

CNY Raceway Park, Hastings NY

Final EIS

APPENDIX R

ECONOMIC IMPACT STUDY

Central New York Raceway Park

Economic Impact Analysis

Presented to:

CNYRP, LLC

Presented by:



May 8, 2014

STATEMENT OF LIMITING CONDITIONS

Construction, Operations, and Sports Tourism Economic Impact Study

The consulting study is subject to the following limiting conditions, except as otherwise noted in the study:

1. The conclusions stated in the economic impact analysis apply only as of the date indicated and no representation is made as to the effect of subsequent events on the study.
2. This economic impact analysis is based on assumptions disclosed herein and should not be construed as a feasibility study.
3. By reason of this assignment, Paradigm is not required to give testimony or be in attendance in court or any government or other hearing with reference to the study without written contractual arrangements having been made relative to such additional employment.
4. Neither all nor any part of the content of the report shall be disseminated through advertising media, public relations media, news media or any other means of communication including without limitation prospectuses, private offering memoranda, and other offering material provided to prospective investors.
5. Information, estimates and opinions contained in this report, obtained from sources outside of our office, are assumed to be reliable and may not have been independently verified.
6. The analyses contained in this study incorporate numerous estimates and assumptions regarding market performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. However, some estimates or assumptions inevitably will not materialize, and unanticipated events and circumstances may occur. Therefore, actual issues, outcomes and results experienced during the period covered by the enclosed analyses are likely to vary from our estimates, and the variations may be material.

CNYRP ECONOMIC IMPACT ANALYSIS

Projected economic impact for a geographically-defined community can be an important consideration in the decision-making process utilized to consider the making of a significant economic development investment in a live entertainment/sports tourism-based development project and its long-term operation. At the funding stage of the Central New York Raceway Project development effort, a strategic objective expressed by the CNYRP stakeholder group is to specifically ascertain the quantifiable benefits of the project, as determined by rigorous input-output economic impact analysis.

In that effort, Paradigm has undertaken a comprehensive analysis of the overall regional economic impact that a new CNYRP development/operations project might generate, so that this estimation could be integrated and measured against the estimation of projected economic self-sufficiency determined by CNYRP.

A. Key Areas and Assumptions Test

The assessment of overall economic impact generated by a new CNYRP development project and its operation contained the following key elements:

- Determination of economic impact generated by construction, operations, and generation of incremental visitors to the market;
- Measurement of direct, indirect, and induced effects generated by the project; and
- Determination of economic impacts (spending) generated by patron (“sports tourism”) visits.

Introduction and Impact Summary

Any economic impact generated by the proposed CNYRP development project and business operation can be attributed to three distinct occurrences:

1. Construction - a one-time only event that we are assuming for purposes of this calculation would take place within the next 1-2 year period;
2. Operation of the facility - ongoing business operation at relatively stabilized levels (i.e. consistent revenues, expenses); and
3. Increased visitation and expenditures by visitors to the Oswego County area.

Method of Analysis

The input-output multiplier approach was used to estimate the economic benefits related to the construction and operation of the proposed dirt track-road course facility. In performing these analyses, direct spending in the relevant economy (defined as Oswego County) was estimated. Then factors were used to estimate the multiplied effects of this spending on output and employment in the defined geographic economy. Economic impact or benefits are traditionally expressed in terms of increases in sales volume, employment, income and fiscal revenues.

The economic impacts estimated in this report consist of construction (temporary), operating (permanent), and on-going visitation (permanent) impact. For purposes of definition, economic *output* is the spending in the economy related to the proposed facility's operations and development. This measure of economic activity includes direct spending plus re-spending generated through the multiplier effect. Jobs created in the economy, measured in full-time equivalent jobs (FTEs), as a result of the economic output directly related to the proposed facility's stabilized operations and construction and indirectly related through the multiplier effect is *employment* impact. *Labor income* impact represents both employee salaries and wages plus business bonuses and commissions and the like.

Limitations of Input-Output Models

To quantify economic impact in each case, we utilized IMPLAN, an industry-accepted input-output model, to derive multipliers (see Appendix One). There are two fundamental limitations of input-output models:

- It is generally assumed that no substitution across expenditure categories occurs, when in fact, substitution does occur. If residents would otherwise have spent dollars on other local activities versus in association with the proposed facility, it could be argued that a facility would not be responsible for any increase in local spending.

Conversely, if "facility dollars" spent by local residents would otherwise have been used for activities outside the local area, then these dollars do not merely represent displaced spending, but without the proposed facility, the area would continue to lose these funds. In other words, it is assumed that none of the spending amounts used as inputs for the models represent "displaced spending" or that without the proposed development, incremental business activity generated from events utilizing a new facility would take place outside of the State.

- Second, it is assumed that excess capacity in business employment does not exist. In other words, if area enterprises employ sufficient staff to accommodate a larger volume of sales, it is unlikely that a higher level of sales will cause additional employment.

Impact Levels

Economic impact is typically measured on three levels. As defined by the IMPLAN model, these are:

Direct Effects - the impacts (e.g. changes in employment) for the expenditures and/or production values specified as direct final demand changes;

Indirect Effects - the impacts caused by the iteration of industries purchasing from industries resulting from direct final demand changes; and

Induced Effects - the impacts on all local industries caused by the expenditures of new household income generated by the direct and indirect effects resulting from direct final demand changes. Induced effects may also reflect government or investment expenditures."

Economic impacts or benefits are traditionally expressed in terms of increases in sales volume, employment and income resulting from the "export" of goods and services from and the "import" of new spending into an economy.

Economic output is the spending in the economy related to the proposed facility's development and operations. It represents changes in sales volume or increases in a region's local aggregate economic activity resulting from new dollars "imported" into an economy. In other words, it is the total dollar flow of the major economic sectors (wholesale, retail, manufacturing and service) and is generally equivalent to the gross product of a given area. This measure of economic activity includes direct spending plus re-spending generated through the multiplier effect.

Because of the changes in sales volume, local enterprises, depending on their excess capacity, may need to hire additional employees. Jobs created in the economy, measured in full-time equivalent jobs (FTEs), as a result of the economic output directly related to facility operations and construction and indirectly related through the multiplier effect is employment impact.

Labor impact (often referred to as "Personal Income") represents changes in County residents' earnings resulting from increased employment and spending due to the "import" of new dollars into an economy.

The Multiplier Effect

Economic impacts from operations of the proposed CNYRP dirt track-road course facility are defined as total expenditures generated from non-resident visitors ("direct spending") and the indirect benefits which result as these dollars are re-spent within the area. These indirect benefits that result from subsequent rounds of spending are often referred to as

the "multiplier" effect. All attendees to the subject facility from outside of Oswego County are considered to generate economic impact.

The multiplier concept recognizes that income is spent in successive rounds within a community and that these "chain reactions" create an economic impact in excess of the original expenditure and employment levels. For example, each dollar collected by the proposed facility will eventually recycle, or multiply itself, creating many levels of economic activity in an area. As a prospective employer, the proposed race track facility pays wages; these wage earners, in turn, make purchases from local businesses. As taxpayers, all businesses and individuals benefiting from or adding incremental revenue to the economy also confer revenue to the community in terms of taxes. As a consumer, the proposed track project would buy goods and services from area businesses. Hence, the multiplier concept represents multi-level economic activity.

The multiplier effect is directly related to a region's geographic size, population and diversity of its industrial and commercial base. A larger population is generally able to support a more diverse economic base, and more products are likely to be manufactured and purchased locally rather than imported. Therefore, money injected into the economy is re-spent more often, causing greater changes in local business volume. In the case of the subject area, Oswego County, the multiplier effects are somewhat more limited in that a significant portion of the impact might be felt by areas outside the County. For example, it is likely that, in large measure, the furniture, fixtures and equipment to be utilized for the proposed facility will be manufactured and shipped from areas outside of Oswego County.

Economic impacts from race track facility operations result primarily from spending by a relatively small number of "overnight" visitors and a far more significant number of visitors who drive in for the day and do not require hotel rooms. Many of these day-trippers are likely to be from neighboring counties. Local day-trippers who would not visit the proposed facility were it not for the convenience of it being located in Oswego County do not generate economic impact because they would be likely to spend the money on something else, which is referred to as "displaced" spending.

CALCULATIONS OF DIRECT AND INDIRECT IMPACT

CNYRP Construction Impact

Significant non-recurring benefits will be generated by the construction of the facility due to major expenditures for labor and materials. CNYRP development and construction cost documentation estimates that construction costs for the project (including site preparation but not land purchase) will be approximately \$31.1 million (\$22,256,366 for construction, and \$8,822,000 for site prep).

The direct expenditures of \$31.1 million cause a "ripple" or "spin-off" effect, generating additional economic activity to numerous industries throughout the County. Using economic multipliers supplied by the federal government's Bureau of Economic Analysis, and an input-output model derived by the IMPLAN Development and Applications (alternatively referred to as "Minnesota Implan Group", abbreviated MIG), the total economic impact, which includes the "ripple" or "spin-off" effect from direct expenditures resulting from the development of the proposed facility was quantified. Multipliers were developed for every industry; the degree of impact within each sector is affected by its relationship and synergy with the economic impactor.

