

APPENDIX F

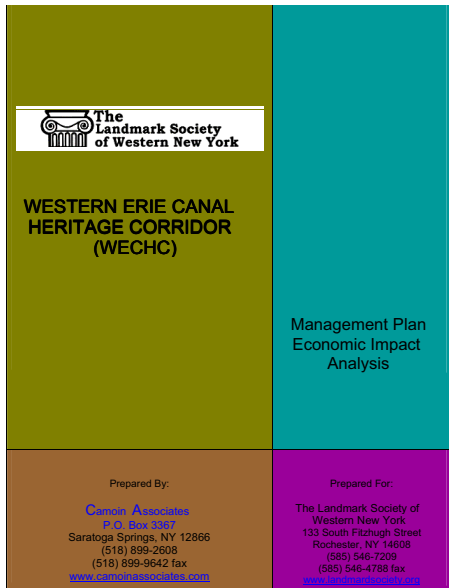


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Executive Summary

The purpose of this report is to illustrate the economic impact that implementation of the WEHC Management Plan initiatives will have on the 5-county region encompassing the canal corridor. This analysis examines two potential sources of new revenue for the region including visitor and WEHC spending. In terms of visitor expenditures, only additional spending from tourists residing outside the region was considered. The report also determines how the proposed spending on administration, programming and development initiatives by the WEHC will ripple through and impact the regional economy.

While equally important, this analysis does not assess other potential and unquantifiable impacts that Management Plan initiatives may have on the region. These benefits include increased historic and cultural resource preservation, enhanced educational opportunities and community pride, as well as the fostering of new regional partnerships and alliances.

It is estimated that 134,656 additional non-local visitors will spend approximately \$11.6 million annually in the region as a result of annual spending by

Annual Visitation & WEHC Spending Economic Impact Summary				
Activity Impact	Direct Sales (\$MM)	Indirect Sales (\$MM)	Total Effects Income (\$MM)	Jobs
Visitor Impact	\$ 7.30	\$ 13.45	\$ 3.80	164
Development Impact	\$ 0.66	\$ 1.19	\$ 1.60	38
Spending	\$ 7.96	\$ 14.64	\$ 5.40	202

the WEHC on administration, programming and economic development initiatives. However, because a portion of expenditures will be on goods produced outside the region, a share of the total will immediately leave the 5-county economy. Goods produced outside the region may include clothing, gasoline, specialty gifts, agricultural products, etc. The result is that an estimated \$7.96 million in direct sales will be injected into the regional economy and generate \$14.64 million in indirect sales revenue for local businesses and \$5.40 million in additional employment wages annually. These additional sales and wages will generate a total of 202 new jobs in various regional industries.

A variety of supporting studies and data sources were identified and assumptions developed to complete this analysis. While detailed Visitor Impact and Development Impact spreadsheet information can be found in the appendix, a summary of sources and assumptions are highlighted below:

Visitation: Data obtained from a June 2002 NYS Canal Corporation Economic Impact Study determined that approximately 7 million people visit the Erie Canal system each year. The study also determined that by dividing the number of visits by the total 524-mile length of the corridor, visits per canal mile could be estimated. Using this methodology, Camoin Associates estimates that approximately 1.6 million people visited the 120-mile (based on WECHC staff and map measurements) WECHC in 2002.

The purpose of this analysis is to determine how the implementation of the WECHC Management Plan will impact the 5-county region through increased canal visitation and spending. In projecting the increased visitation, estimates developed by the Mohawk Valley Heritage Corridor and Ohio & Erie Canal Corridor Coalition were used as a guideline. A 16.5% increase in visitation was projected to result from the implementation of the Ohio Plan. Similarly, the Mohawk Valley Plan estimated between 181,000 and 321,000 additional visitors each year. By any business measure, the Ohio and Mohawk Valley Plan projections represent a significant increase in market share. As a result, a more conservative 12% rate increase in visitation to the WECHC was selected in the first year and assumed that visitation will fluctuate above and below that level over the 7-year period as economic conditions, gas prices, dollar values and weather conditions influence travel plans.

Visitor Types: The National Park Service (NPS) Money Generation Model II (MGM 2) was used to determine the economic impacts of increased visitation and spending. Based on the methodology of this model, visitors are typically placed into four categories: local day travelers; non-local day travelers; overnight travelers staying in hotel accommodations; and overnight travelers staying in other accommodations. By utilizing prior NPS visitor studies conducted for the Women's Rights National Historic Park, Martin Van Buren National Historic Site and Fort Stanwix National Historic Monument, Camoin Associates assigned proportions of total new visitors to the WECHC to all four categories. Based on an analysis of the available visitor data, it was determined that the Erie Canal visitor types would most likely reflect the Women's Rights National Historic Park traveler with 30% of new visitors residing within the 5-county region, 60% residing in nearby counties, 8% staying in overnight hotel accommodations and 2% staying overnight at camping areas or with friends or relatives. These assumptions were based on the WECHC's location in New York State and the visitor findings published in the 2002 New York State Canal Corporation Conversion Study.

Visitor Spending: A number of sources including NPS visitor reports, the Travel Industry Association of America's Historic/Cultural Traveler 2001 Edition, the 2002 New York State Canal Corporation Conversion Study, the 2001 NYS Tourism Travel Research Report, the Pennsylvania Heritage Tourism Study, and NYS Department of Taxation & Finance data were used to determine how much and what goods and services non-local day and overnight travelers would likely spend within the WECHC. Based on this data, it was again assumed that WECHC visitor spending would primarily resemble that of the Women's Rights National Historic Park visitors. As a result, it was estimated that non-local day travelers would spend approximately \$55.18 per day, overnight hotel travelers \$147.31 per day and overnight non-hotel travelers \$71.73 per day.

