



Economics Research Associates

Final Project Report

**Rye Playland Fiscal and Economic
Impact Analysis**

Prepared for

**Westchester County Department of
Parks, Recreation, and Conservation
Rye, New York**

Submitted by

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June 2009

ERA Project No. 17900

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Introduction and Executive Summary

Playland is Metro New York's primary family amusement park and entertainment center. Playland Park was developed in 1928 and was dedicated as a National Historic Landmark in 1987. Today Playland is America's only major government owned and operated amusement park.

The park features more than 50 rides and attractions. This Analysis is focused on the activity that is generated from the amusement park operations of the facility only. The Park is adjacent to a beach, pool, boardwalk and pier on scenic Long Island Sound. The complex includes a variety of passive and active entertainment offerings such as lake boating, a picnic area, mini golf and indoor ice-skating. ERA's fiscal and economic impact analysis indicates that Playland's relative costs are off-set by important community benefits. To illustrate the relationship between Westchester County's General Fund support and the Amusement Park's substantial contribution to the local economy, ERA provides a summary Playland's cost and benefit factors.

Note: In 2003, the County of Westchester's Department of Parks, Recreation and Conservation ("DPRC") retained Bullock Smith & Partners to undertake the preparation of a long-range 10-year master plan for Playland Park that would examine the park's attendance potential and how best to achieve that goal, while respecting the park's important historic role in the fabric of Westchester life. Economics Research Associates ("ERA") conducted a management study of Rye Playland's operations as part of the master planning effort. Westchester County DPRC has again retained ERA to conduct this fiscal and economic impact analysis of Playland's operations to quantify the community benefit generated by the county's public investment in the park's operations.

This analysis is intended to quantify the relationship between Westchester County's General Fund support of the park's ongoing annual capital and operating expenditures and the direct and indirect jobs, payroll, and sales taxes resulting from the park's substantial annual visitation and on- and off-site retail spending. This analysis is structured to capture only the economic activity occurring within the boundary of Westchester County.

These factors are an important consideration in establishing the justification for funding Playland's ongoing operations. The following are major findings which bolster and explain the economic engine Playland creates purely by its existence and by being part of the fabric of Westchester's landscape, history and yearly ongoing operations.

I. Rye Playland Costs and Benefits: Major Findings

The primary economic impacts from Rye Playland's operations stem from four activities:

- Spending within Westchester County by visitors to the Park and while traveling to and from the park site
- Capital spending on improvements to the park's facilities and infrastructure
- Business spending on materials, supplies, and vendor services
- Jobs and wages resulting from the full-time, part-time and seasonal employees working at the Playland park

Each of these economic activities results in "impacts" to Westchester County. The direct economic impacts result in indirect or "spin off" impacts that, in turn, generate a final "induced" impact within the local economy (defined as Westchester County).

Visitor Spending

The total direct, indirect and induced economic impact of Playland visitor spending within Westchester County is estimated to be \$27.7 million annually (Table 1). This economic activity reflects only the spending that occurs within the boundaries of Westchester County. Below is how this estimated number is derived.

- \$12.8 million on average annually directly at Playland on rides, food and beverage and other concessions.
- \$4.7 million at area (off-site) retail/restaurants, gas stations and other Westchester businesses.
- \$10.2 million in indirect and induced spending as Westchester businesses purchase materials and supplies to support the business operations that serve Playland visitors and Playland vendor's employees use their wages to pay for consumer goods, housing needs, and taxes within Westchester County.
- Based on a review of business operations spending by Westchester County to Westchester County businesses, nearly \$600,000 of the \$10.2 million in indirect and induced visitor spending can be traced to business operations payments to Westchester County vendors.



Table 1: Summary of Direct, Indirect and Induced Economic Impacts of Rye Playland in Westchester County, NY

Economic Activity	2008					
Annual Playland Visitors (Persons)	<u>840,000</u>					
Playland Visitor Direct Spending						
On-Site Spending (Playland Annual Operating Revenue)	\$ 12,796,495					
Off-Site Visitor Spending in Westchester County /1	<u>\$ 4,721,602</u>					
	\$ 17,518,097					
Direct, Indirect and Induced Economic Activity Within Westchester County /2						
Rye Playland Economic Activity Driver	Direct Spending	IMPLAN MULTIPLIER: INDIRECT	Indirect Spending	IMPLAN MULTIPLIER: INDUCED	Induced Spending	Total
On-Site Spending (Playland Annual Operating Revenue)	\$ 12,796,495	0.29	\$ 3,761,513	0.28	\$ 3,636,919	\$ 20,194,926
Off-Site Visitor Spending in Westchester County /1	<u>\$ 4,721,602</u>	0.28	<u>\$ 1,311,134</u>	0.31	<u>\$ 1,470,154</u>	<u>\$ 7,502,890</u>
TOTAL	\$ 17,518,097		\$ 5,072,647		\$ 5,107,072	\$ 27,697,816
Direct, Indirect and Induced Employment Impact	Direct Employment	IMPLAN MULTIPLIER: INDIRECT	Indirect Employment	IMPLAN MULTIPLIER: INDUCED	Induced Employment	Total
On-Site Spending (Playland Annual Operating Revenue)	403	0.12	50	0.14	55	508
Off-Site Visitor Spending in Westchester County /1	<u>76</u>	0.11	<u>8</u>	0.17	<u>13</u>	<u>97</u>
Total	478		58		68	604
Earnings (Payroll) Impact	Direct Earnings	IMPLAN MULTIPLIER: INDIRECT	Indirect Earnings	IMPLAN MULTIPLIER: INDUCED	Induced Earnings	Total
Direct On-Site Rye Playland and Vendor Employment	\$ 11,077,685	0.19	\$ 2,072,085	0.22	\$ 2,390,867	\$ 15,540,637
Direct Off-Site Visitor Spending in Westchester County	<u>\$ 1,732,196</u>	0.17	<u>\$ 287,634</u>	0.19	<u>\$ 325,985</u>	<u>\$ 2,345,815</u>
Total	\$ 12,809,881		\$ 2,359,719		\$ 2,716,852	\$ 17,886,452

1/ 2008 Playland Visitor Intercept Survey, Leisure Vision/ETC.

