

PREPARED FOR:

Albany County Industrial Development Agency
111 Washington Avenue, Suite 100
Albany, NY 12210

Economic and Fiscal Impact

NEW YORK ARMY NATIONAL GUARD

Albany County
Industrial Development Agency

AUGUST 9, 2024

PREPARED BY:



PO Box 3547
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com

ABOUT THE STUDY

The Albany County Industrial Development Agency retained Camoin Associates to measure the potential economic and fiscal impacts of a project proposed by the New York State Army National Guard. The New York State Army National Guard is proposing to construct a new 140,000-square-foot armory for the New York Army National Guard’s 42nd Infantry Division Headquarters.

This analysis aims to provide a complete assessment of the total economic, employment, and tax impacts of the project on Albany County that result from the construction phase and on-site operations, including the impact of assembly weekends and workshops/seminars.

The primary tool used in this analysis is the input-output model developed by Lightcast. Primary data used in this study was obtained from the New York Army National Guard and included the following data points: construction spending, operating spending, and new on-site activity.

The economic impacts are presented in four categories: direct impact, indirect impact, induced impact, and total impact. The indirect and induced impacts are commonly referred to as the “multiplier effect.”

STUDY INFORMATION

Data Source:
New York State Division of
Military and Naval Affairs

Geography:
Albany County

Study Period:
2023

Modeling Tool:
Lightcast

DIRECT IMPACTS

This initial round of impacts is generated as a result of spending on construction and operations.

INDIRECT IMPACTS

The direct impacts have ripple effects through business-to-business spending. This spending results from the increase in demand for goods and services.

INDUCED IMPACTS

Impacts that result from spending by facility employees and employees of suppliers. Earnings of these employees enter the economy as employees spend their paychecks in the County on food, clothing, and other goods and services.

CONTENTS

EXECUTIVE SUMMARY	1
ECONOMIC IMPACT ANALYSIS	3
FISCAL IMPACT ANALYSIS	6
ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?.....	10

EXECUTIVE SUMMARY

The Advance Albany County Alliance (Alliance) has been working with the NYS Division of Military & Naval Affairs on a request for twenty acres of land to be provided to the New York Army National Guard (the Applicant) for the construction of a 140,000-square-foot armory (the Project). The Project proposed by the Applicant entails constructing a new modern facility that would be the site for full-time active duty personnel, monthly assembly weekends, and regular workshops/seminars. The Albany County IDA commissioned Camoin Associates to conduct an economic and limited fiscal impact of the Project on Albany County (the County).

This study analyzes the impact the Project will have on the county economy and local municipal revenues, net of any economic activity that would occur even if the Project were not completed. The 60 jobs, associated assembly activity, and workshops/seminars are considered net new to Albany County due to the Project. This study analyzes the impact of net new jobs and spending on the county economy and municipal revenue sources.

The following is a summary of our findings from this study, with details in the following sections.

Table 1

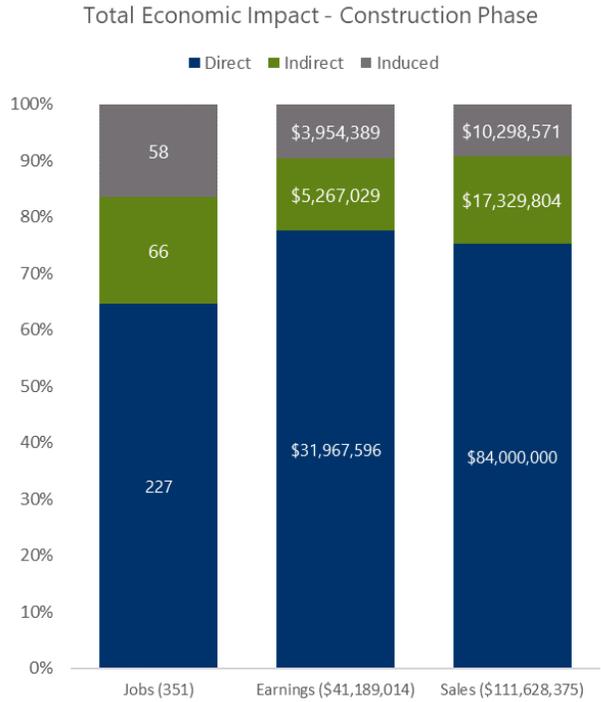
Summary of Benefits to County	
Construction Phase	
Total Jobs	351
Direct Jobs	227
Total Earnings	\$41,189,014
Direct Earnings	\$31,967,596
One-Time Sales Tax Revenue to County	\$288,323
Annual Impact	
Total Jobs	203
Direct Jobs	82
Total Earnings	\$18,441,122
Direct Earnings	\$7,450,425
Annual Sales Tax Revenue to County	\$129,088

