Economics Research Associates

Economic Analysis of the Saratoga Race Course

Submitted to

Saratoga County Industrial Development Agency

Submitted by

Economics Research Associates
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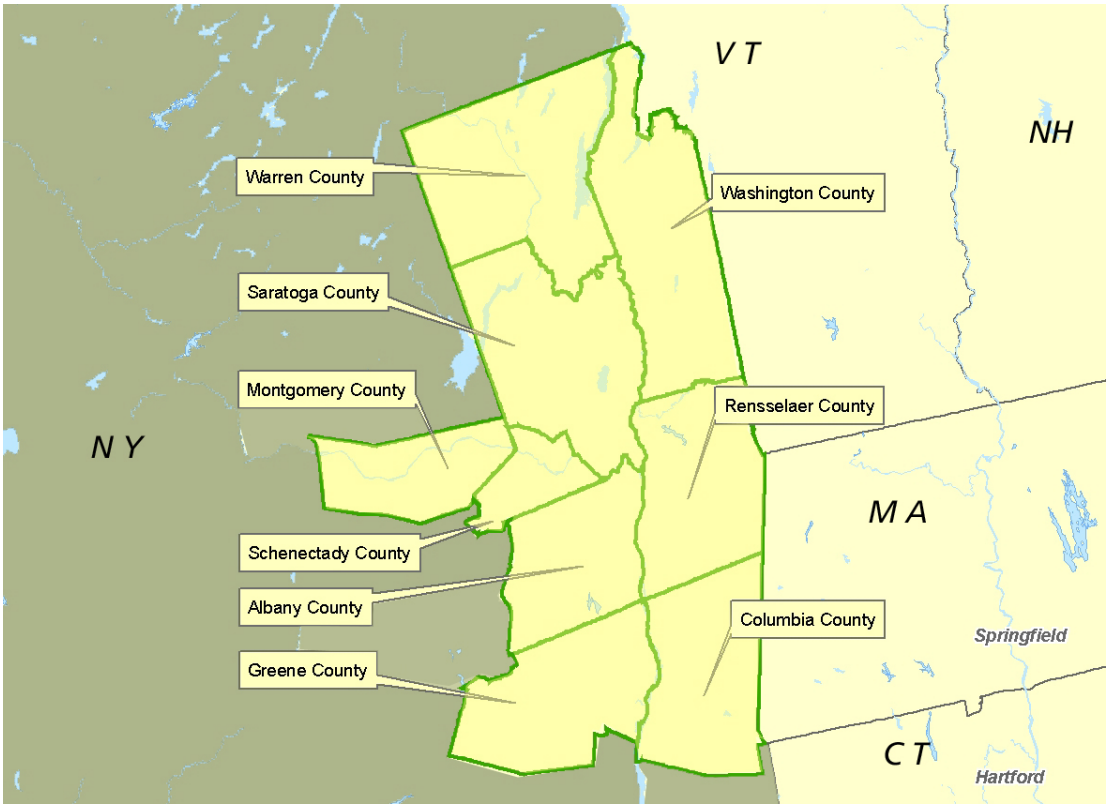
Executive Summary

The Saratoga County Industrial Development Agency retained Economics Research Associates (ERA) to analyze the regional economic contribution of the Saratoga Race Course located in the City of Saratoga Springs, New York. This research endeavors to measure the economic impact of the Saratoga Race Course on the regional economy in terms of spending (i.e., economic output), earnings, and employment as well as fiscal impacts including income tax, sales tax, and property tax revenues. Economic benefits accruing to Saratoga County and the surrounding counties of Albany, Columbia, Greene, Montgomery, Rensselaer, Schenectady, Warren, and Washington are examined as part of this study (collectively referred to as the "Study Region"). This analysis is intended to assist elected officials, decision-makers, and the public in understanding the economic significance of the Saratoga Race Course to the City of Saratoga Springs, Saratoga County, and the surrounding region. Figure 1 presents the geographic boundaries of the counties that make up the Study Region considered by this analysis.

Figure 1: Study Region



Source: Economics Research Associates

Background

The New York Racing Association (NYRA) is a not-for-profit association with an exclusive franchise to operate the Saratoga Race Course, Aqueduct Racetrack, and Belmont Park, in New York State. The current franchise to operate these facilities is set to expire on December 31, 2007.

The Saratoga Race Course, constructed in 1863, is the longest continuously operating thoroughbred racetrack in the United States. Each year, the Saratoga Race Course hosts a six-week meet with 36 days of racing, concluding on Labor Day. The Travers Stakes, the oldest major thoroughbred horse race in the United States, is the main event of the annual summer race season at Saratoga.

The Saratoga Race Course is set on a 350-acre plot of land and includes three separate race courses:

- A dirt track with a 1 1/8 mile circumference;
- An outer turf course with a 1 mile circumference; and
- An inner turf course with a 7/8 mile circumference.

Seating is available in the grandstand, the clubhouse, at picnic tables on the grounds, and in luxury suites. The Race Course provides formal and casual food options including the Turf Terrace dining room, the Porch, the Club Terrace, the At the Rail Pavilion, the Carousel Restaurant, and the Paddock Tent.

Thoroughbred horse trainers come to Saratoga Race Course to train and compete. The facility opens to trainers and their horses in April. By June, over 850 horses are in training at Saratoga Race Course (including the Oklahoma Training Track). NYRA's facilities at Saratoga are capable of housing up to 1,850 horses and fill to capacity during the Saratoga meeting. Demand for stall space in Saratoga Springs is so great that this year the Saratoga Gaming and Raceway (located near the Saratoga Race Course) has agreed to provide stalls for Saratoga Race Course competitors. NYRA also provides dorm housing for many employees working as horse grooms or hot walkers.

Visitors flock to Saratoga during the August meeting. Spectators are drawn to Saratoga to wager on some of the finest thoroughbred horses in the U.S. While other New York State thoroughbred racetracks have declined in popularity, the Saratoga Race Course remains a strong draw for area residents and visitors.

Wagering at the Saratoga Race Course has remained strong in recent years, an indication of the quality of the Saratoga Race Course meeting. While other New York State and nationally-recognized out-of-state thoroughbred tracks have experienced falling live handle (i.e., on-site wagering on live races) in recent years, the Saratoga Race Course live handle has increased.

In addition to the August race meet, the Saratoga Race Course hosts three significant horse shows each year. In May, the two-week St. Clements Horse Show draws world-class horses and participants to compete in hunter and jumper events. Also in May, Saratoga Bridges (previously the Saratoga Association of Retarded Citizens) hosts The Saratoga Festival and

Dressage. During the month of June, Skidmore College hosts the Saratoga Classic Horse Show, a high-profile show that draws significant numbers of visitors to Saratoga Springs to watch and participate in hunter and jumper events. This analysis does not quantify the total economic impact of the non-race events at Saratoga Race Course. However, the economic significance of these events is discussed qualitatively.

Saratoga Race Course Wagering, Attendance, and Purses

- Saratoga Race Course live handle (i.e., on-site wagering on live on-site races) in 2004 was higher than at any other New York State thoroughbred racetrack;

- The Saratoga Race Course average daily live handle is higher than at other nationally-recognized thoroughbred racetracks, including Churchill Downs and Keeneland Race Course in Kentucky and Santa Anita, Hollywood Park, and Del Mar in California;

- The Saratoga Race Course live handle increased 18 percent between 1996 and 2004, a period during which live handle decreased at all other New York State thoroughbred racetracks;

- Saratoga Race Course is the most popular thoroughbred racetrack in New York State with attendance topping one million visits in 2001, 2003, and 2004;

- There were 120,000 more visits to Saratoga Race Course in 2004 than in 1999, compared with 356,000 fewer visits to the three other New York State thoroughbred racetracks;

- Saratoga Race Course attendance averaged about 28,900 visitors per day in 2004, as compared with approximately 7,200 at Belmont Park and 3,800 at Aqueduct Racetrack in New York; 11,400 at Churchill Downs and 13,900 at Keeneland Race Course in Kentucky; and 7,400 at Santa Anita, 7,600 at Hollywood Park, and 17,100 at Del Mar in California; [1]

- The average purse per race at the Saratoga Race Course was nearly $67,000 in 2005, significantly higher than the New York State average of about $41,000, which was the highest of any state in the Country in 2005;

[1] Attendance at Kentucky tracks reported for 2003, the most recent year for which data is available; all other data reported for 2004.

Saratoga Race Course Economic and Fiscal Impacts

The economic impact on the Study Region of thoroughbred racing and wagering at the Saratoga Race Course includes NYRA spending on operational expenses, participant spending on training and racing at Saratoga, and spectator spending. Direct expenditures made by NYRA, participants, and spectators "ripple" through the regional economy as the initial injections of cash stimulate additional spending on inputs to the production of goods and services, including employment which supports additional household spending.

As shown in Figure 2, the economic impact of the Saratoga Race Course on output (i.e., spending) in the Study Region is between $186 million and $214 million, annually:

- Track operations account for about $52 million in output;
- Participant activities account for roughly $55 million in output; and
- Off-track visitor spending accounts for between approximately $80 million and $107 million in output.

Figure 2: Economic Impacts of Racing on Output (2006$)

	Total Impact on the Study Region	
Expenditure Type	**Low**	**High**
Saratoga Race Course Operations	$51,900,000	$51,900,000
Participant Activities	$54,600,000	$54,600,000
Off-Track Visitor Activities	$79,600,000	$107,200,000
Total	*$186,200,000*	*$213,700,000*

Source: Economics Research Associates

Note: Totals may not sum due to rounding.

As shown in Figure 3, the economic impact of the Saratoga Race Course on employment in the Study Region is between 2,510 and 2,820 full-time-equivalent (FTE) positions:

- Track operations account for about 670 FTE jobs;
- Participant activities account for roughly 810 FTE jobs; and
- Off-track visitor spending accounts for between approximately 1,030 and 1,350 FTE jobs.

Figure 3: Economic Impacts of Racing on Employment

	Total Impact on the Study Region	
Expenditure Type	**Low**	**High**
Saratoga Race Course Operations	670	670
Participant Activities	810	810
Off-Track Visitor Activities	1,030	1,350
Total	*2,510*	*2,820*

Source: Economics Research Associates

Note: Totals may not sum due to rounding.

ERA estimates that fiscal impacts attributable to the Saratoga Race Course total between approximately $12.2 million and $13.9 million. These tax revenues are generated from income taxes, sales taxes, room taxes on lodging, property taxes, admissions taxes, OTB surcharges, and NYRA statutory payments to New York State entities. Estimated tax revenues accruing to New York State range between about $7.7 million and $8.3 million. Estimated tax revenues accruing to Saratoga County and the City of Saratoga Springs range from roughly $4.6 million to $5.6 million.

Figure 4: Summary of Fiscal Impacts from Racing (2006$)

	Low Estimate		High Estimate	
Tax Category	**New York State**	**Saratoga Springs / Saratoga County**	**New York State**	**Saratoga Springs / Saratoga County**
Income Tax Revenue	$1,440,000	-	$1,470,000	-
Sales Tax Revenue	$1,990,000	$1,492,000	$2,600,000	$1,950,000
Room Tax Revenue	-	$282,000	-	$816,000
Property Tax Revenue	-	$461,000	-	$461,000
Admissions Tax Revenue	-	$852,000	-	$852,000
OTB Surcharge Revenue [1]	-	$1,500,000	-	$1,500,000
NYRA Satutory Payments	$4,227,000	-	$4,227,000	-
Total	*$7,657,000*	*$4,587,000*	*$8,297,000*	*$5,578,000*

Source: Economics Research Associates

[1] Projected. ERA does not include OTB surcharge revenues accruing to the counties in which OTB facilities are located.

Note: Totals may not sum due to rounding.

Saratoga Region Socioeconomic Performance

Saratoga County has exhibited relatively strong economic performance in recent years. Growth in employment has been accompanied by growth in population. In addition, Saratoga County home values are the highest in the Study Region. The economic performance of Saratoga County may be partially attributable to local and regional amenities that make Saratoga County an attractive location to work and live. While the quality of life in Saratoga County cannot be wholly attributed to the Saratoga Race Course, the Race Course is a significant contributor to the character and appeal of the County.

- Saratoga County employment increased by about 50 percent between 1990 and 2005, compared with the nine-county Study Region which grew by 11 percent and New York State which grew by five percent over the same period;
- Saratoga County population increased by about 11 percent between 1990 and 2000, compared with two percent in the Study Region and five percent in New York State;
- Median household value in Saratoga County was over $193,000 in 2004:
    - Median household value in Saratoga County in 2004 was almost $18,000 greater than the median home value in Columbia County, the county with the second highest median home value in the Study Region; and
    - Median household value in Saratoga County in 2004 was $130,000 greater than the median home value in Montgomery County, the county with the lowest median home value in the Study Region.
- Saratoga Springs has experienced significant commercial construction activity in recent years:
    - Recent completion of $140 million in commercial development;
    - Over $63 million in commercial development under construction;
- The Saratoga County hospitality industry has exhibited strong performance in recent years:
    - 525 hotel rooms have been added within the City of Saratoga Springs since 2000;
    - 245 hotel rooms were rehabilitated within the City of Saratoga Springs since 2000;
    - The average daily lodging rate in Saratoga County was $195 per night in August 2005, compared with the 2005 annual average rate of about $110;
    - During the Saratoga meeting, Saratoga County lodging occupancy rates peak at about 83 percent occupancy, compared with the annual average of 63 percent occupancy (based on 2000-2005 average occupancy); and

- During August 2005, nearly 56,000 room nights were sold in Saratoga County.

- The popularity of Saratoga Springs for training and racing makes the area an attractive location for thoroughbred breeders:

  - Horse farms in Saratoga County are a greater percentage of agricultural parcels than in the Study Region or New York State; and

  - Three yearling sales held in Saratoga Springs in 2004 grossed over $51 million, including almost $8 million in New York-bred yearlings.

Section 1: Introduction

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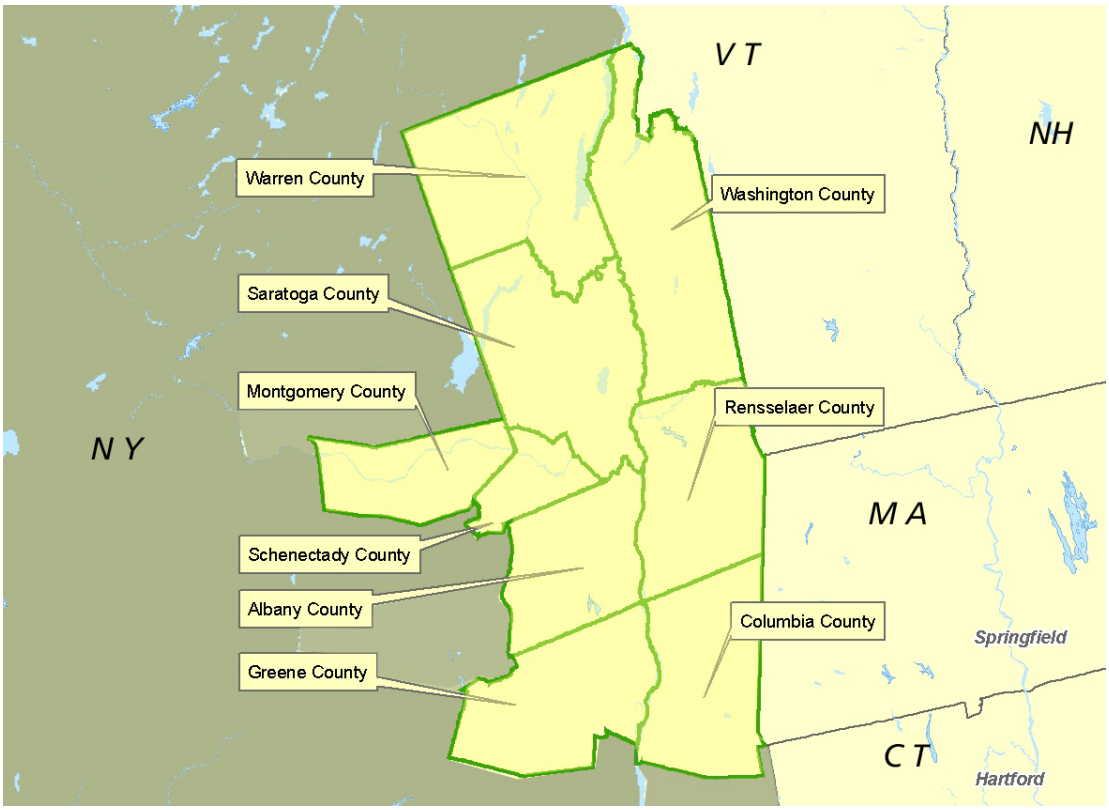
Figure 5: Study Region



Source: Economics Research Associates

The Study Region chosen for this analysis is intended to represent the regional economy that is influenced by activities at the Saratoga Race Course. For example, thoroughbred breeding operations and equine-related agricultural operations in counties surrounding Saratoga County supply thoroughbred racing teams with goods including horses, grain, and hay. These and similar expenditures on goods produced in the regional economy represent an economic benefit that is attributable to the Saratoga Race Course. The extent of the Study Region chosen for this analysis is based on an assessment of the density of thoroughbred horse breeding operations in New York State. Thoroughbred breeding operations are a major provider of goods to the thoroughbred racing industry.