Applying the output, earnings and employment multipliers for the new construction expenditures across the various sectors of the Oswego County economy yields the total direct and indirect impacts of the construction phase as shown in the table below.

IMPACT OF SITE PREP & CONSTRUCTION

Impact Summary			
Impact Type	Employment	Labor	
		Income	Output
Direct Effect	150.3	\$6,661,682	\$22,256,337
Indirect Effect	36.4	\$1,753,818	\$4,716,610
Induced Effect	26.2	\$896,277	\$3,230,182
Total Effect	212.9	\$9,311,777	\$30,203,129

Employment = Jobs
 Labor Income = Employee Compensation + Proprietor Income (Does not include benefits)
 Output = Revenue (Cost of consumption plus value added)

Notes

- These are annual figures. (Construction impacts would need to be adjusted to reflect the duration of the project if it was longer or shorter than a year).

- Site prep and construction were run as two separate models then aggregated. Sale of land was not included in construction model.
- Employment and income for the direct effect of the construction model are estimates derived by the program calculated from the project cost of \$33.1 million. If more accurate figures are available the model could be further refined.
- Site prep is considered separately, as it only generates indirect and induced impacts since it is essentially service and not product oriented.

Construction Impact Summary

- Based on the estimated construction project cost of \$22,256,337 (and \$8,822,000 in site prep), IMPLAN estimated the site prep and construction project will employ 150.3 FTEs, with a payroll of \$6,661,682 (**direct effects**).
- Multiplied through many times through levels of the supply chain, the site prep and construction creates a demand of \$4,176,610 worth of goods/services from the county economy. This requires 36.4 FTEs receiving a payroll of \$1,753,818 (**indirect effects**).
- The spending from the direct & indirect FTEs' payroll creates a demand of \$3,230,182 of goods and services from the local economy. This demand requires 26.2 FTEs, receiving a payroll of \$896,277 (**induced effects**).
- The construction/site prep will have job impact of 212.9 FTEs with a payroll of \$9,311,777 creating \$30,203,129 of economic impact in Oswego County (**total impact**).

CNYRP Race Track Operations Impact

Our calculation of impact related to operation of the facility was based, in large measure, upon the projected financial performance of the facility in operating year one as calculated by CNYRP stakeholders. Based on these CNYRP projections we estimated that the facility would generate total revenues of \$27,149,099 (expressed in current value dollars) in operating year one of the business operation. Output from the IMPLAN model based on these projections is as follows:

IMPACT OF RACETRACK OPERATIONS

Impact Summary			
Impact Type	Employment	Labor	
		Income	Output
Direct Effect	151.0	\$2,986,734	\$27,149,100
Indirect Effect	67.9	\$1,620,187	\$5,538,266
Induced Effect	14.3	\$489,757	\$1,764,526
Total Effect	233.2	\$5,096,678	\$34,451,892

Racetrack Impact Summary

- The track itself will employ 151 FTEs, with a payroll of \$2,986,734. These employees create \$27,149,100 worth of goods/services (**direct effects**).
- Multiplied through many times through levels of the supply chain, the track creates a demand of \$5,538,266 worth of goods/services from the county economy. This requires 67.9 FTEs receiving a payroll of \$1,620,187 (**indirect effects**).
- The spending from the direct & indirect FTEs' payroll creates a demand of \$1,764,526 of goods and services from the local economy. This demand requires 14.3 FTEs, receiving a payroll of \$489,757 (**induced effects**).
- The racetrack will have job impact of 233 FTEs with a payroll of \$5,096,678 creating a \$34,451,892 economic impact in Oswego County (**total Impact**).

CNYRP Visitor Spending Impact

The area where a significant economic impact can be expected will be related to visitor spending as the existence of the facility draws new visitors to Oswego County. Our calculations of economic impact in this area tie directly to the number of attendees estimated by CNYRP for the proposed facility, the percentage of those attendees who are likely to be from outside Oswego County and the number of those who would be visiting the county with the proposed dirt track-road course as their primary destination.

As previously stated, generated economic impact results from the import of new dollars which are spent and retained locally. Spending by local residents should not be considered since it represents displaced spending.

Assumptions used in outlining the profile and "direct" spending pattern of non-local patrons were based on competitive race track research conducted by CNYRP in the area of attendee overnight stay and spending habits.

For purposes of this calculation, we are assuming that the spending habits of non-local CNYRP visitors will approximate those of visitors to comparable venues such as Watkins Glen. It is believed that utilizing both actual and approximated spending data will provide more accurate economic impact data than would the creation of complete estimations by spending category. Overnight lodging and eating were the two primary expenditures that were considered in this calculation.

Additionally, inputs to the IMPLAN visitor spending analysis have been synchronized with inputs and data utilized in a separate fiscal impacts study conducted on behalf of CNYRP.

IMPACT OF LODGING & EATING ACTIVITY

Impact Summary			
Impact Type	Employment	Labor	
		Income	Output
Direct Effect	63.1	\$968,834	\$4,852,875
Indirect Effect	5.1	\$188,792	\$640,263
Induced Effect	3.6	\$122,602	\$441,525
Total Effect	71.8	\$1,280,227	\$5,934,663

Lodging & Eating Impact Summary

- Based on the estimated expenditure data of \$2,156,625 and \$2,696,250 for lodging and eating expenses respectively, IMPLAN estimated these effects project will support the employment of 63.1 FTEs, with a payroll of \$968,834 **(direct effects)**.
- Multiplied through many times through levels of the supply chain, these activities create a demand of \$640,263 worth of goods/services from the county economy. This requires 5.1 FTEs receiving a payroll of \$188,792 **(indirect effects)**.
- The spending from the direct & indirect FTEs’ payroll creates a demand of \$441,525 of goods and services from the local economy. This demand requires 3.6 FTEs, receiving a payroll of \$122,602 **(induced effects)**.
- The lodging and eating activities will have job impact of 71.8 FTEs with a payroll of \$1,280,227 creating a \$5,934,663 economic impact in Oswego County **(total impact)**.

Summary of Research Sources and Information

- IMPLAN regional software data
- ModSpace preliminary building design and construction cost data
- Comparable dirt track-road course operations secondary research and data searches
- CNYRP financial performance projections and projected employment tables

APPENDIX ONE – METHODOLOGY

The economic impact analysis estimating the economic and fiscal impacts of the CNYRP study was completed using the IMPLAN economic impact (or input-output) model. The IMPLAN model is used by more than 500 universities and government agencies to estimate the economic and fiscal impacts of investments and/or changes in industry, to forecast tax revenue and employment generation, and to conduct economic comparison studies of two or more geographic locations.

IMPLAN Economic Impact Analysis Description

IMPLAN is an input-output model. Input-output accounting describes commodity flows from producers to intermediate and final consumers. The total industry purchases of commodities, services, employment compensation, value added, and imports are equal to the value of the commodities produced.

An IMPLAN impact analysis involves specifying a series of expenditures and applying them to the region's economic multipliers. The expenditures are identified in terms of (1) the sectoring scheme for the model, (2) in producer prices, and (3) in historical dollars with the current year used as a base year. Only the dollars spent within the regional are multiplied to the model.

The notion of a multiplier rests upon the difference between the initial effect of a change in final demand and the total effects of that change. Total effects can be calculated either as direct and indirect effects, or as a combination of direct, indirect, and induced effects.

Direct effects are production changes associated with the immediate effects or final demand changes. Indirect effects are production changes in backward-linked industries caused by the changing input needs of directly affected industries (for example, additional purchases to produce additional output). Induced effects are the changes in regional household spending patterns caused by changes in household income generated from the direct and indirect effects.

Purchases for final use (i.e. final demand) drive the model. Industries producing goods and services for final demand purchase goods and services from other producers. These other producers, in turn, purchase goods and services. This buying of goods and services (indirect purchases) continues until leakage from the region (imports and value added) stops the cycle.

These indirect and induced effects (i.e. the effects of household spending) can be mathematically derived. The resulting sets of multipliers describe the change of output for each and every regional industry caused by a one dollar change in final demand for any given industry.

Creating a regional input-output model requires a tremendous amount of data. The costs of surveying industries within each region to derive a list of commodity purchases (i.e. production functions) are prohibitive. IMPLAN was developed as a cost-effective means to develop regional input-output models. The IMPLAN data accounts closely follow the accounting conventions used in the “Input-Output Study of the U.S. Economy” by the Bureau of Economic Analysis (1980) and also the rectangular formula recommended by the United Nations.

To establish useful definitions, “economic impact” is also referred to as “economic output” or spending. This value represents all sales of goods or services either at the intermediate or final product (i.e. retail) level. Diagram One provides a graphical representation how direct spending, indirect spending, and induced spending occur as spent dollars flow through a designated geographic economy, and how jobs are created from this spending.

A REPORT OF THE FISCAL IMPACT OF CENTRAL NEW YORK RACEWAY PARK IN OSWEGO COUNTY, NY

Prepared for:

Central New York Raceway Park, Inc.

May 5, 2014

Impact DataSource, LLC

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EXECUTIVE SUMMARY

Introduction

This report presents the results of a fiscal impact analysis performed by Impact DataSource and estimates the impact that Central New York Raceway Park (CNYRP), a proposed outdoor motor racing entertainment complex in Oswego County, New York, will have on the state and local taxing authorities. The report estimates the new tax revenue generated during the development period and over the first 10 years of operations.

