



Walkway Over the Hudson

Economic Impact Update

Final Report

February 2012

Prepared By:



P.O. Box 3367
Saratoga Springs, NY 12866
518.899.2608



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EXECUTIVE SUMMARY

In 2008, the Dyson Foundation commissioned Camoin Associates to conduct an economic impact analysis of the then-proposed Walkway Over the Hudson (WOTH) project. Because no visitation data was available in 2008, Camoin Associates used comparative data from other destination tourism sites to project visitation counts. Since the dedication of the WOTH in 2009, New York's Office of Parks, Recreation and Historic Preservation (OPRHP) has kept detailed records of visitation to the bridge and Camoin Associates has overseen a random-sample survey of visitors to the WOTH. Using this newly available data, Camoin Associates is modifying its 2008 projections and recalculating economic and fiscal impacts.

The OPRHP usage data shows that the WOTH is attracting approximately 500,000 visitors annually since it first opened. Our survey, conducted by WOTH volunteers in the Fall of 2010 and the Spring and Summer of 2011 collected visitor origin and spending patterns from over 1,000 respondents. We used both of these sources to determine the number of out-of-county and out-of-state visitors to the WOTH and the amounts and types of spending that they bring to the area.

In addition to the economic impact of the pedestrian bridge, Camoin Associates also considered the fiscal impacts on government revenues. The new business activity and wages resulting from visitor spending generates additional revenue for local and state government in the form of sales, hotel and income tax. The following is a summary of the major findings of the report.

Dutchess and Ulster County

The survey data analysis found that, of the 500,000 annual visitors to the Walkway Over the Hudson, 48% are from places other than Dutchess and Ulster Counties. These 48% are considered "net new" to the area and, therefore, their spending has an impact on the local economy. We aggregated this new spending into major categories and ran them through an economic impact modeling system. The following table shows the direct and indirect economic and fiscal impacts of the WOTH on Dutchess and Ulster Counties.

Summary of Impacts on Dutchess and Ulster Counties		
Annual Sales	\$	23,942,410
Direct Sales	\$	15,446,716
Annual Jobs		383
Direct Jobs		290
Annual Wages	\$	9,435,000
Direct Wages	\$	5,788,344
Annual County Revenue	\$	779,181

The \$15.4 million in direct spending by non-local users results in nearly \$8.5 million in indirect "spillover effects" for a total of almost \$24 million in new sales throughout the Counties, 383 new jobs and \$9.4 million in new wages. In addition, Dutchess and Ulster Counties receive \$779,181 in sales and hotel tax revenue generated by this new economic activity.

New York State

A review of the zip codes provided by the survey respondents showed that 28% of the visitors to the WOTH are from outside of New York State. Based on the same methodology used to determine the economic impacts on Dutchess and Ulster Counties, Camoin Associates determined that spending by

non-state residents resulted in over \$10.5 million in direct annual sales. The following table shows the economic and fiscal impacts of the WOTH on New York State.

Summary of Impacts on New York State		
Annual Sales	\$	21,990,514
Direct Sales	\$	10,521,777
Annual Jobs		208
Direct Jobs		130
Annual Wages	\$	8,519,000
Direct Wages	\$	3,980,841
Annual State Revenue	\$	575,479

The \$10.5 million in direct sales results in almost \$22 million in total sales, 208 total jobs and \$8.5 million in new wages. In addition, the State receives \$575,479 in sales tax revenue.

INTRODUCTION

In anticipation of the construction and completion of the Walkway Over the Hudson pedestrian bridge, Camoin Associates was hired in 2008 by the Dyson Foundation to complete an economic impact study on the proposed Walkway Over the Hudson pedestrian bridge (“WOTH” or “pedestrian bridge”). At that time, construction of the pedestrian bridge had not yet been completed and the visitation and spending data were based on the best available research including interviews with regional visitor attractions, review of other studies on the impact of trails and estimates based on local visitation. The Camoin Associates study in 2008 used figures to estimate the number of visitors to the pedestrian bridge and therefore the economic impact of the project. In 2008, Camoin Associates estimated that annual visitation by both local and non-local users would be approximately 267,799.

