

SUBMITTED TO:

Open Space Institute

Economic and Fiscal Impact

ASHOKAN RAIL TRAIL

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ABOUT CAMOIN ASSOCIATES

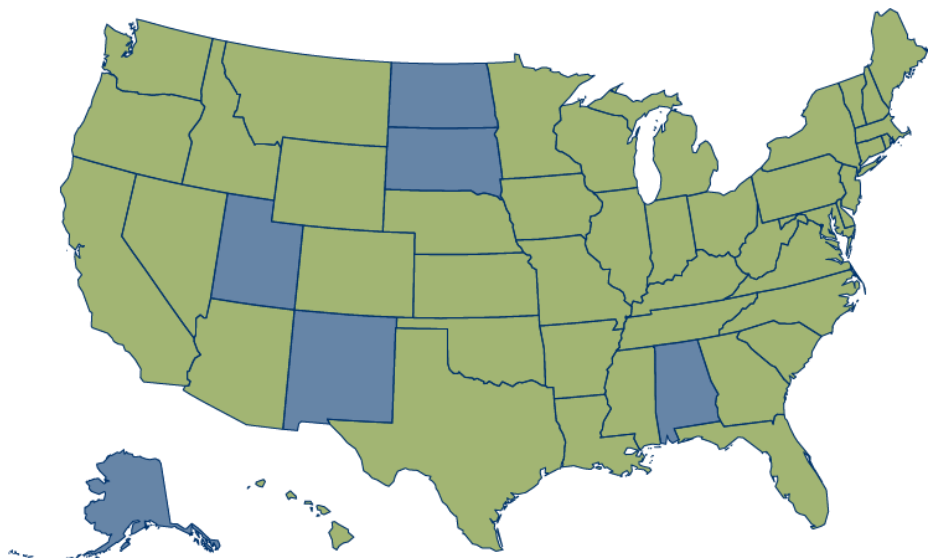
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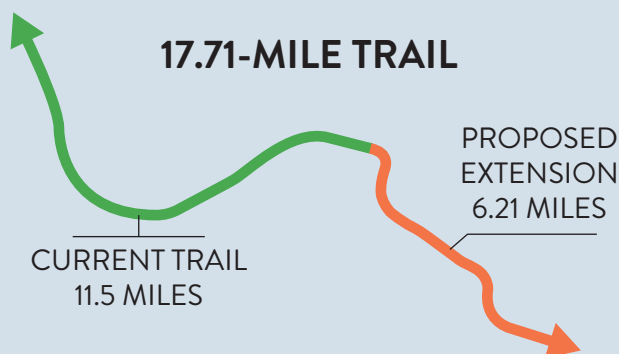
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ECONOMIC & FISCAL IMPACT OF THE ASHOKAN RAIL TRAIL



ANNUAL VISITATION

140,000
expected users
(2013)

175,130
actual users
in 2020

256,068
future users
projected with
trail extension

53%

of current trail users want new trails
or more miles of trails

TRAIL ATTRACTS NEW VISITORS TO ULSTER COUNTY

Visitors from outside Ulster County spend an average of **\$184.50** per day while using the trail, resulting in new jobs throughout the county.



TOTAL ANNUAL ECONOMIC IMPACT

Current

44
jobs

\$1.7 million
in earnings

\$5.3 million
in sales

\$70,335
in tax revenue

Projected With Extension

64
jobs

\$2.5 million
in earnings

\$7.8 million
in sales

\$102,841
in tax revenue

TRAIL EXTENSION RETURN ON INVESTMENT

\$2.5 million
in new sales

\$804,000
in new employee
earnings

\$32,506
in tax revenue

\$14.6 million

ONE-TIME
INVESTMENT

RETURN
PER YEAR



TRAIL SERVES COUNTY RESIDENTS & EXISTING VISITORS

Local residents and existing visitors spend an average of **\$64.83** per day while using the trail.

TOTAL ANNUAL ECONOMIC ACTIVITY

Current

151 jobs

\$6.7 million in earnings

\$17.4 million in sales

\$170,932 in tax revenue

Projected With Extension

208 jobs

\$8.9 million in earnings

\$24 million in sales

\$237,860 in tax revenue

EXECUTIVE SUMMARY

The Ashokan Rail Trail contributes to Ulster County's economy through visitor spending on lodging, food, entertainment, gas, equipment, and other retail. To quantify the impact of the trail on the region, Open Space Institute commissioned Camoin Associates to conduct an economic impact and fiscal benefit analysis of the trail on the county, and of a proposed 6.21-mile extension of the trail to connect to the City of Kingston. Economic and fiscal impacts consider the jobs, earnings, sales, and tax revenue that would not occur but for the trail. Economic and fiscal activity provides a summary of the contribution made by trail users who are already in the county.

Economic and Fiscal Impact

Trail users from outside of Ulster County spend money throughout the county's economy while using the trail. This direct spending creates new indirect and induced sales, as well as jobs and associated earnings throughout Ulster County. In total, 44 jobs, over \$1.7 million in associated earnings, and over \$5.3 million in sales are attributed to the current trail, annually. In addition, \$70,335 in combined sales, occupancy, and property tax revenue are generated for the county. This is all net new activity that would not exist in the county, but for the trail.

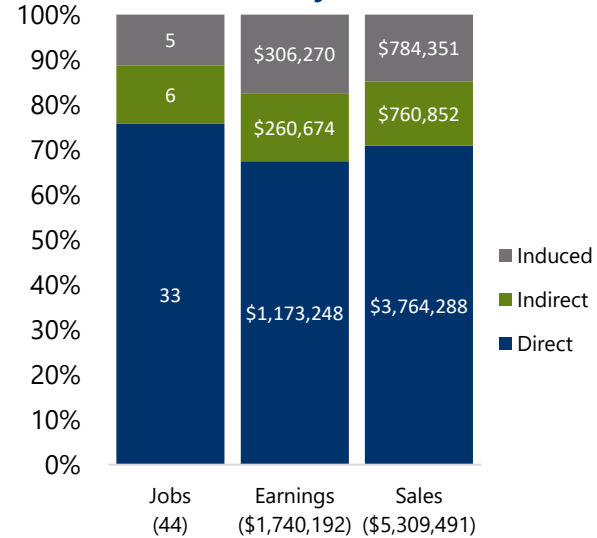
The proposed trail extension would result in projected economic impacts of 20 jobs, over \$804,000 in associated earnings, and nearly \$2.5 million in annual sales. Additionally, \$32,506 in new tax revenue is expected.

Economic and Fiscal Activity

Economic activity measures the size of the contributions of Ulster County resident users of the trail and of visitors who would already be in the county for other reasons, but also use the trail. This activity is not net new to the county because these trail users would still be participating in the county's economy even without the trail. Findings, however, provide a summary of the economic activity associated with the spending of these users while they are using the trail. Currently, economic activity associated with resident and existing visitors is equal to 151 jobs, over \$6.7 million in earnings, over \$17.4 million in annual sales, and nearly \$171,000 in tax revenue. It is estimated that economic activity associated with the trail expansion would equal 57 jobs, nearly \$2.2 million in associated earnings, nearly \$6.6 million in annual sales, and nearly \$67,000 in annual tax revenue.