Description of Central New York Raceway Park (CNYRP)

Central New York Raceway Park, Inc. plans to develop an outdoor motor racing entertainment complex in the Town of Hastings, New York. The project as currently composed is intended to include a 2.2-mile road course, a ½-mile dirt track oval, and potentially in Phase II, additional entertainment offerings such as a harness track and racino operation. The dirt track is expected to have seating capacity for 4,980, and additional planned amenities include a 350-seat full-service restaurant, a 50-bay NASCAR-style garage, a 275-seat banquet room, VIP suites, an observation deck, and a fully-capable TV and radio production facility.

These CNYRP facility components and amenities are intended to allow the complex to host, in addition to motorsports, a variety of event types including trade shows, banquets, ticketed live music entertainment, corporate outings and similar types of events over an annual 12-month events schedule.

According to the developer's projections, the complex will create 151 direct jobs in the community and draw thousands of visitors to the county each year. The visitors will generate sales tax revenue and hotel tax revenue in the County. In addition, the taxable real property of the Central New York Raceway Park will generate property taxes for local taxing districts.

Capital Investment

The developer plans to spend \$24.65 million to develop Phase I including the road course, dirt track oval and associated grandstand building, control tower and garages. Impact DataSource estimates this construction will result in an increase of \$15.6 million in real property on the tax rolls.

In addition, the developer's expenditures for real property improvements and furniture fixtures and equipment are estimated to support \$7.5 million in taxable sales.

Operations

CNYRP will generate revenue from food and beverage sales, dirt track races, road course rentals, drivers club, sponsors, VIP and regular race attendance. In addition, the track's activities will draw a considerable number of visitors to Oswego County from outside of the area, resulting in additional sales and hotel taxes for the county.

Economic Impact Summary

Paradigm Economics prepared the following economic impact estimates of the project's development and on-going activity. These economic impacts drive a portion of the fiscal impacts estimated in this report.

Construction Impact Summary

- Based on the estimated project cost of \$22,256,337 (excluding land), Implan estimated the site prep and construction project will employ 150.3 FTEs, with a payroll of \$6,661,682. (Direct effects)
- Multiplied through many times through levels of the supply chain, the site prep and construction creates a demand of \$4,176,610 worth of goods/services from the county economy. This requires 36.4 FTEs receiving a payroll of \$1,753,818. (Indirect effects)
- The spending from the direct & indirect FTEs' payroll creates a demand of \$3,230,182 of goods and services from the local economy. This demand requires 26.2 FTEs, receiving a payroll of \$896,277. (Induced Effects)
- The racetrack will have job impact of 212.9 FTEs with a payroll of \$9,311,777 creating \$30,203,129 economic impact in Oswego County. (Total Impact)

EXECUTIVE SUMMARY

Racetrack Impact

- The track itself will employ 151 FTEs, with a payroll of \$2,986,734. These employees create \$27,149,100 worth of goods/services. (Direct effects)
- Multiplied through many times through levels of the supply chain, the track creates a demand of \$5,538,266 worth of goods/services from the county economy. This requires 67.9 FTEs receiving a payroll of \$1,620,187. (Indirect effects)
- The spending from the direct & indirect FTEs' payroll creates a demand of \$1,764,526 of goods and services from the local economy. This demand requires 14.3 FTEs, receiving a payroll of \$489,757. (Induced Effects)
- The racetrack will have job impact of 233 FTEs with a payroll of \$5,096,678 creating a \$34,451,892 economic impact in Oswego County. (Total Impact)

Economic Impact			
Site Prep & Construction (Temporary)	Employment	Labor Income	Output
Direct Effect	150.3	\$6,661,682	\$22,256,337
Indirect Effect	36.4	\$1,753,818	\$4,716,610
Induced Effect	26.2	\$896,277	\$3,230,182
Total Effect	212.9	\$9,311,777	\$30,203,129
Racetrack Operations (On-going)	Employment	Labor Income	Output
Direct Effect	151.0	\$2,986,734	\$27,149,100
Indirect Effect	67.9	\$1,620,187	\$5,538,266
Induced Effect	14.3	\$489,757	\$1,764,526
Total Effect	233.2	\$5,096,678	\$34,451,892

Source: Economic impact analysis of CNYRP by Paradigm Economics.

Detailed later in this report, road course activities and oval track races and other events at CNYRP are estimated to result in 400,000 visitor days at the track each year. A majority of these visitors will travel to Oswego County during the day and back home at night but a portion are expected to require hotel accommodations in Oswego County. Based on conversations with the racetrack developers and shown later in this report, track visitors are estimated to spend \$3.1 million on other general sales taxable items and an additional \$3.0 million on taxable lodging in Oswego County each year.

EXECUTIVE SUMMARY

Total Fiscal Impact Summary

Central New York Racetrack Park is projected to generate approximately \$39.5 million in tax revenue for Oswego County, New York State and other local taxing districts. The table below provides a high-level summary of the estimated tax revenues generated during construction and over the first 10 years of operations.

Sales and hotel taxes compose a majority of the revenue for New York State and Oswego County. As discussed in detail later in this report, the economic activity initiated by the racetrack will contribute to new spending at existing retail and restaurant establishments in the county and likely spur the growth of new businesses in the county, in part supported by the new visitors to the track. Similarly, hotel demand and spending will likely spur additional hotel development in the county, in part supported by racetrack visitors.

Tax Revenues During Construction and Over the First 10 Years for Local Taxing Districts and New York State				
	Tax Revenues During Construction	Tax Revenues During First 10 Years of Operations	Total	<i>Present Value of Revenues*</i>
New York State	\$597,504	\$18,362,297	\$18,959,801	\$14,613,326
Oswego County	\$224,701	\$16,135,542	\$16,360,243	\$12,541,300
Town of Hastings	\$0	\$638,144	\$638,144	\$488,855
Central Square School District	\$0	\$3,212,803	\$3,212,803	\$2,461,189
Hastings Fire Department	\$0	\$303,693	\$303,693	\$232,646
Lighting District 6	\$0	\$12,887	\$12,887	\$9,872
Brewerton Water District	\$0	\$49,131	\$49,131	\$37,637
Total	\$822,205	\$38,714,498	\$39,536,703	\$30,384,825

* This analysis uses a 5% discount rate.

Discussion of Fiscal Costs

New Residents

This analysis assumes there will be no permanent population impacts in the State, County, or Town as a result of this project due to its modest employment impact relative to the area labor force and the type of jobs created. Accordingly, this analysis does not estimate any additional costs from the increase demand in municipal, county, school or state government services from new residents.

The Project

The track will provide its own onsite security and emergency medical services. At this point, no development fees, linkage fees, surcharges, or other special assessments have been instituted for the project. As a motorsport racetrack hosting regular special events, the project may impose additional costs on the immediate community related to road work and traffic control. The value of these costs have not been estimated in this study and to the extent the project would impose such costs, the value of costs would be best addressed by the town and other local governments. Therefore this analysis summarizes the fiscal benefits of the project with the understanding that some local fiscal cost may result.

While the above is a summary of the results of this analysis, details are on the following pages.

IMPACT DURING CONSTRUCTION

Temporary Construction Activity

The CNYRP developers plans to spend \$24.65 million to develop Phase I including the road course, oval dirt track and associated grandstand building, control tower and garages. The table below summarizes the Phase I construction budget provided by the developer.

Impact DataSource estimates this construction will result in an increase in land value of \$6.1 million and an increase in the value of buildings and other real property improvements of \$9.5 million. In total, Phase I is expected to add \$15.6 million in market value of real property to the tax rolls in Oswego County.

Construction Budget - Phase I		
Development Activity	Category	Expenditure
Land Purchase Price		\$2,395,000
Site Work Costs - including road course	Land Increment	\$7,569,200
Cost to Construct Buildings	Buildings	\$8,207,412
Grandstand seats	Improvements	\$262,944
Furniture, Fixtures, & Equipment (Kitchen furniture, etc.)	Tangible PP	\$1,500,000
Synthetic Surface	Land Increment	\$1,554,136
Electrical Subcontractor		\$670,000
Lighting Costs and Installation	Improvements	\$1,007,875
Permits and Consultants		\$707,769
Equipment for Road Course	Tangible PP	\$777,000
Total		\$24,651,336
	<i>Land Increment*</i>	<i>\$6,095,656</i>
	<i>Buildings & Other Real Property Improvements</i>	<i>\$9,478,231</i>
	<i>Tangible PP</i>	<i>\$2,277,000</i>

The impact of Phase II, including a horse track and casino, is not addressed in this analysis.

The incremental increase in the value of the land includes 60% of the site work costs and all of the synthetic dirt cost.

As summarized from the table above, the developer plans to invest \$9.5 million in buildings and other real property improvements and make purchases of \$2.3 million in furniture fixtures and equipment. Impact DataSource estimates that 55% of the real property improvements may be for materials and subject to sales tax and 100% of the FFE purchases will be subject to sales tax. In total, the initial construction activity may support \$7.5 million in taxable sales.

