See DEIS Appendix 26, Table 4-1). This is typical of the data inconsistencies throughout the DEIS.

Page xiv, Traffic: The potential impact on traffic during the construction period (8 years) is not identified. This is potentially a significant issue in terms of water quality, given that lumber, logging, concrete, crane, large equipment trucks and loads of topsoil for the golf course, as well as the worker vehicles will be traveling the roadways to get to the site. Also, there are 25,000 or so potential buyers of the timeshare units that would need to make the trip to the resort, and it is unclear whether these potential buyers are included in the traffic counts. While it is beyond RKG's scope to further evaluate traffic issues, this glaring omission should be noted.

Pages xv and xvi, Community Character: The DEIS states that "… the general character of the area is low-density development within a mountainous region." A resort with 400 hotel rooms, 351 time-share/vacation club suites, two country-clubs (each with a golf course), restaurants and spas is not consistent with this definition of community character in the area. This project is not in keeping with the Watershed Regulations, which, signed by over 90 parties, which promotes growth in the watershed if pursued in an environmentally responsible manner consistent with the protection of water quality. While it is beyond RKG's scope to further evaluate community character issues, this glaring contradiction should be noted.

"Because the project will be fairly self-contained there will not be an affect (sic) on community character." (page xvi, 4th paragraph) Since the area lacks a comparable sized project, and since the project is intended to be a "catalyst" for the transition of the area into a year-round destination (see DEIS Executive Summary, page iii), then the proposed Belleayre Resort in itself is not in keeping with the existing community character. Rather, it is potentially an investment to change or evolve the community character.

Page xviii, Community Services: The DEIS does not indicate whether the area fire departments are equipped with ladder trucks necessary to fight fires in buildings of up to six stories, which appears to be the height of the proposed hotels, as indicated by the Developer's architectural models for the buildings.

Page xviii, Induced Commercial Demand: Figure 7.1 indicates a total of $22.38 million of off-site spending including $11.57 million of employee spending and $11.81 million of visitor spending. However, only visitor spending is mentioned in the Executive Summary. The summary continues to say there "… appears to be adequate available capacity among existing businesses to accommodate... an additional 76,700 square feet (SF). in the area" and no new construction of commercial space is anticipated. The report makes no mention of the feasibility of redeveloping the village areas for commercial use to support this finding, or of the impacts that would potentially result from such redevelopment or potential new development along the Route 28 corridor.

Page xix, New Residential Development: The summary dismisses any need for work-force housing as a result of the project since "… the vast majority ... of jobs... would be filled by local residents or people within commuting radius, currently living in outlying areas of Ulster, Delaware, Greene and Schoharie Counties." This is the only mention of employment for the project drawn from the labor force in Schoharie County, which was not detailed in the regional market area (the tri-county area is referenced in Chapter 2 of Appendix 26 of the DEIS). In addition, Appendix 26 of the DEIS states on page 4-2 "… the Resort management would make every effort to hire for all positions from within this two-county region[Delaware and Ulster]." As is the case in several areas, the information contained in the Executive Summary is not consistent with the back-up data in the chapters and appendices.

The Executive Summary makes no mention of any possible increase in sales activity and construction of second homes in the study area from potential buyers of the 5,600 intervals available at the 351 timeshare units that would visit the region in response to the marketing campaign for the timeshare units and golf courses. No mention is made of conversion of existing seasonal housing stock to year-round housing to support the local employment gains. Also, no baseline details on the residential market in the two host towns, or the study area, such as building permit activity, or for-sale or rental pricing are provided.

The project initially included 60,000 SF of retail, which has been downsized to 13,000 SF, suggesting that consumer spending at the Project, at one time, was projected to support another 47,000 SF of development. It is not clear whether this anticipated spending has been included in the induced impacts associated with the proposed resort, and whether this spending will occur in the communities along the NYS Route 28 corridor.

Appendix 26 "Economic Benefits and Growth Inducing Effects," December 16, 2002, prepared by Allee King Rosen & Fleming, Inc. (AKRF).

In addition to the introductory section, the AKRF analysis is divided into six chapters, which evaluated the following:

- Existing socioeconomic conditions of the region;
- Economic Benefits of Construction and Capital Investments;
- Operational Period Effects;
- Land Supply Analysis;
- Case Study Analysis; and
- Growth-Inducing Aspects.

Comments from RKG's review of this report are grouped by chapter.

Chapter 2: Existing Socioeconomic Conditions

Study Area: The report identifies a 15 zip code area which stretches 25-miles along the Route 28 corridor from Bovina in the west to Shokan in the east (along the Ashokan Reservoir) as an "economic study area" for the report. This area is part of a larger regional area which includes Delaware, Ulster and Greene Counties. It is surprising that socioeconomic data for the two host communities (Middletown and Shandaken) was omitted from the data. Also, the use of zip codes to define a market area is not accurate since exact maps are not available and zip codes don't correspond to local municipal or Census boundaries (see Appendix A.1, Review of Study Areas Used in the DEIS for Economic and Labor Market Impacts).

Page 2-2, Table 2-1: Population and Household Trends and Projections: This table is reproduced below and includes two additional shaded columns (added by RKG Associates) noting the actual percentage change. As illustrated, the percent change in Ulster County population between 2005 is shown in the table to **increase** by 5.7%, but based on the data, it is actually projected to **decline** by 5.7%. In fact, all the actual percent change in households at the county and tri-county levels between 2000 and 2005 are inconsistent. Furthermore, there are some typographic errors in the text that correspond to the data in the table, and there is no discussion on why population and households increased in all geographies during the 1990s but declines were forecasted in some geographies into 2005. This could be attributed to typographic errors, or the 2000 data may have been updated based on Census 2000, without an update to the 2005 projections.