Figure 2

Economic Impact of Ashokan Rail Trail on Ulster County

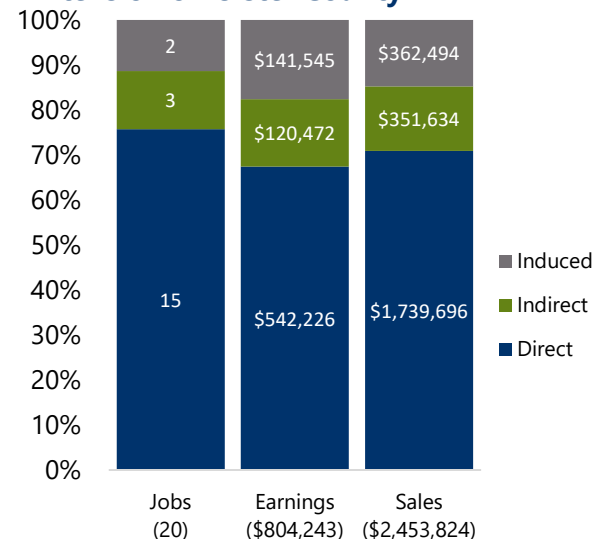


Source: Camoin Associates, Lightcast

Direct impacts are generated by the trail users. **Indirect** impacts accrue through business-to-business spending in the county and **induced** impacts result from employee spending. All impacts would be foregone without the trail.

Figure 2

Economic Impact of Trail Extension on Ulster County



Source: Camoin Associates, Lightcast

INTRODUCTION

The Open Space Institute commissioned Camoin Associates to quantify the economic impact and fiscal benefit of the Ashokan Rail Trail on Ulster County, New York. This 11.5-mile trail runs along the Ashokan Reservoir between West Hurley and Boiceville and attracts recreation visitors to Ulster County who use the trail for activities such as hiking, bicycling, nature observation, cross-country skiing, and snowshoeing. To further enhance the trail experience, an extension of the trail from the City of Kingston's recently completed Midtown Linear Park to its existing portion in the Town of Woodstock has been proposed. This 6.21-mile extension will run along an existing railroad and connect the trail to the City of Kingston and other regional trail systems, including the Empire State Trail, further expanding recreation opportunities for county residents and visitors.

This study is intended to quantify the impact of the existing Ashokan Rail Trail on Ulster County and to project the impacts of the proposed trail extension.

METHODOLOGY

STUDY AREA

This study was conducted on Ulster County, New York. Surveys were conducted at several points along the Ashokan Rail Trail in Ulster County.

SURVEY PROCESS

Throughout September and October 2022, an intercept survey was conducted to evaluate the impact of Ashokan Rail Trail user spending on Ulster County. Camoin Associates, in partnership with the Open Space Institute, developed this survey to gather information related to trail users, including spending habits, location of origin, and feedback on the trail.

The survey was conducted in an intercept survey format for trail users to complete in person. An intercept survey directly asks people to complete a survey based on their current experience of interacting with something, in this case, the Ashokan Rail Trail. Representatives of Camoin Associates along with volunteers organized by the Open Space Institute conducted this survey. Surveys were conducted on four separate days at multiple points along the trail.

In total, 269 surveys were completed. While a majority of respondents live in New York State, survey respondents originate from a wide geography, including 12 other states (including Washington, DC) and three countries. For more information on survey questions and responses, please see the section titled *Survey Results*.

ECONOMIC IMPACT AND ECONOMIC ACTIVITY

The impacts of the trail were calculated for two groups:

1. **Economic Impact (net new users):** The economic impact of net new users to Ulster County (nonlocal users). This analysis considers only the economic activity that would not occur but for the trail. This is based on users for whom Ulster County is not their primary residence, but the trails are the primary reason they travel to the county or bought a second property in the county.
2. **Economic Activity (resident and existing visitor users):** This analysis considers the economic activity attributed to local and existing visitor users, which includes users who live in Ulster County *and* users who come to the county for many reasons, one of which is the trail. These are users who would still be in the county and making purchases in Ulster County even if the trail did not exist. A summary of economic activity is less rigorous than an economic impact analysis as it simply summarizes what is happening rather than what is changing in the economy. It is not directly comparable to or included in the economic impacts.

MODELING PROCESS

Camoin Associates used Lightcast (formerly Emsi) to calculate the economic impacts of the Ashokan Rail Trail. The following briefly describes the methodology, particularly as it relates to visitor spending; additional information about the Lightcast model can be found in Attachment A.

1. **Estimate Net New Visitation:** Camoin Associates used information about 2020 trail usage provided by the Open Space Institute, along with information gathered from the survey to estimate the number of “net new” visitors. Survey data was used to identify visitors for whom the trail was their primary reason for visiting the region and who traveled to the region from outside of Ulster County. “Net new” means visitation and spending that would not occur but for the trail.
2. **Estimate Net New Spending:** Using the survey results, average spending per day, per net new visitor was estimated.
3. **Model Economic Impacts:** Using net new visitor spending amounts as inputs, we modeled the economic impacts – in terms of jobs, earnings, and sales – on Ulster County. Economic multipliers were provided through the Lightcast software package.
4. **Calculate Total Impacts:** We arrived at the total economic impacts as the sum of the direct, indirect, and induced impacts.

Modeling Software

Lightcast (formerly Emsi) designed the input-output model used in this analysis. The Lightcast model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the region and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs have as these new dollars circulate throughout the economy. This is captured in the indirect and induced impacts and is commonly referred to as the “multiplier effect.” See Attachment A for more information on economic impact analysis.

What does “Net New” Mean?

When looking at the economic impacts of an industry, it’s important to look only at the economic changes that would not happen in the trail’s absence. These effects are the “net new” effect: purchases made only as a result of the industry in question.

Definition of a “Job”

A “job” is equal to one person employed for some amount of time (part-time, full-time, or temporary) during the study period.

IMPACT OF CURRENT TRAIL

SUMMARY OF RESULTS

The current total economic impact of the Ashokan Rail Trail is equal to 44 jobs, over \$1.7 million in associated employee earnings, and over \$5.3 million in annual sales. This is the impact of net new visitors to the county and represents economic impacts that would not exist in Ulster County but for the trail.

Economic activity associated with resident and existing visitor users is equal to 151 jobs, over \$6.7 million in associated employee earnings, and over \$17.4 million in annual sales. This is a measure of the total activity associated with resident and existing users but is not net new activity – these trail users would still be participating in Ulster County's economy even in the trail's absence.

Table 1

Total Economic Contribution of Ashokan Rail Trail

	Economic Impact	Economic Activity
Jobs	44	151
Earnings	\$1,740,192	\$6,743,811
Sales	\$5,309,491	\$17,440,439

Source: Camoin Associates, Lightcast

On the fiscal side, \$70,335 of Ulster County's tax revenue is net new as a result of the trail. At the same time, nearly \$171,000 in tax revenue can be associated with the economic activity of resident and existing users.

Table 2

Total Fiscal Contribution of Ashokan Rail Trail

	Fiscal Impact	Fiscal Activity
Sales Tax	\$8,701	\$33,719
Occupancy Tax	\$34,807	\$51,153
Property Tax	\$26,827	\$86,060
Total	\$70,335	\$170,932

Source: Camoin Associates

ECONOMIC IMPACT

When looking at the economic impacts of an asset, like a trail, it is important to look only at the economic changes that would not happen in the asset's absence. These effects are the "net new" effect: purchases made only as a result of the asset in question. In the case of the Ashokan Rail Trail, economic activity is driven by visitation and visitor spending. Net new visitation is defined as visitors who would not be in the region but for the trail. In other words, net new visitors are visitors from outside of Ulster County who travel to the county or spend additional time in the county because of the trail. Throughout the economic impact analysis, these are collectively referred to as "net new users". The economic impact does not include the effect of spending by individuals who live in the county or who travel to the county for other reasons and also use the trail (the "resident and existing visitor users").