2/ Total economic impacts reflect direct on-site and off-site spending, employment and earnings (payroll) activity, generated by:

- Direct on-site Playland operations

- Direct retail and other consumer spending by Playland visitors within Westchester County as reported by the Playland visitor intercept survey conducted by Leisure

An example of indirect impacts is secondary spending by Westchester County DPRC in the form of Playland operating expenses paid to Westchester County vendors.

Source: Westchester County Department of Parks, Recreation and Conservation; 2008 *Playland Visitor Intercept Survey*, Leisure Vision/ETC Institute; IMPLAN; Economics Research Associates, 2008.



Employment and Earnings from Playland Employees

Playland has long been known for creating full-time jobs within the community. It is also the largest employer of youth in Westchester County. Below equates how that relates to earnings within the County.

- Playland employs 52 regular (salaried) full-time equivalent employees. In addition, the park and its on-site vendors employ approximately the equivalent of 350 full-time employees (based on 600 staff working 810 hours per season and a full-time year of 2,080 hours plus an additional 300 annual part-time employees). These employees generate \$11.1 million in total direct annual earnings (payroll).
- Playland visitor spending within Westchester County also creates jobs. Based on New York Department of Labor statistics, Playland's direct off-site spending supports approximately 76 full-time equivalent jobs and \$1.7 million in earnings in Westchester County. ERA estimates that approximately half of these jobs are held by Westchester County residents.
- In turn, these jobs create another 58 indirect jobs and 68 induced jobs within Westchester County (166 full-time equivalent positions). These jobs are supported by \$2.4 million in indirect earnings, which in turn generates \$2.7 million in induced earnings (Table 1).

Economic Benefits from Annual Capital Improvement Spending

The park requires capital improvements on a yearly basis. While the level of capital investment varies from year to year, 2008 capital improvement spending by Westchester County paid to Westchester County vendors (businesses) generated a total economic impact of more than \$2.5 million. This impact is calculated on a cumulative spending of \$1.45 million, as detailed in Table 2, on capital improvement construction activities for Rye Playland in 2008. In addition to the spending impact, the County also experienced increased employment and employee earnings.



Table 2: Capital Improvement Spending at Rye Playland, 2008

Economic Activity	2008
Construction , Repair and Maintenance	\$ 1,450,000
Playland Capital Improvement Spending 1/	
Music Tower Rehabilitation	\$ 1,300,000
Go-Carts Purchase	\$ 50,000
Colonnade Temporary Structural Support (Design)	\$ 20,000
Colonnade Temporary Structural Support (Construction)	\$ 80,000
	\$ 1,450,000

Source: Westchester County Department of Parks, Recreation and Conservation; IMPLAN; Economics Research Associates, 2008.

The summary of the impacts of the capital improvement programs at the direct, indirect, and induced stages is provided below. Total sales (measured through financial transactions), employment, and employee payrolls and wages are the three primary metrics used to assess the impact of any project spending or investment.

- Total Sales (Spending):** The output impact measures back through the economy the financial transactions necessary to accommodate an input. The direct impact is equal to the input. The direct impact of the construction activity is \$1.45 million, which results in \$0.38 million of indirect and \$0.43 million of induced spending impact. This creates a total impact of \$2.26 million with a multiplier effect of 1.56 over the direct spending. This suggests that for each \$1 spent in the market, there is a resultant \$0.51 spent elsewhere in the County. Table 3 summarizes the total sales impact.

Table 3: Direct, Indirect and Induced Economic Activity Impacts in Westchester County, 2008

Rye Playland Economic Activity Driver	IMPLAN		IMPLAN		Induced Spending	Total
	Direct Spending 1/	MULTIPLIER: INDIRECT	Indirect Spending	MULTIPLIER: INDUCED		
Music Tower Rehabilitation	\$ 1,300,000	0.26	\$ 338,080	0.30	\$ 384,405	\$ 2,022,485
Go-Carts Purchase	\$ 50,000	0.26	\$ 13,003	0.30	\$ 14,785	\$ 77,788
Colonnade Temporary Structural Support (Design)	\$ 20,000	0.26	\$ 5,201	0.30	\$ 5,914	\$ 31,115
Colonnade Temporary Structural Support (Construction)	<u>\$ 80,000</u>	0.26	<u>\$ 20,805</u>	0.30	<u>\$ 23,656</u>	<u>\$ 124,461</u>
TOTAL	\$ 1,450,000		\$ 377,089		\$ 428,760	\$ 2,255,849

1/ Total economic impacts reflect direct on-site and off-site spending, employment and earnings (payroll) activity, generated by:

- Direct on-site Construction Activities.