ASSUMPTIONS & DATA

WECHC Administrative, Programming & Development Spending: A seven-year spending proforma was developed for the WECHC based upon estimates provided by the organization. Unless otherwise indicated in the detailed spreadsheets, Camoin Associates assumed a long-term inflation rate of 3% in years two through seven. Assumptions regarding the proportion of these costs to be spent outside the 5-county region were developed based on the consultant's understanding of the Western New York economy and anecdotal information. For example, it was assumed that all gas and oil and a portion of agriculture and retail goods are produced outside the region.

THE HERITAGE/CULTURAL TRAVEL MARKET

Prior to analyzing the potential economic impact of the Management Plan's administration and implementation, heritage tourism industry trends, the current and projected economic and demographic profile of the five-county region, and the status of existing and proposed tourism venues were reviewed and assessed. The purpose of this assessment is to understand how travel industry trends and the local and regional economy may impact future WECHC visitation.

Heritage Travel Industry :

In 2001, the Tourism Industry Association of America (TIA) published the Historic/Cultural Traveler, which provides a detailed profile of trips that include historic and/or cultural activities and the consumers who take them. The TIA report data was gathered from two consumer studies including TravelScope and the Travel Survey. TravelScope is a national mail survey conducted monthly among 25,000 U.S. resident households which collects information pertaining to visitor volume, market share, trip characteristics and demographics. The Travel Survey is conducted via telephone with U.S. consumers who have taken at least one trip in the past year. The survey gathers information pertaining to arts, cultural, and historic activities.

According to the TIA report mentioned above, households taking historic trips are most likely to be headed by ages 35-54 (44%). One-third (33%) are headed by mature individuals age 55 years or older.

The TIA report notes that travel in the U.S. is largely regional due to a high correlation between region of residence and region of destination. As a result, historic travelers are more likely to drive to their destination by automobile (63%).

Demographic Profile of Historic Travelers (2000)	
Household Head Age 18-34	23%
Household Head Age 55 or Older	33%
Have Completed College or More	59%
Have an Annual Household Income of \$75,000 and Over	33%
Median Annual Household Income	\$55,000
Own a Cellular Phone	51%
Own a Personal Computer	72%

Besides visiting historic sites and museums, shopping is the most popular activity on historic trips. Adults traveling with children are more inclined to also visit beaches, participate in outdoor activities and visit a theme or amusement park. Conversely, trips by adults traveling alone or with other adults will often include cultural events, festivals, nightlife activities and gambling. In 2000, New York State was ranked third among the most visited states by Historic Place/Museum travelers.

Socio-Economic Trends in the Five-County Region :

Published data from the U.S. Census Bureau indicates that the aggregated population of the 5-county WECHC region, which includes Erie, Niagara, Wayne, Orleans and Monroe, increased by 0.5 percent, from 2.3 million to 2.4 million people, between 1990 and 2000. However, projections provided by Claritas, Inc., a provider of demographic and market data, indicate that the regional population has since declined -0.8% from 2.4 to 2.2 million between 2000 and 2002. Claritas information also suggests the region may continue to experience a decline in population with a projected loss of -1.6% between 2002 and 2007.

However, with one-third of all historic cultural travelers over the age of 55, the aging of WECHC region and surrounding County populations will likely have a significant positive impact on local and regional day-trip visits and spending. In fact, the local population of persons 55 and older has been growing since 1990 and is expected to continue this growth at least until 2007. According to Claritas, the 5-county population of persons between the age of 55 and 74 is

THE HERITAGE/CULTURAL TRAVEL MARKET

projected to increase 14.7% from 166,802 in 2002 to 191,335 by 2007. The 5-county regional demographic trends reflect what is occurring in almost all other upstate New York counties, suggesting that the regional day trip and overnight historic/cultural visitor market is growing rapidly.

Other Factors Potentially Influencing WECHC Visitation Projections :

Niagara Falls - The most significant tourist attraction within the 5-county region, and perhaps New York State, is Niagara Falls. More than 14 million people visit the Falls annually, spending an estimated \$706 million in the local economy. During the summer months, an average of 27,000 visitors stay in the 10,500 available accommodation units each night.

Seneca Niagara Casino - An additional 3,000 rooms are currently being developed to accommodate the projected growth in visitors patronizing the recently opened Seneca Niagara Casino in Niagara Falls, New York. The casino was developed to stem the Niagara Falls, Ontario casinos from capturing a larger portion of visitation and spending on the Canadian side of the border.

As indicated by the TIA Historic/Cultural Traveler Survey, older historic/cultural travelers will often include gambling in their travel itinerary. If it has been determined that the Niagara Falls traveler represents a market opportunity to the WECHC, recent and planned developments in Niagara Falls could positively impact canal visitation and spending.

Canadian Dollar – A recent reversal in the value of the U.S. dollar compared with the Canadian dollar has lowered the cost of Canadians traveling to the U.S. In fact, at the beginning of 1999, the Canadian Dollar was equivalent to \$.65 U.S. compared to \$.73 U.S. at the end of May 2003. In the past, favorable currency exchange rates have translated to increased Canadian tourism in the U.S. Should these favorable rates continue, Canadian traveler and spending may positively impact the WECHC region.

National Economy – Numerous travel trend reports indicate that the sluggish national economy has reduced air travel considerably, particularly since the tragic events of 9/11. However, many upstate New York communities have experienced an increase in inquiries and visitation as the economy and reduced air travel have led to trips via automobile. Being geographically situated within a days drive of New York City, northern New Jersey, and Albany, the WECHC may experience an increased interest from those looking for day-trip or short overnight travel destinations to avoid the expense and perceived dangers of destinations requiring air travel.

ANALYSIS METHODOLOGY OVERVIEW

This WECHC Management Plan impact analysis is segmented into two components. The first measures the impact that additional visitation spending will have on the WECHC counties. The second component assesses the effect spending by the WECHC on administration, programming and development initiatives could have on the regional economy. As a result, two separate methodologies are used to assess each component, with the results combined to determine a total economic impact. This impact is measured in terms of direct, indirect and induced effects.