ANNUAL VISITATION ESTIMATES

According to data provided by OSI, there were 175,130 total users of the trail in 2020. Based on the results of the survey, 11.65% of these users are considered to be net new to Ulster County while 88.35% fall into the resident and existing visitor user category. 11.65% of survey respondents indicated that Ulster County is not their primary residence, but the trails are the primary reason they travel to the county or bought a second property in the county, and 88.35% of respondents indicated that they either live in Ulster County or travel to the county for many reasons, one of which is the trail. Therefore, 20,403 users are assumed to be net new and 154,727 are assumed to be resident and existing visitor users, annually.

Table 3

Trail Users		
Total Annual Users		175,130
	Net New Users	Resident and Existing Visitor Users
Share of Total Users	11.65%	88.35%
Total	20,403	154,727

Source: Open Space Institute, Survey

VISITOR SPENDING ESTIMATES

The net new users have an impact on the county economy as they make purchases on lodging, at bars and restaurants, on other entertainment, retail, gas, and bike equipment/repairs. Based on the information collected from the survey, the average spending per net new user per day was estimated.

According to the survey, net new users spend an average of \$184.50 per person per day in the county.¹ This means that net new users spend a total of nearly \$3.8 million annually.

¹ Spending was compared to various other surveys and studies and found to be a reasonable assumption of spending per person per day.

Table 4

Net New User Spending

Category	Spending per User per Day	Total Net New Spending (20,403 users)
Lodging	\$85.30	\$1,740,346
Bars/Restaurants	\$55.74	\$1,137,243
Entertainment	\$8.62	\$175,871
Shopping	\$14.71	\$300,123
Gas	\$14.59	\$297,675
Bike Repair	\$0.36	\$7,345
Convenience Stores	\$3.17	\$64,676
Bike Equipment	\$0.00	\$0
Other	\$2.01	\$41,009
Total	\$184.50	\$3,764,288

Source: Survey**ECONOMIC IMPACT**

The approximately \$3.8 million in visitor spending was used as the direct input into the Lightcast model to estimate the total impact on jobs, earnings, and sales. Table 5 shows the total economic impact of net new user spending on the county economy.

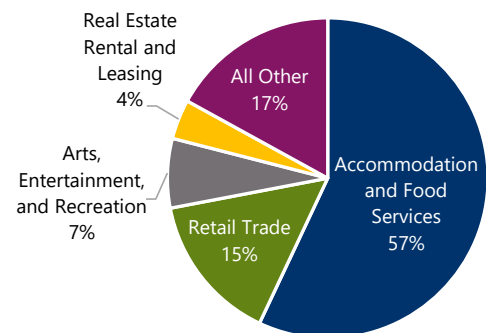
Table 5

**Economic Impact of the Ashokan Rail Trail on
Ulster County**

	Jobs	Earnings	Sales
Direct	33	\$1,173,248	\$3,764,288
Indirect	6	\$260,674	\$760,852
Induced	5	\$306,270	\$784,351
Total	44	\$1,740,192	\$5,309,491

Source: Survey, Lightcast

Economic impacts of the trail are particularly felt by industries such as Accommodation and Food Services, Retail Trade, and Arts, Entertainment, and Recreation. 57% of total jobs associated with the trail are in the Accommodation and Food Services sector while 15% are in Retail Trade.

Jobs Impact by Industry**Source:** Lightcast

FISCAL IMPACT

In addition to the economic impact on the regional economy, the net new trail users also have a fiscal impact in terms of property tax, sales tax, and occupancy tax revenue.

PROPERTY TAX REVENUE

Although the use of the trail does not directly generate property tax revenue for Ulster County, property tax revenue can be thought of as a function of the overall economic activity within a region. As economic activity increases so do assessed property values, and therefore, property tax revenue. In other words, without the Ashokan Rail Trail users and their associated economic activity, Ulster County's property tax revenue would be lower than it is currently.

To estimate the portion of property tax revenue that can be attributed to the trail users and resulting economic activity, we determined the ratio of total "value-added" sales² associated with the trail activity to the total Gross Regional Product (GRP)³ of Ulster County. This ratio is used as a proxy for the portion of property tax revenue that can be attributed to the trail users.

To do so, we first consider the \$5.3 million in total sales that were calculated as part of the *Economic Impact Analysis* (Table 5). Of these total sales, a portion is considered to be value added. Value-added sales account for 0.04% of GRP in Ulster County. This is, in effect, the portion of the county's property tax base that is reliant on economic activity generated by the trail users. Applying this ratio to the property tax levy of the county, the total property tax revenue attributed to the trail users is estimated (Table 6).⁴

Table 6

Net New Property Tax Revenue

Total Sales (from <i>Economic Impact</i>)	\$5,309,491
Value Added Portion of Total Sales	\$3,070,250
2021 Gross Regional Product	\$8,357,691,670
Pct. Of GRP Attributable to Net New Users	0.04%
FY23 Property Tax Levy	\$73,028,225
Annual Net New Property Tax Revenue	\$26,827

Source: Lightcast, Ulster County 2023 Executive Budget Summary

SALES TAX REVENUE

Sales tax revenue is generated for the county as employees spend their earnings in Ulster County. Sales tax revenue attributed to trail activity is calculated using the total earnings (generated in the *Economic Impact* section) and the

² Value-added sales are a measure of contribution to GRP. This is the difference between an industry's total sales and the cost of its intermediate inputs. Intermediate inputs are goods and services that are used in the production process of other goods and services.

³ Gross Regional Product (GRP) measures the market value of all final goods and services produced in each county in a year.

⁴ Note that this is an estimate of the property tax revenue attributable to the economic activity generated by trail-related visitation and does not include actual property taxes paid by homeowners.

assumption that 50%⁵ of earnings will be spent within Ulster County and 25%⁶ of purchases will be taxable. The county's 4.00% sales tax rate is applied to calculate the sales tax revenue attributed to trail users.

Table 7

Net New Sales Tax Revenue

New Earnings	\$1,740,192
Percent Spent in County	50%
Amount Spent in County	\$870,096
Amount Taxable (25%)	\$217,524
Sales Tax Rate	4.00%
Annual Net New Sales Tax Revenue	\$8,701

Source: Camoin Associates, NYS Comptroller

OCCUPANCY TAX REVENUE

Ulster County also imposes an occupancy tax on accommodations spending. The county's 2.00% occupancy tax rate was applied to net new user spending on lodging to calculate the occupancy tax revenue generated by net new users.

Table 8

Net New Occupancy Tax Revenue

Lodging Sales	\$1,740,346
Tax Rate	2.00%
Annual Net New Occupancy Tax Revenue	\$34,807

Source: Camoin Associates, Ulster County

TOTAL TAX REVENUE

Ulster County's total annual net new tax revenue attributable to the trail users is displayed in Table 9.

Table 9

Total Annual Tax Revenue from Net New Users

Sales Tax Revenue	\$8,701
Occupancy Tax Revenue	\$34,807
Property Tax Revenue	\$26,827
Total	\$70,335

Source: Camoin Associates

⁵ Based on the percent of industry demand that is met within the county, for a typical household spending basket (source: Lightcast).

⁶ Based on information from the NYS Department of Finance and Taxation regarding purchases subject to sales tax.