Table 1
Errors in Data in DEIS, Appendix 26, Table 2-1:
Population and Households Trends and Projections

Area	1990	2000	In Table % Change	Actual % Change	2005	In Table % Change	Actual % Change
Population							
Delaware County	47,225	48,055	1.8%	1.8%	45,504	-5.3%	-5.3%
Green County	44,739	48,195	7.7%	7.7%	49,729	3.2%	3.2%
Ulster County	165,304	177,749	7.5%	7.5%	167,687	*5.7%*	**-5.7%**
Tri-County	257,268	273,999	6.5%	6.5%	262,920	-4.0%	-4.0%
Study Area (SA)	10,472	10,552	0.8%	0.8%	10,570	0.2%	0.2%
SA as % of Tri-County	4.1%	3.9%	-5.4%	-5.4%	4.0%	4.4%	4.4%
Households							
Delaware County	17,646	19,270	9.2%	9.2%	17,627	*-0.2%*	**-8.5%**
Green County	16,596	18,256	10.0%	10.0%	18,741	*3.8%*	**2.7%**
Ulster County	60,807	67,499	11.0%	11.0%	63,380	*1.5%*	**-6.1%**
Tri-County	95,049	105,025	10.5%	10.5%	99,748	*1.6%*	**-5.0%**
Study Area (SA)	4,339	4,454	2.7%	2.7%	4,520	1.5%	1.5%
SA as % of Tri-County	4.6%	4.2%	-7.1%	-7.1%	4.5%	-0.1%	6.9%

NOTE: Bold and Italicized numbers in boxed cells represent discrepancies, shaded columns added by RKG Associates
Source: Belleayre Resort at Catskill Park DEIS, Appendix 26 (page 2-2) and RKG Associates, Inc.

In addition, data for the Study Area was not updated with Census 2000 figures, which is likely due to the difficulty in obtaining demographics at the zip code level as discussed earlier. However, the U.S. Census Bureau does provide access to 1990 data through its U.S. Gazetteer website (www.census.gov/cgi-bin/gazetteer) as well as Census 2000 data through the American Fact Finder (www.factfinder.census.gov) at the 5-digit zip code tabulation area. As shown below, the study area population increased 5.6% during the 1990s, which differs from the 0.8% gain as reported in the DEIS, and households increased by 10.1%, which is significantly higher than the 2.7% increase reported in Table 2-1 of Appendix 26 of the DEIS and shown in the previous Table.

It should also be noted that the population and household base in 1990 for the study area identified by U.S. Census was larger than identified in the DEIS, as shown in Table 1 above. It is also uncertain how the geography identified from Census figures compares to that used by the Developer's source (Claritas), and how it may have changed since 1990. In any event, there is a large discrepancy in year-round households between what is estimated for 2000 in the DEIS (4,454) and U.S. Census figures (5,681) which may have a significant bearing on retail spending and housing unit supply and demand.

Table 2
Study Area Population and Households (1990 and 2000)

	Population			Households		
Zip Code	1990	2000	% Change	1990	2000	% Change
12406 [1]	125	892	613.6%	47	410	772.3%
12410	92	820	791.3%	35	354	911.4%
12412	425	927	118.1%	182	393	115.9%
12416	555	87	-84.3%	258	49	-81.0%
12430	1,091	1,129	3.5%	463	484	4.5%
12455	2,842	2,082	-26.7%	1,215	868	-28.6%
12457	998	1,123	12.5%	428	501	17.1%
12464	1,065	1,173	10.1%	401	544	35.7%
12465 [1]	310			162		
12480	582	787	35.2%	256	341	33.2%
12481	1,638	1,269	-22.5%	597	505	-15.4%
12492	425	281	-33.9%	179	136	-24.0%
12494	827	714	-13.7%	348	302	-13.2%
13731	964	1,275	32.3%	391	561	43.5%
13740	495	568	14.7%	197	233	18.3%
Study Area	**12,434**	**13,127**	**5.6%**	**5,159**	**5,681**	**10.1%**

[1] included 12645 in 2000
Source: U.S. Census (1990 STF-3, 2000 STF-1)

Page 2-2 and 2-3: The statement "..the household figures described above... include a large proportion of second homes in the area.." is not accurate, since households are considered to be occupied housing units at the time of the decennial census, while homes for seasonal use are considered to be vacant housing units. Therefore, seasonal households are not included in the demographic figures shown in the Table 2-1 of Appendix 26 in the. However, the DEIS does not attempt to quantify the amount of seasonal housing units and seasonal population, but merely presents percentages of housing units in the two towns where household statistics are not provided. In addition, the percent of seasonal housing is from the 1990 Census, and has not been updated with Census 2000 figures as the population and household statistics were.

The second paragraph of page 2-3 provides some anecdotal evidence about the secondary home market in the study area and the larger Catskills region, including a transition from buyers seeking hunting-fishing lodges in the 1970s and 1980s to buyers seeking country retreats in today's market. The timeshare units or vacation club units associated with the proposed Belleayre Resort do not fit either of these two segments. This discussion lacks any statistical data with regard to:

- the number of residential sales of seasonal or year-round product;
- sale pricing residential sales of seasonal or year-round product
- trends in the regional residential real estate market; or
- information about rental occupancy or rental rates for residential properties.