Fiscal Impact of Temporary Construction Activity

The temporary economic impacts associated with the development of the racetrack will generate state and local sales taxes as well as individual income taxes for the state. It is estimated that 55% of the real property improvements may be for materials and subject to sales tax and 100% of the FFE purchases will be subject to sales tax. In total, the initial construction activity may support \$7.49 million in taxable sales in the state. The tables below shows the taxable sales and sales tax collections during construction for Oswego County and New York State, assuming only 75% of these purchases are made in Oswego County.

Taxable Sales During the Construction Period		
	<i>Sales Occurring in the State</i>	<i>County</i>
Taxable Construction Materials	\$5,213,027	\$3,909,770
Taxable Furniture, Fixtures, and Equipment	\$2,277,000	\$1,707,750
Total Taxable Sales During Construction	\$7,490,027	\$5,617,520

IMPACT DURING CONSTRUCTION

Sales Tax Collections During the Construction Period		
<u>District</u>	<u>Rate</u>	<u>Collections</u>
Oswego County	4.000%	\$224,701
New York State	4.000%	\$299,601
Total Sales Tax Collections During Construction		\$524,302

New York State will also collect individual income taxes on the income earned by construction workers supported by the project. Individual income tax revenue was estimated based on the relationship between individual income tax collections in the state and statewide income. Although the state tax code allows various deductions and credits, includes multiple tax brackets with rates ranging from 4% to 8.82%, and includes several schedules based on filing status, it is observed that the state collects approximately 4.5% of statewide personal income through the individual income tax.

Labor Income and Individual Income Tax Collections During the Construction Period		
Direct Labor Income During Construction		\$6,661,682
	<u>Effective Rate</u>	<u>Collections</u>
New York State Effective Indiv. Income Tax Rate & Collections	4.5%	\$297,903

In total, the construction activity will generate approximately \$822,205 in sales and individual income taxes for the county and state during the construction period.

Estimated Tax Revenues Generated During Construction Period			
	Sales Taxes	Individual Income Taxes	Total
New York State	\$299,601	\$297,903	\$597,504
Oswego County	\$224,701	\$0	\$224,701
Total	\$524,302	\$297,903	\$822,205

Once the racetrack is constructed, CNYRP anticipates hiring 151 workers at the facility. In addition, the operations will generate taxable sales at the site and draw local and out-of-town visitors to the complex and support hotel and general taxable spending in the county. The economic and fiscal impact of the racetrack over the first 10 years of operations is discussed next. In summary, the racetrack will have a positive impact on the state and local economy and result in additional revenues for the state and local taxing entities.

IMPACT DURING OPERATIONS

Economic Impact of Central New York Raceway Park's Operations

As detailed in the economic impact analysis prepared by Paradigm Economics, Central New York Raceway Park plans to hire 151 workers directly and is estimated to support 82 indirect and induced workers in the county as a result of supplier and household spending. The 233 workers are estimated to receive \$5.1 million per year in workers' earnings.

Economic Impact Over the First 10 Years of Operation - Oswego County			
	Direct	Indirect & Induced	Total
Permanent Employment	151.0	82.2	233.2
Labor Income	\$2,986,734	\$2,109,944	\$5,096,678

Source: Economic impact analysis of CNYRP by Paradigm Economics.

The racetrack will also add property to the tax rolls. The market value of the company's real property is estimated to be \$15.6 million in this analysis.

CNYRP will generate revenue from food and beverage sales, dirt track races, road course rentals, drivers club, sponsors, VIP and regular race attendance. In addition, the track's activities will draw a considerable number of visitors to Oswego County from outside of the area, resulting in additional sales and hotel taxes for the county.

The racetrack expects taxable revenues of approximately \$23 million in the first year resulting from taxable food and beverage sales, admissions, and other taxable services or items on the site.

The summary of estimated spending by track visitors described below focuses on spending not occurring at the track. Spending that takes place at the track is identified as \$23 million per year as described above.

Visitors and Spending

The racetrack activity is expected to draw a significant number of out-of-town visitors to the county. Based on conversations with CNYRP project developers, Impact DataSource estimates that the road course events and dirt track races may result in 404,810 visitor days in the county each year. Track visitors are estimated to spend \$3.1 million on general sales taxable items and an additional \$3.0 million on taxable lodging in Oswego County each year.

The following two tables illustrate the number of visitor days resulting from road course events and oval track events. A visitor day is defined as the number of days visitors spend at the track. For example, an individual visitor attending an event on Friday and Saturday is counted as two visitor days.

Road course visitor days are primarily driven by course rentals to private sports car enthusiast clubs

Annual Visitor Days for Road Course Events	
Road Course Event Type	Visitor Days
Closed NASCAR Event	800
Club Racing	17,690
CNYRP Driver's Club	1,860
Drivers School	950
Open	400
Taste of the Track	15,680
Track Rental	31,490
Winter Drivers School	240
Annual Road Course Visitor Days	69,110

IMPACT DURING OPERATIONS

Oval track visitor days are driven by attendance at races, concerts and other activities.

Annual Visitor Days for Oval Track Events	
Oval Track Event Type	Visitor Days
1/8 Mile Nationals	3,150
All Star Sprints	7,400
AMA Flat Track	7,300
AMA Practice	9,800
AMA Road Course	5,400
Asphalt & dirt Bikes	2,100
Asphalt Go Karts	13,475
Concert	90,300
Dirt Go Karts	12,550
July 4th Event	27,200
Late Model Special	17,800
Memorial Day Special	25,050
Micro Sprints	10,400
NASCAR Practice	5,300
NASCAR Truck Series (Oval)	10,300
NASCAR Truck Series (Road Course)	13,400
Speedway Bikes	2,975
Supermodified Nationals	14,350
WKA Event	23,600
World of Outlaws	8,800
Year End Show	25,050
Annual Oval Track Visitor Days	335,700
Total Annual Road Course and Oval Track Event Visitor Days	404,810

The number of visitor days shown above represents a "turnstile" count of visitors to CNYRP. While a portion of the visitors may be from the county, Impact DataSource assumes CNYRP enables the county to re-capture resident spending that may have occurred outside of the county in the absence of the track. In addition, the developers expect to draw visitors to the road course from across the northeast United States resulting in approximately 40-50% of these visitors spending a night in a local hotel or motel. Furthermore, CNYRP developers expect the effective market radius for the oval track events to be approximately 80 miles, meaning very few of the 335,700 oval track visitor days will translate into hotel stays in Oswego County.

The tables below summarize the lodging spending represented by the road course and oval track visitors.

Annual Road Course Visitor Spending on Lodging	
(A) Annual Road Course Visitor Days	69,110
(B) % of Visitor Day participants requiring a hotel stay in Oswego County	45.0%
(C) # of hotel nights in Oswego County - Road Course Activity (double occupancy)	15,550
<i>(C) Road Course Hotel Nights = (A) * (B) / (2)</i>	
(D) Average cost of hotel night	\$125.00
Total Annual Road Course Visitor Spending on Lodging	\$1,943,719
<i>Total Annual Road Course Hotel Spending = (C) * (D)</i>	

IMPACT DURING OPERATIONS

Annual Oval Track Visitor Spending on Lodging	
(E) Annual Oval Track Visitor Days	335,700
(F) % of Visitor Day participants requiring a hotel stay in Oswego County	5.0%
(G) # of hotel nights in Oswego County - Oval Track Activity (double occupancy)	8,393
<i>(G) Oval Track Hotel Nights = (A) * (B) / (2)</i>	
(H) Average cost of hotel night	\$125.00
Total Annual Oval Track Visitor Spending on Lodging	\$1,049,063
<i>Total Annual Oval Track Hotel Spending = (G) * (H)</i>	

For both road course and oval track visitors it is assumed that a portion will spend some additional money on taxable items in Oswego County outside of the track facility, perhaps on dining or retail.

Annual Taxable Spending by Road Course Visitors	
(I) Annual Road Course Visitor Days	69,110
(J) % of Visitor Day participants making taxable purchases in Oswego County	85.0%
(K) Avg. spending occurring off track property in Oswego County per visitor day	\$25.00
Total Annual Taxable Spending by Road Course Visitors	\$1,468,588
<i>Total Taxable Spending by Road Course Visitors = (I) * (J) * (K)</i>	

Annual Taxable Spending by Oval Track Visitors	
(L) Annual Oval Track Visitor Days	335,700
(M) % of Visitor Day participants making taxable purchases in Oswego County	20.0%
(N) Avg. spending occurring off track property in Oswego County per visitor day	\$25.00
Total Annual Taxable Spending by Oval Track Visitors	\$1,678,500
<i>Total Taxable Spending by Oval Track Visitors = (L) * (M) * (N)</i>	

To summarize, the 404,810 visitor days are expected to result in \$6.14 million spending on lodging and other taxable items in the county. These assumptions imply spending of approximately \$15 per visitor day outside of the track facility, inclusive of lodging expenditures. On the whole, Impact DataSource believes these visitor impact estimates to be reasonable based on available information about the track.

Total Taxable Spending by Visitors at the Complex and Elsewhere in Oswego County

The table below summarizes the taxable sales at the track as well as the additional taxable spending by visitors elsewhere in Oswego County as a result of the track.