CAMOIN ASSOCIATES

Construction Impact

- The construction associated with the Project would result in approximately 227 new direct construction jobs generating \$32 million in direct new earnings on-site and an additional 124 indirect and induced jobs with \$9.2 million in earnings. Figure 1, to the right, displays more details on the economic impacts of construction.
- Sales associated with the earnings generated during the construction phase would be taxed, generating sales tax revenue for the County. Sales tax associated with the construction phase of the Project is estimated to contribute approximately \$288,000 to the County.

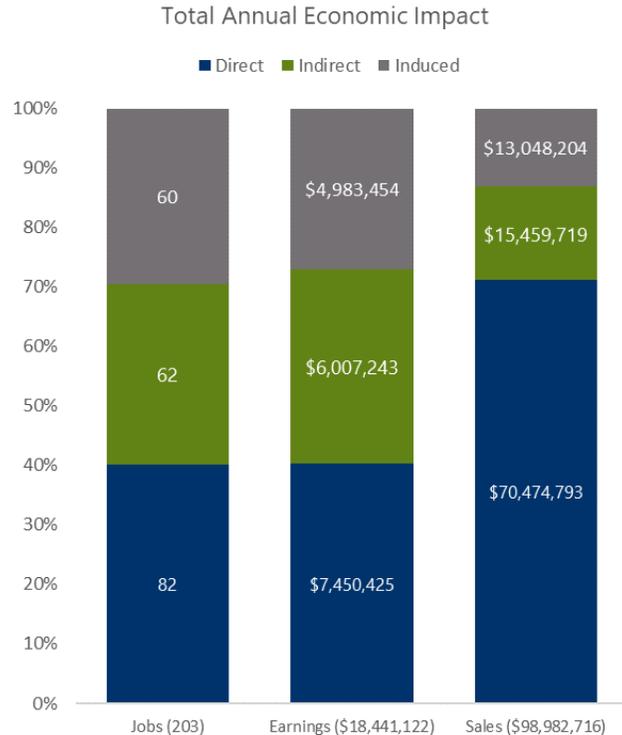
Figure 1



Annual Impact

- Upon full build-out, the Project will generate 60 direct on-site jobs for full-time Soldiers and employees.
- The facility is planned to host 500 part-time soldiers throughout the year for assembly weekends and two-week trainings, for a total of 19,000 assembly days per year. This on-site activity will generate economic impact through lodging, food, and transportation spending in Albany County.
- The facility is also planned to host 200 Soldiers and contractors for eight three-day workshops/seminars. This on-site activity will generate economic impact through lodging, food, and transportation spending in Albany County.
- In total, the Project would support 203 ongoing annual jobs in the county, with \$18.4 million in associated earnings. Figure 2 summarizes the Project's annual economic impact.
- Sales associated with the on-site operations are estimated to generate \$129,000 in sales tax revenue for the County annually.
- The property is currently not generating any property tax and will continue to be non-taxable if the Project occurs.

Figure 2



ECONOMIC IMPACT ANALYSIS

The estimates of direct economic activity generated during the construction phase and Project operation, as provided by the Applicant, were used as the direct inputs for the economic impact model. Camoin Associates used the input-output model designed by Lightcast to calculate total economic impacts. Lightcast allows the analyst to input the amount of new direct economic activity (spending or jobs) occurring within the county and uses the direct inputs to estimate the spillover effects that the net new spending or jobs have as these new dollars circulate through the Albany County economy. This is captured in the indirect and induced impacts and is commonly referred to as the “multiplier effect.” See Attachment A for more information on economic impact analysis.

CONSTRUCTION PHASE IMPACTS

The Applicant anticipates that construction of the Project would cost over \$120 million and last between 24-30 months. The Applicant assumes that 70% of the construction spending would be sourced from within the county, representing \$84 million in net new spending in the county associated with the construction phase of the Project.

Table 2

Construction Phase Spending - County	
Total Construction Cost	\$120,000,000
Percent Sourced from County	70%
Net New Construction Spending	\$84,000,000

Source: Applicant, Camoin Associates

Based on \$84 million worth of net new direct spending associated with the Project’s construction phase, Camoin Associates determined that there would be over \$111.6 million in total one-time construction-related spending supporting 351 jobs throughout the county and \$41.2 million in earnings. Table 3 outlines the economic impacts of construction.

