

Appendix A.1

Review of Study Areas Used in the DEIS for Economic and Labor Market Impacts

Project Technical Memorandum

To: NYCDEP – OEPA
Subject: Crossroads DEIS Review
Deliverable A.1: Review of Study Areas Used in the DEIS for
Economic and Labor Market Impacts
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Introduction

This Technical Memorandum provides an overview of the areas of influence selected for analysis in the Draft Environmental Impact Statement (DEIS) for the proposed Belleayre Resort. The DEIS based its study area definitions on zip code areas, which are not considered viable geographies for evaluating economic or labor market impacts. RKG Associates, Inc. (RKG) recommends study areas for evaluating labor force issues, induced growth, and socioeconomic issues associated with the proposed project. These issues will ultimately drive direct and indirect environmental impacts, such as additional traffic, impervious surface, water demand, and wastewater generation, which could affect water quality in the West of Hudson watershed.

Review of DEIS Market Areas

Our review indicates that several different study areas, impact areas, and/or market areas are referenced throughout the DEIS:

- The “primary study area” is based on fifteen zip codes, including eleven zip codes in Ulster County, three zip codes in Delaware County, and one zip code in Greene County (see DEIS Appendix 26, page 2-1).
- The “Route 28 corridor impact area” consists of nine zip codes, including eight in Ulster County and one in Delaware County (see DEIS, Appendix 26, page 5-2, and Table 5-9 on page 5-15).
- In several parts of the DEIS, particularly those related to labor force and housing, the DEIS uses two-, three- and occasionally four-county regions. Delaware and Ulster Counties are typically included, in some cases Greene County is included, and in others Schoharie County is included (see DEIS, Executive Summary, page xix, and Appendix 26, pages 2-5 and 4-2).

The DEIS states, “Based on a geographic evaluation of the region and patterns identified through journey-to-work data, it was determined that a majority of the employment and other economic impacts related to the proposed project would be expected to occur within this 15 zip code study area.” (See DEIS Appendix 26, page 2-1). It is unclear how journey-to-work data could have been used to identify anything at the zip code level,

since journey-to-work data is only available at the Town level, rather than at the village or hamlet level.

The DEIS identifies a 15 zip code area which stretches 25 miles along the New York State (NYS) 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. The use of zip codes to define a market area is not as accurate as census-based geography, since maps are not available and zip codes don’t correspond to local municipal or census boundaries.¹ The data limitation of using zip codes is significant. Because of the rural nature of the communities, as well as data suppression requirements of various governmental agencies, the availability of information specific to the zip code-based study area is limited. In fact, Chapter 2 of Appendix 26 of the DEIS, which presents an overview of the existing economic conditions in the region, includes a total of 23 data tables. However, only five (5) of those 23 tables contain any data related to the 15 zip code study area. As such, RKG does not believe this is a valid approach for defining study areas and evaluating the impacts of the proposed Belleayre Resort.

Appendix 26, Chapter 3 of the DEIS, which evaluates construction impacts, notes, “Although construction of the proposed project is projected to have a substantial economic effect on the regional economy in southern New York State, it would be expected to have a positive, but more marginal, effect on the local economy within the NYS Route 28 corridor.”² No particular study area is defined for the proposed impacts associated with construction activity. Rather, impacts are generally referred to as “impacts on the regional economy”. While this may be understandable to an extent due to the small size of the construction employment base in Delaware and Ulster counties, it does not provide a realistic evaluation of the anticipated impacts, nor does it even define the “regional economy in southern New York State.”

Appendix 26, Chapter 5 of the DEIS presents an evaluation of land supply. This portion of the DEIS refers frequently to “the NYS Route 28 corridor.” However, in reviewing the information contained in Table 5-9 on page 5-15, only nine of the original 15 zip codes are included. There is no explanation as to why Appendix 26 abandoned the 15 zip code communities previously identified as the “study area” and reduced the focus to 9 zip codes along the NYS Route 28 corridor. While it could have been argued that communities located to the north of NYS Route 28 and along NYS Route 42 might be excluded, there is no explanation as to why the communities of Bovina and Andes, which are located on NYS Route 28 to the west of the proposed resort, were excluded.

¹ The Census Bureau does not have maps or digital files showing the boundaries of U.S. Postal Service Zip Codes. The fact that zip codes aren't required to be polygons makes them difficult to map. Zip codes are networks of streets served by mail carriers and/or post offices and are a tool for mail delivery. They also change periodically as required to meet Post Office operational needs. Various companies have created maps by interpolating boundaries between occurrences of zip codes on the ground. However, this does not guarantee that U.S. Postal Service delivery routes will follow this interpretation.

