crossroads ventures llc

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Environmental Impact Statement

Appendix 26

Economic Benefits and Growth Inducing Effects

The Belleayre Resort at Catskill Park

BELLEAYRE RESORT *at Catskill Park*

ECONOMIC BENEFITS AND GROWTH-INDUCING EFFECTS

Prepared For:
Crossroads Ventures, LLC

Prepared By:
Allee King Rosen & Fleming, Inc.

December 2002

Belleayre Resort at Catskill Park

Economic Benefits and Growth-Inducing Effects

December 16, 2002

Prepared for:
Crossroads Ventures, LLC

Prepared by:
Allee King Rosen & Fleming, Inc.
34 South Broadway
White Plains, NY 10601

Table of Contents

A. INTRODUCTION

This study assesses the growth-inducing characteristics of the proposed Belleayre Resort at Catskill Park (the Belleayre Resort). The analysis is based on the evaluation of economic and fiscal benefits arising from construction and operation of the Belleayre Resort; the economic effects of the Resort's visitors on the local economy; and how the Belleayre Resort might affect land use in the area by evaluating the resort's economic effects against available land supply.

The construction of the Belleayre Resort and its operations represent a significant investment of private capital in the local economy. Economic benefits are derived from the direct economic investment made in the community, including wages and salaries and the purchase of goods and services. The study applies an econometric model to this direct investment in order to estimate the total economic activity generated by the project. This total includes indirect, or generated benefits, representing expenditures made by material suppliers, construction workers, and other employees involved in the direct activity for the purchases of other goods and services within the region. The model is based on data collected for Ulster, Delaware, and Greene Counties. This study places a particular emphasis on the effects that might occur within the New York State (NYS) Route 28 corridor area, spanning a stretch between Boiceville and Margaretville.

The analyses contained in this economic study were primarily completed in 2001, prior to the economic uncertainty that has been growing regionally and nationally, most notably since the September 2001 attack. The construction costs, employment and fiscal generation, and the overall assessment of short- and long-term economic consequences of the project are expected to remain unchanged from what is described in this report. The applicant remains confident of the core market strength of the project (in fact, part of the post-September 2001 trend is a retrenchment of locally-based travel) and in the financial projections and the ability to secure project financing. However, employment opportunities and fiscal stability in New York State has proven to be more at risk and makes a private investment such as the proposed Bellearye Resort at Catskill Park an even more important strategic investment for the region and state.

B. PROJECT DESCRIPTION

The project sponsor, Crossroads Ventures, LLC, is proposing to develop a recreation-oriented resort development that would be located in the heart of the Catskill High Peaks region, south of NYS Route 28, and on either side of the Belleayre Mountain Ski Center. The resort would offer a diverse set of overnight accommodations, seasonal housing opportunities, retail and dining opportunities, and year-round recreational amenities.

The project consists of two major development components: Big Indian Plateau and Wildacres Resort. The Big Indian Plateau portion of the project is proposed for an approximately 1,242-acre area east of the Belleayre Mountain Ski Center. Development in this area would include: the Big Indian Country Club; an 18-hole championship golf course and golf clubhouse; Big

Indian Resort and Spa, a 150-room hotel building that would also contain two restaurants, a ballroom, meeting rooms, and a pool/spa; and 95 detached lodging units in 55 buildings (35 single and 20 three-unit) that would be constructed around the golf course. In addition, 88 detached lodging units grouped into 22 four-unit structures are proposed, and the existing Brisbane (Turner) Mansion would serve as a social activities center, with offices on the upper floor.

The Wildacres portions of the development are proposed for an approximately 718-acre area west of the Belleayre Mountain Ski Center. Development in this area would include: a second 18-hole championship golf course and golf clubhouse centered around the Wildacres Resort. A hotel with a 250-room capacity, 10 resort related retail shops, a conference center, two proposed restaurants, a bar, and an interfaith chapel; plus 21 buildings containing 168 detached timeshare units and a Children's Center. The existing Marlowe Mansion would be used as a restaurant. In addition, the existing buildings at the former Highmount Ski Area would be re-used to provide a Wilderness Activity Center. Finally, a 21-lot residential subdivision to be called Highmount Estates is proposed on the former Leach property, west of the former Highmount Ski Area.

The development also would contain recreational amenities, including tennis courts and pools, several maintenance buildings, roads, parking areas, wastewater treatment facilities, and other necessary infrastructure elements. Unique among the Resort's planned facilities is seasonal housing that would be available on an interval ownership basis. Through membership in the Big Indian Country Club or through purchase of shares in a timeshare unit, individuals could purchase seasonal detached lodging units at the Resort on a timeshare basis, for increments ranging from one week to three months. A variety of such interval ownership units are proposed, from two bedroom units to four bedroom detached lodge-style units. In addition, 50 of the 250 rooms in the Wildacres Resort hotel would be 2-3 bedroom suites with kitchens. These would be available for sale as timeshare units should there prove to be a market for them as such.

C. ANALYSIS OVERVIEW

This analysis proceeds through a sequence of interrelated chapters that: 1) examine the existing socioeconomic conditions of the region; 2) discuss the direct and indirect economic effects of the Resort's construction and operations; 3) consider the extent of new land development opportunities in the area; 4) explore how comparable areas have been affected by similar resort development; and 5) draw conclusions about how the proposed resort might affect the base economic conditions and induce secondary growth in the area. These studies are briefly outlined below.

As noted in the text and tables, data utilized in the analyses were derived from a variety of public and private sources, including the U.S. Census Bureau, U.S. Department of Commerce Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, New York State Department of Labor, New York State Department of Economic Development, the Ulster, Delaware, and Greene County planning departments, the Towns of Shandaken and Middletown. Numerous interviews were conducted with local officials, as well as business owners, real estate professionals, housing advocates, employment training agencies, and tourism agencies. A comprehensive Route 28 corridor business inventory was conducted in which businesses – restaurants, retail establishments, gas/service stations, etc. – were visited and the owners and/or shopkeepers were interviewed. In addition, the case studies required numerous interviews and site visits with case study area businesses and officials.

Chapter 2 describes the existing conditions of the area's socioeconomic make-up, with particular attention to the area's demographics, workforce capacities and characteristics, and economic trends and conditions. This provides the baseline conditions from which the project can be assessed. Chapter 3 discusses the construction phase of the proposed project, and includes estimates of the employment, wages and salaries, economic activities, and fiscal implications that arise from building the Resort.

Chapter 4 then examines the effects of the Resort's operations, discusses the projected direct and indirect employment and fiscal impacts, and examines the potential economic effects of the Resort's visitors and guests on the area. The material presented in these chapters incorporate the results of economic modeling that relied on the Regional Input-Output Modeling System, known as RIMS II, developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The analysis presented in this report assumed an estimated construction cost of $241.03 million. The actual construction cost may vary slightly as the design process moves forward, but the relative conclusions should remain within acceptable limits. The RIMSII analysis concerning employment, wages, and salaries presents a conservative estimation of the project's economic benefits since the analysis is based on employment projections that have since been updated to reflect slightly higher staffing levels, as described in the text.

Chapter 5 presents an analysis of the land supply within the NYS Route 28 corridor that could potentially be affected by new growth induced by the Resort. The analysis utilizes a geographic information system (GIS) to locate and characterize the regulatory and environmental limitations that could affect where and how the NYS Route 28 corridor could accommodate new growth. In addition, this chapter reviews the policy considerations and local development conditions that influence how and where new economic activity might occur. Chapter 5 supplements the baseline socioeconomic conditions analysis presented in Chapter 2 with a discussion of current commercial conditions within the Route 28 corridor, with particular emphasis on the hamlets and village centers.

Chapter 6 presents three case studies of comparable resort areas. The three case studies—Windham in the Catskills, Gore Mountain in the Adirondacks, and Greylock Center in the Northern Berkshires of Massachusetts—provide an important perspective on the manner in which resort-type development affects the surrounding communities in terms of commercial and residential demand and growth.

Finally, the material developed in the preceding chapters is drawn together into a set of conclusions in Chapter 7, which discusses the overall economic effects of the proposed Resort, and estimates the growth that might occur in the study area as a result of the Resort.

The analyses contained in this economic study were primarily completed in 2001, prior to the economic uncertainty that has been growing regionally and nationally, most notably since the September 2001 attacks. The construction costs, employment and fiscal generation, and the overall assessment of short- and long-term economic consequences of the project are expected to remain unchanged from what is described in this report. The applicant remains confident of the core market strength of the project (in fact, part of the post-September 2001 trend is a retrenchment of locally-based travel) and in the financial projections and the ability to secure project financing. However, employment opportunities and fiscal stability in New York State has proven to be more at risk and makes a private investment such as the proposed Bellearye Resort at Catskill Park an even more important strategic investment for the region and state. ❖

Chapter 2: Existing Economic Conditions

A. INTRODUCTION

This chapter presents an overview of economic trends and existing conditions for the area potentially affected by the proposed Belleayre Resort at Catskill Park. The analysis establishes the economic baseline for the region and describes characteristics of the current workforce and tourism-related industries. It begins with an explanation of the methodology and geographic study area. Demographic characteristics of the region are described, including population and household trends, average household income, and a comparison of income distribution throughout the region. The chapter then presents a discussion of the workforce in the study area, outlining overall labor supply and labor force demographics, and defining several challenges specific to a rural workforce. The chapter concludes with a quantitative and qualitative discussion of the region's tourism-based industry, outlining trends in the retail trade and service sectors.

B. METHODOLOGY

The analysis of existing economic conditions focuses on an economic study area, which is the area most likely to be affected by the proposed project. The study area used in this chapter is defined by a collection of 15 zip code areas that stretch along NYS Route 28 from the Bovina area north of Andes on the west to the Shokan area along the Ashokan Reservoir to the east (see Figure 2-1). 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. Therefore, the baseline economic conditions presented in this chapter focus on the 15 zip code study area when possible, with comparative information provided for New York State, as well as Ulster, Delaware, and Greene Counties, the three counties that encompass the study area.

Various sources have been used to prepare this chapter. In rural areas such as this, in which there are few employers in particular industry categories, the Census Bureau and Bureau of Labor Statistics follow a common policy to suppress industry-specific data for any jurisdiction that might inadvertently reveal information about a specific firm which by itself employs a substantial share of the workforce in that industry. This problem of suppression of data arose frequently in evaluations of business data at the municipal level. Given these limits and the changing nature of the economy under examination, data were collected from multiple sources and at a variety of municipal levels in an effort to present the most accurate data available. In several cases, county level data were used to ensure that the information presented was as robust as possible. In addition to analyzing existing data from the U.S. Census Bureau and the Bureau of Labor Statistics, data from Claritas, Inc.—a market research firm—were used to provide industry-specific data for the study area along NYS Route 28.

In addition, the chapter relies upon interviews conducted with individuals involved in business operations, housing, employment and employment training, as well as county officials and New York State Department of Labor analysts. An extensive business field survey was conducted by

the applicant through which business owners and operators throughout the study area were individually visited and interviewed, and questionnaires were completed. Data collected included numbers of employees, days and hours or operation, and general observations about the business climate and trends, both long-term and seasonal. This field survey was further supplemented by numerous follow-up interviews. This qualitative data provided a practical and up-to-date verification of other data sources, and provided local input and perspective absent in more readily obtainable data sources.

C. DEMOGRAPHIC CHARACTERISTICS OF THE STUDY AREA

Claritas, Inc. estimates that the 2000 population in the study area was 10,552, growing less than 1 percent since 1990. In 2000 the study area accounted for approximately 4 percent of the total population within the three counties that encompass the study area. As shown in Table 2-1, the population of the three counties was about 274,000 in 2000, growing 6.5 percent since 1990, significantly faster than the study area. Greene County has seen the largest population growth in the region, with an approximately 7.5 percent increase between 1990 and 2000.

Table 2-1

Population and Household Trends and Projections

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

Source: U.S. Census 2000; study area population and projected populations from Claritas, Inc., December 2000; Allee King Rosen & Fleming, Inc., December 2000.

According to Claritas, Inc. the number of households in the study area in 2000 was approximately 4,454, a 2.7 percent increase since 1990. The number of households in the tri-county area grew at a faster rate of 10.5 percent. In 2000 there were approximately 105,025 households in the three counties, with Ulster County accounting for a majority of those households with 67,499.

The household figures described above and shown in Table 2-1 include a large proportion of second homes in the area. In 1990, approximately 16.4 percent of all housing units within the tri-

county area were classified as units for seasonal, recreational, or occasional use.* The percentage of these "second home" units is significantly higher within the study area. For example, in 1990, 43.0 percent of all housing units in the Town of Shandaken (Ulster County) were for seasonal, recreational, or occasional use, while 45.2 percent of all housing units in the Town of Middletown (Delaware County) were for seasonal, recreational, or occasional use. Second-home owners and users are not accounted for in the population figures cited above and in Table 2-1.

Interviews with local real estate professionals were conducted to obtain information about residential sales and rentals in the study area and the general Catskill mountain region. All individuals interviewed perceived an increasing trend of second home creation, with buyers maintaining primary residences in the New York City metropolitan area dominating the market. One such experienced individual, Eric Wiedemeyer, of Coldwell Banker, having offices in Delhi, Andes, and Margaretville, indicated that the profile of the urban buyer has evolved over the past two decades. It was reported that during the 1990's the second home buyer tended to be a wealthy professional seeking a country retreat, rather than the an outdoor-oriented (hunting and fishing) individual who characterized the buyer of the 1970's and 1980's. Mr. Wiedemeyer reported that second home sales closed by Coldwell Banker during the first half of 2002 exceeded the entire year's sales. He reported that nearly all ("97%") were New York metropolitan area residents. He attributed this upswing to the events of September 11, 2001. He did, however, observe that the trend for wealthy urban buyers has been increasing throughout the 1990's and into 2000 and 2001. These sentiments were also echoed by real estate professional Jeff Prince, with offices in Phoenecia and Tannersville, as well as by nonprofit housing developers Jane Todd, of SHARP, in Shandaken, and Jennifer Gould, of the M-Ark Project, in Margaretville**.

As shown in Table 2-2, the 2000 average household income in the study area, at approximately $39,524 (in constant 2000 dollars), decreased in real terms by 2.8 percent between 1990 and 2000. This decrease was similar to that in the larger tri-county area, which experienced a 2.7 percent decrease in average household income over the same period. The average household income in the study area is less than that for all the individual counties, about $7,500 less than the tri-county region, and $26,600 less than New York State overall.

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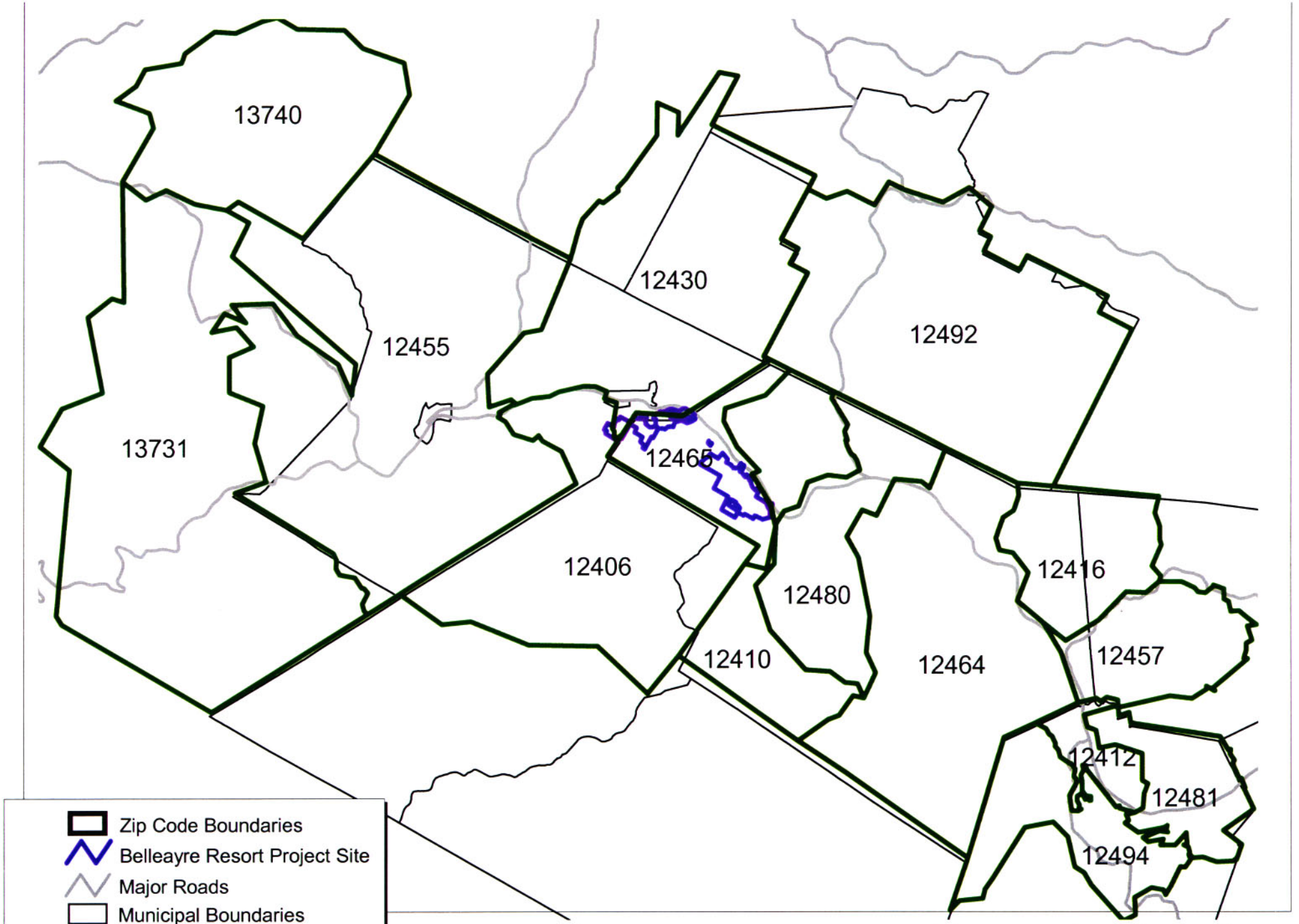
* These are vacant units used or intended for use only in certain seasons or for weekend or other occasional use throughout the year. Seasonal units include those used for summer or winter sports or recreation, such as hunting cabins. Seasonal units also may include quarters for such workers as loggers. Interval ownership units, sometimes called shared-ownership or time-sharing condominiums, are also included.

** Interviews conducted June 14 and June 17, 2002.



BELLEAYRE RESORT *at Catskill Park*

Economic Study Area

Figure 2-1

Table 2-2
Average Household Income

Area	1990	2000	1990-2000 percent growth	2005	2000-2005 percent growth
Delaware County	$38,886	$40,341	3.7	$45,703	13.3
Greene County	43,616	44,733	2.6	50,148	12.1
Ulster County	52,329	49,583	-5.2	53,825	8.6
Tri-County	48,319	47,029	-2.7	51,699	9.9
Study Area	40,654	39,524	-2.8	42,528	7.6
New York State	$58,198	$66,124	13.6	$78,234	18.3
Study Area as a percent of Tri-County Area	84.1	84.0	-0.1	82.3	-2.1

Note: Incomes in constant 2000 dollars.
Sources: Claritas, Inc., December 2000; Allee King Rosen & Fleming, Inc., December 2000.

Family household income in the study area is also more heavily weighted toward lower income brackets than is household income in the tri-county area and New York State overall. As shown in Table 2-3, over 54 percent of the study area's households earn less than $40,000 annually, 5 percent higher than for New York State as a whole. The study area also has a lower percentage of families earning over $60,000 annually than the tri-county area and New York State.

Table 2-3
2000 Family Household Income Distribution Estimates (percent)

	Study Area	Tri-County	New York State
Less than $10,000	6.3	4.1	8.8
$10,000-$25,000	23.8	16.9	19.0
$25,000-$40,000	24.0	22.1	21.2
$40,000-$60,000	23.5	25.3	22.8
$60,000-$100,000	17.3	23.7	19.5
$100,000-$150,000	3.8	5.5	5.6
$150,000 and up	1.4	2.4	3.1

Source: Claritas, Inc., December 2000.

D. WORKFORCE CAPACITY AND OPPORTUNITIES

Over the long term, labor force and employment growth in the three counties that encompass the study area have been variable. As shown in Table 2-4, all three counties experienced overall gains in the labor supply between 1980 and 1990, with Greene and Ulster Counties above the growth rate for the state. However, between 1990 and 1999, overall labor force trends shifted dramatically compared to the previous decade, with both Delaware and Ulster Counties experiencing decreases in total labor force and with Greene County experiencing only modest gains.

Table 2-4

Average Annual Labor Force Trends 1980-1999

Area	1980	1990	1980-1990 percent growth	1999	1990-1999 percent growth
Delaware County	21,100	21,800	3.3	20,800	-4.6
Greene County	18,600	21,200	14.0	21,800	2.8
Ulster County	67,300	85,000	26.3	82,000	-3.5
New York State	7,978,000	8,843,000	10.8	8,883,000	0.5
Source: New York State Department of Labor, December 2000.					

Employment growth in Greene and Ulster Counties was also well above the overall rate for New York State during the 1980s (see Table 2-5). However, the three counties were particularly hard hit by the recession of the late 1980s and early 1990s, resulting in declines in both the residential employment and the overall workforce. All three counties have been slow to recover from this recession, resulting in net decreases in labor force and employment in Delaware and Ulster Counties between 1990 and 1999.

Table 2-5

Employment Trends 1980-1999

Area	1980	1990	1980-1990 percent growth	1999	1990-1999 percent growth
Delaware County	17,100	20,700	4.5	19,700	-4.8
Greene County	15,200	20,100	20.4	20,600	2.5
Ulster County	56,600	81,900	32.3	79,100	-3.4
New York State	7,063,000	8,375,000	13.5	8,424,000	0.6
Source: New York State Department of Labor, December 2000.					

As shown in Table 2-6, from 1990 to 1999 Greene County maintained the highest rate of unemployment among the three counties from 1990 to 1999. Over the decade, the tri-county area mirrored the general unemployment trends for the state as a whole.

Table 2-6

Unemployment Rate 1990-1999 (percent)

Area	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Delaware County	5.0	6.7	7.8	6.7	6.4	5.5	5.3	5.3	4.5	5.3
Greene County	4.8	7.8	9.0	8.4	8.3	7.5	6.8	6.2	5.4	5.4
Ulster County	3.6	6.0	6.7	7.3	6.6	5.5	4.5	4.1	3.5	3.6
New York State	5.3	7.35	8.6	7.8	6.9	6.3	6.2	6.4	5.6	5.2
Source: New York State Department of Labor, December 2000.										

LABOR FORCE DEMOGRAPHICS

Levels of education and income are often used to evaluate the ability of a workforce to meet the challenges of high-value-added occupations. Existing high levels of education and income provide workers with the foundations needed to maintain their competitive edge in the workforce. A review of the demographic composition of the tri-county region reveals a labor force that generally falls below state averages in secondary educational attainment and economic benchmarks.

Delaware and Greene Counties are about on par with New York State in the proportion of the population over 25 years old with a high school diploma (see Table 2-7). Ulster County's apparent strength (by approximately two percentage points) may only be a reflection of the presence of a State University of New York (SUNY) four-year institution in New Paltz. The proportion of the population in the three counties graduating college, however, is behind the New York State average. Among all New Yorkers, over 2 percent of those over 25 have a four-year college degree. In Ulster County, the proportion is only 25 percent, while in Delaware and Greene Counties, respectively only 16.6 and 16.4 percent of the population over 25 have four-year college degrees.

Table 2-7

Education Level for Persons over 25

Area	Percent High School Graduates	Percent College Graduates
Delaware County	79.9	16.6
Greene County	78.6	16.4
Ulster County	81.7	25.0
New York State	79.1	27.4

Source: U.S. Census Bureau, 2000

As discussed previously and shown in Table 2-2, incomes in the study area are substantially lower than the state average. The average household income in the NYS Route 28 corridor is less than that for all the individual counties, about $7,500 less than the tri-county region, and $26,600 less than New York State overall. The potential problems associated with relatively low levels of education and income are exacerbated by labor force dynamics typically associated with rural areas: a geographically dispersed economy, global competitive pressures on manufacturing, and the out-migration of young people.

Like many rural areas, the NYS Route 28 corridor and surrounding area is one of wide dispersion of activities limiting the informal connections and cross-sectoral contacts that promote economic innovation and growth in more metropolitan areas. The commuting patterns shown in Table 2-8 suggest that the area's workforce is dispersed among at least three different labor markets: the Capital District (Albany); Southern Tier (Broome, Ostego); and Hudson Valley (Dutchess, Orange). It is clear that there is a substantial labor market that is highly localized in nature. Data from the 1990 Census indicate that the proportion of residents that work in the town or village in which they live ranges from 33 percent in Ulster County to 52.4 percent in Delaware County.

Table 2-8
Location of County Residents' Workplaces in 1990

Area	Percent in Town or Village of Residence	Percent in County of Residence	Percent Outside County
Delaware County	52.4	77.1	22.9
Greene County	38.6	64.2	35.8
Ulster County	33.0	71.9	28.1
Source: U.S. Census Bureau, STF 3a, 1990.			

In addition, while over 20 percent of the residential workforce commuted to work outside their respective home counties, relatively little inter-county commutation appears to take place between the three counties. As shown in Table 2-9, the major destinations for out-commuters from each of the three counties in the region are dispersed among counties in the Capital District (Albany), Southern Tier (Broome, Ostego), and Hudson Valley (Dutchess, Orange). The one notable exception is commuters from Greene County to Ulster County.

Table 2-9
Major Destination Counties for Out-Commuters in Three Area Counties

County	Total Out-Commuters	Major Destination Counties	Total Commuters
Delaware	4,519	Otsego	1,977
		Broome	451
		Sullivan	443
Greene	6,563	Albany	3,309
		Ulster	1,105
Ulster	22,122	Dutchess	9,971
		Orange	6,559
Source: U.S. Census Bureau, STF 3a, 1990.			

According to a 2000 employer survey for Ulster County, most Ulster County employees (including County residents and non-residents), live in Ulster County (77 percent).* Non-resident employees or "in-commuters" typically reside in Dutchess County and Orange County, as opposed to the other study area counties (Greene and Delaware). The survey results on in-commutation, differing markedly from the 1990 Census results, indicated that in-commutation increased significantly during the 1990s.

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

According to a recent employer survey for Columbia and Greene counties combined, 57 percent of the area's employees live in the counties.* (An employer survey for Greene County alone is not available.) In-commuters typically come from Albany County (12.4 percent), followed by Rensselaer (8.3 percent) and Dutchess (6.8 percent) counties. Only 5.1 percent of Columbia-Greene employees reside in Ulster County. An employer survey for Delaware County is currently being prepared by the New York State Department of Labor, the results of which have not been released yet.

These trends were confirmed by discussions with representatives of the M-Ark Project and SHARP, in Middletown and Shandaken, respectively. These nonprofit community development organizations offered anecdotal evidence that workers living in these two communities commute long distances to places of employment, with many workers commuting the approximately 30 miles to jobs in Kingston. Delhi and Oneonta were also cited as employment destinations, with Stamford and Walton being referenced, as well. Out-commutation was noted to occur due to the low number of available jobs in the Shandaken/Middletown vicinity.**

For most of the century, rural areas were a haven for low-productivity, low-value-added manufacturing. This has changed over the last 30 years as a consequence of the globalization of the job market. In addition to traditional rivals in the American South, rural manufacturing firms in the Northeastern United States are now facing competitors in Mexico, Latin America, and Asia. In response to these pressures, evidence suggests that high-skill manufacturing jobs are growing at the expense of lower-skill jobs throughout the area. The most current county-level data available on occupations from 1990 suggest that, during the relative prosperity of the 1980's, each of the counties experienced an increase in the number of relatively high-skilled precision production, craft, and repair occupations (see Table 2-10). Yet, even in the midst of the economic expansion, there were dramatic declines in such lower-skilled manufacturing occupations as operators, fabricators, laborers, assemblers, and inspectors (see Table 2-11).

Table 2-10

Change in Precision Production, Craft, and Repair Operations Jobs 1980-1990

Area	1980	1990	1980-1990 (percent)
Delaware County	2,451	2,969	21.1
Greene County	2,345	2,563	9.3
Ulster County	8,366	9,466	13.1
Source: U.S. Census Bureau, STF 3a, 1990.			

* Telephone interview with M.A. Wiltse. Columbia-Greene Community College, Office of Employment and Training, June 12, 2002.

** Telephone interviews with Jennifer Gould, M-Ark Project, and Jane Todd, SHARP, June 17, 2002.

Table 2-11
Change in Machine Operators, Fabricators, Laborers, Assemblers, and Inspectors Jobs 1980-1990

Area	1980	1990	1980-1990 Percent Change
Delaware County	6,410	5,095	-20.5
Greene County	4,497	3,776	-16.0
Ulster County	18,021	14,110	-21.7
Source: U.S. Census Bureau, STF 3a, 1990.			

The below average college graduation rates among the region's adult population may reflect the fact that nation-wide problems associated with an aging workforce are exacerbated in rural areas where many of the "best and brightest" young people leave to seek better opportunities. Each of the three counties is home to local institutions that tend to involve a younger population. Consequently, the migration figures tend to understate the nature of the problem for the area. The data for Delaware County show a substantial out-migration among the 25 to 29 year olds, which can only be partially accounted for by the exodus of SUNY Delhi graduates returning to their home counties. This out-migration of the "best and brightest" young people may account for the workforce's low education level, despite the strength of the area's public schools.

The below average college graduation rates among the region's population may also reflect the relatively high proportion of jobs in the region that do not require higher education. For example, construction, manufacturing and other "blue collar" jobs require job-specific training and a high school diploma.* As shown in Table 2-14, the construction and manufacturing sectors combined represent 16.7 percent of total employment in the tri-county region. Although such jobs may not require high-level academic skills, high-level technical skills in these industrial sectors are important. Moreover, as compared to other sectors in the region, blue collar jobs pay higher annual wages (see Table 2-15). Higher education is also less important for retail trade and some of the service-industry jobs, which account for most of the tri-county region's employment.

CHARACTERISTICS OF THE UNEMPLOYED

To assess the characteristics of the region's unemployed population, data on unemployment insurance beneficiaries were provided by the New York State Department of Labor. According to the Department, these "experienced unemployed" members of the labor force typically represent about one third of the total unemployed population. In all three counties, most of the unemployment insurance beneficiaries were between the ages of 25 to 35 and 45 to 54 (see Table 2-12).

* New York State Department of Labor. *An Analysis of the Ulster County Employer Survey*. December 2000. p. 16.

Table 2-12

Unemployment Insurance Beneficiaries: Age Breakdown (2001)

Age	Delaware		Greene		Ulster	
	Number	%	Number	%	Number	%
Under 20	6	1.7	3	0.7	13	1.1
20 to 24	35	10.2	25	6.2	69	5.6
25 to 35	83	24.2	86	21.4	240	19.5
35 to 39	49	14.3	59	14.7	179	14.5
40 to 44	43	12.5	53	13.2	168	13.6
45 to 54	71	20.7	89	22.2	298	24.2
55 to 59	28	8.2	39	9.7	106	8.6
60 to 64	10	2.9	17	4.2	61	5.0
65 and Over	10	2.9	23	5.7	60	4.9
Unknown Age	8	2.3	7	1.7	37	3.0
Total	**343**	**100.0**	**400**	**100.0**	**1,230**	**100.0**

Source: New York State Department of Labor, Division of Research and Statistics, June 2002.

Among the types of work experience that unemployment insurance beneficiaries had in 2001, blue collar work experience was the most prevalent, ranging from 48.1 percent of beneficiaries in Ulster County to 67.9 percent in Delaware County (see Table 2-13). These types of jobs were followed by clerical and kindred jobs, and service/executive/private jobs.

Table 2-13

Unemployment Insurance Beneficiaries: Previous Work Experience (2001)

Occupation	Delaware		Greene		Ulster	
	Number	%	Number	%	Number	%
Professional	17	5.0	23	5.8	114	9.3
Technical	8	2.3	16	4.0	66	5.4
Managerial	15	4.4	31	7.8	96	7.8
Clerical & Kindred	22	6.4	44	11.0	195	15.9
Sales	7	2.0	15	3.8	51	4.1
Blue Collar	233	67.9	209	52.3	592	48.1
Farm, Forest, Fish	0	0.0	1	0.3	2	0.2
Service Executive Private	40	11.7	59	14.8	110	8.9
Private Household	1	0.3	2	0.5	4	0.3
Total	**343**	**100.0**	**400**	**100.0**	**1,230**	**100.0**

Source: New York State Department of Labor, Division of Research and Statistics, June 2002.

Similar to the residential population as a whole, unemployment insurance beneficiaries in all three counties generally have a total of 12 years of education. In Greene County, 75 percent of

the beneficiaries in 2001 had 12 years of education or less, followed by Delaware County (71 percent), and Ulster County (63 percent).

E. ECONOMIC TRENDS AND CONDITIONS

This section provides a portrait of the region's business and industrial base, particularly as it relates to the retail trade and service sectors. These are the sectors most likely to be affected by the proposed Belleayre Resort at Catskill Park.

As shown in Table 2-14, in 1999 the services and retail trade sectors comprised well over half the jobs in the tri-county area. Services, including education, accounted for 38.4 percent of all jobs, while retail trade accounted for almost 20 percent of all employment in the counties. The services sector has been a major source of employment growth in the tri-county area with an approximately 19.6 percent increase from 1990 to 1999, slightly higher than the state's overall 16.8 percent job growth for the sector. Retail trade also showed significant employment growth over the decade, with about 8.6 percent growth from 1990 to 1999, compared to only 3.1 percent retail employment growth for the state as a whole. Other major sectors include manufacturing, with 13.5 percent of the employment, and public administration, with 10.9 percent of the employment for the three counties. Both these sectors are slightly higher than the state percentages.

Table 2-14

Job Distribution by SIC Sectors, 1999 (percent)

SIC Sector	Delaware County	Greene County	Ulster County	Tri-County	New York State
Agriculture, Mining, and Unclassified	1.6	1.2	2.3	2.0	0.8
Construction	2.2	4.0	3.3	3.2	3.7
Manufacturing	27.6	8.6	10.8	13.5	10.7
Transportation and Utilities	2.3	5.4	4.8	4.4	6.7
Wholesale Trade	3.0	4.2	3.6	3.6	5.4
Retail Trade	17.3	20.1	20.5	19.8	15.2
Finance, Insurance, and Real Estate	3.7	2.9	4.5	4.1	9.2
Services	31.9	34.7	41.0	38.4	42.1
Public Administration	10.4	18.8	9.4	10.9	6.1

Source: New York State Department of Labor, December 2000.

While the tri-county area experienced employment growth in the retail and service sectors above the New York State rate, the 1999 wages and the change in real wages for retail and services were below the state figures. As shown in Table 2-15, the average annual retail sector wage in the tri-county area was $15,484 in 1999, over $4,000 less than the state average. The average annual services sector wage in the tri-county area was $24,181, over $12,000 less than the state average. Retail trade has the lowest average annual wages of all the SIC sectors, followed by agriculture and mining and the services sector.

From 1990 to 1999, the three counties collectively experienced a 5.1 percent decrease in real wages within retail trade, which lies in sharp contrast to the state's 5.4 percent increase in retail sector wages over the same period (see Table 2-16). Greene County saw the largest decrease in real wages for the sector with an 8.3 percent decline over the decade. Real wages in the services

sector increased by only 0.2 percent for the three counties, far less than the state's overall 7.6 percent increase in the sector. While Delaware and Greene Counties experienced moderate increases in real wages in the services sector, there was a 1.7 percent decline in Ulster County during the period. The tri-county area outperformed the state in terms of real wages in only one sector—construction—largely due to a 35.9 percent increase in real construction wages in Delaware County.

Table 2-15

Average Annual Wages by SIC Sectors, 1999

SIC Sector	Delaware County	Greene County	Ulster County	Tri-County	New York State
Agriculture, Mining, & Unclassified	$20,802	$19,303	$18,017	$18,746	$25,416
Construction	$33,144	$21,383	$27,886	$27,609	$41,241
Manufacturing	$38,142	$31,709	$36,793	$36,089	$47,890
Transportation & Utilities	$31,559	$31,930	$31,645	$31,683	$46,270
Wholesale Trade	$28,152	$29,959	$31,529	$31,529	$50,719
Retail Trade	$15,586	$14,256	$15,484	$15,484	$19,505
Finance, Insurance, and Real Estate	$24,224	$26,638	$31,323	$29,203	$93,631
Services	$23,937	$21,761	$24,951	$24,181	$36,558
Public Administration	$25,849	$34,111	$32,883	$31,883	$40,605

Note: Wages in 1999 dollars.
Source: New York State Department of Labor, December 2000; Allee King Rosen & Fleming, Inc., December 2000.

Table 2-16

Change in Real Wages by SIC Sectors: 1990-1999 (percent)

SIC Sector	Delaware County	Greene County	Ulster County	Tri-County	New York State
Agriculture, Mining, and Unclassified	-12.9	1.4	-7.5	-7.2	-3.6
Construction	35.9	-16.6	1.1	3.6	0.9
Manufacturing	22.8	-0.8	-23.4	-14.3	14.4
Transportation and Utilities	-4.0	-3.2	-0.2	-1.4	5.0
Wholesale Trade	10.4	17.7	3.0	6.5	9.8
Retail Trade	1.4	-8.3	-5.9	-5.1	5.4
Finance, Insurance, and Real Estate	11.7	2.2	11.7	10.1	65.9
Services	6.0	2.5	-1.7	0.2	7.6
Public Administration	7.6	1.9	1.2	2.5	4.7

Source: Bureau of Labor Statistics, December 2000; Allee King Rosen & Fleming, Inc., December 2000.

As shown in Table 2-17, tourism accounted for more than $395 million of the tri-county area's economy in 1997. This tourist expenditure figure includes spending on hotels, transportation, food/dining, shopping, and entertainment and miscellaneous expenditures comprising elements of both the service and retail sectors. Nearly 70 percent of the tourist dollars spent in the three counties are generated in Ulster County.

Table 2-17
Tourism Spending in the Three Area Counties, 1997

County	Tourist-Based Revenues
Delaware County	$17,196,136
Greene County	$103,186,210
Ulster County	$275,185,129
Total	**$395,567,475**

Source: Based on data developed by D.K. Shiffet & Associates for the New York State Department of Economic Development, 1997.

As shown in Table 2-18, total retail employment in the three counties increased 5.4 percent between 1993 and 1997. There was great variation among the three counties, with a 14.1 percent decrease in total retail sector employment in Delaware County, a 2.0 percent drop in Greene County, and a 12.5 percent increase in total retail employment in Ulster County. With the exception of miscellaneous retail, Delaware County saw decreases in employment in every reported retail sector over the five-year period. In contrast, Ulster County reported employment gains in every reported retail sector except apparel and accessory stores.