Table 3

County Economic Impact - Construction Phase			
	Jobs	Earnings	Sales
Direct	227	\$31,967,596	\$84,000,000
Indirect	66	\$5,267,029	\$17,329,804
Induced	58	\$3,954,389	\$10,298,571
Total	351	\$41,189,014	\$111,628,375

Source: Lightcast, Camoin Associates

CAMOIN ASSOCIATES

IMPACTS OF ON-SITE EMPLOYMENT

Based on the Applicant, Camoin Associates assumes there will be approximately 60 full-time Soldiers and employees onsite upon completion. Using these estimated jobs as direct inputs into the model, Lightcast was used to calculate the economic impacts of the on-site activity. Table 4 details the impact that the on-site activity will have on Albany County in terms of employment, earnings, and sales.

Table 4

**County Economic Impact - On-Site Employment
(Full Time Soliders and Employees)**

	Jobs	Earnings	Sales
Direct	60	\$6,780,000	\$67,632,881
Indirect	57	\$5,658,276	\$14,474,973
Induced	58	\$4,847,430	\$12,693,934
Total	175	\$17,285,706	\$94,801,788

Source: Lightcast, Camoin Associates

IMPACTS OF ON-SITE VISITATION

Assembly Activity

Based on information provided by the Applicant, it is expected that 500 part-time Soldiers will come to the Project for 1 weekend a month (24 days a year) and two weeks a year (14 days) for a total of 38 days per year. That is a total of 19,000 days (500*38 = 19,000). During the time in Albany County, the New York Army National Guard will cover some expenses, such as lodging and some food, but otherwise, the Soldiers are expected to cover the expenses. The other food spending is based on the current federal per diem rate for Albany County of \$114.00 per day¹ and assumes half of that is spent per day in the area. Transportation spending assumes that all the soldiers fill up, on average, eight gallons of gas each time they come to the area (12 weekends a month plus two weeks a year for a total of 13 trips).

Workshops/Seminars

Based on information from the Applicant, it is expected that 200 Soldiers and contractors will come to the Project for eight three-day workshops/seminars throughout the year. That is a total of 4,800 days per year (200*8*3 = 4,800). The lodging, food expenses, and transportation costs for these individuals would not be covered by the Applicant. Similar assumptions were made for these attendees as were made for the Assembly Weekend attendees. Lodging expenses are assumed to be for two nights per attendee per workshop/seminar at \$150 per night, food expenses are expected to be 100% of Albany County federal per diem rate of \$114 for each day of the workshop/seminar, and gas expenses are expected to be 8 gallons for each seminar weekend at \$3.19 per gallon.

¹ Source: https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-results?action=perdiems_report&fiscal_year=2024&state=&city=&zip=12084

CAMOIN ASSOCIATES

The following table details the lodging and catering spending provided by the Applicant and the other food and transportation spending assumptions that Camoin Associates calculated.

Table 5

Sales During Assembly Weekend		
Lodging Spending	\$ 305,000	Provided by Applicant
Catering Spending	\$ 220,000	Provided by Applicant
Other Food Spending*	\$ 1,083,000	Assumes 50% of the Albany County per diem rate for each day in the area (\$114 * 50% * 19,000)
Transportation**	\$ 165,880	Assumes each soldier fills 8 gallons of gas at \$3.19 per gallon for each trip made (8*\$3.19*500*13)
SubTotal	\$ 1,773,880	
Sales During Workshops/Seminars		
Lodging Spending***	\$ 480,000	Assumes two hotel nights per three day workshop/seminar at \$150 per night. (8*2*200*\$150)
Food Spending****	\$ 547,200	Assumes 100% of Albany County per diem rate for each day in the area (\$114*100%*4,800)
Transportation*****	\$ 40,832	Assumes each attendee fills 8 gallons of gas at \$3.19 per gallon for each trip made (8*\$3.19*200*8)
SubTotal	\$ 1,068,032	
Total New Spending	\$ 2,841,912	
Source: Applicant, Camoin Associates, US General Services Administration		

The spending detailed above was used in the model to determine the economic impact of the assembly weekends and workshops/seminars. Table 6 shows the impact of the \$2.8 million in additional spending in Albany County.