Background

The New York Racing Association, Incorporated (NYRA) is a not-for-profit association with an exclusive franchise to operate the Saratoga Race Course, Aqueduct Racetrack, and Belmont Park, in New York State. The current franchise to operate these facilities is set to expire on December 31, 2007. This analysis is intended to assist elected officials, decision-makers, and the public in understanding the economic significance of the Saratoga Race Course to the City of Saratoga Springs and the surrounding region.

Saratoga Race Course Description

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The Saratoga Race Course is set on a 350-acre plot of land and includes three separate race courses:

- A dirt track with a 1 1/8 mile circumference;
- An outer turf course with a 1 mile circumference; and
- An inner turf course with a 7/8 mile circumference.

Thoroughbred horse trainers come to Saratoga Race Course to train and compete. The facility opens to trainers and their horses in April. By June, over 850 horses are in training at Saratoga Race Course (including the Oklahoma Training Track). NYRA's facilities at Saratoga are capable of housing up to 1,850 horses. During the Saratoga meet, NYRA's horse stalls fill to full capacity. NYRA also provides dorm housing for many employees working as horse grooms or hot walkers.

Visitors flock to Saratoga during the August meet. In 2001, 2003, and 2004, the Saratoga meet attracted over one million visits. Spectators are drawn to Saratoga to wager on some of the finest thoroughbred horses in the Nation. In addition, the Saratoga Race Course offers visitors a variety of viewing and eating options. Seating is available in the grandstand, the clubhouse, at picnic tables on the grounds, and in luxury suites. The Race Course also provides formal and casual food options including the Turf Terrace dining room, the Porch, the Club Terrace, the At the Rail Pavilion, the Carousel Restaurant, and the Paddock Tent. Sports Illustrated recently named the racetrack among the "Top 20 Venues of the 20th Century."

Report Organization

The analysis commences in Section 2 with an assessment of employment trends, socioeconomic trends, and housing trends. Specifically, ERA examines the employment performance of industry sectors that are tied to activities at the Saratoga Race Course, relative to overall economic performance. This analysis assesses the relative importance of Race Course-related industries within Saratoga County and the Study Region. ERA also evaluates socioeconomic and housing market trends to provide additional context for the analysis.

In Section 3 of this report, ERA provides a discussion of the economic context within which the Saratoga Race Course operates. ERA identifies and evaluates three primary industry sectors that are inextricably linked to activities occurring at the Saratoga Race Course. The primary industries of interest are:

- Thoroughbred racing;
- Equine operations (including thoroughbred breeding); and
- Tourism.

Section 4 of the analysis, investigates the levels of spending and employment in the regional economy that are attributable to the Saratoga Race Course. These estimates of spending are analyzed using a regional economic model to determine the total economic impact of the Saratoga Race Course and Oklahoma Training Track on the Study Region.

In Section 5, ERA provides estimates of those fiscal impacts to New York State, Saratoga County, and the City of Saratoga Springs that are attributable to the Saratoga Race Course.

Section 2: Regional Context

This section provides a brief overview of employment trends, socioeconomic trends, and housing market trends in Saratoga County, the Study Region, and New York State.

Employment Trends

Saratoga County exhibited relatively strong job growth between 1990 and 2005. In sum, the County added about 25,000 jobs during this period, an increase of nearly 50 percent. The nine-county Study Region grew by only 11 percent over the same period.

Saratoga County job growth has been relatively robust in recent years as well. Between 2000 and 2005, the number of jobs in Saratoga County increased by more than 15 percent while employment in the Study Region grew by about five percent. Employment data covering Saratoga County and the Study Region are presented in Figure 6 and Figure 7, respectively.

Figure 6: Saratoga County Employment 1990 – 2005

	Employment				Employment Growth			
					1990-2005		2000-2005	
	1990	1995	2000	2005	Cum.	Annualized	Cum.	Annualized
Total Employment	*50,325*	*53,703*	*65,093*	*75,166*	*49.4%*	*2.7%*	*15.5%*	*2.9%*
Total Government Employment	*10,648*	*10,958*	*11,442*	*12,945*	*21.6%*	*1.3%*	*13.1%*	*2.5%*
Total Private Employment	*39,677*	*42,745*	*53,651*	*62,221*	*56.8%*	*3.0%*	*16.0%*	*3.0%*
Private Sector Breakdown by Industry Group								
Natural Resources and Mining	202	173	279	382	89.1%	4.3%	36.9%	6.5%
Construction	3,084	2,344	3,123	4,341	40.8%	2.3%	39.0%	6.8%
Manufacturing	6,615	6,596	6,759	5,535	-16.3%	-1.2%	-18.1%	-3.9%
Trade, Transportation, and Utilities	11,675	12,238	14,307	17,030	45.9%	2.5%	19.0%	3.5%
Information	1,527	1,055	642	840	-45.0%	-3.9%	30.8%	5.5%
Financial Activities	2,018	2,822	3,658	4,742	135.0%	5.9%	29.6%	5.3%
Professional and Business Services	2,191	3,424	8,477	8,878	305.2%	9.8%	4.7%	0.9%
Education and Health Services	4,927	5,944	7,334	8,563	73.8%	3.8%	16.8%	3.1%
Leisure and Hospitality	5,934	6,314	6,630	8,942	50.7%	2.8%	34.9%	6.2%
Other Services	1,465	1,800	2,388	2,676	82.7%	4.1%	12.1%	2.3%
Unclassified	0	0	0	292	-	-	-	-

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Economics Research Associates

Figure 7: Study Region Employment 1990 - 2005

	Employment				Employment Growth			
					1990-2005		2000-2005	
	1990	1995	2000	2005	Cum.	Annualized	Cum.	Annualized
Total Employment	*481,637*	*485,101*	*510,976*	*535,697*	*11.2%*	*0.7%*	*4.8%*	*0.9%*
Total Government Employment	*122,905*	*118,713*	*120,736*	*126,385*	*2.8%*	*0.2%*	*4.7%*	*0.9%*
Total Private Employment	*358,732*	*366,388*	*390,240*	*409,312*	*14.1%*	*0.9%*	*4.9%*	*1.0%*
Private Sector Breakdown by Industry Group								
Natural Resources and Mining	2,031	2,020	2,706	3,522	*73.4%*	*3.7%*	*30.2%*	*5.4%*
Construction	21,939	16,867	20,204	21,800	*-0.6%*	*0.0%*	*7.9%*	*1.5%*
Manufacturing	51,062	47,096	43,230	37,002	*-27.5%*	*-2.1%*	*-14.4%*	*-3.1%*
Trade, Transportation, and Utilities	88,637	88,085	92,126	95,320	*7.5%*	*0.5%*	*3.5%*	*0.7%*
Information	13,728	13,661	14,244	12,447	*-9.3%*	*-0.7%*	*-12.6%*	*-2.7%*
Financial Activities	26,519	25,805	27,871	29,529	*11.4%*	*0.7%*	*5.9%*	*1.2%*
Professional and Business Services	39,120	46,273	54,475	56,797	*45.2%*	*2.5%*	*4.3%*	*0.8%*
Education and Health Services	62,530	71,418	77,856	84,941	*35.8%*	*2.1%*	*9.1%*	*1.8%*
Leisure and Hospitality	37,394	38,908	39,555	46,983	*25.6%*	*1.5%*	*18.8%*	*3.5%*
Other Services	15,633	16,088	17,643	19,092	*22.1%*	*1.3%*	*8.2%*	*1.6%*
Unclassified	0	0	0	1,879	-	-	-	-

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Economics Research Associates

Saratoga County and the Study Region have shown relatively strong employment growth compared with New York State. As shown in Figure 8, Saratoga County and the Study Region added more jobs, on a percentage basis, than New York State 1990 through 2005 and 2000 through 2005.

Figure 8: Employment Trend Comparison

	Employment				Employment Growth			
					1990-2005		2000-2005	
Region	1990	1995	2000	2005	Cum.	Annualized	Cum.	Annualized
Saratoga County	50,325	53,703	65,093	75,166	49.4%	2.7%	15.5%	2.9%
Study Region	481,637	485,101	510,976	535,697	11.2%	0.7%	4.8%	0.9%
New York State	8,088,866	7,734,502	8,475,529	8,471,149	4.7%	0.3%	-0.1%	0.0%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Economics Research Associates

Race Course-Related Industries

To examine the performance of economic sectors influenced by operation of the Saratoga Race Course, ERA compares employment trends in related industries to total employment growth in the region. Industry sectors connected to thoroughbred racing include:

- Crop production;
- Animal production;
- Agriculture and forestry support activities;
- Furniture and home furnishing stores;
- Electronics and appliance stores;
- Food and beverage stores;
- Health and personal care stores;

- Gasoline stations;
- Clothing and clothing accessories stores;
- Sporting goods, hobby, book and music stores;
- Miscellaneous store retailers;
- Amusements, gambling, and recreation;
- Accommodation; and
- Food service and drinking places.

Race Course-related industries in Saratoga County accounted for about 17,200 jobs in 2005. This level of employment was 39 percent greater than in 1990. Other private sector industries accounted for about 45,000 jobs in 2005, 65 percent more than in 1990. Accordingly, in 2005, Race Course-related employment was a slightly lower percentage of total private employment than it was in 1990.

Figure 9: Race Course-Related and Total Employment in Saratoga County

	Saratoga County Employment				Growth 1990-2005	
Industry Code and Title	**1990**	**1995**	**2000**	**2005**	**Cum.**	**Cum. (%)**
NAICS 111 Crop production	63	61	74	85	22	35%
NAICS 112 Animal production	25	55	121	133	108	432%
NAICS 115 Agriculture and forestry support activities	37	19	16	56	19	51%
NAICS 442 Furniture and home furnishings stores	159	191	271	338	179	113%
NAICS 443 Electronics and appliance stores	85	140	113	204	119	140%
NAICS 445 Food and beverage stores	2,555	2,403	2,459	2,502	(53)	-2%
NAICS 446 Health and personal care stores	377	576	533	547	170	45%
NAICS 447 Gasoline stations	614	678	865	844	230	37%
NAICS 448 Clothing and clothing accessories stores	821	970	748	1,172	351	43%
NAICS 451 Sporting goods, hobby, book and music stores	360	406	468	629	269	75%
NAICS 452 General merchandise stores	1,460	1,425	1,399	2,141	681	47%
NAICS 453 Miscellaneous store retailers	617	499	639	632	15	2%
NAICS 713 Amusements, gambling, and recreation	436	444	566	957	521	119%
NAICS 721 Accommodation	690	664	801	906	216	31%
NAICS 722 Food services and drinking places	4,077	4,598	4,710	6,074	1,997	49%
Racecourse-Related Industry Subtotal	*12,376*	*13,129*	*13,783*	*17,220*	*4,844*	*39%*
Other Private Sector Employment	27,301	29,616	39,868	45,001	17,700	65%
Total Private-Sector Employment	**39,677**	**42,745**	**53,651**	**62,221**	**22,544**	**57%**
Total Public-Sector Employment	**10,648**	**10,958**	**11,442**	**12,945**	**2,297**	**22%**
Total Employment	**50,325**	**53,703**	**65,093**	**75,166**	**24,841**	**49%**
Racecourse-Related Share of Private-Sector Employment	31.2%	30.7%	25.7%	27.7%		
Racecourse-Related Share of Percentage of Total Employment	24.6%	24.4%	21.2%	22.9%		

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Economics Research Associates

Race Course-related industries in the Study Region accounted for about 76,200 jobs in 2005. This level of employment was more than 19 percent greater than in 1990. Other private sector industries accounted for about 333,100 jobs in 2005, 13 percent more than in 1990. Consequently, in 2005, Race Course-related employment was a greater percentage of total private employment than it was in 1990.

Figure 10: Race Course-Related and Total Employment in the Study Region

	Employment				Growth 1990 - 2005	
Industry	**1990**	**1995**	**2000**	**2005**	**Cum.**	**Cum. (%)**
Race Course-Related Industry Subtotal [1]	*64,289*	*67,160*	*69,053*	*76,237*	*11,948*	*19%*
Other Private-Sector Employment	294,443	299,228	321,187	333,075	38,632	13%
Total Private-Sector Employment	**358,732**	**366,388**	**390,240**	**409,312**	**50,580**	**14%**
Total Public-Sector Employment	**122,905**	**118,713**	**120,736**	**126,385**	**3,480**	**3%**
Total Employment	**481,637**	**485,101**	**510,976**	**535,697**	**54,060**	**11%**
Race Course-Related Share of Private-Sector Employment	17.9%	18.3%	17.7%	18.6%		
Race Course-Related Share of Total Employment	13.3%	13.8%	13.5%	14.2%		

[1] Race Course-Related Industry Subtotal Employment includes Crop production; Animal production; Agriculture and forestry support activities; Furniture and home furnishing stores; Electronics and appliance stores; Food and beverage stores; Health and personal care stores; Gasoline stations; Clothing and clothing accessories stores; Sporting goods, hobby, book and music stores; Miscellaneous store retailers; Amusments, gambling, and recreation; Accommodation; and Food services and drinking places.

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Economics Research Associates

Socioeconomic Trends

Saratoga County exhibited relatively strong growth in population, households, and household income between 1990 and 2000.[2] Population in Saratoga County increased 11 percent during this period, as compared with two percent in the Study Region and five percent in New York State. In fact, the rate of population growth in Saratoga County was greater than in any other Study Region county between 1990 and 2000. Saratoga County also experienced a greater rate of growth in the number of households than any other Study Region County and New York State.

Median household income in Saratoga County was higher than any other county in the Study Region and New York State in 1990 and 2000. In addition, the rate of growth in median household income in Saratoga County was greater than all other Study Region counties except Columbia County between 1990 and 2000. The rate of growth in median household income in Saratoga County also surpassed the New York State rate during the same period.

[2] This period corresponds with the years that the U.S. Census Bureau collected detailed information from residents of the U.S. as part of the decennial census.

Figure 11: Socioeconomic Summary by County

	Census 1990			Census 2000			Cumulative Change		
Geographic Area	Population	Households	Median Household Income (1989$)	Population	Households	Median Household Income (1999$)	Population	Households	Median Household Income
Albany County	292,594	115,824	$33,358	294,565	120,512	$42,935	1%	4%	29%
Columbia County	62,982	23,696	$29,785	63,094	24,796	$41,915	0%	5%	41%
Greene County	44,739	16,596	$27,469	48,195	18,256	$36,493	8%	10%	33%
Montgomery County	51,981	20,185	$24,068	49,708	20,038	$32,128	-4%	-1%	33%
Rensselaer County	154,429	57,612	$31,958	152,538	59,894	$42,905	-1%	4%	34%
Saratoga County	181,276	66,425	$36,635	200,635	78,165	$49,460	11%	18%	35%
Schenectady County	149,285	59,181	$31,569	146,555	59,684	$41,739	-2%	1%	32%
Warren County	59,209	22,559	$30,434	63,303	25,726	$39,198	7%	14%	29%
Washington County	59,330	20,256	$28,660	61,042	22,458	$37,668	3%	11%	31%
Study Region	*1,055,825*	*402,334*	*N/A*	*1,079,635*	*429,529*	*N/A*	*2%*	*7%*	*N/A*
New York State	*17,990,455*	*6,634,434*	*$32,965*	*18,976,457*	*7,056,860*	*$43,393*	*5%*	*6%*	*32%*

Source: U.S. Census Bureau; Economics Research Associates

As of the year 2000, Saratoga County was home to over 200,000 people making up nearly 80,000 households. Saratoga County accounted for about 18.6 percent of the Study Region Population and roughly one percent of the State population. The Study Region accounted for about 5.7 percent of the population in New York State.

Median age in Saratoga County in 2000 was about 37, one year older than the median age observed in New York State. Educational attainment (measured as the proportion of the population age 25 and older with a bachelors degree) was higher in Saratoga County than in the Study Region and New York State.

Figure 12: Year 2000 Population and Housing Comparison

Characteristics	Saratoga County	Study Region	New York State
Population	200,635	1,079,635	18,976,457
Households	78,165	429,529	7,056,860
Median Income	$49,460	N/A[1]	$51,691
Median Age	36.9	N/A[1]	35.9
Educational Attainment[2]	30.9%	26.6%	27.4%

Source: U.S. Census Bureau; Economics Research Associates

[1] N/A refers to "not available." These median values are not reported by the US Census for the Study Region.

[2] Proportion of the population over 25 with a bachelor's degree or higher.

Real Estate Trends

Home values are determined by a number of factors specific to each property including square footage, number of rooms, presence of a garage, etc. In addition, proximity to employment centers, the quality of public schools, local tax bills, and community amenities (e.g., the Saratoga Race Course) influence home values. While formal research to determine the marginal contribution of the Saratoga Race Course to regional home values is beyond the scope of this analysis, this section provides data on home values in the City of Saratoga Springs, Saratoga County, the Study Region, and New York State.

Saratoga County median home values in 2002, 2003, and 2004 were higher than any other county in the Study Region. This is testament to the quality of life and desirability of residence in Saratoga County. While there are many local and regional amenities that contribute to home values in Saratoga County, the Saratoga Race Course is a significant contributor to the character and appeal of the County.

As shown in Figure 13, the 2004 median household value in Saratoga County was over $193,000. This was almost $18,000 greater than the median home value in Columbia County, the county with the second highest median home value in the Study Region. The median home value in Saratoga County in 2004 was $130,000 greater than the median home value in Montgomery County, the county with the lowest home values in the Study Region.