Source: Westchester County Department of Parks, Recreation and Conservation; IMPLAN; Economics Research Associates, 2008.

- The indirect and induced spending generated due to the direct spending for the construction activities at Rye Playland, provides a boost to the rest of the County's economy by buying

products and services from the other businesses within the County. These suppliers, in turn, purchase inputs from other industries and businesses necessary for them to produce their own products, and so on. In this way, the construction industry supports output and employment in the wider economy through supply chain effects.

- Employment:** The employment impact measures, back through the economy, the employment needed at each stage to accommodate the changes in input and the corresponding outputs. The direct impact of the construction sales is 13 FTE jobs which results in about two indirect and three induced FTE jobs; this creates a total impact of 18 FTE jobs with a multiplier effect of 1.4. This suggests for each direct FTE job created in the construction industry due to the capital improvement spending, approximately 0.4 FTE jobs are created elsewhere in the County. Table 4 summarizes these employment impacts.

Table 4: Direct, Indirect and Induced Employment Impacts in Westchester County, 2008

Direct, Indirect and Induced Employment Impact	IMPLAN		IMPLAN		Induced Employment	Total
	Direct Employment	MULTIPLIER: INDIRECT	Indirect Employment	MULTIPLIER: INDUCED		
Music Tower Rehabilitation	11.9	0.16	1.9	0.21	2.5	16.3
Go-Carts Purchase	0.5	0.16	0.1	0.21	0.1	0.6
Colonnade Temporary Structural Support (Design)	0.2	0.16	0.0	0.21	0.0	0.3
Colonnade Temporary Structural Support (Construction)	0.7	0.16	0.1	0.21	0.2	1.0
TOTAL	13.3		2.1		2.8	18.2

Source: Westchester County Department of Parks, Recreation and Conservation; IMPLAN; Economics Research Associates, 2008.

- Supply chain purchases by the County for capital improvement programs generate indirect jobs, which result in additional induced jobs from consumer spending by direct and indirect workers. In total, five new FTE jobs are created by the indirect induced impacts of capital improvement spending within the County.
- Earnings:** The employee earning and payroll impact measures, back through the economy, the labor wages needed at each stage to accommodate the changes in employment and spending. The direct employee payroll impact of the construction activities is \$517,578, which results \$105,268 indirect and \$105,698 induced employee payroll; this creates a total impact of \$728,543 of employee payroll with a multiplier effect of 1.41. This suggests that for each \$1 paid in employee payroll in the market, \$0.41 is paid elsewhere in the County. The following table summarizes the employee earnings and payroll impacts in Westchester County.



Table 5: Direct, Indirect and Induced Earnings Impacts in Westchester County, 2008

Earnings (Payroll) Impact	IMPLAN		IMPLAN		Induced Earnings	Total
	Direct Earnings	MULTIPLIER: INDIRECT	Indirect Earnings	MULTIPLIER: INDUCED		
Music Tower Rehabilitation	\$ 464,035	0.20	\$ 94,378	0.20	\$ 94,763	\$ 653,177
Go-Carts Purchase	\$ 17,848	0.20	\$ 3,630	0.20	\$ 3,645	\$ 25,122
Colonnade Temporary Structural Support (Design)	\$ 7,139	0.20	\$ 1,452	0.20	\$ 1,458	\$ 10,049
Colonnade Temporary Structural Support (Construction)	\$ 28,556	0.20	\$ 5,808	0.20	\$ 5,832	\$ 40,195
TOTAL	\$ 517,578		\$ 105,268		\$ 105,698	\$ 728,543

Source: Westchester County Department of Parks, Recreation and Conservation; IMPLAN; Economics Research Associates, 2008.

- Increased spending in the construction industry by the County creates jobs, thereby creating (and increasing) payrolls of the employees directly involved in the industry. The indirect payrolls through supply chain purchases by the County and the induced jobs from the increased consumer spending by direct and indirect workers creates a net new employee payroll of more than \$210,966 in Westchester County.

Local Sales and Gasoline Tax Revenues

- In addition to the \$27.7 million in direct, indirect, and induced economic impacts resulting from visitor spending, Playland visitors' direct on-site and off-site consumer expenditures generate approximately \$235,000 in direct annual sales and gasoline taxes in support of the Westchester County General Fund.

II. Support for Playland – A Comparison of Costs and Benefits

The following figures illustrate that Playland is an important contributor to the local economy and a community amenity that should be preserved.

- **Playland’s operations create jobs and generate earnings within Westchester County.** Playland’s \$2.2 million annual real property tax levy **creates 604** direct, indirect and induced jobs and \$16.2 million in gross annual earnings (payroll).
- Playland’s annual property tax subsidy consumes only one-half of one percent of the average annual real property tax levy per dwelling unit, or \$6.46 per household per year.
- For every dollar Playland visitors spend within the Amusement Park, these visitors directly spend another \$.50 (or a total of \$6.2 million) at restaurants, retail establishments, gas stations and other venues. More than 75 percent of all direct off-site Playland visitors’ spending is captured by Westchester County businesses.
- In effect, **for every dollar of real property tax levy, another \$2.17** is captured by Westchester County businesses through direct off-site spending. The indirect and induced effects are even more substantial. **For every dollar of public funding** required to support the Park’s operations, Playland’s total economic activity generates **another \$12.71** within Westchester County through the indirect and induced spin-off effect of subsequent spending.