Since the WOTH opened in 2009, the response has been overwhelming and visitation has been higher than originally estimated by Camoin Associates. In 2010, the Dyson Foundation engaged Camoin Associates to conduct an updated economic impact analysis based on two sources: (1) visitation counts completed by the New York State Office of Parks, Recreation and Historic Preservation (“OPRHP”) and (2) face-to-face surveys conducted throughout the year with visitors to the WOTH.

Camoin Associates worked with the Walkway Over the Hudson organization and OPRHP to develop a survey instrument to gather information from visitors that could not only be used in this economic impact analysis, but would also provide helpful information regarding marketing/promotion, suggestions from visitors and other information that the Walkway Over the Hudson organization and OPRHP can use to improve the WOTH. The survey was administered by volunteers during the Fall of 2010 and Spring and Summer of 2011.

The following report prepared by Camoin Associates quantifies the value of the WOTH on the State of New York and Dutchess and Ulster Counties. Specifically the report determines the impact in sales, jobs and wages. As with the study conducted in 2008, this report focuses on the impact of the WOTH on two specific geographies: (1) the State of New York and (2) Dutchess and Ulster Counties, the counties that act as the entry points for the bridge.

Project Background

The Walkway Over the Hudson pedestrian bridge is the world’s longest elevated pedestrian bridge and it links the City of Poughkeepsie on the east banks of the Hudson River to the Town of Highland on the west banks of the Hudson River. The pedestrian bridge is over 1.25 miles long and is used by pedestrians and bicyclists throughout the year. The nonprofit organization Walkway Over the Hudson took ownership of the bridge in 1998 as part of their efforts to link rail trails that exist on both sides of the Hudson. In 2008, Walkway Over the Hudson organization partnered with the Dyson Foundation to secure funding, public and private, to begin construction that would allow the bridge to open for pedestrian use. Construction finally began in 2008 after funding was accessed and the bridge opened as a State Historic Park in October 2009.

METHODOLOGY

Camoin Associates used the following methodology in conducting this study:

1. Survey bridge users throughout the year to determine actual spending by visitors to the Walkway Over the Hudson pedestrian bridge.
2. Analyze data to determine what percentages of visitors are residents of Dutchess/Ulster County and what percentage are residents of New York State.
3. Collect data from OPRHP on total visitor counts to WOTH.
4. Determine the total number of new annual visitors by multiplying the survey's new visitation percentages and the OPRHP total visitor counts.
5. Based on survey findings, determine average visitation spending of a typical non-local Walkway Over the Hudson user, including those attendees that are day trippers and those that would stay overnight.
6. Aggregate "new" spending by multiplying the average spending (Step 5) by the "new annual visitor" estimates (Step 4).
7. Calculate direct jobs/economic activity resulting from the "new" spending.
8. Model indirect impacts on jobs/economic activity using the EMSI software package.
9. Arrive at total economic impacts as the sum of all direct and indirect impacts.

We performed these calculations first on the "new" visitors to Dutchess/Ulster Counties and a second time on "new" visitors to New York State.

Modeling Software

Economic Modeling Specialists, Inc. (EMSI) designed the input-output model used in this analysis. The EMSI model allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the study area and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the study area's economy. This is captured in the indirect impacts and is commonly referred to as the "multiplier effect." See Attachment A for more information on economic impact analysis.

Visitor Counts

The NYS Office of Parks, Recreation and Historic Preservation conducts daily visitor counts on the bridge and these numbers were provided to Camoin Associates for this study. The table below shows the visitor counts as provided by the Office of Parks, Recreation and Historic preservation. Note that counts for September through December were not available at the time this report was written.