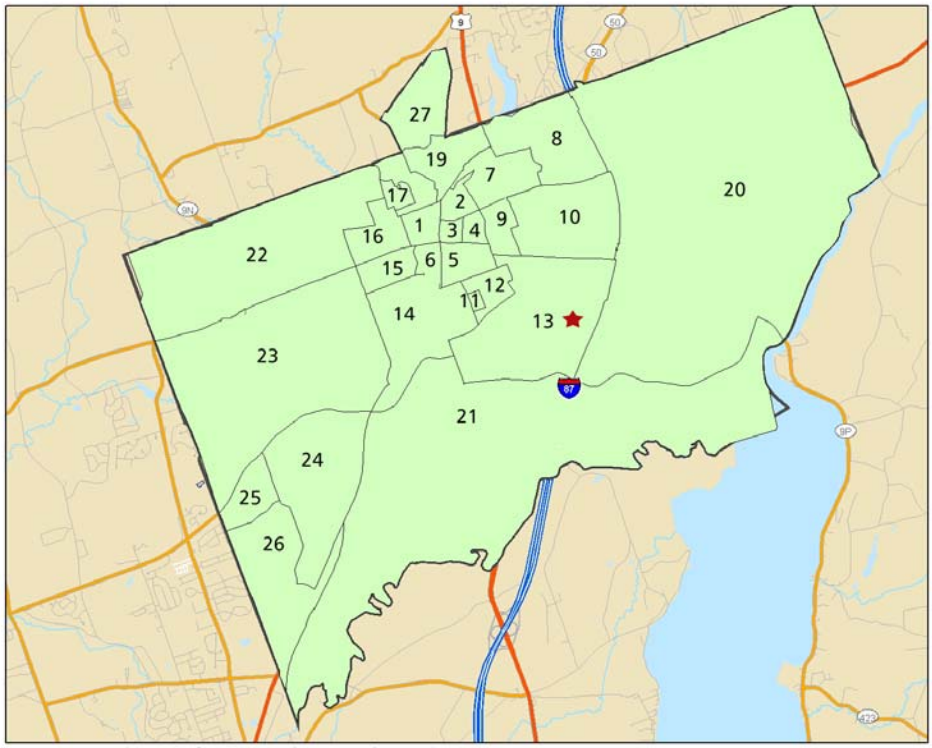
Figure 13: Median Home Values within the Study Region

County	2002	2003	2004	Annual Price Appreciation
Albany County	$120,500	$134,500	$147,000	10%
Columbia County	$141,000	$145,000	$175,509	12%
Greene County	$96,000	$120,750	$136,750	19%
Montgomery County	$53,250	$58,000	$63,500	9%
Rensselaer County	$101,000	$110,000	$122,500	10%
Saratoga County	$147,900	$165,000	$193,500	14%
Schenectady County	$88,000	$95,950	$119,250	16%
Warren County	$115,000	$127,637	$135,000	8%
Washington County	$74,000	$81,000	$92,660	12%

Source: New York State Office of Real Property Services; Economics Research Associates

The U.S. Census block groups displayed in Figure 14 correspond with the median home values presented in Figure 15. While the block group where the Saratoga Race Course is located has the lowest median home price of any block group in the City of Saratoga Springs, generally median home prices for block groups in the City are high. Median home values in 17 out of the 27 block groups in the City of Saratoga (i.e., 63 percent) are higher than the median home value in Saratoga County.

Figure 14: City of Saratoga Springs Census Block Group Geographies



Source: ESRI Business Analyst; Economics Research Associates

Figure 15: Median Value of Owner-Occupied Household Units

Geograhic Area	2005 Median Value
City of Saratoga Springs by Census Block Group[1]	
1	$279,054
2	$251,724
3	$248,529
4	$290,385
5	$242,647
6	$435,417
7	$236,811
8	$259,451
9	$277,174
10	$252,841
11	N/A [2]
12	$248,684
13	$136,066
14	$165,404
15	$161,990
16	$161,993
17	$233,333
18	$194,940
19	$222,973
20	$333,245
21	$267,411
22	$206,762
23	$227,732
24	$166,139
25	$186,492
26	$164,002
27	N/A [2]
Saratoga County	
	$202,656

Source: ESRI; Economic Research Associates

[1] Census Block Group numbering corresponds with geographic boundaries presented above.

[2] Data not reported for some geographies.

Summer Rentals

The six week Saratoga meet has for many years been viewed as an opportunity by residents to earn extra income by renting their homes or apartments to owners, trainers, jockeys and track employees. In an attempt to analyze this trend, surveys were mailed to approximately 30 real estate firms requesting information on August rentals. Six of the 30 responded, reporting a total of 271 units rented for a total fee of $1.7 million. Many residents rent their

homes through direct advertisement while others rent to the same client each year. For the six week meet, homes rent from $5,000 to $25,000, and up.

Commercial Construction Activity

Over the past decade, the housing market in Saratoga County, led by the City of Saratoga Springs, has been unprecedented. The City of Saratoga Springs has experienced significant new construction and rehabilitation of commercial buildings. The City's Planning Office estimates the value of new commercial construction over the past four years at $140 million. An additional $63 million in commercial buildings are currently under construction. Planned and approved projects (not yet under construction) are valued at almost $142 million and planned but not yet approved projects total an estimated $156 million.

The success of the Saratoga summer meet has contributed to growth in the local hospitality industry. In the past five years, there has been significant development of new hotels and improvements to existing facilities. In Saratoga Springs, 525 hotel rooms have been added to the existing stock and 245 rooms have been rehabilitated at a total cost of nearly $94 million, since year 2,000. In addition, approved hotel projects will likely add 160 additional rooms within the City. Outside of Saratoga Springs, approximately 450 hotel rooms have been added to the existing Saratoga County stock since 2000. Figure 16 and Figure 17 present recent hotel projects in Saratoga Springs and Saratoga County.

Figure 16: Saratoga Springs Hotel Projects since Year 2000

Hotel Name	Number of Rooms	Investment (in Millions)
New Hotel Projects		
Hilton Gardens	112	$5.0
Longfellows Inn	32	$1.0
Adirondack	34	$0.5
Mariott Courtyard	146	$16.0
Saratoga Arms	15	$1.0
Playmore	64	$1.0
Mariott Residence	102	$5.0
Holiday Inn	20	$1.3
Subtotal	*525*	$30.8
Rehabilitation Projects		
Saratoga Hotel	125	$11.0
Gideon	120	$5.0
Subtotal	*245*	*$16.0*
Approved New Hotel Projects		
Lexington	80	$6.0
Hampton Inn	80	$6.0
Subtotal	*160*	*$12.0*
Total	*930*	*$58.8*

Source: Saratoga County Planning Department; Economics Research Associates

Figure 17: Saratoga County Hotel Projects since Year 2000

Hotel Name	Location	Number of Rooms
New Hotel Projects		
Motel 6	Wilton	63
Comfort Inn	Clifton Park	60
Comfort Suites	Clifton Park	75
Fairfield Inn	Malta	114
Holiday Express	Clifton Park	76
Best Western[1]	Clifton Park	63
Total		*451*

Source: Saratoga County Planning Department; Economics Research Associates

[1] Expansion project.

Section 3: Economic Context

The composition of the regional economy within which the Saratoga Race Course operates determines the nature and extent of the economic impacts that the Race Course generates there. Trends in thoroughbred racing, other equine operations, and tourism in the Study Region influence the functioning of the Saratoga Race Course and its economic impact on the regional economy.

Industries in a geographic region are interdependent in the sense that they both purchase output from and supply input to other industries in the region. For example, consider the implications of a thoroughbred racing team's expenditures. Saratoga Race Course participants purchase goods from regional producers, which in turn purchase raw materials from other regional suppliers. Thus, an increase/decrease in the demand for thoroughbred supplies will stimulate an increase/decrease in output and employment in the interdependent secondary industries.

The Economic Context section of this report evaluates the thoroughbred racing industry, equine industry, and tourist industry. The Saratoga Race Course is a major contributor to the New York State thoroughbred racing industry. In 2004, there was more on-track wagering on live thoroughbred race events at the Saratoga Race Course than any other New York State thoroughbred racetrack. The Saratoga Race Course draws more visitors and supports higher average daily wagering on live races than many of the Country's most well-known racetracks. The level of racing activity at the Saratoga Race Course stimulates significant participant and spectator demand for equine and tourist goods and services from the regional economy.

Thoroughbred Racing

Thoroughbred racing in New York State stimulates significant levels of spending by racing fans both within and outside of New York State. In New York State, there are a number of on-track and off-track options for racing enthusiasts to wager on New York State thoroughbred racing. New York State is home to four thoroughbred tracks:

- Aqueduct Racetrack;
- Belmont Park;
- Saratoga Race Course; and
- Finger Lakes Gaming and Racetrack.

At the track, thoroughbred race fans may wager on live races occurring on site. In addition, the tracks carry simultaneous broadcasts of live races occurring off site, known as simulcasts, on which racing fans may wager. There are also Off-Track Betting Corporations (OTBs) that operate within and outside of New York State. These facilities carry races and allow off-track wagering on thoroughbred racing.

The performance of the Horse Racing Industry is tracked and evaluated based on the total amount of wagering. In horse racing, the total amount of wagering is referred to as the "handle." Figure 18 presents the total handle on New York State horse racing in 2004.

- The "live handle" represents the amount wagered on live races at New York State tracks;

- The "simulcast export handle" represents the amount wagered on New York State racing simulcast at New York State tracks;
- The "exports to New York State OTBs" represent the amount wagered on New York State racing at non-track off-site New York State locations; and
- The "exports out-of-state" represent the amount wagered on New York State racing at out-of-state locations.

As shown in Figure 18, New York State Racing stimulated approximately $3.1 billion in wagering in 2004. Thoroughbred Racing accounted for over 90 percent of wagering on New York State racing, roughly $2.9 billion. Of the total wagering on New York State thoroughbred racing, only about 15 percent occurred at the tracks (including live wagering and wagering on simulcast races at State tracks). In-State OTBs captured almost 25 percent of wagering on New York State thoroughbred racing while out-of-state betting facilities accounted for over 60 percent of the handle on New York State thoroughbred racing in 2004.

Figure 18: Handle on New York State Racing in 2004

Handle	Thoroughbred Racing	Harness Racing	Total
Live	$338,980,155	$39,555,993	$378,536,148
Simulcast Exports (to NYS Tracks)	$79,784,904	$4,943,244	$84,728,148
Exports to NYS OTBs	$710,869,220	$91,118,221	$801,987,441
Exports Out-of-State	$1,773,105,693	$96,776,691	$1,869,882,384
Total Handle on New York State Racing	$2,902,739,972	$232,394,149	$3,135,134,121

Source: New York State Racing and Wagering Board; Economics Research Associates

Based on handle trends, the popularity of New York State Racing, with the exception of the Saratoga Race Course, has declined significantly since the 1990s. In 2004, the handle at New York State racetracks was about half what it had been in 1990. While wagering on off-site races simulcast at New York tracks has increased since 1990, on-site wagering on live race events at New York State tracks has decreased 70 percent over this period. At the State's four thoroughbred tracks, the "live handle" in 2004 was more than 60 percent lower than in 1990. Figure 19 presents data on the handle at New York State tracks for selected years 1990 through 2004.

Figure 19: Handle at New York State Racetracks, Selected Years ('000s)

	1990	1995	2000	2004	Percent Change 1990-2004
Handle at NYS Thoroughbred Tracks					
Simulcast Import Handle	$44,318	$125,746	$146,447	$151,508	242%
Live Handle	$917,733	$557,462	$393,294	$338,980	-63%
Handle at NYS Thoroughbred Racetracks	$962,052	$683,208	$539,741	$490,488	-49%
Handle at NYS Harness Tracks					
Simulcast Import Handle	$83,671	$187,324	$154,364	$142,488	70%
Live Handle	$356,570	$160,845	$69,817	$39,556	-89%
Handle at NYS Harness Racetracks	$440,242	$348,169	$224,182	$182,044	-59%
Total Handle at NYS Racetracks					
Simulcast Import Handle	$127,990	$313,070	$300,811	$293,996	130%
Live Handle	$1,274,304	$718,307	$463,112	$378,536	-70%
Handle at All NYS Racetracks	$1,402,293	$1,031,376	$763,922	$672,532	-52%

Source: New York State Racing and Wagering Board; Economics Research Associates

Relative to the other thoroughbred racetracks in New York State, the Saratoga Race Course has exhibited strong performance in recent years. The simulcast import handle and live handle at Saratoga Race Course increased 765 percent and 18 percent, respectively, between 1996 and 2004. Over the same period, the other New York thoroughbred racetracks have experienced changes in their annual simulcast import handle ranging from a decrease of 11 percent at Aqueduct Racetrack to an increase of 67 percent at Finger Lakes Gaming and Racetrack. With the exception of Saratoga Race Course, all New York State thoroughbred racetracks experienced declines in live handle, ranging from a 30 percent reduction at Belmont Park to a 55 percent reduction at Finger Lakes Gaming and Racetrack, between 1996 and 2004.

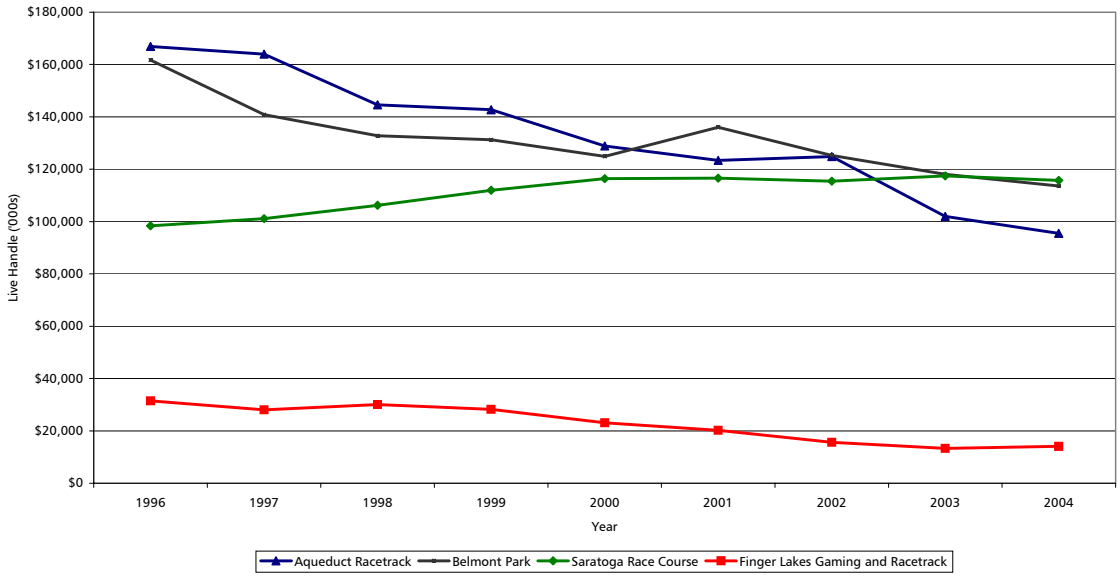
Figure 20: New York State Thoroughbred Racetrack Handle, Selected Years ('000s)

	1996	2000	2004	Percent Change 1996-2004
Simulcast Import Handle				
Aqueduct Racetrack	$86,904	$96,934	$77,770	-11%
Belmont Park	$28,405	$37,319	$38,977	37%
Saratoga Race Course	$2,159	$3,962	$18,664	765%
Finger Lakes Gaming and Racetrack	$9,617	$8,232	$16,097	67%
Racetrack Simulcast Handle	$127,086	$146,447	$151,508	19%
Live Handle				
Aqueduct Racetrack	$166,875	$128,885	$95,514	-43%
Belmont Park	$161,718	$124,896	$113,576	-30%
Saratoga Race Course	$98,382	$116,357	$115,775	18%
Finger Lakes Gaming and Racetrack	$31,490	$23,156	$14,115	-55%
Racetrack Live Handle	$458,466	$393,294	$338,980	-26%
Total "On-Track" Handle				
Aqueduct Racetrack	$253,779	$225,820	$173,285	-32%
Belmont Park	$190,124	$162,215	$152,553	-20%
Saratoga Race Course	$100,541	$120,318	$134,438	34%
Finger Lakes Gaming and Racetrack	$41,108	$31,388	$30,212	-27%
Racetrack Total Handle	$585,552	$539,741	$490,488	-16%

Source: New York State Racing and Wagering Board; Economics Research Associates

The Saratoga Race Course had the largest on-track live handle of any thoroughbred track in the State in 2004. Figure 21 graphically displays the trend in the live handle at New York State thoroughbred racetracks.

Figure 21: Live Handle at New York State Thoroughbred Racetracks



Source: New York State Racing and Wagering Board; Economics Research Associates

Saratoga Race Course has also exhibited relatively strong growth in annual attendance. Between 1999 and 2004, Saratoga Race Course was the only New York State thoroughbred racetrack to attract increasing numbers of visitors. As shown in Figure 22, attendance at Saratoga Race Course was over 120,000 greater in 2004 than in 1999. Total attendance at New York State thoroughbred racetracks was about 235,000 less in 2004 than in 1999.