III. Rye Playland Fiscal and Economic Impact Analysis – Methodology and Approach

ERA assembled the key drivers of economic activity to illustrate the benefits of Rye Playland’s operations under the Park’s current operation scenario.

The primary drivers of fiscal and economic benefits include:

- Direct on-site Playland business operations spending, employment and earnings
- Direct off-site retail and other consumer spending by Playland visitors within Westchester County as reported by the Playland visitor intercept survey conducted by Leisure Vision/ETC Institute, 2008.
- Indirect operations spending (expenditures made by Westchester County DPRC and paid to Westchester County vendors for materials, supplies, and services)

The employment and earnings analysis focuses on the on-site (direct) jobs that will be created to support the operations of each of the program elements listed above, as well as the spin-off employment and earnings (indirect and induced) that result from spending to support increased employment and output and through the recycling of the earnings from the direct employment through the local economy. Playland’s operations are analyzed separately from the indirect spending made by visitors to the park within Westchester County. These indirect and induced employment impacts were calculated using IMPLAN software and the accompanying Westchester County data set, as described in the IMPLAN overview section of this report.

Westchester County General Fund Expenditures: Rye Playland Operations

The Rye Playland Park is funded by Westchester County General Fund revenue sources. The park’s 2008 annual operations budgeted \$15.85 million in expenditures to support personnel, equipment, materials and supplies, expenses, and debt service on municipal bonds. In return, Playland generates approximately \$12.8 million in operating income from admissions fees, concessions, parking revenues, and other sources (excluding Interfund Revenue Transfers). The total net departmental general fund expenditure (“real property tax levy”) for Playland’s operations is approximately \$2.2 million annually (Appendix Table A-1).

Rye Playland Operating Expenses Captured by Westchester County Businesses

ERA analyzed operating data provided by the Westchester County Department of Parks, Recreation and Conservation and determined that nearly 38 percent of Playland's annual non-wage operating expenses are retained within Westchester County. Of the \$1.5 million spent on equipment service and rental, contractual services, entertainment, and marketing, nearly \$600,000 was paid to Westchester County vendors (Appendix Table A-8).

Rye Playland Visitor Intercept Survey Results: Off-site Retail and Consumer Spending

The Westchester County Department of Parks, Recreation and Conservation retained Leisure Vision/ETC Institute to conduct a visitor intercept survey in August 2008. To evaluate the indirect economic impact of Playland visitation outside the park (off-site), but within Westchester County, the survey included the following two questions:

- Question 13: How much did your party spend at locations visited on your way to Playland?
- Question 13a: Locations respondents planned to visit on their way to Playland (including restaurants, gas stations, malls/stores, other entertainment/cultural attractions, other, nothing)?
- Question 14: Locations respondents planned to visit on their way from Playland (including restaurants, gas stations, malls/stores, other entertainment/cultural attractions, other, nothing)?
- Question 14a: How much did your party spend at locations visited on your way from Playland?

The survey also included questions regarding the method of transportation, visitor origin (residence of respondent), and party size. The survey results enabled ERA to develop key assumptions regarding the likely off-site retail spending by Playland visitors within Westchester County.

ERA concluded that Playland visitors spend approximately \$6.2 million annually in retail and other taxable consumer purchases. Given that 29 percent of Playland's survey respondents were Westchester County residents and that nearly 94% of all visitors reside within the New York Metropolitan area, these figures suggest that approximately \$4.7 million in direct off-site retail purchases occur in Westchester County. This figure accounts for approximately 17 percent of

the total direct, indirect and induced economic impacts from Playland visitor spending. The detailed assumptions regarding retail spending capture rates by origin of visitor are detailed in Appendix Table A-3.

Direct and Indirect Sales Tax Revenue (2008)

Using the assembled on-site Park operating data, budget figures, and survey results as the basis for estimating taxable sales, ERA developed assumptions regarding the state and local taxes generated by Playland's operations. According to the New York State Sales Tax Publication 850, Playland's food and beverage concessions and retail merchandise sales are subject to State and local sales tax. Assuming that the entirety of Playland's direct off-site retail spending is taxable, the Park's economic activity generates a total of \$7.7 million in taxable sales within Westchester County, generating \$234,000 in sales taxes retained by the Westchester County General Fund (Appendix Table A-4).

Direct On-Site and Off-Site Economic Impacts: Spending, Employment, and Earnings (2008)

The estimated direct, on-site full-time-equivalent (FTE) employment at Rye Playland is 402 annual jobs, including 52 regular salaried employees and approximately 350 hourly (seasonal) employees. These figures are based on the following factors:

- In addition to 52 full-time employees, approximately 600 seasonal summer staff and 300 part-time/hourly vendors work approximately 810 hours annually (39% of a full-time schedule). Of these jobs, nearly half are Westchester County residents.
- Assuming a full-time equivalent job works 2,080 hours per year, the park's seasonal and part-time/hourly vendor employment equates to approximately 350 full-time equivalent jobs.
- These full-time and part-time employees generate \$11.0 million in total direct annual earnings (payroll). Playland's operations support approximately \$11.1 million in annual ongoing earnings (payroll), excluding fringes and benefits.

Direct off-site employment generated by Playland visitor's \$4.7 million in retail and consumer spending supports approximately 76 annual full-time equivalent jobs and \$1.7 million in annual payroll within Westchester County (Appendix Table A-5).