Direct impacts are those accruing to individuals, businesses and organizations in the 5-county region that receive money directly from additional visitors or the WECHC. Indirect effects are the sales, income and jobs in businesses that sell goods and services to those that are directly affected. Finally, induced effects capture the re-spending of income earned by employees of businesses that are impacted directly and indirectly.

This analysis uses the most readily and reliable data available. As previously mentioned, these data included other heritage corridor management plans, visitor impact and National Park Service visitation studies, U.S. Bureau of Census data, Claritas, Inc. projected demographic data, TIA heritage traveler information, the WECHC management plan and administration budgets, and aggregated RIMS II industry multipliers for Erie, Niagara, Orleans, Wayne and Monroe Counties published by the U.S. Department of Commerce, Bureau of Economic Analysis.

Visitor Spending:

In measuring the direct, indirect and induced economic impacts of increased visitation on the heritage corridor, the number and type of new visitors from outside the region was estimated. According to the MGM2 model, increased visitation and/or spending by local residents merely shifts money from one segment of the economy at the cost of another. For example, if implementation of the WECHC Plan were to only increase visitation by residents of the 5-county region, it could be argued that no economic impact would result because that additional spending is only shifting from one activity to another, rather than representing an increase in total regional spending. As a result, additional local visitation was eliminated from the assessment.

Once the number of additional visits by category (e.g. non-local day trip, overnight hotel and other overnight) was determined, the total daily spending of each day trip was estimated. As previously described, this step recognizes that different types of travelers spend in varying amounts. In addition, the daily spending estimates were segregated into the various tourism spending categories (i.e. hotel, eating and drinking, retail, etc.). For example, overnight visitors tend to spend more money per day than non-local day visitors who do not have the added expense of overnight accommodations.

Finally, spending multipliers were obtained to determine the indirect and induced effects of each additional dollar spent in the study region. U.S. Department of Commerce, Bureau of Economic Analysis RIMS II multipliers were used for this analysis. Once the necessary data was gathered, the MGM2 model was used to determine the economic impact of additional tourism spending.

ANALYSIS METHODOLOGY OVERVIEW

Management Plan Administration, Programming & Development Expenditures:

The direct, indirect and induced economic impact of increased spending on WECHC programs and development initiatives designed to increase visitation were also measured. By including this within the analysis, it is assumed that this funding would not otherwise be spent on other regional activities and thus represents an increase in spending.

Economic impact assessment utilizes a static model, that is, it assumes the investment that creates the initial jobs is sustained. Nevertheless, the process began with a determination of a study time period and the type and amount of WECHC spending. Expenditure figures were obtained from an existing budget developed by the WECHC and then projected forward to create a 7-year proforma. It should be noted that the long-term inflation rate of 3% was used unless otherwise indicated.

The budget expenditure line items were then broken down into spending categories or industries. The multipliers for each industry were selected to calculate the indirect and induced impacts the spending would have on regional sales revenue, earnings and job creation. A spreadsheet model, developed by Camoin Associates, was used to illustrate the economic impact of direct WECHC spending.

CORRIDOR VISITATION & SPENDING PROJECTIONS

2002 WECHC Visitation Estimates:

In 1990, the Army Corps of Engineers conducted a study titled the "Economic Benefits of Operation, Champlain Canal of the New York State Barge Canal." The study included a visitation survey of the Champlain section of the Canal system. To date, this is the most comprehensive and detailed canal visitor survey conducted/available. Based on data obtained from this report, the New York State Canal Corporation estimated the total annual Erie Canal visitors is approximately 7 million. Using their methodology for extrapolating the total number of Canal visitors from the Champlain data, Camoin Associates estimates the total number of Erie Canal person day trips that occurred in Erie, Niagara, Orleans, Wayne and Monroe Counties in 2002 to be approximately 1,603,053. This includes visitors attending the numerous Canal festivals held throughout the year in a number of communities. In fact, according to the NYS Canal Corporation report, two of the largest Erie Canal events, held in Fairport and the Tonawandas, attracted an estimated 550,000 people in 2002.

Projected New Visitors	
2001 Estimated NYS Canal System Visitors	7,000,000
Current Annual Visitation	1,603,053
% Increase in Visitation	12%
Projected New 2003 WECHC Visitors	192,366

Projected Increased Visitation by Visitor Type:

Based on data obtained from the economic impact section of the management plans completed for the Mohawk Valley Heritage Corridor and the Ohio & Erie Canal Corridor Coalition, Camoin Associates estimates that an 12% increase, or 192,366 additional WECHC visitors, will result from the implementation of the proposed Management Plan initiatives. A review of other factors potentially impacting WECHC visitation did not identify any specific events or projects likely to negate the projected level of increased canal visitation.

Total New WECHC Visitors by Type		
Type	% of Total	Visitors
Local	30%	57,710
Non-Local Day	60%	115,420
Overnight Motel	8%	15,389
Overnight Non-Motel	2%	3,847
TOTAL	100%	192,366
Non-Local Visitor Total		134,656

Based in part on previous studies conducted by the National Park Service, it is estimated that approximately 60% (115,420) of the projected additional WECHC visitors will be non-local day travelers. These visitors include those traveling from outside the 5-county region to the WECHC for all or a portion of a day. An estimated 8% (15,389)

will be overnight visitors staying in hotel/motels and another 2% (3,847) of the visits will be from those staying in other overnight accommodations including campgrounds or with friends/relatives. The balance of new visitation, 30% or 57,710 persons, is expected to come from locals residing within the 5-county region. Because these individuals are typically comprised of day trips that would have otherwise been made to other attractions within the region, their expenditures cannot be considered additional spending. As a result, projected new visitation, excluding local residents, totals 134,656.