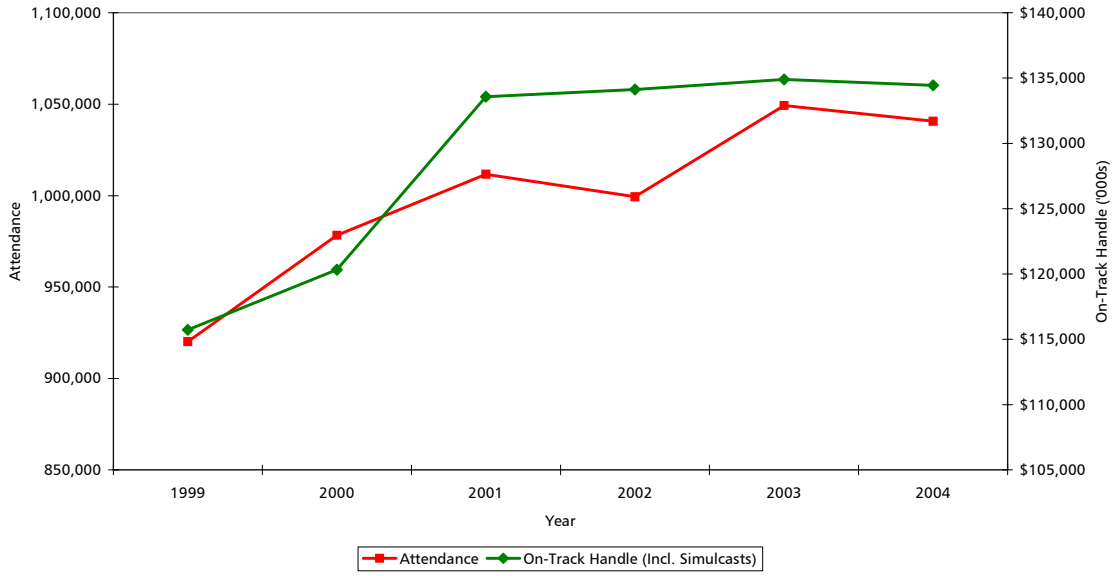
Figure 22: New York State Thoroughbred Racetrack Attendance

	1999	2000	2001	2002	2003	2004
Attendance						
Aqueduct Racetrack	761,873	681,263	638,303	678,707	554,058	461,305
Belmont Park	709,357	685,035	684,961	667,235	703,456	670,417
Saratoga Race Course	920,216	978,296	1,011,669	999,388	1,049,309	1,040,668
Finger Lakes Gaming and Racetrack	252,342	222,590	207,681	197,182	190,353	236,322
Total Racetrack Attendance	2,643,788	2,567,184	2,542,614	2,542,512	2,497,176	2,408,712
Race Days						
Aqueduct Racetrack	137	134	134	133	122	123
Belmont Park	87	88	87	88	93	93
Saratoga Race Course	36	36	36	36	36	36
Finger Lakes Gaming and Racetrack	176	167	165	161	154	157
Total Number of Race Days	436	425	422	418	405	409
Average Attendance Per Day						
Aqueduct Racetrack	5,561	5,084	4,763	5,103	4,541	3,750
Belmont Park	8,154	7,784	7,873	7,582	7,564	7,209
Saratoga Race Course	25,562	27,175	28,102	27,761	29,147	28,907
Finger Lakes Gaming and Racetrack	1,434	1,333	1,259	1,225	1,236	1,505
Average Attendance Per Day (All Tracks)	6,064	6,040	6,025	6,083	6,166	5,889

Source: New York State Racing and Wagering Board; Economics Research Associates

Saratoga Race Course attendance and total on-track handle grew significantly between 1999 and 2004. However, both attendance and handle did fall from 2003 to 2004. Figure 23 displays attendance and total on-track handle at the Saratoga Race Course 1999 through 2004.

Figure 23: Saratoga Race Course Attendance and Racetrack Handle



Source: New York State Racing and Wagering Board; Economics Research Associates

The Saratoga Race Course attendance and average daily live handle is higher than other nationally-recognized thoroughbred racetracks. As shown in Figure 24, of the seven U.S. racetracks that hosted five or more grade I stakes races in 2005, the Saratoga Race Course had the highest total annual attendance and the highest average daily live on-track handle.

Figure 24: U.S. Thoroughbred Tracks with Five or More Grade I Stakes Races [1, 2]

Track	State	Attendance	Days Raced	Average Daily Attendance	Live On-Track Handle	Average Daily Live On-Track Handle
Saratoga Race Course	New York	1,040,668	36	28,907	$115,774,774	$3,215,966
Del Mar	California	733,237	43	17,052	$102,242,996	$2,377,744
Keeneland Race Course	Kentucky	444,560	32	13,893	$40,212,197	$1,256,631
Churchill Downs	Kentucky	898,600	79	11,375	$99,148,603	$1,255,046
Hollywood Park	California	766,361	101	7,588	$160,066,096	$1,584,813
Santa Anita Park	California	988,656	133	7,434	$239,555,752	$1,801,171
Belmont Park	New York	670,417	93	7,209	$113,576,195	$1,221,249

Source: New York State Racing and Wagering Board; California Horse Racing Board; Kentucky Horse Racing Authority; Economics Research Associates

[1] Number of graded stakes races in 2005.

[2] Data from Kentucky tracks reflects 2003, the most recent year for which data is available. All other data from 2004.

Equine and Equine Operations

In this section, ERA examines the equine industry in New York State. ERA utilizes data regarding equine counts, equine operations, and breeding operations in the State and Study Region.

Overview

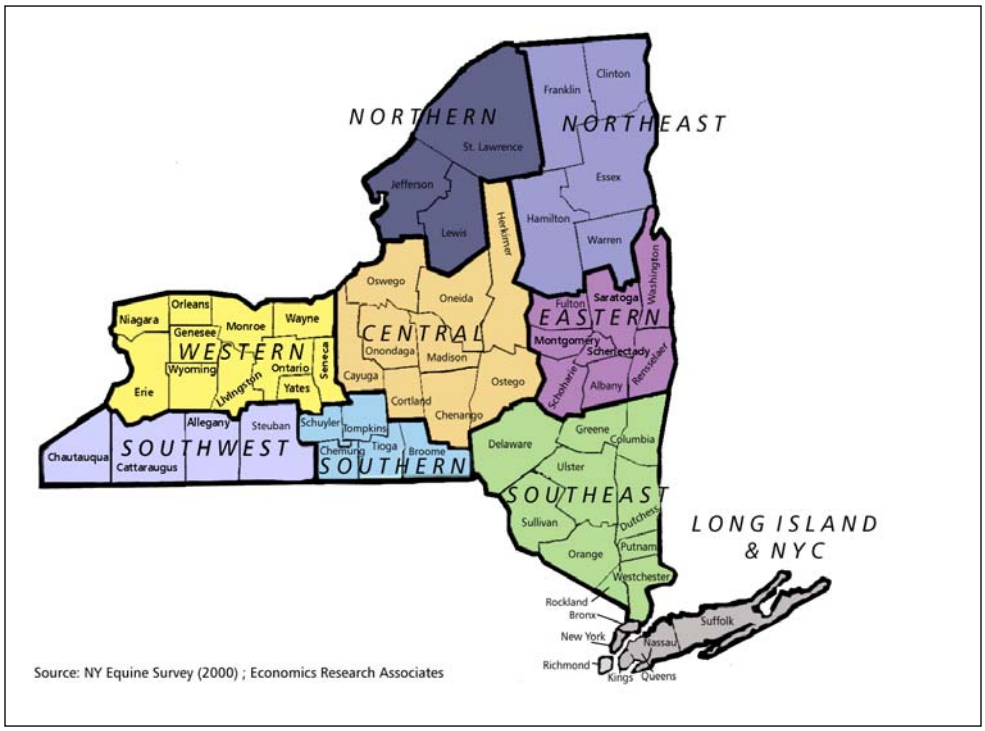
In 2000, the New York Agricultural Statistics Service administered a survey of equine operations in New York State. The results of the 2000 survey are the most recent available and provide a clearer picture of the equine industry in New York State than federal data on employment or agriculture.

According to the 2000 New York Equine Survey, there were 142,500 light-breed horses in New York during that year.[3] These data also indicate that there were approximately 4,550 boarding and training operations, 2,250 breeding operations, and 7,950 crop and livestock farms serving the equine industry in New York State in 2000.

The 2000 New York Equine Survey provides data on the geographic distribution of horses and operations by district. The districts, which are comprised of multiple counties, are presented graphically in Figure 25. The Eastern District encompasses Saratoga, Albany, Fulton, Montgomery, Rensselaer, Schoharie, Schenectady, and Washington Counties.

[3] Light breed horses include 42,000 race-breed horses and 100,500 other light-breed horses.

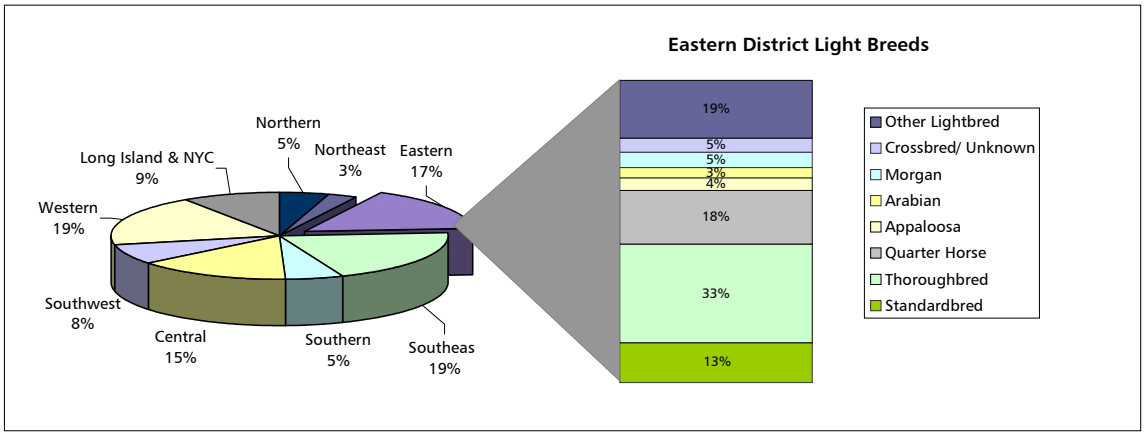
Figure 25: New York Equine Survey Districts



Equine

According to the 2000 New York Equine Survey, of the 142,500 light-breed equine in New York State in 2000, there were 23,580 light-breed equine in the Eastern District. Of the 23,580 light breed horses in the Eastern District, 7,700 were thoroughbred horses. Figure 26 displays the distribution of all New York State light-breed equine by District and the distribution of light breeds by type in the Eastern District.

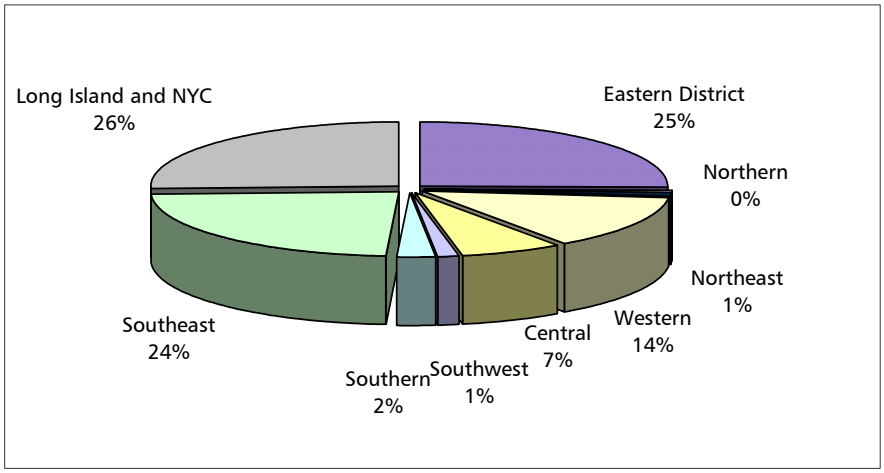
Figure 26: Number of Light-Breed Equine by Location



Source: New York Equine Survey (2000); Economics Research Associates

Data from the New York Equine Survey suggest that the majority of New York thoroughbreds are located in the Long Island and New York City District, the Eastern District, and the Southeast District. As shown in Figure 27, the number of thoroughbred horses in these three districts was 26 percent, 25 percent, and 24 percent of the 30,500 thoroughbreds in the State, respectively.

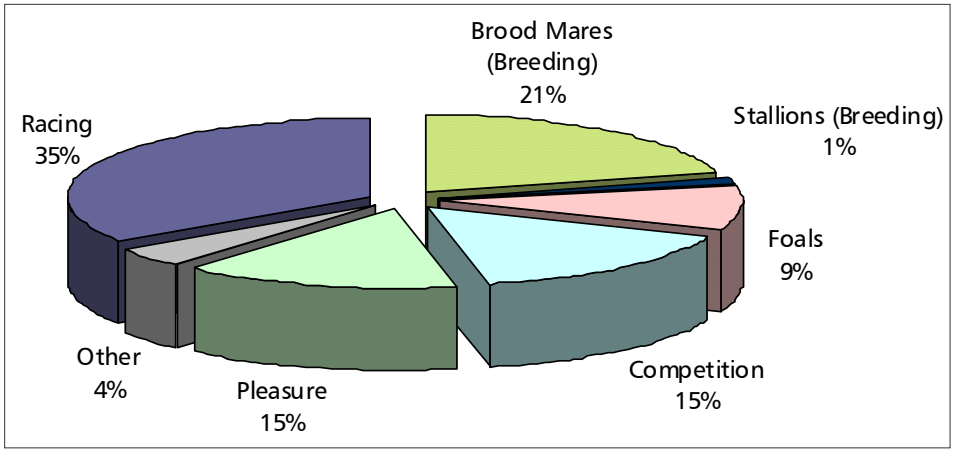
Figure 27: Number of Thoroughbreds by District



Source: New York Equine Survey (2000); Economics Research Associates

As shown in Figure 28, about 35 percent of New York State thoroughbreds are used for racing and 22 percent are used for breeding.

Figure 28: New York State Thoroughbreds by Primary Use

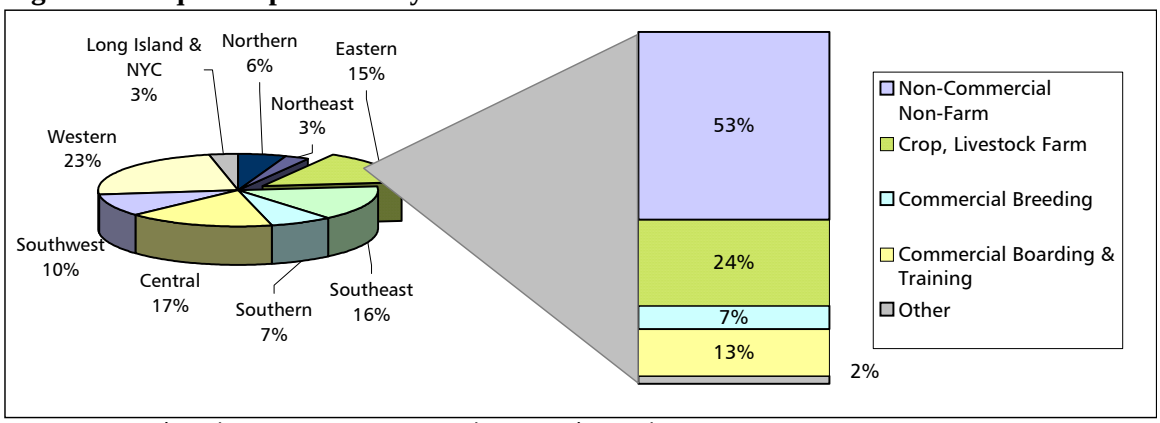


Source: New York Equine Survey (2000); Economics Research Associates

Equine Operations

As shown in Figure 29, 15 percent of equine operations were located in the Eastern District in 2000. In the Eastern District, the majority of operations were non-commercial/non-farms, roughly 13 percent were commercial boarding and training operations, and only about seven percent were commercial breeding operations.

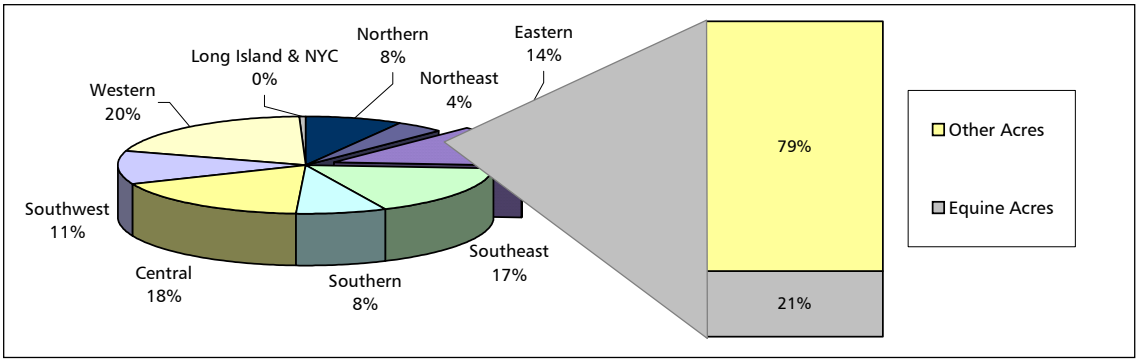
Figure 29: Equine Operations by District



Source: New York Equine Survey (2000); Economics Research Associates

There were roughly 3.5 million acres of land (about 12 percent of New York State land area) in equine-related usage in 2000. As shown in Figure 30, the Eastern District accounted for approximately 14 percent of the total equine-related acreage. Of the 480,000 equine-related acres in the Eastern District, 100,000 acres were used for equine, including over 43,000 acres of fenced pasture.