Taxable Spending by Visitors at the Complex and Elsewhere in Oswego County			
	General Taxable Spending	Lodging Spending	Total
At the Racetrack	\$22,893,850	\$0	\$22,893,850
Road Course Visitors	\$1,468,588	\$1,943,719	\$3,412,306
Oval Track Visitors	\$1,678,500	\$1,049,063	\$2,727,563
Total	\$26,040,938	\$2,992,781	\$29,033,719

Total annual sales tax collections estimated in this report also include a portion of the new workers' spending on taxable goods and services in the county as well as a small amount of annual taxable purchases expected to be made by the track operators.

IMPACT DURING OPERATIONS

Fiscal Impact of Central New York Raceway Park's Operations

The on-going economic impacts resulting from the operation of Central New York Raceway Park will generate local sales, hotel, and property taxes as well as state sales and individual and corporate income taxes. Central New York Raceway Park's real property, estimated to be \$15.6 million in market value, will be subject to local property taxes. In addition, Central New York Raceway Park, its workers and visitors to the complex will generate taxable spending in the county. The table below summarizes the tax revenues generated over the first 10 years of operation for the state and local taxing districts. Appendix C contains year-by-year estimates.

Tax Revenues Over the First 10 Years of Operations						
	Property Tax Revenue	Sales Tax Revenue	Hotel Tax Revenue	Corporate & Individual Income Tax Revenue	Total	Present Value of Revenues*
New York State	\$0	\$14,032,817	\$0	\$4,329,480	\$18,362,297	\$14,015,822
Oswego County	\$1,419,220	\$13,687,056	\$1,029,266	\$0	\$16,135,542	\$12,316,599
Village of Central Square	\$873,112	\$0	\$0	\$0	\$873,112	\$668,853
Town of Hastings	\$638,144	\$0	\$0	\$0	\$638,144	\$488,855
Central Square School District	\$3,212,803	\$0	\$0	\$0	\$3,212,803	\$2,461,189
Hastings Fire Department	\$303,693	\$0	\$0	\$0	\$303,693	\$232,646
Lighting District 6	\$12,887	\$0	\$0	\$0	\$12,887	\$9,872
Brewerton Water District	\$49,131	\$0	\$0	\$0	\$49,131	\$37,637
Total	\$6,508,991	\$27,719,873	\$1,029,266	\$4,329,480	\$39,587,610	\$30,231,473

*The Present Value of Tax Revenues is a way of expressing in today's dollars, dollars to be paid or received in the future. Today's dollar and a dollar to be received or paid at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5% to make the dollars comparable.

Discussion of Fiscal Costs

New Residents

This analysis assumes there will be no permanent population impacts in the State, County, or Town as a result of this project due to its modest employment impact relative to the area labor force and the type of jobs created. Accordingly, this analysis does not estimate any additional costs from the increase demand in municipal, county, school or state government services from new residents.

The Project

The track will provide its own onsite security and emergency medical services. At this point, no development fees, linkage fees, surcharges, or other special assessments have been instituted for the project. As a motorsport racetrack hosting regular special events, the project may impose additional costs on the immediate community related to road work and traffic control. The value of these costs have not been estimated in this study and to the extent the project would impose such costs, the value of costs would be best addressed by the town and other local governments. Therefore this analysis summarizes the fiscal benefits of the project with the understanding that some local fiscal cost may result.

METHODOLOGY

Conduct of the Analysis

This fiscal impact analysis was conducted by Impact DataSource using project data from Central New York Raceway Park, the economic impact analysis prepared by Paradigm Economics, and rates and information gathered by Impact DataSource. In addition, the analysis relied on various estimates and assumptions described in the report. Using the data listed above, the fiscal impact of the project was calculated for a 10-year period.

Fiscal impacts were calculated in this study are based on taxable spending, taxable property and appropriate tax rates. Additional fiscal impacts were estimated based on employment and estimated population changes in the town and county. Assumptions and tax rates are provided in the Appendix for the town, county and state.

About Impact DataSource

Impact DataSource is a 20-year-old Austin, Texas economic consulting, research and analysis firm. The company has conducted over 2,500 economic impact analyses of firms, projects and activities in most industry groups throughout the U.S.

In addition, Impact DataSource has prepared and customized over 50 economic impact models for its clients to perform their own analyses of economic development projects. These clients include the New Mexico Economic Development and the Metro Orlando (Florida) Economic Development Commission.

The New Mexico Department of Economic Development uses Impact DataSource's computer model to project the economic impact of new or expanding firms in the state and costs and benefits for the State of New Mexico and each local taxing district. The model also calculates the amount of eligible state and local incentives and calculates a rate of return and payback period for these incentives.

Impact DataSource's team includes the following members:

- Jerry Walker, principal/economist,
- Paul Scheuren, principal/economist, and
- Michael Kester, economist.

Jerry Walker is an economist and Impact DataSource's Principal. Over the past seventeen years, he has conducted economic and fiscal impact analyses and cost-benefit studies of a variety of firms, facilities, projects and activities. He has also developed several economic impact analysis computer programs for clients to do their own economic impact analyses of firms, projects, activities and organizations.

He also has a background in government accounting and auditing. Prior to his economic consulting career, he had a fifteen-year career as a supervisory auditor with two federal departments – the U.S. Department of Education and the U.S. Department of Health and Human Services. He reviewed federal programs operated by states, local governments, colleges and universities, local education agencies, and nonprofit organizations in a six state area from Austin, Texas. He performed financial audits and operational reviews. During the operational reviews, the operations of the federal programs were reviewed for economy, efficiency and effectiveness. The financial audits included analyzing costs incurred for federal programs and components of indirect cost rates. He has also served as a part-time accounting instructor at Austin Community College, Austin, Texas.

Jerry has Bachelor of Science and Master of Business Administration degrees in accounting and economics from Nicholls State University, Thibodaux, Louisiana.

METHODOLOGY

Paul Scheuren is an Impact DataSource economist. Over the past three years, he has conducted economic and fiscal impact analyses and cost-benefit studies of a variety of firms, facilities, projects and activities. Recently, Paul analyzed more than 30 renewable energy projects funded by the Iowa Power Fund, Iowa's energy-related economic development fund.

Prior to joining Impact DataSource, Paul worked as a compensation analyst at the Texas Association of School Boards where he supported compensation consulting projects and helped streamline data analysis for a statewide salary survey.

Paul has a Master of Arts in Economics from Clemson University as well as a Bachelor of Business Administration in actuarial science from Temple University.

Michael Kester is an Impact DataSource economist.

His diverse consulting background in healthcare and compensation combined with his advanced analytical skills make him a great addition to the Impact DataSource team.

Michael previously worked in New York as an actuarial healthcare consultant for Deloitte where he provided in-depth financial and claims projections to his clients. Michael has also worked as a compensation analyst at the Texas Association of School Boards where he supported compensation consulting projects and analyzed key trends in survey data.

Michael has a Bachelor of Science in Mathematics from Kansas State University.

Appendix A

Data and Rates

APPENDIX A

Local Tax Rates

Sales tax rates		
New York State		4.000%
Oswego County		4.000%
Hotel tax rate		
Oswego County		3.0%
Property tax rates, per \$1,000 of valuation		
Village of Central Square		5.12000
Town of Hastings		3.74213
<i>Town Tax</i>	<i>2.37238</i>	
<i>Town Highway Tax</i>	<i>1.36975</i>	
Oswego County		8.32242
Central Square School District		18.84014
Hastings Fire Department		1.78088
Lighting District 6		0.07557
Brewerton Water District		0.28811
Property assessment rate		100.0%
Percent annual increase in the taxable value of real property		
Commercial		2.0%
Residential		2.0%
Percent of taxable shopping by a typical new worker that will be in the County		50.0%
Percent of taxable shopping by a typical new worker that will be in the State		90.0%

APPENDIX A

Percent of the gross salaries that workers will spend on taxable goods and services	
New Workers	30.0%
Temporary Construction Workers	27.5%
Discount rate for calculating the present value of revenues	5.0%
Expected average annual inflation rate	3.0%

Project Investments, Assets and Construction

The Project's increase in property each year

	Land	Buildings and Other Real Property Improvements	Furniture, Fixtures, and Equipment	Total
Year 1	\$6,095,656	\$9,478,231	\$2,277,000	\$17,850,887
Year 2	\$0	\$0	\$0	\$0
Year 3	\$0	\$0	\$0	\$0
Year 4	\$0	\$0	\$0	\$0
Year 5	\$0	\$0	\$0	\$0
Year 6	\$0	\$0	\$0	\$0
Year 7	\$0	\$0	\$0	\$0
Year 8	\$0	\$0	\$0	\$0
Year 9	\$0	\$0	\$0	\$0
Year 10	\$0	\$0	\$0	\$0
Total	\$6,095,656	\$9,478,231	\$2,277,000	\$17,850,887

Spending During Construction

Estimated spending for construction

	Spending on Building & Improvements
Year 1	\$9,478,231
Year 2	\$0
Year 3	\$0
Year 4	\$0
Year 5	\$0
Year 6	\$0
Year 7	\$0
Year 8	\$0
Year 9	\$0
Year 10	\$0

Percent of building and improvement costs for materials and labor	
Materials	55.0%
Labor	45.0%

Percent of construction materials that will be purchased in the County and be subject to sales taxes	75.0%
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Percent of construction materials purchased in the County	75.0%
Percent of construction materials that are subject to tax	100.0%

