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VI. ECONOMIC IMPACTS

This section will deal with the projected county-wide economic impacts resulting from the implementation of the proposed Demonstration Projects. Initially, job creation estimates for the proposed Demonstration Projects will be evaluated, followed by a discussion on the Induced Development Investments associated with each Project. The section will conclude with a discussion of the positive effects that the proposed Freeway Alternative is likely to have on these projects.

This section will not evaluate the economic benefits of the individual Gateway Improvement and Regional Greenway Connection Projects proposed in ***Section IV Functional Community Connections***. These projects will not generally have direct economic benefits, but will instead result in indirect benefits. Specifically, the connection of the Cattaraugus to Salamanca Rail-Trail to the State Park will increase the amount of people traveling through the City and will therefore result in positive benefits to the local stores and restaurants. In addition, the need for additional support services may become evident, and new business may begin to develop to support snowmobilers, horse riders, bikers, hikers, etc. The same assumptions hold true for the other recommendations. These improvements will provide superior access throughout the County for recreational enthusiast and the average County resident, who will then spend money on gas, food, lodging, souvenirs, equipment and accessories.

The overall goals of the trail connections and gateway improvements are to bring more people into the County and provide County residents with superior recreational assets. As a result, the local municipalities and the County as a whole will begin to see the indirect economic benefits of developing and improving this recreational inventory.

A. DEMONSTRATION PROJECT JOB DEVELOPMENT

The job estimates discussed below and depicted on Table VI-1 have been prepared for planning purposes only and are based upon numerous sources and methodologies. These sources and methodologies have been previously noted and discussed in ***Section V Demonstration Projects***. Where appropriate, the sources have been noted below Table VI-1.

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Table VI-1 Demonstration Project Job Development

Projects:	Est. Job Creation
Ashford Business Center	307-324*
Ellicottville Business Park	1265-1398*
Ellicottville Community Tourism and Cultural Centers	71-79 ⁱ
Airport Business Center	115-127*
Limestone Outdoor Sports Rec. Vehicle Center & Visitors' Center	115-127 ⁱⁱ
Railyard Industrial Park	196-216*
City of Salamanca State Park Village	228-252 ⁱⁱⁱ
Salamanca Trail Head	N/A
Onoville Marine Park and Horse Trail Staging Area	113-125 ^{iv}
Village of Franklinville Downtown Revitalization, Trail Connections and Proposed Equestrian Subdivision	N/A
Village of Little Valley Downtown Revitalization and Proposed Equestrian Center	N/A
Village of Randolph Downtown Revitalization and Regional Amish Touring and Commercial Outlet	N/A
Total Job Creation Estimates	2,407-2,645

* Figures based solely on the 1999 Development Profiles published by Empire State Development and the Governor's Office of Regulatory Reform, prepared by Flour Daniel Consulting.

ⁱ Based on: 41 employees in Retail/Commercial (as sourced from GORR), 4 employees in the Interpretive Center, 5 for Performing Arts, and 25 at the Convention Center.

ⁱⁱ Based on: 10 employees at the hospitality center, 17 in accommodations, 71 for the restaurant, retail outlets and convenience store, 9 at the recreation center and 11 at the interpretive center.

ⁱⁱⁱ Based on: 66 employees in Retail/Commercial (as sourced from New York State Governor's Office of Regulatory Reform), 10 employees in the Indoor Theatre, 14 in Entertainment, and 150 in Hospitality.

^{iv} Based on: 71 employees in Retail/Commercial (as sourced from New York State Governor's Office of Regulatory Reform), 14 employees in Tent & RV campground sites and swimming pool, and 34 in Lodge/Cottages. Note: Some of the campground and hotel related jobs are seasonal, Memorial Day to Columbus Day being the approximate peak periods.



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There are two main factors, which should be considered and evaluated in correlation with the potential job impacts: the number of jobs a project can generate and the “quality” of the jobs generated. The importance of the number of jobs generated is obvious, and will be the first factor people focus on. The more people employed in the County, the greater the benefits not only to the employees, but also the local and regional economies. Furthermore, an increase in jobs also assist county residents in improving their quality of life. The second factor, which should be considered in evaluating the positive job impacts from the Demonstration Projects, is the “quality” of those jobs.