Table 2-18
Change in Retail Sector Employment by SIC Category: 1993-1997 (percent)

SIC Sector	Delaware County	Greene County	Ulster County	Tri-County
Total Employment	-5.4	-10.3	2.3	-1.1
Total Retail	-14.1	-2.0	12.5	5.4
Building materials and garden supplies	-21.9	2.1	10.8	0.3
General merchandise stores	-38.5	-6.5	21.0	7.8
Food stores	-9.7	-17.6	3.6	-2.6
Automotive dealers and service stations	-5.7	13.3	12.9	8.6
Apparel and accessory stores	NA	-56.8	-11.9	NA
Furniture and home furnishings	NA	20.7	NA	NA
Eating and drinking places	-12.3	-1.2	12.2	5.8
Miscellaneous retail	2.6	16.3	29.3	23.0

Source: Bureau of Labor Statistics, 1997; Allee King Rosen & Fleming, Inc., December 2000.

As shown in Table 2-19, total service employment in the three counties decreased 2.3 percent between 1993 and 1997. There was great variation among the three counties, with a 0.8 percent increase in total service sector employment in Delaware County, a 20.2 percent decrease in Greene County, and a 2.0 percent increase in total retail employment in Ulster County.

Table 2-19

Change in Service Sector Employment by SIC Category: 1993- 1997 (percent)

SIC Sector	Delaware County	Greene County	Ulster County	Tri-County
Total Employment	-5.4	-10.3	2.3	-1.1
Total Service	0.8	-20.2	2.0	-2.3
Hotel and other lodging places	18.5	61.7	-4.4	11.5
Personal services	NA	25.3	-8.4	NA
Business services	0.0	73.5	-37.1	-26.1
Auto repair, services, and parking	-9.8	-50.3	18.5	-7.4
Miscellaneous repair services	-37.9	NA	-8.5	NA
Motion pictures	-18.9	-18.5	-11.6	-13.4

Source: Bureau of Labor Statistics, December 2000; Allee King Rosen & Fleming, Inc., December 2000.

Table 2-20 displays estimated 2000 business data for retail sector categories in Delaware, Greene, and Ulster Counties. As shown in Table 2-20, there are approximately 2,838 retail establishments in the three counties, with sales of approximately $2.6 billion and almost 22,000 employees. The largest retail sector in terms of employment is eating and drinking places, with over 7,100, or 32.7 percent of all retail employees. The largest retail sector in terms of sales is food stores, with an estimated $669.1 million in 2000 sales.

Table 2-20

Current Business Data for Retail SIC Categories in the Three Area Counties

SIC Sector	Total Establishments	Total Employees	Sales (in $ millions)
All Retailing (SIC 52-59)	2,838	21,721	$2,592.3
52 Building material and garden supplies	195	1,397	222.2
53 General merchandise stores	51	1,627	177.0
54 Food stores	332	4,219	669.1
55 Automotive dealers and service stations	291	1,966	556.0
56 Apparel and accessory stores	124	610	39.5
57 Furniture and home furnishings	231	906	174.7
58 Eating and Drinking Places	762	7,108	334.9
59 Miscellaneous Retail	852	3,888	$418.9

Source: Claritas, Inc., December, 2000.

Table 2-21 reports the same information as Table 2-20 for the study area. As shown in Table 2-21, the study area has an estimated 224 retail establishments, with over 1,000 employees and an estimated $107.6 million in sales. The study area includes about 7.9 percent of all retail establishments for the three counties, but only 4.8 percent of the total employees and 4.2 percent of the sales, indicating that the retail establishments within the study area are, on average,

smaller than those in the tri-county area as a whole. As with the three counties, eating and drinking places are the largest retail employers, while the 26 food stores account for the greatest sales among retail sectors with an estimated $30.7 million. However, eating and drinking places account for a larger percentage of the total retail employment in the study area (34.6 percent compared to 32.7 percent for the three counties), and a larger percentage of total retail sales (17.8 percent compared to 12.9 percent for the three counties).

Table 2-21

Current Business Data for Retail SIC Categories in the Study Area

SIC Sector	Total Establishments	Total Employees	Sales (in $ millions)
All Retailing (SIC 52-59)	224	1,034	$107.6
52 Building material and garden supplies	13	62	10.0
53 General merchandise stores	1	1	0.1
54 Food stores	26	180	30.7
55 Automotive dealers and service stations	14	44	8.5
56 Apparel and accessory stores	8	47	2.9
57 Furniture and home furnishings	24	57	8.0
58 Eating and Drinking Places	54	358	19.2
59 Miscellaneous Retail	84	285	$28.2
Source: Claritas, Inc., December, 2000.			

Table 2-22 displays estimated 2000 business data for service sector categories in Delaware, Greene, and Ulster Counties. As shown in Table 2-22, there are an estimated 2,099 service establishments in the three counties, with sales of approximately $1.2 billion and about 19,000 employees. The largest service sector in terms of employment is hotels and other lodging places, with over 10,730, or 55.8 percent of all retail employees. The largest service sector in terms of sales is business services, with an estimated $516.9 million in 2000 sales.

Table 2-22

Current Business Data for Service SIC Categories in the Three Area Counties

SIC Sector	Total Establishments	Total Employees	Sales (in $ millions)
All Services (SIC 70-79)	2,099	19,218	1,235.1
70 Hotels and other lodging places	387	10,730	330.1
72 Personal services	490	1,276	66.5
73 Business services	370	3,462	516.9
75 Auto repair, services, and parking	396	1,156	91.4
76 Miscellaneous repair services	140	402	46.2
78 Motion pictures	65	342	42.2
79 Amusement and recreation services	251	1,850	141.8
Source: Claritas, Inc., December, 2000.			

Table 2-23 reports the same information as Table 2-22 for the study area. As shown in Table 2-23, the study area has an estimated 176 service establishments, with almost 1,100 employees

and an estimated $78.6 million in sales. The study area includes about 8.4 percent of all service establishments for the three counties, but only 5.7 percent of the total employees and 6.4 percent of the sales, indicating that the service establishments within the study area are, on average, smaller than those in the tri-county area as a whole. As with the three counties, the largest service sector in terms of employment is hotels and other lodging places, accounting for 49.7 percent of total service employment in the study area. However, unlike the three counties, hotels and other lodging places also has the largest estimated sales of all services with $29.5 million, or 37.5 percent of the total sales for services in the study area. As might be expected, lodging and recreation services make up a higher percentage of overall service employment and sales in the study area than in the tri-county region as a whole.

Table 2-23

Current Business Data for Service SIC Categories in the Study Area

SIC Sector	Total Establishments	Total Employees	Sales (in $ millions)
All Services (SIC 70-79)	176	1,098	78.6
70 Hotels and other lodging places	63	546	29.5
72 Personal services	27	105	5.6
73 Business services	30	130	16.2
75 Auto repair, services, and parking	24	50	4.3
76 Miscellaneous repair services	7	38	2.5
78 Motion pictures	5	13	2.3
79 Amusement and recreation services	20	216	18.2
Source: Claritas, Inc., December, 2000.			

A. INTRODUCTION

OVERVIEW OF METHODOLOGY

Construction of the Belleayre Resort at Catskill Park would result in considerable activity in the regional and New York State economies. Effects during construction would stem from the direct construction employment and spending from the project, as well as the secondary, or indirect, economic activity generated throughout the economy by the direct spending (often referred to as the "ripple" effect). This analysis examines the effect of the project in terms of employment, wages and salaries, and tax dollars generated during the projected eight-year construction period.

For this analysis, the method used for modeling the direct and indirect (or generated) effects of construction activity on the state's economy was the Regional Input-Output Modeling System, known as RIMS II, developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The model contains data on 490 economic sectors, showing how each sector affects every other sector as a result of a change in the quantity of its product or service. The model based on recent data, has been further adjusted to reflect changes in the consumer price index. Using the model and the specific characteristics of the proposed construction of the Belleayre Resort, the total economic effect of the project has been estimated. (The sectors that were entered in the RIMS model for construction activity were Sector 11.0800, commercial building construction; Sector 11.0101, new residential single-family construction; Sector 11.0102, new residential attached unit construction; and for the infrastructure and golf course, Sector 11.0400, non-building construction, including construction of highway and streets.)

CONSTRUCTION COST

The development of the proposed Belleayre Resort would be undertaken by the private investment of funds into the area. Based on preliminary estimates, the private investment for construction of Belleayre Resort is estimated to equal about $235.8 million (in 2001 dollars). While this cost estimation is not based upon construction drawings, it represents a good faith and conservative assessment of the cost of physical improvements to the property, including site preparation and hard costs (actual construction), and design, legal, and related costs. The $235.8 million estimate therefore excludes other values (such as financing, the value of the land, marketing, etc.) not directly a part of the expenditures for construction. The total cost—including financing, the value of the land, management, initial marketing expenditures, and similar expenditures—would be substantially more.

In addition to direct expenditures for the construction of Belleayre Resort, construction expenditures would include amounts by third-party purchasers of the subdivided lots for housing construction. For the purpose of this analysis, the construction costs reflect that individual lot buyers will have varied tastes and needs, and therefore assume a very conservative average of

$250,000 per home, for a total $5.25 million. Including these costs with those for the construction of Belleayre Resort, the total construction cost associated with the proposed project is estimated to equal about $241.0 million.

Table 3-1 provides a breakdown of the estimated construction costs for the proposed project among the various project components.

Table 3-1

Construction Costs and Expenditures

Component	Capital Cost ($ millions)
Infrastructure	$16.75
Golf Course Construction	$18.00
Residential Construction	$96.70
Hotels	$93.00
Conference Center	$5.20
Clubhouses	$3.70
Wilderness Center (Highmount)	$1.00
Children's Center	$1.43
Subtotal	**$235.78**
Construction on Subdivided Lots*	5.25
Total Construction Cost	**$241.03**

Notes: All estimates are shown in 2001 dollars. Costs include estimates of labor and materials, site development, general conditions, construction management fees, and contingency. Costs exclude land costs and financing costs, such as interest on construction loans and long-term financing, and financing fees.

* For the subdivided lots, third party lot purchasers would be responsible for construction on the lots. For the purpose of this analysis, the figures assume 21 lots and a very conservative construction cost of $250,000.

Source: Except as noted, figures are based on construction cost and expenditure estimates provided by Crossroads Ventures, LLC, December 2001.

B. ECONOMIC BENEFITS

Jobs during the construction period for any particular component of the project would include many different specialty contractors, some employed for only a brief period and others, such as those employed by the general contractors, employed for most of the eight-year construction period. For this reason, jobs during the construction period are measured in "person-years." A person-year is the equivalent of one person working full-time for one year.

Table 3-2 presents an overview of the projected employment and economic activity in the region as a result of the construction activities for the proposed project. The table shows the estimated

cumulative effects of the project investments over the eight-year construction period, and models the projected benefits on an annual basis. Table 3-3 presents the same information broken out by each of the major components of the project.

EMPLOYMENT

Based on $241.04 million in direct construction expenditures, the RIMS II model estimates that the Resort's capital program would generate demand for 2,114 person-years of employees over the eight-year construction period. As shown on Table 3-2, on average during the period the project would directly support approximately 264 person-years of employment annually.

Table 3-2
Overview of Economic Benefits from Construction Activities

	Total in New York State During 8-Year Construction Period	Average Amount Per Year
Employment (person-years)[1]		
Direct employment (construction)	2,114	264
Indirect employment	1,765	221
Total employment	3,879	485
Wages and Salaries ($ millions)		
Direct (construction)	$81.09	$10.14
Indirect (secondary/induced)	$64.40	$8.05
Total wages and salaries	$145.49	$18.19
Economic Output or Demand ($ millions) [2]		
Direct (construction)	$241.04	$30.13
Indirect (secondary/induced)	$210.04	$26.26
Total Economic Output or Demand	$451.08	$56.39

Notes:
[1] A "person-year" is the equivalent of one person working full-time for a year.
[2] The economic output or total effect on the regional economy derived from the direct construction spending as measured by the RIMS II model. The figures are measures of the estimated output, or demand, for regional industries, as such, they express the total dollar amounts of direct, indirect and total effect on the economies. The totals include direct construction expenditures in Delaware and Ulster Counties, plus indirect output generated by the direct expenditures.
Source: Figures are based on construction cost and expenditure estimates provided by Crossroads Ventures, LLC., and on the Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis, U.S. Department of Commerce.

In addition to the direct employment resulting from construction activities, the total employment resulting from construction expenditures includes jobs in businesses providing goods and services to contractors and workers, thereby resulting in the creation of indirect, or generated employment. As shown in Tables 3-2 and 3-3, based on the economic multipliers for the state's industrial sectors, construction would indirectly generate another 1,765 person-years of employment, or an average of 221 jobs annually. In total, the project's construction would create an estimated 3,879 person-years of employment, or an average of 485 jobs annually.

WAGES AND SALARIES

The direct and indirectly-generated employment attributed to the construction activities would result in the creation of wages and salaries earned by the workers. Direct wages and salaries generated by the capital improvement expenditures are estimated at $81.09 million. The eight years of construction activities are expected to directly support wages and salaries valued at an average of $10.14 million per year. In total, including indirect and generated wages and salaries, construction of the proposed project is projected to have wages and salaries equaling approximately $145.49 million, or an average of $18.19 million per year.

ECONOMIC ACTIVITY

Based on the RIMS II model for New York State, the total economic activity, including indirect expenditures, is estimated at $451.08 million. This figure is a measure of the estimated output, or demand, for state industries, and expresses the amount of total effect of the proposed project on the economy in constant 2001 dollars.

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. This is because the existing construction sector of the local economy is relatively small, with (according to the New York State Department of Labor) Delaware County's entire construction sector averaging 359 workers in 1999, and Ulster County's averaging 1,983. In addition, much of the existing construction in the local economy is oriented toward construction of single-family homes, as well as contracting for municipal and county governments on road, water and sewer, and similar project. The single-family homes component of the proposed project, as well as other portions of the project that would employ specialty trades that currently occur, but are underemployed locally, would be expected to have the largest local effect.

As a result, the economic effects (though not necessarily the fiscal effects) from construction of the proposed project would, to a large degree, not be localized but would occur throughout the regional economy in southern New York State. With the exception of those trade specialties mentioned above, construction workers would be expected to travel fairly long distances to work at the project site, as there are not enough specialized construction workers locally within Delaware and Ulster Counties. Vendors and businesses serving the construction activities would also be expected to be drawn from a wide area. Construction activity is not permanent but is temporary; therefore construction workers would not be expected to relocate closer to the site. Rather, the construction workers and suppliers who would serve the construction activities would come from a broad area. Therefore, construction of the proposed project would not be expected to induce permanent growth in the construction industry at the state, county, or local levels.

Table 3-3

Economic and Fiscal Effects by Component from Construction of the Proposed Belleayre Resort at Catskill Park

Component	Employment (Person-Years)			Wages and Salaries (Millions of 2001 Dollars)			Economic Output (Millions of 2001 Dollars)			Non-Property Tax Revenues (Thousands of 2001 Dollars)		
	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total	Direct	Indirect	Total
Infrastructure & Golf Course Construction	279	286	565	$10.70	$8.52	$19.22	$34.75	$30.83	$65.58	$658.8	$873.9	$1,532.7
Residential Construction:												
Big Indian Plateau Single-Family	134	73	207	$5.13	$3.64	$8.77	$16.80	$15.73	$32.53	$316.0	$408.2	$724.2
Big Indian Plateau Attached	157	116	273	$6.04	$4.74	$10.78	$19.80	$15.62	$35.42	$372.4	$478.2	$850.6
Big Indian Plateau/Belleayre Highlands	210	154	364	$8.06	$6.32	$14.38	$26.40	$20.83	$47.23	$496.6	$637.5	$1,134.1
Wildacres	281	206	487	$10.77	$8.45	$19.22	$35.29	$27.84	$63.13	$655.1	$852.2	$1,507.3
Hotel Construction:												
Big Indian Resort and Spa	393	354	747	$15.10	$12.30	$27.40	$40.00	$36.70	$76.70	$848.8	$1,195.5	$2,044.3
Wildacres - Upper Lodge	258	232	490	$9.91	$8.07	$17.98	$26.25	$24.09	$50.34	$566.3	$784.6	$1,350.9
Wildacres - Lower Lodge	224	201	425	$8.59	$6.99	$15.58	$22.75	$20.88	$43.63	$490.8	$680.0	$1,170.8
Convention Center, Clubhouses, Children's Center, and Wilderness Activities Center (Highmount)	136	121	257	$5.19	$4.23	$9.42	$13.75	$12.61	$26.36	$295.7	$411.0	$706.7
Subtotal	**2,072**	**1,743**	**3,815**	**$79.49**	**$63.26**	**$142.75**	**$235.78**	**$205.13**	**$440.92**	**$4,700.5**	**$6,321.1**	**$11,021.6**
Housing Construction on Subdivision Lots*	42	22	64	$1.60	$1.14	$2.74	$5.25	$4.91	$10.16	$251.7	$127.6	$379.3
TOTAL	**2,114**	**1,765**	**3,879**	**$81.09**	**$64.40**	**$145.49**	**$241.03**	**$210.04**	**$451.08**	**$4,952.2**	**$6,448.7**	**$11,400.9**

Notes: Assumes sales tax exempt on construction materials, except for the subdivision lots. The indicated tax revenues do not include property-related payments during the construction period, which would be additional.

* For the subdivided lots, third-party lot purchasers would be responsible for construction on the lots. For the purpose of this analyses, the figures assume 21 lots and an average construction cost of $250,000.

Source: The characteristics and construction cost of the components of the proposed project; the Regional Input-Output Modeling System (RIMS II), U.S. Department of Commerce, Bureau of Economic Analysis; and the tax rates by applicable jurisdiction.

C. FISCAL BENEFITS

Based on the projected economic activity from the project and applicable tax rates, the non-property tax revenues from the project have been projected for Delaware and Ulster Counties (the two counties in which construction is occurring) and New York State. Table 3-4 summarizes these fiscal benefits resulting from the construction project.

In cumulative figures, based on aggregate data and tax receipts for the New York State economy, it is estimated that upon completion of the proposed project, Delaware County would be projected to receive approximately $95,800 in construction-related taxes, and Ulster County would be projected to receive approximately $732,000. New York State would be projected to receive revenues equal to approximately $10.57 million. In total, upon completion, construction of the Belleayre Resort would generate an estimated nearly $4.95 million in direct tax revenues and approximately $6.45 million in indirect tax revenues for Delaware and Ulster Counties and New York State. Of these amounts, the largest portions would be derived from sales tax, personal income taxes, and corporate, business, and related taxes on the direct and indirect economic activity.

Table 3-4

Cumulative Fiscal Benefits Resulting from Construction

	Tax Revenues		
	Direct	**Indirect**	**Total**
Delaware County	$43,100	$52,700	$95,800
Ulster County	$185,300	$546,800	$732,100
New York State	$4,723,800	$5,849,200	$10,573,000
Total Tax Revenues	$4,952,200	$6,448,700	$11,400,900

Source: Figures are based on construction cost and expenditure estimates provided by Crossroads Ventures, LLC; the Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis, U.S. Department of Commerce; and applicable tax rates.

Because it is anticipated that the construction of the Resort would take advantage of tax-related benefits available through the Industrial Development Agency (IDA), sales tax revenues would not accrue as a result of the project's direct construction expenditures. However, sales taxes would be generated by indirect spending resulting from the construction project (e.g., workers' expenditures, secondary purchases made by direct suppliers, etc.). Further, construction activity generates for the state corporate and business taxes, personal income taxes, utility taxes, and other taxes and fees.

❖

A. INTRODUCTION

This section estimates the economic benefits of the Belleayre Resort's operations upon full completion of its development. It addresses the direct and indirect effects of resort operations, the Resort's projected sales and real property tax effects, and the effects of visitors and guests.

The direct economic benefits of the Resort's operations would include direct employment, generation of wages and salaries, and gross revenues from operations. Annual tax revenues also would be generated from the operation of the Resort, primarily through personal income taxes paid by employees, as well as corporate and sales taxes paid by vendors. Direct economic benefits generate additional indirect economic benefits as funds are re-circulated through the local and regional economy. In addition, the operation of the Resort would be expected to generate property tax revenues for Shandaken and Middletown Townships and their local school and other taxing districts. The Resort would also be expected to result in other, more qualitative, effects, as a result of its presence in the Catskills as an attractive destination for tourists and visitors.

While the analysis estimates the total, or cumulative economic effects of the Resort during full operation, the Resort would be built in phases over an eight-year period, during which completed elements would begin to generate economic activity. For the purposes of this analysis, all operations are assumed to begin only after full construction of the Resort's planned amenities. This is a more conservative approach to estimating future economic benefits, as it does not account for the economic benefits of Resort amenities that would be operational during the eight-year construction period.

B. DIRECT ECONOMIC BENEFITS

DIRECT EMPLOYMENT

Based on employment projections provided by Crossroads Ventures, LLC, it is estimated that the Resort would ultimately provide full-time employment to approximately 542 workers (see Table 4-1). Full-time employment opportunities at the Resort would span a wide range of career fields, from management positions at the Resort's hotels, to restaurant chefs and retailers. Given the seasonal nature of many of Belleayre Resort's planned amenities, it is projected that the Resort is also projected to hire approximately 330 seasonal and part-time workers. Most aspects of the Resort's operations would require additional workers during peak seasons, including golf-related activities as well as hotel and restaurant operations. Assuming that part-time employment averages 30-hours per week for a full year, while those employed seasonally work 40-hour weeks for 7 months of the year, the Belleayre Resort would directly generate an estimated 747 full-time equivalent positions when fully operational.

Table 4-1
Belleayre Resort Employment

Project Component	Employment		
	Full-Time	Part-Time/ Seasonal	Full-Time-Equivalent
Golf	9	87	68
Hotel/Lodging/Conference Center	284	86	334
Retail	14	0	14
Restaurants	164	157	260
Timeshares	46	0	46
Wilderness Activity Center	5	0	5
Children's Center	20	0	20
TOTAL:	**542**	**330**	**747**

Source: Figures are based on data provided by Crossroads Ventures, L.L.C., November 2001.

Data available through the New York State Department of Labor indicate that there are approximately 76,843 total employees in Delaware and Ulster Counties, including County residents and non-residents. According to the federal Bureau of Labor Statistics, these two counties contained an average labor force or supply (residents only) of 100,689 members in the year 2001.* Based upon the project proponent's commitment to enhancing the overall business climate and economy of the Catskill region, it is reasonable to assume that the Resort management would make every effort to hire for all positions from within this two-county region.

When complete, Belleayre Resort would represent one of the region's largest private sector employers, as it would employ nearly 1.0 percent of the total workforce. However, full-time employment demand is not anticipated to overburden the existing labor supply. Similarly, and moreover, part-time and seasonal workers would likely be drawn from existing labor markets which, as is common in resort communities, are comprised of workers who take on more than one part-time job during the course of the year.

In either case, the two counties contain a sufficient number of unemployed persons who may acquire jobs at the proposed resort. Within the 2001 labor force, about 3,700 members were unemployed.** Of this amount,1,573 were "experienced unemployed" persons, or those who receive unemployment insurance.*** In addition to these potential workers, workers who are currently employed may choose to pursue a job at the proposed Resort.

To estimate the size of the labor force that resides in the 15-zip-code study area along NYS Route 28, the proportion of each county's 2001 labor force was calculated as a percentage of 2001 total population. Applying the average (43.87) to the study area's 2000 population

* ftp://146.142.4.23/pub/special.requests/la/laucounty.txt June 10, 2002.

** Ibid.

*** Frank M. Surdey, Principal Economist, New York State Department of Labor. June 2002.

(10,552) , a local labor force of 4,629 was estimated. Applying the average 2001 two-county unemployment rate of 3.9, approximately 181 persons were unemployed in the study area.

Local labor pools are expected to be larger than conventionally data reveal, although precise estimations are difficult, if not impossible, to obtain. However, anecdotal information derived from interviews with labor analysts at the New York State State Department of Labor indicate that unemployment data generally underestimates the true number of unemployed persons in any given labor market.* One of the main reasons that this is the case is that unemployment data are derived principally from unemployment compensation rosters, and not all unemployed individuals apply for unemployment benefits. In addition, unemployment data do not include "under-employed" persons who hold part-time jobs and produce at less then their potential and/or desired capacity. These individuals represent a highly mobile segment of the workforce who are seen as ready, willing, and able to take stable jobs close to home. As noted in Chapter 2: Existing Economic Conditions, many Middletown and Shandaken-area workers commute long distances to jobs in Kingston, Oneonta, Delhi, and other employment centers. The commuting workers represent a volatile segment of the labor pool likely to change jobs in favor of a closer to home job. This assessment is confirmed by interviews with the Department of Labor and with leaders of community development organizations close to employment training and placement issues.** These individuals, plus the resident unemployed and "under-employed" are seen as a primary labor pool from which employees of the Resort will be drawn.

DIRECT WAGES AND SALARIES

As shown in Table 4-2, the total Belleayre Resort payroll is anticipated to be approximately $20.5 million not including employee non-wage benefits. This estimate includes salaries from full-time employees and the average hourly wages of part-time and seasonal employees. As would be expected given the employment distribution described above, the hotel/lodging and restaurant components of the Resort's operations would have the highest total payrolls. Overall, the median annual wages per full-time-equivalent position at the Resort would be approximately $27,272, well above the 1999 average annual wages for both Delaware ($18,993) and Ulster ($23,220) Counties. Full-time employment would include a wide variety of positions, including hotel and restaurant management, waitstaff, room attendants, sales and marketing, property maintenance, and groundskeeping. The annual salaries for full-time employees would be expected to range from.$16,390 for guest services to $150,000 for hotel executives and golf management. Around 23 percent of the full-time jobs would entail annual salaries of over $30,000. The largest proportion of jobs (approximately 50 percent) would include an annual salary ranging between $20,000 and $30,000 not including employee non-wage benefits. The anticipated $20.5 million payroll would be allocated among full-time salaried employees ($5.4 million), full-time hourly wage employees ($10.8 million), and part-time and/or seasonal employees ($4.3 million).

*Frank M. Surdey, Principal Economist, New York State Department of Labor. June 2002.

**Telephone interview with M.A. Wiltse. Columbia-Greene Community College, Office of Employment and Training, June 12, 2002, and telephone interviews with Jennifer Gould, M-Ark Project, and Jane Todd, SHARP, June 17, 2002.

PROJECTED ANNUAL REVENUES

The projected gross annual revenues that would be generated during full operation of the Resort is shown in Table 4-3. Overall, the Resort is projected to generate approximately $43.4 million in gross annual revenues.

Table 4-2
Belleayre Wages and Salaries

Project Component	Annual Wages & Salaries
Golf	$1,845,380
Hotel/Lodging/Conference Center	$9,450,715
Retail	$302,640
Food Service (see note)	$7,154,251
Timeshares	$993,637
Wilderness Activity Center	$147,814
Children's Center	$591,256
TOTAL:	**$20,485,693**

Source: Figures are based on data provided by Crossroads Ventures, L.L.C., November 2001.
Note: Includes all retail restaurant and food service workers, as well as workers supporting non-restaurant food service functions and facilities, e.g., conference center and ballroom events.

Table 4-3
Belleayre Gross Annual Revenues

Project Component	Gross Annual Revenues
Golf	$3,150,000
Hotel/Lodging/Conference Center	$20,858,187
Retail	$3,360,000
Restaurants	$7,169,087
Timeshares	$8,720,000
Wilderness Activity Center	$125,000
TOTAL:	**$43,382,274**

Source: Figures are based on data provided by Crossroads Ventures, L.L.C., December 2000.

C. INDIRECT ECONOMIC BENEFITS

OVERVIEW OF METHODOLOGY

The discussion above examined the direct economic effects of the Belleayre Resort's annual operations—its projected employment of staff and purchase of goods and services. The following discussion projects the indirect economic effects of the Resort's operations.

Indirect economic effects are derived from two types of secondary economic activities. The first type, referred to as "induced" or "generated" activities, includes increases in employment and incomes created by successive rounds of spending. For example, the take-home income earned by Resort employees would be spent on food, housing, and other goods and services. Some of this spending translates into income for local businesses, business owners, and their employees. Part of these second round incomes are, in turn, spent locally and thus become income to another set of individuals. As successive rounds of spending occur, additional income is created. Since it is projected that a high proportion of the Resort's employees would be local residents, and since a high proportion of its expenses are incurred locally, this induced effect is expected to be concentrated in the immediate area within Delaware and Ulster Counties, and within the Towns of Shandaken and Middletown, as well as in surrounding towns and villages.

For this economic evaluation, the model used to analyze this type of indirect economic activity was a Regional Input-Output Modeling System (RIMS II) model of Delaware, Ulster, and Greene Counties, developed by the U.S. Department of Commerce, Bureau of Economic Analysis. The model was developed for the project using the latest available data in November of 2000. Using the model and the projected direct permanent jobs, earnings and other direct spending at the Resort, the total annual, recurring economic effects of Belleayre Resort operations were projected. As noted below, however, the analysis presents an accurate, yet conservative estimation of employment-related effects since the latest employment projections for the Resort are somewhat higher than those upon which the RIMSII analysis is based.

The RIMS II sectors utilized for this analysis included hotels (Sector 72.0101), other lodging places (Sector 72.0102), membership sports and recreation clubs (Sector 76.0205), retail trade (Sector 69.0200), eating and drinking places (Sector 74.0000), and amusement and recreational services, other (Sector 76.0206).

The other type of secondary activities include those that originate entirely off-site but are attributable to the operations of the Resort. These activities include services provided to Resort visitors by local service and retail establishments. For example, visitors to the Resort that spend money at off-site businesses (e.g., gas stations, restaurants, lodging establishments, etc.) are considered to be creating an indirect economic impact because money generated from these expenditures would be dispersed into the local and regional economy. This type of secondary activities will be analyzed subsequently.

EMPLOYMENT

As shown in Table 4-4, based on a projected direct employment of 665 full-time equivalent employees, and the RIMS II model's economic multipliers, the Resort would be expected to generate another 211 jobs off-site within the Delaware/Ulster/Greene County Catskill region, bringing total employment to 876 full-time equivalent jobs*.

*This analysis is based on June 2001 employment projections of 665 full-time-equivalent (FTE) employees. As discussed in the sections above, the revised number of FTE and the corresponding wages and salaries have been revised upwards (to 747 FTE and $20.5 million in wages and salaries). Consequently, the findings of this RIMS analysis are conservative and underestimate the benefits of the project since the indirect employment and wages and salaries generated by the project would likely be greater than shown due to the increase in direct

(continued...)

Table 4-4

Projected Direct and Indirect Employment

	Project Completion
Employment (full-time equivalent)	
Direct employment	665
Indirect employment	211
Total employment	876

Source: Figures are based on data provided by Crossroads Ventures, L.L.C. in June 2001 (direct employment has since been revised upwards to 747 due to program changes, as a result, the indirect and total employment effects are conservative), and on the Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis, U.S. Department of Commerce, April 2001.

WAGES AND SALARIES

Table 4-5 outlines the Resort's anticipated payroll (wages and salaries) at the project completion stage. Based upon the RIMS II model, the indirectly supported wages and salaries resulting from these direct earnings are estimated to be $7.43 million, bringing total wages and salaries to $26.24 million.*

Table 4-5

Projected Annual Payroll

	Project Completion
Direct wages and salaries	$18.81 million
Indirect wages and salaries	$7.43 million
Total wages and salaries	$26.24 million

Source: Figures are based on data provided by Crossroads Ventures, L.L.C., in June 2001 (direct wages and salaries has since been revised upwards to $20.5 million due to program changes, and as a result the indirect and total effects are conservative), and on the Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis, U.S. Department of Commerce, April 2001.

*(...continued)
employment and wages and salaries.

*The RIMSII calculation of indirect wages and salaries is based on June 2001projections of direct wages and salaries totaling $18.81 million. As discussed in the sections above, the direct wages and salaries have been revised upwards (to $20.5 million), an increase of just under 10%. Consequently, the estimation of the indirect wages and salaries are conservative and underestimate the benefits of the project since the indirect employment and wages and salaries generated by the project would likely be greater than shown due to the increase in direct employment and wages and salaries.

TOTAL ECONOMIC IMPACT

Table 4-6 summaries the Resort's projected total annual effect on the local economy, measured as economic output or demand for local industries. In these figures, as required by the RIMS II model, sales at the project's retail trade component are measured as "margin," or the local component of trade. Based upon the RIMS II model, the annual direct economic activity on site of $41.18 million would indirectly support off-site economic activity of $21.11 million, bringing the projected total annual effect of the project on the Delaware/Ulster/Greene County region to $62.29 million.

Table 4-6
Projected Annual Total Effect on the Local Economy

	Project Completion
Direct economic output or demand	$41.18 million
Indirect economic output or demand	$21.11 million
Total economic output or demand	$62.29 million

Note: The sales at the project's retail trade component assumed at an average margin of 34.6 percent.
Source: Figures are based on data provided by Crossroads Ventures, L.L.C. in June 2001 (direct employment has since been revised upwards due to program changes), and on the Regional Input-Output Modeling System (RIMS II), Bureau of Economic Analysis, U.S. Department of Commerce.

D. FISCAL IMPACTS

The proposed Belleayre Resort project would provide sales tax revenues to Ulster and Delaware Counties and the state, as well as significantly increase the market value of the property on which the project is located, resulting in an increase of the properties's valuation, which is the basis on which property taxes are assessed. This section identifies the incremental fiscal benefits that would result from the proposed Belleayre Resort project in terms of increased tax revenues to specific taxing jurisdictions, and projects the likely annual sales tax revenue upon project completion. It also presents the existing property tax revenues generated by the land parcels that make up the proposed project site, and presents estimates of future property tax revenues generated by the Belleayre Resort once it is operational.

SALES TAX

The sales at the hotel, retail, and restaurant components of the project would provide sales tax to the counties and the state. Table 4-7 presents a summary of the Resort's projected annual sales tax revenue. Based on the projected sales, and the assumption that one-third of retail sales would be clothing items less than $110 that would be exempt from New York State and Delaware County sales tax (Ulster County does not have such an exemption), the estimated taxable sales and resulting sales tax are shown for each jurisdiction.

Table 4-7
Projected Annual Sales Tax Revenue from Belleayre Resort (2001 Dollars)

Taxing Jurisdiction	Estimated Taxable Sales	Rate	Sales Tax
Ulster County	$19,147,100	3.75%	$718,016
Delaware County	$11,920,200	2.00%	$238,404
New York State	$30,267,300	4.00%	$1,210,692
Total Sales Tax			**$2,167,112**

Note: Assumes one-third of retail sales would be clothing items costing less than $110 that would be exempt from New York State and Delaware County sales tax.
Source: Based on data provided by Crossroads Ventures, L.L.C. on annual sales, applicable tax rates, and Allee King Rosen & Fleming, Inc., April 2001.

Ulster County is projected to receive more than $718,000 annually and Delaware County is projected to receive more than $238,000 annually, while New York State is projected to receive revenues of about $1.21 million annually. In total, sales tax revenues from the proposed project are projected at approximately $2.17 million annually. Based on the anticipated patterns of visitation (drawing from a wide area, including much of southern New York State), much of this revenue might not be new for the state, but rather would reflect revenues from purchases already occurring in the state that would be transferred to the site. However, based on the anticipated patterns of visitation, the vast portion of revenue would be new to Ulster and Delaware Counties.

EXISTING PROPERTY TAXES

The collection of land parcels that comprise the proposed Belleayre Resort project site are currently taxed based on existing value of the land and improvements made to that land. The land parcels total approximately 2,058 acres in size, with about 1,671 acres (81 percent of the total acreage of the proposed project) located in the Town of Shandaken in Ulster County, and the remaining 387 acres (19 percent) located in the Town of Middletown in Delaware County.

Based on real property tax and school tax bills for fiscal years 2000 and 2001, the property within Shandaken has an estimated current assessed value of $1,968,500 and generates a total property tax levy of approximately $107,096 per year. As shown in Table 4-8, this tax revenue is allocated to a number of different taxing districts. While all of the parcels provide tax revenues to Ulster County, the Town of Shandaken, and Shandaken Highways, parcels differ in their fiscal obligations to other jurisdictional districts depending on a parcel's location.

Table 4-8

Belleayre Resort Parcel Taxing Districts, Acreage, Assessed Value, Tax Rates, and Tax Payments—Town of Shandaken (Ulster County)

Taxing District	Acreage in Taxing District	Assessed Valuation	Tax Rate/$1,000	Estimated Total Tax Paid 2001
Ulster County General Tax	1,670.66	$1,968,500	$7.658730	$15,076
Shandaken Town General Tax	1,670.66	$1,968,500	$6.080500	$11,969
Shandaken Town Highway Tax	1,670.66	$1,968,500	$7.244250	$14,260
Highmount Fire	659.63	$1,163,100	$4.551805	$5,294
Big Indian Oliverea Fire	962.14	$689,400	$1.485846	$1,024
Pine Hill Fire	48.89	$116,000	$2.581984	$300
Pine Hill Light	48.89	$116,000	$1.415434	$164
Onteora Central School	1,410.66	$1,382,200	$34.902573	$48,242
Onteora School Library	1,410.66	$1,382,200	$0.029156	$40
Margaretville School	260.00	$586,300	$18.293622	$10,726
TOTAL TAXES PAID				**$107,096**

Source: Real Property Tax and School Tax Bills provided by Crossroads Ventures, L.L.C. for fiscal years 2000 and 2001; Allee King Rosen & Fleming, January 2001.

The approximately 387 acres of property located within the Town of Middletown have an estimated current assessed value of $945,181 and generate a total property tax levy of approximately $17,965 per year. Table 4-9 provides a breakdown of the tax revenues among taxing districts. Unlike the parcels in Shandaken, all the concerned land parcels within Middletown provide tax revenues to the same collection of taxing districts (listed in 4-8).

Table 4-9

Belleayre Resort Parcel Taxing Districts, Acreage, Assessed Value, Tax Rates, and Tax Payments—Town of Middletown(Delaware County)

Taxing District	Acreage in Taxing District	Assessed Valuation	Tax Rate/$1,000	Estimated Total Tax Paid 2001
Delaware County General	387.22	$945,181	$5.819174	$5,500
Middletown Town	387.22	$945,181	$2.729093	$2,579
Highway Outside Village	387.22	$945,181	$1.221006	$1,154
General Outside Village	387.22	$945,181	$0.076313	$72
Middletown FD#1	387.22	$945,181	$0.474813	$449
Margaretville School	387.22	$945,181	$8.686914	$8,211
TOTAL TAXES PAID				**$17,965**

Source: Real Property Tax and School Tax Bills provided by Crossroads Ventures, L.L.C. for fiscal years 2000 and 2001; Allee King Rosen & Fleming, January 2001.

Between the two towns, the properties on which the proposed Belleayre Resort would be located have a total current assessed value of approximately $2,913,681, generating a total of about $125,061 in annual tax revenues. Of this amount, school-related taxes account for $67,219 or about 54 percent of the total tax revenue.