² Appendix 26, Page 3-4

While it is beyond the scope of RKG’s work to evaluate local impacts, it is surprising that specific socioeconomic data for the two host communities (Middletown and Shandaken) were omitted from the analysis. Evaluating impacts on the host communities is standard for any impact analysis for a major project of this type.

Recommended Study Areas

RKG consulted with EA Engineering (EA) in evaluating the appropriate study area(s) associated with the proposed project. It was determined that the study area(s) would be influencing the water quality impacts, rather than the water quality impacts influencing the study area(s), since the definition of specific study areas will be the focus of induced growth associated with the proposed Belleayre Resort. With this reactive approach, EA waited for RKG to determine the level of induced growth and its likely location (see Appendix B.4), at which point they modeled the potential water quality impacts associated with that growth (see Appendix C.5).

Labor Market Area for Operational Phase

The DEIS based its study area definitions on zip code areas, which as discussed earlier, are not considered to be a viable geography for evaluating economic or labor market impacts of the proposed Belleayre Resort. As such, RKG Associates evaluated journey-to-work data from the 2000 Census for persons working in the primary host communities of Middletown and Shandaken, in order to gain a better understanding of the likely labor market area for workers during the operational phase of the project. According to Census 2000, a total of 2,368 people commute to their place of employment in these communities, which is to say that the data excludes people who work in their homes. As shown in Table 1, “Place of Residence for Workers In Middletown and Shandaken”, the principal source of labor for Middletown and Shandaken is communities along the major commuting route of NYS Route 28. However, the area also has representation from workers not located on NYS Route 28, including Hardenburgh to the south and east, and Roxbury and Halcott to the north.

The workers that reside in the communities identified in Table 1 account for almost 80% of all employees that work in Middletown and Shandaken. Thus, RKG has defined these eight communities as the “primary study area” for the potential workforce that would support the proposed Belleayre Resort during the operational phase. It is anticipated that approximately 80% of the non-construction workforce for the project would come from within these eight communities, while the remaining 20% would commute from areas outside. Figure 1, Labor Market Area for the Proposed Belleayre Resort, provides a visual representation of the anticipated primary labor market area for the operational phase of the Belleayre Resort project.

Community	Workers	Percent of Workers
Andes	69	2.9%
Halcott	31	1.3%
Hardenburgh	39	1.6%
Middletown	959	40.5%
Olive	29	1.2%
Rochester	45	1.9%
Roxbury	79	3.3%
Shandaken	605	25.5%
Subtotal	1,856	78.4%
All Other Communities	512	21.6%
Total	2,368	100.0%

Source: U.S. Census 2000

As a result, these communities are also most likely to see impacts associated with the spending of wages earned by employees of the proposed Belleayre Resort. While there will undoubtedly be leakage of some of these dollars to other communities, RKG anticipates that significant impacts will be felt within the eight towns in the labor market area, as discussed in Appendix B.2 – Evaluation of Economic Impacts of the Proposed Belleayre Resort using the REMI Model.

The remaining uncertainty relative to the market area for the workforce for the operation of the proposed resort is the potential of drawing workers from Kingston. While workers from Kingston have not historically commuted into the Middletown/Shandaken marketplace, the creation of more than 500 full-time jobs may create enough of a critical mass to encourage commuters from the Kingston market. RKG’s evaluation of the potential pay rates at the proposed Belleayre Resort, and the historic commuting patterns for area workers, indicates that it is unlikely that a substantial number of workers will commute to the resort to work.

Labor Market Area for Construction Phase

RKG recommends that the market area for construction employment be considered all of Delaware, Ulster and Greene Counties. These three counties have a total of almost 4,500 workers in the Natural Resources, Mining and Construction sector, according to the New York State Department of Labor (2003). Given the estimate within the DEIS of approximately 250 construction workers in an average year during the construction phase of the project, these three counties should be able to supply the majority of required labor, recognizing that specialty contractors are likely to come from outside the area due to limited availability within the three counties.