OPRHP Visitor Counts		
	2010	2011
Jan	13,855	8,318
Feb	9,641	9,718
March	3,863	17,352
April	48,571	45,212
May	45,263	61,659
June	28,954	66,936
July	37,432	42,491
August	44,755	30,665
Sept	43,940	Not Available
Oct	75,912	Not Available
Nov	21,795	Not Available
Dec	1,592	Not Available

Source: OPRHP

Based on data provided by the Walkway Over the Hudson organization and the NYS Office of Parks, Recreation and Historic Preservation Camoin Associates uses an estimate of 500,000 visitors annually to the park for this report. The Walkway Over the Hudson organization reports that average visitation per month over the last 24 months (since the park was opened) has been 47,270 which equals over 560,000 visitors per year but the annual visitation number has been reduced to account for the very high number of visitors during the first two months of the bridge’s operation¹.

Visitor Surveys

As described in the introduction, Camoin Associates was commissioned to assess and report on the economic impacts of the Walkway Over the Hudson pedestrian bridge on Dutchess and Ulster Counties and New York State based on primary data gathered through an on-site survey. The survey tool was developed to collect data on socioeconomic characteristics including visitor origins and per party spending data. Surveys were distributed through the entire day on the following days:

¹ Note that during the period that the survey was conducted (September 2010 through August 2011) there were 425,590 visitors to the WOTH. However, WOTH and the State Office of Parks, Recreation and Historic Preservation believe that 500,000 is a better estimate for annual visitation.

- October 17, 2010
- October 22, 2010
- October 23, 2010
- October 24, 2010
- May 13, 2011
- May 28, 2011
- July 29, 2011
- August 5, 2011
- August 6, 2011
- August 13, 2011
- August 20, 2011

The survey was administered by volunteers recruited and trained by the Walkway Over the Hudson organization. Surveys were distributed randomly to pedestrian bridge users by Walkway Over the Hudson organization volunteers. Volunteers did their best to make the survey as random as possible by approaching every 5th user of the bridge, but Camoin Associates acknowledges that not all users approached were willing to complete the survey and therefore the results of the study are not to be considered completely random or scientific. The volunteers collected over 1,000 surveys and Camoin Associates entered the data into a spreadsheet for analysis.

ECONOMIC IMPACTS ON DUTCHESS AND ULSTER COUNTIES

New Visitation Estimates

As summarized in the following table, net new visitation is considered the percentage of visitors to the WOTH who are from outside of Dutchess County and Ulster County. Based on the survey findings, on average 48% of parties that returned surveys are visiting the WOTH from outside of Dutchess and Ulster Counties. Note that the “net new” percentages were relatively consistent across time periods.

Net New Visitors			
	Parties From Dutchess/Ulster County	Parties Not From Dutchess/Ulster County	Net New %
Fall	208	224	52%
Spring	160	115	42%
Summer	133	122	48%
Average	167	154	48%

Note: Not all survey respondents completed this field

Based on the annual visitation numbers shown in the Methodology section of this report, the table below shows that over 240,000 visitors to the WOTH bridge are net new to Dutchess and Ulster Counties, and therefore their spending has an economic impact on the local economy.

Net New Annual Visitors - Dutchess and Ulster Counties	
Total Annual Visitors	500,000
Net New Percentage	48%
Net New Visitors	240,000

Source: OPRHP, Camoin Associates

New Visitation Spending Estimates

Visitor Spending by Category

The next step in the analysis is to calculate the types and amounts of non-county resident visitor spending. In general, the types of purchases that are expected to occur as a direct result of the project include spending on lodging, transportation, recreation, food, and retail. The survey asked for an estimate of the amount of money spent by the respondent’s whole party during their stay in Dutchess and Ulster Counties. The table below shows the non-county resident spending reported in the survey responses.

Spending Reported by Non-County Residents in Survey								
	Transport	Restaurant	Grocery	Lodging	Retail	Recreation	Other	Total
Total Spending Reported	\$ 8,604	\$ 31,158	\$ 4,700	\$ 35,433	\$ 5,769	\$ 4,314	\$ 5,856	\$ 95,834

Source: Camoin Associates

Using the information provided by the survey respondents regarding the number of people (adults and children) in their party, the following table establishes average spending per person figures. As seen

below, the average spending per non-county resident WOTH users is \$64.36 (this includes those from out of NYS and those that live in NYS but not within the two counties).²