Page 2-4, Table 2-2: Average Household Income: The data in this table has not been updated with Census 2000 figures since average household income for the State of New York was $61,856 in 2000, and not $66,124 as shown in the table. Also, the average household income for the tri-county area was $50,035 according to Census 2000, which is higher than the $47,092 indicated in the table. This would also suggest that the tri-county area experienced a 3.6% increase during the 1990s rather than a 2.7% decline. It is uncertain why "average" household income is used rather than "median" household income, which is generally regarded as a more accurate figure, since an equal number of households are on each side, and the higher or lower income households don't necessarily skew the data, as is the case with averages.

Interestingly, the projected incomes for 2005 in Table 2-2 show percent increases in the range of 7.6% (study area) to as high as 18.3% (New York State) over a five-year period. These increases are unrealistically aggressive in comparison to the percent changes during the ten years of the 1990s, when changes in average household income ranged from -5.2% (Ulster County) to 13.6% (New York State). Again, no explanation for these potentially critical statistical findings is presented in the DEIS.

Workforce Capacity and Opportunities

Pages 2-4 to 2-10: This section of DEIS Appendix 26 provides information on the labor force in the tri-county area and does not correlate with the changes to the population. The section continues by discussing educational attainment with Census 2000 data (Table 2-7, Education Levels for Persons over 25), then discusses commuting patterns with 1990 Census data (Tables 2-8, Location of County Residents' Workplaces in 1990, and Table 2-9, Major Destination Counties for Out-Commuters in Three Area Counties), without an explanation of the inconsistency. Subsequently, a 2000 employer survey for Ulster County is mentioned in the last paragraph on page 2-7, which contradicts the 1990 Census data. It is not clear why the 1990 Census data, which was clearly made irrelevant by the 2000 Ulster County employer survey, was used. The use of irrelevant data continues on pages 2-8 and 2-9, where 1990

Census statistics are evaluated in Tables 2-10 (Changes in Precision Production, Craft and Repair Operation Jobs, 1980 – 1990) and Table 2-11 (Change in Machine Operators, Fabricators, Laborers, Assemblers and Inspectors Jobs, 1980 – 1990) for jobs that have no relevance to the possible employment at a mountain resort project. Discussion on jobs in the hospitality, retail or service industry would be more meaningful. Also, data is available from Census 2000 to update all of these tables.

The report continues with recent (2001) data on the age and occupation characteristics of 1,973 unemployed persons in the tri-county area, but provides little if any current occupational information on the other 120,000 persons that are employed in the work force. An understanding of this data is critical in determining the socioeconomic impacts of the project.

Economic Trends and Conditions

This section starts with a discussion of employment and wages by major industry sector in 1990. Table 2-14 presents the distribution (percent) of jobs by Standard Industrial Classification (SIC) codes. However, the DEIS does not contain any information about the total employment for that year to understand the actual number of jobs. This would allow the data to be compared to labor force figures for an understanding of whether and to what extent the region is an importer or exporter of labor.

The report then goes on to discuss wages by industry (Table 2-15, Average Annual Wages by SIC Sectors, 1999), as well as wage trends between 1991 and 1999. Again, the total or overall average is missing from the tables, which is surprising, since these overall average wage figures are mentioned as part of the direct wages and salaries section in Chapter 4 (page 4-3). Table 2-15 indicates that the prevailing tri-county construction wage is $27,609. Of note is the fact that the DEIS states that the average construction wage for the proposed Belleayre Resort is projected to be $38,360, or 38.9% above the prevailing wage. Table 2-18 (Percent Changes in Retail Sector Employment by SIC Category: 1993 – 1997) shows change in retail employment for counties, but not for the study area.

Most of the tri-county growth occurred in Ulster County, most likely in Kingston and areas east of the Route 28 corridor. It is also surprising that there is no discussion about employment trends by major industry during this same period (1991 - 1999) so as to benchmark the employment trends between 1993 and 1997 for the retail and services sectors. The DEIS also includes a presentation of business data in the study area. However, the data presented in Tables 2-21 (Current Business Data for Retail SIC Categories in the Study Area) and 2-23 (Current Business Data for Service SIC Categories in the Study Area) is not the same as presented in Table 5-10 (Summary of Business Inventory), as shown in Table 3 below. The reasons for these discrepancies are not clear.

Table 3
Comparison of Businesses by Industry and Sales in the Study Area

	Information from Table 2-21 and 2-23		Information from Table 5-10		Difference	
	Firms	Sales ($mil)	Firms	Sales ($mil)	Firms	Sales ($mil)
Bldg Materials	13	$10.0	10	$8.4	(3)	$1.6
Gen. Merch.	1	$0.1	1	$0.1	0	$0.0
Food Stores	26	$30.7	20	$29.1	(6)	$1.6
Automotive	14	$8.5	10	$7.5	(4)	$1.0
Apparel	8	$2.9	8	$2.9	0	$0.0
Home Furnishing	24	$8.0	18	$5.7	(6)	$2.3
Eat/Drink	54	$19.2	44	$14.8	(10)	$4.4
Misc. Retail	84	$28.2	58	$16.1	(26)	$12.1
Lodging	63	$29.5	50	$23.2	(13)	$6.3
Pers. Srvs.	27	$5.6	22	$4.2	(5)	$1.4
Amusement	20	$18.2	16	$16.9	(4)	$1.3
Total	**334**	**$160.9**	**257**	**$128.9**	**(77)**	**$32.0**

Source: DEIS Appendix 26

Table 2-21 and 2-23 identify a total of 2,132 employees in retail and selected service business in the study area (15 zip codes), indicating that 747 estimated employees at the project would represent an increase in employment of 35% in this sector. Since the project is expected to pay significantly higher wages than the regional average, impact on existing businesses is likely; they may find it necessary to increase wages to compete for employees.