FUTURE PROPERTY TAX REVENUES WITH THE PROPOSED PROJECT

The proposed Belleayre Resort would include development of: Big Indian Plateau, a 5-star resort vacation club with a 150-room hotel, detached lodging units, and country club; Wildacres Resort, including a 250-room hotel, conference center, detached lodging units, and golf club; Highmount Estates, a 21-lot subdivision for private home ownership; and a Wilderness Activity Center. These development components would add value to existing land parcels which would, consequently, add value to the real estate property tax base, resulting in higher property taxes generated by the Resort.

While real property valuation and assessment is ultimately the responsibility of local assessors, the estimates presented below were prepared in consultation with the Shandaken and Middletown Assessors and the New York State Office of Real Property Services. The first step in calculating future tax revenues was estimating a full market value for the Resort's planned components. Given the varied nature of the Resort's amenities, several approaches were taken to assess full market value. For example, the estimate of full market value for the two proposed golf courses is based on a per-hole valuation rate of $160,000*, while the estimated full market value for other Resort components, including the hotels, detached lodging units, club houses, and conference center, was based on 60 percent of the cost of construction. The Highmount Estates subdivision was valued based on the full cost of the land and the projected cost of the homes that would be built on the land. Table 4-10 shows a breakdown of estimated full market value by project component.

Table 4-10 also displays the estimated assessed value that would be applied to each of the project's components. The assessed value is the basis for a municipality's tax base, and is calculated by applying the equalization rate of the municipality in which a property is located to the full market value of the property. The proposed Belleayre Resort project site is spread out between two municipalities—Middletown and Shandaken—which have different equalization rates. Therefore, the full market value of project components located within Shandaken were multiplied by Shandaken's equalization rate of 50 percent to arrive at an estimate of the assessed value. Middletown currently has a 100 percent equalization rate, so all project components on property located in Middletown are assessed at their full market value. In cases where a project component would fall within both towns, the full market value for the components was divided among the two townships in proportion to the percentage of a component's overall construction costs within each township. As shown in Table 4-10, the estimated total assessed value of the project is approximately $100 million, representing a 3,318 percent increase in the assessed value of the property compared to its existing value of $2.91 million.

*The $160,000 rate was provided by Laura Chase, Vice-Chair of the Greene County Assessors' Association. This rate was in the range of values suggested by the Middletown and Shandaken Assessor's Offices.

Table 4-10
Full Market Value and Assessed Value of Belleayre Resort Components

Project Component	Estimate of Full Market Value	Estimate of Assessed Value
Golf Courses	$5,760,000	$4,320,000
Highmount Estates Subdivision	$12,600,000	$9,450,000
Infrastructure	$10,048,800	$6,037,800
Detached Lodging Units	$58,008,000	$35,230,687
Hotels	$55,800,000	$40,800,000
Conference Center	$3,120,000	$1,560,000
Clubhouses	$2,220,000	$1,329,000
Wilderness Activity Center	$600,000	$300,000
Children's Center	$858,000	$429,000
TOTAL	**$149,014,800**	**$99,456,487**

Source: Crossroads Ventures, L.L.C Allee King Rosen & Fleming, Inc., January 2001.

New commercial development projects like the proposed Belleayre Resort are often provided a business investment exemption which shields a percentage of the new assessed value from taxation for a period of 10 years. Individual municipalities have the authority to waive the exemption, or vary the extent to which the exemption will apply to a particular project. The Middletown and Shandaken Assessors' Offices agreed that the full business investment exemption would likely apply for the Belleayre Resort. The exemption would provide a 50 percent deduction in the assessed value after the first re-assessment, with deductible amount decreasing by 5 percent each year for 10 years, after which the project would pay property taxes based on the full assessed value. The business investment exemption would apply to all taxing districts within the municipalities with the exception of fire districts.

The real property tax projections for the proposed Belleayre Resort project are shown in Tables 4-11 and 4-12. The tables show estimates of the future tax revenues, and summarize how these revenues would be apportioned among the taxing districts in which the proposed Belleayre Resort would be located. The tables also present the amount that tax revenues would be expected to increase each year for the first 10 years after reassessment due to the decreasing tax shield provided by the business investment exemption.

The figures presented herein are preliminary, and the actual values and tax levies might vary, and would be determined from the assessments and the then-prevailing tax rates. The estimates presented assume that the New York State equalization rates for Shandaken (50 percent) and Middletown (100 percent), and that the tax rates for each district remain constant. Given the Belleayre Resort project's property within Shandaken is not uniformly taxed by the same taxing districts, the total assessed value of property within the town was distributed among taxing districts by the percentage of acreage currently falling within each district. For example, since roughly 40 percent of the Belleayre property in Shandaken is within the Highmount Fire District, 40 percent of the total assessed value of the property within Shandaken was allocated to the Highmount Fire District.

These taxes would incrementally increase each year throughout the proposed construction period as new buildings come on line and are valued by the Shandaken and Middletown Assessors for property taxation purposes. It has been the practice of both towns to re-appraise land parcels as they are improved.

Table 4-11

Existing and Future Property Tax Revenues Generated by Belleayre Resort Project—Town of Shandaken (Ulster County)

Taxing District	Existing 2001 Tax Revenue	Estimated Future Tax Revenue (2001 Dollars*)	Annual Tax Revenue Increase
Ulster County General Tax	$15,076	$201,853	$186,777
Shandaken Town General Tax	$11,969	$160,246	$148,277
Shandaken Town Highway Tax	$14,260	$190,916	$176,656
Highmount Fire	$5,294	$97,511	$92,217
Big Indian Oliverea Fire	$1,024	$24,536	$23,512
Pine Hill Fire	$300	$11,630	$11,330
Pine Hill Light	$164	$5,420	$5,242
Onteora Central School	$48,242	$793,788	$745,546
Onteora School Library	$40	$663	$623
Margaretville School	$10,726	$123,687	$112,961
TOTAL TAXES PAID	**$107,096**	**$1,610,250**	**$1,503,154**

Source: Allee King Rosen & Fleming, Inc., January 2001.
* Tax revenues from the project will increase from these levels 5 percent each year for the 10 years after the project is complete.

Table 4-12

Existing and Future Tax Revenues Generated by Belleayre Resort Project—Town of Middletown (Delaware County)

Taxing District	Existing 2001 Tax Revenue	Estimated Future Tax Revenue (2001 Dollars)	Annual Tax Revenue Increase
Delaware County General	$5,500	$163,513	$158,013
Middletown Town	$2,579	$76,685	$74,106
Highway Outside Village	$1,154	$34,309	$33,155
General Outside Village	$72	$2,144	$2,072
Middletown FD#1	$449	$23,692	$23,243
Margaretville School	$8,211	$244,094	$235,883
TOTAL TAXES PAID	**$17,965**	**$544,437**	**$526,472**

Source: Allee King Rosen & Fleming, Inc., January 2001.

As shown in Table 4-11, the estimated future tax revenues generated by the Belleayre Resort project in Shandaken would total approximately $1.61 million, or about $1.50 million more than

currently generated by the properties. Of this amount, Ulster County would receive over $200,000 through general taxes. The Onteora Central School District would receive approximately $794,000 in tax revenues from the project (a 1,545 percent increase over current revenues), while the Margaretville School District would receive almost $124,000 annually (a 1,053 percent increase). In addition, with the exception of fire districts, the revenues would increase every year for the first ten years as shown.

Table 4-12 shows that the estimated future tax revenues generated by the Belleayre Resort project within Middletown would total approximately $544,500, or about $526,500 more than currently generated by the Middletown properties. Of this amount, Delaware County would receive approximately $163,500 through general taxes. Margaretville School District would receive approximately $244,000 in tax revenues from the project, an increase of about $235,900 compared to current revenues.

Overall, it is projected that the proposed Belleayre Resort project would generate approximately $2.15 million annually after reassessment, with this amount increasing by about $126,500 each year for ten years. The $2.15 million in tax revenues represents a 1,620 percent increase over the current tax revenues of approximately $ 125,000. School districts within the towns would collectively receive approximately $1.16 million annually.

E. EFFECTS OF RESORT VISITORS AND GUESTS

This section discusses how the anticipated users and visitors of the Resort might contribute to economic activity in the region. It examines the characteristics of the prospective Resort visitors, projects their numbers, and estimates their expenditures while in the region. The projections made in this section are derived primarily from data provided by Crossroads, L.L.C, with econometric and analytical information provided by industry, government, and academic sources. The estimation of visitor numbers and economic activity is an inexact science, and the assumptions, approximations, and conclusions contained herein are based upon available studies and sources of information describing comparable economic and consumer behavior.

PROJECTED RESORT VISITATION

The proposed Belleayre Resort would generate new visitor trips into the NYS Route 28 corridor area as a result of the timeshare and vacation club units, hotel accommodations, and on-site amenities offered by the Resort. The visitors attracted by the Resort would generate economic activity on account of their purchases of goods and services as they acquire supplies, meals, and souvenirs, and as they travel to and from, as well as within, the Resort's region. The economic activity generated on-site is accounted for in the economic analysis of the Resort's operations described earlier in this chapter. These on-site revenues result from visitor expenditures for resort goods and services, including hotel rooms, food and beverages, recreational fees (e.g., greens fees), and other purchases, such as spa services and pro shop purchases.

The proposed Resort is expected to attract into the study region timeshare owners/club members and parties that use timeshare units through a rental or exchange service. The Resort would also attract overnight and weekend visitors lodging at the Resort's hotels. In addition, the Resort's amenities would attract day visitors, including tourists and recreational users coming to the Resort to enjoy on-site and/or off-site amenities, such as the championship golf courses.

In addition to newly-attracted visitors, the existing population of Catskill residents, as well as seasonal residents and weekend and day visitors to the Catskills, would find the Resort's on-site amenities an attraction, and would be expected to make on-site purchases, thereby contributing to Resort revenues and to overall regional economic activity. These parties would be expected to include visits to the Resort among their leisure time activities. In particular, the Resort's golf courses, restaurants, retail outlets, and spas would be expected to draw from the existing population of Catskill visitor parties. While these existing parties currently contribute to the Catskill economy, the proposed Resort's amenities (restaurants, golf courses, etc.) would likely induce additional spending on their part, thereby generating additional economic activity for the region.

Due to the uniqueness of the facilities at the Resort—especially the timeshare and high-end vacation club units, championship golf courses, and array of restaurants—the Resort would attract a significant new visitor population into the study area. These visitors are described below.

TIMESHARE AND VACATION CLUB VISITATION

TIMESHARE VISITATION

The Belleayre Resort would establish timeshare ownership opportunities. At this point in time, few comparable timeshare vacation opportunities exist within the New York metropolitan area, with Villa Roma in Calicoon, Sullivan County, being the closest; other timeshare opportunities exist in the southern Berkshires of Massachusetts.

Timesharing enables individuals to purchase vacation resort properties, often in the form of attached dwelling or townhouse-like units, in intervals of one or more weeks per year. The property is divided along the time dimension, enabling purchasers to acquire a unit for a specific period or amount of time.

Typically, timeshare units are placed in a pool of comparable units located in other geographic areas, nationally or internationally. Timeshare owners receive an exchange privilege through which they exchange their unit intervals for intervals in comparable timeshare units elsewhere, enabling them to travel widely among attractive vacation locales. The Belleayre Resort anticipates a timeshare management structure to enable this sort of exchange. The exchange system would assure a higher rate of unit occupancy throughout the year, and would introduce into the region a continuous stream of new visitors, possibly from distant geographic areas who are unfamiliar with the Catskill territory and its visitor amenities.

The proposed Belleayre Resort timeshare units would consist of 168 two-bedroom units in the Wildacres Resort section of the development. Each unit would be available to prospective timeshare unit purchasers on the basis of 50 one-week. The average timeshare interval purchaser is expected to acquire two one-week intervals (resulting in an estimated 25 owners per unit). As projected by Crossroads, L.L.C, and as shown in Table 4-13, there would be an expected 4,200 individual owners acquiring a total of 8,400 intervals, yielding gross timeshare interval sales revenues of approximately $100.8 million. In addition, 50 of the 250 rooms/suites at the Wildacres Resort Hotel would be 2-3 bedroom units with kitchens. If there is market demand, these 50 lodging units could be sold as timeshare units, thereby adding to the number of timeshare opportunities offered at the Resort. For the purposes of this analysis, however, they are considered as hotel units.

Table 4-13
Timeshare Unit Ownership

	# Units	Owners /unit	Total Owners	Total Sales Revenue
Wildacres Resort Timeshare Units	168	25	4,200	$100.8 million

Note: Number of owners per unit assumes 50 one-week intervals per unit, with each owner purchasing two one-week intervals.
Source: Crossroads Ventures, L.L.C., December 2000.

Timeshare visitors and Big Indian Country Club members would be attracted to Belleayre Resort on account of a combination of the Resort's amenities and off-site amenities. Belleayre Resort would provide many visitor amenities that are aimed at its timeshare visitors, particularly its on-site dining opportunities and golf courses. But the Resort would also provide an important and high-quality jumping-off point for visitors to explore the greater Catskill region, and to sample the outdoor recreation, cultural, shopping, and dining amenities that the region has to offer.

According to RCI Consulting, Inc., a leader in timeshare ownership and management, it is estimated that the Resort's two-bedroom units would have an expected occupancy rate of 85 percent, or 310 nights per year, and it is anticipated that an average of 3.5 persons would occupy each 2-bedroom unit per visitor stay (an overnight visit). At this rate, there would be a total visitation of 182,280 persons per year, or a total of 52,080 visitor parties (see Table 4-14).

Table 4-14
Estimated Timeshare/Vacation Club Visitation

	# Units	Persons /Visit	Total Visitor Nights/Year	Total Visitor Parties/Year
Big Indian Plateau— Single Units (4 br.)	35	6.0	65,100	10,850
Big Indian Plateau— Triplex Units (3 br.)	60	5.0	93,000	18,600
Belleayre Highlands— Quadraplex Units (2 br.)	88	3.5	95,480	27,280
Wildacres Timeshare Units— (2 br.)	168	3.5	182,280	52,080
Total	**351**		**435,860**	**108,810**

Note: Estimates based upon projected 85 percent occupancy (310 days per year).
Source: Crossroads Ventures, L.L.C., RCI Consulting, Inc.

VACATION CLUB VISITATION

In addition to the timeshare units available at the Wildacres Resort, the proposed project would include 183 luxury detached lodging units available to members of the Big Indian Country Club. These units would include 35 four-bedroom single detached lodging units and 20 three-bedroom triplex units at Big Indian Plateau, as well as 22 two-bedroom quadraplex units at Belleayre Highlands. These detached lodging units would be operated by the hotel as a high-end vacation

club, which is distinct from a timeshare management concept. As a resort club, the units would be sold on a membership basis. Unlike the timeshare management system, the high-end vacation club members would acquire fractional ownership shares (membership shares) of their units, ranging from 10 percent, or five-week shares, to 25 percent, or three-month shares, versus the one-week intervals comprising the timeshare ownership units.

The club membership system is designed to accommodate members who generally experience longer stays at the Resort. It enables members to enjoy a higher degree of luxury and obtain special privileges available only to club members, including reduced greens fees at the Big Indian Country Club. Members would be expected to consider their fractional ownership share—up to three months or longer, in some cases—as the equivalent of vacation or seasonal home ownership. Club members would not be expected to rotate their vacations among differing club or timeshare locations on a formal, contractual basis as would timeshare owners.

Club members, would, however, be expected to rotate their vacation time among more than one seasonal home, with an additional seasonal home being in the form of another vacation club membership, or as a more traditional vacation home or condominium. As seen in the case of nearby Windham, many vacation condominium owners in this Catskill locale also have a third vacation home in a distinctly different geographic location, such as at the beach or in a Southern state, such as Florida.

As shown in Table 4-15, the number of individual owners per unit is distinctly less than that of the timeshare units, resulting in a greater sense of "ownership." Further, the members' investment in their ownership share would be considerably greater than that of the timeshare unit owner.

Table 4-15
Vacation Club Membership

	No. Units	Owners /Unit	Total Owners	Total Membership Revenue
Big Indian Plateau— Single Units (4 bedroom)	35	4	140	$70 million
Big Indian Plateau— Triplex Units (3 bedroom)	60	6	360	$90 million
Belleayre Highlands— Quadraplex Units (2 bedroom)	88	10	880	$88 million
Totals	**183**		**1,380**	**$248 million**

Source: Crossroads Ventures, L.L.C., December 2000.

According to interviews conducted with real estate brokers in the NYS Route 28 corridor region, the proposed cost of Big Indian Country Club membership compares favorably with the expense of purchasing a traditional seasonal vacation home in the Catskills. According to interviews with Jeff Prince, a Village of Hunter-based real estate broker, and with Eric Wiedemeier, of Caldwell Banker, in Delhi, both of whom have extensive experience in seasonal and residential sales in the Catskill mountain region, the majority of the single-family homes on the market in the region

fall within the $100,000 to $500,000 price range of Big Indian Country Club interval ownership interests.*

The Big Indian Country Club, however, would offer prospective vacation property buyers a choice that the region presently does not offer. Traditional seasonal home owners become property managers and acquire a year-round set of responsibilities attendant to home ownership. This, combined with the investment potential and the complete independence to visit and remodel, has been, in fact, a motivating reason for traditional seasonal home ownership. Club membership, on the other hand, appeals to a vacation home market segment that prefers the luxury of leaving maintenance to another, and wishes to partake of the leisure of a club atmosphere. In this sense, the Big Indian Country Club offers a truly unique vacation product that does not compete with the traditional second home market in the region. It would, however, attract into the region a vacationer currently not present in the area due to the absence of comparable opportunities.

Based upon RCI Consulting's timeshare and high-end vacation club research, the Wildacres timeshare units, as well as Big Indian Plateau and Belleayre Highlands club membership units, would be expected to be occupied by vacationing families and their guests at the rate of 6.0 persons per four-bedroom unit, 4 persons per three-bedroom unit, and 3.5 persons per two-bedroom unit. As shown on Table 4-14 above, based upon the number of units, projected occupancy rates, and average number of occupants per unit, an estimated 435,860 persons would stay at the timeshare and Club interval ownership units per year. This results in a total of 108,810 individual visitor parties utilizing the timeshare and membership club units.

Due to the luxury nature, the targeted marketing thrust, and the larger interval ownership percentage (e.g., investment) per unit, Big Indian Country Club members would be expected to stay at the Resort property for longer periods of time, and, as mentioned earlier, they would view their interval ownership units as though they were seasonal homes. As a result of their longer anticipated stays, Big Indian Country Club members would be expected to purchase staples, such as groceries and liquor, for example, and it could be expected that many would make regular purchases of daily necessities, such as clothing, newspapers, and magazines. Due to their more settled vacation pattern, however, Club members would be expected to prepare food for themselves on a regular basis, and would eat out at restaurants less frequently. They would, though, be expected to seek sophisticated dining opportunities when they did dine out.

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

* Interviews conducted November 30, 2000, and June 14 and June 17, 2002.

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

Industry surveys conducted by RCI Consulting, Inc. suggest that the occupants and owners of these units would be expected to have a median age of 51 years, with nearly 42 percent being under 50 years of age. Their median income would be $71,000, yet nearly 24 percent of them would have a median income over $100,000. Timeshare purchasers would predominately be married couples (88 percent), and nearly 26 percent would have children under the age of 18.

According to RCI, and collaborated by comparable vacation research conducted by Donald Stynes, of the University of Michigan, individual visitor parties likely to become Wildacres timeshare owners and Big Indian Country Club members would be expected to spend, on average, $170 per day while vacationing in their timeshare or club membership unit, regardless of the size of the individual party. The average expenditure reflects smaller parties spending more per person, primarily because of more frequent restaurant visitation, and larger parties spending less per person, primarily because of less frequent restaurant visitation. Further, larger visitor parties would be expected to include younger children, who would represent sources of lower expenditures per person.

Given the relatively captive nature of timeshare and vacation club members, the anticipated expenditure patterns for timeshare and vacation club members would suggest that the Resort complex would absorb the majority of the visitors' spending. The timeshare and club member spending for on-site meals, recreation, and other amenities, such as spas, is included in revenue projections for proposed on-site facilities, and was analyzed in previous sections of this chapter.

A review of vacationer expenditure research by Stynes, D.K. Shifflet, Inc., and others indicates that off-site spending would primarily be expected to involve purchases of gas and oil, recreational fees for off-site attractions, occasional groceries and liquor, newspapers and magazines, and souvenirs. In addition, these visitors would be expected to purchase antiques or other items unique to the Catskill region, particularly crafts and artwork, the purchases of which would likely occur off-site. Considering the captive on-site purchases and the anticipated off-site purchases, it is estimated by Allee King Rosen & Fleming, Inc. for the purposes of this analysis that approximately half, or 50 percent, of timeshare owner and vacation club member spending would occur off-site.

Assuming that half of the spending of timeshare visitors and Big Indian Country Club members would occur on-site, and half off-site, Table 4-16 shows that these visitors would account for an estimated $9.2 million of on-site purchases. It could be expected that the primary on-site expenditures made by these visitors would be for restaurant meals, golf fees, and other miscellaneous on-site purchases, including spa services, pro shop purchases, and items purchases from on-site retail outlets. A like amount, approximately $9.2 million, would be spent off-site by timeshare and Big Indian Country Club members. As described above, consumer expenditure patterns suggest that the primary off-site expenditures by these visitors would

primarily be for restaurant meals, groceries, gas and oil, local shopping, including souvenirs, and fees for recreation and cultural activities.

Table 4-16

Off-Site Spending by Timeshare Visitors and Big Indian Country Club Members

	Visitor Parties/Year	Average Off-site Spending per Visitor Party	Annual Off-site Visitor Spending
Big Indian Plateau/Single Units (4 br.)	10,850	$85	$.9 million
Big Indian Plateau/Triplex Units (3 br.)	18,600	$85	$1.6 million
Belleayre Highlands/Quadraplex Units (2 br.)	27,280	$85	$2.3 million
Wildacres Timeshare Units (2 br.)	52,080	$85	$4.4 million
Total	**108,810**		**$9.2 million**
Source: Crossroads, L.L.C.., RCI Consulting, Inc., Allee King Rosen & Fleming, Inc., February 2001.			

HOTEL VISITATION

Accompanying the timeshare units and the Big Indian Country Club membership units would be 400 hotel rooms and suites. These overnight lodging accommodations would be divided between the Big Indian Resort and Spa at Big Indian Plateau, and the Wildacres Resort. These lodging facilities would be expected to draw overnight and weekend visitors coming into the Catskills to enjoy the Resort's golf courses, ski at the adjacent Belleayre Mountain Ski Center, and to enjoy the natural and cultural resource opportunities in the surrounding area. The Resort is also expected to attract overnight and weekend visitors seeking a relaxing and luxurious resort experience, including in their stays visits to the spa, restaurants, health clubs, pools, and other visitor amenities.

Big Indian Resort and Spa, associated with the Big Indian Country Club, would consist of 150 rooms and/or suites. The hotel would be closely tied into the Big Indian Golf Course, and would house two restaurants of 150 and 75 seats, a 50-seat bar, a spa with 15 treatment rooms and pool, meeting rooms, a pro shop, and locker rooms. The hotel's guests would be expected to be drawn primarily from golfers and parties looking for a top quality resort hotel experience.

Wildacres Resort, which would be closely associated with the adjacent Belleayre Mountain Ski Center, would consist of 250 rooms located immediately across from the main entrance of the ski area. As discussed above, 50 of the units in the hotel would be 2 - 3 bedroom suites, complete with kitchen facilities. Should there be market demand, these 50 units could be available on a timeshare basis. This hotel would house two restaurants of 150 and 300 seats, a beverage lounge seating 100, and up to 10 Resort-related retail shops. The retail elements would be expected to include a news/smoke shop, general gifts, men's and women's clothing, outdoor outfitter, sporting goods, crafts, a fine arts gallery, and a local chamber of commerce/regional information outlet. In addition, the hotel would contain an interfaith chapel, a full service spa with lap pool, a conference center with a 500-seat ballroom/auditorium, a 200-seat ballroom, meeting rooms, and a facility-wide laundry. The Wildacres Resort Complex would also include an indoor pool, two outdoor tennis courts, a Children's Center, and access to an upscale restaurant of 150 seats at the adjacent Marlowe Mansion.

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

As discussed above, the timeshare and high-end vacation club units would provide lodging opportunities for club members, timeshare owners, and timeshare exchange visitors managed through a national, if not international network of affiliated interval ownership facilities. The resulting projected occupancy rate, as discussed earlier, would be in the neighborhood of 85 percent for these units. The high occupancy rate is partially accounted for due to the somewhat captive nature of the timeshare owner/club member, who has made an investment in the unit or the timeshare/vacation exchange system, and is therefore committed to utilizing detached lodging units found within the network. Given this commitment, the timeshare owner is expected to be more likely to use their unit or participate in an exchange, and would be therefore less likely to book a stay at a hotel.

The clientele of the hotel and lodging units, however, differ from the timeshare owner/club member in the sense that they have not made a similar investment in interval ownership or club membership, and would therefore be somewhat more freely selective about their weekend and short-term vacation destination and lodging choices: they would not be compelled by investment in a timeshare unit or exchange network to stay within the network. Consequently, the hotel facilities would be expected to have frequent turnover and would have to compete with all other similar facilities to attract visitors. The proposed Belleayre Resort amenities would likely give the Wildacres Resort and Big Indian Resort and Spa facilities a dramatic competitive advantage over other lodging choices throughout the Catskill region. Nonetheless, the year-round occupancy rates of the hotel enterprises would not be expected to reach the levels of the timeshare and club membership units. According to Crossroads, L.L.C, the projected average year-round occupancy rates of the overnight hotel facilities at the Resort are expected to be 60 percent for Big Indian Resort and Spa, and 70 percent for Wildacres Resort.

Further, whereas the timeshare and vacation club membership units are anticipated to favor family visits, with average overnight visitor parties ranging from 3.5 to 6 persons in size, the hotel units are expected to accommodate visitors arriving as smaller family units or couples. For the purposes of this analysis, Allee King Rosen & Fleming, Inc. calculates the average size of hotel unit parties at 2.0 persons. Given these factors, Table 4-17 estimates the overall visitation rates of the hotel units proposed for Belleayre Resort.

On-site expenditures of hotel guests for food, lodging, recreation (e.g., golf), souvenirs, and other goods and services are reflected in the revenue projections of the various Resort components discussed previously in this chapter. Allee King Rosen & Fleming, Inc. assumes for the purposes of this analysis that an average visitor party daily expenditure would be approximately $100 per day, excluding lodging expense, and further assumes that 75 percent of the visitor spending would occur on-site by hotel guests. The remaining 25 percent of expenditures are expected to be incurred off-site. Table 4-18 estimates the overall off-site expenditures of these visitors. Vacation consumer behavior surveys by D.K. Shifflet Associates

and others indicate that the offsite expenditures, estimated at $2.42 million, would include shopping in the local area (antiques, crafts, etc.), restaurant meals, gas and oil, recreational fees for off-site amenities, and cultural attractions.

Table 4-17
Estimated Hotel Visitation

	Rooms/ Suites	Occupancy Rate	Persons/ Party	Total Visitor Nights/Year	Total Visitor Parties/Year
Big Indian Resort and Spa	150	60%	2.0	67,500	32,850
Wildacres Resort	250	70%	2.0	127,750	63,825
Totals	**400**			**195,250**	**96,675**
Source: Crossroads Ventures, L.L.C., Allee King Rosen & Fleming, Inc., February 2001.					

Table 4-18
Estimated Off-Site Spending by Hotel Visitors

	Visitor Parties/Year	Average Off-Site Spending per Visitor Party	Annual Off-Site Visitor Spending
Big Indian Resort and Spa	32,850	$25.00	$.82 million
Wildacres Resort	63,875	$25.00	$1.60 million
Total	**96,725**		**$2.00 million**
Source: Crossroads Ventures, L.L.C., Allee King Rosen & Fleming, Inc., February 2001.			

HIGHMOUNT ESTATES

The Highmount Estates component of the Resort complex would consist of 21 detached single-family residences that would be built by purchasers of the lots within the subdivision. This element of the proposed project would represent the only private home ownership option available to the Resort clients. The homes projected to be constructed on the lots would be high-quality lodge-style buildings averaging four bedrooms, with an estimated construction cost of at least $250,000. These homes would be built by individuals seeking to enjoy the amenities offered at the Big Indian Country Club, Wildacres, the Belleayre Mountain Ski Center, as well as the greater Catskill region. Seasonal home owners would differ from club members and timeshare owners in the sense that their preference would be to own a more traditional stand-alone seasonal vacation home.

Unlike the other overnight lodging opportunities at the Belleayre Resort, which would be managed to attain high occupancy levels through a timeshare or club membership exchange network, Highmount Estates occupancy would be c ompletely dependent upon the vacation schedules of the individual home owners. As is seen among the established community of high-end seasonal home owners in nearby Windham, the Highmount Estates homes would likely be vacant when the owners are not in occupancy. Further, based on the case study research conducted by Allee King Rosen & Fleming, Inc on the Windham high-end seasonal home market (Chapter 6), it is anticipated that each home would be occupied for approximately 12 weeks per year, representing an approximately 25 percent occupancy rate on an annualized basis (see Figure

4-19). Highmount Estates owners would be expected to use Highmount homes during ski season, and during prime golf months. As a result, the anticipated 12 weeks of occupancy would occur in several blocks of time, including occasional weekends, spread throughout the year. The estimation of 12 weeks per year exceeds the national average of 27 days (3.8 weeks) per year determined by the Opinion Research Institute, and reflects the high-end quality of the proposed seasonal homes and an anticipated higher income and the correspondingly liberal leisure time and discretionary income profile of anticipated Highmount Estates owners.

In addition, reflecting the high-end nature of these properties and the experiences noted in the case study sites, Highmount Estates homeowners could be expected to have another vacation home, either owned outright, or in the form of a timeshare or club membership, in another location, most likely in a coastal setting.

Table 4-19

Estimated Highmount Estates Visitation

	Homes	Occupancy Rate	Persons/ Party	Total Visitor Nights/Year	Total Visitor Parties/Year
Highmount Estates Subdivision	21	25%	3.5	6,707	1,916

Source: U.S. Census Bureau, Crossroads, L.L.C., Allee King Rosen & Fleming, Inc., February 2001.

As seasonal home owners, the owners of homes at Highmount Estates would be expected to stock their homes with foodstuffs while in residence, and it would be expected that they would prepare a significant proportion of their meals for themselves. However, like Big Indian Country Club members, Highmount Estates home owners would be expected to frequent quality restaurants, such as those proposed for Belleayre Resort, on a regular and recurring basis. Although the Highmount Estates owners would be independent of the timeshare and club membership networks, they would likely consider themselves Resort patrons, and enjoy Resort facilities to the extent permitted by their relationship to the Resort. Highmount Estate homeowners would be expected to make local and regional purchases to fully furnish their homes with the full array of furniture, carpeting, and other home decorations.

Based upon research conducted by the U.S. Census Bureau, the anticipated median age of buyers of Highmount Estates-type properties would be 52. According to research prepared by the National Association of Realtors and Prudential Real Estate Advisors, those second home buyers with an average age range of 36 through 54 without children at home would represent the largest number of prospective buyers, and approximately 79 percent would be expected to be married couples. Given this profile of the anticipated Highmount Estate homeowner, Allee King Rosen & Fleming, Inc. estimates that the visitor parties residing here would, therefore, be expected to have an average size of 3.5 persons.

Visitor parties anticipated to vacation at their Highmount Estates homes would be expected to have consumer behavior patterns similar to those of similar seasonal home owners in other resort areas. National research conducted by the University of Michigan (Stynes, et. al.) indicates that second home owners in mountainous vacation areas could be expected to spend from approximately $120 to $212 per day, per visitor party, or an average of $166 per day. Their gross purchasing behavior is similar to the $170 per visitor party per day as estimated by RCI

Consulting, Inc. for timeshare residents of Wildacres, Big Indian Country Club members, and Belleayre Resort hotel visitors.

However, unlike timeshare, vacation club, and hotel visitors, the Highmount Estates parties would represent the least captive group of Belleayre Resort visitors. This group would likely be more mobile, and, in the manner of seasonal home owners everywhere, would be more likely to consider themselves Catskill seasonal residents rather than Belleayre Resort visitors. The consequent economic effect is that Highmount Estates residents would make a considerably greater proportion of their expenditures outside of Resort facilities. Certain purchases would be made off-site by necessity, as groceries, for example, would not be available on-site. But other off-site expenditures, such as occasional meals, would be made as these seasonal home owners endeavored to integrate local flavor and color into their vacation lifestyles. Nonetheless, it could be expected that Highmount Estates residents would frequently use the Highmount and Big Indian golf courses, and dine at Resort restaurants on a regular basis. In sum, it is estimated by Allee King Rosen & Fleming, Inc. that approximately 60 percent of the Highmount Estates visitor-party spending would occur off-site. The estimated off-site spending is presented in Table 4-20. The 40 percent on-site Resort spending (approximately $0.13 million) is reflected in the revenue analysis presented previously in this chapter.

Table 4-20

Estimated Off-Site Spending by Highmount Estate Visitors

	Visitor Parties/Year	Average Off-Site Spending per Visitor Party	Annual Off-Site Visitor Spending
Highmount Estates (21 single-family seasonal homes)	1,916	$99.60	$0.19 million

Source: Stynes, et. al., University of Michigan Research Station, Allee King Rosen & Fleming, Inc., February 2001.

CONFERENCE CENTER

Wildacres Resort would include a facility of approximately 26,000 square feet reserved for conference use. This conference center would include a main meeting space that would accommodate up to 500 seated persons, and would have the hotel kitchen facilities capable of preparing food and serving a group of this size. Combined with a separate ballroom for 200 and eight meeting rooms in the Wildacres Resort, and the ballrooms and meeting rooms in the Big Indian Resort and Spa, the conference center would have the ability to host significant meetings and conferences. The Nevele Grand in Ellenville, approximately 45 miles away, hosts numerous conferences of organizations and groups and has an auditorium and kitchen capacity of 860, a total of 630 hotel rooms and suites, as well as an on-site 18-hole golf course. This facility has standing conference reservations into the year 2002.

The proposed conference center complex would host an estimated 100 conferences and meetings annually, with approximately 120 persons attending each conference. These conference visitors are expected to be day and overnight visitors to the Resort. Conference visitors generally are captive to the conference location, and would be expected to enjoy the on-site facilities and amenities, including the restaurants and golf courses. All overnight conference visitors would be expected to lodge on-site. During winter, however, it would be anticipated that

a certain number of conference planners would include free time in their conference and meeting schedules for conference visitors to enjoy the adjacent Belleayre Mountain Ski Center. The presence of the ski area and the on-site amenities are expected to make this conference location competitive with other non-urban conference locations within the Greater New York City-Albany metropolitan region.

The revenues generated by the conference center, as well as the on-site expenditures of conference visitors are reflected in the revenue projections for the conference center, hotel, restaurant, golf, and other facilities provided on-site, as discussed previously in this chapter. Further, due to the captive nature of conference visitors, the effect of conference visitors on businesses in the study area is anticipated to be negligible.

WILDERNESS ACTIVITIES CENTER AND CHILDREN'S CENTER

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

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

Wildacres Resort would include a Children's Center, offering a range of programs and activities for children from toddlers to teenagers (up to age 15). The children participating in the Children's Center's activities are expected to be drawn entirely from within the overall Resort complex, and this facility is not expected to generate measurable economic effects aside from those associated with its construction and operations.

RESTAURANT VISITORS

The various club house and lodging facilities at Belleayre Resort would feature a wide range of restaurant and dining options for Resort visitors and the public. It is anticipated that the majority of the customers of the Resort's restaurants would be drawn from on-site hotel and timeshare visitors, Big Indian Country Club members, as well as from day visitors to the Resort's golf courses and Belleayre Mountain Ski Center visitors. In addition, the Resort's restaurants are expected to draw from among Catskill day visitors, seasonal overnight visitors (e.g., Highmount Estates home owners), and residents of the Catskill region.

The proposed Belleayre Resort complex would include a total of 11 new dining facilities, with a combined total of 1,120 restaurant seats, as shown on Table 4-21, below. The restaurants would range from snack bars, as proposed for the Brisbane (Turner) Mansion at Belleayre Highlands and the Highmount Golf Club, to high-end restaurants, as proposed for the Marlowe Mansion and Big Indian Resort and Spa. The economic effects of the restaurant revenue and employment is accounted for previously in this chapter.

Table 4-21
Restaurant Capacity

	Seating Capacity
Big Indian Country Club—Snack Bar	40
Belleayre Highlands/Brisbane—Snack Bar	25
Big Indian Resort and Spa—Restaurant #1	75
Big Indian Resort and Spa—Restaurant #2	150
Big Indian Resort and Spa—Bar	50
Highmount Golf Club—Snack Bar	40
Wildacres Resort—Restaurant #1	300
Wildacres Resort—Restaurant #2	150
Wildacres Resort—Beverage Lounge	100
Marlowe Mansion—Restaurant	150
Wildacres Octoplex Clubhouse—Snack Bar	40
Totals	**1,120**
Source: Crossroads Ventures, L.L.C., November 2002.	

SUMMARY OF EFFECTS OF RESORT VISITORS

As described above, the primary effects of visitors to the proposed Resort result from two sources of visitor spending: on-site spending (meals, recreational fees, lodging expenses, etc.), and off-site spending (purchases of goods and services). Wildacres timeshare owners, Big Indian Country Club members, hotel visitors, and Highmount Estates home owners are the primary groups of visitors expected to generate off-site spending.

Table 4-22 summarizes the combined annual off-site spending by the primary visitor parties to the Belleayre Resort. The anticipated on-site spending, totaling an estimated $16.59 million, is accounted for in the analysis of the Resort facility revenues earlier in this chapter. The off-site spending would occur throughout the NYS Route 28 corridor, most particularly in the village and hamlet centers where businesses and shops are concentrated.

Table 4-22

Summary of Overall Spending by Belleayre Resort Visitors

	Visitor Parties/ Year	Annual Off-Site Visitor Spending	Annual On-Site Visitor Spending	Total Visitor Spending
Wildacres Timeshare and Big Indian Country Club members	108,810	$9.2 million	$9.2 million	$18.4 million
Hotel visitors	96,725	$2.42 million	$7.26 million	$9.68 million
Highmount Estates (21 single family seasonal homes)	1,916	$0.19 million	$0.13 million	$0.32 million
Total	**205,535**	**$11.81 million**	**$16.59**	**$28.4 million**

Source: Stynes, et. al.,Univ. of Michigan, Golf Research Institute, Inc., Halcyon, Ltd., D. K. Shifflet Associates, Allee King Rosen & Fleming, Inc., February 2001.

The overall breakdown of Belleayre Resort visitors' off-site spending is shown in Table 4-23. The estimated $11.81 million spent by Resort visitors is expected to primarily be spent at area restaurants, recreational facilities, stores and shops, and for purchases of gas and oil. These estimates are based on composite averages of spending behavior of timeshare owners, seasonal home owners, golfers, and overnight visitors to resort regions.