Figure 30: Equine-Related Acres by District



Source: New York Equine Survey (2000); Economics Research Associates

According to the 2000 New York Equine Survey, the total value of equine land, fencing, and buildings in New York State was about $3.7 billion, approximately $4,000 per acre. The total value of equine land, fencing and buildings in the Eastern District was $340 million, approximately $3,400 per acre, in 2000.

Thoroughbred Breeding

In 2002, the New York State Agricultural Statistics Service released a report concerning commercial breeding operations serving the New York horse racing industry in 2000. The Commercial Breeding Operations report builds on information collected during the 2000 New York Equine survey.

According to the Commercial Breeding Operations report, there were approximately 300 commercial breeding operations involved with thoroughbred racing in 2000. These operations boarded about 7,000 equine and used 27,500 acres of land.

Figure 31: Commercial Thoroughbred Breeding Farms by Number of Mares, 2000

				Thoroughbreds	
Number of Mares	Operations	Equine Acres	Total Equine	Mares	Stallions
1 - 5	160	6,100	1,280	430	10
6 - 10	60	3,500	790	380	35
11 - 24	35	5,700	1,220	600	30
25+	45	12,200	3,830	2,270	110
Total	**300**	**27,500**	**7,120**	**3,680**	**185**

Source: New York State Department of Agriculture and Markets, New York Agricultural Statistics Service, Commercial Breeding Operations, 2000; Economics Research Associates

The Commercial Breeding Operations report estimates that thoroughbred breeding operations in New York State employed 620 persons during 2000. Approximately 72 percent of these jobs were full-time positions and 28 percent were part-time positions. Figure 32 presents the number of managers, trainers, grooms, and other thoroughbred breeding operation employees in New York State in 2000. Based on this information, thoroughbred breeding operations employ approximately two employees each, on average.

Figure 32: Employment at Thoroughbred Breeding Operations

Position Type	Count[1]	Percent of Total
Managers	93	15%
Trainers	56	9%
Grooms	279	45%
Others	192	31%
Total	620	100%

[1] Count includes full-time and part-time jobs.

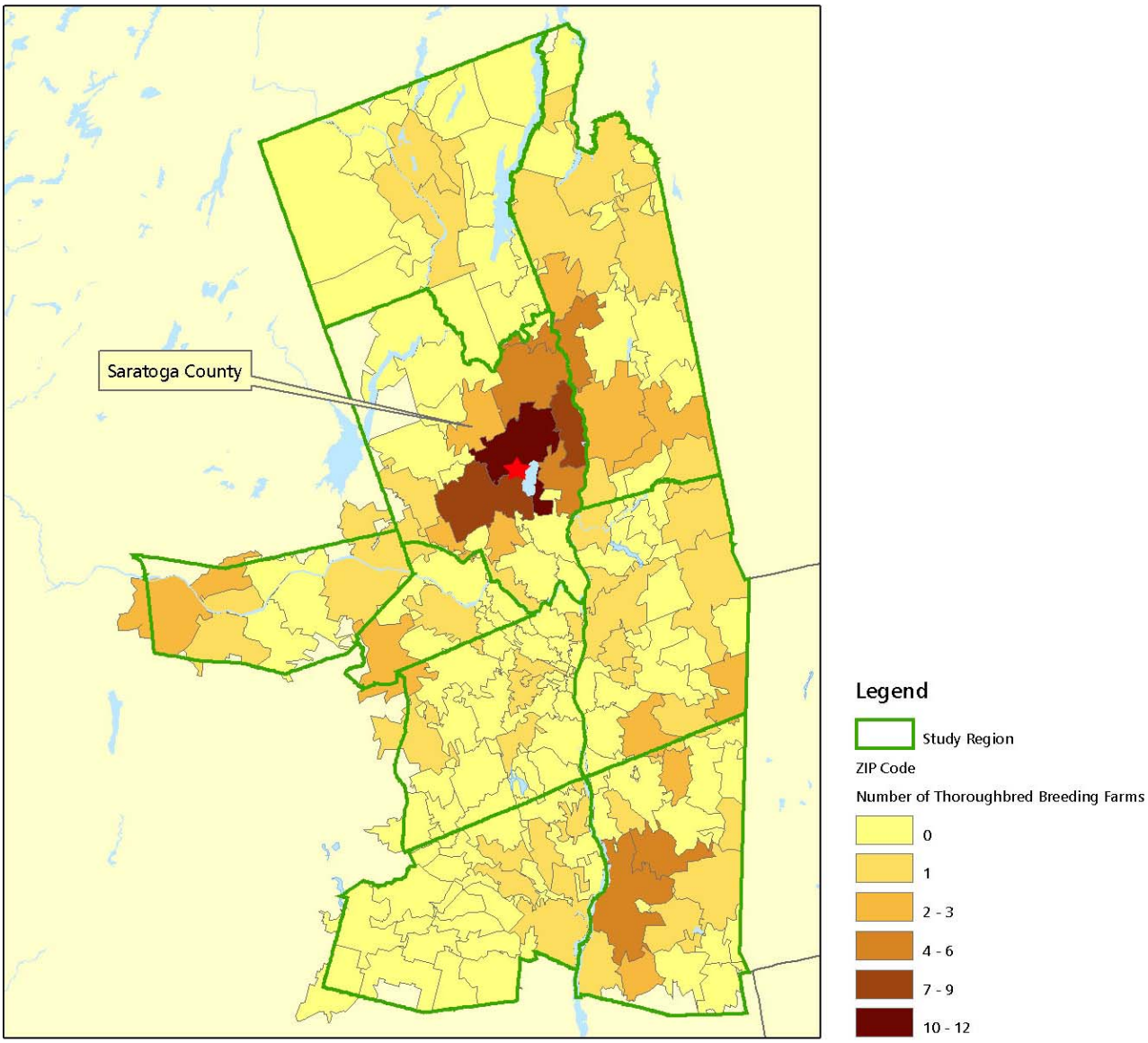
Source: New York State Department of Agriculture and Markets, New York Agricultural Statistics Service, Commercial Breeding Operations, 2000; Economics Research Associates

The New York State Thoroughbred Breeding and Development Fund Corporation maintains a list of thoroughbred breeding farms in New York State. According to these data, there are currently 396 thoroughbred farms in New York.[4] Of these, there are 53 thoroughbred farms with mailing addresses in zip codes located at least partially within Saratoga County and 129 thoroughbred farms with mailing addresses in zip codes located at least partially within the Study Region. These figures represent 13 percent and 32.6 percent of the State total, respectively.

As shown in Figure 33, the density of thoroughbred breeding farms in the Study Region (based on mailing addresses) is greatest in those zip codes located within close proximity to the Saratoga Race Course. The Saratoga Race Course is located in zip code 12866. Twelve thoroughbred farms have mailing addresses in that zip code. To the south, eight thoroughbred farms have mailing addresses in the adjacent zip code 12020. To the East, seven thoroughbred farms have mailing addresses in zip code 12871.

[4] Differences between thoroughbred farm counts from the NYS Department of Agriculture and Markets (Figure 31) and the New York State Thoroughbred Breeding and Development Fund Corporation (discussed above) likely reflect trends over time and differences in data collection methods.

Figure 33: Density of Thoroughbred Horse Farms in the Study Region



Source: New York State Thoroughbred Breeding and Development Fund Corporation; Economics Research Associates

Additional information regarding horse farms is available from the New York State Office of Real Property Services, which maintains data on property parcels by land use. These data provide parcel counts by specific property class codes, including agricultural uses and horse farms.

As shown in Figure 34, data from the Office of Real Property Services from 2004 indicate that there are 650 parcels designated as agricultural land in Saratoga County, six percent of which are horse farms. The proportion of agricultural parcels designated as horse farms in Saratoga County is greater than in the nine-county Study Region where about three percent of agricultural parcels are horse farms and New York State where about two percent of agricultural parcels are horse farms.

Figure 34: Agricultural Parcels in Saratoga County, the Study Region, and New York State (2004)

Description	Saratoga County	Study Region	New York State
Agricultural	1	24	332
Agricultural Vacant Land (Productive)	198	2,610	36,591
Livestock and Products	25	99	1,778
Poultry and Poultry Products: eggs,chickens, turkeys, ducks and geese	7	20	222
Dairy Products: milk, butter and cheese	129	1,270	12,227
Cattle, Calves, Hogs	21	281	2,889
Sheep and Wool	2	34	253
Honey and Beeswax	1	7	34
Other Livestock: donkeys, goats	23	80	759
Horse Farms	41	176	1,306
Field Crops	165	1,742	19,919
Acquired Development Rights	-	1	374
Truck Crops - Mucklands	-	2	2,233
Truck Crops - Not Mucklands	9	49	696
Orchard Crops	6	14	126
Apples, Pears, Peaches, Cherries, etc.	9	139	1,642
Vineyards	-	3	1,708
Other Fruits	-	5	59
Nursery and Greenhouse	8	64	756
Specialty Farms	1	6	32
Fur Products: mink, chinchilla, etc.	-	1	9
Pheasant, etc.	-	3	11
Aquatic: oysterlands, fish and aquatic plants	-	-	339
Livestock: deer, moose, llamas, buffalo, etc.	1	5	29
Fish, Game and Wildlife Preserves	3	5	162
Total, All Agricultural Parcels	**650**	**6,640**	**84,486**
Percentage of Agricultural Parcels Described as Horse Farms	**6%**	**3%**	**2%**

Source: New York State Office of Real Property Services, 2004 Annual Assessment Rolls; Economics Research Associates

As shown in Figure 35, 2004 data from the Office of Real Property Services indicate that there are ten parcels designated as agricultural land in the City of Saratoga Springs, only one of which is categorized as a horse farm.

The estimated total value of agricultural property in Saratoga County was roughly $113 million in 2004. Properties designated as horse farms account for approximately $18 million and other agricultural properties account for about $95 million of the total value of agricultural property in the County. On average, however, horse farms in Saratoga County exhibit much higher value per parcel. In Saratoga County, the estimated average value of a horse farm is approximately $436,000, compared to roughly $156,000 for other agricultural properties.

Figure 35: Agricultural Parcels in Saratoga County

	Number of Agricultural Parcels			Estimated Total Market Value[1]			Estimated Average Market Value Per Parcel[1]		
City/Town	Horse Farms	Other Farms	Total	Horse Farms	Other Farms	Total	Horse Farms	Other Farms	Total
City of Mechanicville	0	0	0	$0	$0	$0	-	-	-
City of Saratoga Springs	1	9	10	$653,400	$2,665,000	$3,318,400	$653,400	$296,111	$331,840
Town of Ballston	1	35	36	$273,500	$5,044,100	$5,317,600	$273,500	$144,117	$147,711
Town of Charlton	1	62	63	$283,700	$11,971,800	$12,255,500	$283,700	$193,094	$194,532
Town of Clifton Park	2	32	34	$531,750	$5,828,375	$6,360,125	$265,875	$182,137	$187,063
Town of Corinth	0	0	0	$0	$0	$0	-	-	-
Town of Day	0	0	0	$0	$0	$0	-	-	-
Town of Edinburg	0	0	0	$0	$0	$0	-	-	-
Town of Galway	0	35	35	$0	$4,636,529	$4,636,529	-	$132,472	$132,472
Town of Greenfield	1	5	6	$290,800	$1,150,500	$1,441,300	$290,800	$230,100	$240,217
Town of Hadley	0	0	0	$0	$0	$0	-	-	-
Town of Halfmoon	0	58	58	$0	$11,913,081	$11,913,081	-	$205,398	$205,398
Town of Malta	2	19	21	$1,794,900	$2,450,220	$4,245,120	$897,450	$128,959	$202,149
Town of Milton	2	25	27	$190,100	$3,119,000	$3,309,100	$95,050	$124,760	$122,559
Town of Moreau	4	63	67	$1,607,234	$7,161,596	$8,768,830	$401,809	$113,676	$130,878
Town of Northumberland	8	128	136	$1,949,452	$14,701,712	$16,651,164	$243,682	$114,857	$122,435
Town of Providence	0	4	4	$0	$607,937	$607,937	-	$151,984	$151,984
Town of Saratoga	9	84	93	$6,775,700	$16,386,500	$23,162,200	$752,856	$195,077	$249,056
Town of Stillwater	9	33	42	$3,199,200	$4,895,067	$8,094,267	$355,467	$148,335	$192,721
Town of Waterford	0	3	3	$0	$186,667	$186,667	-	$62,222	$62,222
Town of Wilton	1	14	15	$343,500	$2,156,400	$2,499,900	$343,500	$154,029	$166,660
Saratoga County Total	**41**	**609**	**650**	**$17,893,236**	**$94,874,484**	**$112,767,720**	**$436,420**	**$155,787**	**$173,489**

[1] Market values are estimated from assessed values using the City/Town equalization rate.

Source: New York State Department of Real Property Services, 2004 Annual Assessment Rolls; Economics Research Associates

New York-Bred Thoroughbred Sales

The New York State Thoroughbred Breeding and Development Fund Corporation provides data on the thoroughbred yearling market. Specifically, the Thoroughbred Breeding Fund reports data from nationally recognized yearling sales. While these sales do not capture the full breadth of the thoroughbred yearling market, these data provide some insight into the value of yearlings in general and New York-bred yearlings in particular. There is no known data source tying the New York-bred sales to the Study Region. However, given the density of thoroughbred breeding farms in the Study Region, it is reasonable to assume that yearling sales do provide significant income in and around Saratoga.

In 2004, there were three sales held in Saratoga Springs. Two of the sales were held by Fasig-Tipton Company, Inc. The Company's Saratoga Yearling Sales have been conducted on an annual basis (except during the two World Wars) since the early 1900s. According to the Fasig-Tipton, the Saratoga Sales have been a particularly important source of top race mares. In addition, the New York Breeders Sales Company held its first annual sale in 2004.

ERA

Figure 36: Selected Yearling Sales, 2004

		Yearling Sales			New York-Bred Yearling Sales		
Yearling Sales 2004[1]	Location	Total Sales	Number of Sales	Average Sale Price	Total Sales	Number of Sales	Average Sale Price
Keeneland Sales Co. (Horses of All Ages Sale)	Lexington, KY	$11,900,000	417	$28,456	$606,696	17	$35,688
Ocala Breeder's Sales Co. (Winter Mixed Sale)	Ocala, FL	$4,100,000	338	$12,043	$400,884	33	$12,148
Fasig Tipton Sales Co. (Mid-Atlantic Winter Mixed Sale)	Timonium, MD	$200,000	39	$5,390	$28,900	4	$7,225
Fasig Tipton Sales Co. (Kentucky Mixed Sale)	Lexington, KY	$400,000	54	$8,331	$24,200	5	$4,840
Fasig Tipton Sales Co. (Kentucky Selected Yearling Sale)	Lexington, KY	$38,600,000	338	$114,260	$852,000	6	$142,000
Fasig Tipton Sales Co. (Saratoga Selected Yearling Sale)	Saratoga Springs, NY	$45,700,000	150	$304,700	$2,100,000	8	$262,500
Fasig Tipton Sales Co. (Saratoga Preferred New York-Bred Yearling Sale)	Saratoga Springs, NY	$5,596,528	112	$49,969	$5,596,528	112	$49,969
Ocala Breeder's Sales Co. (Selected Yearling Sale)	Ocala, FL	$9,300,000	177	$52,271	$245,000	5	$49,000
Ocala Breeder's Sales Co. (Main Yearling Sale)	Ocala, FL	$9,100,000	714	$12,758	$740,819	67	$11,057
Fasig Tipton Sales Co. (Texas Summer Yearling Sale)	Fort Worth, TX	$3,400,000	270	$12,447	--	--	--
Keeneland Sales Company (September Yearling Sale)	Lexington, KY	$324,900,000	3370	$96,411	$3,715,894	91	$40,834
New York Breeder's Sales Co. (Mixed Sale)	Saratoga Springs, NY	$200,000	47	$3,751	$164,217	43	$3,819
Fasig Tipton Sales Co. (Eastern Fall Yearling Sale)	Timonium, MD	$10,800,000	493	$21,889	$988,330	70	$14,119
Barretts (Preferred Yearling Sale)	Fairplex, CA	$3,200,000	242	$13,363	--	--	--
Ocala Breeder's Sales Co. (Fall Mixed Sale)	Ocala, FL	$100,000	15	$8,393	--	--	--
Fasig Tipton Sales Co. (Fall Yearling Sale)	Lexington, KY	$8,300,000	511	$16,276	--	--	--
Fasig Tipton Sales Co. (Mid-Atlantic December Mixed Sale)	Timonium, MD	$200,000	38	$5,055	$1,800	2	$900
Fasig Tipton (Texas Mixed Sale)	Grand Prairie, TX	$200,000	24	$6,617	--	--	--
Total		*$476,196,528*	*7,349*	*$64,797*	*$15,465,268*	*463*	*$33,402*

Source: New York State Thoroughbred Breeding and Development Fund Corporation; Economics Research Associates

Tourism

Saratoga Springs and the surrounding region has been a popular summer destination since the nineteenth century. The mineral springs in Saratoga Springs and Ballston Spa were the original draw to the area. With the development of railroad access, lodging, and visitor amenities, the area attracted increasing numbers of wealthy tourists. Once Saratoga had grown into a well-known summer retreat, the Saratoga Race Course was built to provide entertainment. In 1863, the first thoroughbred races were run at Saratoga. Since then, the area has become internationally known for thoroughbred horse racing.