Chapter 3: Construction Period Effects

Construction costs are tabulated in Table 3-1 (Construction Costs and Expenditures) but they differ slightly (<2%) from what is presented in Table 2-2 (Construction Cost Estimates) DEIS Appendix 27 (the HVS Report, page 2-7). This raises the question of which figures are correct in determining the impacts. Clearly, the costs estimated in either case reflect the very high end of the cost range as indicated on a per unit basis, which is displayed on the right hand side in the following table. Realizing that these are extraordinarily high costs for this area, the feasibility of the project from financial and market perspectives comes into question given the size of the investment, estimated to be $240 million.

Table 4
Comparison of Construction Costs
In DEIS Appendices 26 and 27
($ in millions except $/unit)

	Table 3-1 (Appendix 26)	Table 2-2 (Appendix 27)			Cost/ Unit (Table 3-1) (Appendix 26)	
Construction Items	Project	Big Indian	Wildacres	Total	Cost	Unit
Infrastructure	$16.75	$10.00	$6.75	$16.75	$29,232	per acre
Golf Course Construction	$18.00	$10.00	$8.00	$18.00	$500,000	per hole
Residential Construction	$96.70	$63.00	$35.28	$98.28	$275,499	per unit
Hotels	$93.00	$43.00	$50.00	$93.00	$232,500	per room
Conference Center	$5.20		$5.20	$5.20	$217	per SF
Clubhouses	$3.70		$3.70	$3.70	$247	per SF
Wilderness Center	$1.00		$1.00	$1.00	$200	per SF
Children Center	$1.43		$1.84	$1.84	$191	per SF
Mansion Renovation	N/A	$1.50	$0.85	$2.35	N/A	
Subtotal	**$235.78**	**$127.50**	**$112.62**	**$240.12**		
Subdivision Lots	$5.25	Not Allocated			$250,000	per house
Total	**$241.03**	**$127.50**	**$112.62**	**$240.12**		

Source: Belleayre Resort DEIS and RKG Associates, Inc.

Page 3-3, Table 3-2: Overview of Economic Benefits from Construction Activity: Direct construction wages of $81 million for 2,114 jobs indicates an average wage of $38,360, which is higher than indicated in Table 2-15 (Average Annual Wage by SIC) for the tri-county area ($27,609) and its components, but below the State ($41,241). The average wage for indirect employment is $36,490, which is higher than any average wage in any industry for the tri-county area.

Page 3-4, 3rd & 4th paragraphs: While Greene County and the tri-county area were included in much of the prior analyses, Greene County seems to have been left out of these sections. Again, no justification or explanation for this inconsistency is included.

*Page 3-4, 4th paragrap*h: "There are not enough specialized construction workers locally." This statement may be true now, but given the 8-year construction schedule for the project, more may move into the region in the future.

Table 3-3(Economic and Fiscal Effects by Component from Construction of the Proposed Belleayre Resort at Catskill Park) versus 3-1(Construction Costs and Expenditures): Construction costs under direct Economic Output do not add up to the groupings used in Table 3-1. The methodology for the non-property tax revenue is not specified, but the figures are shown.

Page 3-6, Table 3-4 (Cumulative Fiscal Benefits Resulting from Construction): The methodology to identify the fiscal benefits (direct and indirect) is not discussed, nor is the allocation of benefits to the two counties. No benefits are shown for Greene County. It is not clear why Ulster County gets $546,800 in indirect benefits from $52,700 of direct benefits (a 10-to-1 multiplier), while Delaware County gets $185,300 in indirect benefits on $43,100 of direct benefits (a 4.3-to-1 multiplier). Also, it is not clear whether the sales tax, personal income tax and business tax estimates are calculated based on the full construction costs. If so, the ?what kind of impacts? impacts are likely overstated, as the DEIS indicates that all direct and indirect impacts related to construction would be realized across a broader geography.

Chapter 4: Operational Period Effects

The DEIS indicates 181 unemployed persons in the study area, and employment from ongoing operations of 747 persons, a 4 to 1 ratio. Predicting that there will be no impact on housing, commuting or traffic is not realistic. The DEIS also indicates that 330 seasonal/part-time workers are projected to be employed seven months of the year, yet projects no impacts associated with seasonal or workforce housing, which seems contradictory.

*Page 4-2, 4th paragrap*h: The labor force in the study area could be identified from data in Census 2000, instead of estimated. In addition, the New York Department of Labor (NYDOL) reported the average 2001 unemployment rate at 3.7%, as shown below, and not 3.9% as indicted at the top of page 4-3.

Table 5
2001 Average Labor Force
and Unemployment (# in 1,000s)

	Labor	Unemployed	Rate
Delaware	20.9	0.9	4.3%
Ulster	82.9	2.9	3.5%
Total	103.8	3.8	3.7%

Source: NYDOL

Page 4-2, Tables 4-1(Belleayre Resort Employment) and 4-2 (Belleayre Wages and Salaries): Average wage as shown in the Table below is $27,424 and not the $27,272 reported in the text on page 4-3. The report also presents average wage per industry sector in the 2nd chapter but appears to ignore these averages in the evaluation of on-going operations. Table 6 compares the wage schedule and jobs (full-time equivalent) and the indicated average wage for each job classification, and compares the proposed wages at the Belleayre Resort with the average wage for these industry sectors in Delaware and Ulster counties.