Spending by Visitor Type:

Visitor spending data gathered from NPS studies, along with information obtained from the TIA, the Pennsylvania Heritage Travelers Report, New York State Canal Conversion Study, NYS Department of Taxation & Finance data and the NYS Tourism Travel Research Study, was used as a guideline in establishing daily spending for non-local day, overnight hotel and overnight non-hotel visitors to the WECHC. Because many of these studies were conducted between 1999 and 2002, each was adjusted for inflation (3%) to 2003 estimates. As previously mentioned, it was assumed that WECHC visitor spending would primarily resemble that of the

CORRIDOR VISITATION & SPENDING PROJECTIONS

Women’s Rights National Historic Park visitors. As a result, it was projected that non-local day travelers would spend approximately \$55.18 per day, overnight hotel travelers \$147.31 per day and overnight non-hotel travelers \$71.73 per day.

Average Base Year Spending by Visitor Type				
Sector	Non-Local Day	Overnight Motel	Overnight Non-Motel	Total
Services: Lodging	\$ -	\$ 83.23	\$ 9.97	\$ 10.65
Services: Eating & Drinking	\$ 15.12	\$ 23.72	\$ 13.92	\$ 17.26
Manufacturing: Groceries	\$ 4.19	\$ 6.33	\$ 9.97	\$ 5.46
Manufacturing: Gas & Oil	\$ 7.61	\$ 10.46	\$ 9.76	\$ 8.84
Services: Miscellaneous -Recreation	\$ 8.33	\$ 7.37	\$ 8.46	\$ 8.95
Other	\$ -	\$ -	\$ -	\$ -
Retail Trade (excludes eating and drinking)	\$ 19.92	\$ 16.20	\$ 19.66	\$ 21.17
Total	\$ 55.18	\$ 147.31	\$ 71.73	\$ 72.33

Total spending per day by visitor type was also segregated into categories including hotel, eating and drinking, groceries, travel, recreation and retail so that appropriate industry multipliers could be applied to determine the total indirect and induced impacts.

Additional Spending Year 1 and 7 by Visitor Type					
Sector	Non-Local Day	Overnight Motel	Overnight Non-Motel	Year 1 Total	Year 7 Total
Services: Lodging	\$ -	\$ 1,280,815	\$ 153,449	\$ 1,434,264	\$ 1,712,586
Services: Eating & Drinking	\$ 1,745,085	\$ 364,976	\$ 214,166	\$ 2,324,227	\$ 2,775,248
Manufacturing: Groceries	\$ 484,038	\$ 97,478	\$ 153,449	\$ 734,965	\$ 877,586
Manufacturing: Gas & Oil	\$ 878,912	\$ 160,952	\$ 150,137	\$ 1,190,000	\$ 1,420,923
Services: Miscellaneous -Recreation	\$ 961,708	\$ 113,346	\$ 130,266	\$ 1,205,320	\$ 1,439,215
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Trade (excludes eating and drinking)	\$ 2,299,182	\$ 249,362	\$ 302,481	\$ 2,851,026	\$ 3,404,274
Total	\$ 6,368,925	\$ 2,266,930	\$ 1,103,947	\$ 9,739,801	\$ 11,629,832

Projected spending amounts for each visitor category were then multiplied by the respective increases in annual visitors to produce

Year 1 total direct sales. Assuming that the level of additional visits remains stable over the 7-year period and that inflation increases at an annual rate of 3%, additional annual visitor spending will grow to \$11.6 million in the 5-county region.

The 7-year accumulated WEHC Management Plan implementation spending will lead to approximately \$74.6 million in additional non-local visitor spending in lodging, restaurant, food, transportation, recreation and retail related establishments located in the 5-county area.

7-Year Visitor Spending by Industry Sector	
Sector	Total Spending
Services: Lodging	\$ 10,989,993
Services: Eating & Drinking	\$ 17,809,299
Manufacturing: Groceries	\$ 5,631,641
Manufacturing: Gas & Oil	\$ 9,118,333
Services: Miscellaneous -Recreation	\$ 9,235,718
Retail Trade (excludes eating and drinking)	\$ 21,845,875
Total	\$ 74,630,859

WECHC ADMINISTRATION, PROGRAMMING & DEVELOPMENT SPENDING PROJECTIONS

In addition to direct visitor spending, this impact analysis also accounts for new spending by the entity that will be established to finance and administer the WECHC Management Plan initiatives. These administrative budgets were developed by existing Landmark Society of Western New York staff and the WECHC Board and then reviewed by Camoin Associates with the Coordinator.

7-YEAR ADMINISTRATION, PROGRAMMING & DEVELOPMENT PROFORMA SUMMARY	
Activity	Total
WECHC Administration & Management	\$ 1,697,235
Programming	
Marketing Plan Initiatives	\$ 1,619,791
Economic Development Initiatives	\$ 132,550
Education & Interpretation Initiatives	\$ 291,174
Development Initiatives	\$ 2,758,736
TOTAL	\$ 6,499,486

As detailed in previous sections, programming and development initiatives include marketing, economic development, education and interpretation, and downtown improvement financing projects. In order to assign the appropriate multipliers to each spending category, the 7-year Administration, Programming and Development Proforma was then modified to reflect proposed spending by industrial sector. However, as with annual visitation, measuring the impact of development spending is also a static model. Thus, the annual expenditures, rather than the sum of the study period, are used to assess impact.

It is assumed that approximately 50% of the WECHC's visitor retail spending will be on goods produced by establishments located outside the 5-county region. As a result, these funds will not be available to be recirculated to other local businesses in the form of indirect sales and are not included in the regional economic impact calculation.