The “quality” of the jobs relate to the jobs associated salary, seasonality, benefits, and employee satisfaction. Manufacturing and some service sectors produce jobs that pay the best and last the longest; whereas, some trade and certain service sectors offer jobs with low pay, minimal benefits and a relatively weak level of commitment to employees. A crucial restriction on the quality of the job impact is seasonality. The proposed Demonstration Projects contain a healthy mix of manufacturing and service sector jobs with seasonal jobs in the tourism and recreational industry sectors.²⁹

- ♦ **Ashford Business and Education Park:** The Ashford Business Park is the only Demonstration Project which already employs workers. Currently, the park employs 150 workers and at full build-out, it is projected to employ 307 to 324, provided the multi-use character of the development is achievable. These jobs would be divided among warehouse and distribution; flex office space; and more intensive office, business and incubator activities.

It is anticipated that this project could attract some of the growth that will occur at the northern end of the Freeway in Cattaraugus County, possibly serving, in part, to absorb a portion of the development that would otherwise scatter around the County.³⁰

It is important to note that this project could continue to expand prior to the completion of the Freeway Alternative. The Freeway however, will provide additional support to the project and contribute to its success and eventual build-out.

- ♦ **Ellicottville Business Park:** It is projected that this project will result in the creation of between 1,265 to 1,398 jobs at full build-out; 660,000 s.f. These jobs would be distributed between office, distribution, and assembly/light industrial components, with modest space devoted to research and development operations. The construction of the Route 219 Freeway is crucial for the ultimate success of the Ellicottville Park.



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- ♦ **Ellicottville Community Tourism and Cultural Center:** This project is projected to create between 71 and 79 jobs. The tourism and cultural center would include a total of 25,500 s.f., devoted to a tourist information center and multi-use complex which could include tourist-oriented attractions such as a cultural/performing arts center, a cinema and specialty retail shops for arts, crafts and antiques.

This project will have the most significant impact in the retail and services sector, and would also provide a good source of employment for artisans and artists. Overall, the project would have a significant impact on the local tourism industry by encouraging more intensive use of the existing recreational infrastructure.³¹ The success of this project is also not entirely dependent upon the completion of the Freeway Alternative. The Freeway, however, will play an important role in future investments in the tourism and cultural center.

- ♦ **Airport Business Center:** This project is closely tied to the construction of the Freeway and the County Airport. Currently, the airport plans have been tabled, effectively halting plans for the Airport Business Park as well. However, this project is provided in this report in hopes that the airport will eventually materialize. Under the current plans, the project could result in the creation of 115 to 127 jobs at full build-out. The project is proposed to include 10,000 s.f. of office space, 32,000 s.f. of warehouse and distribution space, 12,000 s.f. of light manufacturing/assembly space and 14,000 s.f to be devoted to research and development.

As proposed, this project would support the use of existing recreational attractions in the area, especially the ski resort attractions, as a result of strengthening the connection between corporate locations and the recreational infrastructure.³²

- ♦ **Railyard Industrial Park:** This project is anticipated to produce between 115 to 127 jobs as it is currently proposed. The project components would include space for warehouse and distribution, light assembly, research and development, offices, support services and an intermodal center. While the success of this project is not completely tied to the completion of the Freeway, the ultimate size, scale and total county economic benefits derived from it will most certainly be effected by the status of the Freeway.
- ♦ **Limestone Outdoor Sports Recreational Vehicle Center and Visitors' Center:** This project is estimated to produce between 115 and 127 jobs as it is currently proposed. With the unique mix of tourism and support services with accommodations and an abundant of recreational pursuits coupled with unparalleled access into Allegany State Park, this project has the potential for significant positive effects on the economy of Limestone. While the project's overall success is somewhat dependent



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upon the construction of the year-round access road into the Park, it is important to note that all of the components except the visitor's center are still viable without the road upgrade.

It is important to note that the project is not as dependent upon the completion of the Freeway as it is upon the construction of the year-round access road. Therefore, it should be pursued regardless of the Freeway status. However, the retail, accommodation and support services aspects of this project will greatly benefit from the completion of the Freeway.