Table 6
Comparing Estimated Wages at Belleayre Resort
with Average Wage in Two-Counties

				AVERAGE WAGE BY SECTOR (2000)		
	Full-Time Equivalents (FTEs)	DEIS Annual Wages	DEIS Average Wage	Delaware County	Ulster County	Sector
Golf	68	$1,845,380	$27,138	$18,139	$22,308	Service
Hotel/Lodging	334	$9,450,715	$28,296	$18,139	$22,308	Service
Retail	14	$302,640	$21,617	$17,518	$18,831	Trade
Restaurants	260	$7,154,251	$27,516	$17,518	$18,831	Trade
Timeshares	46	$993,637	$21,601	$25,413	$32,051	FIRE
Wilderness	5	$147,814	$29,563	$18,139	$22,308	Service
Children’s Center	20	$591,256	$29,563	$18,139	$22,308	Service
Total	747	$20,485,693	$27,424	$18,409	$21,468	Average

Source: DEIS Tables 4-1 and 4-2, NYSDOL

The proposed wages at the Belleayre Resort are well above the average wage in 2000 for the different industries within which these jobs would occur. While it appears beneficial from a labor force perspective that the average wage at the resort would be much higher than the prevailing averages, no explanation for this higher wage scale is provided. If a lower pay scale was utilized the impacts on the economy would likely be lower. More importantly, the rate of return for the alternative development scenarios…

Data from Tables 4-1, 4-2 and 4-3 of Appendix 26 in the DEIS indicates average restaurant sales per full-time equivalent (FTE) employee of $27,573. This is well below the study area average of $53,631. Data from these same tables indicate an average wage per FTE restaurant employee of $27,516 or 99.8% of average sales per employee. The financial feasibility of the project is questionable if the proposed Belleayre Resort pays restaurant workers well above the tri-county average, when their productivity is half that of the tri-county average, and there is no margin for cost of goods sold, other expenses or profit.

Page 4-3: The DEIS estimates 181 people are unemployed in the study area, and that the proposed Belleayre Resort will require 542 full-time and 330 part-time workers. This clearly implies that the labor force will either commute into the study area or that worker housing will need to be provided. This is likely to be predominantly rental housing due to proposed salary levels.

Table 4-3 (Belleayre Gross Annual Revenues): The projected annual revenues are displayed in Table 4-3 and total $43.38 million, though there is no discussion on the basis of these figures. When comparing these gross revenue figures to the base year figures for each operation identified in Appendix 27, there appears to be some discrepancies, including a difference of nearly $30 million, as shown in the Table 7.

Table 7
Comparison of Annual Revenue
from DEIS Appendices 26 & 27

	Appendix 26 Table 4-3 Gross Annual Revenue	Appendix 27 Gross Annual Revenue (see footnotes for sources)
Golf	$3,150,000	$6,825,000 [1]
Hotel/Lodging	$20,858,187	$33,817,000 [2]
Retail	$3,360,000	
Restaurants	$7,169,087	$19,135,000 [3]
Timeshares	$8,720,000	$13,570,000 [4]
Wilderness AC	$125,000	
Total	**$43,382,274**	**$73,347,000**

[1] Base year for each course (Tables 4-5 and 4-9);
excludes membership deposits, food and beverage
[2] Base year for each hotel (Tables 3-10 and 3-17) without food and beverage income
[3] Food and beverage income from hotels & golf courses from prior tables
[4] Annual average (10 years) of timeshare sales (Tables 6-14 and 6-16)
Source: Belleayre Resort DEIS and RKG Associates, Inc.

Potential golf revenue in Table 4-3 of Appendix 26 (Belleayre Gross Annual Revenues) is more than 50% lower than the amount estimated in Appendix 27, while income from hotel and lodging operations of $20.9 million in Table 4-3 is 62% of the potential shown in Appendix 27. The retail figures shown in Table 4-3 are equivalent to $300/SF of retail space (10,400 SF), but the retail income in Appendix 27 is from the rental of the space and not from sales. It should be noted that in Appendix 27, Table 3-19 mistakenly calculates retail rents by adding an inflation factor (1.03) rather than multiplying. For instance in 2006/07 the rate is $5.88 per month and in 2007/08 it jumps to $6.91 and then $7.94 in 2008/09 and so on. Instead it should be $5.88 in 2006/07, $6.06 in 07/08, $6.24 in 08/09 and so on. Therefore, in Table 3-20 of Appendix 27 (Detailed Forecast of Income and Expense: Proposed Wildacres Resort), revenue from retail space is overstated.

The revenue associated with timeshare sales is reported at $8.7 million in Table 4-3 of Appendix 26, but a review of Appendix 27 indicates that the present value of the income stream from the sale of timeshares is $135.7 million which over the ten year sales period equates to $13.6 million in average annual revenue, 55.6% more than in Table 4-3.

Page 4-5: Indirect Benefits from Operations: Greene County is included in this portion of the DEIS as part of the region when it was not for construction benefits.

- According to information contained in the footnote, the model used to evaluate indirect benefits understates impacts, since employment is now 747 jobs and not 665.
- Annual payroll (direct) indicates an average wage of $28,285, which is higher than the $27,424 identified earlier in this Technical Memorandum. Indirect wages average $35,215, which is higher than average wages in the tri-county area.

Table 4-6 (Projected Annual Total Effect on the Local Economy): This table allocates local spending (local margin) in the RIMS II model to be 34.6% of the total, although it is not clear where this margin is mentioned or calculated elsewhere in the DEIS. No definition is provided as to what is “local,” whether it is referring to the study area, the tri-county area or some other area. There is also mention of local direct impact at $41.18 million and indirect impact at $21.11 million. It is not clear whether this is the local portion (34.6%) of the total impact. At 34.6%, does this mean that total direct impacts are $119.02 million and that total indirect impacts are $61.01 million? These figures are not mentioned anywhere in DEIS, nor is there any discussion on how they were calculated.