Rye Playland Operating Expenditures (Share of 2008 Westchester County General Fund Budget)

The County of Westchester is supported by a \$1.7 billion General Fund budget (2008 figures). The Roads, Transportation & Parks Department represents \$192.4 million of the total budget (11 percent). The Playland's total real property tax levy of \$2.2 million equates to only 1.3 percent of the total Roads, Transportation & Parks Department budget, and less than two-tenths of a percent (0.15 percent) of the total 2008 Westchester County General Fund Budget (Appendix Table A-6).

Cost of Playland Funding per Westchester County Household, 2008

According to ESRI, a demographic and economic forecasting company, Westchester County is comprised of 337,142 households. Based on 2008 real property tax levy figures, Westchester County is supported by \$535.5 million in real property taxes, or approximately \$1,588 per dwelling unit. The Playland's total real property tax levy of \$2.2 million equates to only \$6.46 per household, or less than one-half of one percent of the total real property tax levy per household (Appendix Table A-7).

IV. Definition of Indirect and Induced Economic Impacts

As a final illustration of the economic benefits of Rye Playland's operations, ERA evaluated the direct, indirect and induced impacts of the Playland's operations. The indirect and induced spending impacts were estimated using the Minnesota IMPLAN Group's IMPLAN (IMPact Analysis for PLANing) software, an econometric modeling system developed by applied economists at the University of Minnesota and the U.S. Forest Service.

The IMPLAN model program takes the total estimated on-site and off-site retail spending within Westchester County and calculates a total industry output increase based upon established regional spending to output ratios. These increased outputs are then fed through the model in order to calculate the impact on all other industries.

Direct Effects – Direct effects measure the immediate results of a change in output. For example, if Playland increased its visitation and captured on-site spending resulting in more than \$12.8 million in gross annual income, it would have the direct effect of \$12.8 million in the 2008 budget.

Indirect Effect – Indirect effects measure the economic activity needed to support the direct effect. In order to reach gross annual operating income of \$12.8 million, Westchester County Department of Parks, Recreation and Conservation will have to pay staff, make expenditures for supplies, maintenance, and concessions. These payments are the indirect effects and are measured across the other industries that the Park depends on for operations. The \$12.8 million in gross annual income collected by the Park will have an indirect effect in the other industries required to fuel operations.

Induced effect – The indirect effects measure business-to-business expenditures – or what the business operator spends on what is needed to function. Induced effects measure the effects of household and institutional spending. Put simply, the Park's staff (as well as the vendors and other contractors) earn wages, and they spend those wages on consumer goods, taxes, and savings.



As detailed in Table 1, the direct economic activity of Playland visitors' \$17.5 million in annual spending in the form of the Park's operating income), and direct off-site retail and consumer spending while in transit will generate approximately \$5.1 million in indirect impacts and \$5.1 million in induced impacts within Westchester County.

In total, the Rye Playland Operations generates in \$27.7 million in direct, indirect, and induced economic output from spending within Westchester County (Appendix Table A-8).

This spending will result in additional economic impacts in the form of employment and earnings at the Park and at Westchester County businesses. The total estimated direct on-site and off-site employment of 478 full-time equivalents will spin off 58 indirect jobs and 68 induced jobs. These jobs will create \$11.0 million in direct payroll, which in turn will generate \$5.1 million in indirect and induced payroll within Westchester County.

ERA provides the detailed assumptions and calculations in support of these findings in the following appendix tables.



V. General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Economics Research Associates and that may affect the estimates and/or projections noted herein. This study is based on estimates, assumptions and other information developed by Economics Research Associates from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

This report is based on information that was current as of January 2009 and Economics Research Associates has not undertaken any update of its research effort since such date.

Because future events and circumstances, many of which are not known as of the date of this study, may affect the estimates contained therein, no warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Economics Research Associates" in any manner without first obtaining the prior written consent of Economics Research Associates. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of Economics Research Associates. This report is not to be used in conjunction with any public or private offering of securities, debt, equity, or other similar purpose where it may be relied upon to any degree by any person other than the client, nor is any third party entitled to rely upon this report, without first obtaining the prior written consent of Economics Research Associates. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from Economics Research Associates.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.



Appendix A: Detailed Assumptions and Calculations

Appendix B: About IMPLAN

The IMPLAN modeling system has been in use since 1979 to assist in the decision-making and analysis processes of private consulting firms, university research centers, and government agencies.

Economic impact studies evaluate the effects from a change in final demand. A positive change in final demand is new economic activity in a region, such as a profitable new retail store or new employment at a factory. A negative change in final demand is the opposite, showing a decrease in economic activity for a region, such as an industrial plant closing or demand dropping for an umbrella vendor.

An economic study begins with a **study area**. Most impact studies model changes in either a state or a county. In this study, the study area is the District of Columbia. This study analyzes the economic impact only for the District, there will be other economic impacts outside of the District due to leakage, but they are not counted in this analysis.

An **economic impact analysis** measures the monetary exchanges necessary to accommodate a change in final demand. The U.S. economy is extraordinarily complex, as private businesses produce goods and engage in trade with each other they must hire workers who will pay taxes and fees, and make capital investments. These exchanges will filter through the economy; an increase in production from one industry sector will require an increase in production from others.

Economic impacts are measured at three stages. The following is a simplified explanation of each stage:

Direct Effects – Direct effects measure the immediate results of a change in output. For example, if a restaurateur were to open a hot new restaurant with sales of \$1M, it would have the direct effect of \$1M in the restaurant industry.