APPENDIX A

Percent of taxable spending by construction workers in the county and subject to sales taxes 50.0%

Percent of furniture, fixtures and equipment subject to sales taxes in the county 100.0%

Amount of building and improvements costs added to local tax rolls 100.0%

Activities During the Project's Operations

The project's estimated taxable purchases of materials, supplies and services in the community and the project's estimated taxable sales that will be subject to sales tax in the community

	Taxable Purchases	Taxable Sales
Year 1	\$50,000	\$22,893,850
Year 2	\$51,500	\$23,580,666
Year 3	\$53,045	\$24,288,085
Year 4	\$54,636	\$25,016,728
Year 5	\$56,275	\$25,767,230
Year 6	\$57,964	\$26,540,247
Year 7	\$59,703	\$27,336,454
Year 8	\$61,494	\$28,156,548
Year 9	\$63,339	\$29,001,244
Year 10	\$65,239	\$29,871,282

Number of new full-time jobs to be added in the community each year

	New Employees Hired each year
Year 1	151
Year 2	0
Year 3	0
Year 4	0
Year 5	0
Year 6	0
Year 7	0
Year 8	0
Year 9	0
Year 10	0
Total	151

Average annual salaries of new employees in the first year \$19,780

Percent of expected annual salary increases after Year 1 3.0%

APPENDIX A

Type II economic impact multipliers for calculating the number of indirect and induced jobs and earnings in the area

<u>Spectator sports companies</u>	<u>County</u>	<u>State</u>
Type II Direct Effect Employment Multiplier	1.5444	1.6805
Type II Direct Effect Earnings Multiplier	1.7064	1.8830
 <u>Construction</u>	 <u>County</u>	 <u>State</u>
Type II Direct Effect Employment Multiplier	1.4165	1.5206
Type II Direct Effect Earnings Multiplier	1.3978	1.4973

This cost-benefit analysis uses the above multipliers to project the indirect and induced benefits in the community as a result of the direct economic activity. The employment multiplier shows the number of total jobs that will be created for each direct job. Similarly, the earnings multiplier estimates the total salaries and wages to be paid to workers for each \$1 paid to direct workers.

Visitor Spending

	Race Track Visitor Lodging Spending	Race Track Visitor General Spending
Year 1	\$2,992,781	\$3,147,088
Year 2	\$3,082,565	\$3,241,500
Year 3	\$3,175,042	\$3,338,745
Year 4	\$3,270,293	\$3,438,907
Year 5	\$3,368,402	\$3,542,075
Year 6	\$3,469,454	\$3,648,337
Year 7	\$3,573,537	\$3,757,787
Year 8	\$3,680,743	\$3,870,521
Year 9	\$3,791,166	\$3,986,636
Year 10	\$3,904,901	\$4,106,235

Appendix B

Summary of Economic Impacts

APPENDIX B

Number of jobs added each year and worker salaries to be paid in the County

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	151.0	82.2	233.2	\$2,986,734	\$2,109,944	\$5,096,678
2	0.0	0.0	0.0	\$3,076,336	\$2,173,242	\$5,249,578
3	0.0	0.0	0.0	\$3,168,626	\$2,238,440	\$5,407,066
4	0.0	0.0	0.0	\$3,263,685	\$2,305,593	\$5,569,278
5	0.0	0.0	0.0	\$3,361,595	\$2,374,760	\$5,736,355
6	0.0	0.0	0.0	\$3,462,443	\$2,446,003	\$5,908,446
7	0.0	0.0	0.0	\$3,566,317	\$2,519,384	\$6,085,701
8	0.0	0.0	0.0	\$3,673,306	\$2,594,965	\$6,268,271
9	0.0	0.0	0.0	\$3,783,505	\$2,672,814	\$6,456,319
10	0.0	0.0	0.0	\$3,897,010	\$2,752,998	\$6,650,008
Total	151.0	82.2	233.2	\$34,239,557	\$24,188,143	\$58,427,700

Number of jobs added each year and worker salaries to be paid in the State

Year	Direct Jobs	Indirect Jobs	Total Jobs	Direct Salaries	Indirect Salaries	Total Salaries
1	151.0	103.0	254.0	\$2,986,734	\$2,637,430	\$5,624,164
2	0.0	0.0	0.0	\$3,076,336	\$2,716,553	\$5,792,889
3	0.0	0.0	0.0	\$3,168,626	\$2,798,049	\$5,966,675
4	0.0	0.0	0.0	\$3,263,685	\$2,881,991	\$6,145,676
5	0.0	0.0	0.0	\$3,361,595	\$2,968,450	\$6,330,045
6	0.0	0.0	0.0	\$3,462,443	\$3,057,504	\$6,519,947
7	0.0	0.0	0.0	\$3,566,317	\$3,149,230	\$6,715,547
8	0.0	0.0	0.0	\$3,673,306	\$3,243,706	\$6,917,012
9	0.0	0.0	0.0	\$3,783,505	\$3,341,017	\$7,124,522
10	0.0	0.0	0.0	\$3,897,010	\$3,441,248	\$7,338,258
Total	151.0	103.0	254.0	\$34,239,557	\$30,235,178	\$64,474,735

APPENDIX B

Taxable spending in the County on which sales taxes will be collected

Year	Direct and Indirect Workers' Spending	Visitors' Spending	Taxable Sales at the Track	The Track's Local Taxable Purchases	Total
1	\$764,502	\$6,139,869	\$22,893,850	\$50,000	\$29,848,220
2	\$787,437	\$6,324,065	\$23,580,666	\$51,500	\$30,743,667
3	\$811,060	\$6,513,787	\$24,288,085	\$53,045	\$31,665,977
4	\$835,392	\$6,709,200	\$25,016,728	\$54,636	\$32,615,956
5	\$860,453	\$6,910,476	\$25,767,230	\$56,275	\$33,594,435
6	\$886,267	\$7,117,791	\$26,540,247	\$57,964	\$34,602,268
7	\$912,855	\$7,331,324	\$27,336,454	\$59,703	\$35,640,336
8	\$940,241	\$7,551,264	\$28,156,548	\$61,494	\$36,709,546
9	\$968,448	\$7,777,802	\$29,001,244	\$63,339	\$37,810,833
10	\$997,501	\$8,011,136	\$29,871,282	\$65,239	\$38,945,158
Total	\$8,764,155	\$70,386,714	\$262,452,333	\$573,194	\$342,176,397

Local spending on lodging by out-of-town visitors

Year	Spending on Lodging by Out-of- Town Visitors
1	\$2,992,781
2	\$3,082,565
3	\$3,175,042
4	\$3,270,293
5	\$3,368,402
6	\$3,469,454
7	\$3,573,537
8	\$3,680,743
9	\$3,791,166
10	\$3,904,901
Total	\$34,308,883

APPENDIX B

Market value of the project's property on local tax rolls

Year	The Project's Property				Total Market Value of Property
	Land	Buildings and Other Real Property	Furniture, Fixtures & Equipment	Inventories	
1	\$6,095,656	\$9,478,231	\$2,277,000	\$0	\$17,850,887
2	\$6,217,569	\$9,667,796	\$2,277,000	\$0	\$18,162,365
3	\$6,341,921	\$9,861,152	\$2,277,000	\$0	\$18,480,072
4	\$6,468,759	\$10,058,375	\$2,277,000	\$0	\$18,804,133
5	\$6,598,134	\$10,259,542	\$2,277,000	\$0	\$19,134,676
6	\$6,730,097	\$10,464,733	\$2,277,000	\$0	\$19,471,830
7	\$6,864,699	\$10,674,028	\$2,277,000	\$0	\$19,815,726
8	\$7,001,993	\$10,887,508	\$2,277,000	\$0	\$20,166,501
9	\$7,142,033	\$11,105,258	\$2,277,000	\$0	\$20,524,291
10	\$7,284,873	\$11,327,363	\$2,277,000	\$0	\$20,889,237

Taxable value of the project's property on local tax rolls

Year	The Project's Property				Total Taxable Property
	Land on Local Tax Rolls	Buildings and Other Real Property on Local Tax Rolls	Furniture, Fixtures & Equipment on Local Tax Rolls	Inventories on Local Tax Rolls	
1	\$6,095,656	\$9,478,231	\$0	\$0	\$15,573,887
2	\$6,217,569	\$9,667,796	\$0	\$0	\$15,885,365
3	\$6,341,921	\$9,861,152	\$0	\$0	\$16,203,072
4	\$6,468,759	\$10,058,375	\$0	\$0	\$16,527,133
5	\$6,598,134	\$10,259,542	\$0	\$0	\$16,857,676
6	\$6,730,097	\$10,464,733	\$0	\$0	\$17,194,830
7	\$6,864,699	\$10,674,028	\$0	\$0	\$17,538,726
8	\$7,001,993	\$10,887,508	\$0	\$0	\$17,889,501
9	\$7,142,033	\$11,105,258	\$0	\$0	\$18,247,291
10	\$7,284,873	\$11,327,363	\$0	\$0	\$18,612,237

Note: Furniture, Fixtures and Equipment and inventories are not taxable in New York.