- ♦ **City of Salamanca State Park Village:** Combined with Salamanca's existing and potential recreational trail connections as discussed in *Section IV Functional Community Connections*, the State Park Village project is likely to transform Salamanca into the main entrance point into Allegany State Park. The initial economic impact will be the job creation, approximately 228 to 252. The second component of the economic impacts may be felt by the City of Salamanca in the downtown sections. While the State Park Village will bring more people out of the Park for entertainment, Salamanca's downtown could reap added benefits.

This project is also likely to develop independent of the Freeway Alternative. Due to the proposed location directly adjacent to the Park, the State Park Village will be able to draw a portion of its market segment from the Park. The Park is routinely filled to capacity throughout the summer and winter. The construction of the Freeway will aid in future expansions of the State Park Village.

- ♦ **Salamanca Trail Head:** This project will not directly result in the creation of jobs. However, the location of the rail-trail trailhead at the western end of the City may have the potential for indirect job creation and an increase in the number of visitors to the City. The economic benefits of the trailhead are almost entirely dependent upon locating a link between the trail and Allegany State Park for snowmobiles, pedestrians, bicyclists and horse riders. Without this link, the trailhead may just serve as the starting and stopping point for trail users, as opposed to a link into the City and the State Park for recreational enthusiasts who often need services and seek shopping opportunities.
- ♦ **Onoville Marina Park and Horse Trail Staging Area:** Onoville Marina has the potential for becoming a hub for retail services, dining, water access, lodging and camping. In addition, the Onoville area has the potential for serving as a trailhead and staging area for equestrian enthusiasts as well as boaters. In total, approximately 113 to 125 new jobs could be created as result of the proposed project.

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Due to the location of the marina, the success of this project is likely to be completely independent of the Freeway Alternative. The Freeway could make visiting the marina somewhat more appealing to visitors, but the direct economic benefits may be minimal. Therefore, this project should be pursued immediately and coordinated with the development of a county-wide horse trail system.

- ♦ **Village of Franklinville Downtown Revitalization, Trail Connections and Proposed Equestrian Subdivision:** The potential employment impacts related to these projects are currently difficult to calculate as the plans are still conceptual and the exact scale of the ultimate retail development is unknown. However, it can be stated that there will be direct employment available in the retail businesses and the construction jobs related to building rehabilitation and square revitalization.

Furthermore, there will be indirect employment impacts in the other businesses in the downtown core that will benefit from an increase in tourism. Finally, entrepreneurial opportunity and return on investment will be an additional outcome.³³
- ♦ **Village of Little Valley Downtown Revitalization and Proposed Equestrian Center:** Employment figures for this project are also hard to estimate at this time. However, economic impacts of the project include direct employment benefits resulting from the equestrian center for operations and construction. Furthermore, there will be indirect employment impacts on Little Valley area business that can cater to large gatherings of horse owners. Businesses in the Downtown core will benefit from increased tourism, and entrepreneurial opportunity and return on investment will be additional positive outcomes.³⁴
- ♦ **Village of Randolph Downtown Revitalization and Regional Amish Touring and Commercial Outlet:** The potential employment impacts of this project are difficult to quantify, as the exact scope of services to be offered must still be defined. There will however, be direct employment benefits related to touring and retail business and the construction jobs associated with building and/or retrofitting the facilities. There will also be indirect employment impacts in the businesses in the downtown core that will benefit from increased tourism.³⁵

B. INVESTMENTS

Included in the total costs for the development of each of the above Demonstration Projects are the associated Induced Investment Costs as depicted on Table VI-2 Project Development Costs. These costs include the cost for the construction of each projects' buildings and associated site infrastructure and utilities. Each of these projects provides some measure of economic benefit related to the costs of



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construction. These impacts of construction spending on labor, material and equipment purchased within the County are termed construction expenditures. Generally, the larger the project, the greater the benefit in terms of local labor, material and equipment. As there can be no assurances that these expenditures will be made within the County, it can be assumed however, that a significant portion of expenditures will be made there.