Average Spending Per Person - Non-County Residents								
	Transport	Restaurant	Grocery	Lodging	Retail	Recreation	Other	Total
Total Spending Reported	\$ 8,604	\$ 31,158	\$ 4,700	\$ 35,433	\$ 5,769	\$ 4,314	\$ 5,856	\$ 95,834
Average Per Person (1,489 visitors reported on survey)	\$ 5.78	\$ 20.93	\$ 3.16	\$ 23.80	\$ 3.87	\$ 2.90	\$ 3.93	\$ 64.36

Source: Camoin Associates

Total Net New Spending by Category

Using the average per person spending calculated in the section above, Camoin Associates multiplied that figure by the number of annual non-county resident visitors to the WOTH (“net new” visitors). The tables below show the direct net new spending occurring in Dutchess and Ulster Counties that is attributable to the WOTH.

Net New Annual Spending - Non-County Residents								
	Transport	Restaurant	Grocery	Lodging	Retail	Recreation	Other	Total
Average Spending Per Person (1,489 visitors reported on survey)	\$ 5.78	\$ 20.93	\$ 3.16	\$ 23.80	\$ 3.87	\$ 2.90	\$ 3.93	\$ 64.36
Non-County Resident Annual Spending (240,000 visitors)	\$1,386,810	\$5,022,109	\$ 757,555	\$5,711,162	\$ 929,859	\$ 695,339	\$ 943,882	\$15,446,716

Source: OPRHP, Camoin Associates

Direct spending that is occurring in Dutchess and Ulster County as a result of the pedestrian bridge is equal to \$15,446,716.

Total Impacts on Dutchess and Ulster Counties

\$15,446,716 in direct net new spending by non-county residents was used as the input for the EMSI economic impact model. The EMSI model allows the analyst to break down the total spending by NAICS code to get an accurate read for how one dollar spent in a specific sector multiplies throughout the local economy. To analyze the impact of the pedestrian bridge on Dutchess and Ulster Counties, the total spending is broken down into a variety of NAICS codes which capture the spending habits of a WOTH user.

The table below outlines the direct and indirect economic impact of the WOTH on Dutchess and Ulster Counties. The indirect impacts are those that occur as the dollars from direct impacts cycle through the economy. For example, the new employees receive wages and in turn spend a portion of those dollars in the local economy for daily needs, housing and other expenses, and a proportion of those dollars are again re-spent in the local economy. As those dollars continue to circulate, additional jobs and business activity are created. This effect is captured in the indirect impacts. Taking into account the indirect economic impacts, the WOTH is estimated to create a total of \$23.9 million in new sales, 383 new jobs, and \$9.4 million in new earnings.

² It is important to note that the average spending per person for the lodging category includes both day visitors and overnight visitors as reported on in the survey. A higher percentage of bridge users reported being in the area just for the day and therefore did not include any costs associated with lodging, effectively lowering the average lodging expenditures per visitor figure. Camoin Associates is aware that additional lodging spending research is being conducted on the City of Poughkeepsie, but this analysis was conducted on the information reported by visitors in the survey.

Economic Impact on Dutchess and Ulster Counties			
	Direct	Indirect	Total
Sales	\$ 15,446,716	\$ 8,495,694	\$ 23,942,410
Jobs	290	93	383
Wages	\$ 5,788,344	\$ 3,646,656	\$ 9,435,000

Source: EMSI, Camoin Associates

ECONOMIC IMPACTS ON NEW YORK STATE

Camoin Associates followed the same process as above to determine the economic impact of Walkway Over the Hudson on New York State. In order to do this, the survey responses were separated into non-NYS residents and NYS residents. The data on spending and number of visitors is based on the responses from the non-NYS residents and the impact is calculated in the following section.

New Visitation Estimates

Camoin Associates used the reported zip codes to identify the percentage of parties that are coming to WOTH from outside of New York State. Based on the survey findings, on average 28% of parties that returned surveys are visiting the WOTH from outside of New York State. A small percentage even report originating from outside of the United States of America.