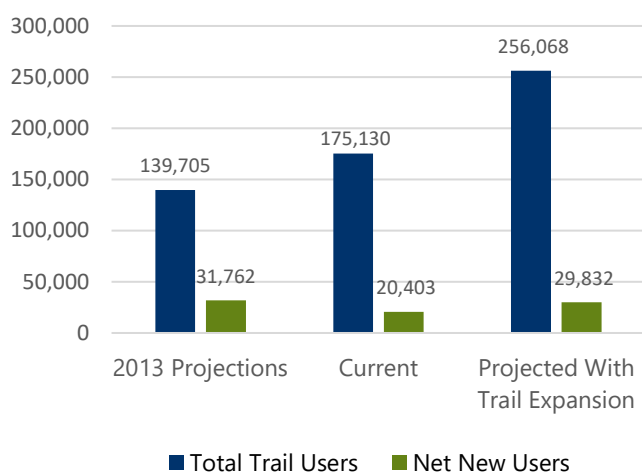
Catskill Mountain Rail Trail: Economic & Fiscal Impact Analysis (2013)

In 2013, Camoin Associates completed a study for the New York–New Jersey Trail Conference titled *Catskill Mountain Rail Trail: Economic & Fiscal Impact Analysis*. This report projected and quantified the likely economic and fiscal benefits of the proposed Catskill Mountain Rail Trail (CMRT) on Ulster County. The CMRT is what is now known as the Ashokan Rail Trail.

The 2013 report estimated that the trail would support nearly 140,000 trail users annually. The total annual economic impact was projected to be 44 jobs, \$1.2 million in associated employee earnings, and \$3.1 million in new sales in Ulster County, annually. Note that this study considered only the economic impact of net new users and did not include a discussion of economic activity associated with other users.

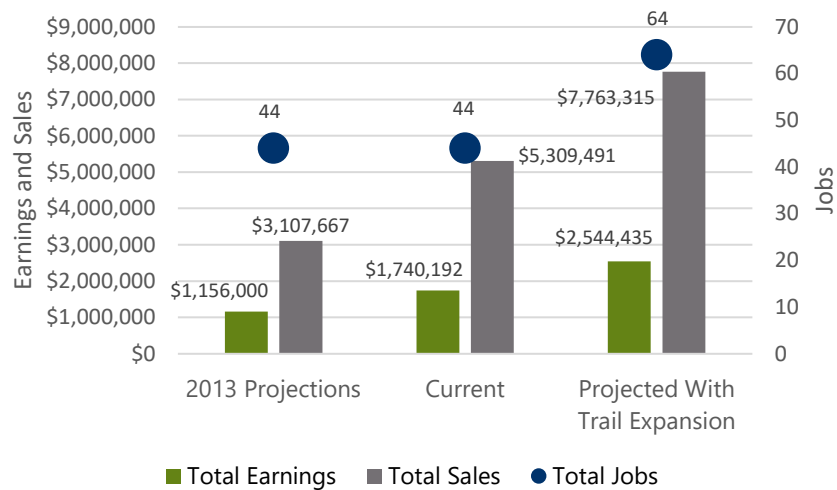
Since the conclusion of this study and the completion of the Ashokan Rail Trail, **total visitation has surpassed projections by over 35,000 visitors, annually**. While less visitors than originally projected have been from outside of Ulster County, **total economic impacts associated with the trail have been in-line with expectations and are projected to well exceed original projections following the proposed 6.21-mile trail expansion project**.

Trail Visitation



Source: Camoin Associates, Lightcast, New York-New Jersey Trail Conference

Economic Impact on Ulster County



Source: Camoin Associates, Lightcast, New York-New Jersey Trail Conference

ECONOMIC ACTIVITY

As previously discussed, the spending of resident trail users and of trail users who are existing visitors to the county for other reasons is not considered to be net new and is not captured in the economic impact analysis. Although this is not net new activity, these users are participating in the local economy and their spending can be summarized as economic activity. A summary of economic activity is less rigorous than an economic impact analysis as it simply summarizes what is happening, rather than what is changing in the regional economy. Economic activity is a good measure of the size of the economic activity contributed by resident and existing visitor users but is not directly comparable to or included in the economic impacts. The process for calculating economic activity follows the same methodology as the process for calculating economic impacts, while using different inputs.

ANNUAL VISITATION ESTIMATES

As calculated in Table 3 there are an estimated 154,727 resident and existing visitor users of the existing Ashokan Rail Trail, annually. The spending of these users is considered to be economic activity that is occurring within Ulster County.

VISITOR SPENDING ESTIMATES

Based on the information collected from the survey, the average spending per resident and existing user per day was estimated. Spending categories used are the same as for net new users.

According to the survey, resident and existing visitor users spend an average of \$64.83 per person per day in the county. As expected, this per-user spending is lower than that of net new users who all travel from out of the county to use the trail. This means that resident and existing visitor users spend a total of over \$10.0 million annually.

Table 10

Resident and Existing Visitor User Spending

Category	Spending per User per Day	Total Resident and Existing Visitor User Spending (154,726 users)
Lodging	\$16.53	\$2,557,643
Bars/Restaurants	\$21.21	\$3,281,767
Entertainment	\$3.46	\$535,357
Shopping	\$7.17	\$1,109,395
Gas	\$8.80	\$1,361,601
Bike Repair	\$2.22	\$343,495
Convenience Stores	\$2.51	\$388,366
Bike Equipment	\$1.68	\$259,942
Other	\$1.25	\$193,409
Total	\$64.83	\$10,030,974

Source: Survey

ECONOMIC ACTIVITY

The approximately \$10.0 million in trail user spending was used as the direct input into the Lightcast model to estimate the total activity associated with these users. Table 11 shows the total economic activity in the county economy associated with resident and existing visitor users.

Table 11

Economic Activity Associated with the Ashokan Rail Trail in Ulster County

	Jobs	Earnings	Sales
Direct	105	\$3,651,670	\$10,030,974
Indirect	17	\$1,180,273	\$2,871,642
Induced	29	\$1,911,868	\$4,537,823
Total	151	\$6,743,811	\$17,440,439

Source: Survey, Lightcast

FISCAL ACTIVITY

In addition to the economic activity associated with these users, fiscal activity can also be associated with resident and existing visitor users. Property tax revenue, sales tax revenue, and occupancy tax revenue associated with economic activity were calculated using the same methodology that was used to calculate the net new revenue from the economic impacts.

PROPERTY TAX REVENUE

To calculate the property tax revenue, we first consider the \$17.4 million in total sales that were calculated as part of the *Economic Activity* (Table 11). Of these total sales, a portion is considered to be value added. Value-added sales account for 0.12% of GRP in Ulster County. This is, in effect, the portion of the county's property tax base that is reliant on economic activity generated by the trail users. Applying this ratio to the property tax levy of the county, the total property tax revenue attributed to the trail users is estimated (Table 6).⁷

Table 12

Property Tax Revenue Associated with Economic Activity

Total Sales (from <i>Economic Activity</i>)	\$17,440,439
Value Added Portion of Total Sales	\$9,849,084
2021 Gross Regional Product	\$8,357,691,670
Pct. Of GRP Attributable to Net New Users	0.12%
FY23 Property Tax Levy	\$73,028,225
Property Tax Revenue from Economic Activity	\$86,060

Source: Lightcast, Ulster County 2023 Executive Budget Summary

⁷ Note that this is an estimate of the property tax revenue attributable to the economic activity generated by resident and existing visitor trail users and does not include actual property taxes paid by homeowners.