Indirect Effect – Indirect effects measure the economic activity needed to support the direct effect. In order to reach sales of \$1M the restaurant owner will have to pay his staff, for supplies, rent, maintenance, and salary to himself (proprietor's income). These payments are the indirect effects and are measured across the other industries he depends on. The \$1M in sales by the restaurant owner will have an indirect effect in the other industries that he needs to operate.

Induced effect – The indirect effects measure business-to-business expenditures, what the business owner spends on what he needs to operate. Induced effects measure the effects of household and institutional spending. Put simply, the wait staff at the restaurant (as well as the owner /management, etc.) earns wages, and they spend those wages on consumer goods, taxes, and savings.

In the IMPLAN software, the induced effect takes into account data from IMPLAN's **social accounting matrix (SAM)**. The social account matrix accounts for social security and income tax leakage, institution savings, and commuting. It also accounts for inter-institutional transfers. For this analysis the spending and saving patterns of households were used as the SAM institutional multipliers.

A **multiplier** describes the total (indirect, direct, and induced) effect on the economy. A multiplier makes no distinction among industries that are affected; it only describes the total effect of a given change in final demand. There, if the restaurant has a multiplier of 1.25, then that \$1M in sales will have a total impact of \$1.25M: \$1.0M directly, and \$.25M of indirect and induced economic activity (spread across the many industries and households needed to support the restaurant).

Employment is calculated by determining the ratio of employment to output for each industry and calculating the number of employees necessary to reach that output. The same method is used for calculating employee compensation.



Rye Playland Fiscal and Economic Impact Analysis

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Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-1

Westchester County General Fund Expenditures: Rye Playland Operations

	2008 General Fund	
	Expenditures	Percent of Total
Playland Park		
Annual Regular Salaries	\$ 2,810,842	18.6%
Other Personal Services	\$ 4,138,693	27.3%
Equipment	\$ 93,200	0.6%
Materials & Supplies	\$ 1,334,000	8.8%
Expenses (Excluding Debt Svc)	\$ 2,313,131	15.3%
Debt Service: Bond Principal	\$ 2,557,337	16.9%
Debt Service: Bond Interest	\$ 807,727	5.3%
Inter-Departmental Charges	\$ 1,093,323	7.2%
Total	\$ 15,148,253	100.0%
Departmental Income		
Playland Operations	\$ 12,796,495	
Interfund Revenue	\$ 173,658	
Total	\$ 12,970,153	
Net Departmental Total (Playland Real Property Tax Levy)	\$ 2,178,100	

Source: Westchester County Department of Parks, Recreation and Conservation; ERA AECOM; 2008.



Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-2

Rye Playland Visitor Intercept Survey Results

Survey Demographics: Respondent Location of Residence	Percent of Total Respondents	
Westchester County		29%
Other New York State		
Bronx		32%
Brooklyn		5%
Queens		10%
Manhattan		9%
Rockland County		2%
Long Island		1%
		59%
NY Metro - Out-of-State		
New Jersey		2%
Connecticut		4%
		6%
Other		6%
Total		100%
Average Party Size:		
Spending Groups Included in Analysis		
1-2 people	2	13%
3 people	3	15%
4 people	4	21%
5 people	5	15%
6 + people	6	12%
Weighted Average Party Size /1		3.97
Large Party (Bus) Groups Excluded from Weighted Average Party Size		
7 -10 people	8	15%
11+	11	9%
		100%

Source: Westchester County Department of Parks & Recreation; 2008 Playland Visitor Intercept Survey, Leisure Vision/ETC Institute; ERA AECOM, 2008.



Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-3

Rye Playland Visitor Direct Off-Site Retail and Visitor Spending

Attendance and Party Size Assumptions

2008 Attendance (ERA AECOM Estimate)	840,000
Weighted Average Party Size	3.97
Annual Party Groups	211,391

Rye Playland Survey Results

Expenditure Type	Spending on the way TO:			Spending on the way FROM:		
	% of Total	Expenditure per		% of Total	Expenditure per	
		Party	Gross Spending (TO)		Party	Gross Expenditure
Gas Stations	26%	\$ 25	\$ 1,374,040	22%	\$ 29	\$ 1,348,673
Restaurants	19%	\$ 21	\$ 843,449	18%	\$ 21	\$ 799,057
Other Entertainment/Cultural	13%	\$ 19	\$ 522,135	12%	\$ 19	\$ 481,971
Malls/Stores	12%	\$ 17	\$ 431,237	11%	\$ 15	\$ 348,795
Other	2%	\$ 4	\$ 16,911	2%	\$ 3	\$ 12,683
None	51%	\$ -	-	54%	\$ -	-
			\$ 3,187,772			\$ 2,991,179

Estimated Indirect Spending

Percent of Spenders	Westchester County		New York		NT Metro - Out of State		Other		Total Indirect Spending
Gas Stations	29%	59%	6%	6%	\$ 789,587	\$ 1,606,400	\$ 163,363	\$ 163,363	\$ 2,722,713
Restaurants					\$ 476,327	\$ 969,079	\$ 98,550	\$ 98,550	\$ 1,642,506
Other Entertainment/Cultural					\$ 291,191	\$ 592,423	\$ 60,246	\$ 60,246	\$ 1,004,106
Malls/Stores					\$ 226,209	\$ 460,219	\$ 46,802	\$ 46,802	\$ 780,032
Other					\$ 8,582	\$ 17,461	\$ 1,776	\$ 1,776	\$ 29,595
None					\$ -	\$ -	\$ -	\$ -	-
Total					\$ 1,791,896	\$ 3,645,581	\$ 370,737	\$ 370,737	\$ 6,178,951