Net New Visitors			
	Parties From New York State	Parties Not From New York State	Net New %
Fall	337	117	26%
Spring	208	92	31%
Summer	183	75	29%
Average	243	95	28%

Note: Based on the zip code reported per survey returned

Based on the annual visitation numbers reported by OPRHP and listed in the Methodology section of this report, the table below shows that just under 140,316 visitors to the WOTH bridge are net new to New York State, and therefore their spending has an economic impact on the state economy.

Net New Annual Visitors - New York State	
Total Annual Visitors	500,000
Net New Percentage	28%
Net New Visitors	140,316

Source: OPRHP, Camoin Associates

New Visitation Spending Estimates

Visitor Spending by Category

Just as was done for Dutchess and Ulster Counties, the following table breaks down the non-NYS resident survey responses into total spending by category.

Spending Reported by Non-State Residents in Survey								
	Transport	Restaurant	Grocery	Lodging	Retail	Recreation	Other	Total
Total Spending Reported	\$ 6,232	\$ 20,912	\$ 3,339	\$ 25,474	\$ 3,490	\$ 3,190	\$ 7,925	\$ 95,834

Source: Camoin Associates

Based on the survey respondents' report of the number of people in their party, the following table establishes average spending per person figures. As seen below, the average spending per non-State resident WOTH users is \$74.99.

Average Spending Per Person - Non-State Residents								
	Transport	Restaurant	Grocery	Lodging	Retail	Recreation	Other	Total
Total Spending Reported	\$ 6,232	\$ 20,912	\$ 3,339	\$ 25,474	\$ 3,490	\$ 3,190	\$ 7,925	\$ 95,834
Average Per Person (941 visitors reported on survey)	\$ 6.62	\$ 22.22	\$ 3.55	\$ 27.07	\$ 3.71	\$ 3.39	\$ 8.42	\$ 74.99

Source: Camoin Associates

Total Net New Spending by Category

Using the average per person spending calculated in the section above and the number of non-NYS resident annual visitors, the tables below show the direct net new spending that is attributable to the WOTH.

Net New Annual Spending - New York State								
	Transport	Restaurant	Grocery	Lodging	Souvenir	Recreation	Other	Total
Blended Average Per Person	\$ 6.62	\$ 22.22	\$ 3.55	\$ 27.07	\$ 3.71	\$ 3.39	\$ 8.42	\$ 74.99
Non-NYS Resident Annual Spending (140,316 visitors)	\$ 929,278	\$ 3,118,270	\$ 497,891	\$ 3,798,528	\$ 520,408	\$ 475,673	\$ 1,181,728	\$ 10,521,777

Source: OPRHP, Camoin Associates

Spending occurring in New York State as a result of the pedestrian bridge totals \$10,521,777. The impact of the bridge on NYS is less than that on the Counties because some of the new visitors to Dutchess and Ulster will be residents of New York State and are therefore not bringing “new dollars” into the state.

Total Impacts on New York State

The direct net new spending by non-NYS residents was used as the input for the EMSI economic impact model. The EMSI model allows the analyst to break down the total spending by NAICS code to get an accurate read for how one dollar spent in a specific sector multiplies throughout the local economy.

The table below outlines the direct and indirect economic impact of the WOTH on New York State. The indirect impacts are those that occur as the dollars from direct impacts cycle through the economy. For example, the new employees receive wages and in turn spend a portion of those dollars in the local economy for daily needs, housing and other expenses, and a proportion of those dollars are again spent in the local economy. As those dollars continue to circulate, additional jobs and business activity are created. This effect is captured in the indirect impacts. Taking into account the indirect economic impacts, the WOTH is estimated to create an additional \$21.9 million in sales, 208 jobs and \$8.5 million in new wages in New York State each year.

Economic Impact on New York State			
	Direct	Indirect	Total
Sales	\$ 10,521,777	\$ 11,468,737	\$ 21,990,514
Jobs	130	78	208
Wages	\$ 3,980,841	\$ 4,538,159	\$ 8,519,000

Source: EMSI, Camoin Associates

LIMITED FISCAL IMPACT STUDY

Fiscal impacts of the WOTH on Dutchess and Ulster Counties include sales tax revenue from direct sales and earnings and hotel tax revenue. New York State will also enjoy additional sales tax revenue related to the project. The section below outlines the additional municipal revenue associated with WOTH.