Appendix C

Cost and Benefit Calculations

APPENDIX C

Costs and Benefits for New York State

Benefits

Sales tax collections

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	On Taxable Sales from the Track	On The Track's Local Taxable Purchases	Total
1	\$60,741	\$245,595	\$915,754	\$2,000	\$1,224,090
2	\$62,563	\$252,963	\$943,227	\$2,060	\$1,260,812
3	\$64,440	\$260,551	\$971,523	\$2,122	\$1,298,637
4	\$66,373	\$268,368	\$1,000,669	\$2,185	\$1,337,596
5	\$68,364	\$276,419	\$1,030,689	\$2,251	\$1,377,724
6	\$70,415	\$284,712	\$1,061,610	\$2,319	\$1,419,055
7	\$72,528	\$293,253	\$1,093,458	\$2,388	\$1,461,627
8	\$74,704	\$302,051	\$1,126,262	\$2,460	\$1,505,476
9	\$76,945	\$311,112	\$1,160,050	\$2,534	\$1,550,640
10	\$79,253	\$320,445	\$1,194,851	\$2,610	\$1,597,159
Total	\$696,327	\$2,815,469	\$10,498,093	\$22,928	\$14,032,817

Estimated based on taxable spending and 4.0% state sales tax rate.

Individual Income Tax Collections

Year	On Direct Workers' Income	On Indirect Workers' Income	Total
1	\$133,564	\$117,943	\$251,507
2	\$137,570	\$121,481	\$259,052
3	\$141,698	\$125,126	\$266,823
4	\$145,948	\$128,880	\$274,828
5	\$150,327	\$132,746	\$283,073
6	\$154,837	\$136,728	\$291,565
7	\$159,482	\$140,830	\$300,312
8	\$164,266	\$145,055	\$309,321
9	\$169,194	\$149,407	\$318,601
10	\$174,270	\$153,889	\$328,159
Total	\$1,531,156	\$1,352,085	\$2,883,241

Note: Individual income taxes were estimated based on the relationship between individual income tax collections in the state and statewide income. Although the state allows various deductions and credits, has multiple tax brackets with rates ranging from 4% to 8.82%, and various schedules based on filing status, the state collects approximately 4.5% of statewide personal income through the individual income tax.

APPENDIX C

Costs and Benefits for New York State - Continued

Corporate Income Tax Collections

Year	On Direct Activity	On Indirect Activity	Total
1	\$78,520	\$53,560	\$132,080
2	\$80,090	\$54,631	\$134,722
3	\$81,692	\$55,724	\$137,416
4	\$83,326	\$56,838	\$140,164
5	\$84,993	\$57,975	\$142,968
6	\$86,692	\$59,135	\$145,827
7	\$88,426	\$60,317	\$148,744
8	\$90,195	\$61,524	\$151,718
9	\$91,999	\$62,754	\$154,753
10	\$93,839	\$64,009	\$157,848
Total	\$859,772	\$586,467	\$1,446,239

Note: Corporate income taxes were estimated based on the relationship between corporate income tax collections in the state and the number of workers in the state. Based on an analysis of 2012 data, the state collects approximately \$520 in corporate income tax per worker in the state. The analysis uses this metric to estimate corporate income taxes because taxable income created by the racetrack and spin-off businesses is not known at this point.

Net Benefits

Year	Benefits	Costs*	Net Benefits	Cumulative Net Benefits
1	\$1,607,676	\$0	\$1,607,676	\$1,607,676
2	\$1,654,586	\$0	\$1,654,586	\$3,262,262
3	\$1,702,876	\$0	\$1,702,876	\$4,965,138
4	\$1,752,588	\$0	\$1,752,588	\$6,717,727
5	\$1,803,764	\$0	\$1,803,764	\$8,521,491
6	\$1,856,448	\$0	\$1,856,448	\$10,377,938
7	\$1,910,683	\$0	\$1,910,683	\$12,288,621
8	\$1,966,516	\$0	\$1,966,516	\$14,255,137
9	\$2,023,994	\$0	\$2,023,994	\$16,279,131
10	\$2,083,166	\$0	\$2,083,166	\$18,362,297
Total	\$18,362,297	\$0	\$18,362,297	

* The project is expected to have a negligible effect on the statewide population and therefore no statewide costs were estimated for New York .

APPENDIX C

Costs and Benefits for Oswego County

Benefits

Sales tax collections

Year	On Direct and Indirect Workers' Spending	On Visitors' Spending	On Taxable Sales from the Track	On The Track's Local Taxable Purchases	Total
1	\$30,580	\$245,595	\$915,754	\$2,000	\$1,193,929
2	\$31,497	\$252,963	\$943,227	\$2,060	\$1,229,747
3	\$32,442	\$260,551	\$971,523	\$2,122	\$1,266,639
4	\$33,416	\$268,368	\$1,000,669	\$2,185	\$1,304,638
5	\$34,418	\$276,419	\$1,030,689	\$2,251	\$1,343,777
6	\$35,451	\$284,712	\$1,061,610	\$2,319	\$1,384,091
7	\$36,514	\$293,253	\$1,093,458	\$2,388	\$1,425,613
8	\$37,610	\$302,051	\$1,126,262	\$2,460	\$1,468,382
9	\$38,738	\$311,112	\$1,160,050	\$2,534	\$1,512,433
10	\$39,900	\$320,445	\$1,194,851	\$2,610	\$1,557,806
Total	\$350,566	\$2,815,469	\$10,498,093	\$22,928	\$13,687,056

Hotel tax collections

Year	On Visitors' Spending on Lodging
1	\$89,783
2	\$92,477
3	\$95,251
4	\$98,109
5	\$101,052
6	\$104,084
7	\$107,206
8	\$110,422
9	\$113,735
10	\$117,147
Total	\$1,029,266

APPENDIX C

Costs and Benefits for Oswego County - Continued

Property tax collections on the Project's real property

Year	<u>Land</u>		<u>Buildings & Other Real Property Improvements</u>		Total Real Property Taxes Collected after Abatements
	Taxes Collected	Taxes Abated	Taxes Collected	Taxes Abated	
1	\$50,731	\$0	\$78,882	\$0	\$129,612
2	\$51,745	\$0	\$80,459	\$0	\$132,205
3	\$52,780	\$0	\$82,069	\$0	\$134,849
4	\$53,836	\$0	\$83,710	\$0	\$137,546
5	\$54,912	\$0	\$85,384	\$0	\$140,297
6	\$56,011	\$0	\$87,092	\$0	\$143,103
7	\$57,131	\$0	\$88,834	\$0	\$145,965
8	\$58,274	\$0	\$90,610	\$0	\$148,884
9	\$59,439	\$0	\$92,423	\$0	\$151,862
10	\$60,628	\$0	\$94,271	\$0	\$154,899
Total	\$555,486	\$0	\$863,734	\$0	\$1,419,220

Net Benefits for the County

Year	Benefits	Costs	Net Benefits	Cumulative
				Net Benefits
1	\$1,413,325	\$0	\$1,413,325	\$1,413,325
2	\$1,454,428	\$0	\$1,454,428	\$2,867,753
3	\$1,496,739	\$0	\$1,496,739	\$4,364,492
4	\$1,540,293	\$0	\$1,540,293	\$5,904,785
5	\$1,585,126	\$0	\$1,585,126	\$7,489,911
6	\$1,631,277	\$0	\$1,631,277	\$9,121,188
7	\$1,678,784	\$0	\$1,678,784	\$10,799,972
8	\$1,727,688	\$0	\$1,727,688	\$12,527,660
9	\$1,778,030	\$0	\$1,778,030	\$14,305,690
10	\$1,829,852	\$0	\$1,829,852	\$16,135,542
Total	\$16,135,542	\$0	\$16,135,542	

APPENDIX C

Costs and Benefits for Village of Central Square

Benefits

Property tax collections on the project's real property

Year	<u>Land</u>		<u>Buildings & Other Real Property Improvements</u>		Total Real Property Taxes Collected after Abatements
	Taxes Collected	Taxes Abated	Taxes Collected	Taxes Abated	
1	\$31,210	\$0	\$48,529	\$0	\$79,738
2	\$31,834	\$0	\$49,499	\$0	\$81,333
3	\$32,471	\$0	\$50,489	\$0	\$82,960
4	\$33,120	\$0	\$51,499	\$0	\$84,619
5	\$33,782	\$0	\$52,529	\$0	\$86,311
6	\$34,458	\$0	\$53,579	\$0	\$88,038
7	\$35,147	\$0	\$54,651	\$0	\$89,798
8	\$35,850	\$0	\$55,744	\$0	\$91,594
9	\$36,567	\$0	\$56,859	\$0	\$93,426
10	\$37,299	\$0	\$57,996	\$0	\$95,295
Total	\$341,738	\$0	\$531,374	\$0	\$873,112

Net Benefits

Year	Benefits	Costs	Net Benefits	Cumulative Net Benefits
1	\$79,738	\$0	\$79,738	\$79,738
2	\$81,333	\$0	\$81,333	\$161,071
3	\$82,960	\$0	\$82,960	\$244,031
4	\$84,619	\$0	\$84,619	\$328,650
5	\$86,311	\$0	\$86,311	\$414,961
6	\$88,038	\$0	\$88,038	\$502,999
7	\$89,798	\$0	\$89,798	\$592,797
8	\$91,594	\$0	\$91,594	\$684,391
9	\$93,426	\$0	\$93,426	\$777,818
10	\$95,295	\$0	\$95,295	\$873,112
Total	\$873,112	\$0	\$873,112	