Table 6

County Economic Impact - On-Site Visitation			
	Jobs	Earnings	Sales
Direct	22	\$670,425	\$2,841,912
Indirect	5	\$348,967	\$984,747
Induced	2	\$136,024	\$354,269
Total	28	\$1,155,416	\$4,180,928

Source: Lightcast, Camoin Associates

TOTAL ECONOMIC IMPACT

Table 7 shows the total economic impact of the Project on Albany County by combining the annual impact of on-site employment and the annual impact of on-site visitation.

Table 7

County Total Annual Economic Impact

	Jobs	Earnings	Sales
Direct	82	\$7,450,425	\$70,474,793
Indirect	62	\$6,007,243	\$15,459,719
Induced	60	\$4,983,454	\$13,048,204
Total	203	\$18,441,122	\$98,982,716

Source: Lightcast, Camoin Associates

FISCAL IMPACT ANALYSIS

In addition to the project's economic impact on the local economy (outlined above), there would also be a fiscal impact in terms of annual property tax and sales tax generation. The following section of the analysis outlines the impact of the completion of the Project on the local taxing jurisdictions in terms of the cost and/or benefit to municipal budgets.

PROPERTY TAX

The parcel currently generates zero dollars in property tax and will continue to be nontaxable upon full build-out.

SALES TAX REVENUE

SALES TAX REVENUE – CONSTRUCTION PHASE

The one-time construction phase earnings described by the total economic impact of the construction work (described in the above section) would lead to additional sales tax revenue for the County. It is assumed that 70% of the construction phase earnings would be spent within Albany County and that 25% of those purchases would be taxable.²

Table 8

One-Time Sales Tax Revenue, Construction Phase	
Total New Earnings	\$41,189,014
Amount Spent in County (70%)	\$28,832,310
Amount Taxable (25%)	\$7,208,077
Albany County Sales Tax Rate	4.00%
Albany County Sales Tax Revenue (4.00%)	\$288,323

Source: Albany County IDA, Camoin Associates

As a result of the employment in the construction phase, the County would receive approximately \$288,000 in new sales tax revenue from the economic impacts of construction.

² A retail leakage analysis of Albany County suggests that a vast majority of the goods and services that employees will be purchasing are available within the county (food, clothing, vehicles, computers, etc.), but there still will be some outside spending on travel and through purchases made online and in neighboring counties. Based on third-party proprietary retail spending data, 70% is a reasonable assumption for the amount of in-county spending. (Source: Esri Business Analyst Retail Market Profile).

CAMOIN ASSOCIATES

SALES TAX REVENUE – ONSITE EMPLOYMENT, ASSEMBLY ACTIVITY, AND WORKSHOPS/SEMINARS

The earnings generated by on-site jobs that will result from building occupation at the Project (described under Impacts of On-Site Employment) would lead to additional annual sales tax revenue for the County. It is assumed that 70% of the earnings would be spent within Albany County and that 25% of those purchases will be taxable. Table 9 displays the county's annual tax revenue.

Table 9

Annual Sales Tax Revenue, On-Site Operations and Activity	
Total New Earnings	\$18,441,122
Amount Spent in County (70%)	\$12,908,785
Amount Taxable (25%)	\$3,227,196
Albany County Sales Tax Rate	4.00%
Albany County Sales Tax Revenue (4.00%)	\$129,088

Source: Albany County IDA, Camoin Associates

ATTACHMENT A: WHAT IS ECONOMIC IMPACT ANALYSIS?

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

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

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

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

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

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

ABOUT CAMOIN ASSOCIATES

As the nation’s only full-service economic development and lead generation consulting firm, Camoin Associates empowers communities through human connection backed by robust analytics.

Since 1999, Camoin Associates has helped local and state governments, economic development organizations, nonprofit organizations, and private businesses across the country generate economic results marked by resiliency and prosperity.

To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on [LinkedIn](#), [Facebook](#), and [YouTube](#).

The Project Team

Rachel Selsky
Vice President and COO

Connor Allen
Analyst

Service Lines



Strategic and Organizational Planning



Economic and Fiscal Impact Analysis



Real Estate Development Analytics and Advisory



Housing Needs Assessment



Prospecting and Business Attraction



Target Industry Analytics and Strategy



Workforce Development and Talent Retention



Entrepreneurship and Innovation

Leading action to grow your economy

Camoin Associates
PO Box 3547
Saratoga Springs, NY 12866
518.899.2608
www.camoinassociates.com
@camoinassociate