Dutchess County and Ulster County Fiscal Impacts

Sales Tax Revenue

County sales tax is generated in two ways 1) total direct sales related to the WOTH, 2) spending related to job creation and new earnings.

First, of the \$23,942,410 in new sales generated as a result of the WOTH, the majority would be taxable and, therefore, result in sales tax revenue for the Counties. Based on the analysis, direct sales would result in an additional \$556,661 combined local tax revenue for Dutchess and Ulster Counties

Dutchess and Ulster Counties Sales Tax Revenue - Direct Sales	
Direct Sales	\$ 23,942,410
Percent Taxable*	60%
Taxable Sales	\$ 14,365,446
County Sales Tax Rate **	3.88%
New Local Tax Revenue	\$ 556,661

* Not all sales will be subject to sales tax

**Ulster County sales tax rate reported as 4% by County Finance Department, Dutchess County sales tax rate reported as 3.75% by website.

Source: Camoin Associates, Ulster County, Dutchess County

Secondly, the additional earnings described by the total economic impact of the ongoing use of WOTH (see the previous section) would lead to additional sales tax revenue for the Counties. It is assumed that 70% of the earnings are spent within Dutchess County or Ulster County and that 20% of those purchases are taxable.

Dutchess and Ulster County Sales Tax Revenue - Earnings	
Total New Earnings	\$ 9,435,000
Amount Spent in County (70%)	\$ 6,604,500
Amount Taxable (20%)	\$ 1,320,900
County Sales Tax Rate*	3.88%
New Local Tax Revenue	\$ 51,185

*Ulster County sales tax rate reported as 4% by County Finance Department, Dutchess County sales tax rate reported as 3.75% by website.

Source: Camoin Associates, Ulster County, Dutchess County

Under these assumptions, the Counties receive approximately \$51,185 annually from the economic impacts of the Project.

Hotel Tax Revenue

In addition to the sales tax revenue, Ulster County and Dutchess Counties would also receive additional Hotel Tax revenue from the new visitation lodging spending. With an average of 3% hotel tax, Dutchess County and Ulster County receive a combined \$171,335 in additional revenue annually.

Dutchess and Ulster County Hotel Tax	
New Visitation Lodging Spending	\$ 5,711,162
Hotel Tax*	3%
New County Hotel Tax Revenue	\$ 171,335

* Ulster County hotel tax rate reported as 2% by County Finance Department, Dutchess County hotel tax rate reported as 4% by website.

Source: Camoin Associates, Ulster County, Dutchess County

Summary of Dutchess County and Ulster County Revenue

Based on the figures calculated in the above sections, WOTH generates \$779,181 in revenue for Dutchess and Ulster Counties.

Combined New County Revenue	
Sales Tax - Direct Sales	\$ 556,661
Sales Tax - Earnings	\$ 51,185
Hotel Tax	\$ 171,335
Combined County Revenue	\$ 779,181

Source: Camoin Associates

New York State Fiscal Impacts

Sales Tax Revenue

Sales and earnings associated with the Walkway Over the Hudson pedestrian bridge will generate 4% sales tax on most goods purchased in New York State. The following tables calculate the State sales tax revenue.

Sales tax generated from the new spending in NYS associated with the WOTH pedestrian bridge will generate \$527,772 in sales tax receipts for NYS. This assumes that approximately 60% of the goods purchased by non-NYS resident bridge users are taxable.

New York State Sales Tax Revenue - Direct Sales	
Direct Sales	\$ 21,990,514
Percent Taxable*	60%
Taxable Sales	\$ 13,194,308
State Sales Tax Rate	4.00%
New State Tax Revenue	\$ 527,772

* Not all sales will be subject to sales tax

Source: Camoin Associates

In addition, the new earning in NYS associated with WOTH will also lead to additional sales tax for NYS. It is assumed that 70% of the earnings are spent within New York State and that 25% of those purchases are taxable.