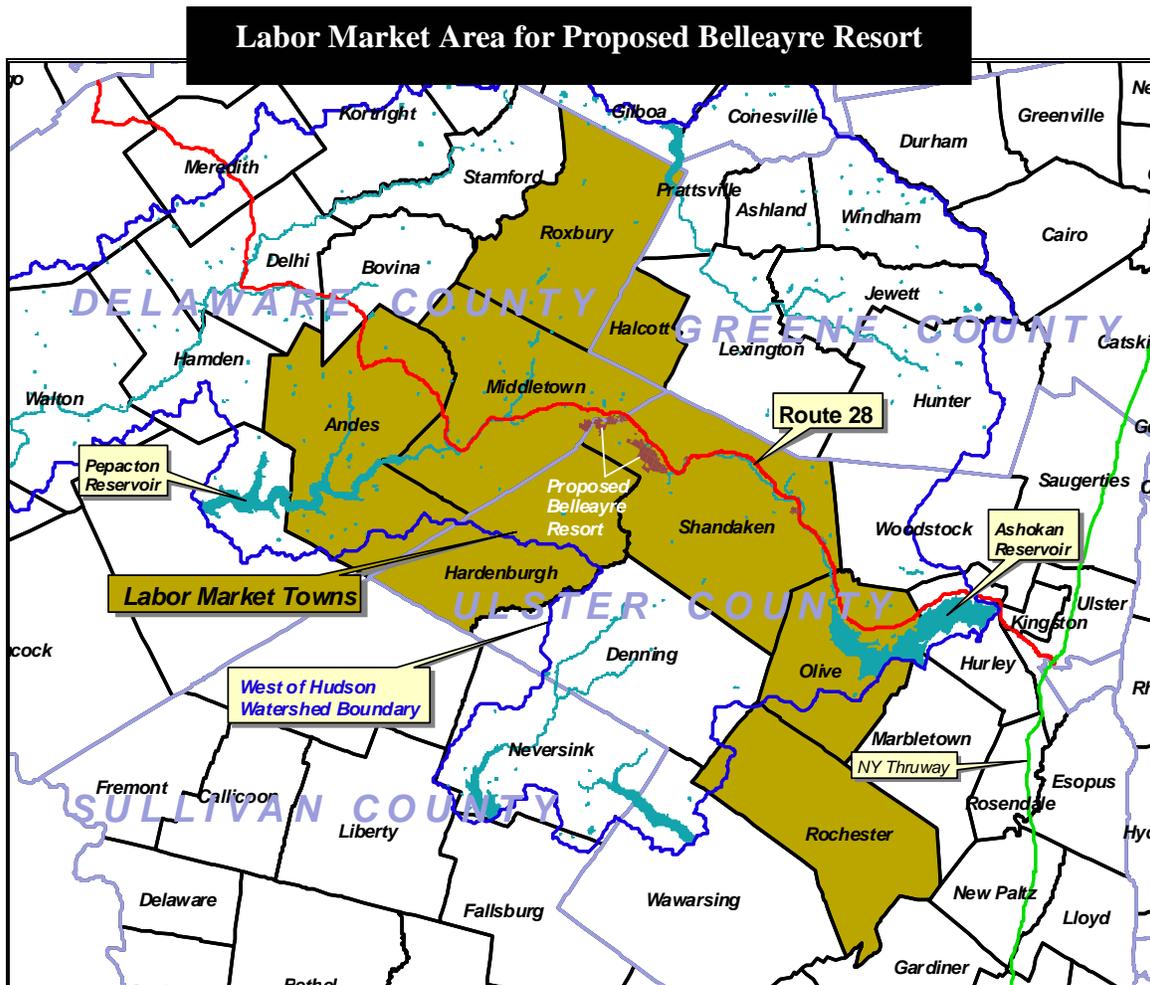


Figure 1

Economic Impact Area from Employee and Visitor Spending

RKG's in-field analysis indicates that it is likely that the majority of economic benefits associated with spending by visitors to the proposed resort (i.e. off-site consumer spending) will be in the Towns (and their associated villages/hamlets) along the NYS Route 28 corridor. RKG's review of retail, restaurant and service businesses within the towns, villages and hamlets indicates that the likely primary economic impacts associated with visitors to the project are expected to be focused along the Route 28 corridor, from Olive in the east to Andes in the west. Principal benefits are likely to be to the east of the proposed project, as the majority of visitors are expected to access the site from the New York Thruway and along NYS Route 28. Access to the area can also be gained via NYS Route 30 off of NYS Route 17 northwest of New York City, and visitors to the proposed Belleayre Resort from Southwestern New York, Northern New Jersey and Pennsylvania could also use County Route 47 to access the site. However, these alternate accesses to the site were not evaluated in the DEIS.