Today, Saratoga Springs is a lively city with numerous historic and cultural sites and activities. In addition to the Saratoga Race Course, the Saratoga Performing Arts Center is a significant tourist draw. The facility, opened in 1966, is the summer home of the Philadelphia Orchestra, the New York City Ballet, the Lake George Opera Festival, and top performers of jazz, pop and rock music. As shown in Figure 37, there are numerous other entertainment and recreation offerings in Saratoga Springs including eight museums and six golf courses. In addition, there are approximately 27 hotels and motels, 85 full-service restaurants, and 25 drinking places in the City.

There are also numerous retail offerings in the City of Saratoga Springs. Excluding retail establishments selling durable goods (e.g., automobiles or home appliances), hardware and construction goods, and non-store retail (e.g., internet retailers), there are nearly 300 retail establishments in Saratoga Springs.

Figure 37: Saratoga Springs Tourism-Related Establishments by Zip Code

Establishment Type	Zip Code 12866	12020	12833	Area Total
Arts, Entertainment, and Recreation				
Theater companies and dinner theaters	4	0	0	4
Musical groups and artists	1	0	0	1
Racetracks	2	0	0	2
Other spectator sports	3	2	0	5
Promoters of performing arts, sports, and similar events with facilities	2	0	0	2
Independent artists, writers, and performers	3	3	0	6
Museums	6	2	0	8
Historical sites	1	0	0	1
Amusement arcades	2	0	0	2
Golf courses and country clubs	4	2	0	6
Marinas	1	1	0	2
Fitness and recreational sports centers	6	5	1	12
Bowling centers	1	1	0	2
All other amusement and recreation industries	5	3	0	8
Arts, entertainment, and recreation, Subtotal	**41**	**19**	**1**	**61**
Accommodation and Food Services				
Hotels (except casino hotels) and motels	22	4	1	27
Bed and breakfast inns	8	0		8
RV (recreational vehicle) parks and campgrounds	1	1	1	3
Full-service restaurants	61	23	1	85
Limited-service restaurants	31	13	1	45
Cafeterias, buffets, and grill buffets	1	0	0	1
Snack and nonalcoholic beverage bars	12	4	0	16
Food service contractors	2	3	0	5
Caterers	1	0	0	1
Mobile food services	1	1	0	2
Drinking places (alcoholic beverages)	19	6	0	25
Accommodation and food services, Subtotal	**159**	**55**	**4**	**218**
Tourism-Related Retail Trade				
Tourism-Related Retail Trade, Subtotal	**233**	**53**	**3**	**289**
Total, Tourism-Related Establishments	**433**	**127**	**8**	**568**

Source: U.S. Census Bureau, 2003 data

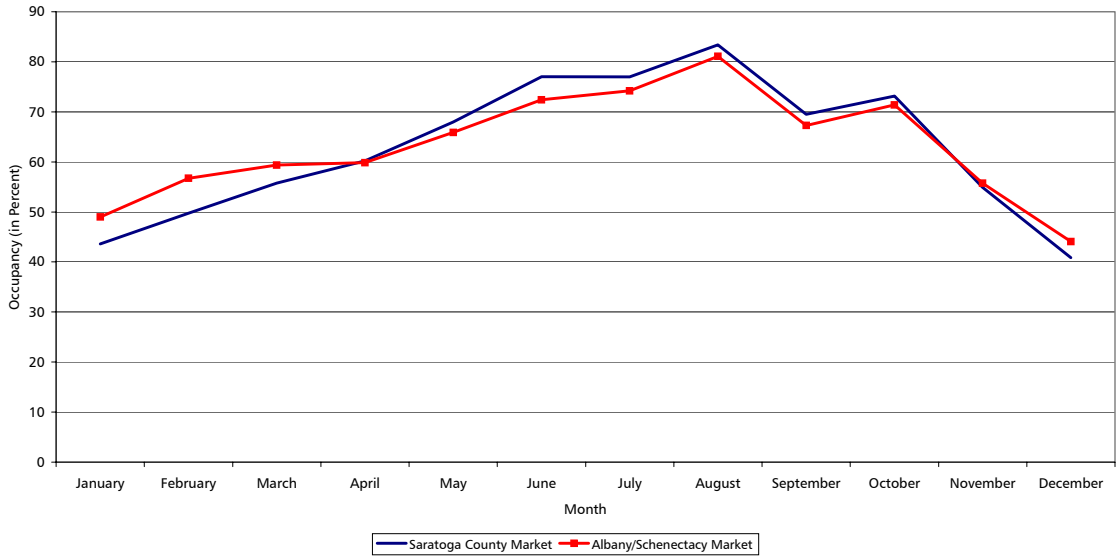
Regional Lodging Market

To further inform ERA's assessment of tourism market patterns, ERA examines the market for lodging facilities in Saratoga County and the greater Albany/Schenectady region.[5] The analysis provides an overview of the performance of the regional lodging market, in order to gain additional insight into regional tourism visitation patterns. According to data from Smith Travel Research, there are approximately 2,219 hotel rooms in Saratoga County and 10,825 hotel rooms in the Albany/Schenectady market, as of February 2006. As noted in Section II of this study (see Figure 16 and Figure 17, above), Saratoga Springs and Saratoga County have added a significant number of hotel rooms in recent years.

Occupancy and Room Nights Sold

In terms of occupancy rates, the Saratoga County lodging market closely resembles the greater Albany/Schenectady lodging market, in which it is included. Occupancy rates are highly seasonal, with lows in December and highs in August (the time of the Saratoga meeting). Figure 38 exhibits average occupancy by month in the Saratoga County and Albany/Schenectady markets, 2000 through 2005.

Figure 38: Hotel Occupancy Rates (2000 - 2005 Averages)

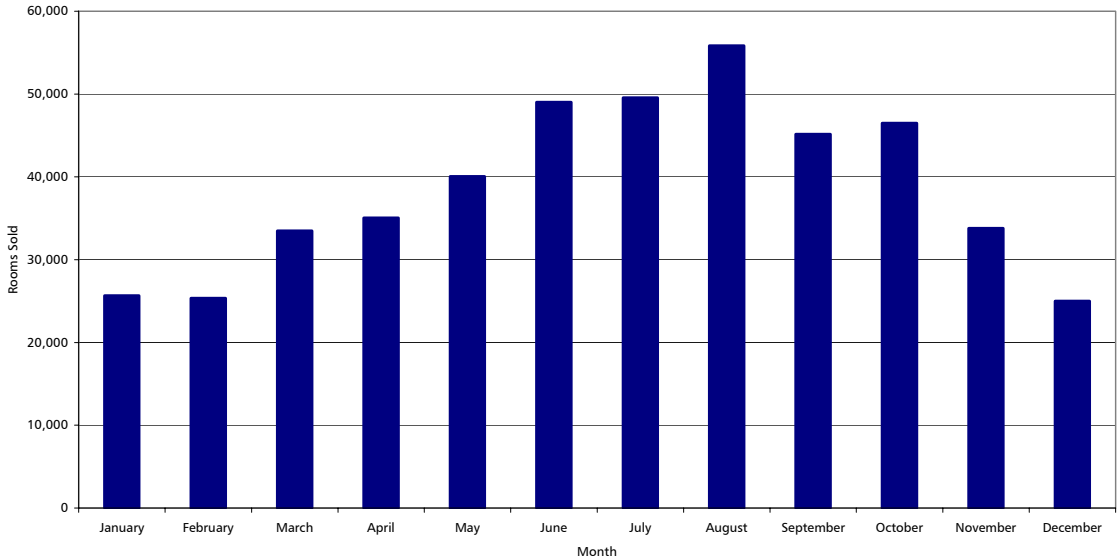


Source: Smith Travel Research; Economics Research Associates

[5] Note that the Albany/Schenectady region does not correspond with the Study Region and is provided here for comparative purposes only. Also, note that the Albany/Schenectady region includes Saratoga County.

Demand for Saratoga County room nights totaled approximately 464,000 in 2005. August alone accounted for nearly 56,000 room nights (roughly 12 percent of the annual total). The distribution of 2005 room nights sold in Saratoga County is provided in Figure 39.

Figure 39: Room Nights Sold in Saratoga County by Month in 2005



Source: Smith Travel Research; Economics Research Associates

In terms of room nights sold, the Saratoga County market has grown at a greater rate than the larger Albany/Schenectady lodging market in recent years. Between 2000 and 2005, annual room nights sold in Saratoga County increased by about 4.5 percent per year as compared with a slight decrease in room nights sold in the larger regional market. In the month of August, Saratoga County room nights sold increased by 5.7 percent per year between 2000 and 2005, as compared with the 0.2 percent per year increase observed in the Albany/Schenectady market.

Figure 40: Room Nights Sold in the Albany/Schenectady Market 2000-2005

	2000		2005		Annual Change 2000-2005	
Date	Saratoga County Market	Albany/Schenectady Market	Saratoga County Market	Albany/Schenectady Market	Saratoga County Market	Albany/Schenectady Market
January	20,160	148,378	25,632	154,163	4.9%	0.8%
February	22,176	162,410	25,328	154,691	2.7%	-1.0%
March	26,880	188,763	33,476	186,682	4.5%	-0.2%
April	27,917	177,210	35,023	185,023	4.6%	0.9%
May	35,910	216,979	40,020	208,067	2.2%	-0.8%
June	37,160	225,961	48,988	225,080	5.7%	-0.1%
July	39,058	234,858	49,557	240,168	4.9%	0.4%
August	42,356	259,029	55,824	261,246	5.7%	0.2%
September	36,519	224,593	45,144	215,112	4.3%	-0.9%
October	35,184	219,961	46,477	219,286	5.7%	-0.1%
November	28,493	177,589	33,782	171,467	3.5%	-0.7%
December	20,120	137,668	24,994	137,496	4.4%	0.0%
Annual Total	*371,933*	*2,373,399*	*464,245*	*2,358,481*	*4.5%*	*-0.1%*

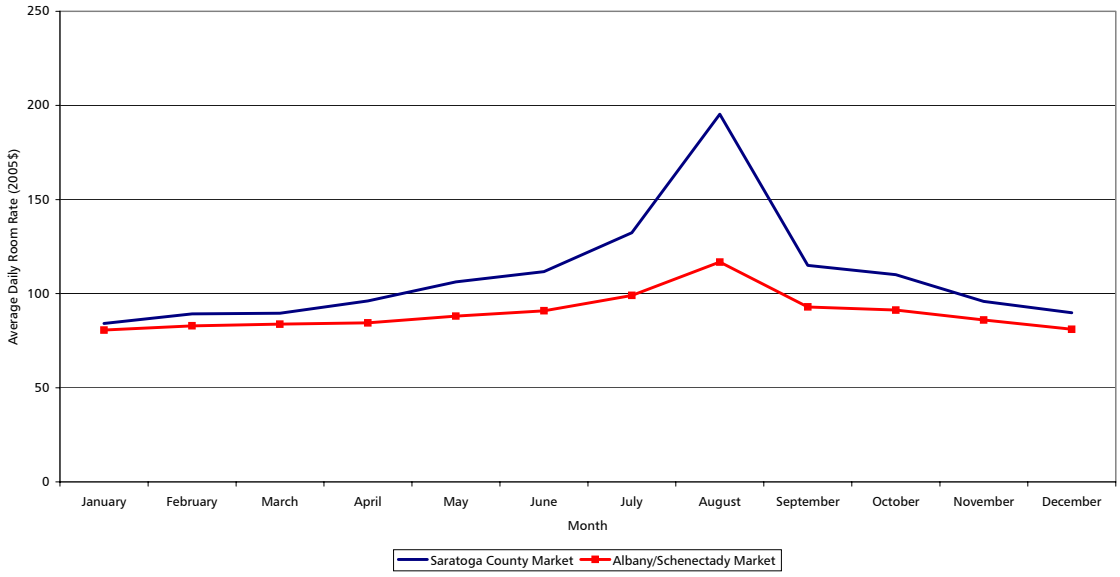
Source: Smith Travel Research; Economics Research Associates

Note that the Saratoga County Market is a subset of the Albany/Schenectady Market

Lodging Room Rates

Average daily room rates within the Saratoga County lodging market diverge sharply from the larger regional market during summer months. As shown in Figure 41, average room rates were higher in Saratoga County than the Albany/Schenectady market in each month during 2005. However, during July and August average daily room rates were significantly higher in Saratoga County. Saratoga County room rates were $195 in August 2005. While summer is the high season for all types of tourism in the region, the Saratoga Race Course is an important factor contributing to the spike in room rates during the month of August.

Figure 41: Average Daily Room Rates, 2005



Source: Smith Travel Research; Economics Research Associates

Section 4: Regional Economic Analysis

To estimate the total economic output (i.e., spending), earnings, and employment generated by the Saratoga Race Course and Oklahoma Training Track, ERA conducts a regional economic analysis. The total economic impacts reported in this section represent those expected to occur within the Study Region, including Saratoga County and the surrounding counties of Albany, Columbia, Greene, Montgomery, Rensselaer, Schenectady, Warren, and Washington.

Overview of Regional Economic Analysis

ERA relies on an Input/Output (I/O) model to estimate multiplier effects, as discussed in detail below. Regional economic analysis and I/O models in particular provide a means to estimate total regional effects stemming from a change in a particular industry. Specifically, I/O models produce quantitative estimates of the magnitude of regional economic activity resulting from a specified change in the regional economy (e.g., the closing of a thoroughbred racetrack). I/O models rely on multipliers that mathematically represent the relationship between the initial change in one sector of the economy and the effect of that change on economic output, income, or employment in other regional industries. These economic data provide a quantitative estimate of the magnitude of shifts in jobs and revenues within the regional economy.

This regional economic analysis relies on the Regional Input-Output Modeling System (RIMS II), an I/O model maintained by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA). The RIMS model allows economic analysts to estimate the economic impacts resulting from specific changes in a regional economy. According to BEA, RIMS-generated results should be considered "approximate order-of-magnitude estimates of impacts." BEA also suggests that RIMS multipliers are best suited for estimating the impacts of small changes on a regional economy.

Regional economic analysis provides a means of estimating the significance of economic activity in a regional economy by quantifying contributions to output and employment. Because industries in a geographic area are interdependent, the total economic contribution of any one specific project will be larger than its individual (direct) effect on regional output and employment, a concept referred to as the "multiplier" effect. Industries in a geographic region are interdependent in the sense that they both purchase output from and supply input to other industries in the region. For example, consider the implications of Saratoga Race Course expenditures. The Race Course purchases goods from producers, which in turn purchase raw materials from suppliers. Thus, an increase/decrease in the demand for inputs to Race Course operations will stimulate an increase/decrease in output and employment in the interdependent secondary industries.

Interpretation of Model Results

In order to estimate economic impacts using an I/O model, the analyst must first posit an initial change in output or employment in some sector. The model then translates the initial change into changes in demand for output from other interdependent sectors, corresponding

changes in demand for inputs to those sectors, and so on. These effects are commonly described as direct, indirect or induced, and are generally defined as follows:

- The **direct effect** represents the initial change in output (i.e., spending) attributable to a change in demand or supply. For example, if the Saratoga Race Course were to close, the discontinued Race Course operating expenditures would be a negative direct impact to the Study Region economy.

- The **indirect effect** results from industry-to-industry transactions. This effect is a measure of the change in the output of suppliers linked to the industry that is directly affected. For example, the Saratoga Race Course purchases goods and services from suppliers in the Study Region. If the Saratoga Race Course were to close, then these suppliers would experience a decrease in demand for their goods and services.

- The **induced effect** consists of impacts from employee spending in the regional economy. Employees of directly and indirectly affected businesses contribute to this effect.

- The **total impact** is the sum of the direct, indirect and induced effects. The total effect measures the impact of an activity as it "ripples" throughout the regional economy.

In the subsequent section, we report the regional economic effects described above in three categories:

- **Output** (i.e., spending) represents the change in regional sales or revenue.

- **Employment** represents the change in the number of jobs in the regional economy resulting from a change in regional output. Employment impacts are reported on a full-time-equivalent (FTE) basis.

- **Earnings** (i.e., employee compensation) represent the change in employee income in the regional economy resulting from a change in regional output.