APPENDIX C

Costs and Benefits for Town of Hastings

Benefits

Property tax collections on the project's real property

Year	<u>Land</u>		<u>Buildings & Other Real Property Improvements</u>		Total Real Property Taxes Collected after Abatements
	Taxes Collected	Taxes Abated	Taxes Collected	Taxes Abated	
1	\$22,811	\$0	\$35,469	\$0	\$58,280
2	\$23,267	\$0	\$36,178	\$0	\$59,445
3	\$23,732	\$0	\$36,902	\$0	\$60,634
4	\$24,207	\$0	\$37,640	\$0	\$61,847
5	\$24,691	\$0	\$38,393	\$0	\$63,084
6	\$25,185	\$0	\$39,160	\$0	\$64,345
7	\$25,689	\$0	\$39,944	\$0	\$65,632
8	\$26,202	\$0	\$40,742	\$0	\$66,945
9	\$26,726	\$0	\$41,557	\$0	\$68,284
10	\$27,261	\$0	\$42,388	\$0	\$69,649
Total	\$249,771	\$0	\$388,373	\$0	\$638,144

Net Benefits for the Town

Year	Benefits	Costs	Net	Cumulative
			Benefits	Net Benefits
1	\$58,280	\$0	\$58,280	\$58,280
2	\$59,445	\$0	\$59,445	\$117,725
3	\$60,634	\$0	\$60,634	\$178,359
4	\$61,847	\$0	\$61,847	\$240,205
5	\$63,084	\$0	\$63,084	\$303,289
6	\$64,345	\$0	\$64,345	\$367,634
7	\$65,632	\$0	\$65,632	\$433,266
8	\$66,945	\$0	\$66,945	\$500,211
9	\$68,284	\$0	\$68,284	\$568,495
10	\$69,649	\$0	\$69,649	\$638,144
Total	\$638,144	\$0	\$638,144	

APPENDIX C

Costs and Benefits for Central Square School District

Benefits

Property tax collections on the project's real property

Year	<u>Land</u>		<u>Buildings & Other Real Property Improvements</u>		Total Real Property Taxes Collected after Abatements
	Taxes Collected	Taxes Abated	Taxes Collected	Taxes Abated	
1	\$114,843	\$0	\$178,571	\$0	\$293,414
2	\$117,140	\$0	\$182,143	\$0	\$299,282
3	\$119,483	\$0	\$185,785	\$0	\$305,268
4	\$121,872	\$0	\$189,501	\$0	\$311,373
5	\$124,310	\$0	\$193,291	\$0	\$317,601
6	\$126,796	\$0	\$197,157	\$0	\$323,953
7	\$129,332	\$0	\$201,100	\$0	\$330,432
8	\$131,918	\$0	\$205,122	\$0	\$337,041
9	\$134,557	\$0	\$209,225	\$0	\$343,781
10	\$137,248	\$0	\$213,409	\$0	\$350,657
Total	\$1,257,499	\$0	\$1,955,304	\$0	\$3,212,803

Net Benefits for the School District

Year	Benefits	Costs	Net	Cumulative
			Benefits	Net Benefits
1	\$293,414	\$0	\$293,414	\$293,414
2	\$299,282	\$0	\$299,282	\$592,697
3	\$305,268	\$0	\$305,268	\$897,965
4	\$311,373	\$0	\$311,373	\$1,209,338
5	\$317,601	\$0	\$317,601	\$1,526,939
6	\$323,953	\$0	\$323,953	\$1,850,892
7	\$330,432	\$0	\$330,432	\$2,181,324
8	\$337,041	\$0	\$337,041	\$2,518,364
9	\$343,781	\$0	\$343,781	\$2,862,146
10	\$350,657	\$0	\$350,657	\$3,212,803
Total	\$3,212,803	\$0	\$3,212,803	

APPENDIX C

Costs and Benefits for Hastings Fire Department

Benefits

Property tax collections on the project's real property

Year	<u>Land</u>		<u>Buildings & Other Real Property Improvements</u>		Total Real Property Taxes Collected after Abatements
	Taxes Collected	Taxes Abated	Taxes Collected	Taxes Abated	
1	\$10,856	\$0	\$16,880	\$0	\$27,735
2	\$11,073	\$0	\$17,217	\$0	\$28,290
3	\$11,294	\$0	\$17,562	\$0	\$28,856
4	\$11,520	\$0	\$17,913	\$0	\$29,433
5	\$11,750	\$0	\$18,271	\$0	\$30,021
6	\$11,985	\$0	\$18,636	\$0	\$30,622
7	\$12,225	\$0	\$19,009	\$0	\$31,234
8	\$12,470	\$0	\$19,389	\$0	\$31,859
9	\$12,719	\$0	\$19,777	\$0	\$32,496
10	\$12,973	\$0	\$20,173	\$0	\$33,146
Total	\$118,866	\$0	\$184,827	\$0	\$303,693

Net Benefits

Year	Benefits	Costs	Net	Cumulative
			Benefits	Net Benefits
1	\$27,735	\$0	\$27,735	\$27,735
2	\$28,290	\$0	\$28,290	\$56,025
3	\$28,856	\$0	\$28,856	\$84,881
4	\$29,433	\$0	\$29,433	\$114,314
5	\$30,021	\$0	\$30,021	\$144,335
6	\$30,622	\$0	\$30,622	\$174,957
7	\$31,234	\$0	\$31,234	\$206,192
8	\$31,859	\$0	\$31,859	\$238,051
9	\$32,496	\$0	\$32,496	\$270,547
10	\$33,146	\$0	\$33,146	\$303,693
Total	\$303,693	\$0	\$303,693	

APPENDIX C

Costs and Benefits for Lighting District 6

Benefits

Property tax collections on the project's real property

Year	<u>Land</u>		<u>Buildings & Other Real Property Improvements</u>		Total Real Property Taxes Collected after Abatements
	Taxes Collected	Taxes Abated	Taxes Collected	Taxes Abated	
1	\$461	\$0	\$716	\$0	\$1,177
2	\$470	\$0	\$731	\$0	\$1,200
3	\$479	\$0	\$745	\$0	\$1,224
4	\$489	\$0	\$760	\$0	\$1,249
5	\$499	\$0	\$775	\$0	\$1,274
6	\$509	\$0	\$791	\$0	\$1,299
7	\$519	\$0	\$807	\$0	\$1,325
8	\$529	\$0	\$823	\$0	\$1,352
9	\$540	\$0	\$839	\$0	\$1,379
10	\$551	\$0	\$856	\$0	\$1,407
Total	\$5,044	\$0	\$7,843	\$0	\$12,887

Net Benefits

Year	Benefits	Costs	Net	Cumulative
			Benefits	Net Benefits
1	\$1,177	\$0	\$1,177	\$1,177
2	\$1,200	\$0	\$1,200	\$2,377
3	\$1,224	\$0	\$1,224	\$3,602
4	\$1,249	\$0	\$1,249	\$4,851
5	\$1,274	\$0	\$1,274	\$6,125
6	\$1,299	\$0	\$1,299	\$7,424
7	\$1,325	\$0	\$1,325	\$8,750
8	\$1,352	\$0	\$1,352	\$10,101
9	\$1,379	\$0	\$1,379	\$11,480
10	\$1,407	\$0	\$1,407	\$12,887
Total	\$12,887	\$0	\$12,887	

APPENDIX C

Costs and Benefits for Brewerton Water District

Benefits

Property tax collections on the project's real property

Year	<u>Land</u>		<u>Buildings & Other Real Property Improvements</u>		Total Real Property Taxes Collected after Abatements
	Taxes Collected	Taxes Abated	Taxes Collected	Taxes Abated	
1	\$1,756	\$0	\$2,731	\$0	\$4,487
2	\$1,791	\$0	\$2,785	\$0	\$4,577
3	\$1,827	\$0	\$2,841	\$0	\$4,668
4	\$1,864	\$0	\$2,898	\$0	\$4,762
5	\$1,901	\$0	\$2,956	\$0	\$4,857
6	\$1,939	\$0	\$3,015	\$0	\$4,954
7	\$1,978	\$0	\$3,075	\$0	\$5,053
8	\$2,017	\$0	\$3,137	\$0	\$5,154
9	\$2,058	\$0	\$3,200	\$0	\$5,257
10	\$2,099	\$0	\$3,264	\$0	\$5,362
Total	\$19,230	\$0	\$29,901	\$0	\$49,131

Net Benefits

Year	Benefits	Costs	Net	Cumulative
			Benefits	Net Benefits
1	\$4,487	\$0	\$4,487	\$4,487
2	\$4,577	\$0	\$4,577	\$9,064
3	\$4,668	\$0	\$4,668	\$13,732
4	\$4,762	\$0	\$4,762	\$18,494
5	\$4,857	\$0	\$4,857	\$23,350
6	\$4,954	\$0	\$4,954	\$28,304
7	\$5,053	\$0	\$5,053	\$33,358
8	\$5,154	\$0	\$5,154	\$38,512
9	\$5,257	\$0	\$5,257	\$43,769
10	\$5,362	\$0	\$5,362	\$49,131
Total	\$49,131	\$0	\$49,131	