Annual WECHC Proforma by Industrial Sector Spending				
Spending by Sector	Annual Output Spending in Region	% Local Production	Local Production	Output Spending Outside Region
Construction: Repair & Main.	\$ 368,000.00	100%	\$ 368,000.00	\$ -
Manufacturing: Commercial Printing	\$ 120,878.67	100%	\$ 120,878.67	\$ -
Trans. & Utilities: Air Travel	\$ 2,388.10	100%	\$ 2,388.10	\$ -
Trans. & Utilities: Communications	\$ 3,582	100%	\$ 3,582.16	\$ -
Transportation: Local Passenger	\$ 28,060.23	100%	\$ 28,060.23	\$ -
Retail Trade	\$ 27,089.97	30%	\$ 8,126.99	\$ 18,962.98
F.I.R.E.: Real Estate	\$ 15,522.68	100%	\$ 15,522.68	\$ -
Services: Hotels	\$ 895.54	100%	\$ 895.54	\$ -
Services: Computer and data processing	\$ 10,000.00	100%	\$ 10,000.00	\$ -
Services: Engineering & Architectural	\$ 66,928.63	100%	\$ 66,928.63	\$ -
Services: Accounting, Bookkeeping	\$ 4,776.21	100%	\$ 4,776.21	\$ -
Services: Advertising	\$ 15,500.00	100%	\$ 15,500.00	\$ -
Services: Eating & Drinking	\$ 12,239.04	100%	\$ 12,239.04	\$ -
Services: Business & Professional Membership Organizations	\$ 2,388.10	100%	\$ 2,388.10	\$ -
Services: Other Membership Organizations	\$ 378,914.53	n/a	n/a	n/a
Government: Postage	\$ 1,552.27	100%	\$ 1,552.27	\$ -
TOTAL	\$ 1,058,716.12		\$ 660,838.61	\$ 18,962.98

It must also be noted that the \$378,914 million allocated to the industry sector Services: Other Membership Organizations represents total salaries and benefits paid to WECHC staff. Because this expenditure represents earnings rather than sales of local goods and services, a direct earnings rather than a final demand sales multiplier must be utilized. As a result, it is not appropriate to assign a local production percent.

WECHC ADMINISTRATION, PROGRAMMING & DEVELOPMENT SPENDING
PROJECTIONS

Based on the proforma calculations, an estimated \$1.06 million will be spent on Management Plan objectives annually, of which approximately \$1.04 million will be spent on direct wages to WECHC staff and locally produced goods and services.

CONCLUSION: 7-YEAR WECHC MANAGEMENT PLAN ECONOMIC IMPACT

The purpose of this analysis is to measure the impact of each new dollar expended by the WECHC on administration, programming and development and the spending by additional tourists that visit the region as a result of the WECHC initiatives. This concluding section combines the visitor spending and WECHC budget impact analysis to illustrate how the implementation of the WECHC Management Plan will impact the 5-county regional economy through direct, indirect and induced economic effects.

Economic Impact From Increased Visitation:

Based on the findings, the 5-county WECHC regional economy can expect an additional 134,656 non-local visitors each year spending as much as \$11.6 million on

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Activity Impact	Direct Sales (\$MM)	Indirect Sales (\$MM)	Total Effects Income (\$MM)	Jobs
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Development Impact	\$ 0.66	\$ 1.19	\$ 1.60	38
Spending	\$ 7.96	\$ 14.64	\$ 5.40	202

lodging, restaurants, groceries, transportation, recreation, and retail goods annually. Because only a portion of total goods sold will be produced within the region, an estimated \$7.30 million of the total visitor spending (direct sales) will be injected into the regional economy. Based on the sales, earnings and job multiplier effects, the increased visitor spending will generate a total of \$13.45 million in indirect sales and \$3.8 million in additional earnings annually and 164 new jobs.

Economic Impact From WECHC Spending:

The projected annual direct spending on administration, programming and development related to the WECHC's proposed Management Plan initiatives will increase to \$1.06 million by the end of the 7-year. Of this amount, \$1.04 million will be spent directly in the 5-county region, including \$660,000 on goods and services produced in the region. Based on the sales, earnings, and job multiplier effects, this spending will generate \$1.19 million in indirect sales, \$1.6 million in increased earnings (payroll) and 38 new jobs by the end of the 7th year of Plan implementation.

In conclusion, the implementation of the WECHC Management Plan will lead to \$14.64 million in annual indirect sales revenue, \$5.4 million in additional earnings annually and the creation of 202 new jobs within the 5-county regional economy.

Fiscal Impact:

Furthermore, based on the additional direct visitor spending over a 7-year period, the WECHC Counties will collect approximately \$2.8 million in additional sales tax revenues and \$219,800 in additional bed tax fees. Simultaneously, New York State will collect approximately \$2.9 million sales tax revenue and \$351,000 in income taxes. Combined, approximately \$6.3 million in additional sales, transient lodging and income tax revenues will be generated for New York State and the WECHC Counties over a 7-year period. It should be noted that state and local savings for the provision of social service programs that might be utilized if not for the creation of new employment opportunities was not considered. However, this savings would represent an additional financial benefit.

7-year State & Local Tax Revenue Benefits	
Total Taxable Visitor Spending	\$ 68,999,219
Lodging Sales	\$ 10,989,993
County Sales Tax Rate	4%
NYS Sales Tax Rate	4.25%
Bed Tax Rate	2.00%
5 County Sales Tax Revenue	\$ 2,759,969
5-County Bed Tax Revenue	\$ 219,800
NYS Sales Tax Revenue	\$ 2,932,467
NYS and 5-County Sales & Bed Tax Revenue	\$ 5,912,235
New Wages to 5-County Households	\$ 5,400,094
State Income Tax Rate	6.50%
Income Tax Revenue	\$ 351,006
Total State & Local Tax Revenues	\$ 6,263,242

Program & Development Initiative Impacts

Western Erie Canal Heritage Corridor (WECHC)