Economic Impacts Considered by this Analysis

This regional economic impact analysis considers the direct, indirect, and induced impacts attributable to the Saratoga Race Course, occurring within the Study Region. To estimate these impacts, the analysis posits closure of the Saratoga Race Course. The analysis addresses three primary sources of impacts that would occur if the Saratoga Race Course were to close. Economic impacts result from decreased spending in the regional economy on:

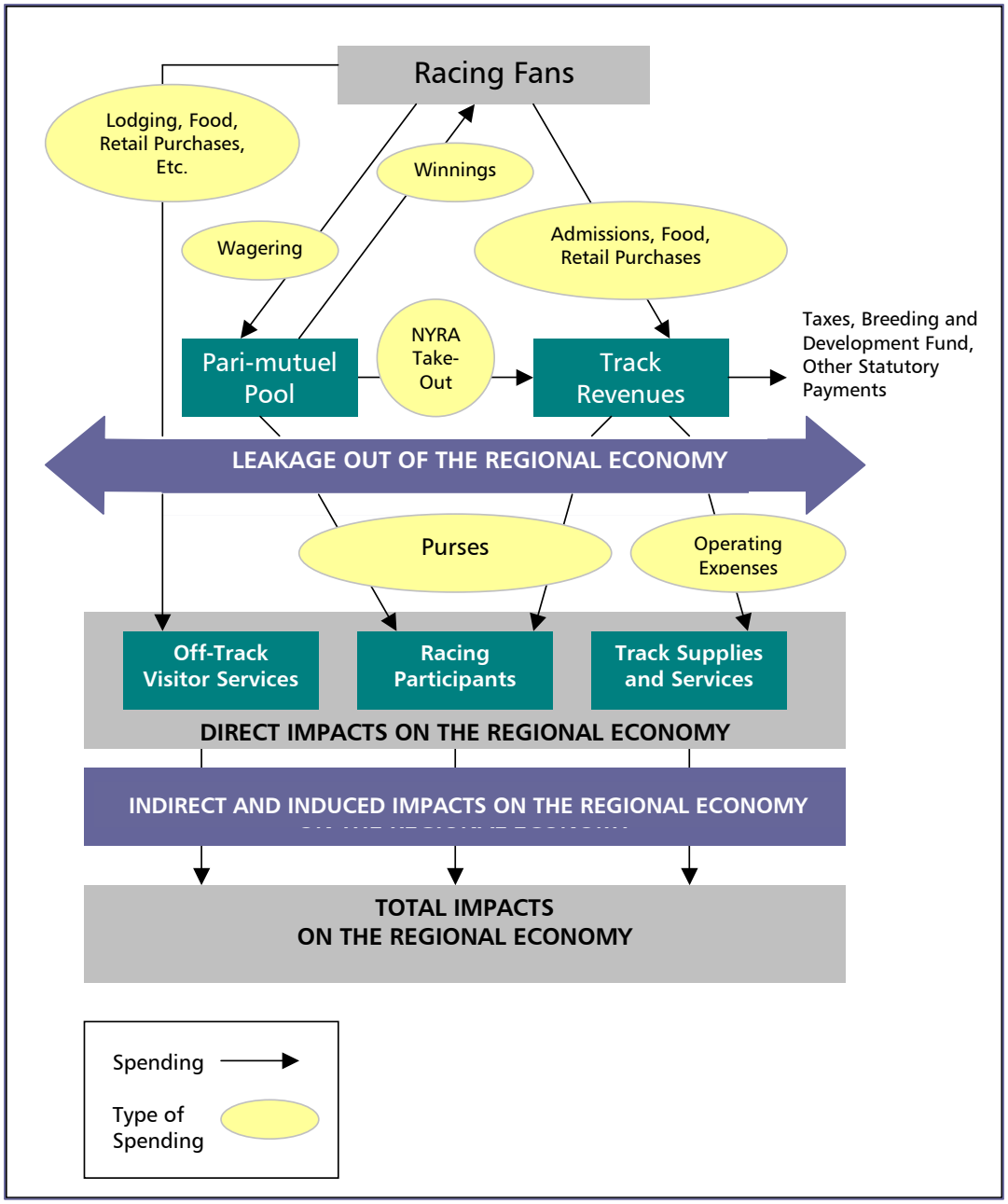
- Saratoga Race Course Operations (i.e., operating expenses and food service revenues) – Including salaries and wages, facilities costs, administrative costs, utilities, racing costs, customer service costs, advertising costs, security costs, employee benefit costs, insurance costs, and revenues from food service operations.

- Participant Expenses – Including training (i.e., training activities, boarding, and feed), veterinary fees, farrier (shoeing) fees, jockey fees, and racing fees; and

- Spectator Expenses – Including lodging, meals out, drinks, groceries, retail purchases, entertainment, gasoline, and local transportation but excluding expenditures at the Race Course captured by Race Course operations.

An overview of the economic flows supported by the Saratoga Race Course is provided by Figure 42. As shown, spending originates with racing fans. Their on-track spending and off-track spending supports track operations, participant activities, and visitor services.

Figure 42: Economic Flows Created by the Saratoga Race Course



Operations

Each year, the Saratoga Race Course hosts a six-week meet with 36 days of racing, concluding on Labor Day. The Travers Stakes, the oldest major thoroughbred horse race in the United States, is the main event of the annual summer race meeting at Saratoga.

Thoroughbred horse trainers come to Saratoga Race Course and the Oklahoma Training Track to train and compete. The facility opens to trainers and their horses in mid-April. By June, over 850 horses are in training at Saratoga. During the meet, NYRA's facilities provide up 1,850 horses with on-site stalls. NYRA also provides dorm housing for "backstretch" employees working as horse grooms and hot walkers.

Visitors flock to Saratoga during the August meet. In 2001, 2003, and 2004, the Saratoga meet attracted over one million visits. The Saratoga Race Course offers visitors a variety of seating and eating options for race spectators. Seating is available in the grandstand, the clubhouse, at picnic tables on the grounds, and in luxury suites. The Race Course also provides formal and casual food options including the Turf Terrace dining room, the Porch, the Club Terrace, the At the Rail Pavilion, the Carousel Restaurant, and the Paddock Tent.

NYRA's gross revenue attributable to the Saratoga Race Course represents the direct contribution of Race Course operations to New York's gross state product and U.S. gross domestic product. NYRA estimates that the total revenue attributable to operations at Saratoga was about $65 million in 2005.

NYRA's revenue at Saratoga comes from a variety of sources, as outlined in Figure 43. The vast majority of revenue comes from wagering. NYRA revenue from wagering consists of a percentage of each wager, called "takeout." Takeout, which ranges from 14 percent to 25 percent, varies depending on the type of wager.[6] On average, NYRA retains 9.3 percent of all on-track wagers and 2.5 percent of all off-track wagers, after statutory payments and amounts payable to purses. NYRA also enjoys revenue from Saratoga Race Course admissions, a share of the food concession revenues, sales of programs and other goods, preferred parking, and horse boarding.

[6] Note that NYRA must pay a portion of the takeout toward a variety of fees.

Figure 43: Saratoga Race Course and Oklahoma Training Track Gross Revenue 2005

Revenue Category	Revenue
Revenue from Wagering [1]	$52,764,774
Admissions	$5,548,812
Group Sales	$1,936,365
Concessions [2]	$1,438,591
Program Sales	$727,361
Newsstand Sales	$269,579
Parking Revenues	$303,458
Retail Revenues	$558,642
Training Activities	$456,105
Other Revenues	$869,818
Total, All Revenue Sources	*$64,873,505*

Source: NYRA; Economics Research Associates

[1] Commissions, breakage, and takeout (all sources, incuding OTBs and simulcasting).

[2] Gross revenue from concessions represents fees collected from NYRA's food service

While NYRA's revenues from operations at Saratoga might be an appropriate measure of the direct impact of the Saratoga Race Course in New York State, a portion of the revenues reported in Figure 43 do not benefit the Study Region. A better measure of the impact of the Saratoga Race Course on the Study Region is expenditures on Saratoga Race Course operations, shown in Figure 44. ERA relies on regional operating expenses to estimate the direct impact of NYRA's operations at Saratoga on the regional economy. Note that Figure 44 does not include taxes or statutory fees paid by NYRA; these expenditures are addressed in the Fiscal Impacts section of this report.

Figure 44: Saratoga Race Course and Oklahoma Training Track Gross Operating Expenses 2005

Expense Category	Expenditures
Stakes and Purses	$22,332,186
Salaries and wages	$14,066,461
Facilities Costs	$2,835,162
Administration	$1,741,356
Utilities	$987,929
Racing	$772,071
Customer-related expenses	$741,592
Advertising	$708,810
Security	$685,162
Benefits	$578,000
Insurance	$548,000
Total, All Operating Expenses	*$45,996,729*

Source: NYRA; Economics Research Associates

NYRA employs both full-time and seasonal workers at Saratoga. Full-time employees include staff based out of NYRA's headquarters at Aqueduct Racetrack in New York City and additional full-time staff working at the Saratoga Race Course. NYRA estimates that the Saratoga Race Course requires about 30 percent of their 206 administrative staff members' time, which is equivalent to nearly 62 administrative jobs. In addition, some full-time NYRA employees move from track to track throughout the year, working as pari-mutual clerks (i.e., tellers), security guards, or retail salespeople. These NYRA employees spend the duration of the Saratoga meet in the City of Saratoga Springs. A full time staff of 30 including maintenance workers, electricians, a carpenter, plumbers, and additional administrative staff is based at Saratoga year round.

NYRA also hires a significant number of seasonal workers to help run the Race Course during the training and racing season. Some temporary employees start as early as April and stay through November. In August, when Saratoga temporary employment peaks, NYRA employs approximately 1,300 temporary employees. These employees tend to work forty or more hours per week.

In total, NYRA employs roughly 1,500 individuals to run the Saratoga meeting during the month of August. While most of these employees are on-site in Saratoga, the New York City-based administrative staff spends little time at the Saratoga meeting. Figure 45 presents NYRA employment attributable to the Saratoga Race Course. As shown, administrative staff based downstate are assumed to perform the majority of their work there. These employees are not included in the direct impacts of the Saratoga Race Course on the Study Area.

Figure 45: NYRA Employment at Saratoga Race Course and Oklahoma Training Track

	Employment									
Job Position	April	May	June	July	August	September	October	November	December-March	FTE Employment [1]
Administrative Positions (Off-Site)	62	62	62	62	62	62	62	62	62	62
Mutuels	0	0	0	0	453	0	0	0	0	38
Security	12	12	12	51	352	51	0	0	12	45
Retail	0	0	0	0	19	0	0	0	0	2
Other[2]	70	90	110	189	663	117	75	60	30	125
On-Site NYRA Employment	*82*	*102*	*122*	*240*	*1,487*	*168*	75	60	*42*	*209*
Total, NYRA Employment	*144*	*164*	*184*	*302*	*1,549*	*230*	*137*	*122*	*104*	*271*

Source: NYRA; Economics Research Associates

[1] Full-time-employment (FTE) calculations assume that seasonal and salaried emplotees work 40 hours per week during each month that their employment is counted.

[2] Note that three Saratoga Race Course-based administrative staff member are included in the "Other" category as they are not part of NYRA's off-site administrative team. Other employees also include ground crews, maintenance crews, etc.

To estimate the direct effects of Saratoga Race Course operations on the Study Region, ERA relies on data regarding operating expenses and employment provided by NYRA. Operating expenses are adjusted to reflect expenditures in the Study Region, not elsewhere captured in this analysis. Specifically, NYRA's spending on stakes and purses is removed from the estimate of direct spending in the Study Area as these payments to horse owners are captured in this analysis as spending by Saratoga Race Course participants. Further, salaries reported by NYRA are adjusted downward to reflect those downstate administrative employees who are not based in Saratoga for the duration of the Saratoga meet. NYRA's direct spending in Saratoga is estimated to be approximately $21 million (2006$), annually.

ERA also includes estimated spending on food services at Saratoga as part of the direct impact attributable to Saratoga Race Course Operations. These revenues, realized by NYRA's food services concessionaire, are estimated based on the fees collected by NYRA. Given NYRA's 25 percent fee and fee revenue of approximately $1.44 million (2005$), gross revenues from food services are estimated to be $5.9 million (2006$).

ERA estimates that direct spending associated with Saratoga Race Course operations is equal to approximately $26.8 million (2006$), annually. ERA estimates that this level of direct spending yields total economic impacts of nearly $52 million (2006$), annually, within the Study Region. ERA estimates of regional economic impacts on output (i.e., spending) from operations are presented in Figure 46.

The direct spending presented in Figure 46 corresponds with the direct effects on employment presented in Figure 47. As shown, Saratoga Race Course operations are estimated to directly support approximately 450 full-time-equivalent (FTE) employees. ERA estimates that the total effect of Saratoga Race Course operations on employment is 670 FTEs within the Study Region.

Figure 46: Regional Economic Impacts on Output from Operations (2006$)[1]

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Facilities Costs	$15,600,000	$14,900,000	$30,500,000
Administration and Security	$2,500,000	$2,400,000	$4,900,000
Utilities	$1,000,000	$300,000	$1,400,000
Advertising	$700,000	$700,000	$1,400,000
Benefits and Insurance	$1,200,000	$1,500,000	$2,600,000
Food Services (Concessions)	$5,900,000	$5,200,000	$11,100,000
Total	*$26,800,000*	*$25,000,000*	*$51,900,000*

Source: Economics Research Associates

[1] Impacts from operations captured here include Saratoga Race Course spending in the regional economy. Visitor spending at the Saratoga Race Course is also included here.

Figure 47: Regional Economic Impacts on Employment from Operations [1]

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Facilities Costs	280	140	420
Administration and Security	40	20	60
Utilities	2	3	4
Advertising	5	6	10
Benefits and Insurance	6	10	20
Food Services (Concessions)	110	40	150
Total	*450*	*220*	*670*

Source: Economics Research Associates

[1] Employment impacts from operations captured here include Saratoga Race Course spending in the regional economy. Visitor spending at the Saratoga Race Course is also included here.

Race Participant Activities

Saratoga Race Course participants include the members of thoroughbred racing teams that come to the Saratoga Race Course and Oklahoma Training Track to compete and train. According to local trainers, the Saratoga area is an ideal training location because of the peaceful setting and deep and safe track surfaces. Many trainers come to Saratoga far in advance of the August meet in order to take advantage of the high-quality training environment.

During the Saratoga meeting, NYRA's boarding facilities fill to capacity as trainers and their racing teams descend on Saratoga Springs to compete for the meeting's large purses. As shown in Figure 48, over $23.3 million in purses was paid out during the 2005 Saratoga meet. This equates to an average of nearly $650,000 in purses during each day of racing and an average of almost $68,000 per race.

Figure 48: Saratoga Purses and Race Statistics, 2004 and 2005

Year	Gross Purses	Number of Races	Average Purse Per Race	Starters	Starts	Average Field	Average Starts Per Runner
2005	$23,303,716	343	$67,941	2,004	2,778	8.1	1.4
2004	$22,949,829	343	$66,909	2,118	2,939	8.6	1.4

Source: NYRA; Economics Research Associates

Saratoga's purses are large relative to average purses in New York State and other states. Figure 49 presents gross purses, the average purse per race, and other statistics from the racing season in those ten states with the greatest gross purses in 2005. While California posted the largest gross purses of any state in 2005, New York State offered competitors the highest average purse per race. In New York State, thoroughbreds competed for over $154 million in purses in 2005. While the short Saratoga meeting accounted for only about 15 percent of the gross purses in New York State, the average purse per race at Saratoga was approximately 65 percent greater than the State average. According to local trainers, the high average purse per race draws some of the most competitive thoroughbred horses to Saratoga.

Figure 49: Purses and Race Statistics by State, 2005

State	Gross Purses	Number of Races	Average Purse Per Race	Starters	Starts	Average Field	Average Starts Per Runner
California	$169,694,057	5,012	$33,858	7,877	37,672	7.5	4.8
New York	$154,404,075	3,745	$41,229	6,566	29,161	7.8	4.4
Florida	$81,504,048	3,732	$21,839	7,851	31,322	8.4	4.0
Kentucky	$80,064,081	2,556	$31,324	6,938	22,140	8.7	3.2
West Virginia	$73,306,275	4,472	$16,392	9,156	39,630	8.9	4.3
Louisiana	$72,031,436	3,352	$21,489	6,999	29,878	8.9	4.3
Illinois	$70,627,593	2,970	$23,780	4,665	23,405	7.9	5.0
Pennsylvania	$49,313,112	3,681	$13,397	6,278	30,348	8.2	4.8
Maryland	$42,296,000	1,834	$23,062	4,541	14,598	8.0	3.2
New Jersey	$41,549,276	1,141	$36,415	2,977	8,626	7.6	2.9

Source: The Jockey Club; New York State Racing and Wagering Board; Economics Research Associates

In 2006, NYRA's Oklahoma Training Track opened for training on April 18th and will remain open through October. During April 2006, there were about 50 horses training at Saratoga. This figure will increase as the August meet approaches. According to NYRA, the number of horses boarding at Saratoga increases significantly in May, after the running of the Kentucky Derby. By June, 850 horses are training at Saratoga. During August, NYRA's facilities are filled to capacity, providing boarding for up to 1,850 horses. Private barns near the Race Course provide boarding stalls for additional competitors. As shown in Figure 48, there were about 2,000 starters (i.e., unique horses starting races) in 2005, which suggests there are at least 150 stalls in private boarding facilities near Saratoga. While there may be additional private boarding stalls, this analysis conservatively estimates that 2,000 horses are present in Saratoga for the August meeting.

Based on the 2006 Saratoga training and meeting calendar and projected levels of activity (i.e., horses on site), ERA estimates the number of horse days that Saratoga will support during 2006. A "horse day" at Saratoga represents one horse on-site for one day. As shown in Figure 50, throughout the 2006 training and meeting season, Saratoga Race Course is expected to support 166,500 horse days.

Figure 50: Training and Racing Days and Horses

Month	Dates			Days (a)	Horses on Site (b)	Horse Days =(a*b)
April	4/18/2006	-	4/30/2006	13	50	650
May	5/1/2006	-	5/31/2006	31	500	15,500
June	6/1/2006	-	6/30/2006	30	850	25,500
July	7/1/2006	-	7/31/2006	31	850	26,350
August	8/1/2006	-	8/31/2006	31	2,000 [1]	62,000
September	9/1/2006	-	9/30/2006	30	700	21,000
October	10/1/2006	-	10/31/2006	31	500	15,500
Training/Racing Season 2006	*4/18/2006*	-	*10/31/2006*	*197*		*166,500*

Source: NYRA; Economics Research Associates

[1] While NYRA's facilities are capable of housing between 1,800 and 1,850 horses, private barns nearby provide stall for approximately 150 additional horses.