SALES TAX REVENUE

Sales tax revenue will be generated for the county as employees spend their earnings in Ulster County. Sales tax revenue attributed to trail activity is calculated using the total earnings (generated in the *Economic Activity* section) and the assumption that 50%⁸ of earnings will be spent within Ulster County and 25%⁹ of purchases will be taxable. The county's 4.00% sales tax rate is applied to calculate the sales tax revenue attributed to trail users.

Table 13

Sales Tax Revenue Associated with Economic Activity

Total Earnings	\$6,743,811
Percent Spent in County	50%
Amount Spent in County	\$3,371,906
Amount Taxable (25%)	\$842,976
Sales Tax Rate	4.00%
Sales Tax Revenue from Economic Activity	\$33,719

Source: Camoin Associates, NYS Comptroller

OCCUPANCY TAX REVENUE

Ulster County also imposes an occupancy tax on accommodations spending. The county's 2.00% occupancy tax rate was applied to user spending on lodging to calculate the occupancy tax revenue generated by these users.

Table 14

Occupancy Tax Revenue Associated with Economic Activity

Lodging Sales	\$2,557,643
Tax Rate	2.00%
Occupancy Tax Revenue from Economic Activity	\$51,153

Source: Camoin Associates, Ulster County

TOTAL TAX REVENUE

Ulster County's total annual tax revenue attributable to the economic activity associated with resident and existing visitor trail users is displayed in Table 9.

Table 15

Total Annual Tax Revenue Associated with Economic Activity

Sales Tax Revenue	\$33,719
Occupancy Tax Revenue	\$51,153
Property Tax Revenue	\$86,060
Total	\$170,932

Source: Camoin Associates

⁸ Based on the percent of industry demand that is met within the county, for a typical household spending basket (source: Lightcast).

⁹ Based on information from the NYS Department of Finance and Taxation regarding purchases subject to sales tax.

IMPACT OF PROPOSED EXPANSION

SUMMARY OF RESULTS

The total economic impact of the proposed Ashokan Rail Trail expansion is estimated to be 20 jobs, over \$804,000 in associated employee earnings, and nearly \$2.5 million in annual sales. This is the impact of net new visitors to the county and represents economic impacts that would not exist in Ulster County but for the trail expansion.

Economic activity associated with resident and existing visitor users of the trail expansion is estimated to be 57 jobs, nearly \$2.2 million in associated employee earnings, and nearly \$6.6 million in annual sales. This is a measure of the total activity associated with resident and existing users but is not net new activity – these users would still be participating in Ulster County's economy even in the absence of the expanded trail.

Table 16

Total Economic Contribution of Ashokan Rail Trail Extension

	Economic Impact	Economic Activity
Jobs	20	57
Earnings	\$804,243	\$2,170,780
Sales	\$2,453,824	\$6,564,297

Source: Camoin Associates, Lightcast

On the fiscal side, \$32,506 in net new tax revenue is estimated to be generated for Ulster County as a result of the trail expansion. At the same time, nearly \$66,929 in tax revenue would be associated with the economic activity of resident and existing users.

Table 17

Total Fiscal Contribution of Ashokan Rail Trail Extension

	Fiscal Impact	Fiscal Activity
Sales Tax	\$4,021	\$10,854
Occupancy Tax	\$16,086	\$23,641
Property Tax	\$12,398	\$32,434
Total	\$32,506	\$66,929

Source: Camoin Associates

CONSTRUCTION IMPACT

According to the Open Space Institute, construction of the trail extension is estimated to cost \$14.6 million. Based on construction industry supply and demand data from Lightcast, it is assumed that 60% of this spending will occur within Ulster County. This means that nearly \$8.8 million in spending will be net new to Ulster County during the construction period.

Table 18

Net New Construction Spending	
Total Cost	\$14,600,000
% Spent in Ulster County	60%
Net New Construction Spending	\$8,760,000

Source: Open Space Institute, Lightcast (formerly Emsi), Camoin Associates

This net new construction spending is used as the input in the Lightcast model to calculate the one-time economic impacts that will be generated for the county during the construction period. These results are displayed in Table 19.

Table 19

Economic Impact of Construction on Ulster County

	Jobs	Earnings	Sales
Direct	65	\$3,291,124	\$8,760,000
Indirect	7	\$382,312	\$1,247,974
Induced	9	\$451,517	\$1,192,109
Total	81	\$4,124,953	\$11,200,083

Source: Survey, Lightcast

One-time construction-related spending would also benefit the county in terms of new sales tax revenue generated. Table 20 calculates the sales tax revenue that would be generated during the construction period for Ulster County.

Table 20

One-Time Sales Tax Revenue From Construction	
Total Earnings	\$4,124,953
Percent Spent in County	50%
Amount Spent in County	\$2,062,477
Amount Taxable (25%)	\$515,619
Sales Tax Rate	4.00%
Sales Tax Revenue from Construction	\$20,625

Source: Camoin Associates, NYS Comptroller

ECONOMIC IMPACT

To calculate the estimated potential economic impact of the trail expansion, again only the net new impacts, or the economic changes that would not occur but for the expansion, are considered. This is defined as visitors who would not be in Ulster County but for the trail expansion. The methodology used in this section is consistent with the methodology used to calculate the economic impact of the existing trail.

ANNUAL VISITATION ESTIMATES

To estimate the increase in visitation to be expected as a result of the trail expansion Camoin Associates used trail user projections for the Empire State Trail (2018). It is assumed that users of this trail will be similar to users of the ART extension, and that the extension would draw users from a similar geography as the Hudson River Valley portions of the Empire State Trail. An average of annual Empire State Trail user counts from 16 points along the trail (from just north of White Plains to just south of Albany) were used to estimate the potential annual user counts of the ART extension. Using this method, it is assumed that the extension will attract 80,938 users annually.¹⁰

It is assumed that the portion of net new vs. resident and existing visitor users will be the same as it is currently. The net new and resident and existing visitor user assumptions were applied to this user count to estimate a total of 9,429 net new users and 71,509 resident and existing visitor users.

Table 21

Projected Trail Users		
Total Annual Users		80,938
	Net New Users	Resident and Existing Visitor Users
Share of Total Users	11.65%	88.35%
Total	9,429	71,509

Source: Open Space Institute, Survey

VISITOR SPENDING ESTIMATES

According to the survey, net new users spend an average of \$184.50 per person per day in the county. This means that it is estimated that net new users of the trail extension will spend a total of \$1.7 million in Ulster County, annually.

¹⁰ *Empire State Trail Use Projections*. Empire State Trail, 20 July 2018.

Table 22

Net New User Spending

Category	Spending per User per Day	Total Net New Spending (9,429 users)
Lodging	\$85.30	\$804,315
Bars/Restaurants	\$55.74	\$525,586
Entertainment	\$8.62	\$81,280
Shopping	\$14.71	\$138,704
Gas	\$14.59	\$137,573
Bike Repair	\$0.36	\$3,395
Convenience Stores	\$3.17	\$29,891
Bike Equipment and Repair	\$0.00	\$0
Other	\$2.01	\$18,953
Total	\$184.50	\$1,739,696

Source: Survey**ECONOMIC IMPACT**

The approximately \$1.7 million in projected visitor spending was used as the direct input into the Lightcast model to estimate the total impact on jobs, earnings, and sales. Table 23 shows the total economic impact net new user spending will have on the county economy.

Table 23

Economic Impact of the Trail Extension on Ulster County

	Jobs	Earnings	Sales
Direct	15	\$542,226	\$1,739,696
Indirect	3	\$120,472	\$351,634
Induced	2	\$141,545	\$362,494
Total	20	\$804,243	\$2,453,824

Source: Survey, Lightcast**FISCAL IMPACT**

In addition to the economic impact on the regional economy, the net new users of the trail extension will also have a fiscal impact in terms of property tax, sales tax, and occupancy tax revenue.