Table #1: Projected WECHC Program Management & Development Initiative Budget

	Year 1	Year 2	Year 3	7-Year Projected		Year 6	Year 7	Total
				Year 4	Year 5			
WECHC Administration & Management								
Salaries & Benefits	\$ 178,500	\$ 183,855	\$ 189,371	\$ 195,052	\$ 200,903	\$ 206,930	\$ 213,138	\$ 1,367,749
Rent	\$ 13,000	\$ 13,390	\$ 13,792	\$ 14,205	\$ 14,632	\$ 15,071	\$ 15,523	\$ 99,612
Equipment	\$ 8,000	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274	\$ 9,552	\$ 61,300
Telephone & Communications	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 22,987
Office Supplies	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 7,662
Travel within Region	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 22,987
Travel outside Region	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 30,650
Postage	\$ 1,300	\$ 1,339	\$ 1,379	\$ 1,421	\$ 1,463	\$ 1,507	\$ 1,552	\$ 9,961
Printing	\$ 700	\$ 721	\$ 743	\$ 765	\$ 788	\$ 811	\$ 836	\$ 5,364
Professional Business Services	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 30,650
Community Meetings	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 22,987
Professional Affiliations & Memberships	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 15,325
Total	\$ 221,500	\$ 228,145	\$ 234,989	\$ 242,039	\$ 249,300	\$ 256,779	\$ 264,483	\$ 1,697,235
Programming								
Marketing Plan Initiatives								
Printing & Publishing (multiple projects)	\$ 85,000	\$ 87,550	\$ 90,177	\$ 92,882	\$ 95,668	\$ 98,538	\$ 101,494	\$ 651,309
Publication & Marketing Related Design	\$ 15,500	\$ 1,550	\$ 1,597	\$ 1,644	\$ 1,694	\$ 1,745	\$ 1,797	\$ 25,526
Equipment	\$ 5,000	\$ 500	\$ 515	\$ 501	\$ 516	\$ 502	\$ 517	\$ 8,051
Trade Shows	\$ 4,000	\$ 4,600	\$ 5,290	\$ 6,084	\$ 6,996	\$ 8,045	\$ 9,252	\$ 44,267
Travel outside Region	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159	\$ 1,194	\$ 7,662
Canal Guide Development	\$ -	\$ 16,000	\$ 16,480	\$ 16,974	\$ 17,484	\$ 18,008	\$ 18,548	\$ 103,495
Website Development	\$ 10,000	\$ 500	\$ 515	\$ 530	\$ 546	\$ 563	\$ 580	\$ 13,234
Canal Guide Pilot Program Wages	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273	\$ 112,551	\$ 115,927	\$ 119,405	\$ 766,246
Total	\$ 220,500	\$ 214,730	\$ 221,724	\$ 228,981	\$ 236,580	\$ 244,488	\$ 252,788	\$ 1,619,791
Economic Development Initiatives								
Building Re-use Analysis	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911	\$ 14,329	\$ 91,950
Historic Sites Inventory	\$ 20,000	\$ 20,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,600
Total	\$ 32,000	\$ 32,960	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911	\$ 14,329	\$ 132,550
Education & Interpretation Initiatives								
Theme Stories	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 76,625
Interpretive Center Plan & TA	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 191,562
School Curricula Plan	\$ 3,000	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	\$ 3,582	\$ 22,987
Total	\$ 38,000	\$ 39,140	\$ 40,314	\$ 41,524	\$ 42,769	\$ 44,052	\$ 45,374	\$ 291,174
Development Initiatives								
New Historic Town Center	\$ 92,000	\$ 368,000	\$ 368,000	\$ 368,000	\$ 368,000	\$ 368,000	\$ 368,000	\$ 2,300,000
Town Center Architect/Administrator	\$ 8,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ 200,000
Business Circuit Rider	\$ -	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 258,736
Total	\$ 100,000	\$ 440,000	\$ 441,200	\$ 442,436	\$ 443,709	\$ 445,020	\$ 446,371	\$ 2,758,736
TOTAL	\$ 612,000	\$ 954,975	\$ 950,958	\$ 968,092	\$ 985,865	\$ 1,004,251	\$ 1,023,344	\$ 6,499,486
Annual Budget Growth Rate	3.0%							

Table #2: Proforma Summary

7-YEAR ADMINISTRATION, PROGRAMMING & DEVELOPMENT PROFORMA SUMMARY	
Activity	Total
WECHC Administration & Management	\$ 1,697,235
Programming	
Marketing Plan Initiatives	\$ 1,619,791
Economic Development Initiatives	\$ 132,550
Education & Interpretation Initiatives	\$ 291,174
Development Initiatives	\$ 2,758,736
TOTAL	\$ 6,499,486

Table #3: Spending by Industrial Sector

Annual WECHC Proforma by Industrial Sector Spending				
Spending by Sector	Annual Output Spending in Region	% Local Production	Local Production	Output Spending Outside Region
Construction: Repair & Main.	\$ 368,000.00	100%	\$ 368,000.00	\$ -
Manufacturing: Commercial Printing	\$ 120,878.67	100%	\$ 120,878.67	\$ -
Trans. & Utilities: Air Travel	\$ 2,388.10	100%	\$ 2,388.10	\$ -
Trans. & Utilities: Communications	\$ 3,582	100%	\$ 3,582.16	\$ -
Transportation: Local Passenger	\$ 28,060.23	100%	\$ 28,060.23	\$ -
Retail Trade	\$ 27,089.97	30%	\$ 8,126.99	\$ 18,962.98
F.I.R.E.: Real Estate	\$ 15,522.68	100%	\$ 15,522.68	\$ -
Services: Hotels	\$ 895.54	100%	\$ 895.54	\$ -
Services: Computer and data processing	\$ 10,000.00	100%	\$ 10,000.00	\$ -
Services: Engineering & Architectural	\$ 66,928.63	100%	\$ 66,928.63	\$ -
Services: Accounting, Bookkeeping	\$ 4,776.21	100%	\$ 4,776.21	\$ -
Services: Advertising	\$ 15,500.00	100%	\$ 15,500.00	\$ -
Services: Eating & Drinking	\$ 12,239.04	100%	\$ 12,239.04	\$ -
Services: Business & Professional Membership C	\$ 2,388.10	100%	\$ 2,388.10	\$ -
Services: Other Membership Organizations	\$ 378,914.53	n/a	n/a	n/a
Government: Postage	\$ 1,552.27	100%	\$ 1,552.27	\$ -
TOTAL	\$ 1,058,716.12		\$ 660,838.61	\$ 18,962.98