The secondary area of influence is expected to include those areas within a one-hour drive of the proposed project, outside of the primary economic impact area. Figure 2, Primary and Secondary Impact Areas, provides a representation of the primary and secondary economic impact areas. As shown on Figure 2, the majority of the primary and secondary impact areas are within the boundaries of the West-of-Hudson Watershed.

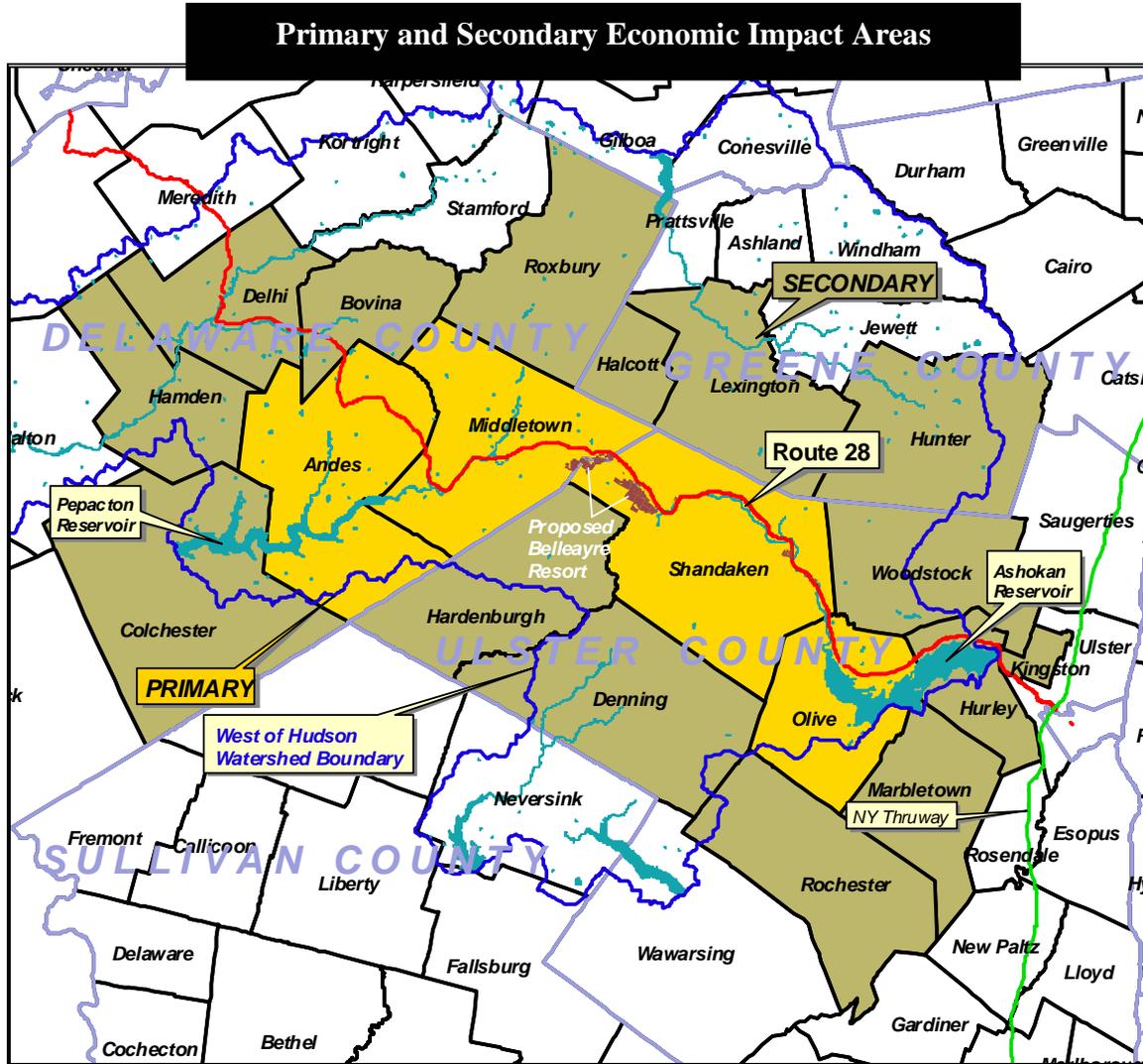


Figure 2