Page 4-8: Fiscal Benefits There is no methodology explaining how $30.27 million in sales for tax purposes is derived.

Page 4-10 and 4-11: Future Property Tax Revenue: The methodology utilized in determining tax revenue is inconsistent:

- Golf holes are assumed to be assessed at $160,000 per hole despite costing on average $500,000 per hole to build. Why aren’t they assessed at 60% of construction costs as was determined for the other property ($300,000 per hole)?
- The houses at the Highmount Subdivision are assessed for $600,000, including land value. Why aren’t they assessed at 60% of construction cost ($275,000) like the other buildings? Additionally, why isn’t the existing land value subtracted for the subdivision in order to arrive at a net change?
- The distribution of assessment by taxing districts is not clearly defined or explained.
- While large tax revenues are predicted, no discussion or quantification of the costs of providing services by the various taxing districts is provided in order to evaluate net fiscal impacts.

Table 4-14 (Estimated Timeshare/Vacation Club Visitation): The DEIS indicates that seasonal employment would be for seven months of the year, yet Table 4-14 indicates an 85% occupancy rate for timeshare and vacation club units, indicating an approximate ten month season, or 310 days. These representations are contradictory. Note that on page 4-20, occupancy for Big Indian Resort and Spa is projected to be 60% and for Wildacres Resort 70%.

Page 4-18: last two paragraphs: Inconsistencies in on-site and off-site purchasing of timeshare visitors are significant. It is not clear how both can be $9.2 million, if off-site purchases are for gas/oil, recreational fees, occasional groceries, liquor, newspapers, magazines and souvenirs and some antiques. This is a total of $85 per visitor party per night in off-site purchases for an average four-night visit, plus another $85 per visitor party per night for on-site purchases. More importantly, the on-site expenditures of the timeshare visitors nearly equals all of the projected on-site sales for retail and restaurants, indicating almost no spending for hotels guests. However, Page 4-20 indicates that off-site expenditures for hotel guests would be 25% of their average daily expenditure (excluding lodging) of $100.

This is contrasted to the off-site expenditure of timeshare visitors, at 50% of their daily average expenditure, or $85. While Table 4-18 indicates $2.0 million of off-site hotel visitor spending, Page 4-21 indicates $2.42 million.

Table 4-20 (Estimated Off-Site Spending by Highmount Estates Visitors): This table indicates less than $200,000 for off-site purchasing by the 21 homeowners (maybe seasonal) of Highmount Estates, yet page 4-22 indicates that these homeowners would likely purchase all furniture, home furnishings and carpeting, etc., locally. Again, the DEIS has provided contradictory information.

Chapter 5: Land Supply Analysis

This chapter concludes that there are approximately 3,900 acres out of 107,400 acres along the NYS Route 28 corridor that would not be constrained by the soils, flooding, environmental, topographic and other factors. The DEIS does not identify how much of this land is available, either for future development or redevelopment. Table 5-9 (Business Inventory Search Criteria) indicates the zip codes used for analyzing retail sales and consumer activity, but this is only a subset of all study area zip codes. There is no explanation offered for the apparent inconsistency. As a result, the retail business count presented in Table 5-10 (Summary of Business Inventory) totals 257 as compared with the count of 334 presented in Table 2-21 (Current Business Data for Retail SIC Categories in the Study Area) and Table 2-23 (Current Business Data for Service SIC Categories in the Study Area). It appears that Table 5-10 includes only the NYS Route 28 corridor zip codes, while the tables in Chapter 2 appear to include all 15 of the study area zip codes. An actual inventory of businesses and square footage, for each hamlet/village, would be helpful in understanding the number and types of businesses which currently exist in the study area. At a minimum, the two host communities need to be evaluated.

The DEIS indicates that hamlets and villages could likely support increased investment. However, there is no discussion as to whether there are any properties available, what the pricing is, or where such investment might occur. A sample copy of the business survey questionnaire, referenced on page 5-19, should be included in the DEIS.

Chapter 6: Case Study Analysis

The case study analysis is insufficient, as there were no case studies about resorts with a three- or four-season environment located in close proximity to ski areas. The DEIS submitted by the Applicant utilized case studies of ski areas, which is inconsistent with the proposed development of hotels, timeshares and golf courses. It should also be noted that the DEIS effectively only includes two case studies, since the Greylock project was never constructed.

Table 6-6 (Case Study Summary of the Resorts): Under the section entitled *Ski Visitor Characteristics*, the table shows 30% seek overnight accommodations while in the Hotel Valuation Service (HVS) study (Appendix 27), it is 45% (page 2-5). This is another example of contradictory information presented in the DEIS. In general, it seems as the DEIS is presenting information to support necessary improvements to the ski area..

Chapter 7: Growth Inducing Aspects

Page 7-6, Estimated New Commercial Activity: A sales level of $250/SF is used as the benchmark in the corridor, which is inconsistent with the $300/SF used for sales at the resort. While this change might be justifiable, there is no explanation offered for the differing sales levels.