\$ 5,440,769.81
\$ 1,058,716.12 Check Figure

Table #4: Multipliers for 5-County Trade Area

Table #4: Multipliers for 5-County Trade Area					
Sector	Final Demand Multipliers			Direct Effect Multipliers	
	Sales	Earnings	Jobs	Earnings	Jobs
Construction: Repair & Main.	1.8132	0.5240	13.9	1.7236	1.8787
Manufacturing: Commercial Printing	1.7635	0.5348	12.9	1.6137	1.7772
Trans. & Utilities: Air Travel	1.6486	0.4537	11.6	1.6648	1.8234
Trans. & Utilities: Communications	1.7292	0.4069	7.5	1.9311	3.0164
Transportation: Local Passenger	1.7369	0.5601	21.9	1.5485	1.3456
Retail Trade	1.8086	0.5522	21.6	1.6069	1.3794
F.I.R.E.: Real Estate	1.4567	0.2014	6.2	2.3787	2.2338
Services: Hotels	1.8419	0.5460	16.3	1.6917	1.6655
Services: Computer and data processing	1.8306	0.6030	11.2	1.5804	2.1963
Services: Engineering & Architectural	1.9391	0.6812	16.6	1.6688	1.8560
Services: Accounting, Bookkeeping	2.0343	0.8342	20.2	1.5380	1.6921
Services: Advertising	1.7634	0.6323	10.8	1.5204	2.3273
Services: Eating & Drinking	1.9391	0.5537	27.4	1.6874	1.3219
Services: Business & Professional Membership Org.	2.0518	0.5779	13.5	1.9725	2.3374
Services: Other Membership Organizations	2.2106	0.5209	14.8	3.2743	2.6368
Government: Postage	1.9031	0.7452	19.8	1.4749	1.5601

0.1591 Change in earnings per final demand
\$ 2,381,800 Change in final Demand
\$ 5,265,208.00

Table #5: Program & Development Investment Impacts on 5-County Region based on Final-Demand Changes

Sector	Direct Sales (\$MM)		Indirect Sales (\$MM)		Total Effects Income (\$MM)	Jobs
	Direct Sales (\$MM)	Indirect Sales (\$MM)	Direct Sales (\$MM)	Indirect Sales (\$MM)		
Construction: Repair & Main.	\$ 0.37	\$ 0.67	\$ 0.19	\$ 0.19	5.12	
Manufacturing: Commercial Printing	\$ 0.12	\$ 0.21	\$ 0.06	\$ 0.06	1.56	
Trans. & Utilities: Air Travel	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.03	
Trans. & Utilities: Communications	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.00	0.03	
Transportation: Local Passenger	\$ 0.03	\$ 0.05	\$ 0.02	\$ 0.02	0.61	
Retail Trade	\$ 0.01	\$ 0.01	\$ 0.00	\$ 0.00	0.18	
F.I.R.E.: Real Estate	\$ 0.02	\$ 0.02	\$ 0.00	\$ 0.00	0.10	
Services: Hotels	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.01	
Services: Computer and data processing	\$ 0.01	\$ 0.02	\$ 0.01	\$ 0.01	0.11	
Services: Engineering & Architectural	\$ 0.07	\$ 0.13	\$ 0.05	\$ 0.05	1.11	
Services: Accounting, Bookkeeping	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.00	0.10	
Services: Advertising	\$ 0.02	\$ 0.03	\$ 0.01	\$ 0.01	0.17	
Services: Eating & Drinking	\$ 0.01	\$ 0.02	\$ 0.01	\$ 0.01	0.34	
Services: Business & Professional Membership C	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.03	
Services: Other Membership Organizations	n/a	n/a	\$ 1.24	\$ 28.27	28.27	
Government: Postage	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	0.03	
Total	\$ 0.66	\$ 1.19	\$ 1.60	\$ 37.78		

Need To use direct effect earnings not final demand sales. Output formula below

Table #6: Services: Other Membership Organizations Direct-Effect Calculation

Initial Change in Earnings	\$ 0.38
Initial Change in Employment	10.72
Direct-effect Earnings Multiplier	3.2743
Direct-effect Employment Multiplier	2.6368
Impact on Earnings	\$ 1.24
Impact on Employment	28.27

Money Generation Model 2 Worksheet

Western Erie Canal Heritage Corridor (WECHC)

TABLE #1: Total Visitor Spending

Base Year: Party Visits			
Non-Local Day	Overnight Motel	Overnight Non-Motel	Total
115,420	15,389	3,847	134,656

Average Base Year Spending by Visitor Type				
Sector	Non-Local Day	Overnight Motel	Overnight Non-Motel	Total
Services: Lodging	\$ -	\$ 83.23	\$ 9.97	\$ 10.65
Services: Eating & Drinking	\$ 15.12	\$ 23.72	\$ 13.92	\$ 17.26
Manufacturing: Groceries	\$ 4.19	\$ 6.33	\$ 9.97	\$ 5.46
Manufacturing: Gas & Oil	\$ 7.61	\$ 10.46	\$ 9.76	\$ 8.84
Services: Miscellaneous -Recreation	\$ 8.33	\$ 7.37	\$ 8.46	\$ 8.95
Other	\$ -	\$ -	\$ -	\$ -
Retail Trade (excludes eating and drinking)	\$ 19.92	\$ 16.20	\$ 19.66	\$ 21.17
Total	\$ 55.18	\$ 147.31	\$ 71.73	\$ 72.33