Table 4-23

Belleayre Resort Visitor Off-Site Spending

Trip Spending Category	Timeshare/Big Indian Country Club Member	Hotel/Lodging Visitor	Highmount Estates Resident	Total
Restaurants	$2.39 million	$0.82 million	$0.04 million	$3.23 million
Groceries	$1.75 million	$0.00 million	$0.04 million	$1.79 million
Gas and Oil	$1.38 million	$0.36 million	$0.03 million	$1.77 million
Recreation Fees	$0.64 million	$0.31 million	$0.01 million	$0.96 million
Shopping and Souvenirs	$1.29 million	$0.63 million	$0.03 million	$1.95 million
Other	$1.75 million	$0.29 million	$0.05 million	$2.09 million
Total	**$9.20 million**	**$2.42 million**	**$0.19 million**	**$11.81 million**

Sources: Stynes, et. al.,Univ. of Michigan, Golf Research Institute, Inc., Halcyon, Ltd., D. K. Shifflet Associates, Allee King Rosen & Fleming, Inc., February 2001.

A. INTRODUCTION

In order to assess the potential impacts of induced development resulting from the Belleayre Resort project, it was first necessary to prepare an inventory of land and environmental constraints. This chapter evaluates the extent of environmental constraints within the study area and identifies where new development could occur through an analysis of both land use patterns and environmental constraints. A Geographic Information System (GIS) and land use surveys were used to conduct this analysis.

B. ENVIRONMENTAL CONSTRAINTS

METHODOLOGY

The methodology and data used for the constraints analysis follows similar analyses conducted for previous studies: the NYS Route 28 Corridor* and the Generic Environmental Impact Statement (GEIS) for the New York City Watershed Regulations.**

The *Route 28 Corridor Study Atlas* identifies environmental and regulatory constraints within the NYS Route 28 corridor from Margaretville east to the Shandaken town line between Mount Tremper and Boiceville. Detailed information on land use, zoning, wetlands, floodplains, topography, slopes, and soils are presented in this atlas for an area of approximately 2,000 feet on either side of NYS Route 28 within this area. A grid of seven rectangles was created that includes an area ranging from one (1) to four (4) miles to the north and south of NYS Route 28. This area is approximately 25 miles long and contains approximately 107,366 acres (168 square miles) of land and has been used as the study area for this analysis.

Within this study area an environmental constraints analysis was prepared similar to that conducted by the New York City Department of Environmental Protection (NYCDEP) for the Generic Environmental Impact Statement (GEIS) for the Watershed Regulations. The Watershed Regulations GEIS describes a vacant and developable land analysis for the entire West-of-Hudson watershed area that removes from development potential all public lands, wetlands, areas of slopes exceeding 25 percent, vacant land on shallow soils (those with a depth

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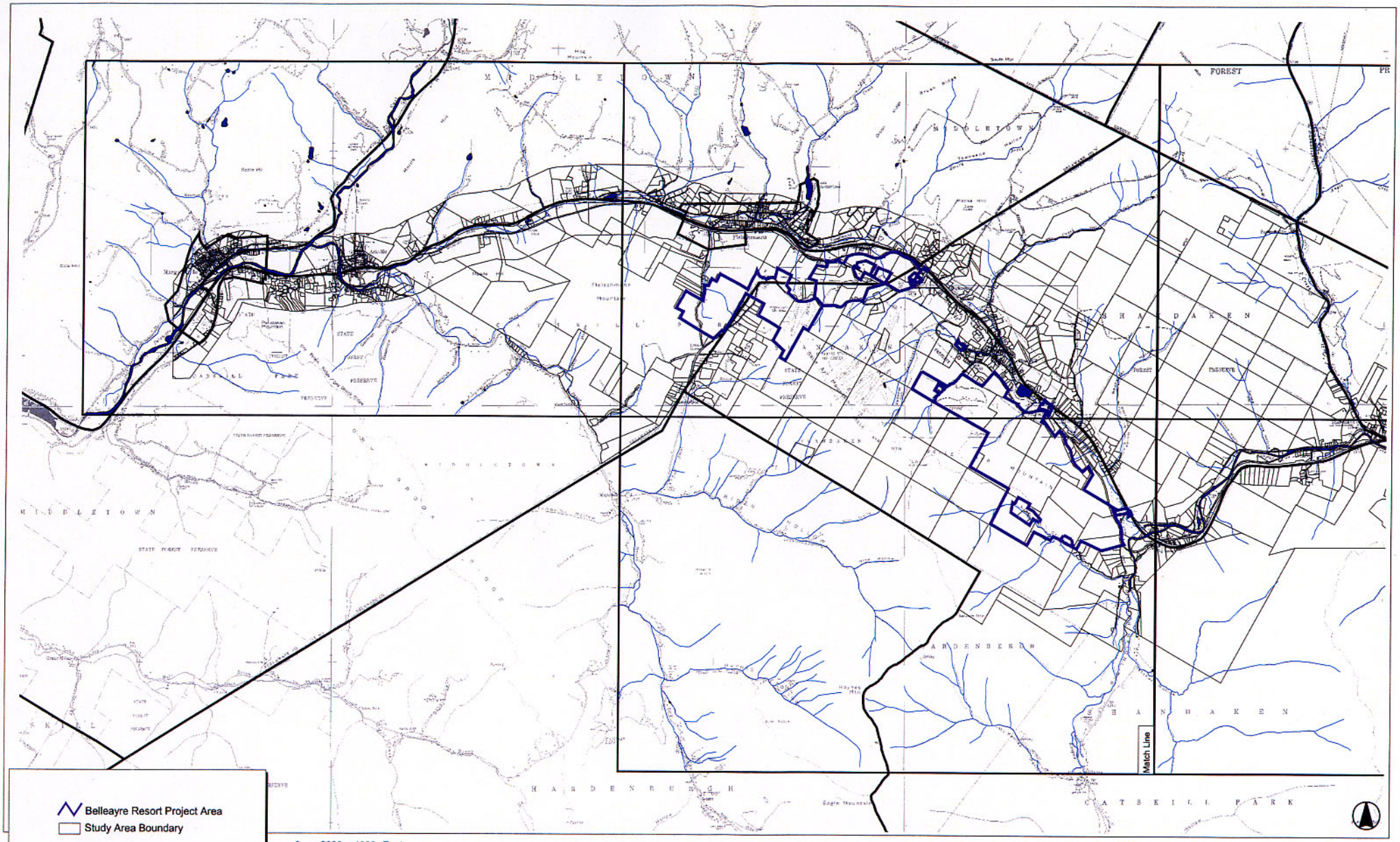
* *Route 28 Corridor Study Atlas*, prepared for the Town of Shandaken and Town of Middletown by the LA Group, PC (Saratoga Springs, NY), July 1999.

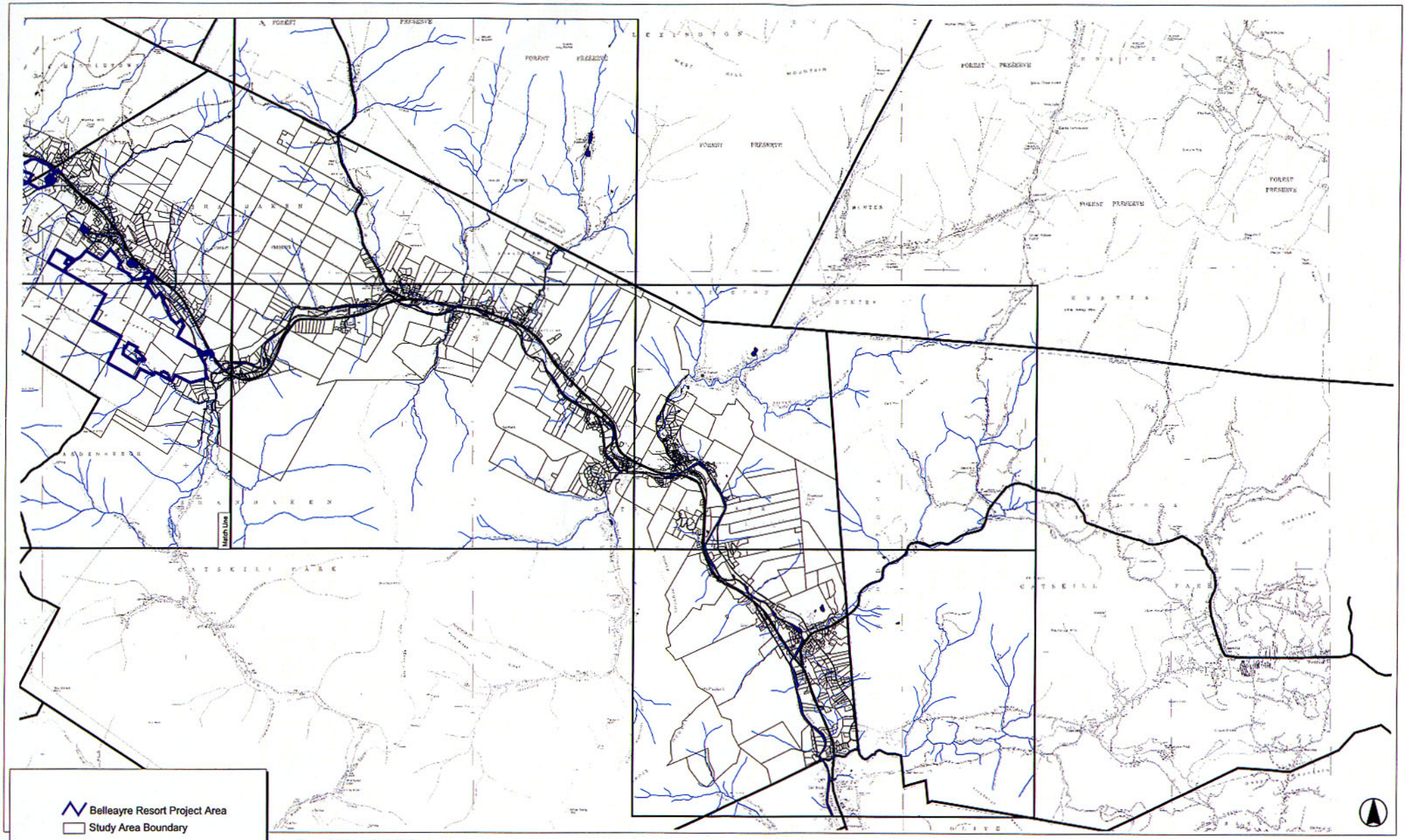
** *Final Generic Environmental Impact Statement for the Proposed Watershed Regulations for the Protection from Contamination, Degradation, and Pollution of the New York City Water Supply and its Sources*, New York City Department of Environmental Protection, November 1993 (see Appendix III.)



BELLEAYRE RESORT *at Catskill Park*

Study Area

Figure 5-1a



Study Area

Figure 5-1b

to bedrock of less than 40 inches or depth to the water table of less than 40 inches), and those parcels outside of public sewer districts but entirely within the 100 foot stream buffer.*

Original GIS data from NYCDEP and the *Route 28 Corridor Study Atlas* were used to prepare this environmental constraints analysis. A full list of data files used in the analysis is shown in Table 5-1.

STUDY AREA DESCRIPTION

The study area is centered along NYS Route 28 from Boiceville in the Town of Olive to Margaretville in the Town of Middletown and lies within two counties, two towns, and two drainage basins (see Figure 5-1)**. The Belleayre Resort project site is located near the intersection of each of these geographical entities on either side of the Belleayre Mountain Ski Center near Highmount. West of Highmount on NYS Route 28 is the Town of Middletown in Delaware County and the watershed of the Pepacton Reservoir. East of Highmount is the Town of Shandaken in Ulster County and the watershed of the Ashokan Reservoir. The East Branch of the Delaware River and its tributaries drain to the west; the Esopus Creek and its tributaries drain to the east.

NYS Route 28 lies along a continuous valley that runs variably east-west and north-south beginning west of the New York State Thruway in Kingston. (For simplicity's sake, this analysis refers to areas to the north and south of NYS Route 28 assuming that the road runs generally east-west). The floor of this steep valley rises from approximately 200 feet above mean sea level (AMSL) to approximately 800 feet AMSL near the western end of the Ashokan Reservoir in Olive, at the eastern edge of the study area. From Olive, the valley and NYS Route 28 rises to 1900 feet AMSL at Highmount. From Highmount, NYS Route 28 descends to approximately 1400 feet AMSL in Margaretville at the western edge of the study area.

Land to both the north and south sides of NYS Route 28 rises steeply to the mountain peaks of the Catskills. The Esopus Creek, the main tributary flowing into the Ashokan Reservoir, runs along NYS Route 28 for nearly its entire length between Boiceville and its headwaters in Birch Creek just east of the Belleayre Mountain Ski Center. The East Branch, the main tributary of the Pepacton Reservoir, and its tributaries, Dry Brook and Bush Kill, also flow along NYS Route 28 west of Highmount.

Because of the steeply sloped mountains lining NYS Route 28, the valley floor contains the study area's primary residential and commercial development including the hamlets of Fleischmanns and Margaretville. Development along the valley floor has historically been constrained by both the river, its floodplain, and the steep hillsides leading directly down to the road. Between NYS Route 28 and the toe of the slope is a broad flat area through which the Esopus Creek meanders. Much of this area is either designated wetland or 100-year floodplain. Access to drier land is limited by this wide, wet area. The old Delaware & Ulster Railroad

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* NYCDEP Watershed Regulations GEIS, Appendix III, page III-10 *ff.*

** Figures contained in this chapter are printed in two parts at two different scales in order to show the entire study area. The first part (e.g., Figure 5-1a) shows the area from Margaretville to Big Indian at a scale of 1:60,000 (1 inch = 5,000 feet). The second part (e.g., Figure 5-1b) shows the area from Big Indian to the eastern end of the study area in Olive at a scale of 1:80,000 (1 inch = 6,666 feet). A "Match Line" is indicated on each part of each figure to indicate where there is overlap.

Table 5-1
GIS Data Sources

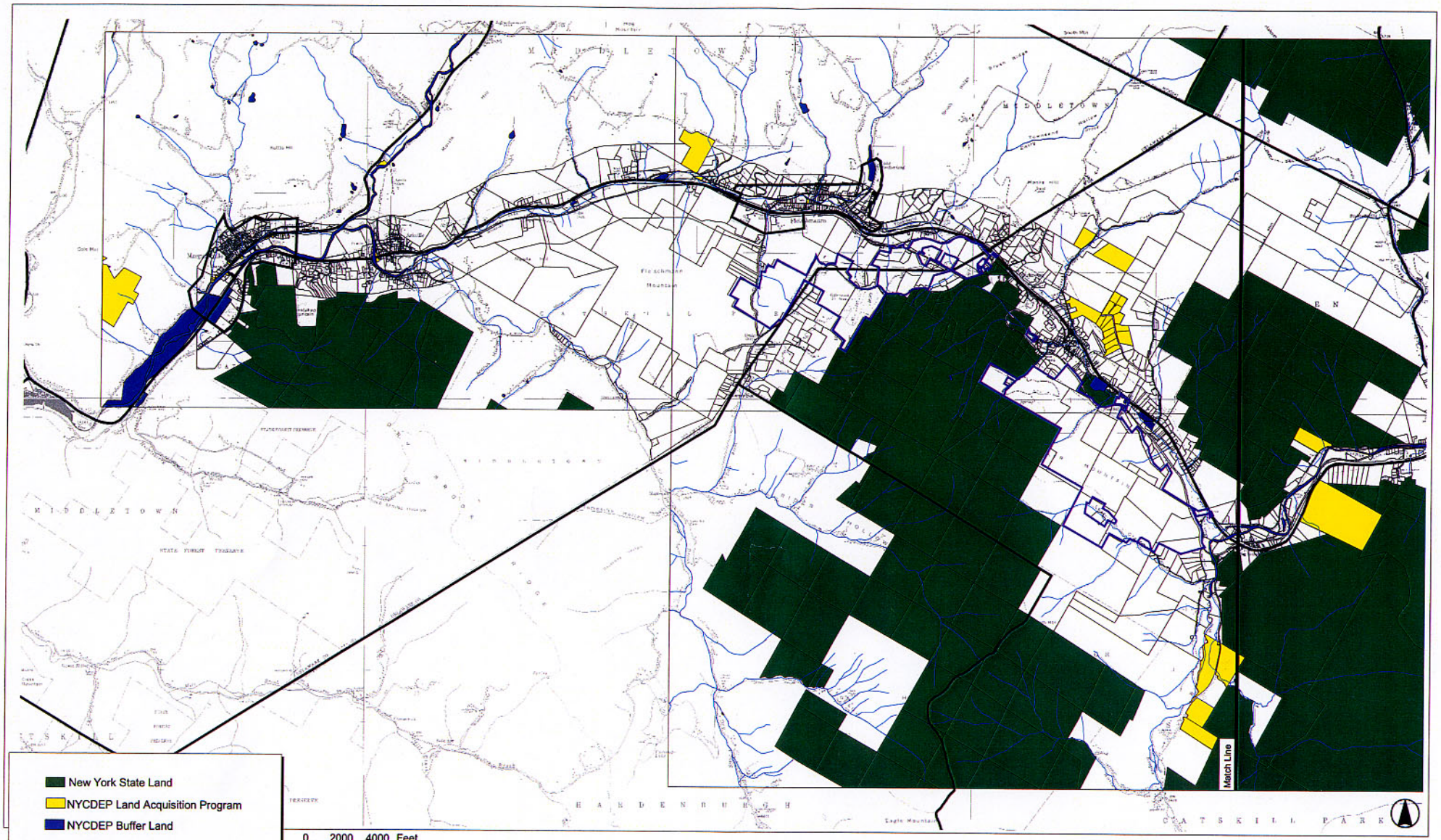
Data File	Description	Source
Study Area		
grid.shp	Study area grid boundaries	Route 28 Atlas
twn48woh_pl	Municipal boundaries	NYCDEP
039rds.tar.gz	Major and minor roads	CUGIR*
Public Lands		
stlnd48woh	NYS Forest Preserve	NYCDEP
nclaq1100	NYC Land Acquisition Parcels	NYCDEP
city48woh	NYC Buffer Land	NYCDEP
Hydrography		
stream24woh	Streams	NYCDEP
water24woh	Reservoirs, lakes, rivers	NYCDEP
fema_del	FEMA Q3 flood plain data, Delaware County	NYCDEP
fema_uls	FEMA Q3 flood plain data, Ulster County	NYCDEP
039fwa.tar.gz	NYSDEC wetlands	CUGIR
nwipol24woh	National Wetland Inventory wetlands	NYCDEP
Topography		
elev10woh	10-meter Digital Elevation Model	NYCDEP
Soils		
soil24woh	Soil survey	NYCDEP
Zoning		
mid_zone	Middletown zoning districts	Route 28 Atlas
shn_zone	Shandaken zoning districts	Route 28 Atlas
Notes: *- CUGIR = Cornell University Geospatial Information Repository		

parallels NYS Route 28 and the rivers for much of the length of the study area. Side roads leading to the north and south are generally lightly developed due mostly to the severe topography and also to the large amount of protected New York State Forest Preserve land located within the Catskill Park.

The major mountain groups to the south and north of NYS Route 28 define NYS Route 28's area of influence. Generally, north-south travel between major valleys within the Catskills is limited by the groups of mountains and the minor roads that cross them.

GIS ANALYSIS

An environmental and regulatory constraints analysis was performed for the study area using ArcView Geographic Information System (GIS) software and data obtained from NYCDEP and the *Route 28 Corridor Study Atlas* prepared by the Towns of Shandaken and Middletown.



BELLEAYRE RESORT *at Catskill Park*

Protected Lands
Figure 5-2a

BELLEAYRE RESORT *at Catskill Park*

Protected Lands
Figure 5-2b

A hierarchy of constraints was established from the more stringent ownership by public entities to the more flexible local zoning. Table 5-2 summarizes the hierarchy of the environmental constraints. Each of the constraints is described in more detail below. With the exception of protected/public land, each of the constraints can, theoretically, be addressed by engineering at a site-specific level. However, for generic planning purposes, these environmental features define at a macro-level where development is more or less feasible.

Table 5-2

Environmental Constraints Analysis Hierarchy

Constraint (in decreasing order of severity)
Protected Lands — NYSDEC State Forest Preserve and NYCDEP properties
Hydrography — Water bodies and wetlands and applicable setbacks
Topography — Slopes greater than 15 percent
Soils — Soils constrained by depth to bedrock or depth to water table
Sewers — Location and capacity of public sewers
Zoning — Current zoning regulations for the Towns of Shandaken and Middletown

Within a GIS analysis, multiple "layers" of information are analyzed together. Information from separate layers may overlap: streams flow through publicly-owned parcels or streams flow through a 100-year floodplain. This overlapping should be considered when reviewing the printed maps presented in this analysis. In addition, it should be noted that calculations of areas constrained by certain environmental features take into account this overlapping. Thus, acreage calculated within a stream buffer area was deducted from the overall acreage within the 100-year floodplain where these features overlap.

PROTECTED LAND

Two public agencies own significant portions of the study area: New York State Department of Environmental Conservation (NYSDEC) owns large areas of the mountain summits and upper hillsides as part of the Catskill Forest Preserve; NYCDEP is purchasing property on the lower hillsides and valley bottoms. Figure 5-2 indicates the extent of protected lands owned by either New York State or NYCDEP.

Approximately 45,822 acres of New York State Forest Preserve land are located within the 107,366-acre study area (approximately 43 percent). This land is designated "forever wild" and cannot be disturbed without legislative action to amend the New York State Constitution. Most of the Forest Preserve lands are located along the ridgelines and away from NYS Route 28; however, a number of parcels do abut NYS Route 28 between Highmount and Boiceville.

Along the valley bottoms, NYCDEP is engaged in a Land Acquisition program. This program, which seeks to purchase land from willing sellers, is part of NYCDEP's Watershed Protection and Partnership Programs. NYCDEP has established "Priority Areas" within the watershed to target acquisition of parcels according to water quality protection objectives. These Priority Areas range from the highest Priority Areas 1A and 1B to the lowest Priority Area 4. Land within the Pepacton Reservoir watershed (generally the area including Middletown within the project study area) is within Priority Area 4. Land within the Ashokan Reservoir watershed (generally the area including Shandaken within the project study area) is within Priority Area 2. In order to be eligible for purchase within Priority Area 2 or 4:

- the parcel(s) must be at least partially located within 1,000 feet of a reservoir;
- the parcel(s) must be at least partially located within the 100-year flood plain;
- the parcel(s) must be at least partially located within 300 feet of a watercourse;
- the parcel(s) must contain, in whole or part, a federal jurisdiction wetland greater than 5 acres or a NYSDEC mapped wetland; or
- the parcel(s) must contain ground slopes of greater than 15 percent.

As of November 30, 2000, approximately 3,171 acres have been purchased (or have a completed contract for sale) within the study area. These parcels are scattered throughout the study area, but tend to be located along streams. Several NYCDEP acquisition parcels are located within the hamlets of Margaretville and Fleischmanns.

The Town of Shandaken has delineated six hamlet areas where land is exempt from NYCDEP acquisition: Mt. Tremper, Phoenecia, Shandaken/Allaben, Big Indian, Pine Hill, and Chichester. Approximately 600 acres in total fall within these hamlet areas. This land is available for new or expanded uses subject to local zoning and NYCDEP Watershed Regulations.

NYCDEP also owns approximately 249 acres of reservoir "buffer land" within the study area. These properties tend to be closer to the reservoirs and main tributaries of the Esopus Creek and East Branch of the Delaware River.

Together, these protected lands occupy approximately 49,243 acres (46 percent) of the study area. These lands are removed entirely from all development potential. Table 5-3 summarizes the protected lands within the study area.

Table 5-3

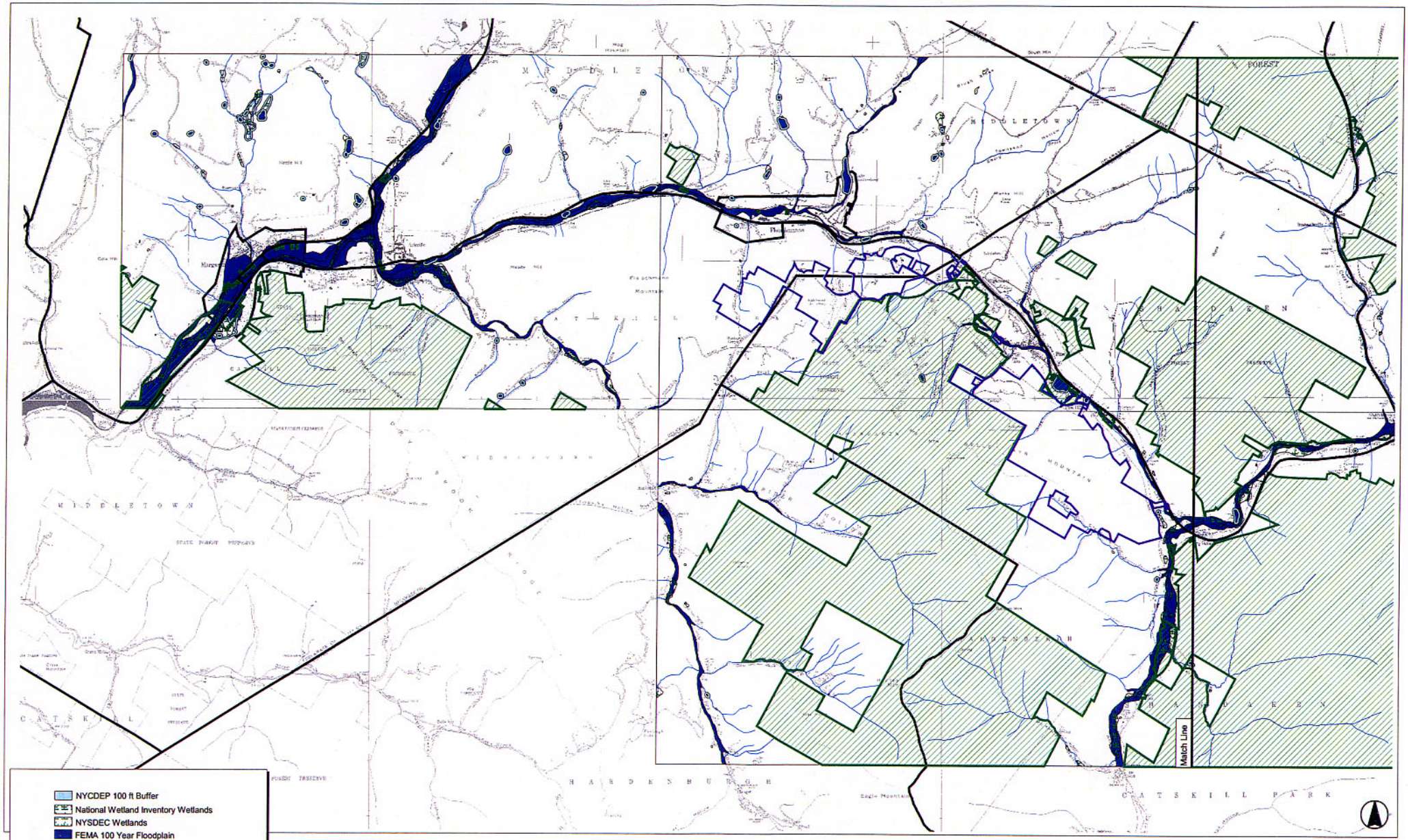
Summary of Protected Lands

Feature	Acres	Pct. Study Area
Total Study Area	107,365.8	100.0%
NYS Forest Preserve	45,821.9	42.7%
NYCDEP Buffer Land	249.4	0.2%
NYCDEP Land Acquisition	3,171.4	3.0%
Total Protected Land	49,242.7	45.9%
Total Non-Protected Land	58,123.3	54.1%

HYDROGRAPHY

The study area contains a number of hydrographic features including streams and rivers, lakes, NYSDEC wetlands, and National Wetland Inventory (NWI) wetlands. The Ashokan Reservoir is located outside the study area east of Olive and the Pepacton Reservoir lies outsides the study area west of Margaretville.

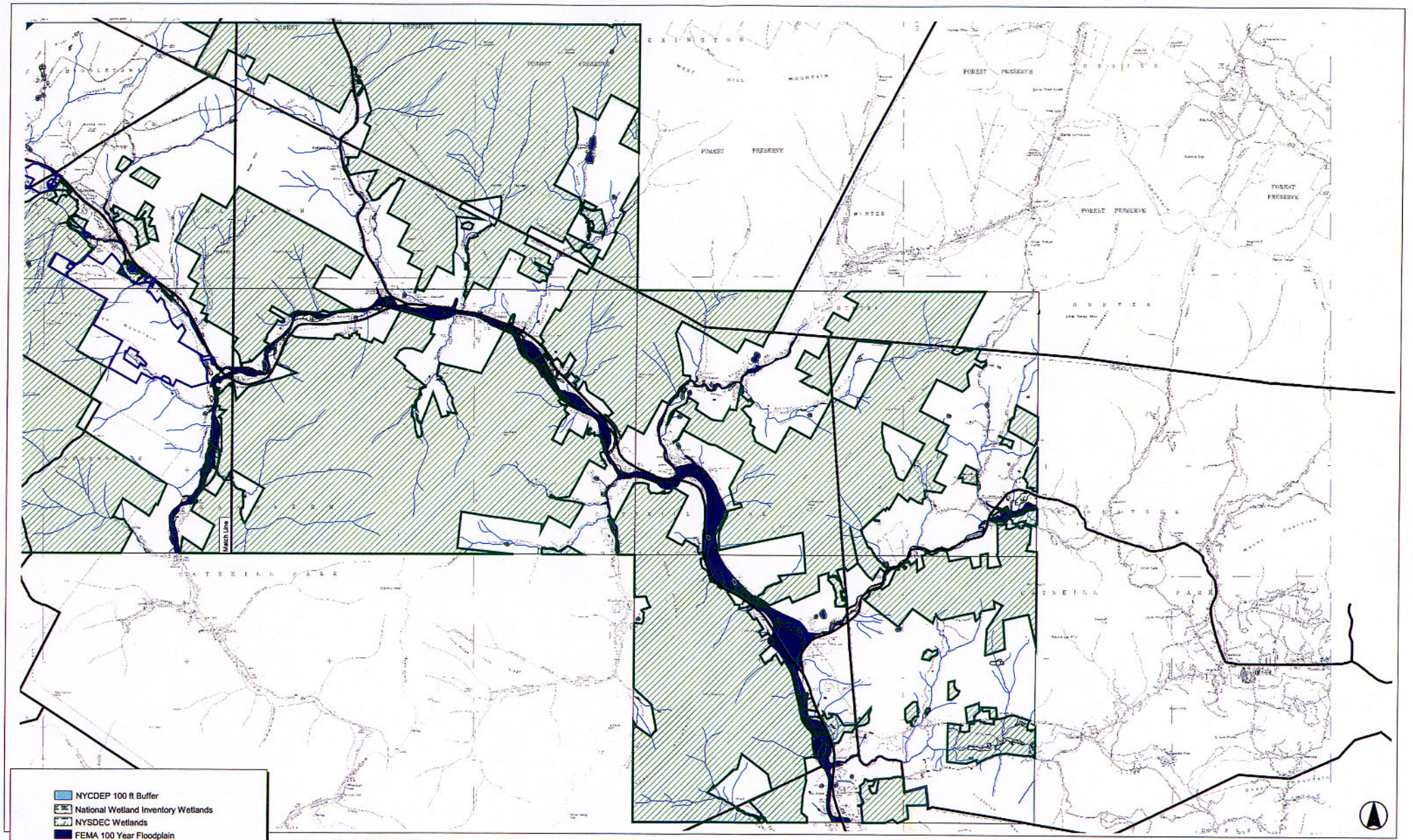
Hydrographic features present constraints on new development from both structural and wastewater engineering standpoints. In addition, the New York City Watershed Regulations restrict development of new impervious surfaces and sub-surface sewage disposal systems (septic systems) within a 100-foot buffer of rivers, streams, lakes, and NYSDEC wetlands. (A wider 300-foot buffer is also regulated along reservoirs and reservoir stems but these features do not appear in the study area). These features, along with their 100-foot buffers, are mapped



BELLEAYRE RESORT *at Catskill Park*

Hydrography

Figure 5-3a



BELLEAYRE RESORT *at Catskill Park*

Hydrography

Figure 5-3b

in Figure 5-3. Figure 5-3 also includes all parcels owned by both NYSDEC and NYCDEP. These areas were already excluded from potential development consideration.

National Wetland Inventory (NWI) wetlands were also mapped. These wetlands are not regulated by NYCDEP, but are regulated by the United States Army Corps of Engineers (ACOE). As per current ACOE regulations, no buffer for these wetlands has been indicated; however, development within these wetlands is subject to ACOE review and approval.

The area of rivers and lakes was calculated within the study area. This area represents bodies of open water that would be removed entirely from development consideration. Approximately 96 acres of lake area are located within the study area. Approximately 374 acres of river surface area are located within the study area. NYSDEC wetlands within the study area occupy approximately 53 acres. NWI wetlands occupy approximately 1,024 acres. Regulated buffers to the rivers, lakes, and NYSDEC wetlands are mapped and occupy approximately 1,429 acres in the study area.

Available stream data from NYCDEP is provided as a set of lines from which it is not possible to make area calculations. The regulated 100-foot buffer was mapped to indicate areas adjacent to streams that would be excluded from development potential. Approximately 7,508 acres within the study area were identified within the 100-foot buffer on either side of mapped streams.

The NYCDEP Watershed Regulations 100-foot buffer for new impervious surfaces do not apply to certain activities including construction of a new individual residence, or construction of bridges or stream crossings pursuant to a valid permit from the appropriate regulatory agency (§18-39(a)(2) of the Watershed Regulations).* Nor do the 100-foot buffers apply to the creation of a new impervious surface within a village or hamlet within the West-of-Hudson watershed (§18-39(a)(3)). (The Regulations do require that a Stormwater Pollution Prevention Plan be prepared for any proposed impervious surfaces that fall within the 100-foot buffer.) For purposes of this analysis, land within the Villages of Margaretville and Fleischmanns and the hamlets of Pine Hill and Phoenicia were considered to be available for new development. A separate calculation of land within the regulated buffer area was made for Margaretville and Fleischmanns based on the municipal boundary. Approximately 98.3 acres of stream buffer area are located within the Village of Margaretville and approximately 65.2 acres of stream buffer area are located within the Village of Fleischmanns. A similar calculation for the hamlets of Pine Hill and Phoenicia could not be made as a designated hamlet boundary for either was not available. As indicated previously, approximately 600 acres in total are within the six designated hamlet areas within Shandaken. It should also be noted that the Town of Shandaken requires Special Permit review for all new uses proposed within 100-feet of a stream, river, or lake.

Some of the hydrologic features overlap. For example, NYSDEC wetlands overlap NWI wetlands and some area contained in the wetlands is also included in river or lake area. A surrogate for analysis of coverage by individual hydrographic features is the Federal Emergency Management Agency (FEMA) 100-year floodplain. While FEMA regulations allow for new

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* The formal name for the NYCDEP Watershed Regulations is: *Rules and Regulations for the Protection from Contamination, Degradation, and Pollution of the New York City Water Supply and its Sources*. For purposes of brevity, these regulations are referred to as the "Watershed Regulations" throughout this report.

construction within the 100-year floodplain, financial and engineering considerations often limit the amount to which development occurs in the floodplain. Both the East Branch of the Delaware River and the Esopus Creek have had flooding episodes in recent history. The floodplain area was mapped underneath other hydrographic features to indicate the degree to which they overlap. Approximately 3,050 acres of floodplain are within the study area and represent land unsuitable for development because of its proximity to water features or regulated buffers. Land outside of streams, rivers, and wetlands (and any applicable buffer areas) but still within the 100-year floodplain totals approximately 1,600 acres.

Table 5-4 summarizes the acreage associated with each hydrologic feature within the study area.

Table 5-4

Summary of Hydrography

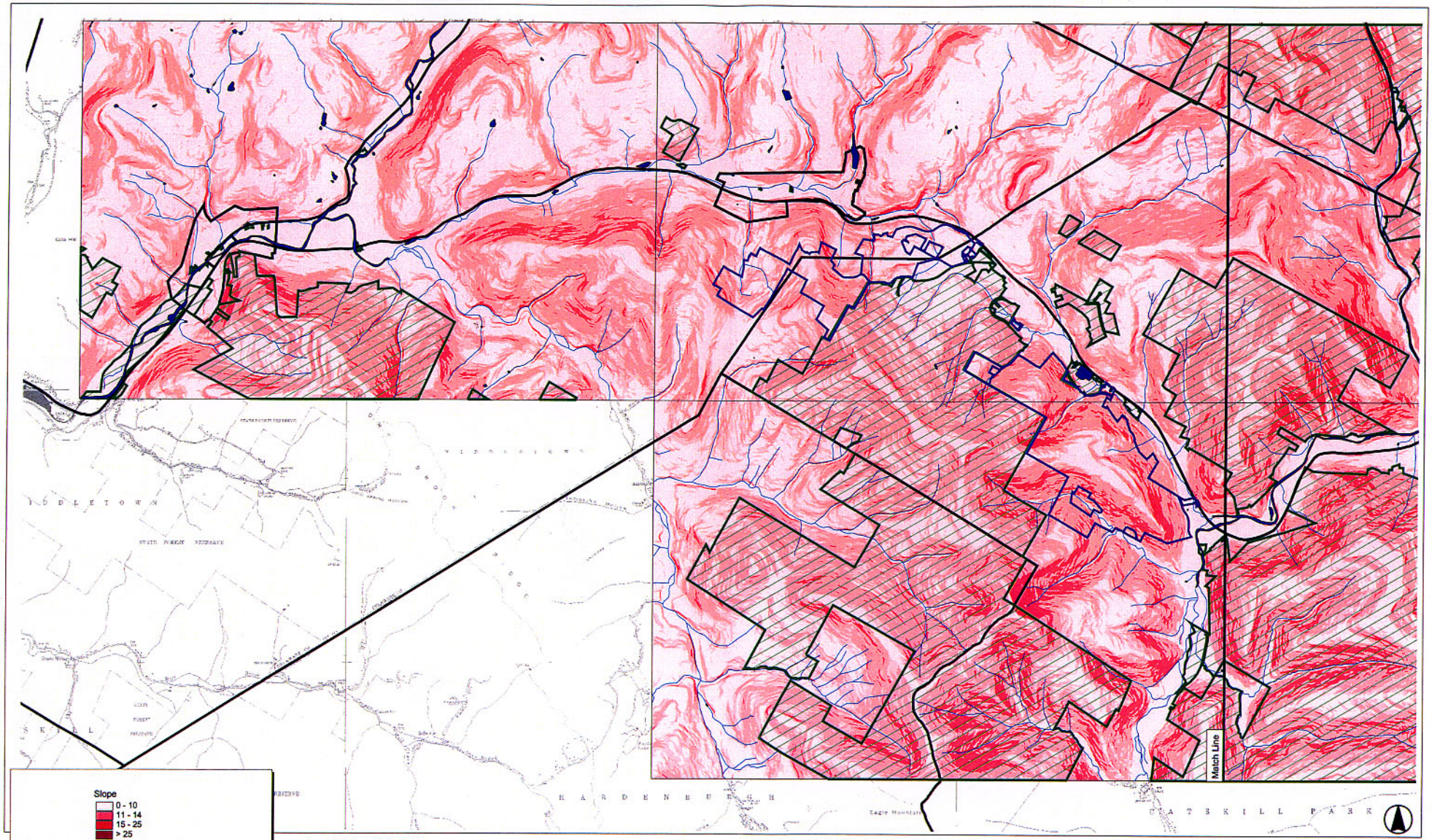
Feature	Study Area (ac.)	Within Public Land (ac.)	Outside Public Land (ac.)
NWI Wetlands	1,024.1	203.1	821.0
NYSDEC Wetlands	53.1	8.5	44.6
NYSDEC Wetland Buffer	45.7	5.9	39.8
Lakes	96.3	14.1	82.2
Lake Buffers	210.7	12.9	197.9
Stream Buffer	7,508.1	2,722.4	4,785.7
Rivers	374.1	55.0	319.1
River Buffers	649.3	89.2	560.1
Stream Buffer in Fleischmanns	65.2		
Stream and River Buffer in Margaretville	98.3		
100-Year Floodplain (incl. other hydrography)	3,049.5	447.0	2,602.5
100-Year Floodplain (excl. other hydrography)	1,599.9	210.5	1,389.4

TOPOGRAPHY

The Catskill Mountains are notable for the steeply sloped "cloves" and "hollows" leading from the main valleys, such as the NYS Route 28 valley, into the higher peaks of the mountains. Minor roads and tributaries to the larger rivers run along the bottom of these cloves, but there is generally little available non-steeply-sloped land for development other than single-family residential.