Page 7-11, Tables 7-2 (Detached Lodging Unit Sales and Prospective Buyers) and 7-3 (Annual Sales Volume and Number of Prospective Buyers): The DEIS estimates that 56,000 prospective buyers will visit the proposed Belleayre Resort as a result of the marketing campaign to sell timeshares or single family homes. Of this group, 28,000 buyers will likely look elsewhere and the report estimates that 2,500 potential buyers would investigate the seasonal market in the study area. However, the report narratively dismisses this group to a "smaller subset" that would actually buy in the region, although the report doesn't quantify this "smaller subset." Assuming it would be 10%, this would equate to another 250 households attracted to the region. This issue needs to be more closely evaluated. Also, off-site spending and induced square footage demands from Table 7-1 (Corridor Spending Analysis) and Figure 7-1 (Corridor Spending Analysis Model) are inconsistent.

Table 7-1 also refers to estimated sales in the corridor (as presented in Table 5-10), but utilizes estimated sales in the study area as presented in Tables 2-21 and 2-23. In addition, Table 7-1 quantifies amusement spending at $10.92 million, while Table 5-10 quantifies spending at $16.9 million. No definition of amusement spending is included, though estimates include $10.92 million from Table 7-1, $16.9 million from Table 5-10 or $18.2 million from Table 2-23.

Page 7-3: Employment-based Personal Income: This page (and elsewhere in the DEIS) indicates wages and salaries of $20.5 million for the 747 FTE (Tables 4-1 and 4-2), though at the bottom of page 7-3, a more conservative wage of $18.81 million is utilized. These revisions are consistent with the footnote in Table 4-5, which indicates that employment projections were revised upwards from 665 FTE to 747 FTE.

Page 7-6, Estimated New Commercial Activity: The DEIS indicates new, induced corridor spending of $19.2 million and a subsequent demand for an additional 76,600 square feet of space, at an average of $250/SF in sales activity. Yet elsewhere, the DEIS indicates that corridor merchants have a low average sales volume. If average sales volume is lower on a per square foot basis, the required space needs will be higher.

Page 7-9, Guiding New Commercial Development: The DEIS indicates that even if 76,700 square feet of new commercial development were to be developed in a single location, it would not be an impact to a 107,000-acre study area. This is an example of the DEIS referencing a larger impact area to reduce the perceived impact, rather than recognizing the real potential impact. For example, if 76,700 square feet of new development were to occur in a specific location such as Pine Hill, the impact would be substantial, more than tripling the available commercial square footage.

Page 7-14 and 7-15, Year-Round Residential Development: The demand for either owner or rental housing is not expected to increase, since the jobs at the resort will reportedly be taken by persons in the region, whose commuting time will reportedly be shortened. However, potential real estate speculators/investors could see that new jobs (750) will be created and attempt to capture demand created by this workforce through new housing development or by converting seasonal housing to year-round housing. Some portion of the workforce may want to move into the study area rather than commuting. In addition, there may be entrepreneurial households that want a change in lifestyle who may choose to move to the area to take advantage of the 5,600 new owners of timeshare and 99,463 nights of hotel room occupancy per year to start a new business. This could result in an incremental change in year round housing. The section does conclude that 16 to 20 positions will be imported to the region, and that there is sufficient capacity in the existing rental and owner supply to handle this impact. However, no data is presented in regard to the supply of vacant owner or rental units in the study area, such as pricing and the number of seasonal homes. The report narratively dismisses any potential impact on housing as a result of creating 750 jobs or a marketing campaign to bring 56,000 potential buyers into the region. There is also no discussion of what impact 2,110 person years of construction employment will have on the study area during the construction phase of the project, after indicating that many of these workers will have to be imported.

There is a possibility that a significant number of new households will be required as a result of the project. The report does recognize a potential need for housing, but does not quantify it and narratively dismisses it with the statement "... a small number [of Resort employees] would enter the regional housing market as new renters and purchasers..."

Impacts on the Existing Lodging Market

Little is discussed about the baseline conditions in the lodging market in the study area, except that the supply is around 430 rooms. The only other notable fact included in the evaluation of existing lodging properties is that rates at a 24-unit project exceed $300 per night, although no comment is made as to average occupancy on either a year-round or seasonal basis.

Appendix 27 - Fiscal and Market Information Addendum (December 2002), or "Economic Evaluation - Belleayre Resort at Catskill Park", prepared by Hotel Valuation Services (HVS)

The purpose of this study was "…to determine whether either of the two central components of the proposed development (Big Indian Plateau or Wildacres Resort), or any of the major components contained therein, can be feasibly [sic] eliminated or delayed without adversely affecting the feasibility of the remaining component." Research for this report was performed in April 2002, although the transmittal letter was dated September 11, 2002.

In general, this is a fairly thorough evaluation of the hotels, golf courses, country clubs, and spa operations proposed for the proposed Belleayre Resort, as well as the timeshare/vacation club component. This information is utilized to compare five different development scenarios, each of which eliminates various components of the project in order to evaluate from a yield perspective which alternative would generate the highest return for a potential investor. According to the analysis, the whole program provides the necessary critical mass and synergy to yield the highest return.

Chapter 3, Forecast of Hotel Net Income: This report provides market indicators, such as six comparable hotels/resorts, providing greater insight into the type of operation proposed, and includes a Smith Travel Research (STR) report for the collective operations of these properties. The chapter also looks at characteristics of branded resort hotels nationwide (Table 3-4, page 3-10) and estimates an average room rate ($225 - Wildacres and $350 - Big Indian) based on the market evidence and stabilized occupancy (70%-Wildacres and 65%-Big Indian). This information is then used to construct a base year income and expense statement for each hotel (Table 3-10, page 3-22 and Table 3-17, page 3-32), which is the premise for their ten year forecast for each hotel starting in 2006/07. As discussed earlier, the gross income from hotel operations including food and beverage income is much higher than that utilized for estimating the impacts of continuing operations presented in Appendix 26, due to inconsistencies in the data. Property taxes for the hotels are also estimated in this chapter, but it is difficult to compare them with those estimated in Appendix 26. As noted earlier, the rental income associated with the retail space at Wildacres Resort is overstated due to an error in factoring inflation to the monthly base rent (Table 3-19, page 3-19), which would reduce this income stream significantly. However, the effect on the overall project is not that significant since it represents less than 10% at the end of the ten-year period. The base rent itself ($5/SF/month or $60/SF annually) is somewhat suspect as well, even before inflation is factored.