Additional Spending Year 1 and 7 by Visitor Type					
Sector	Non-Local Day	Overnight Motel	Overnight Non-Motel	Year 1 Total	Year 7 Total
Services: Lodging	\$ -	\$ 1,280,815	\$ 153,449	\$ 1,434,264	\$ 1,712,586
Services: Eating & Drinking	\$ 1,745,085	\$ 364,976	\$ 214,166	\$ 2,324,227	\$ 2,775,248
Manufacturing: Groceries	\$ 484,038	\$ 97,478	\$ 153,449	\$ 734,965	\$ 877,586
Manufacturing: Gas & Oil	\$ 878,912	\$ 160,952	\$ 150,137	\$ 1,190,000	\$ 1,420,923
Services: Miscellaneous -Recreation	\$ 961,708	\$ 113,346	\$ 130,266	\$ 1,205,320	\$ 1,439,215
Other	\$ -	\$ -	\$ -	\$ -	\$ -
Retail Trade (excludes eating and drinking)	\$ 2,299,182	\$ 249,362	\$ 302,481	\$ 2,851,026	\$ 3,404,274
Total	\$ 6,368,925	\$ 2,266,930	\$ 1,103,947	\$ 9,739,801	\$ 11,629,832

Total Party Visit Spending Years 2-7							Total Spending
Sector	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	2003 - 2010
Services: Lodging	\$ 1,477,292	\$ 1,521,611	\$ 1,567,259	\$ 1,614,277	\$ 1,662,705	\$ 1,712,586	\$ 10,989,993
Services: Eating & Drinking	\$ 2,393,954	\$ 2,465,772	\$ 2,539,745	\$ 2,615,938	\$ 2,694,416	\$ 2,775,248	\$ 17,809,299
Manufacturing: Groceries	\$ 757,014	\$ 779,724	\$ 803,116	\$ 827,209	\$ 852,026	\$ 877,586	\$ 5,631,641
Manufacturing: Gas & Oil	\$ 1,225,700	\$ 1,262,471	\$ 1,300,346	\$ 1,339,356	\$ 1,379,537	\$ 1,420,923	\$ 9,118,333
Services: Miscellaneous -Recreation	\$ 1,241,479	\$ 1,278,724	\$ 1,317,086	\$ 1,356,598	\$ 1,397,296	\$ 1,439,215	\$ 9,235,718
Retail Trade (excludes eating and drinking)	\$ 2,936,556	\$ 3,024,653	\$ 3,115,393	\$ 3,208,854	\$ 3,305,120	\$ 3,404,274	\$ 21,845,875
Total	\$ 10,031,995	\$ 10,332,955	\$ 10,642,944	\$ 10,962,232	\$ 11,291,099	\$ 11,629,832	\$ 74,630,859

TABLE #2: Retail Margins, Local Production and Imports by Sector

Sector	Local			Total
	Retail Margin	Production	Imports	
Services: Lodging	0%	100%	0%	100%
Services: Eating & Drinking	0%	100%	0%	100%
Manufacturing: Groceries	10%	40%	50%	100%
Manufacturing: Gas & Oil	13%	5%	82%	100%
Services: Miscellaneous -Recreat	0%	100%	0%	100%
Retail Trade (excludes eating and	20%	30%	50%	100%

TABLE #3: Computation of Annual Direct Sales Effects - Local Final Demand

Sector	Visitor		Local		Imports
	Spending	Retail Margin	Production		
Services: Lodging	\$ 1,712,586	\$ -	\$ 1,712,586	\$ -	\$ -
Services: Eating & Drinking	\$ 2,775,248	\$ -	\$ 2,775,248	\$ -	\$ -
Manufacturing: Groceries	\$ 877,586	\$ 87,759	\$ 351,035	\$ 438,793	\$ -
Manufacturing: Gas & Oil	\$ 1,420,923	\$ 179,036	\$ 71,046	\$ 1,165,157	\$ -
Services: Miscellaneous -Recreat	\$ 1,439,215	\$ -	\$ 1,439,215	\$ -	\$ -
Retail Trade (excludes eating and	\$ 3,404,274	\$ 680,855	\$ 947,650	\$ 1,702,137	\$ -
Total	\$ 11,629,832	\$ 947,650	\$ 7,296,780	\$ 3,306,087	62.7% Capture Rate

TABLE #4: Multipliers for 5-County Trade Area

Sector	Final Demand Multipliers			Direct Effect Multipliers	
	Sales	Earnings	Jobs	Earnings	Jobs
Services: Lodging	1.8419	0.5460	16.3	1.6917	1.6655
Services: Eating & Drinking	1.9391	0.5537	27.4	1.6874	1.3219
Manufacturing: Groceries	1.9271	0.3403	8.7	2.9038	3.4200
Manufacturing: Gas & Oil	1.4030	0.2251	5.7	1.8141	2.0206
Services: Miscellaneous -Recreat	1.6830	0.4658	24.9	1.6412	1.2675
Retail Trade (excludes eating and	1.8086	0.5522	21.6	1.6069	1.3794

TABLE #5: 2003-2010 Tourism Spending Impacts

Sector	Direct Sales			Total Effects	
	(\$MM)	Indirect Sales (\$MM)	Total Income (\$MM)	Jobs	
Services: Lodging	\$ 1.7	\$ 3.15	\$ 0.94	28	
Services: Eating & Drinking	\$ 2.8	\$ 5.38	\$ 1.54	76	
Manufacturing: Groceries	\$ 0.4	\$ 0.68	\$ 0.12	3	
Manufacturing: Gas & Oil	\$ 0.1	\$ 0.10	\$ 0.02	0	
Services: Miscellaneous -Recreat	\$ 1.4	\$ 2.42	\$ 0.67	36	
Retail Trade (excludes eating and	\$ 0.9	\$ 1.71	\$ 0.52	20	
Total	7.30	13.45	3.80	164	