PROPERTY TAX REVENUE

As discussed with respect to the existing trail, although the use of the trail extension will not directly generate property tax revenue for Ulster County, property tax revenue can be thought of as a function of the overall economic activity within a region. As economic activity increases, so do assessed property values, and therefore, property tax revenue.

To project new property tax revenue that will be generated by net new users of the trail extension, we first consider the \$2.5 million in total sales that were calculated as part of the *Economic Impact Analysis* (Table 23). Of these total

sales, a portion is considered to be value added. The value-added sales account for 0.02% of GRP in Ulster County. Applying this ratio to the property tax levy of the county, the total new property tax revenue to be attributed to the trail extension is estimated (Table 24).

Table 24

Net New Property Tax Revenue	
Total Sales (from <i>Economic Impact</i>)	\$2,453,824
Value Added Portion of Total Sales	\$1,418,941
2021 Gross Regional Product	\$8,357,691,670
Pct. Of GRP Attributable to Net New Users	0.02%
FY23 Property Tax Levy	\$73,028,225
Annual Net New Property Tax Revenue	\$12,398

Source: Lightcast, Ulster County 2023 Executive Budget Summary

SALES TAX REVENUE

Sales tax revenue will be generated for the county as employees spend their earnings in Ulster County. Sales tax revenue attributed to projected trail extension activity is calculated using the total earnings (generated in the *Economic Impact* section) and the assumption that 50%¹¹ of earnings will be spent within Ulster County and 25%¹² of purchases will be taxable. The county's 4.00% sales tax rate is applied to calculate the sales tax revenue attributed to future trail extension users.

Table 25

Net New Sales Tax Revenue	
New Earnings	\$804,243
Percent Spent in County	50%
Amount Spent in County	\$402,122
Amount Taxable (25%)	\$100,530
Sales Tax Rate	4.00%
Annual Net New Sales Tax Revenue	\$4,021

Source: Camoin Associates, NYS Comptroller

OCCUPANCY TAX REVENUE

Ulster County also imposes an occupancy tax on accommodations spending. The county's 2.00% occupancy tax rate was applied to projected net new user spending on lodging to calculate the occupancy tax revenue estimated to be generated by future net new users.

¹¹ Based on the percent of industry demand that is met within the county, for a typical household spending basket (source: Lightcast).

¹² Based on information from the NYS Department of Finance and Taxation regarding purchases subject to sales tax.

Table 26

Net New Occupancy Tax Revenue

Lodging Sales	\$804,315
Tax Rate	2.00%
Annual Net New Occupancy Tax Revenue	\$16,086

Source: Camoin Associates, Ulster County

TOTAL TAX REVENUE

Ulster County's projected total annual net new tax revenue attributable to the trail extension is displayed in Table 27.

Table 27

Total Annual Tax Revenue from Net New Users

Sales Tax Revenue	\$4,021
Occupancy Tax Revenue	\$16,086
Property Tax Revenue	\$12,398
Total	\$32,506

Source: Camoin Associates

ECONOMIC ACTIVITY

As was done with current trail users, the economic activity associated with potential new resident and existing visitor users is calculated to provide information about the size of the economic activity these users generate. This is not net new activity and is not directly comparable to or included in the economic impacts. The process for calculating economic activity follows the same methodology as the process for calculating economic impacts, while using different inputs.

ANNUAL VISITATION ESTIMATES

As calculated in Table 21 it is estimated that there will be 71,509 annual resident and existing visitors of the trail extension. The spending of these users is considered to be economic activity that is occurring within Ulster County.

VISITOR SPENDING ESTIMATES

As previously discussed and based on information from the survey, resident and existing visitor users currently spend an average of \$64.83 per person per day. It is assumed that these spending patterns would be the same for the trail extension. This means that these users will spend an estimated over \$4.6 million annually.

Table 28

Resident and Existing Visitor User Spending

Category	Spending per User per Day	Total Resident and Existing Visitor User Spending (71,509 users)
Lodging	\$16.53	\$1,182,036
Bars/Restaurants	\$21.21	\$1,516,695
Entertainment	\$3.46	\$247,419
Shopping	\$7.17	\$512,716
Gas	\$8.80	\$629,275
Bike Repair	\$2.22	\$158,749
Convenience Stores	\$2.51	\$179,486
Bike Equipment and Repair	\$1.68	\$120,134
Other	\$1.25	\$89,386
Total	\$64.83	\$4,635,896

Source: Survey**ECONOMIC ACTIVITY**

The approximately \$4.6 million in visitor spending was used as the direct input into the Lightcast model to estimate the total activity that will be associated with these future users. Table 29 shows the projected total economic activity in the county economy associated with resident and existing visitor users of the trail extension.

Table 29

Economic Activity Associated with the Trail Extension in Ulster County

	Jobs	Earnings	Sales
Direct	44	\$1,471,292	\$4,635,896
Indirect	7	\$337,920	\$1,000,338
Induced	6	\$361,568	\$928,063
Total	57	\$2,170,780	\$6,564,297

Source: Survey, Lightcast**FISCAL ACTIVITY**

In addition to the economic activity associated with these users, fiscal activity can also be associated with resident and existing visitor users. Property tax revenue, sales tax revenue, and occupancy tax revenue associated with economic activity were calculated using the same methodology that was used to calculate the net new revenue from the economic impacts.

PROPERTY TAX REVENUE

To calculate the property tax revenue associated with the economic activity, we first consider the \$6.6 million in total sales that were calculated as part of the *Economic Activity* (Table 29). Of these total sales, a portion is considered to be value added. These value-added sales account for 0.04% of GRP in Ulster County. Applying this ratio to the

property tax levy of the county, the total property tax revenue attributed to the potential trail extension users is estimated (Table 30).

Table 30

Property Tax Revenue Associated with Economic Activity

Total Sales (from <i>Economic Activity</i>)	\$6,564,297
Value Added Portion of Total Sales	\$3,711,909
2021 Gross Regional Product	\$8,357,691,670
Pct. Of GRP Attributable to Net New Users	0.04%
FY23 Property Tax Levy	\$73,028,225
Property Tax Revenue from Economic Activity	\$32,434

Source: Lightcast, Ulster County 2023 Executive Budget Summary

SALES TAX REVENUE

Sales tax revenue will be generated for the county as employees spend their earnings in Ulster County. Sales tax revenue attributed to potential trail extension activity is calculated using the total earnings (generated in the *Economic Activity* section) and the assumption that 50%¹³ of earnings will be spent within Ulster County and 25%¹⁴ of purchases will be taxable. The county's 4.00% sales tax rate is applied to calculate the sales tax revenue attributed to trail extension users.

Table 31

Sales Tax Revenue Associated with Economic Activity

Total Earnings	\$2,170,780
Percent Spent in County	50%
Amount Spent in County	\$1,085,390
Amount Taxable (25%)	\$271,348
Sales Tax Rate	4.00%
Sales Tax Revenue from Economic Activity	\$10,854

Source: Camoin Associates, NYS Comptroller

OCCUPANCY TAX REVENUE

Ulster County also imposes an occupancy tax on accommodations spending. The county's 2.00% occupancy tax rate was applied to user spending on lodging to calculate the potential occupancy tax revenue associated with these potential users.