Land within the study area is no different. It is generally characterized by steeply sloping hillsides leading down into narrow valleys occupied by rivers and streams (see Figure 5-4). The eastern end of the study area, including most of Shandaken, tends to be more constrained by slopes than the western end of the study area. The western end of the study area, between Fleischmanns and Margaretville, has broader valley-bottoms and a more rolling topography typical of Delaware County. Access to areas that are less steep would require crossing rivers or streams or ascending steep slopes from NYS Route 28, making future development less likely.

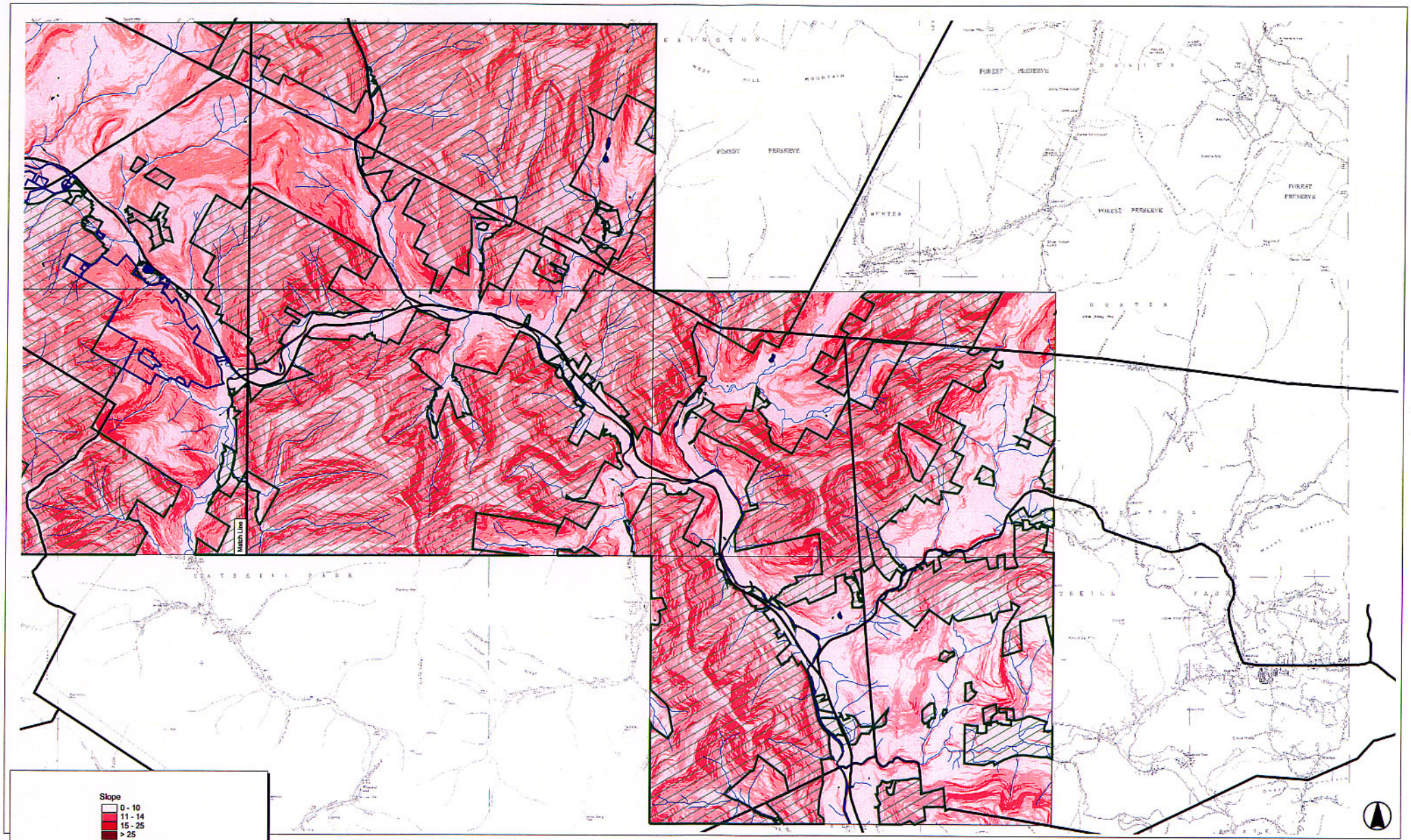
Land that slopes in excess of 15 percent is generally considered to be constrained for most development, but especially for larger commercial or residential applications. Septic systems do not function well on slopes exceeding 5 percent. NYCDEP has expressed its concern on



BELLEAYRE RESORT *at Catskill Park*

Topography

Figure 5-4a



BELLEAYRE RESORT *at Catskill Park*

Topography

Figure 5-4b

previous development applications regarding potential erosion and sedimentation resulting from use of excessive amounts of fill to create level construction sites.

Table 5-5 summarizes the area of land with steep slopes within the study area. Overall, approximately 52,806 acres within the study area (49.2 percent) contains slopes 15 percent or greater. Approximately 67 percent of the study area has slopes exceeding 10 percent.

Table 5-5
Summary of Topography

Feature	Study Area (ac.)	Pct. Study Area	Within Public Land (ac.)	Pct. Study Area	Outside Public Land (ac.)	Pct. Study Area
0 - 10% Slope	35,486.8	33.1%	9,197.2	8.6%	26,289.6	24.5%
11 - 14% Slope	19,025.7	17.7%	8,273.5	7.7%	10,752.2	10.0%
15 - 25% Slope	39,821.5	37.1%	22,675.3	21.1%	17,146.1	16.0%
>= 25% Slope	12,984.4	12.1%	9,063.1	8.4%	3,921.3	3.7%
Total	107,318.4*	100.0%	49,209.1	45.9%	58,109.2	54.1%
Note: * - Total of slopes in study area does not equal total study area size due to gaps in data.						

SOILS

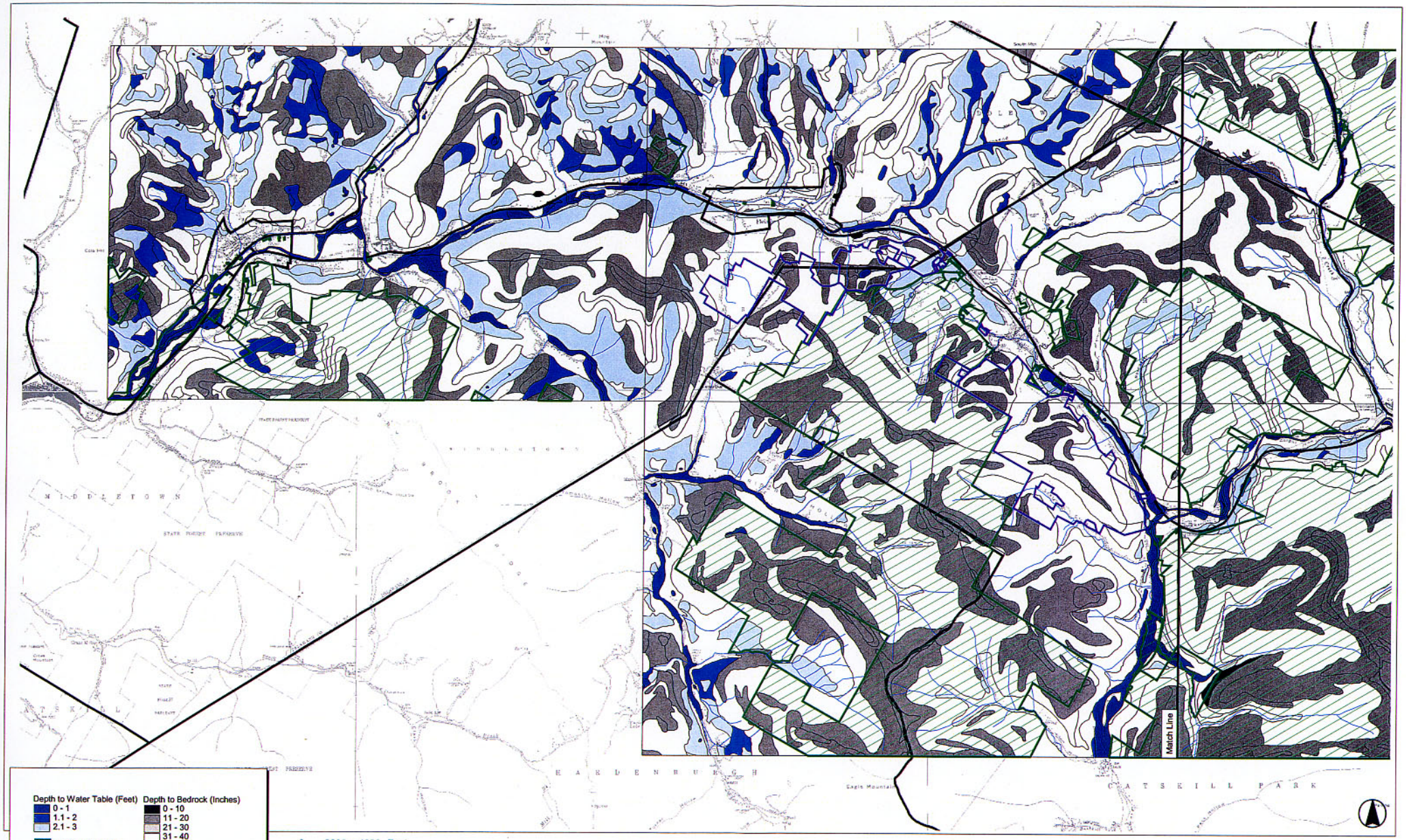
Lack of sufficient soils for adequate drainage of septic systems is a primary constraint on development in many rural areas. In addition, shallow depth to bedrock constrains new construction. In many areas within the Catskills this is especially so, where slopes in excess of 10 percent combine with shallow soils to create conditions unsuitable for either septic systems or for large-scale development.

Where deep, well-drained soils do not exist, "fill" or "blended" septic systems can be constructed using native soils amended by imported soils. At a minimum, between 18 and 24 inches of native soil with appropriate percolation rates is required in order to develop a blended system. Mounded systems, in which only imported fill is used for septic system drain fields, are not permitted within the New York City watershed.

Following the methodology applied by NYCDEP in the Watershed Regulations GEIS and the provisions of New York State Public Health Law Appendix 75-A, "Wastewater Treatment Standards—Individual Household Systems," soils with depth to bedrock of 40 inches or less and soils with depth to water table of 3 feet or less were considered constrained. Shallow soils on slopes in excess of 10 percent were also identified as constraining development. Figure 5-5 indicates the extent to which soils unsuited to extensive development cover the study area. Table 5-6 summarizes the amount of area with these soils. (Soils where the water table is located closer than 3 feet to the surface were not tabulated as they tend to be located in areas already identified within the analysis of hydrography.)

SEWERS

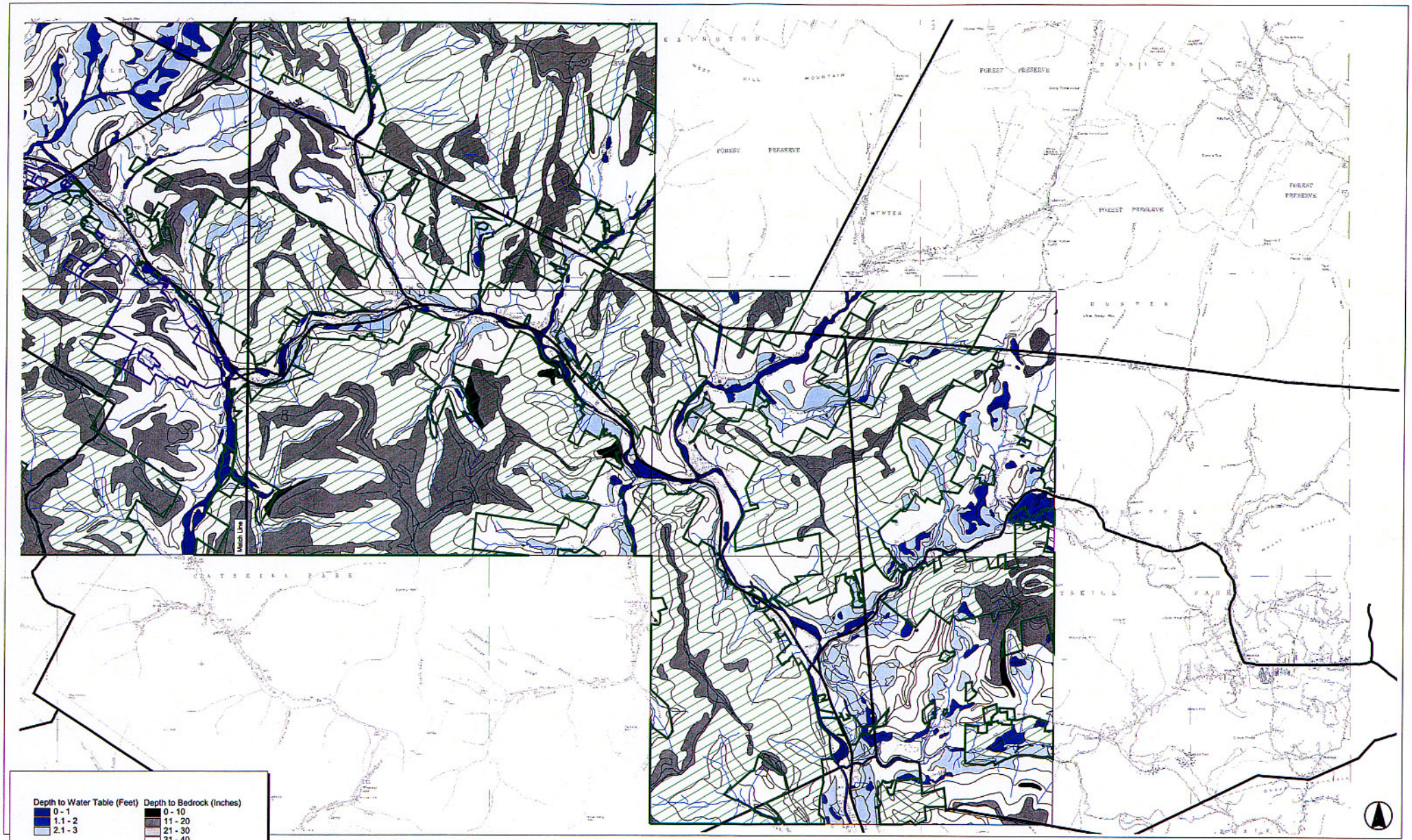
There are seven wastewater treatment plants (WWTPs) within the study area. Table 5-7 identifies the name of the plant and its State Pollutant Discharge Elimination System (SPDES) permitted discharge.



BELLEAYRE RESORT *at Catskill Park*

Soils

Figure 5-5a



BELLEAYRE RESORT *at Catskill Park*

Soils

Figure 5-5b

The five privately-owned and operated plants (including the two at the Belleayre Mountain Ski Center) have permitted flows that handle only the immediate demands of each use, no excess capacity is available at these plants. The two New York City-owned WWTPs, however, have excess capacity to accept future growth within their defined sewer districts. The districts for these two plants are essentially conterminous with the village and hamlet boundaries. The Pine Hill WWTP has a SPDES permitted flow of 500,000 gallons per day (gpd). It is currently treating approximately 80,000 gpd from the hamlet of Pine Hill. The Margaretville WWTP has a SPDES permitted flow of 400,000 gpd and currently treats approximately 200,000 gpd.

Table 5-6
Summary of Soils

Feature	Study Area (ac.)	Pct. Study Area	Within Public Land (ac.)	Pct. Study Area	Outside Public Land (ac.)	Pct. Study Area
0 - 10 inches*	631.9	0.6%	227.7	0.2%	404.2	0.4%
11 - 20 inches	19,467.7	18.2%	11,934.5	11.2%	7,533.2	7.1%
21 - 30 inches	—**		—**		—**	
31 - 40 inches	44,237.9	41.4%	25,906.1	24.2%	18,331.8	17.2%
41- 60 inches***	42,501.9	39.8%	10,956.5	10.3%	31,545.4	29.5%
Total**	106,839.4	100.0%	49,024.8	45.9%	57,814.6	54.1%

Note: * - Data for depth to bedrock were reported as individual values, not as a range. Thus "0-10 inches" represents values of 0 within the data.
** - No values of 21 to 30 inches within the data set.
*** - Soils with depth to bedrock of 41-60 inches are not considered environmentally constrained.
**** - Total of soils in study area does not equal total study area size due to gaps in data.

Table 5-7
Wastewater Treatment Plants

Plant	Municipality	SPDES Permitted Flow (gpd)
Onteora Jr./Sr. High School	Olive	27,000
Camp Timber Lake	Shandaken	34,000
Pine Hill*	Shandaken	500,000
Belleayre Mt. Ski Center (#001)	Shandaken	15,000
Belleayre Mt. Ski Center (#002)	Shandaken	14,000
Regis Hotel	Fleischmanns	10,000
Margaretville*	Margaretville	400,000

Notes: * - Owned by New York City Department of Environmental Protection.
Source: NYCDEP GIS Data.

The Village of Fleischmanns has been designated as a "Priority Group A" community under the New Sewage Treatment Infrastructure Facilities program within NYCDEP's Watershed Protection and Partnership Programs. This program finances construction of new WWTPs to handle existing flows in areas where water quality conditions warrant new treatment facilities.

NYCDEP funding is available for a plant with a discharge of approximately 78,000 to 80,000 gpd. This plant would handle all existing residential and commercial uses within the village and would have only modest excess capacity for growth within the village. Additional capacity could be built into the plant, but would not be financed by NYCDEP.

The NYSDEC model sewer use ordinance requires new development occurring within a sewer district to be hooked up to the WWTP. In addition, the Town of Shandaken Subdivision Regulations requires that any proposed subdivision contiguous to an existing sewer district must apply to become part of the existing sewer district (§105-21.G(3)(a)). Thus, subdivisions in areas adjacent to Pine Hill may apply to NYCDEP for use of the additional capacity at the Pine Hill WWTP. Discussions with NYCDEP, the owner of the Pine Hill WWTP, indicate that, while an application to accept the wastewater from the Belleayre Resort project should be made as required under Town Subdivision Regulations, NYCDEP does not anticipate approval of the request due to liability concerns.

ZONING

Local zoning codes regulate the type, density, and site design of proposed new uses. Zoning designations for the NYS Route 28 corridor are indicated in Figure 5-6. The NYS Route 28 corridor is predominantly zoned low-density residential but contains a mix of both residential and commercial zoning districts in and around the villages and hamlets.

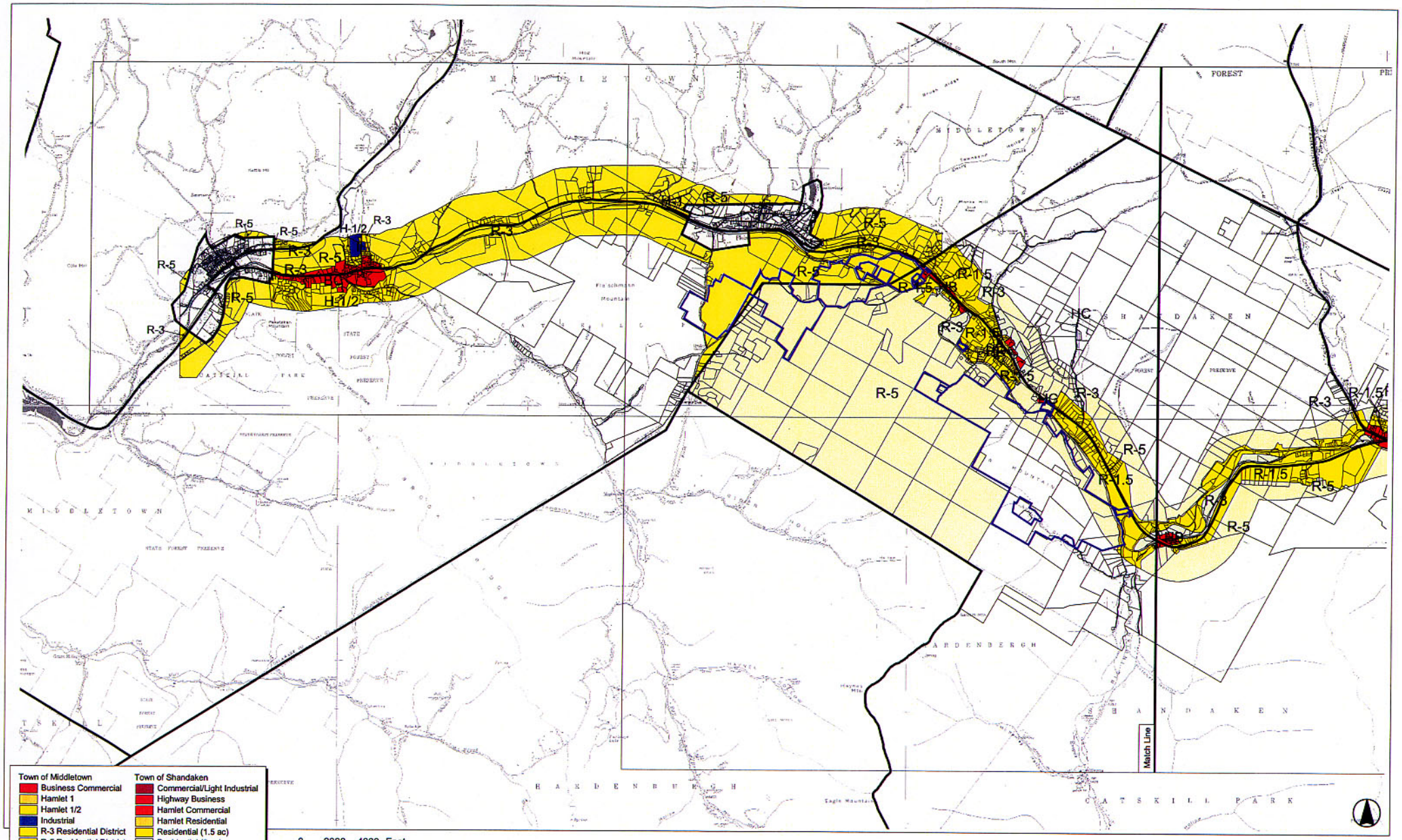
Shandaken

In the Town of Shandaken, the majority of the NYS Route 28 corridor is zoned for residential uses (either R1.5 or R3 Zoning Districts). As the land begins to ascend the hillsides on either side of NYS Route 28, low-density residential (R5 Zoning District) predominates. Land off side roads follows this same pattern with denser residential development allowed in the river and stream valleys and low-density development allowed for the hillsides.

The residential zoning districts allow single-family residences. Certain institutional and commercial uses (such as general commercial, hotel, restaurant, and bed & breakfast uses) are allowed by Special Permit within the R1.5 Zoning District. Lodging establishments are also allowed by Special Permit within the R3 and R5 Zoning Districts.

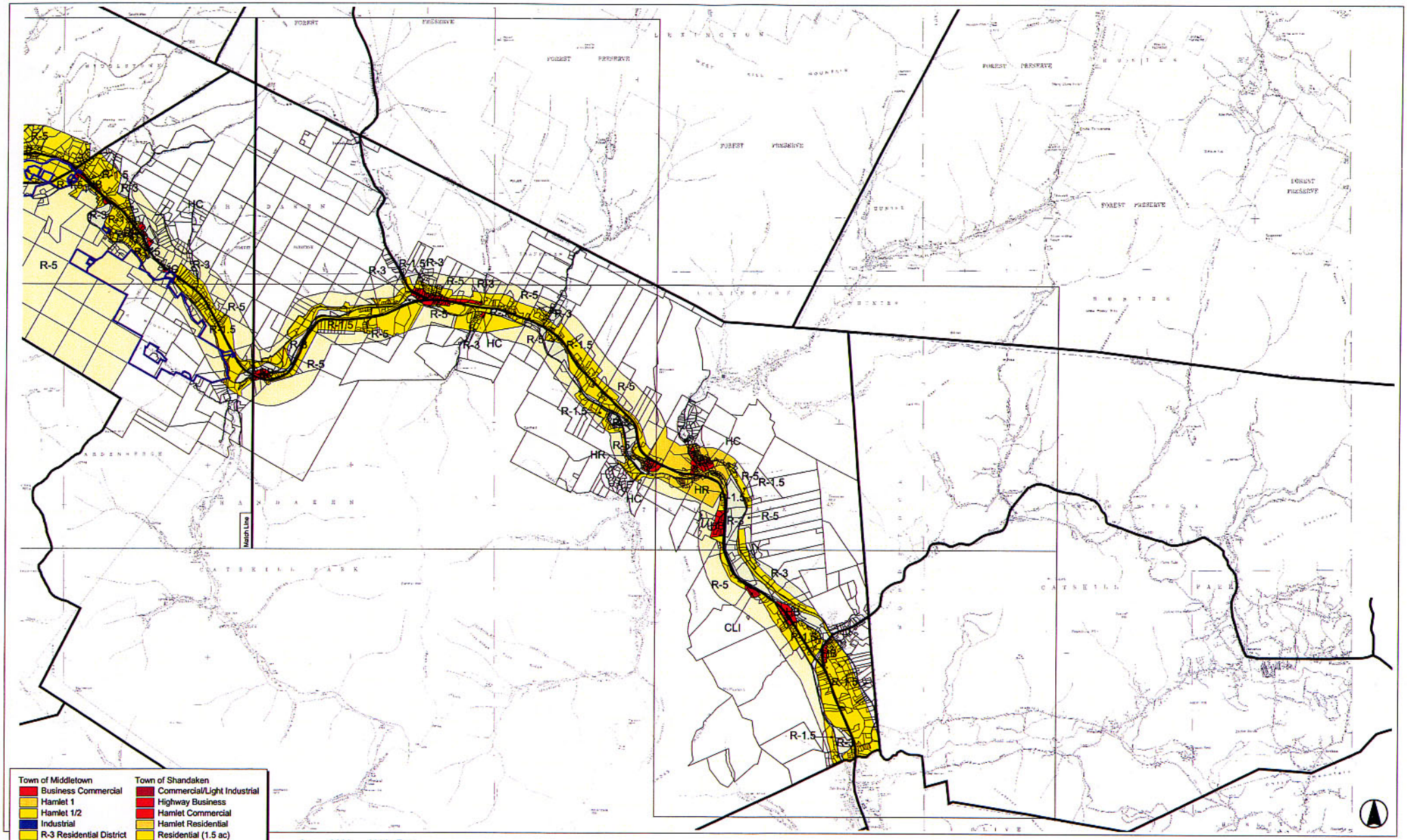
Hamlet Residential (HR) Zoning Districts allow similar uses to the R1.5 Zoning District but permit increased density where municipal water and/or sewer systems are provided. HR Zoning Districts are located around the hamlets of Phoenicia and Pine Hill.

Commercial Zoning Districts within Shandaken include the Highway Business (HB), Hamlet Commercial (HC), and Commercial/Light Industrial (CLI) Zoning Districts. Commercial Districts are located at select points along NYS Route 28 such as Mount Tremper, Allaban, and Big Indian, and within the hamlets of Phoenicia and Pine Hill. Residential uses are allowed within the HB and HC Zoning Districts, but not the CLI District. The Town Zoning Code makes clear its intent with respect to commercial development along NYS Route 28 by stating at §116-5.C(9) that "[t]he overall policy of the town is to encourage intensive well-designed development within the HB District lands while discouraging any expansion of the HB District that would nurture more extensive commercial highway strip development." The Schedule of Area and Bulk Regulations (§116-11) implements the Town's policy by requiring a minimum lot size of 1.5 acres within the HB Zone with a maximum building coverage of 15 percent.



BELLEAYRE RESORT *at Catskill Park*

Zoning
Figure 5-6a



BELLEAYRE RESORT *at Catskill Park*

Zoning
Figure 5-6b

Within the CLI Zone, the minimum lot size is 2.0 acres and the maximum building coverage is 20 percent.

The Town of Shandaken has also mapped a "Floodway" (FW) Zoning District on the Zoning Map that generally follows the main stream and river channels along NYS Route 28. The exact boundaries of the FW District are not mapped, but the definition follows the Federal Emergency Management Agency definition of "floodway": "the channel of a river or other watercourse and the adjacent land areas required to carry and discharge a flood of given magnitude." No development is permitted with the FW Zoning District. In addition, the Town has designated a "Flood-Fringe Overlay (FF-O) District" within the 100-year floodplain. Development within the FF-O District is subject to Special Permit review and approval.

Section 116-21, "Lands designated as freshwater wetlands, under water or subject to periodic flooding," was added to the Zoning Code in 1992 as Local Law No. 3 of 1992. This provision states that no more than 25 percent of the required minimum lot area may contain a NYSDEC-designated wetland, open water, or be subject to periodic flooding under the 100-year flood. This provision constrains development on many of the lots along NYS Route 28 as they abut the Esopus Creek or one of its tributaries.

Section 116-28, "Development near streams and other waters," states that "[i]n order to preserve the open character along major streams for environmental and ecological reasons," all development proposed within 100 feet of a stream or NYSDEC-designated wetland is subject to Special Permit review and approval. New York City's Watershed Regulations prohibit any new or expanded impervious surface area within 100 feet of a stream or NYSDEC wetland. However, in six designated hamlet areas, new or expanded impervious surfaces are allowable subject to NYCDEP review and approval of a Stormwater Pollution Prevention Plan (SPPP).

Finally, the Town of Shandaken Subdivision Regulations requires that any proposed subdivision contiguous to an existing sewer district must apply to become part of the existing sewer district (§105-21.G(3)(a)). Thus, subdivision in areas adjacent to Pine Hill must apply to NYCDEP for use of the additional available capacity at the Pine Hill WWTP.

Middletown

Within the study area in the Town of Middletown, the zoning is similar to that of the Town of Shandaken. The Town contains the following Zoning Districts: Rural III (R-3) and Rural V (R-5) residential districts, Business Commercial (BC), Hamlet 1 (H-1) and Hamlet ½ (H-1/2), and Industrial (I). A Development Limitations (DL) Overlay district and Commercial/Industrial Floating Zone (CIFZ) are also mapped. The majority of the Town is zoned R-5. The unincorporated hamlets of Halcottsville, Dunraven, and Clovesville are zoned H-1. The only H-1/2 Zoning District includes the residential portions of Arkville outside of the BC and I zones. The only Industrial district is located near Arkville.

The NYS Route 28 corridor is lined with low-density residential zoning (R-3 and R-5 Zoning Districts) except in the area between Arkville and Margaretville where Business Commercial (BC) zoning occupies both sides of NYS Route 28.

Schedule I of the Zoning Code lists the Permitted and Special Permit uses allowed throughout the Town. The residential Zoning Districts (R-3 and R-5) allow one- and two-family dwellings as permitted uses and multi-family dwellings as Special Permit uses. Most agricultural and commercial uses are allowed within R-3 and R-5 districts subject to Special Permit approval. Uses within the BC, H-1/2, and H-1 Zoning Districts are similar to the uses permitted in the

residential districts with the exception that agricultural uses and certain higher intensity uses (airport, shopping center, summer camp) are not permitted. The Industrial Zoning District permits a variety of bulk storage, light industrial, and enclosed manufacturing uses.

The Development Limitations Overlay district contains any lands identified as flood hazard areas on the FIRM maps, freshwater wetlands defined by NYSDEC, steep slopes of 15 percent or more, areas at or above an elevation of 2500 AMSL, and watershed areas that have more than 50 percent of the land in parcels less than 25 acres (§410). The DL district requires twice the minimum lot size as the underlying zoning district and requires an additional 50 feet of frontage. Yard setbacks are the same as underlying districts. The Zoning Code Enforcement Officer and Planning Board are empowered to consider the Development Limitations pertaining to a site in their review of the suitability of the land for development in the Site Plan Review and Special Permit processes.

The Commercial/Industrial Floating Zone recognizes the difficulty in finding suitable locations for new commercial and industrial development in a rural area and allows for commercial or industrial uses in the R-5 Zoning District subject to special frontage and setback requirements.

Section 537 of the Zoning Code describes provisions relevant to Planned Unit Development (PUD). PUDs are permitted on assemblages of 30 contiguous acres and may include residential and non-residential uses including detached and attached dwelling units. The purpose of the PUD is to allow "a more desirable community environment than would be possible through the strict application of zoning regulations" and "preservation and enhancement of community natural resources." The density of a PUD may not exceed the allowable density of the underlying Zoning District; however, minimum lot size, yard requirements, and the requirement of the Development Limitations Overlay for double lot area do not apply to a PUD. All uses within a PUD must be served by central water and sewer systems.

Margaretville. The Village of Margaretville has recently updated its Zoning Code. The Village contains three zoning districts: Residential (R), Business (B), and Industrial (I). The Residential district permits one- and two-family dwellings, accessory apartments, and minor home occupations. The Business district permits a standard array of commercial uses including retail, restaurant, theater, and professional offices. All uses within the Industry district require Special Permit approval and include (among others) light industrial, warehouse/storage, agricultural uses, and lumber yards. Site Plan review is required for virtually all proposed uses except one- and two-family residential and buildings devoted to agricultural uses. "Plans to prevent the pollution of surface or groundwater..." are required as part of Site Plan review. There are no specific regulations within the Zoning Code, or referenced in the Zoning Code, for development within the floodplain or in areas adjacent to streams or waterbodies.

Fleischmanns. The Village of Fleischmanns Zoning Code delineates four separate Zoning Districts: Residential, Commercial, General Village, and Industrial. The majority of the Village is zoned General Village. Permitted uses within the General Village District include one- and two-family residential uses, churches and schools, home occupations, day care facilities, and offices. Lodging establishments, restaurants, taverns, and automobile repair shops are allowed subject to a Special Permit. A Commercial Zoning District is located on either side of Main Street in the eastern half of the Village. The same uses as in the General Village Zoning District (both Permitted uses and Special Permit uses) are allowed in the Commercial District. Additional Permitted uses include retail stores, theaters, and banks. Two Industrial Zoning

Districts are on either side of Depot Street in the vicinity of the existing building and contractor supply business. Land on either side of NYS Route 28 is zoned for General Village uses.

A Flood Hazard (F-H) District is mapped using the FEMA 100-year floodplain (Zone A) mapping. Section 5.6 of the Village Zoning Code states that buildings and uses within the F-H overlay area shall be in accordance with applicable provisions within the Federal Flood Disaster Protection Act.

ENVIRONMENTAL CONSTRAINTS SUMMARY

Figure 5-7 presents a composite constraints analysis for the study area. As indicated previously, the GIS allows multiple information to be overlaid to show a hierarchy of constraint. This map shows the more stringent regulatory constraints on top of the other environmental constraints that may, in certain cases, be overcome by engineering solutions. Thus, public lands were removed completely from consideration of future growth potential. Areas within the regulated 100-foot buffer from rivers, streams, and NYSDEC wetlands and areas identified as NWI wetlands or FEMA 100-year floodplain are also considered not available for development. Slopes of 15 percent or more are also shown in the composite analysis. These areas are considered undevelopable either through regulatory or engineering constraints. Lastly, soils with a depth to bedrock of 40 inches or less and especially those same soils with slopes of 10 percent or more are considered inappropriate for use of sub-surface disposal systems and are less likely to be developed.

Figure 5-7 indicates the lack of large tracts of undeveloped land suitable for future development. Single-family residential construction could, theoretically, occur on parcels constrained by certain regulatory or environmental features. However, the extent to which additional single-family residential construction, especially development of multiple dwellings within a subdivision, could occur throughout the study area is limited.