New York State Sales Tax Revenue - Earnings	
Total New Earnings	\$ 8,519,000
Amount Spent in County (70%)	\$ 5,963,300
Amount Taxable (20%)	\$ 1,192,660
State Sales Tax Rate	4.00%
New State Tax Revenue	\$ 47,706

Source: Camoin Associates

Combined, New York State will receive \$575,479 annually in sales tax associated with the use of the WOTH pedestrian bridge.

Combined New State Revenue	
Sales Tax - Direct Sales	\$ 527,772
Sales Tax - Earnings	\$ 47,706
Hotel Tax	N/A
Combined County Revenue	\$ 575,479

Source: Camoin Associates

Attachment A: What is an Economic Impact Analysis?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of spending. These sets of industry-to-industry purchases are referred to as the “Indirect Effects” of the change in final demand.

Finally, the widget manufacturer has employees who will naturally spend their wages. As with the Indirect Effects, the wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity; such effects are referred to as the “Induced Effects” of the change in final demand.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects and the Induced Effects. The ratio between Direct Effects and Total Effects (the sum of Indirect and Induced Effects) is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect and induced economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD

players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

Attachment B: Definition and Abbreviations

- **Counties:** Dutchess County and Ulster County
- **Direct Effects:** The difference in visitation spending between Case One and Case Two, namely the amount of visitation spending that will only occur in the County if the Project occurs.
- **EMSI:** Economic Modeling Specialists' proprietary data source and economic modeling services at www.economicmodeling.com.
- **Indirect Effects:** Direct Effects circulate through the economy causing additional follow-on impacts including (a) spending by businesses impacted by the Direct Effects and (b) spending of employees of those same businesses on local goods and services.
- **WOTH:** Walkway Over the Hudson pedestrian bridge

Walkway Over the Hudson Visitor Survey

Please fill out one survey per party and do not fill this survey out more than once. Thank you.

Today's Date _____

1. What is the zip code of your primary residence? _____
2. How would you describe your primary reason for coming to the area?
 - a. _____ Walkway Over the Hudson pedestrian bridge is the primary reason I am in the area
 - b. _____ I am in the area for many reasons, one of which is the pedestrian bridge
 - c. _____ I was already in the area (or live here) and decided to come to the pedestrian bridge

3. How did you hear about the Walkway Over the Hudson Pedestrian Bridge?
 - a. _____ Radio
 - b. _____ Internet
 - c. _____ Newspaper or Magazine Article
 - d. _____ Print Advertisement
 - e. _____ Friend/Family/Word of Mouth
 - f. _____ Other

4. How many people are in your party (including yourself)?
 - a. _____ Adults
 - b. _____ Children

5. About how often do you come to the Walkway Over the Hudson?
 - a. _____ I come very regularly
 - b. _____ I come occasionally
 - c. _____ I have been here before once or twice
 - d. _____ This is my first visit

4. Do you reside in: Dutchess County ___ Ulster County___ Neither___

If no, how long do you plan to spend in Ulster and Dutchess County (the Poughkeepsie, New Paltz, and Kingston area)? Please indicate number of hours or days

- a. _____ hours OR b. _____ days

7. Please estimate the total amount your party will spend during your entire visit in Dutchess and Ulster Counties in each of the following categories: Place a zero in the appropriate boxes if you do not spend money in that particular category.

- | | |
|---|----------|
| a. Transportation (including parking) | \$ _____ |
| b. Food & Drink (restaurants) | \$ _____ |
| c. Food & Drink (grocery or convenience stores) | \$ _____ |
| d. Overnight lodging | \$ _____ |
| e. Gifts/souvenirs and other shopping | \$ _____ |
| f. Recreation (such as admission fees, rentals, tours, etc) | \$ _____ |
| g. Other – please describe: _____ | \$ _____ |

8. Do you plan to come back to the Walkway? a. _____ yes b. _____ no

9. What goods or services would you like to see in the area? a. _____
Any suggestions for improving your Walkway Over the Hudson experience? b. _____

10. Would you be interested in providing your email address to be informed of future Walkway Over the Hudson updates and event information. _____