Table 32

Occupancy Tax Revenue Associated with Economic Activity

Lodging Sales	\$1,182,036
Tax Rate	2.00%
Occupancy Tax Revenue from Economic Activity	\$23,641

Source: Camoin Associates, Ulster County

¹³ Based on the percent of industry demand that is met within the county, for a typical household spending basket (source: Lightcast).

¹⁴ Based on information from the NYS Department of Finance and Taxation regarding purchases subject to sales tax.

TOTAL TAX REVENUE

Ulster County's potential total annual tax revenue attributable to the economic activity associated with resident and existing visitor trail extension users is displayed in Table 33.

Table 33

Total Annual Tax Revenue Associated with Economic Activity

Sales Tax Revenue	\$10,854
Occupancy Tax Revenue	\$23,641
Property Tax Revenue	\$32,434
Total	\$66,929

Source: Camoin Associates

Case Study: Overlook Bicycles

The Ashokan Rail Trail provides benefits to visitors, residents, and local businesses. One example of this is Overlook Bicycles which opened their second location on Mountain Road in Shokan, NY as a direct result of the opportunity presented by the creation of the Ashokan Rail Trail. The owner, Bill Denter, recognized the potential since the early discussions of the rail trail creation many years ago and the possibility to open a second location that primarily served users of the rail trail. Since first opening in 2020, Overlook now employs 10 people during the height of the season, with several year-round employees.

The Ashokan Rail Trail allowed Overlook Bicycles to expand their offerings and customer base. Prior to the Ashokan Rail Trail, Overlook had a location in Woodstock but did not have a very large rental business since there are not many flat, scenic, accessible trails in the region attractive to renters. Overlook Bicycles is now able to offer a wide variety of rental products including road bikes, mountain bikes, hybrid bikes, electric-assist bikes, trailers, and children's bikes.

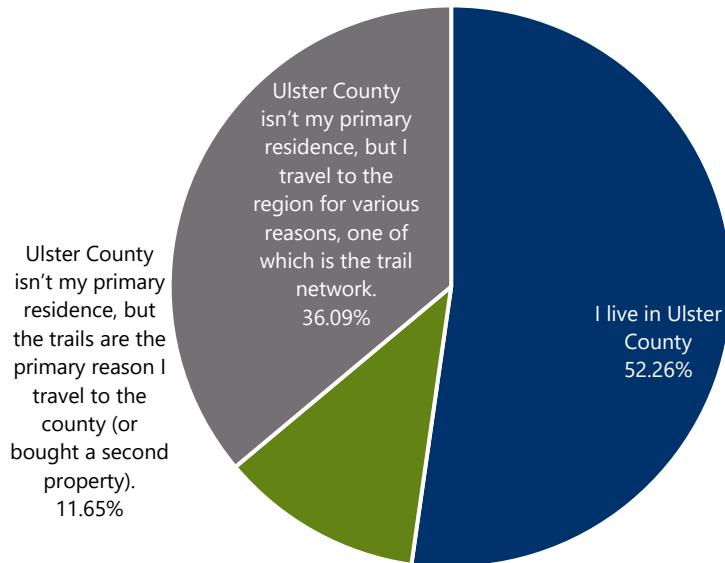
The Overlook Bicycles location along the ART serves people from all around the northeast, with a large portion coming from the tri-state area. The store offers a variety of typical food and goods for customers, including beverages, energy chews, electrolyte products, and bike accessories. Beyond just the activity at Overlook Bicycles, restaurants, inns, and businesses are reporting increased spending by visitors that are coming to the area for access to the ART.



SURVEY RESULTS

The following section summarizes the information captured in the user survey. Data included in this section is an aggregation of all 269 survey responses.

1. WHICH OF THE FOLLOWING STATEMENTS BEST DESCRIBES YOUR CHOICE TO COME TO THE ASHOKAN RAIL TRAIL AND ULSTER COUNTY?

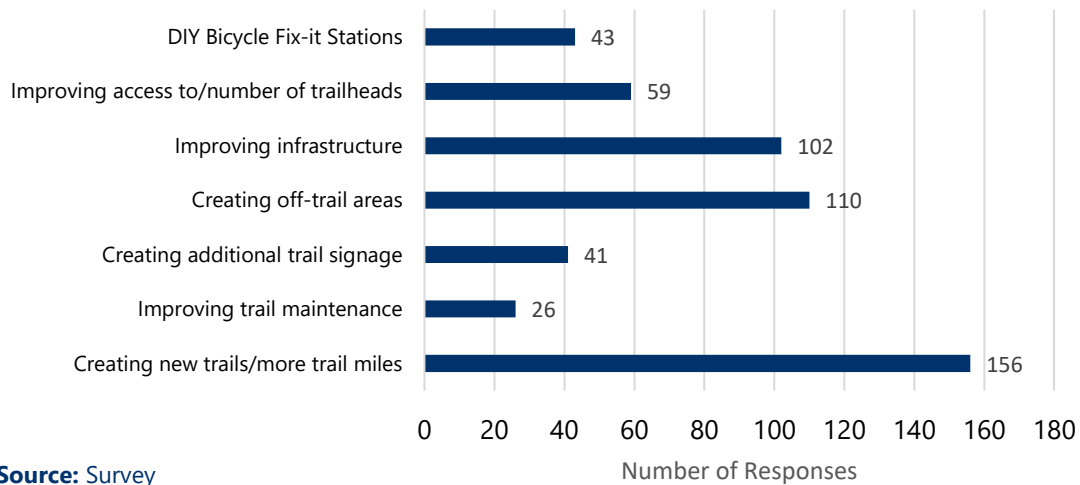


Source: Survey

2. INCLUDING YOU, HOW MANY PEOPLE ARE IN YOUR AVERAGE IMMEDIATE GROUP WHEN YOU USE THE TRAILS IN THE REGION?

The average response was 2.5.

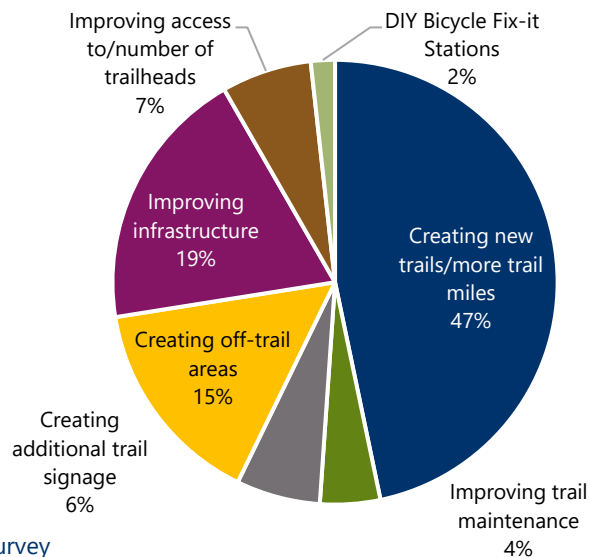
3. PLEASE INDICATE WHAT, IF ANYTHING, NEEDS TO BE DONE TO IMPROVE THE TRAIL EXPERIENCE OF THE ASHOKAN RAIL TRAIL (CHECK ALL THAT APPLY):



Source: Survey

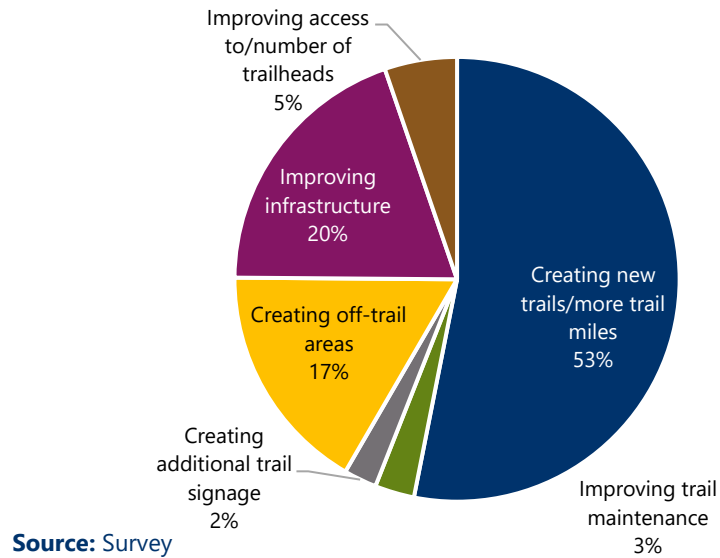
Note: Respondents could select multiple answers.