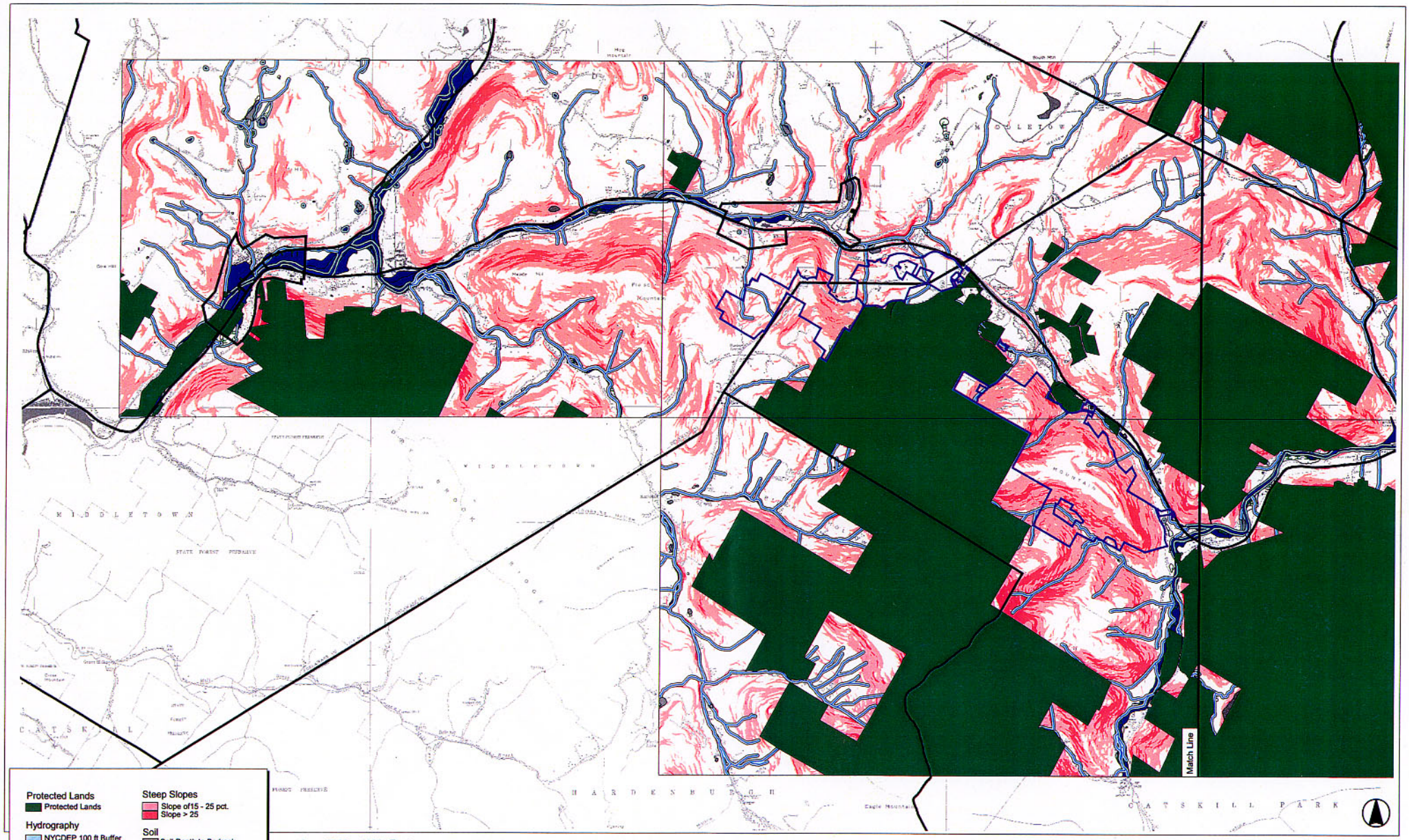
Table 5-8 summarizes the amount of land within the study area constrained by major regulatory or environmental features. As the figures indicate, approximately 103,429.6 acres of land (96.3% of the total study area) are constrained by either public ownership, hydrography, steep slopes, or shallow soils.

Table 5-8
Summary of Constraints Analysis

Constraint	Acres	Pct. Study Area
Total Study Area	107,365.8	100 %
Steep Slopes with Shallow Soils*	84,670.0	78.9 %
Protected Land	49,242.6	45.9 %
Hydrography (within buffer area)**	6,850.4	6.4 %
Topography (greater than 15%)**	21,067.4	19.6 %
Soils (depth less than 40 inches)**	26,269.2	24.5 %

Note: * - Slopes greater than 10 percent with soils less than 40 inches to bedrock on public and private lands.
** - Outside public lands.

Ownership of nearly 46 percent of the study area by public agencies is the most important constraint on potential new development. Development along stream corridors, while



BELLEAYRE RESORT *at Catskill Park*

Composite
Figure 5-7a

BELLEAYRE RESORT *at Catskill Park*

Composite
Figure 5-7b

historically the predominant pattern of development, is now limited not only by the NYCDEP Watershed Regulations provisions on setbacks for impervious surface areas and sub-surface wastewater disposal fields, but also by the limited land areas between the roads and the streams. While only six (6) percent of the study area was identified as being within hydrologically sensitive areas (within a 100 foot buffer from certain water features), opportunities for addtional development within the corridor are constrained by access limitations across hydrographic features. Alterations to streams and wetlands to create crossings are regulated by NYSDEC, NYCDEP, and the ACOE. While permitting procedures exist for creating new crossings, permits are not granted in all cases. Since NYS Route 28 and many of the major side roads in the study area follow existing streams or valley bottoms where wetlands are found, access to upland areas requires some form of wetland or stream crossing for many portions of the study area. If stormwater management and site engineering issues can be addressed, however, certain lands bounded by streams and wetlands could be developed.

In areas where regulations do not constrain the land supply, other features such as steep slopes and shallow soils restrict potential development. Twenty percent of the non-public within the study area has slopes exceeding 15 percent. Shallow soils constrain development potential on approximately 25 percent of the land outside of public property. Steep slopes especially constrain development potential within the corridor as access to buildable areas from major roads is unlikely due to the prevalence of steep slopes adjacent to the major roads.

While large tracts of privately-owned undeveloped land do exist within the study area, the cost and engineering limitations of creating access given existing topography and hydrography, creating appropriate wastewater treatment, and constructing on rugged terrain would generally limit the amount of development that could occur.

C. PLANNING ANALYSIS

Land use within the study area also affects the likelihood of induced growth. New growth is more likely to occur within the Villages and hamlets or in areas already developed (such as Big Indian) to benefit from existing economic and residential activity. Vacant structures, especially, within these areas would be most likely to be redeveloped, as the cost-of-entry for new businesses would be significantly lower than for new construction.

This section outlines where development currently occurs and where new development might be likely to occur given both existing land uses and environmental features. Information for this section was developed from : 1) a business inventory obtained from Claritas, Inc., a business and demographic information service; 2) windshield land use surveys of the study area, 3) a business survey of businesses along the NYS Route 28 corridor, and 4) *Route 28: A Mile-by-Mile Guide to New York's Adventure Route*[*].

BUSINESS INVENTORY

An inventory of existing businesses was conducted using Claritas information services. Claritas reports information on businesses by location and by Standard Industrial Classification (SIC)

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* Scharpf, Rob. *Route 28: A Mile-by-Mile Guide to New York's Adventure Route.* Big Pencil Publishing Company (August 1998).

code. A query of their databases created an inventory of businesses by SIC codes for ZIP codes within the study area. Table 5-9 summarizes the search criteria for the business inventory.

Table 5-10 summarizes the number of business establishments and total sales (in millions of dollars) by SIC code for each location.

Claritas reports sales for business establishments based on the National Decision Systems' (NDS) Business-Facts database, which is a well-known business tool for its depth and accuracy. Actual sales data is only attainable for publicly held companies. For other businesses, NDS models provide sales data based on actual data of a national sample of about six million companies. It is not possible to obtain more accurate sales estimates by direct inquiries to non-publicly held business proprietors as this information is generally thought to be confidential and/or subjectively reported. Using Claritas provides the most consistent and objective reporting of this information.

Table 5-9

Business Inventory Search Criteria

Standard Industrial Classifications	Locations (ZIP Code)
SIC 52: Building Materials	Margaretville (12455)
SIC 53: General Merchandise	Arkville (12406)
SIC 54: Food Stores	Fleischmanns (12430)
SIC 55: Automotive	Pine Hill/Highmount (12465)
SIC 56: Apparel & Accesory	Big Indian/Oliveria (12410)
SIC 57: Home Furniture	Shandaken (12480)
SIC 58: Eating & Drinking	Phoenecia (12464)
SIC 59: Miscellaneous Retail	Mount Tremper (12457)
SIC 70: Lodging	Boiceville (12412)
SIC 72: Personal Services	
SIC 79: Amusement & Recreation	

LAND USE INVENTORY

The Claritas business data were supplemented by a windshield survey of the entire NYS Route 28 corridor from Margaretville to Boiceville. This windshield survey included visits to a representative sampling of individual businesses, a general assessment of the geographic distribution of businesses and the development potential of undeveloped land, as well as discussions with individuals knowledgeable about the business climate within the area.

One of the primary observations within the study area was the low level of overall business activity outside of the hamlets and villages. Even within certain of the hamlets and villages, such as Fleischmanns and Big Indian, economic activity within establishments was limited. The number of goods offered for sale, the low variety, and the age of products on store shelves indicated a very low rate of turnover for most products. The general condition of many of the stores also indicated that there was not a great deal of excess money available to pay for improvements. While this condition is not uncommon to many rural areas, it does indicate that revenues from additional sales would most likely go first to increasing product depth and variety and cosmetic improvements before being spent on physical expansion.

Table 5-10

Summary of Business Inventory

Location	SIC Code																			
	Bldg. Mat.		Gen. Merch		Food		Auto.		Apparel		Home Furn		Eat/Drink		Misc. Retail		Lodg.		Pers. Svcs		Amusement	
	52		53		54		55		56		57		58		59		70		72		79	
	No.	Sales	No.	Sales	No.	Sales	No.	Sales	No.	Sales	No.	Sales	No.	Sales	No.	Sales	No.	Sales	No.	Sales	No.	Sales
Margaretville	2	1.8	1	0.1	6	15.2	1	1.2	2	0.3	7	1.9	9	3.7	24	6.1	6	1.9	13	3.2	9	8.0
Arkville	1	0.4	0	0.0	4	2.1	2	0.7	3	1.6	6	2.5	4	0.5	2	0.2	2	0.2	3	0.3	0	0.0
Fleischmanns	1	2.1	0	0.0	2	0.5	2	1.6	1	0.5	2	0.4	1	0.3	4	2.5	11	3.2	0	0.0	1	1.4
Pine Hill/Highmount	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1	0.1	4	0.9	3	1.5	6	14.2	0	0.0	0	0.0
Big Indian/Oliveria	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	2	0.4	2	0.2	4	0.4	1	0.1	0	0.0
Shandaken	0	0.0	0	0.0	1	0.2	1	0.4	0	0.0	0	0.0	4	0.9	0	0.0	7	0.7	0	0.0	0	0.0
Phoenecia	3	1.7	0	0.0	3	2.9	3	3.0	2	0.5	0	0.0	12	5.1	12	2.1	8	1.3	2	0.2	3	1.0
Mount Tremper	0	0.0	0	0.0	1	0.8	0	0.0	0	0.0	0	0.0	4	1.3	7	2.1	4	0.9	1	0.1	2	6.1
Boiceville	3	2.4	0	0.0	3	7.4	1	0.6	0	0.0	2	0.8	4	1.7	4	1.4	2	0.4	2	0.3	1	0.4
TOTAL	**10**	**8.4**	**1**	**0.1**	**20**	**29.1**	**10**	**7.5**	**8**	**2.9**	**18**	**5.7**	**44**	**14.8**	**58**	**16.1**	**50**	**23.2**	**22**	**4.2**	**16**	**16.9**

Note: Sales information recorded in millions of dollars.
Source: Claritas, Inc. (December 2000).

MARGARETVILLE/ARKVILLE

The Village of Margaretville, located at the western end of the study area, functions as a primary commercial center for a wide area. Main Street is the primary business district with a number of retail businesses, professional offices, and services. Village businesses provide daily goods shopping (e.g., grocery store, hardware), specialty goods shopping (e.g., antiques, clothing), personal services (e.g., beauty parlors, laundry) and dining establishments. Most of the storefronts along Main Street are occupied and some buildings contain active second-floor retail businesses. The former Great American supermarket on Main Street west of the primary downtown is now vacant with most of the food shopping occurring at the A&P supermarket on Bridge Street. Approximately six lodging establishments are listed within the business inventory but are generally located outside the downtown area.

Two parcels totaling approximately seven acres are located at the intersection of NYS Route 28 and Fair Street near the existing garden center and across from the NYCDEP-owned wastewater treatment plant. A retail development, "Delaware Park Plaza," has been proposed and approved for this seven-acre site. Approximately 17,560 square feet of retail uses, a restaurant, a bank, and a car wash have been approved. The car wash has been constructed.

The portion of NYS Route 28 between Margaretville and Arkville contains a number of convenience retail businesses (gas stations, hobby shop, electronics store) as well as a few of the lodging establishments. The Margaretville Memorial Hospital is located on the south side of NYS Route 28. Several undeveloped parcels are located just outside the Village of Margaretville on NYS Route 30. Two of the parcels are used for agricultural purposes and one is used as a golf driving range. These parcels could be subject to development pressure but are located within the 100-year floodplain and are contiguous to the East Branch of the Delaware River, making development on a large-scale less likely.

There have been proposals to relocate the A&P supermarket to a former gravel bank on NYS Route 28 adjacent to Sanford's Auto Parts. Site plan approval was granted and building permits issued, but no additional activity has been initiated on this project. The A&P is seeking to move out of the Village because of recurring flooding problems.

Arkville contains several general commercial and retail convenience establishments, professional offices (including the Catskill Center for Conservation and Development), a gas station, and the Delaware and Ulster Railroad. Land to the east of Arkville on NYS Route 28 generally ascends steeply on the north side of NYS Route 28, and descends steeply to the confluence of the Bush Kill and Dry Brook. Several small-scale businesses are located on the north side of NYS Route 28 including antiques stores, a tavern, and an auto-body shop.

FLEISCHMANNS

The Village of Fleischmanns is located off of NYS Route 28. The majority of businesses are located on Main Street (Old NYS Route 28). Fleischmanns is noted for its many lodging establishments. During the summer, the Village is a popular destination for members of the Hasidic community. Several properties within, or adjacent to, the Village are owned by Hasidic congregations.

Only one dining establishment is located within the Village. Several small retail shops are found on Main Street, but there is not a great deal of activity within the Village. A small group of commercial uses is located near NYS Route 28 at Big Red Kill Road just west of the Village.

East of Fleischmanns there are very few commercial uses along NYS Route 28. In Highmount, at the entrance road to the Belleayre Mountain Ski Center is a ski rental business. Opposite the entrance road is the Birch Creek Motel and a road that leads to the Owls Nest, a vacant lodging/catering facility.

PINE HILL

The main business district of the hamlet of Pine Hill is located off of NYS Route 28 on Main Street. The hamlet contains a number of lodging and dining establishments and is known as a center of "apres-ski" activity for visitors to the Belleayre Mountain Ski Center. Single-family residences are located throughout the hamlet and on either end of the main business district.

BIG INDIAN

The Big Indian area is a grouping of businesses centered on the intersection of NYS Route 28 and NYS Route 47 (Oliverea Road). In addition to a United States Post Office, there is a "Big Indian Trading Post" and several restaurants on NYS Route 28. Several lodging establishments are located off of NYS Route 47. The Esopus Creek flows under Route 28 just west of the intersection of Oliverea Road. Land in this area is generally flat near the roads, but then rises steeply away from the roads.

SHANDAKEN/ALLABEN

The Shandaken/Allaben hamlet area is a lightly developed portion of NYS Route 28 in the vicinity of NYS Route 42, which runs north to Lexington in Greene County. Businesses listed in this area are primarily restaurant and lodging establishments. A general store and auto supply shop are also located in this hamlet area. There is no defined hamlet center other than the intersection of NYS Routes 28 and 42. The south side of NYS Route 28 is generally flat within the floodplain, while the north side rises gradually into the hills.

PHOENECIA

Phoenecia, like Margaretville to the west, is another center of commercial activity serving a wide area. Phoenecia is located at the intersection of Old Route 28 and NYS Route 214 which runs north to Hunter and Tannersville. A number of businesses are located within the hamlet that make it a popular destination for tourists. A pharmacy and general store/delicatessen provide services to residents of the hamlet and surrounding areas.

Storefronts within Phoenecia are generally occupied and well-kept. A wide variety of stores are available and there is generally a high level of activity during both weekdays and weekends. In addition to the Town Tinker Tube Rentals which attracts tourists, the Empire State Railway Museum is located in Phoenecia. Tourist railroad rides are provided between the Museum and the Mount Tremper area. Stony Clove Creek flows into the Esopus Creek just outside the main business area.

MOUNT TREMPER

The Mount Tremper area is located east of Phoenecia directly on NYS Route 28 and along NYS Route 212, which leads to Woodstock. Most businesses identified in Mount Tremper are located on NYS Route 28, including the several businesses located within the Catskill Corners development. This development includes dining and lodging establishments and tourist-related retail. The Emerson Inn is a recently-completed renovation on the south side of NYS Route 28 that provides up-scale lodging and dining. Additional lodging and dining establishments are located along NYS Route 212.

BOICEVILLE

The eastern end of the study area is located in Boiceville in the Town of Olive. With the exception of some smaller commercial centers along NYS Route 28 in Ashokan, Boiceville is the first concentration of commercial activity between Kingston and Phoenecia. (There is a large amount of commercial strip development on NYS Route 28 east of the Ashokan Reservoir). A number of retail service commercial establishments such as a supermarket, hardware store, pharmacy, and florist are located in a shopping center across NYS Route 28 from the Onteora public school. Additional commercial uses are located along this stretch of NYS Route 28, including a lumber yard, professional services, and restaurants.

ROUTE 28 BUSINESS SURVEY

A survey of businesses along NYS Route 28 and in the hamlets and villages within the study area from Margaretville to Boiceville was performed in the summer of 2000. The surveys were conducted as personal interviews when possible or through mail-in responses. A total of 321 surveys were distributed and 153 (48 percent) were completed. This high rate of response and even higher percentage of respondents who waived anonymity (89 percent of all respondents) suggest that businesses felt that their participation in the survey would be meaningful. It should be noted that a number of businesses that participated in the survey have also expressed support for the Belleayre Resort project in a petition submitted to NYSDEC.

The average number of years in operation for the businesses is just over 16 years and 79 percent of respondents indicate that they own the location where their business is. Ninety-four (94) percent of the businesses indicated being open year-round with 56 percent saying that summer is the busiest season. Spring and winter were the slowest seasons identified. Friday (56 percent), Saturday (67 percent), and Sunday (33 percent) were identified by most businesses as one of the busiest days of the week and Monday (57 percent), Tuesday (57 percent), and Wednesday (53 percent) were listed as among the slowest days.

A common characteristic of the businesses surveyed is the tendency for businesses to provide multiple product lines within one shop. Hotels with full-service restaurants were common as were convenience stores or eat-in delis that also sold gasoline. This pattern was also observed during the windshield survey of the corridor. It is difficult to categorize some businesses as they provide multiple products or services.

While only five percent of respondents indicated that their business had decreased over the last two years, 68 percent indicated that they rate the condition of the economy as "fair" or "poor" (26 percent replied "good", only 3 percent replied "excellent", and 3 percent replied either "poor-fair" or "fair-good"). However 79 percent of respondents indicated that business would be "somewhat" or "greatly" improved if the Belleayre Resort project were approved.

The business survey also sought to ascertain the level of employment within the corridor. Employment, like revenue, is difficult to ascertain accurately as it is common practice in small businesses to employ people off-the-books. Nearly sixty percent indicated employment of four people or less. The only major employers within the corridor are the Margaretville Memorial Hospital, the Belleayre Mountain Ski Center, the Margaretville Central School, and Phoenicia Elementary School. Only the Hospital responded to this business survey.

ROUTE 28 MILE-BY-MILE

A final source of information used to supplement the Claritas business inventory, the windshield survey, and the business survey is the book written by Rob Scharpf and published by Big Pencil Publishing Company in August 1998. *Route 28: A Mile-by-Mile Guide to New York's Adventure Route* chronicles the businesses along Route 28 between Kingston and Warrensburg. Information contained in the book includes price ranges for restaurants and lodging establishments and product types for other stores found along the corridor.

SUMMARY OF PLANNING ANALYSIS

Most development within the study area has occurred within the valley bottom through which NYS Route 28 is located. Hamlet areas have concentrations of mixed commercial and residential uses where the valley bottom widens out. In intermediate areas, steep hillsides, rivers and their associated wetlands, and floodplains have tended to discourage development. This pattern reinforces the centrality of the hamlets and villages to the NYS Route 28 corridor. Where commercial activity does exist outside the hamlet and village areas, there is generally not a high level of activity. The hamlets and villages, on the other hand, generally have a vitality generated by both year-round and seasonal residential and tourist activity. ❖

A. INTRODUCTION AND PURPOSE

The proposed Belleayre Resort at Catskill Park would introduce four-season resort and lodging facilities immediately adjacent to the state-owned Belleayre Mountain Ski Center on both the eastern and western boundaries of the ski area. The full complement of ski area combined with resort amenities would be a notable change within the NYS Route 28 corridor. However, this development pattern is common at ski resorts regionally and nationally. For this reason, the final scoping document for the Belleayre Environmental Impact Statement (EIS) Socioeconomic Impact Assessment included a case study analysis.

Case study reviews provide an opportunity to gain insight into potential secondary development consequences generated by the Belleayre Resort based on observations of development patterns and experiences from other resorts. Case studies are not extensive quantified technical analyses, but are largely observation oriented; learning from the experiences of others and interviewing appropriate business leaders and public officials.

Based on the public scoping process for the Belleayre Resort EIS, three case study locations were selected: Windham, New York; Mount Greylock, Massachusetts; and Gore Mountain, New York (see Figure 6-1). This chapter provides an overview of each resort's location and setting, identifies and summarizes key resort facts and characteristics, summarizes development patterns at and around each resort, and notes any relevant public policy regarding economic development or growth management.

B. WINDHAM, NEW YORK

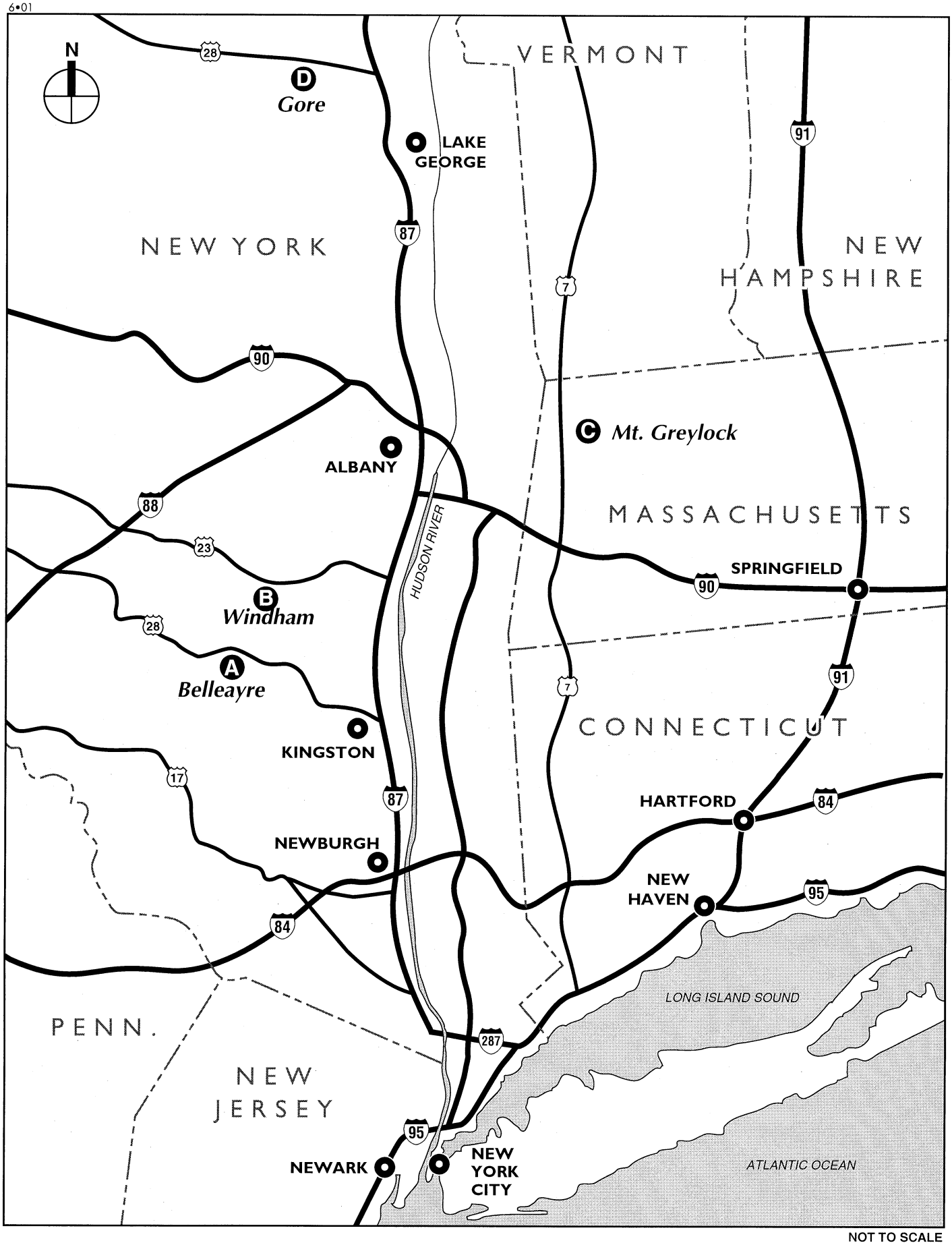
In conducting the case study analysis, the consultant team met with Dan Frank, the Director of Ski Windham, and spoke with Town Supervisor Pat Meehan. In addition, local realtors were contacted regarding their observations on development activity and demand in and around the Windham Resort. Table 6-1 provides overview characteristics of the surrounding community.

LOCATION AND SETTING

LOCATION

As noted in Figure 6-1, Windham, New York is located at the northern edge of the Catskill Forest Preserve along NYS Route 23. Ski Windham is located in the Town of Windham, just to the south and east of the Town's central business district.

Within a 10-mile radius of the ski center, which is just south of the urban center of Windham, there is a population of approximately 17,000. Resort housing and lodging is located on the mountain and in several resorts throughout the adjacent area. The Windham Arms, located on NYS Route 23 in downtown Windham, is the resort's primary luxury hotel and was recently



NOT TO SCALE

Case Study Locations

Figure 6-1

BELLEAYRE RESORT *at Catskill Park*

acquired by Ski Windham to ensure that the hotel is fully available for winter ski accommodations.

The resort is located about 145 miles from New York City and about 55 miles from Albany. Thus, like Belleayre, Windham is located in a two- to three-hour drive time from the New York metropolitan area which serves as the resorts primary market draw. In addition, it is only about an hour from the Capital District in Albany. Windham is some 200 miles west of Boston, which is considerably farther than the Berskshire ski areas of about the same size, and farther than many of the larger resorts of Vermont and New Hampshire.

Table 6-1
Winhdam Resort Setting

Factor	Key Information
Town/Village Location	Windham, NY
County Location	Greene County
Population in 10-Mile Radius (2000 Estimate)	16,915
Distance from NYC	145 miles
Distance from Albany	55 miles
Distance from Boston	200 miles
Sources: Town of Windham; Greene County Planning Department; Claritas, Inc. and Mapquest.com.	

CORRIDOR AND GATEWAY SETTING

Windham is located along NYS Route 23. This major east-west travel arterial is a critical access route for the northern Catskills. The road extends from the Massachusetts border, across the Hudson River on the Rip Van Winkle Bridge and westward across the northern edge of the Catskill Park (through East Windham, Windham, Ashland, and Prattsville). It then continues westward into Delaware County, Ostego County, and western New York State. Thus, the roadway provides access to the resort from major north-south transportation spines of the Taconic Parkway, the railroad, and the New York State Thruway.

NYS Route 23 provides an attractive corridor and gateway for travelers to and from Windham. It is a scenic route that traverses the northern edge of an extended rise in altitude from the Hudson Valley toward Windham. The travel way is generally open and wooded with little roadside development characteristic of sprawl or unattractive commercial development. This makes arrival into Windham a clearly established and attractive gateway to the resort.

RESORT FACTS AND CHARACTERISTICS

Ski Windham is an interesting case study since, like Belleayre, it is a Catskill-based resort; however, it has a strikingly different history and development pattern. The primary difference is that the ski facility is privately owned and includes a substantial amount of related real estate at the mountain. Much of its development pattern stems from its history. The ski area was founded in 1960 and operated as a private club open to members only through 1981. It was purchased by its current owner in 1981 and has been operated as an open-to-the-public ski area by a privately held corporation since that time. Table 6-2 summarizes basic facts about the resort.

Table 6-2
Ski Windham Information

Element	Measure
Total Resort Acres	800 acres
Number of Lifts/Uphill Capacity	10 lifts/ 11.800 persons per hour
Vertical Drop	1,600 feet
Rated Capacity[1]	6,000
Skier Visits	200,000 to 300,000 per year
On-Mountain Real Estate (non lodge and accessory facilities)	75 single family homes, 337 permitted condominium units (about 250 currently built)
Cross Country Skiing	none

Note: [1]Industry Standard: calculated based on lift capacity, trail acreage, lodge size
Source: Windham Mountain Ski Area, Interview with Dan Frank

Ski Windham is characterized by its history as a private club. Compared with other ski areas in the Catskills, its clientele tends to be primarily overnight guests and weekenders. The ski area estimates that about 60 percent of its skier visits are based on an overnight stay (compared to about 30 percent for Belleayre). In addition, it is a second-home community. Of the 300 or so total single-family and condominium units located at the mountain, the majority are owner-occupied and not part of the rental marketplace. Owners tend to ski regularly for the 10 to 12 peak season weekends, and the units are largely vacant during the week.

NON-SKI SEASON ACTIVITIES

The private Windham resort is heavily oriented toward its ski season, and the remaining three peak seasons (spring, summer, and fall) have significantly decreased levels of utilization at the ski area. The on-site real estate is much less frequently used by their owners (Windham real estate professionals indicate that the area's second-home owners are likely to own vacation property in other markets, such as in coastal areas). As a result, the ski area itself does not provide extensive non-season activities or venues, although its facilities are available for events and functions.

Other than the diminished activity at the ski center, Windham is still clearly part of the overall weekend recreational economy that exists throughout the Catskills. In the immediate resort area (about a 5-mile radius similar to the relationship of the proposed Belleayre Resort to the Belleayre Mountain Ski Center), there are two golf courses and other three-season amenities. Town Supervisor Meehan notes that the second-home character of the area is prevalent in the summer as well. Thus, amenities, such as golf, hiking, restaurants, and shopping are available resources, but are not resort destinations in and of themselves.

DEVELOPMENT TRENDS AROUND RESORT

The popularity of Windham as a weekend resort, as well as the private nature of the on-site real estate, has created a demand for secondary residential development. According to the ski area and town officials, there are presently about 400 units of townhouses built in four condominium/

townhouse developments in reasonable proximity to the ski area—Crystal Pond, the Quads, Windham Ridge, and Elm Ridge.

As indicated by Town Supervisor Meehan, local realtor Jeff Prince, and Dan Frank of Ski Windham, the demand for real estate development of resort lodging in Windham is heavily influenced by the ski area and weekend visitors. As noted by Mr. Frank, ski centers can drive real estate demand, but the industry has learned that real estate does not ensure a resort or ski center's success. This was a "lesson learned" throughout the ski industry during a rare period of rapid expansion of mountain-based real estate during the 1980s as ski areas were grappling with changes in the industry and the overall economy. Like the other resorts assessed for this study, this demand is limited, and the development community has learned that rapid expansion of lodging units can be a severe liability.

With the continued stability of Ski Windham's status as one of the key Catskill ski centers, Town Supervisor Meehan indicated that there is some incremental interest in new real estate development, including the build-out of the on-mountain real estate at Windham (The Enclave) and a few other development concepts that are not yet at the building or approvals stage. In addition, a major factor in continued economic development and vitality of the area is found in upgrading of existing real estate resources in terms of commercial properties (i.e., Ski Windham expanding the winterized room count for the Windham Arms) and individual residences and second homes.

LABOR DEMAND

The labor market has not been a particularly important issue for the ski center or the resort. Ski Windham indicates that historically, it has had no difficulty in staffing its permanent and seasonal work force. Mr. Frank has noticed some tightening in the supply of workers for the lowest wage service jobs and has had to draw employees from farther afield to fill the positions this past season.

Neither Mr. Frank nor Town Supervisor Meehan feel that the real estate development market or the seasonal peaking during the winter season have created an inflationary pressure on the labor market that could result in displacement or demand for new residential population growth to meet the labor demand. The ski center participates in the Greene County Resorts Association's coordinated effort to match seasonal workforces to optimize labor pool employment opportunities. Like many resort communities, residents tend to mix and overlap employment opportunities. Mr. Frank and Town Supervisor Meehan expect that with the Belleayre Resort project, there will not be an overtaxed labor market, but more employment opportunities for those already in the workforce (i.e., the "busy guys will get busier").

PUBLIC POLICY ON ECONOMIC DEVELOPMENT AND GROWTH MANAGEMENT

Unlike the relatively large-scale public and private investments in ski area and real estate development as seen at Belleayre Mountain Ski Center, Gore Mountain, and Mount Greylock, Windham is characterized more by a climate of private investment and its stable second-home oriented economy. There are no particularly significant public sector investments in the local tourist economy. Nonetheless, Town Supervisor Meehan points to several key elements of how the community helps shape and manage its economic base.

Windham maintains a balanced approach to economic development primarily through its very strong sense of community identity and participation. As a result, even more than written policy, there is a strong community vision that is expressed in public policy. That vision is one of balance. The ski center attempts to be, and is seen as, a strong partner in the community, but it does not seek or take a dominant role in local planning and politics. The town works with the ski center to encourage and capitalize on economic activity and secondary benefits to the town and its business community.

Understanding that the seasonal home market is vital to creating a stable economic base (a large proportion of the tax base but a relatively small proportion of the cost of municipal services) is an important consideration in Windham (as has been noted in other resort communities). The balance is maintaining community character and the local "service" economy without too much exclusiveness or property value escalation in the second-home market, which can displace the local population. Such an imbalance has not been the experience of Windham or any of the case study locations.

Nonetheless, Windham is studying how to maintain that balance into the future. The ski center, golf courses, and other resources are the amenities that need to be located in the area to maintain its attractiveness to the weekend and second-home market. The town works to define the recreational and resort amenity mix, and is planning for what it should be in the future to maintain a market advantage. This could lead to planning or infrastructure initiatives in the future to best locate and approve such projects. Supervisor Meehan indicates that there are no specific or formal planning initiatives before the Town.

C. MOUNT GREYLOCK, MASSACHUSETTS

In conducting the case study analysis, the consultant team met with key planners involved in the recently-approved Greylock Center project. In addition, economic and fiscal impact studies conducted by Sasaki Associates, Halcyon, Inc., Golf & Land Economics, Inc., and the Commonwealth of Massachusetts Executive Office of Environmental Affairs were obtained and reviewed for this case study (see "Development Trends Around Resort" for a summary of these reports).

LOCATION AND SETTING

LOCATION

Greylock Center is a recently-approved development project located in the northeastern corner of Massachusetts adjacent to the Town of Adams, MA (see Figure 6-1, above). The area is located at the base of the Mount Greylock State Reservation, and is accessed via MA Route 8, between the Town of North Adams and MA Route 2 to the north and Pittsfield, MA to the south. As shown in Table 6-3, Adams is the largest of the communities in the case study, with a population of over 40,000 in a 10-mile radius of the proposed Greylock Center.

Mount Greylock is roughly equidistant from New York and Boston (160 and 150 miles, respectively) and about 50 miles from Albany. However, it is not particularly conveniently located in terms of highway access, making reaching Mount Greystock a slightly longer trip than the mileage would indicate.

CORRIDOR AND GATEWAY SETTING

Mount Greylock is located along the MA Route 8 corridor that connects Pittsfield to the south with North Adams to the north. While located in a rugged and scenic area, the MA Route 8 corridor is not a prominent scenic corridor in Berkshire County in that the road connects two larger urban centers and is industrial in character for much of its length. To the north of Adams, the MA Route 8 corridor is dominated by mining and paper industries. Factory housing and a more urban character are present along MA Route 8 along the northern entry way into Adams.

Table 6-3
Mount Greylock Resort Setting

Factor	Key Information
Town/Village Location	Adams, MA
County Location	Berskshire County
Population in a 5-mile Radius (2000 Estimate)	41,410
Distance from NYC	160 miles
Distance from Albany	50 miles
Distance from Boston	150 miles
Sources: Claritas, Inc., Mapquest.com	

To the west of the Mount Greylock State Reservation, U.S. Route 7 and MA Route 43 provide north-south travelways that carry much of the recreational traffic (and provide direct access to the nearby ski centers of Brodie and Jiminy Peak). In addition, U.S. Route 2 carries east-west traffic from the New York border, connecting with U.S. Route 7 in Williamstown and continuing eastward toward Boston. Williamstown, some 15 miles north and west of Adams, is more characteristic of a tourism-based gateway, with an attractive town center built around Williams College. As such, Williamstown is the center where visitors find the more upscale hotels and restaurants.

Adams is the gateway community to the proposed resort development, and is typical of older New England industrial places, with evidence of the economic downturn in the industrial economy. There are indications of reinvestment in the prominent architecture and streetscape of downtown Adams, including the renovation and conversion of some older industrial buildings into mixed-use projects.

Mount Greylock itself provides an imposing backdrop along the western skyline and is highly visible from MA Route 8 and downtown Adams.

RESORT FACTS AND CHARACTERISTICS

The Mount Greylock State Reservation was the site of one of the first alpine ski areas in the Northeast. Greylock's legendary Thunderbolt Ski Trail hosted the first U.S. Eastern Amateur Ski Association downhill championship race in 1935, and was in active competition use until 1955. Intermittently over the years a downhill ski facility had been in operation on the slopes of Mount Greylock, but uncertainty of snow cover and a highly competitive alpine ski economy in nearby Vermont resulted in the decline and demise of alpine skiing on Mount Greylock. A

revival of alpine skiing was attempted in the 1970s and failed again. Alpine skiing is available near Adams with the northwestern Massachusetts ski centers of Jiminy Peak and Brodie Mountain (now under common ownership).

PROJECT HISTORY

The Greylock Center project is occurring on a 1,063-acre site that was originally assembled in the 1970s by ELCO Resort Development Corp. ELCO completed the development of an 18-hole championship golf course, alpine ski infrastructure (trails, chair lifts, and snowmaking facilities), and residential units, and began construction of a 300-room hotel. Failure of the ski area, community opposition, and an overall slump in the regional economy caused the developer to abandon the project, and the project was taken over by the local savings and loan association through foreclosure.

The bank's desperate efforts to move the project forward solidified opposition. This, combined with the state's intense interest in stimulating the local economy, resulted in the acquisition of the 1,063-acre site in 1986 by the Massachusetts Department of Environmental Management (DEM). By its action, the state intended to prepare a master plan for the site's development and transfer its plans to a developer for implementation. The state's objectives were to stimulate the local tourist economy in a manner consistent with the overall management of the adjacent Mount Greylock State Reservation.

Working in conjunction with DEM, a second development plan was proposed by Heritage Greylock, Inc. This proposal involved refurbishing the existing golf course, constructing a second 18-hole championship golf course, 850 units of housing, a conference center, retail space, restaurants, a performing arts center, and providing nordic and alpine skiing. In 1989, Heritage Greylock pulled out due to the real estate recession, and DEM's delayed processing of the land disposition agreement.

Following a second public master planning session run by the 22-member Greylock Center Advisory Commission, the current development, known as Greylock Center, is moving forward.

Unlike the other case study locations of Gore Mountain and Ski Windham (and therefore somewhat similar to the proposed Belleayre Resort project), Greylock Center is not yet built. As approved, the project consists of 1,063 acres that will be developed in a public-private partnership involving a private development partnership, the Commonwealth of Massachusetts, and the Town of Adams. Similar to the forest preserve setting of Belleayre Mountain Ski Center and Gore Mountain, Greylock Center is immediately adjacent to the 12,500-acre Mount Greylock State Reservation, one of the state's most treasured public conservation areas with an outspoken and powerful constituency. Mount Greylock State Reservation is known to harbor many plants and animals listed by the state as rare and endangered, and has been the site of several significant environmental battles over the past several decades involving communication towers, cog railways, mountaintop lodges, timber harvesting, and adjacent development. The Appalachian Trail passes through this part of northwestern Massachusetts through the Mount Greylock State Reservation.