Westchester County Spending Capture by Origin of Visitor

	Westchester County		New York		NT Metro - Out of State		Other	
Gas Stations	100%	50%	50%	50%	50%	50%	50%	
Restaurants	100%	80%	80%	80%	80%	80%	80%	
Other Entertainment/Cultural	100%	80%	80%	80%	80%	80%	80%	
Malls/Stores	100%	80%	80%	80%	80%	80%	80%	
Other	100%	80%	80%	80%	80%	80%	80%	
None	100%	80%	80%	80%	80%	80%	80%	
Total								

Estimated Direct Off-Site Spending in Westchester by Origin of Visitor

	Westchester County		New York		NT Metro - Out of State		Other		Total
Gas Stations	\$ 789,587	\$ 803,200	\$ 81,681	\$ 81,681	\$ 78,840	\$ 78,840	\$ 1,756,150		
Restaurants	\$ 476,327	\$ 775,263	\$ 78,840	\$ 78,840	\$ 48,197	\$ 48,197	\$ 1,409,270		
Other Entertainment/Cultural	\$ 291,191	\$ 473,938	\$ 48,197	\$ 48,197	\$ 37,442	\$ 37,442	\$ 861,523		
Malls/Stores	\$ 226,209	\$ 368,175	\$ 37,442	\$ 37,442	\$ 1,421	\$ 1,421	\$ 669,267		
Other	\$ 8,582	\$ 13,969	\$ 1,421	\$ 1,421	-	-	\$ 25,392		
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-		
Total	\$ 1,791,896	\$ 2,434,545	\$ 247,581	\$ 247,581	\$ 247,581	\$ 247,581	\$ 4,721,602		

Playland Visitor Spending

	2008 Figures	Per Capita	Percent of Total
Annual Visitors (Persons)	840,000		
Total On-Site Visitor Spending (Park Revenues)	\$ 12,796,495	\$ 15.23	
Total Off-Site Spending in Transit to/ from the Park	\$ 6,178,951	7.36	100%
Spending in Westchester	\$ 4,721,602	\$ 5.62	76%

Source: Westchester County Department of Parks & Recreation; 2008 Playland Visitor Intercept Survey, Leisure Vision/ETC Institute; ERA AECOM, 2008.



Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-4

Estimated Direct On-Site and Off-Site Sales Tax Revenue (2008)

Rye Playland Retail Spending	Gross Annual Spending (2008)	Percent Taxable	Taxable Westchester County Spending	Westchester County	Sales Tax Revenues				
					NY State	Metro Transit Authority	Old Local	New Local	Total
				1.50%	4.00%	0.375%	1.00%	0.50%	7.375%
Direct On-Site Spending									
Rides & Attractions	\$ 8,484,057	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food & Beverage	\$ 2,686,085	100%	\$ 2,686,085	\$ 40,291	\$ 107,443	\$ 10,073	\$ 26,861	\$ 13,430	\$ 198,099
Games/Rentals	\$ 1,334,211	0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Merchandise	\$ 292,142	100%	\$ 292,142	\$ 4,382	\$ 11,686	\$ 1,096	\$ 2,921	\$ 1,461	\$ 21,545
Total	\$ 12,796,495		\$ 2,978,227	\$ 44,673	\$ 119,129	\$ 11,168	\$ 29,782	\$ 14,891	\$ 219,644
Direct Off-Site Spending (Park Visitors in Transit)									
Gas Stations	\$ 2,395,987		\$ 1,756,150	\$ 26,342	\$ 95,839	\$ 8,985	\$ 17,561	\$ 8,781	\$ 157,509
Restaurants	\$ 1,445,405		\$ 1,409,270	\$ 21,139	\$ 57,816	\$ 5,420	\$ 14,093	\$ 7,046	\$ 105,515
Other Entertainment/Cultural	\$ 883,613		\$ 861,523	\$ 12,923	\$ 35,345	\$ 3,314	\$ 8,615	\$ 4,308	\$ 64,504
Malls/Stores	\$ 686,428		\$ 669,267	\$ 10,039	\$ 27,457	\$ 2,574	\$ 6,693	\$ 3,346	\$ 50,109
Other	\$ 26,043		\$ 25,392	\$ 381	\$ 1,042	\$ 98	\$ 254	\$ 127	\$ 1,901
Total	\$ 5,437,477		\$ 4,721,602	\$ 70,824	\$ 217,499	\$ 20,391	\$ 47,216	\$ 23,608	\$ 379,538
Westchester County Gasoline Taxes									
Tax Rate				6.75%					
Tax Revenue				\$ 118,540					
Gross Annual Spending / Sales Taxes			\$ 7,699,829	\$ 234,038	\$ 336,628	\$ 31,559	\$ 76,998	\$ 38,499	\$ 599,182

Source: Westchester County Department of Parks, Recreation and Conservation; New York State Department of Taxation and Finance; 2008 Playland Visitor Intercept Survey, Leisure Vision/ETC Institute; ERA AECOM, 2008.



Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-5

Direct Off-Site and Off-Site Playland Spending, Employment, and Earnings (2008)

DIRECT EMPLOYMENT GENERATION /1

On-Site: Playland Park Operations	On-Site Revenues (Retail/ Entertainment Spending)		Annual Employment (FTEs)	Average Wage/ FTE	Direct Annual Earnings
Annual Regular Salaries			52	\$ 59,146	\$ 3,075,584
Other Personal Services (Hourly/Overtime)			117	\$ 22,821	\$ 2,670,000
Vendor Employees (Hourly/Overtime)			234	\$ 22,821	\$ 5,332,101
Total	\$ 12,796,495		403		\$ 11,077,685

Off-Site: Employment Created by Playland Visitor Spending	Playland Visitor Spending	Gross Retail & Other Sales / FTE	Estimated Annual Employment (FTEs)	Estimated Annual Wage	Indirect Annual Earnings
Westchester County Captured Spending	\$ 4,721,602	\$ 62,366	76	\$ 22,880	\$ 1,732,196
Subtotal Direct Spending, Employment and Earnings	\$ 17,518,097		478		12,809,881

1/ Employment figures based on Westchester County Current Operating Budgets 2008 for Playland Park, Beach and Pool. Salaries and wages exclude FICA, Medicare, insurance, and other fringe benefits.

2/ While 100% of marketing support is contracted to a Westchester-based vendor, approximately 70% of advertising expenditures are made outside of Westchester County.

3/ Retail and Food & Beverage Occupation employment generation assumptions:

Estimated annual gross sales per full-time equivalent employee reported by the Bureau of Labor Statistics for retail/restaurant operations =

\$ 62,366

Estimated annual retail wage for Westchester County, New York Department of Labor Statistics, 2008 :

\$ 22,880

4/ Vendor employment based on 1,200 seasonal person jobs working 22% of average annual full-time equivalent position (assumed at 12 annual work weeks and 32 hours per week per person)

Source: Westchester County Department of Parks, Recreation and Conservation; US Bureau of Labor Statistics; National Restaurant Association; New York Department of Labor Statistics; 2008 Playland Visitor Intercept Survey, Leisure Vision/ETC Institute; ERA AECOM, 2008.



Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-6

Rye Playland Operating Expenditures (Share of 2008 Westchester County General Fund Budget)

General Fund Department (2008)	General Fund Budget (Expenditures)
General Government & Support	\$ 55,165,459
Home & Community Services	\$ 585,124,489
Health Services	\$ 193,738,213
Public Safety, Correction & Courts	\$ 223,849,596
Roads, Transportation & Parks	\$ 192,407,518
Misc. & Fixed Expenditures	\$ 429,930,347
Education	\$ 23,365,000
Total	\$ 1,703,580,622
Annual Playland Real Property Tax Levy	\$ 2,178,100

Playland Expenditures (% of Departmental Budget) 0.13%

Direct Economic Impact of Playland Real Property Tax Levy /1	Annual Economic Impacts /1	Annual Playland Real Property Tax Levy	Impact per \$1 Playland Expenditures
Retail Spending	\$ 17,518,097	\$ 2,178,100	\$ 8.04
Employment (FTEs)	478	\$ 2,178,100	0.0002
Earnings (Wages)	\$ 12,809,881	\$ 2,178,100	\$ 5.88

1/ Economic impacts reflects direct on-site and indirect off-site activity, including:

- Direct on-site Playland operations
- Indirect operating expenses incurred by Westchester County DPRC and paid to Westchester County vendors
- Indirect retail and other consumer spending by Playland visitors within Westchester County as reported by the Playland visitor intercept survey conducted by Leisure Vision/ETC Institute, 2008.

Source: Westchester County Department of Parks, Recreation and Conservation; 2008 *Playland Visitor Intercept Survey*, Leisure Vision/ETC Institute; Economics Research Associates, 2008.



Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-7

Example of Indirect Impacts: Rye Playland Operating Expenses Captured by Westchester County Businesses

Non-Wage Materials Purchases and Service Expenditures	Equipment Service & Rental	Contractual Services	Entertainment	Marketing	Total
Total Annual Operating Expenditures	\$ 68,684	\$ 565,844	\$ 303,705	\$ 630,000	\$ 1,568,233
Amount Spent Within Westchester County	\$ 38,000	\$ 334,793	\$ 35,703	\$ 189,000	\$ 597,496
Percent Westchester County Capture	55%	59%	12%	30%	38%

Source: Westchester County Department of Parks, Recreation and Conservation; 2008 Playland Visitor Intercept Survey, Leisure Vision/ETC Institute; ERA AECOM; 2008.



Rye Playland Fiscal and Economic Impact Analysis
Appendix Table A-8

Cost of Playland Funding per Westchester County Household, 2008

	<u>2008 Figures</u>
Westchester County Population	
Owner-occupied dwelling units:	202,765
Renter-occupied apartments:	134,377
Total Households	337,142
2008 Real Property Tax Levy	\$ 535,467,453
Real Property Tax per Dwelling Unit	\$ 1,588
Total Annual Playland Real Property Tax Levy /1	\$ 2,178,100
Annual Playland Support per Dwelling Unit	\$ 6.46
Playland Support as Percent of Real Property Tax per Dwelling Unit	0.41%

1/ Includes annual Westchester County General Fund expenditures for Playland Park, Beach and Pool, net of "Departmental Income," e.g., tickets sales, concession revenues, parking revenues, etc.
Source: Westchester County Current Operating Budgets, 2008; ERA AECOM; 2008.