Table VI-2 Project Development Costs

Demonstration Project	Total Project Costs (w/Site)	Induced Development Investment (buildings, associated site & utilities)	Public Infrastructure (sewer, water, storm, roads)
Ashford Business and Education Park	\$15,850,000	\$15,425,000	\$425,000
Ellicottville Business Park	\$92,250,000	\$86,000,000	\$6,250,000
Ellicottville Community Tourism and Cultural Centers	\$14,575,000	\$13,750,000	\$825,000
Airport Business Park	\$10,575,000	\$9,125,000	\$1,450,000
Railyard Industrial Park	\$26,675,000	\$24,600,000	\$2,075,000
City of Salamanca State Park Village	\$17,025,000	\$16,150,000	\$875,000
City of Salamanca Trail Head	N/A	N/A	N/A
Limestone Outdoor Sports Recreation Center	\$15,850,000	\$14,525,000	\$1,325,000
Onoville Marina Park & Horse Trail Staging Area	\$19,150,000	\$17,750,000	\$1,400,000
Village of Franklinville	N/A	N/A	N/A
Village of Little Valley Regional Equestrian Hub	N/A	N/A	N/A
Village of Randolph	N/A	N/A	N/A



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C. BENEFITS OF THE ROUTE 219 FREEWAY ALTERNATIVE

While the construction of some of the proposed Demonstration Projects are considered feasible with or without the construction of the Rt. 219 Freeway Alternative, numerous positive economic benefits could result if the proposed Alternative is constructed. While it is not possible to quantitatively assess the positive impacts from the proposed Route 219 Freeway Alternative on the specific Demonstration Projects, a correlation between the two can be made. Specifically, the construction of the Freeway Alternative may stimulate the development of the office/industrial park related demonstration projects, and if the initial phases have already been implemented, the Freeway project could encourage the construction of additional phases, and possibly full build-out. In addition, tourism related projects could become more viable, successful and likely to evolve with the existence of the Rt. 219 Freeway. This correlation is based on three main factors; the advantageous sitting characteristics of the projects, the decrease in the north-south travel times, and the increases in traffic volumes in the Rt. 219 Corridor.

The Rt. 219 Freeway Alternative would significantly improve the attractiveness of the office/warehouse/industrial parks-related Demonstration Projects because they are currently proposed with direct or easy access to the proposed Freeway route. The 2002 Development Profiles for Light Industrial, Office Parks and Warehouse and Distribution facilities published by GORR lists specific sitting characteristics for successful developments³⁶. Specifically, both light industrial parks and warehouse and distribution facilities should have direct access to or be within fifteen (15) minutes of an interstate or limited access highway. In addition, business/commerce parks should have excellent truck and automobile access, and should be sited within 90 miles of a commercial hub airport. Office parks should be sited within 60 miles of a medium-to-large sized airport for easy access for senior management and corporate officers and so specialty computer parts may be flown in when necessary. The Freeway Alternative would ensure that each office/warehouse/industrial park-related Demonstration Project would meet these development profiles, and therefore, become more attractive for companies to invest in Cattaraugus County and develop one of the proposals.

The second factor is the decrease in the travel times along the Rt. 219 Corridor. This decrease in travel times would draw interstate travel both ways between Atlantic seaboard states and Canada, the largest volume-trading partner of the United States in the World. Next to accessibility, decreased travel times is likely to be a significant factor that companies will consider when looking for locations to site or expand their operations. Tourism related projects would also benefit tremendously by a decrease in travel times to Cattaraugus County. While east-west access is currently efficient, a decrease in the north-south access



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would assist in luring more tourists to the County and Allegany State Park, and in turn, improve the viability of existing and proposed tourism projects.

The third factor, which directly relates to the previous two factors, is the increase in traffic volumes in the Rt. 219 Corridor. According to The Springville to Salamanca, DR/DEIS/4(f)-Appendix E-Traffic Report (*refer to Appendix E of this report*), the proposed Freeway Alternative would produce significant increases in traffic in the Route 219 Corridor over the next 25 years. This considerable traffic increase would bring more people through Cattaraugus County who may patronize existing and future tourism related operations. This factor will aid in the viability of existing operations and assist entrepreneurs in developing new tourism operations.

Based on these three correlation factors, the Demonstration Projects will positively benefit from the proposed Route 219 Freeway Alternative. Existing office/warehouse/industrial parks and tourism related Demonstration Projects could become more viable and more likely to expand and hire additional employees; and emerging projects would become more attractive to companies, investors and entrepreneurs.

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