The Greylock Center development has received its development approvals, and in February 2000 received its certification under the Massachusetts Environmental Policy Act (MEPA), the equivalent of a New York State Environmental Quality Review Act (SEQRA) finding.

The project, as approved, will consist of the following elements:

- The "Village Center"—51-acre village to include: a conference center (72,000 square feet); up to 300 residential units (type and form to be market-driven); commercial, retail, and restaurant space; and an artisan's center.
- Greylock Lodge—five buildings situated on 12-acre campus, to include: Nature's Classroom (a year-round environmental education center); two residential structures for staff and employees; 200 lodge-style guestrooms with restaurant; and conference facilities.
- An 18-hole championship golf course—6,963 yards, par 72, designed by Hurdzan-Fry.
- Public recreational facilities, to include: 10 kilometers of groomed nordic ski trails with snowmaking; golf-cart/bicycle trails and pathways connecting development elements.

The "Village Center" is the focal point of the development. The 300 units of residential development that will be accommodated within the village will be permitted, but not built by the developer. Rather, the developer will sub-lease within the master 99-year lease individual lots for secondary developers to build upon within the environmental and architectural guidelines contained within the master plan and land lease. This development is expected to be market-driven, and could consist of a variety of forms of housing (detached, attached, etc.), and a variety of forms of ownership, ranging from condos, fee ownership, time-share, fractional interests, to rental.

The master plan also has stipulated that the alpine ski facility be closed permanently, and that the developer concentrate on nordic skiing as a means of creating a four-season resort facility. The nordic ski trail system has been laced throughout the development, and will use snowmaking infrastructure to guarantee snow during the winter season. Existing alpine centers of Brodie Mountain and Jiminy Peak provide skiing amenities for the northwestern market area.

The development is based on a public-private partnership that is expected to produce an economically viable development that provides well-planned and sustainable economic growth to an area with little economic growth. In overview, the key players in the project will provide the following project components:

- DEM will transfer the land to Greylock Management Associates (GMA) under a 99-year land lease; bring water, gas and sewer connections up to the property boundary; and build the golf course, nordic skiing trails, and hiking trails.
- The Town of Adams will design and construct an access road to the site.
- GMA will develop the remainder of the facilities and manage the public recreational amenities.

In addition to having acquired the site in the late 1980's, DEM's investment will be approximately $8.5 million; Adams will invest $750,000 plus an additional $12.25 million in state Public Works Economic Development (PWED) funds; and the developer will invest $125.5 million, for a total public-private cost of $147 million.

DEVELOPMENT TRENDS AROUND RESORT

The development site is located within the Town of Adams, in the economically depressed northern tier of Berkshire County. Although the northern Berkshire setting is rich in natural beauty and amenities, the northern tier does not enjoy southern Berkshire's robust tourist and

seasonal economy supported by destination tourist interest generators, such as Tanglewood and Canyon Ranch, and by an active tourist accommodation industry. In addition, access to the northern Berkshires is considered unappealing and unattractive, and is viewed as a major deterrent to visitors and an impediment to the overall success of economic development in the northern half of the county. Further, the northern towns have not recovered from withdrawal of the industrial and manufacturing industrial base on which their economies depended. Despite its natural beauty, the retail centers have high vacancy levels and are not tourist-oriented, and there is a lack of tourist-friendly accommodations, which primarily consist of low-end motel-style facilities.

According to a housing market study of the area conducted in 1998 by Golf & Land Economics, Inc., the market demand for second-homes in the Adams/Mount Greylock area is virtually non-existent. However, more recent inquiries to local planners as part of the case study indicate that there is some evidence of increasing demand for new primary homes (and second homes) in the north Berkshire County region.

Unlike New York State's SEQRA, Massachusetts's MEPA does not require consideration of induced or secondary growth, nor does it require consideration of economic and fiscal impacts. However, since this project is heavily financed by public sources, since it is billed as an economic development initiative, and since there is terrific concern about the financial success of the project, several economic analyses were conducted. Economic and fiscal impact analyses conducted by Sasaki Associates, Halcyon, Inc., Golf & Land Economics, Inc., and the Commonwealth of Massachusetts Executive Office of Environmental Affairs were obtained and reviewed for this case study analysis, and their conclusions are summarized below.

Three forms of analysis were conducted. First, studies were conducted to project the primary and secondary economic effects of the project using the U.S. Department of Commerce, Bureau of Economic Analysis Regional Input-Output Modeling System (RIMS II). Second, fiscal analyses were conducted to project the effects on local tax revenues, although effect on municipal services seems to have been ignored. Third, regional secondary growth impact analyses were conducted on a very cursory level.

The latest RIMS II analysis shows that this project will have a net positive impact on the local and regional economy as a result of the investment in construction activities. A total of 1,471 person-years of employment are projected to be created during the construction phase, resulting in $58.8 million in wages and salaries generated. Once in operation, the project is anticipated to support 383 full-time jobs on-site and off-site, with a cumulative annual payroll of $11.5 million.

Annually, the project is anticipated to generate $380,000 in sales taxes, over $700,000 in hotel room taxes, and over $1.2 million in local property taxes. In addition, the 99-year land lease will generate $162,000 annually, plus a profit-sharing payment in the amount of 10 percent of the development's net annual cash flow. The anticipated labor for both construction and operations is expected to be drawn from the locally-available labor pool.

All analyses conclude that the project will have a net positive effect on the regional economy. There is general consensus that the Adams/northern Berkshire economy is recovering, and new business starts and increased tourist traffic is cited as evidence that this recovery in underway. The new Massachusetts Museum of Contemporary Art (MASS MoCA) facility is viewed as the single most important catalyst for stimulating this improvement in economic conditions. The analyses conclude that Greylock Center will represent another highly visible investment in

amenity-based tourist facilities that will continue this economic growth. The analyses also conclude that the success of Greylock Center depends upon the continuation of this economic improvement and that a significant investment must be made before the development benefits from the regional public investment and before the region benefits from the development. This inter-related and interwoven nature of the project and the evolving regional economy make it difficult to separate the effects of any single project or investment.

Currently, however, there exists a virtually nonexistent second home market, with the notable exception of Jiminy Peak, which has one hotel facility and several hundred slopeside and base area condominium and townhouses. There are also some on-mountain lodging facilities at Brodie Mountain. These units were found to be independent and highly localized markets that would not be affected by the proposed Greylock development.

According to Golf & Land Economics, Inc., this absence of a vacation, or second-home market should be viewed as a threat to the success of the project. While the project will establish a badly needed new set of attractive recreational amenities in the region, the analyses conducted on behalf of DEM do not see the project creating demand for the 300 residential units that are proposed for the village. As a result, the land disposition agreement allows the developer to permit residential sites and build them according to market demand. This is seen as a safeguard to both the public and private investments and as a means of protecting the site from build-out and subsequent failure and abandonment.

While each analysis trumpets the project's increase in the region's number of tourist and visitor expenditures and new business starts, no quantitative analysis has been conducted to characterize this anticipated economic activity. Further, no analyses of secondary off-site environmental or land use impacts have been conducted. However, the sense is that beneficial off-site activity will be stimulated, and that it will be controlled satisfactorily through state and local land use and environmental regulation.

Interviews conducted locally indicate that there is no known real estate speculation in the vicinity of this project. In addition, the project does not seem to have affected real estate values in the immediate area. The subjective assessment is that the market will respond at such time as the Greylock Center project begins to function, and that this response will be economically favorable to the region. No housing displacement is anticipated as a result of this project because the area has a large existing supply of housing. As noted above, the project hopes to build on the modest trend of more upscale permanent residents locating in the northern Berkshires with independent work sources or within easy distances of the Albany Capital District.

LABOR DEMAND

The proposed Greylock project is an economic development effort undertaken by a public-private partnership involving state and local government. It is geared to providing construction period and permanent employment options to an area with a depressed economy and an under-utilized workforce. Therefore, its effects on labor supply are anticipated to be beneficial with little or no effect on the overall ability for the labor supply to meet demand, or to result in an inflationary wage cycle that could displace existing residents or businesses.

PUBLIC POLICY ON ECONOMIC DEVELOPMENT AND GROWTH MANAGEMENT

The Commonwealth of Massachusetts has recently invested heavily in the northern Berkshires in an effort to stimulate tourism and the regional economy. The recently-opened MASS MoCA represents a $40 million investment in the region. MASS MoCA, which has been registering over 100,000 visitors per year, has attracted new restaurants and shops into the Adams/North Adams region. This, in turn, has stimulated the relocation of several Internet-based businesses into the area, creating a "Silicon Village." Fortunately, the northern Berkshire region is within a 50-mile commuting radius of several colleges and universities, including Williams, Bennington College, University of Massachusetts, and State University of New York (SUNY) Albany. This results in a highly-educated workforce that is well suited to the development of a high technology economy. The Internet businesses cite the natural beauty, recreational amenities, cultural offerings, and access to an educated workforce as primary reasons for locating in the northern Berkshires.

In sum, the project is set in a region that appears to be emerging from a decades-long economic slump and is just beginning to capitalize on its natural beauty and environmental assets.

D. GORE MOUNTAIN, NEW YORK

In evaluating Gore Mountain, the consultant team conducted telephone interviews with public officials from the Olympic Regional Development Authority, the state chartered agency that operates and markets sports venues associated with Lake Placid's hosting of the 1980 and 1932 Winter Olympics (ORDA), and the Warren County Planning Department. Additional information on real estate activities was obtained from the Gore Mountain web site and from conversations with local realtors.

LOCATION AND SETTING

LOCATION

As shown in Figure 6-1, above, Gore Mountain is located in the central Adirondacks in upstate New York about an hour's drive south of Lake Placid. It is located in northwest Warren County in the Town of Johnsburg and is just to the south and west of the hamlet center of North Creek. The ski center, similar to the forest preserve setting of Belleayre, is located within the Adirondack State Park. Also like Belleayre, it is a state-owned and operated ski center. While the New York State Department of Environmental Conservation (NYSDEC) operates Belleayre, Gore Mountain has been folded into the operating umbrella of ORDA. As noted in Table 6-4, the 5-mile population around Gore Mountain (North Creek/Johnsburg) is estimated at around 4,500 persons, the least populated resort area examined in the case studies. The ski area is located just to the south of North Creek, the community most closely associated with Gore Mountain. The area's primary luxury lodge, the Copperfield Inn, is located in North Creek. The most prominent condominium/townhouse development (the 82-unit Summit at Gore) is located along NYS Route 28 adjacent to Peaceful Valley Road, which provides access to the ski center.

CORRIDOR AND GATEWAY SETTING

Gore Mountain is located off the NYS Route 28 corridor, the same route that provides access to Belleayre Mountain Ski Center. NYS Route 28 is a unique "C" shaped 280-mile state highway

that begins in Kingston, NY. It provides access to the central Catskill Park corridor, and it turns north through the middle part of New York State and then eastward through the central Adirondacks through Old Forge, Blue Mountain Lake, Indian Lake, and North Creek before terminating at Route 9 in Warrensburg, near Lake George.

Table 6-4
Gore Mountain Resort Setting

Factor	Key Information
Town/Village Location	Johnsburg/North Creek, NY
County Location	Warren County
Population in 10-mile Radius (2000 Estimate)	4,500
Distance from NYC	235 miles
Distance from Albany	80 miles
Distance from Boston	250 miles
Sources: Warren County Planning Department; Claritas, Inc., Mapquest.com	

There are some similarities of interest between Belleayre Mountain Ski Center and Gore Mountain. The North Creek/Johnsburg setting is along a very scenic corridor, about 25 miles to the north and west from the Interstate 87 (Adirondack Northway) corridor (compared to Belleayre Mountain Ski Center, which is about 30 miles west of the New York State Thruway). From the initial gateway community of Warrensburg, the road climbs in elevation up into the North Creek area. The road is a two-lane state arterial and has some roadside development patterns, but according to local officials, there has been neither a tremendous development pressure nor "sprawl" type development along the corridor. Somewhat similar to NYS Route 28 in the Catskills, it is more characterized by older style tourist oriented development (small scale motels, cabins, and retail). As the study area is located wholly within the "Blue Line" of the Adirondack Preserve, all land use and development actions are subject to regional review and approval by the Adirondack Park Agency.

Also like the Belleayre Mountain Ski Center experience (and with the adjacent hamlet of Pine Hill, in particular), the adjacent hamlet centers are not immediately on NYS Route 28. In particular, the hamlet of North Creek (the primary urban center serving Gore Mountain) is located off the main highway, which was built as a bypass to the village center many years ago. Further complicating the relationship of the ski center to the village is that the turn on to Peaceful Valley Road is to the east of North Creek, thereby enabling travelers to turn back toward the main highway without passing through or by the Village Center. Nonetheless, North Creek's localized economy is geared toward the mountain and provides key real estate, retail, and recreational opportunities to the skier population.

RESORT FACTS AND CHARACTERISTICS

Gore Mountain is a well-established ski area (founded in 1964) with skiable terrain and vertical drop that is on par with the majority of the largest and most well-known northeast ski resorts throughout Vermont and New England (see Table 6-5).

As such, it is somewhat larger than the Belleayre Mountain Ski Center or the other Catskill ski centers. However, as a state-owned facility, its relationship with adjacent tourist economies is similar. Gore Mountain has a slightly higher number of annual ski visits (145,000 in the 1999/2000 ski season) compared with Belleayre's 107,000. It is a figure comparable to Belleayre's projection for the next few seasons. Like Belleayre, Gore Mountain is showing impressive gains in skier visits based on the reinvestment in its outmoded infrastructure and enhancements to overall customer service. As set forth in the 1999 Gore Mountain Support Group Report*, skier visits could reach 300,000 if the full Master Plan is realized.

Unlike Belleayre Mountain Ski Center, Gore Mountain is generally characterized as a destination ski area, and according to Gore Mountain's marketing director, Jason Sherry, the area's customers overwhelmingly comprise skiers who travel to the area and stay locally or regionally. Over 50 percent of skier visits originate from beyond a 2- to 3-hour drive time of the resort (defined by the ski area as south of Albany and west of Utica). As discussed below, this creates a lodging demand that is met locally and regionally.

Table 6-5

Gore Mountain Ski Area Information

Element	Measure
Total Resort Acres	292 Acres (skiable acres)
Vertical Drop	2,100 feet
Number of Lifts/Uphill Capacity	9 Lifts/ 13,700 Persons per hour
Rated Capacity	NA
Skier Visits	145,000 per year
On Mountain Real Estate (non lodge and accessory facilities)	none
Cross Country Skiing	13 kilometers groomed x-c trails as well as backcountry snow shoe trails

[1] Industry Standard: calculated base on lift capacity, trail acreage, lodge size
Source: Gore Mountain Ski Area, Interview with Gore Mountain's Marketing Director, Jason Sherry (December 2000).

NON-SKI SEASON ACTIVITIES

With its central location in the Adirondack State Park, Gore Mountain is situated within a vital and very large summer and fall-based tourist economy. Adirondack resorts, such as those in Lake George (about 25 miles from North Creek) to the east, Indian Lake to the west, and Lake Placid to the north are summer tourist draws throughout the northeast. Gore Mountain and North Creek itself are somewhat off the prime summer season locale and therefore experience a different pattern of summer use activity.

The North Creek area tends to be a somewhat quieter location during the non-ski season, most notably because it does not have a major lake-based economy. It is well located to take advan-

* The Gore Mountain Support Group is a citizens and business owners coalition that emphasizes Gore Mountain's significance as the economic anchor of the community. The group supports initiatives for investment in the ski area and the local economy.

tage of the Hudson River frontage, and North Creek is a major tubing and white water boating center (with a strong spring highwater season). The Gore Mountain area also provides access to hiking and biking throughout the central Adirondacks. Planners and realtors observe that the area is also in demand as a secondary market from the larger lake resorts and that tourists will often seek the less crowded and higher elevation setting of Gore and North Creek, realizing that they are an easy half-hour drive from the more active resort centers on Lake George. A good example of this is that there is no immediately adjacent golf course developments; the closest courses are located in Chestertown and toward Lake George.

Given this setting, Gore Mountain is a major contributor to the summer tourism resources of the Johnsburg/North Creek area, through a full utilization of its venue for seasonal activities, such as mountain biking, hiking, and scenic gondola rides. Like Belleayre, this is an important contributor to the recreational opportunities offered summer visitors, but is not the draw in and of itself (but is more part of the regional package of amenities).

DEVELOPMENT TRENDS AROUND RESORT

The real estate development patterns in and around Gore Mountain exhibit some interesting trends that are relevant for evaluating secondary effects of the proposed Belleayre Resort. The market place for accommodation is strong, and was off to a particularly strong start in the 2000-2001 ski season according to local real estate and ski area marketing professionals. Gore Mountain has a relatively small core of available opportunities within the immediate North Creek area, and substantially more lodging opportunities in the half-hour-drive range from the resort.

As Gore Mountain has improved its facilities and enhanced its marketing, it has increased demand for real estate and accommodations. However, like Windham, it is not an unlimited or open-ended market place, and development has been slow, absorbing production of townhouses and hotel rooms over many years. Local realtor John Hunter says that development in and around North Creek came in increments with adjustment cycles where there was a lot of property on the market with depressed values through cycles when these units were absorbed and prices and demand rebounded.

There is still not a particularly large private sector response, and the resort currently has about 100 townhouse units among four or five developments, including the Summit at Gore (with 84 units), Gore Mountain Village (12 units) and Pine Ridge (8 units). The Summit project is relatively prominent along the NYS Route 28 corridor, while the other developments are scattered and more set into the woods. There are also relatively strong chalet and second-home rental markets in the general area (also about 100 units in the rental market). The 1999 Gore Mountain Support Group Report indicates that a 68-unit housing development is now under construction about one mile from the ski center.

With very strong occupancy rates during peak holiday weeks (Christmas to New Years, and President's Week) and on weekends, consensus is that demand could (and should, according to the Gore Mountain marketing director) generate interest in additional development. However, based on historic trends, the development pattern locally (and observed throughout the case study evaluations and throughout the ski industry) is conservative and shy of speculation based on prior cycles of excess inventory. This is particularly the case when the housing is not specifically on, or controlled, by the ski area itself. However, even the ski areas that invested heavily in on-site real estate (such as many of the Vermont resorts) discovered that it is easy to

provide too much product too quickly for the market. John Hunter noted that while summer rentals are less in terms of peak pricing, the units are consistently rented throughout the summer months, with less weekend peaking than during the winter season.

Other accommodation opportunities are with the typical resort mix of motels, more full service hotels, inns, and lodges, and bed and breakfasts. As set forth in inventories published by the Warren County 2001 Tourism Guide, there are about 250 beds in the immediate Gore Mountain area.

Similar to Windham (the Windham Arms) and Belleayre (the Emerson Inn), the North Creek market includes a small number of more luxury-oriented small hotels, such as the Copperfield Inn, a 24-room inn with luxury amenities and room rates in the range of $200 per night. In addition, there is the Garnet Hill Lodge, a luxury cross-country ski area located to the west of North Creek off of NYS Route 28.

As noted below, there is some developer interest in the outcome of a private-public initiative to expand the Gore Mountain ski area toward the North Creek village center, encompassing the historic North Creek Ski Bowl, one of the first lift-based ski centers in the country. The long-term completion of the connection has been added to the Gore Mountain Unit Management Plan.

The 1999 Gore Mountain Support Group Report indicates that the growth in investment at Gore Mountain has been expressed in new economic activity and an upgrading of the business base of the community, including a 50 unit motel, an expansion of the Copperfield Inn, and the opening of several new restaurants, as well as several new stores and service businesses (16 business and 55 new jobs).

LABOR DEMAND

Similar to the experiences of other resort areas in general, and the experiences observed at Windham and Belleayre ski areas, both the real estate development market and the ski center and resort labor market are not overwhelmed by the growth in activity both at the ski area and in the larger community.

Gore Mountain is an important employer in the regional economy, and it has an established long-tenured work force of seasonal and full-time employees. Like other resort areas, but particularly notable in the Adirondacks, and as noted by Warren County planners, many permanent residents work on a seasonal basis and combine three and four sources of income during the year. The 1999 Gore Mountain Support Group Report indicated that the growth in the ski area has been critically important in expanding winter employment opportunities for local residents.

PUBLIC POLICY ON ECONOMIC DEVELOPMENT AND GROWTH MANAGEMENT

There are significant economic development initiatives underway in Warren County and the NYS Route 28 region in and around Gore Mountain and North Creek. Three initiatives were described by Pat Thatich of Warren County as particularly important in stabilizing and expanding the area's tourist-based economic activity. Others interviewed noted that much of the investment in the region's economy is focused on four season or non-ski season amenities.

The activities outlined below—the North Creek Ski Bowl, the North Creek Ski Train, and the North Creek Action Plan—have created substantial interest and consensus among the residents

and businesses. However, all parties interviewed for the case study indicate that it is not resulting in speculative development. There is much more of a measured wait-and-see approach, and the public officials and the realtors see more of an incremental increase in activity (i.e., based on increasing visitors) and revitalizing and upgrading of existing resources as a direct outcome of the investment.

NORTH CREEK SKI BOWL

The first effort developed in a coordinated initiative of local, county, and state government, as well as the private sector, is based in North Creek and Gore Mountain and involves the revitalization of the North Creek Ski Bowl, with an eventual interconnection with the Gore Mountain ski area. In the short term, ORDA and Gore Mountain management have been granted authority to operate and invest in the Ski Bowl—a small, historic ski center located just opposite the hamlet center and across NYS Route 28.

Of potentially greater significance is the interagency agreement and requisite state legislative action necessary to enable a future interconnection between the Gore Mountain ski center and the North Creek Ski Bowl. This could substantially expand the skiable terrain offered at Gore Mountain while bringing the base of the mountain essentially to the edge of the village. This would vastly increase the visibility and attractiveness of North Creek, and would make it a unique marketplace for northeast ski resorts, more akin to European and western United States resorts. One large parcel of privately held land is contiguous with the state and municipal land, and it has been part of the overall strategic plan to focus new real estate development on this parcel to integrate it with an overall growth management master plan.

NORTH CREEK SKI TRAIN

So dubbed the "Ski Train" based on the most immediate market appeal, this economic investment is for a major transportation investment in the Adirondack State Park economy that would provide year-round rail service. There is currently a tourist train in North Creek that provides limited seasonal train trips (similar to the Arkville train service along NYS Route 28 at Belleayre). Planning and financing investigations are underway to upgrade rail service into North Creek. Through a combination of federal funds, transportation funds, International Surface Transportation Efficiency Act (ISTEA) grants, and other state grants, it is anticipated that the track into North Creek would be rehabilitated up to a Class 2 status (speeds of up to 45 miles per hour), thereby providing a realistic transportation alternative from Saratoga, Albany, and points south for trips into the region.

With the proposed extension of the Gore Mountain ski center into the Ski Bowl, there is an opportunity to provide direct rail connection to a combined ski base and village center. Such ski trains have proven very successful out of Denver, and preliminary market analysis by Warren County suggests that there is a significantly large market potential for such a service. Just as important, the anticipated rail market is very strong for summer and fall seasons as well.

GROWTH MANAGEMENT

Gore Mountain's setting within the Adirondack State Park is always an aspect of economic development and tourism-based economic activities. Public and private lands within the park are subject to land use guidelines and development limitations both from local jurisdictional controls and from the Adirondack Park Agency, a park-wide agency with land use and development authority. In addition, Warren County planners indicated that planning emphasis on strength-

ening the hamlets, and an overall low development pressure in the corridor, minimized intrusive or sprawl-type development along the corridor. In addition, focused planning initiatives, such as the North Creek Action Plan, have resulted in the recognition and value of enhancing and focusing economic development in the hamlets and urban centers of the Adirondack Park.

E. BELLEAYRE COMPARISONS

In assessing trends and patterns at other resorts, as described above, the key to making the observations relevant to the Belleayre Resort project is to establish a comparative framework and assess applicability to the Belleayre Resort. This section assesses discernable similarities and differences in comparison with the Belleayre Resort, focusing on logical conclusions about what would be expected in terms of secondary development in and around the proposed project and ski center.

The Belleayre Resort surrounds the Belleayre Mountain Ski Center, resulting in a mix of four-season tourist amenities in a relatively tight area from Margaretville to the west to Pine Hill to the east. This core area of about 5 miles in length is used in the case study resorts comparison of development patterns.

LOCATION AND SETTING

LOCATION

As shown in Figure 6-1, the existing Belleayre Mountain Ski Center together with the proposed Belleayre Resort are located along the NYS Route 28 corridor. NYS Route 28 provides access to the central Catskill region from the major transportation corridors of the Hudson Valley beginning in Kingston, and traveling westward into the mountains through the Towns of Hurly, Olive, Shandaken, and Middletown, continuing to the north and west out of the Catskills and into central New York State. In addition to the body of work undertaken throughout this case study, and in preparing the overall EIS, the consultant team met with Tony Lanza, the then assistant and now superintendent of Belleayre Mountain Ski Center, and with local planners and realtors. Table 6-6 summarizes key comparisons of the four resort areas.

CORRIDOR AND GATEWAY SETTING

In comparison with the other resort areas described above, the NYS Route 28 gateway and corridor clearly reflects its southernmost location, in an area with a longer history of development and tourism. There is more traffic and more development along the corridor, with three distinct hamlet centers in the immediate area of the Ski Center. The year 2000 population located within a 5-mile radius is estimated to be approximately 10,000 people, more than the sparsely populated area around Gore Mountain, similar to Windham with about 15,000, and considerably less than Adams, MA, the largest urban area of the case study locations.

The NYS Route 28 corridor clearly reflects a land use pattern that has been through the up and down cycles of economic activity that have characterized the region's economic base. There is more roadside retail and development along NYS Route 28 than there is along the other corridors examined in the case study analysis. In comparison with Windham, the NYS Route 28 gateway at its exit with the New York State Thruway is considerably more urban in character with four lanes of traffic and many roadside developments as the highway climbs westward toward Belleayre approximately 30 miles from the Thruway. Common to all the areas are existing urban centers and hamlets that also reflect current and past patterns of development. This historic

pattern is established essentially with or without ski centers, and with or without specific development projects that have occurred on-site or adjacent to case study ski centers.

RESORT FACTS AND CHARACTERISTICS

Belleayre Mountain Ski Center is somewhat unusual in the ski industry in that it is just beginning to significantly increase its skier visitors and its overall profile. As explained by Tony Lanza of Belleayre, the ski industry is a mature market place with limited industry-wide growth trends. However, based on investments to facilities, infrastructure, and marketing, Belleayre is beginning to capitalize on its unique market advantages of location and quality of its terrain. It is also the only ski area in the Catskills to offer cross-country skiing trails. Part of the success in attracting new skier visits is the investment in new infrastructure at the Ski Center. Similar to Gore, Belleayre has invested in new lifts, trails, lodges, and snow-making.

As a result, annual skier visits to Belleayre Mountain Ski Center are increasing from about 70,000 visits in 1997/1998 to 107,000 in 1999/2000. Visitation for the 2000/2001 season was 142,000, and upwards of 165,000 are projected over the next few seasons. While Belleayre remains primarily a day-trip ski facility, its expanded market profile is evidenced by increased demand for accommodations and a skier visit draw that extends south of the New York metropolitan area into southern New Jersey and Philadelphia. Like all the facilities examined, Belleayre is heavily trafficked on weekends, leaving significant available capacity during the week.

According to Mr. Lanza, this growth in the stature of the Belleayre Mountain Ski Center would be confirmed by the proposed Belleayre Resort, but would not be substantially influenced or altered by its development. There are not enough hotel rooms or residential units in the proposed project to significantly alter the character or the origin of skier trips or the overall demand for overnight accommodations.

The ski area facilities are consistent with other Catskill resorts, such as Windham, in terms of lifts, skiable terrain, and vertical drop. As noted by Dan Frank (Director of Ski Windham) and Mr. Lanza, these ski areas complement, and provide a unique range of services to, the very large marketplace for regional skiing in relatively close proximity to the New York metropolitan area. Thus, Belleayre Mountain Ski Center's growth is not at the expense of the other large ski centers in the Catskills: Windham already has essentially three times the number of skier visits (and a long established history catering to second-home skiers based at the ski area), and Hunter Mountain clearly dominates in terms of drawing day-trips and recreational skiers from the metropolitan area.

Table 6-6

Case Study Summary of the Resorts

Comparative Factor	Belleayre Resort	Windham	Mt. Greylock	Gore Mountain
Location	Highmount, NY Ulster and Delaware Counties Map Key A	Windham, NY Greene County Map Key B	Adams, MA Berkshire County Map Key C	North Creek, NY Warren County Map Key D
Population in 10-Mile Radius (2000 Estimate, Claritas, Inc.)	10,489	16,915	41,410	4,486
Distance From: New York City Albany Boston (Approximate Miles, Mapquest.com)	 135 80 225	 145 55 200	 160 50 150	 235 80 250
Ski Area Basic Facts Comparison	• 142,000 skier visits 2000/2001 • Projected to reach 165,000 over next few years • Long range ski area expansion into Pine Hill (realistic if skier visits hit 200,000 per year) • Rated capacity: 3,900 skiers • Uphill capacity: 10,000 persons per hour • Vertical Drop: 1,400 feet • 9 KM cross country	• 200,000 to 300,000 skier visits • Mature market, no large increases in skier visits expected • Rated capacity: 6,000 skiers • Uphill capacity: 11,800 persons per hour • Vertical Drop: 1,600 feet • No cross country	• No alpine ski area • 10K groomed cross country area with snowmaking • Rated Capacity: NA	• 145,000 skier visits 1999/2000 • Projected to reach 300,000 over next few years • Rated Capacity: NA • Uphill capacity: 13,000 • Vertical Drop: 2,100 feet • 13KM cross country and back country
Ski Visitor Characteristics	• Primarily a day trip orientation • About 30% of trips seek overnight accommodations • Secondary market areas stretches towards Philadelphia, big source of the overnight demand	• Primarily a weekend/overnight orientation • About 60 percent of skier visits based on overnight accommodation • Loyal second home owners (and third home owners) at ski area and in community.	• Anticipated market: second homeowners	• Primarily a weekend destination resort • Majority of trips are over are over 3 hours.

Table 6-6

Case Study Summary of the Resorts

Comparative Factor	Belleayre Resort	Windham	Mt. Greylock	Gore Mountain
Ownership/Community Setting	• Public ski area, part of Catskill Preserve • Proposed private resort development adjacent to east and west • Commercial development in hamlets and on Route 28 corridor	• Private ski area, within of Catskill Park • On-mountain development of homes and condos • Other development and resorts located off-mountain, no single resort development • Commercial development concentrated in Windham Village, some on Route 23 corridor	• Public/Private development initiative • Contiguous with Mt. Greylock Reservation • Private resort development encompassing defunct ski area. • New development will house a cross-country ski center, no alpine	• Public ski area, part of Adirondack Park • Other development and resorts located off-mountain, no prominent or single resort development
Immediate Area Developments	• Continued capital investment in ski facilities • Improved summer venue capital and marketing investment • Belleayre Resort project is the primary real estate activity, including: > Big Indian Plateau with 183 detached lodging units, 150 room hotel and spa, Big Indian Country Club > Wildacres Resort with 250 room hotel and spa, 168 detached lodging units, conference facilities, Highmont Golf Club > Highmont Estates with 21 single family units > Wilderness Activity Center for resort members, guests, and public.	• Continued capital investment in ski area ($28 million since 1981) • Build out of about 250 approved on-site condos. • About 400 additional residential.	Master Plan includes: • Village Center with 72,000 sf conference center, 300 units residential, small amount of retail, restaurants, artist center • Greylock Lodge with 200 guest rooms, conference and training facilities, accessory structures • 18-hole golf course • 10K groomed cross country center (with snow making) other public recreation facilities.	• Continued capital investment in ski area (recently completed new lifts and trails). • Long range plan to extend ski area into North Creek Village • Improved summer venue capital and marketing investment • Modest new residential development. • Modest new commercial investment in North Creek.

NON-SKI SEASON ACTIVITIES

Similar to Gore Mountain with its public-purpose mandate, and Mount Greylock with its four-season development plan, Belleayre Mountain Ski Center's focus on non-ski season activities is notable and a good example of how a public-sector facility can offer tourist amenities that benefit the local and regional economy. Belleayre Mountain Ski Center management is responsible for the entire "Intensive Use" district encompassing 2,200 acres of not only the ski area, but of the Belleayre Beach at Pine Hill Lake facility, which includes a swimming lake and picnic grounds. Currently, those facilities generate about 18,000 annual visitors, while approximately 9,000 visitors utilize the ski trails for mountain biking and hiking during the non-ski season.

Belleayre Mountain Ski Center has become a central player by providing amenities to serve the regional tourist economy during the non-ski season. This makes the facility a part of the overall package of amenities that draw visitors to the region, but not the primary resource or draw in and of itself. Mr. Lanza reviewed current and planned summer activities that include better integration of the Pine Hill facility with the ski area by enhancing connections through a trolley service and perhaps the seasonal train service. The recently built "Long House" lodge at the Ski Center will provide summer-based exhibits and serve as a base for hiking and related recreation, including nature trails and interpretive exhibits for summer visitors. The Center will continue to grow and expand its mountain biking opportunities. This past season, the main chairlift to the summit has been retrofitted to allow two-way traffic and will be open to summer visitors. The summit restaurant will be open during the non-ski-season. In addition, there will be 10 or so major concerts held at the mountain.

DEVELOPMENT TRENDS AROUND RESORT

A consistent theme from the ski area operators, public officials, and real estate professionals is that resort development can generate an influx of visitors that can create demand for residential development, townhouses, lodging, and other facilities, but not a significant amount and not in such a way that it feeds on itself, creating more demand and more development activity. Other than the proposed Belleayre Resort project, there are no significant development plans in the NYS Route 28 corridor at this time. Nor is there necessarily an available land supply to support additional large-scale development (see Chapter 5). There have been some signs of reinvestment in the larger Catskill region, such as the potential redevelopment of southern Catskill resorts and golf courses in the Monticello area, some continued development in and around Windham, and other smaller projects.

The proposed Belleayre Resort provides significant resort amenities to the NYS Route 28 corridor, including hotels, golf courses, and club membership/timeshare detached lodging units. As evidenced by the market evaluations undertaken by the applicant, and by the investment of substantial private capital, there is expected to be a strong market demand for the "products" offered, and the project is expected to be a sustainable and viable economic development. The level of development proposed is similar, proportional to skier visits, to development observed at the ski areas included in this case study. Thus, the Belleayre Resort represents what would likely be developed if the Belleayre Mountain Ski Center were privately-owned.

As evidenced throughout the case studies, and as would be reflective of second-home resort areas in the northeast, the market place has set a relatively small threshold for speculative real estate. In many ways, the case study assessments would indicate that the Belleayre Resort itself

would represent the level of development typcially associated with a four-season amenity package associated with a ski center. Windham, with nearly triple the skier visits and a higher proportion of overnight visitors, currently has about 700 condominium and town house units (300 on-mountain and 400 off-mountain) or roughly double the amount likely to be built at Belleayre. Gore Mountain, with a third more visitor trips and also a higher proportion of overnight visitors, has fewer units (about 100) than would be built at Belleayre (there are more extensive accommodations available beyond the immediate resort area). At Greylock, the proposed project is somewhat smaller than that proposed in Belleayre (one golf course and one hotel) which is reflective of its slightly more remote location and projected market draw (it is farther from New York City, but closer to Boston and Albany). All the market information regarding the Greylock project suggests it also represents the bulk of the potential market, and not the beginning of a large-scale speculative development market.

In this context, the case study analysis would suggest that the overall region should benefit from the proposed development and that spinoff economic activity will increase the overall economic base of the corridor. However, it is unlikely that the Belleayre Resort would create a particularly large secondary growth in terms of new development and rapid increases in demands for labor or influx of new residents to meet expanding labor demand. (See Chapter 7, "Growth-Inducing Aspects," for a detailed assessment of potential secondary growth).

This was a clear sentiment based on the experiences and observations of those interviewed, most of whom were already familiar with the NYS Route 28 corridor if not the Belleayre Resort project. Realtors, such as Jeff Prince, felt that while the project would be a benefit to the region by providing economic activity for area businesses and strengthening the real estate market, the project would not dramatically alter the look and feel of the corridor, or the general real estate market. The secondary effects would be on the margins of the proposed project and would not cause a large incremental jump beyond the project. For instance, while the high price-point of the new development will cater to a specific market, visitors to the ski area, visitors to the golf courses or hotel facilities may, in turn, look to the secondary market for more affordable options. Additional potential customers would help strengthen and stabilize the existing real estate market.

LABOR MARKET

Like Gore Mountain and Windham, Belleayre Mountain Ski Center is a large employer in a resort economy that has historically included a large proportion of seasonal workers as well as residents who commonly build on multiple sources of income.

Discussions with Tony Lanza and others indicate that the demand in permanent workforce at the Belleayre Resort would be similarly accommodated in the existing labor markets that include both the primary corridor and the larger urban centers beyond the local corridor. Mr. Lanza sees a complementary workforce able to provide stability and year-round employment options for area residents.

The demand for construction employment during the extended build-out of the project would also not be expected to dramatically alter the existing baseline of employment patterns or demographics in the corridor or the larger region. As evidenced in the detailed economic projections, and based on the labor pool available, contractors working on the core large-scale building programs would likely draw on a labor pool much larger than the corridor or even the immediate Catskills region. As is typical for a large project, workers are drawn from the larger region,

including the larger population centers that surround the Catskills (i.e., Newburgh, Poughkeepsie and the Hudson Valley to the east; Middletown, Monticello, and areas to the south; Binghamton to the west; and the Capital District to the north).

Local businesses and labor supplies, while not large enough to fulfill all the demand, will find ample opportunities to participate in the demand for construction laborers as well as providing goods and services to local and day workers based at the construction sites.

PUBLIC POLICY ON ECONOMIC DEVELOPMENT AND GROWTH MANAGEMENT

INTRODUCTION

The case study analysis suggests that there is a wide range of public policy affecting economic development in tourism-based rural economies, ranging from activist and participatory planning (as seen at Windham) to significant investment of public capital into to local economies, either through facility or transportation investment, like at Gore Mountain, or directly in a joint partnership resulting in resort development, such as with Greylock. As summarized below, the proposed Belleayre Resort fits somewhere in-between, where there is a notable public investment in tourism-based facilities (most notably at Belleayre Mountain Ski Center itself), but not at the level of magnitude contemplated in and around North Creek or as a direct participant in the resort development (as with Greylock).

Like the Belleayre Resort's setting within the New York City watershed, it is noted that this range of economic development activity occurs in regions with environmental management constraints, including within the Catskill and Adirondack State Parks as well as adjacent to the Mount Greylock Land Reservation in Massachusetts.

ECONOMIC DEVELOPMENT

As evidenced by the proposed Belleayre Resort, and other developments in and around the Catskills (i.e., the hotel and resort redevelopments in Sullivan County), there is a growth in private-sector economic development in the region. However, as noted in Chapter 5, there is limited land suitable for large-scale new development. In addition, based on the analyses of this report, and on the anecdotal evidence of the case studies, the development of the Belleayre resort itself is not expected to significantly create new demand for induced development.