Chapter 4, Forecast of Country Club Net Income: This chapter provides market information and income projections for the golf courses and the club houses in a similar manner to the hotel study. Total rounds played at each course are projected to stabilize at 22,500 per year, while published greens fees are estimated at $110 (Big Indian) and $85 (Highmount), although a 15% discount is applied so that they would be $93.50 and $72.25 respectively in the base year. The income from the base years in this analysis is higher than indicated in Appendix 26. Property taxes for the golf courses are also presented in this chapter, but it is unclear how these estimated taxes compare to those presented in Appendix 26.

Chapter 5, Economic Evaluation – Hotel and Club Components: This chapter provides the yield analysis comparison of five different development scenarios for the project. One major finding is:

"…the development of 36 holes of golf is arguably the single most critical element of the project program" "...Without 36 holes... the proposed subject resort no longer qualifies as a "golf resort" and deprives the hotels of the critical mass necessary to function." "In addition, our market research indicated that the provision of two 18-hole golf courses is necessary if the proposed detached lodging unit developments are to succeed." ".. the detached lodging units are necessary in order to assure the profitable operation of the hotel components." (page 5-8, 2nd paragraph).

This finding is considered significant, in that it indicates that the project is **only** viable if constructed in its entirety. However, the DEIS only evaluates other ski resorts as comparable projects, therefore leading to our conclusion that the DEIS has not adequately addressed development of comparable golf resorts.

Chapter 6, Detached Lodging Units – Income Forecast and Economic Evaluation: This chapter provides an economic view of the timeshare vacation club units. A listing of comparable fractional interest properties nationwide is included in Table 6-1 (page 6-3). Interestingly, none are in New York, and the range of pricing is very broad, from $39,900 to $425,000. The applicability of these disparate findings to the proposed project is not clearly made. As such, more research and analysis on this data, which is attributed to RCI Consulting and Hillier & Associates, is required.

Chapter 7: Conclusion – The HVS study concludes "It is our opinion that only the entirety of the subject resort (rather than one of the two destinations alone) can generate the critical mass in terms of market awareness that is necessary to overcome the limitations associated with the surrounding area." This statement seems to indicate that if the project is developed in its entirety, it will be a catalyst for change in this part of the Catskills, and therefore the estimated impacts in Appendix 26 may understate these changes.

RKG's Approach to Collection of Necessary Data

In order for RKG to accurately evaluate the proposed Belleayre Resort, and to prepare a realistic and reasonable evaluation of the potential direct and indirect impacts associated with the project, it will be necessary to update all data associated with evaluating the project. This data collection will be based on the revised study areas identified in Technical Memorandum A.1 (see Appendix A.1, Review of Study Areas Used in the DEIS for Economic and Labor Market Impacts). Primary socio-economic data will be summarized from the 2000 Census, including:

- Population;
- Households;
- Housing units;
- Seasonal housing units;
- Home ownership;
- Vacancy rates for rental and owner-occupied units;
- Household and per capita income; and
- Workforce.

Projections for population, households and incomes may be provided by an outside source, likely Claritas. However, projections are only available for 2007, rather than 2005, which was the time period used in the DEIS. If the necessary projections are available from the State of New York for 2005, this data will be used to provide consistency with the original DEIS. Workforce, employment and unemployment data will be gathered using both the 2000 Census and information from the New York State Department of Labor. This will include information on age and occupational characteristics of the unemployed persons in the study area, as well as occupational information on the existing employment base.

Employment trends by major industry group will be evaluated, with a particular focus on the retail and services sectors. Where existing data from the DEIS can be used by including the context of total wages or total employment, this information will be gathered from published sources, such that the DEIS information can be used more readily.

Construction costs and projected employment figures will be revisited, using construction costs provided in the DEIS, but using more recent average construction wages for the study area. The direct construction employment will be estimated.

Indirect benefits of construction activity can be estimated using the REMI model, although results for this analysis probably would not be available until mid- to late-November. Estimates of potential revenues for the project will be reviewed. To the extent practicable, comparable golf, hotel and timeshare data will be updated, including pricing and estimated absorption. Projected sales levels for the various components of the development (golf, restaurant, timeshare, hotel, etc.) will be developed, and evaluated for their potential to generate tax revenues. This information will also serve as an important input into the REMI model, to evaluate the overall direct and indirect impacts associated with the project.

It will also be necessary to evaluate local real estate market conditions in the Route 28 corridor to determine rental rates, property availability, sales prices and development capacity. Particular attention will be paid to the residential real estate market, including for-sale and for-rent products. This work will require a review of published data, evaluation of the New York property sales database, in-field interviews and telephone contacts.

Estimates of visitor spending will be created using published source materials, as well as interviews with industry professionals. These figures will be used to project increases in off-site retail and services demand. However, the impacts of this off-site spending are best estimated using the REMI model, and as such, specific estimates of the induced impacts are not expected to be available until mid- to late-November.

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