4. OF THE FOLLOWING, WHAT IS THE ONE MOST IMPORTANT IMPROVEMENT THAT NEEDS TO BE MADE TO MAKE YOUR TRAIL EXPERIENCE MORE ENJOYABLE?

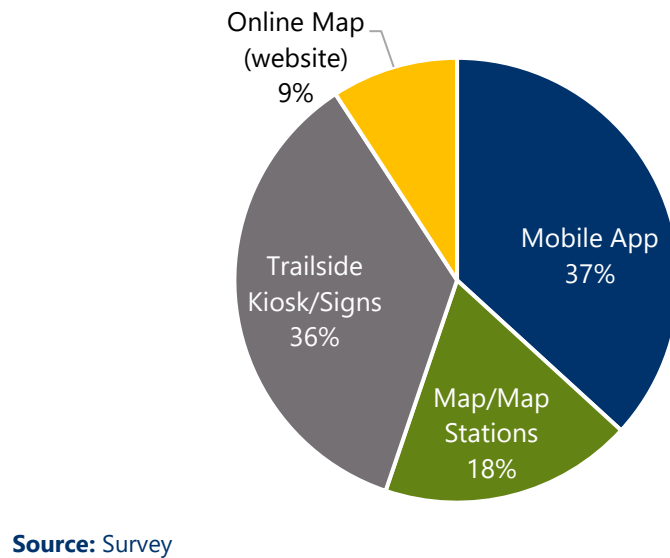


Source: Survey

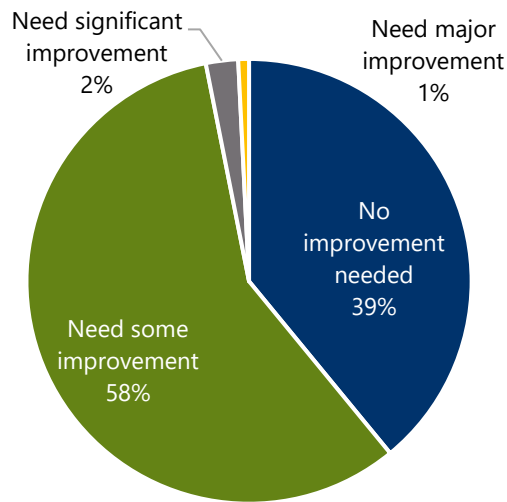
5. OF THE FOLLOWING, WHAT IS THE ONE MOST IMPORTANT IMPROVEMENT THAT WOULD ENCOURAGE YOU TO STAY LONGER/RETURN MORE OFTEN TO THE REGION?



6. OF THE FOLLOWING, WHAT IS YOUR PREFERRED TRAIL NAVIGATION TOOL?

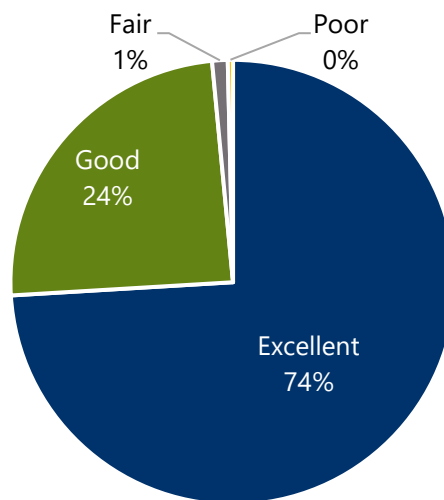


7. HOW WOULD YOU RATE THE EXISTING TRAILS IN ULSTER COUNTY AND THE CATSKILL REGION?



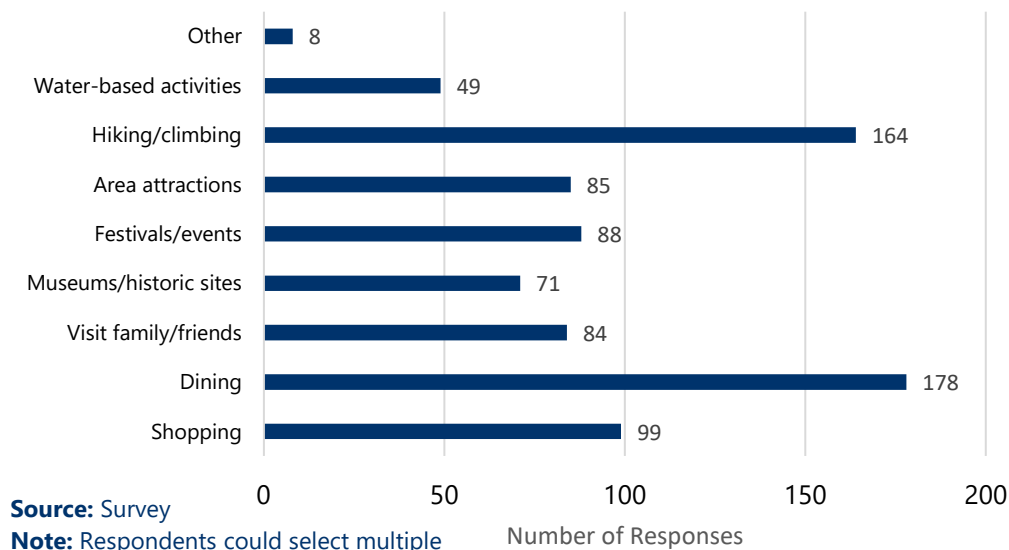
Source: Survey

8. HOW WOULD YOU RATE YOUR OVERALL TRAIL EXPERIENCE IN ULSTER COUNTY AND THE CATSKILL REGION?



Source: Survey

9. WHAT OTHER ACTIVITIES DO YOU OR MEMBERS OF YOUR IMMEDIATE TRAVEL GROUP PARTICIPATE IN WHILE YOU'RE ON A TRAIL TRIP? (CHECK ALL THAT APPLY)



10. PLEASE INDICATE THE STATE OF YOUR PRIMARY RESIDENCE:

Primary Residence

Location	Responses
California	3
Connecticut	2
Washington, DC	2
Florida	3
Massachusetts	2
Maryland	1
Maine	1
Michigan	1
New Mexico	1
New Jersey	22
New York	216
Pennsylvania	3
Texas	1
Canada	1
Germany	1
United Kingdom	1

Note: Not all respondents answered this question.

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

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

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

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e., sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of industry-to-industry purchases. Finally, the widget manufacturer has employees who will naturally spend their wages. Again, those wages spent will either be for local goods and services or will “leak” out of the economy. The purchases of local goods and services will then stimulate other local economic activity. Together, these effects are referred to as the “Indirect Effects” of the change in final demand.

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

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

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

Leading action to grow your economy

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