Public policy is similarly at a point of balancing and managing new growth in the region. The regional tourism economy—as well as the preservation of New York City's watershed resources—is dependent on the rural and natural resources that characterize the region. That balance is expressed in the economic development policies that were forged in the watershed agreement between New York City and the local communities. Economic development has a role, but it must be balanced with environmental stewardship.

The key is that economic development policy should strengthen the existing hamlets and resort resources within the watershed without creating a spread or sprawl of commercial activities, particulary along the roadways that provide access to the hamlet centers but also are along sensitive river corridors between and feeding into the reservoir system.

By strengthening the core resort area around Belleayre Mountain Ski Center as a multi-season destination, the proposed Belleayre Resort can be accomplished consistent with overall economic development and environmental stewardship initiatives. Based on the current land use and

zoning patterns, and the proximity to hamlet centers such as Pine Hill, the proposed resort is unlikely to exacerbate corridor sprawl.

GROWTH MANAGEMENT

As noted above, and presented in detail in earlier chapters of this study, the proposed Belleayre Resort is expected to generate economic benefits to the region, although it is not anticipated to create or generate indirect activity to the point where secondary development would overwhelm public policy or growth management strategies (see Chapter 7, "Growth-Inducing Aspects").

Lessons learned from the range of case studies—from Windham with its less direct public policy but strong vision of its future, to Gore and Greylock where public policy strongly influences economic development—indicate that the balance of economic development and environmentally sound growth management can be achieved.

The municipalities along the NYS Route 28 corridor have a lot at stake; but they also have a lot to gain in the orderly and environmentally sensitive growth of their communities. Regional concerns regarding sprawl and commercial corridor development are valid—uncontrolled development would undermine not only the watershed protection objectives of NYCDEP but would also undermine the tourism economy built on the region's rural and natural beauty. More focused development, on the other hand, based on existing resources such as the Belleayre Mountain Ski Center and the hamlets and villages within the corridor, would enhance the regional economy without detrimental changes to community character.

The ability to control and manage land development rests with the municipalities. Protecting the character of the NYS Route 28 corridor can and should be a high priority for all of the municipalities from Margaretville to Kingston. Local zoning codes and local environmental protection ordinances, when properly enforced, can ensure that development occurs in a manner consistent with existing community character and with the vision for the region presented in various plans. However, a lack of coordinated investment in the corridor, whether public or private, would likely lead to a continuation of scattered, or piece-meal, development.

The case study reveals that coordinated investment in areas surrounding ski centers can create environments where vibrant economic development can benefit, and benefit from, the natural resource at its core. ❖

A. INTRODUCTION

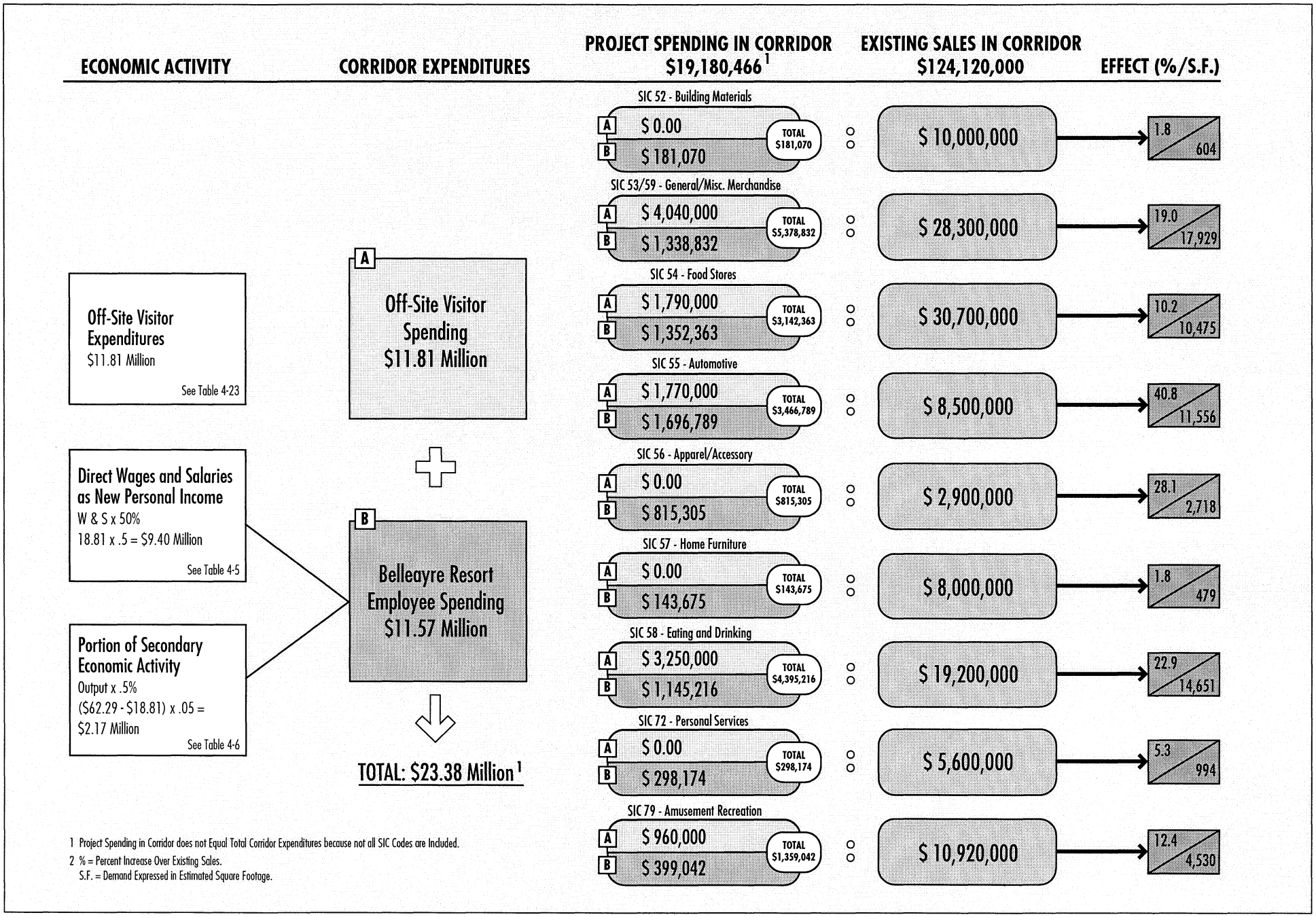
This chapter evaluates the potential for secondary or indirect development in the study area as a result of the construction and operation of the proposed Belleayre Resort. New economic activity associated with the proposed project, as described in previous chapters, would generate economic activity and changes to land use off of the project site. Two main types of potential induced economic activity are considered:

- New commercial development (or "gateway development") along NYS Route 28;
- New residential development, both seasonal and year-round.

The conclusions presented in this evaluation are based upon the collection and evaluation of baseline economic conditions within the study area, and an analysis of the economic demands generated by the construction and operation of the proposed resort development. Chapter 2 describes the existing socioeconomic conditions of the study area and the surrounding three-county region, encompassing the area that is likely to be affected in terms of providing labor and accommodating the direct and indirect economic effects of the proposed project. Chapter 5 supplements this baseline with an evaluation of the constraints and opportunities of the immediate study area to accommodate new growth that may be generated as a result of the project. In addition, Chapter 5 discusses the base conditions with respect to current commercial conditions within the Route 28 corridor study area, with particular emphasis on the hamlets and village centers.

In-between these two discussions of the "supply" and factors influencing supply, Chapters 3 and 4 present an estimation of the new demands on this supply that may result from the successful development of the Belleayre Resort. The direct and indirect economic effects of construction and operations are evaluated, and these data are supplemented by an estimation of the effects of the new visitors attracted to the Resort. The estimations of the economic effects of construction and operations were generated using the Regional Input-Output Modeling System (RIMS II) developed by the U.S. Department of Commerce, Bureau of Economic Analysis and customized for Delaware, Ulster, and Greene Counties. The projections of visitor effects, including on-site and off-site spending, were estimated by an analysis of the number and types of visitors to the proposed resort, and an estimation of the likely spending patterns of these visitors while in the area.

In addition, the discussion of the existing economic conditions and the estimation of projected new demands has been supplemented by the experiences gained in other comparable resort areas through the compilation of case studies as presented in Chapter 6. The three case studies—Windham in the Catskills, Gore Mountain in the Adirondacks, and Greylock Center in the Northern Berkshires of Massachusetts—provide an important perspective on the manner in which resort-type development affects the surrounding communities in terms of commercial and residential demand and growth.



1 Project Spending in Corridor does not Equal Total Corridor Expenditures because not all SIC Codes are Included.

2 % = Percent Increase Over Existing Sales.
S.F. = Demand Expressed in Estimated Square Footage.

Corridor Spending Analysis Model

Figure 7-1

Based on the analyses of the above material, any new development within the study area would be affected by two overriding factors: 1) the off-site spending generated by visitors to the Belleayre Resort; and 2) the environmental constraints on the existing land supply and existing building stock. Most new development would occur within the existing stock of businesses, or in hamlet areas where existing buildings or developed lots are available. Environmental and regulatory constraints within the study area make new "greenfield" development less attractive to potential developers.

Belleayre Resort is designed, to a large extent, as a residential facility that aims to capture much of the region's existing demand for seasonal residences, particularly those generated by the adjacent Belleayre Mountain Ski Center, and to deliberately capture the demand generated by its own recreational amenities, such as the golf courses. Little off-site seasonal home demand is therefore expected. Similarly with year-round residential demand. While the Resort does not propose to significantly tap the demand for year-round housing, it will provide a limited number (21) of high-end year-round opportunities that will appeal to a very small market segment. More importantly, the new demand for year-round homes will be small, and will be the result of the few specialized employment positions (e.g., hotel management) that will likely be recruited from outside the existing regional labor pool. These new year-round residents will, to a large extent, be accommodated within the existing housing stock, with few new housing starts anticipated.

Land use impacts from induced development would be minimal given the regulatory and environmental constraints on new development and the ability of hamlets and villages to accommodate additional commercial activity. The effect of new development on land use is discussed in this chapter.

B. COMMERCIAL DEVELOPMENT DEMAND

As described above, the potential increase in consumer spending from both visitors and employees generated by the proposed Belleayre Resort can be expected to induce secondary demand for goods and services that may translate into expanded commercial operations and potentially new commercial development. This section describes the economic model used to develop a reasonable estimate of this demand and estimates how that new demand might be manifested in terms of new or expanded business development in the study area.

ESTIMATING INDUCED COMMERCIAL DEMAND

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

NEW EXPENDITURE ESTIMATE

As shown in Figure 7-1, the model draws on the quantified data regarding estimated visitor expenditures, employment demand, and existing commercial activity. The project can be expected to generate new consumer spending in three basic ways:

- The off-site expenditures made by visitors to the Resort;
- Employees spending their new personal income; and

- The corridor's share of the overall economic activity generated by the project.

Off-site Visitor Expenditures

As presented in Chapter 4, Table 4-23, the proposed project can be expected to generate a certain amount of off-site economic activity by visitors to the Belleayre Resort. Based on research regarding typical expenditures of visitors to other resorts (described in Chapter 4), it is estimated that about $11.81 million will be spent annually by resort visitors and guests within the NYS Route 28 corridor.

Employment-based Personal Income

The proposed project will generate an employment demand of about 747 full-time-equivalent (FTE) positions and an annual payroll of about $20.5 million (see Tables 4-1 and 4-2). The workforce is expected to be formed primarily from existing labor pools within the tri-county region and would be a mix of new full-time and part-time employment opportunities that are expected to increase the personal income of existing households.

While labor will be drawn from the tri-county area, it is assumed that a large proportional concentration of the Resort's employees would be from within the NYS Route 28 corridor. The corridor represents only about five percent of the households or workforce of the tri-county region. However, the expenditure model assumes that 50 percent of the wages and salaries would be paid to (and subsequently spent by) employees within the corridor.

From the case study analysis (Chapter 6) and discussions with other local officials, resort economies typically are based on a workforce that weaves together a variety of income opportunities based on seasonal demand for workers and services. Whether the new income is supplemental to existing worker salaries or is to an entirely new entrant to the workforce, the potential effect of wages and salaries paid to employees of the proposed resort represents new household income. Household income is spent on a variety of goods and services. Based on the Household Expenditure Survey of the U.S. Department of Commerce and other statistics generated by Claritas, Inc., these expenditures have been estimated for the NYS Route 28 corridor and the primary existing retail activity (SIC categories) in the corridor.

Based on a total projected payroll of $20.5 million and the assumption that 50 percent of wages and salaries would accrue to households within the NYS Route 28 corridor, it is estimated that $9.4 million would be expended in the local economy.

Overall Economic Activity

In Chapter 4, the overall economic activity generated by the proposed Resort was estimated using the RIMS II model that incorporates the direct activity (wages and salaries, purchase of goods and services) and the secondary activity that is generated or induced by the direct input to the local and regional economy. To reflect the wide area of economic influence for this rural area, the RIMS II model was based on a combination of Delaware, Ulster, and Greene Counties.

The RIMS II analysis estimated a total economic output of $62.29 million per year, based on the direct activity of $41.18 (assuming a more conservative $18.81 million in wages and salaries, as discussed in Chapter 4) and induced economic activity of $21.11 million per year. The commercial and retail businesses of the corridor study area can be expected to capture a share of the overall economic activity generated by Resort operations (e.g., purchase or food or office materials), but they are unlikely to experience substantial amounts of economic activity

associated with goods and services bought by the Resort as much of this would occur beyond the NYS Route 28 corridor.

To estimate the corridor's share of this total activity, the total activity was estimated proportionate to the corridor's share of households and overall population of the tri-county RIMS II study area. This amount, about 5 percent, was applied to the net economic activity after subtracting the direct wages and salaries which was applied in a different and specific manner described above. Thus, the corridor's share of the total activity is approximately $2.17 million per year, calculated as:

$62.29 M. total activity - $18.81 M. wages and salaries = $43.28 M * 5 pct = $2.17 M

Summary

In total, it is estimated that the proposed project will generate about $23.38 million in annual expenditures within the NYS Route 28 corridor: $11.81 million from off-site visitor expenditures and $11.57 million from new spending by Belleayre Resort employees and general secondary economic activity. These expenditures can be assumed to result in a commercial/retail demand that will either be accommodated by the existing business in the corridor or through new business development. The next section of this analysis estimates how this demand is broken down by type of retail and how much commercial development demand is reflected in this expenditure estimate.

C. POTENTIAL INDUCED DEVELOPMENT

NEW COMMERCIAL DEVELOPMENT

ESTIMATED NEW COMMERCIAL ACTIVITY

The total expenditure estimate of approximately $23.4 million would be spent on a variety of retail goods and services in the corridor. The typical expenditures by tourists and residents alike have been aggregated into nine categories that correlate with sales data for the corridor. These categories, which comprise approximately $19.2 million of the $23.4 million in total expenditures, include: building materials (SIC 52), general and miscellaneous merchandise (SIC 53 and 59); food stores (SIC 54); automotive services (SIC 55); apparel and accessories (SIC 56); home furnishings (SIC 57); eating and drinking establishments (SIC 58); personal services (SIC 72); and amusement and recreational businesses (SIC 79). (The sales data are developed by the national demographic data service of Claritas, Inc.) The balance of spending between the total estimate of $23.4 million and the $19.2 million in the major SIC categories would be spread between other SIC categories found in the NYS Route 28 corridor but would not have a measurable impact.

Table 7-1

Corridor Spending Analysis

SIC	Category	Existing Sales in Corridor	Tri-County Household Expenditures	Expenditures as Pct. of Personal Income	New Resort-Generated Income Expenditures	New Visitor Expenditures	Total New Corridor Sales	Percent Incease. over Exist. Sales	New Demand (sq. ft.)
52	Building Materials	$10,000,000	$736	1.56%	$181,070	$0	$181,070	1.81%	724
53,59	Genl. & Misc. Merch.	$28,300,000	$5,442	11.57%	$1,338,832	$4,040,000	$5,378,832	19.01%	21,515
54	Food Stores	$30,700,000	$5,497	11.69%	$1,352,363	$1,790,000	$3,142,363	10.24%	12,569
55	Automotive	$8,500,000	$6,897	14.67%	$1,696,789	$1,770,000	$3,466,789	40.79%	13,867
56	Apparel/Accessories	$2,900,000	$3,314	7.05%	$815,305	$0	$815,305	28.11%	3,261
57	Home Furnishings	$8,000,000	$584	1.24%	$143,675	$0	$143,675	1.80%	575
58	Eating and Drinking	$19,200,000	$4,655	9.90%	$1,145,216	$3,250,000	$4,395,216	22.89%	17,581
72	Personal Services	$5,600,000	$1,212	2.58%	$298,174	$0	$298,174	5.32%	1,193
79	Amusement	$10,920,000	$1,622	3.45%	$399,042	$960,000	$1,359,042	12.45%	5,436
	TOTAL	$124,120,000	$29,959	63.70%	$7,370,466	$11,810,000	$19,180,466	15.45%	76,722

Sources: United States Census Bureau; Claritas, Inc; Allee King Rosen & Fleming, Inc.

Notes: Amusement/Recreation does not include lodging which is presumed not to be local.
Tri-County Household income was $47,029 in 2000 (US Census Bureau).
The total Tri-County Household Expenditures for 2000 was $47,029. Of that amount, $29,959 (or 63.7%) was spent on the SIC categories identified here. The balance of Household Expenditures was on housing and other goods and services.
New Personal Income Expenditures developed by applying the Tri-County Household Expenditures percentage of personal income by SIC category
Demand for new space assumes a retail sales rate of $250 per square foot (ULI, Dollars & Cents of Shopping Centers 2000)

The results of the expenditure analysis are presented in Figure 7-1 and Table 7-1. Certain retail categories, particularly those in which both visitors and residents are likely to spend on goods and services in the corridor, can be expected to see some relatively large increases in spending. The most significant of these include:

- General merchandise sales are expected to increase by about 19 percent: sales of about $5.4 million over the base of $28 million.
- Food stores would be expected to have an increased sales base of about $3.1 million, a 10 percent increase over the existing base.
- Automobile services are expected to increase $3.4 million over existing sales, representing a 40 percent increase.
- Eating and Drinking sales would increase $4.3 million per year over the existing base of about $19.2 million per year, or a 22 percent increase.
- Amusement and recreation spending is expected to increase $1.3 million per year over the base amount of $10.9 million with the new expenditures or a 12 percent increase.

Based upon the inventory of existing businesses, a business survey completed by Crossroads Ventures, and windshield surveys within the corridor, there is sufficient capacity within existing businesses to accommodate the projected spending within the NYS Route 28 corridor. Many businesses would simply experience increased sales resulting in higher profits and/or wages. Some businesses may stay open later or hire an additional employee as a result of new spending. Other businesses that experience an increase in revenues may also respond by increasing inventory and sales, modifying the product line to cater to different consumer tastes, or by adding nominal amounts of area to existing structures. The predominant response would be expansion of existing businesses or reoccupancy of existing structures within hamlets and villages.

While it is unlikely that new corridor spending would directly result in construction of new business structures, a conservative estimate was prepared of the potential impact of new spending if it were considered as demand accommodated by all new construction. Projected spending in the corridor was converted to equivalent square feet using a standard revenue multiplier of $250 of revenue per square foot.* Table 7-1 indicates the breakdown by SIC category for projected "New Demand" for commercial space. Approximately 76,700 square feet are estimated as a result of $19.2 million in new sales within the corridor.

Those SIC categories identified above as having relatively large increases in revenue would also see a proportionate share of new demand in terms of square feet. Approximately 21,500 square feet of general and miscellaneous merchandise could theoretically be supported by new spending. Much of this new growth would occur within existing commercial areas, especially as reoccupancy of vacant structures or in-fill development in hamlets and villages. Alternatively, one new shopping center totaling 21,500 square feet could be developed on NYS Route 28, such as in the area between Margaretville and Arkville. If all 21,500 square feet were to be developed

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

as a single project, approximately 1.5 to 3.0 acres would be required.* This new construction, if properly guided through local zoning ordinances and environmental regulations, would have a minimal impact on land use within the corridor. It is also expected that this level of new development could easily meet NYCDEP and State environmental protection regulations. Impacts from new traffic associated with the additional business activity would be limited to the increment of new employees (approximately 54 employees at 2.5 employees per 1,000 square feet) since traffic from the customers would be the same employees and visitors to the Belleayre Resort which have already been included in the traffic impact analysis. The employee count may also include persons already counted in the background stream of traffic, thus reducing potential traffic impacts further.

The second largest potential increase in spending and square-footage is in the e ating and drinking sector, where approximately $4.4 million in new sales would support an additional 17,600 square feet. This additional activity would first be absorbed by existing restaurants within the study area, which would experience an increase in dining room occupancy rates (number of turns per seat), would stay open later, or would open on an additional night to meet demand. Individual restaurants may also increase dining capacity through small additions. These types of responses would not necessarily have a local or overall effect on land use or environmental conditions within the study area. Local zoning and building codes, SPDES permits, and State Health regulations must be met in order for restaurants to expand. New restaurants would most likely be located within existing hamlets or villages. New construction to meet the additional demand is not foreseen, especially as clusters of new restaurants (e.g., several restaurants in one strip-mall) are not typical. Zoning codes and planning documents for the NYS Route 28 corridor specifically prohibit commercial development along much of NYS Route 28. This would preclude development of fast-food restaurant chains along the road. However, even if all additional sales for eating and drinking were to be met by new construction, only approximately 1.5 to 3.0 acres would be consumed. This new construction would have a minimal impact on land use within the study area as long as local zoning and environmental regulations were observed.

Food stores are also anticipated to see additional sales activity. Approximately $3.1 million in new sales are projected which equate to approximately 12,600 additional square feet. Food sales within the NYS Route 28 corridor are currently met by the A&P supermarket in Margaretville, the Phoenicia super market and the Boiceville supermarket; a number of smaller convenience/deli stores; and speciality shops providing baked goods, cheese, meat, and fresh produce. There is an existing approval for an expanded A&P supermarket on the north side of NYS Route 28 between Margaretville and Arkville. The additional 12,600 square feet of space could easily be accommodated in a more modern supermarket at that location. Again, traffic generated by the additional sales at food stores would consist of existing residents and new employees or visitors to the Resort which have already been accounted for in the traffic impact analysis. New trips would be limited to employees, some of whom may already be counted in background traffic, and one or two additional trucks per week needed to provide the goods to fill the additional space.

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* This calculation assumes a maximum building coverage of 30 percent. This area would be sufficient for building area, parking (5 spaces per 1,000 square feet), landscaping, and stormwater and wastewater treatment.

The last major SIC category projected to experience a significant increase in sales is automotive uses. An approximately 41 percent increase in revenues ($3.5 million) is projected to occur within this sector. Approximately 70 percent ($2.4 million) of that increase is attributable to additional sales of gasoline, oil, and service to employees and visitors of the Belleayre Resort. The remaining 30 percent comprises new sales or rentals of automobiles associated with new personal income from Resort employees. While there are very few service centers in the NYS Route 28 corridor that sell gasoline, these businesses could easily accommodate new demand for gasoline without necessitating additional pumps or storage tank capacity. At the most, these businesses might require more frequent visits by gasoline supply trucks. Existing Federal, State, local, and NYCDEP regulations on storage of petroleum products would apply to any new automobile service station or any expansion of an existing service station. Because of the high cost of infrastructure and safety systems, it is unlikely that a new gasoline station would be located within the corridor. If a new station or new stations were to be developed following all applicable environmental regulations, only approximately 13,900 square feet are anticipated. While this amount would not be developed as one project, the total amount of land required for this area would be approximately 1.0 to 1.5 acres. This amount of land could easily be accommodated within the NYS Route 28 corridor either on NYS Route 28 or in the hamlets or villages.

GUIDING NEW COMMERCIAL DEVELOPMENT

The existing hamlets and villages represent the core of commercial activity throughout the NYS Route 28 corridor between Boiceville and Margaretville. Limited commercial development along NYS Route 28 does exist between hamlet areas; but there is not a concentration of "commercial strip" development except for the areas immediately adjacent to Boiceville and Margaretville. This pattern is likely to continue for a number of reasons but primarily local regulations governing new development and environmental constraints within the NYS Route 28 corridor.

The primary method for controlling the location, scale, appearance, and character of any new development is through local zoning codes. The zoning codes of the Towns of Shandaken and Middletown direct commercial development into the existing villages and hamlets. The proposed Comprehensive Plan for the Town of Shandaken states that "existing hamlets should be revitalized" and that NYS Route 28 "must be planned and designed as a series of separate but coordinated experiences—mountain views, bustling hamlets, open fields, unique shops and tourist shops, educational and historic sites, all with quality of design and maintenance worthy of the resource." In addition, the Catskill Watershed Corporation's REDI Loan program provides fast-track approval for loan or grant applications for businesses located in, or seeking to locate in, a hamlet or village that has prepared a Whole Hamlet Program plan.

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

Environmental constraints within the NYS Route 28 corridor are documented in Chapter 5. Of specific relevance to potential new commercial development is the location of primary streams (including the Esopus Creek and East Branch of the Delaware River) alongside NYS Route 28, the prevalence of floodplain and wetland areas in close proximity to the road, and the numerous

locations where steep slopes are located immediately adjacent to the right-of-way. These environmental constraints also tend to focus development in the hamlets and villages or in areas immediately outside hamlets and villages.

Even if all of the 76,700 estimated square feet of new commercial activity were to be developed in one project, the total amount of land required would be between 5 and 10 acres. In a 107,000-acre study area, this does not represent a significant increase.

NEW RESIDENTIAL DEVELOPMENT

In assessing the effects of the Belleayre Resort on residential development in the study area, it is important to consider the inherent residential character of the Resort. As shown in Table 4-14, the Resort would include 351 new units of lodging in the form of timeshare or interval ownership units, and 21 high-end homes. Among the 351 interval ownership units and 21 homes, there would an anticipated 5,601 owners, each of whom would purchase anywhere from a 1/10- to a 1/4-share of a unit. It can safely be assumed that all interval units would be purchased on a seasonal basis, and that most, if not all, of the 21 single-family detached homes comprising Highmount Estates would also be seasonal.

As a residential resort, Belleayre Resort is designed with two primary objectives. First, it is designed to capture the market for seasonal residences generated by the immediately adjacent Belleayre Mountain Ski Center. Second, it is designed to capture the residential demand generated by its own on-site recreational and resort amenities (e.g., golf courses, spa, dining, resort ambience, etc.).

SEASONAL RESIDENTIAL DEVELOPMENT

As the case studies have indicated, residential demand in resort areas is driven by popular recreational amenities (e.g., ski areas). For example, as Gore Mountain has upgraded its facilities and enhanced its marketing, the demand for seasonal residential real estate and overnight accommodations has increased. Similarly, this has been the experience of the seasonal real estate marketplace in the vicinity of Ski Windham. In Windham, however, an overexpansion of residential supply during the 1980s resulted in a more cautious market response to seasonal housing that has slowed new construction to a pace more closely aligned with market demands. Greylock Center's creation of seasonal residential housing is largely speculative, and is occurring in a climate of limited demand for seasonal second homes. In that case, the residential elements are based upon the developer's gamble that on-site recreational amenities and an up-tick in the Northern Berkshire economy spurred by the Massachusetts Museum of Contemporary Art and nearby ski areas will generate housing demand that the Greylock project hopes to satisfy.

The case studies have also indicated that successful ski areas (and other seasonal recreational amenities, such as golf courses) generate housing and overnight accommodation demand, but housing and lodging supply does not translate into new demand for major recreational amenities. The management of Ski Windham believes that the new seasonal housing does not generate additional skier visits, but that enjoyable skiing opportunities result in a desire for new housing.

The proposed Belleayre Resort, then, is in a highly favorable position to take advantage of the overnight accommodation and seasonal housing demand that the Belleayre Mountain Ski Center generates. This will only increase as NYSDEC's long range plans for the ski area are carried

out. On at least a winter's basis, Belleayre region visitors and skiers will have 5,601 new real estate ownership opportunities and 400 new hotel-type rooms from which to select, all of which are located in close proximity to the ski area facilities.

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

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

Insofar as there is no exact non-winter equivalent of the Belleayre Mountain Ski Center as a generator of overnight visitors and seasonal home buyers, the proposed Belleayre Resort intends to offer amenities in order to generate a new, non-skier market for the housing and overnight lodging facilities that are provided within the Resort complex. These Resort amenities would include, for example, the two championship golf courses, spa, dining, tennis, swimming, and Catskill Forest Preserve access. In economic terms, it intends to generate a demand matched to a supply, thereby establishing a self-fulfilling economic system. In reality, the Resort would offer more lodging rooms and interval ownership units than its on-site amenities would require in recognition of the existing attractiveness of the Catskill region and the existing demand for high-quality overnight facilities. In that the Resort generates demand for housing, it largely meets the demand for lodging that it generates.

According to standard industry practices, it can be expected that the Belleayre Resort's timeshare and vacation club unit sales initiatives would encourage prospective purchasers to visit the Resort, tour the facilities and amenities, and be introduced to the Catskill region. By its very nature, the Resort would have its interval ownership units affiliated with an international exchange through which Belleayre purchasers would have access to interval ownership units in other geographic regions, from the Rocky Mountains to the Carribean. Belleayre Resort's marketing program would target the demographic groups most likely to find this form of ownership attractive, and would draw from an international pool of prospective purchasers. It can be anticipated that a special marketing effort will target New York and Albany metropolitan area skiers.

RCI Consulting, Inc., a leader in timeshare and interval ownership research, reports that approximately 10 percent of the individuals attracted into a timeshare sales program actually purchase a timeshare unit at that time. As shown in Table 7-2, the marketing program would

have to introduce Belleayre Resort to an estimated 56,010 prospective buyers in order to sell the 5,601 timeshare or vacation club interval units.

Table 7-2

Detached Lodging Unit Sales and Prospective Buyers

	Units	Shares per Unit	Total
Highmount Private Homes	21	1	21
Big Indian Plateau (single)	35	4	140
Big Indian Plateau (triplex)	60	6	360
Belleayre Highlands (quad)	88	10	880
Wildacres Timeshares	168	25	4,200
Total Parties Expected to Purchase Detached Lodging Units			5,601
Total number of prospective buyers recruited to Resort			56,010
Source: Figures are based timeshare unit sales estimates provided by Crossroads Ventures, LLC; and industry sales responses as provided by RCI Consulting, Inc.			

As can be seen above, each residential component of the Resort comprises individual units, each of which is divided into ownership shares, or intervals. These intervals range from 1/10 units, to 1/4 units, to ownership of single-family homes; and individual purchasers may acquire as many intervals as they desire. This is more fully described in Chapter 4. Crossroads Ventures, LLC anticipates that the Resort's units would sell at the rate of one interval per buyer, with the exception of Wildacres, where purchasers are expected to acquire on average two intervals per unit. The sales of these intervals would occur over a multi-year period, and consequently, the individuals coming to the Resort to view units would be spread over this sales period, as shown below, in Table 7-3.

According to timeshare marketing expert Edwin McMullen, the approximately 56,010 prospective timeshare interval buyers who would look at the Resort would be evenly divided among two separate groups of visitors. One group would be day or overnight Resort guests who came to the Resort specifically to enjoy amenities (e.g., golf or ski) and responded to on-site marketing. The second group would comprise 28,005 visitors who came to the Resort specifically in response to Belleayre Resort marketing outreach campaigns and advertising.

Table 7-3

Annual Sales Volume and Number of Prospective Buyers

Build Year	Total Intervals Sold per Year	Prospective Buyers per Year	Buyers Likely to Look Elsewhere
Year 1	290	2,900	1,450
Year 2	540	5,400	2,700
Year 3	710	7,100	3,550
Year 4	875	8,750	4,375
Year 5	860	8,600	4,300
Year 6	860	8,600	4,300
Year 7	860	8,600	4,300
Year 8	160	1,600	800
Year 9	140	1,400	700
Year 10	140	1,400	700
Year 11	136	1,360	680
Year 12	30	300	150
Total	5,601	56,010	28,005

Source: Figures are based on timeshare unit sales estimates provided by Crossroads Ventures, LLC and industry sales responses as provided by RCI Consulting, Inc.

Since the members of the first group were already guests at the Resort, they would be considered to be existing customers of the Resort, and through a form of brand loyalty would be likely to purchase a timeshare interval at the Resort if and when they decide to graduate up from being overnight lodgers. In addition, these individuals would have responded to the interval ownership promotion campaign on an impulse basis—their visit was not primarily motivated by timeshare acquisition interest. The second group would include people specifically on-site for the purpose of considering timeshare ownership. Many such visitors, however, respond to attractive timeshare marketing campaigns that offer low-cost accommodations or other benefits, such as free meals or free golf rounds, in return for participating in a sales promotion program. Presumably, many of these people are unfamiliar with the Resort and, in fact, would include many who came to the Catskills region from afar, being attracted to the notion of timeshare interval ownership. With their response to Belleayre Resort marketing would be their introduction to the Catskills, which they may find attractive enough to pique their interest in purchasing a seasonal home. While over the course of the sales period, an estimated 2,800 of these parties would be expected to purchase one or more timeshare unit intervals, the remainder (another approximately 25,205 parties) would not purchase units at the Resort. It is estimated that among these, a small percentage, less than 10 percent, would find the area interesting and attractive enough to explore non-Belleayre Resort second-home opportunities, and among these, a yet smaller subset would actually acquire a property in the region as a second or seasonal home. The number of parties doing this, however, is estimated to be very small since the marketing programs of timeshare developments attracts a very select type of potential purchaser looking for a network of exchange opportunities, resulting in a timeshare buyer profile that does not correspond well with that of the typical second-home buyer. Among those few who actually purchased a second-home off-site, an even smaller percentage would be expected to build a new home from scratch. Doing so generally requires a long-term commitment to an area that is very

familiar to the party doing the building, a criterion that would be unlikely to be satisfied among timeshare shoppers.

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

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

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

YEAR-ROUND RESIDENTIAL DEVELOPMENT

Belleayre Resort is expected to have a negligible effect on year-round residential development in the study area. The Resort itself is not designed to accommodate year-round residential occupancy, although it is conceivable that the Highmount Estates single-family detached homes could become year-round homes.

The Resort's potential for generating year-round residential occupancy in the region would derive from its employment of new workers in the area. An analysis of the projected employee profile and employment opportunities shows, however, that the vast majority of the year-round (and seasonal) jobs created by the Resort would be filled by local residents or people within a commuting radius. As discussed in Chapter 4, Delaware and Ulster Counties contain a sufficient number of unemployed and "underemployed" persons who may acquire jobs at the proposed Resort. Moreover, workers who are currently employed may choose to pursue a job at the proposed Resort. Although relatively little inter-county commutation currently takes place among all three counties, the introduction of the Belleayre Resort may alter commutation patterns, particularly with respect to the potentially higher-paying jobs that the Resort will generate. As noted in a recent employer survey for Ulster County, "the better the pay for a job, the farther a worker is willing to commute."* Furthermore, residents who currently commute outside of their county of residence may seek jobs at the Resort in order to work closer to home and reduce their travel time. As discussed in Chapter 2, "Existing Economic Conditions," 23 and 28 percent of County residents worked outside of Delaware and Ulster Counties, respectively, in 1990. Those residents currently working outside of their county of residence in lower-paying, non-managerial jobs would be most likely to seek jobs at the Resort to shorten their commutes as workers are less willing to commute long distances for such jobs. Short commutes are also important for part-time employees, particularly if they are caring for children or parents, or are phasing in retirement. In general, the employment opportunities offered by the Resort would not result in employee relocation, and would not consequently result in new year-round occupancies or new construction. In addition, the demand for rental units is not expected to increase as a result of new workers. Many current area non-homeowners (e.g., renters) are among the un- and under-employed and commuters to distant job markets who are in fact the workers most likely to seek stable and close-to-home jobs at the Resort.

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

These full-time mid- and upper-management positions would require year-round housing, presumably close to the Resort location. The salary range for these position is well above the median income level of the area (the average estimated year 2000 household income in the study area is $39,524). These employees, therefore, would have an advantage in finding quality year-round rental properties, or home ownership opportunities. As newly settled employees, however, it is likely that they would either rent or purchase; it is unlikely that they would build. The timeshare and hospitality industry workforce is highly mobile, rotating jobs within the industry, often on a national and international basis. Employees of this mobile nature are not likely candidates to construct homes from scratch, however there remains the possibility that

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

among the 16 to 20 individuals in this group there may be a very small number of whom, once their employment at the Resort is stable and considered long-term, may choose to build a permanent year-round residence.

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

D. POTENTIAL IMPACTS FROM INDUCED GROWTH

Based upon the analyses of the environmental and regulatory constraints, an assessment of available land, an evaluation of existing businesses within the study area, as well as the projection of minimal new potential residential and commercial development that could be anticipated as a result of Belleayre Resort's construction and operation, the indication is that new business growth would have an insignificant impact on land use in the study area. Initially, the new demands for goods and services resulting from the Resort would tend to stimulate additional commerce in existing businesses, especially among gas stations, food and lodging establishments, general merchandise (including souvenirs), as well as recreational facilities. However, there appears to be adequate available capacity among existing businesses to accommodate significant new retail demands as would be generated by the Resort's employees and its visitors. The response of existing businesses in the study area would be seen in increased hours and/or days of operation, increased customer traffic, and increased inventory and product turnover. To the extent that the Resort directly stimulates new business growth, the analysis shows that it could be expected to generate a need for an additional 76,700 square feet of commercial development in the study area. This need may be accommodated by improvements to existing businesses, re-occupancy of existing structures or in-fill development in hamlets and villages. It is not anticipated that there will be a significant amount of new construction.

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

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

The GIS analysis and windshield land-use survey of the study area indicates that there is little suitable land for large-scale commercial development along NYS Route 28 or many of its side roads. Instead, smaller properties (both those with existing but vacant structures and undeveloped properties) near, or within, the villages and hamlets may be subject to additional economic investment as a result of the Belleayre Resort project.

Based on the limitations inherent in the regulatory and environmental constraints, and based upon the public policy doctrines contained in the local zoning laws and comprehensive plans, it is anticipated that this new demand for development would gravitate to existing building stock within the hamlets prior to attempting breaking ground for new construction. Attractive vacant

buildings and storefronts, as well as attractive rents would be expected to induce the redevelopment of existing underutilized spaces prior to the creation of new commercial space on undeveloped sites.

The redevelopment or establishment of new businesses in existing space would not consume new land or create new impervious surfaces. It would, however, result in the generation of minor amounts of new wastewater flows. As noted earlier, even if all of the anticipated 76,700 square feet of new commercial development were to occur on "greenfield" sites outside of the hamlet or village centers, this would result in the conversion of only approximately five to ten acres of land. This should be adequate to accommodate needed buildings, parking, landscaping, buffering, stormwater management, and onsite septic disposal.

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

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