The employment level associated with Saratoga Race Course participants is estimated using industry-standard ratios of per-start and per-horse employment. Based on discussions with trainers familiar with the Saratoga meet, ERA estimates race-team employment, presented in Figure 51. ERA relies on the number of race starts during the 2005 Saratoga meeting to estimate the number of jockey workdays. Employment of trainers, assistant trainers, foremen, exercise riders, hot walkers, and grooms is estimated based on the estimated number of horse days presented in Figure 50.

For example, 166,500 horse days requires 8,325 trainer days, assuming each trainer cares for 20 horses per day (i.e., 166,500 / 20 = 8,325). Trainer days are multiplied by eight hours per day and then divided by 2,000 hours (standard full-time hours per year) to estimate the number of full time-equivalent (FTE) trainer positions supported by the Saratoga Race Course. Similar calculations are performed to estimate FTE employment in other race participant job positions at Saratoga each year.

Figure 51: Training and Racing Employment

Position	Horses/Horse Starts Per Employee	Employee Days[1]	Employee Hours[2]	FTEs[3]
Jockey	1 horse start	2,778	22,224	11
Trainer	20 horses	8,325	66,600	33
Assistant Trainer	20 horses	8,325	66,600	33
Foreman	20 horses	8,325	66,600	33
Exercise Rider	6 horses	27,750	222,000	111
Hot Walker	6 horses	27,750	222,000	111
Groom	4 horses	41,625	333,000	167
Total		*124,878*	*999,024*	*500*

Source: Personal Communication with Saratoga Trainers; Economics Research Associates

[1] Jockey days are equivalent to the number of horse starts (i.e., each horse start requires one day of a Jockey's time). Employee days for other positions are calculated by dividing horse days by the number of horses per employee.

[2] Employee hours are calculated assuming an eight-hour workday.

[3] Full-time-equivalents (FTEs) are calculated assuming full-time employment of 2,000 hours per year.

ERA collected information from Saratoga trainers regarding ongoing expenditures and race day expenditures required for thoroughbred training and racing. As shown in Figure 52, much of the cost of keeping a thoroughbred racehorse is included in the owner's training bill. The training bill includes the trainer's base fees (i.e., excluding purse winnings), boarding fees, feed, vitamins, and labor. The average training bill for a thoroughbred at Saratoga Race Course is estimated to be about $3,350 per month ($110 per day). In addition, trainers report that veterinary fees come to about $600 per month ($20 per day) and farrier (i.e., shoeing) fees average about $150 per month ($5 per day).

On race day, owners bear additional costs required for racing. Specifically, jockey fees, additional trainer fees, and pony to post fees must be paid. As shown in Figure 52, jockeys require a flat fee of about $105 plus 10 percent of the owner's share of purse winnings. In addition, trainers usually take about 12 percent of the owner's share of purse winnings, distributing one percent of that cut to the assistant trainer and one percent to the groom. Finally, pony-to-post services cost owners $20 per start.

Figure 52: Training and Racing Expenditures Per Horse

Ongoing Expenditures	Per Month		Per Day	
Training Bill[1]	$3,350	per month	$110	per day
Veterinary Fees	$600	per month	$20	per day
Farrier (Shoeing)	$150	per month	$5	per day
Race Day Expenditures				
Jockey Fees	$105	per start		
	10%	of owner's share of purse winnings		
Trainer Fees[2]	12%	of owner's share of purse winnings		
Pony to post	$20	per start		

Source: Thoroughbred Owners and Breeders Association; Personal Communication with Saratoga Trainers; Economics Research Associates

[1] The training bill includes the trainers base fees (excluding share of purse winnings), boarding fees, feed, vitamins, labor (including assistant trainers, foremen, grooms, hot walkers, and exercise riders).

[2] Includes ten percent for the head trainer, one percent for the assistant trainer, and one percent for the groom.

To estimate the aggregate expenditures made by thoroughbred owners with horses training and racing in Saratoga, ERA multiplies ongoing per-day fees shown in Figure 52 by the number of horse days reported in Figure 50. To estimate the aggregate expenditures made by owners on race day expenditures, ERA multiplies per-start expenditures shown in Figure 52 by the number of Saratoga meeting starts from 2005, shown in Figure 48. Race day expenditures based on purse winnings are calculated based 2005 purses. Aggregated expenditures by horse owners on training and racing at Saratoga Race Course are presented in Figure 53.

Figure 53: Training and Racing Aggregate Expenditures

Training/Meet Expenditures	
Training Bill	$18,300,000
Veterinary Fees	$3,300,000
Farrier (Shoeing)	$800,000
Race Day Expenditures[1]	
Jockey Fees	$2,600,000
Trainer Fees	$2,800,000
Pony to post	$100,000
Total	$27,900,000

Source: Economics Research Associates

[1] Race day expenditure calculations are based on 2005 starts and purses.

Aggregate expenditures presented in Figure 53 represent the direct contribution of Saratoga Race Course participants to economic output (i.e., spending) in the Study Region. This spending stimulates indirect effects on spending as the initial injection of spending is distributed to regional suppliers of goods and services required for training and racing. In addition, employees spend money within the regional economy on housing, food, and other goods and services, creating induced impacts on output. In total, indirect and induced effects from participant activities are estimated at nearly $27 million, putting the total impact on output from participant activities at almost $55 million, annually. Figure 54 details the economic impacts on output from participant activities.

Figure 54: Economic Impacts on Output from Race Participant Activities

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Training and Racing	$23,800,000	$22,900,000	$46,700,000
Veterinary	$3,300,000	$3,300,000	$6,600,000
Farrier (Shoeing)	$800,000	$600,000	$1,400,000
Total	*$27,900,000*	*$26,700,000*	*$54,600,000*

Source: Economics Research Associates

Note: Totals may not add due to rounding.

The direct spending presented in Figure 54 corresponds with the direct effects on employment presented in Figure 55. As shown, Saratoga participant activities are estimated to directly support approximately 532 full-time-equivalent (FTE) employees. ERA estimates that the total effect of participant activities on employment is 810 FTEs within the Study Region.

Figure 55: Economic Impacts on Employment from Race Participant Activities

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Training and Racing	500	240	740
Veterinary	20	30	50
Farrier (Shoeing)	7	10	20
Total	530	*280*	*810*

Source: Economics Research Associates

Note: Totals may not add due to rounding.

Off-Track Expenditures by Race Visitors

In recent years, Saratoga Race Course has attracted over one million visits during racing season. Visitors who come to the Study Region for the Saratoga meeting spend their money at the Saratoga Race Course and at regional businesses such as hotels, restaurants, and other attractions. While spending at the Saratoga Race Course is captured by the economic impacts from operations (presented above), this section examines additional spectator spending in the regional economy. This analysis attempts to isolate expenditures made by visitors coming from outside the Study Region (i.e., "non-study-region visitors"). The spending of spectators from within the Study Region is not attributed to the Saratoga Race Course as these expenditures cannot be reliably separated from these spectators' normal spending patterns.

To estimate off-track spending by non-study-area visitors to the Saratoga Race Course, ERA relies heavily on data from a visitor study developed through a collaborative effort between Skidmore College, the Saratoga County Chamber of Commerce, and the Saratoga Convention and Tourism Bureau, administered in the fall of 1999 and published in 2000. While this study contains relevant information regarding visitor spending on meals, shopping, and entertainment collected from lodged guests in Saratoga Springs, it is important to note that spending patterns reported may differ from visitor spending patterns during the Saratoga meeting. In addition, spending patterns of day-trip visitors may differ from those reported by lodged guests. Further, the survey data was collected from guests at three of the largest hotels in the area and thus the sample may not well represent spending patterns of bed and breakfast or motel guests. However, these survey data are the only known data source regarding spending by visitors to Saratoga and are believed to provide reasonable estimates of spending by visitors to the Saratoga Race Course.

ERA also relies on current data from Smith Travel Research regarding lodging rates and occupancy in Saratoga County lodging establishments to estimate overnight visitors and spending. There is no known information regarding the trip characteristics of visitors to the Saratoga Race Course. This analysis assumes that between 26 percent and 75 percent of Saratoga County lodging rooms are filled with overnight guests attending the Saratoga meeting during the meeting period (41 days). The low estimate of 26 percent represents the difference between the average occupancy in Saratoga County during the month of August (83 percent occupancy) and the average occupancy in Saratoga County during non-summer months, September through May (57 percent). The high estimate of 75 percent assumes that nearly all of the occupied Saratoga County lodging rooms are taken by guests drawn to Saratoga County for the Saratoga meet.

ERA aggregates spending on lodging by applying the low and high estimates of Saratoga County occupancy attributable to the Saratoga meet to the current number of rooms in Saratoga County in 2006 (2,219 rooms), to get room nights. Room nights are then multiplied by the average Saratoga County daily room rate from last August, inflated to 2006 dollars, to get total spending on lodging attributable to the Saratoga Race Course.

To aggregate spending on purchases other than lodging, ERA first estimates the number of non-study-area visitor days. Overnight guests are assumed to be from outside the Study Region. ERA estimates the number of overnight-guest days by multiplying estimates room nights (described above) by two, the assumed average number of visitors per room, to get visitor overnights. ERA assumes that each visitor overnight equals one non-study-area visitor

day. ERA estimates that between approximately 47,000 and 136,000 visitor days at the Saratoga meeting are attributable to overnight guests.

The number of visitor days attributable to overnight guests is subtracted from the 1,041,000 visitor days recorded at the Saratoga meeting in 2004, the most recent estimate of total visitation. The remainder, about 904,000 to 993,000 visitor days, represents ERA's estimate of day-trip visits to the Saratoga Race Course. ERA estimates the number of non-study-region day trips to the Saratoga Region by using the highly conservative assumption that visitors driving their own car to the Saratoga meeting have come from within the Study Region. ERA relies on the Saratoga visitor study estimate that 68 percent of visitors to Saratoga rely on their own car to travel to the region. Using this estimate, ERA calculates that between 289,000 and 318,000 day-trip visitors to Saratoga Race Course originate outside of the Study Region. In sum, ERA estimates that between 365,000 and 426,000 visitor days at Saratoga Race Course are attributable to visitors from outside the Study Region.[7] To estimate aggregate expenditures on non-lodging purchases by non-study-region visitors to Saratoga Race Course, ERA multiplies estimates of non-study-region visitor days by per day expenditures. Results are presented in Figure 56.

[7] Note that the low estimate of overnight guests implies a greater number of day trips and the high estimate of overnight guests implies a lower number of day trips. Thus, the low estimate of overnight visitor days is added to the high estimate of non-study-region day trips to get the low estimate of non-study area visitation (i.e., 47,000+318,000=365,000) and vice versa.

Figure 56: Direct Off-Track Spending by Visitors

Expenditure Category	Expenditures Per Day/Night (2006$)		Estimated Aggregate Annual Spending by Saratoga Racecourse Visitors (2006$)[1] Low	High
Lodging	$199.80	per room	$4,743,415	$13,633,410
Meals Out[2]	$59.79	per person	$21,841,993	$25,460,088
Drinks	$9.82	per person	$3,588,022	$4,182,373
Groceries	$3.45	per person	$1,258,801	$1,467,320
Retail	$21.18	per person	$7,735,349	$9,016,699
Entertainment/Attractions[2]	$1.12	per person	$409,323	$477,127
Gasoline	$7.47	per person	$2,727,890	$3,179,761
Local Transportation	$2.24	per person	$819,243	$954,950
Total			*$43,124,036*	*$58,371,727*

Source: The Economic Impact of the Tourism on the Saratoga Area, Saratoga County Chamber of Commerce, Skidmore College, and Saratoga Convention and Tourism Bureau, 2000; Smith Travel Research; Economics Research Associates

[1] Estimated lodging revenues attributable to the Saratoga Race Course are calculated assuming that between 26 and 75 percent of Saratoga County rooms are occupied by race fans. Other categories of expenditures are calculated based on estimated visitation to the Saratoga Race Course from outside the Study Area (between 365,000 and 426,000 visitor days). Visitors from outside the Study Region include overnight visitors (assuming two visitors per room) and those day-trip visitors not relying on their own car for transportation (visitors using their own cars are assumed to be from the Study Region). Visitors' modes of transportation are estimated based on data provided by *The Economic Impact of Tourism on the Saratoga Area* (2000).

[2] Food purchases and admissions at the Saratoga Race Course are excluded here. On-track spending is counted as part of Saratoga Race Course Operations.

ERA estimates that direct spending associated non-study-region visitors attributable to Saratoga Race Course operations is equal to between $43 million and $58 million (2006$), annually. ERA estimates that this level of direct spending yields total economic impacts of between about $80 million and $107 million (2006$), annually, within the Study Region. ERA estimates of regional economic impacts on output (i.e., spending) from operations are presented in Figure 57 and Figure 58.

The direct spending presented in Figure 57 and Figure 58 corresponds with the direct effects on employment presented in Figure 59 and Figure 60, respectively. As shown, Saratoga Race Course non-study-area visitors are estimated to directly support between approximately 743 and 961 full-time-equivalent (FTE) employees. ERA estimates that the total effect of non-study area visitor spending on employment is between 1,030 and 1,350 FTEs within the Study Region.

Figure 57: Low Estimate of Economic Impacts on Output from Off-Track Visitor Activities

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Lodging	$4,700,000	$3,700,000	$8,400,000
Meals and Drinks Out	$25,400,000	$22,300,000	$47,700,000
Groceries	$1,300,000	$1,000,000	$2,300,000
Retail	$7,700,000	$6,200,000	$13,900,000
Entertainment/Attractions	$400,000	$400,000	$800,000
Gasoline	$2,700,000	$2,200,000	$4,900,000
Local Transportation	$800,000	$800,000	$1,600,000
Total	$43,100,000	$36,500,000	*$79,600,000*

Source: Economics Research Associates

[1] Tourism impacts captured here include Saratoga Study Area visitors' spending in the regional economy. Spending at the Saratoga Race Course is included with Economic Impacts Attributable to Saratoga Race Course Operations.

Note: Totals may not sum due to rounding.

Figure 58: High Estimate of Economic Impacts on Output from Off-Track Visitor Activities

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Lodging	$13,600,000	$10,500,000	$24,100,000
Meals and Drinks Out	$29,600,000	$26,000,000	$55,600,000
Groceries	$1,500,000	$1,200,000	$2,700,000
Retail	$9,000,000	$7,200,000	$16,200,000
Entertainment/Attractions	$500,000	$500,000	$1,000,000
Gasoline	$3,200,000	$2,500,000	$5,700,000
Local Transportation	$1,000,000	$900,000	$1,900,000
Total	$58,400,000	$48,800,000	*$107,200,000*

Source: Economics Research Associates

[1] Tourism impacts captured here include Saratoga Study Area visitors' spending in the regional economy. Spending at the Saratoga Race Course is included with Economic Impacts Attributable to Saratoga Race Course Operations.

Note: Totals may not add sum to rounding.

Figure 59: Low Estimate of Economic Impacts on Employment from Spectator Activities

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Lodging	60	30	90
Meals and Drinks Out	490	170	660
Groceries	20	8	30
Retail	110	50	160
Entertainment/Attractions	7	4	10
Gasoline	40	20	60
Local Transportation	20	10	30
Total	*740*	*290*	*1,030*

Source: Economics Research Associates

[1] Tourism impacts captured here include employment attributable to Saratoga Study Area visitors' spending in the regional economy. Spending at the Saratoga Race Course is included with Economic Impacts Attributable to Saratoga Race Course

Note: Totals may not sum due to rounding.

Figure 60: High Estimate of Economic Impacts on Employment from Spectator Activities

Expenditure Type	Direct Effects	Indirect and Induced Effects	Total
Lodging	160	90	250
Meals and Drinks Out	570	200	770
Groceries	20	9	30
Retail	130	60	190
Entertainment/Attractions	9	4	10
Gasoline	50	20	70
Local Transportation	20	10	30
Total	*960*	380	*1,350*

Source: Economics Research Associates

[1] Tourism impacts captured here include employment attributable to Saratoga Study Area visitors' spending in the regional economy. Spending at the Saratoga Race Course is included with Economic Impacts Attributable to Saratoga Race Course

Note: Totals may not sum due to rounding.

Summary of Regional Economic Impacts from Racing

Figure 61 and Figure 62 present total economic impacts on output and employment within the Study Region, respectively. As shown, ERA estimates that the Saratoga Race Course generates a total of between approximately $186 million and $214 million in spending within the Study Region. This corresponds with a total employment of between 2,510 and 2,820 full-time-equivalent employees.

Figure 61: Summary of Regional Economic Impacts on Output Attributable to Saratoga Race Course Racing

	Total Impact on the Study Region	
Expenditure Type	**Low**	**High**
Saratoga Race Course Operations		
Facilities Costs	$30,500,000	$30,500,000
Administration and Security	$4,900,000	$4,900,000
Utilities	$1,400,000	$1,400,000
Advertising	$1,400,000	$1,400,000
Benefits and Insurance	$2,600,000	$2,600,000
Food Services (Concessions)	$11,100,000	$11,100,000
Operations Subtotal	*$51,900,000*	*$51,900,000*
Participant Activities		
Training and Racing	$46,700,000	$46,700,000
Veterinary	$6,600,000	$6,600,000
Farrier (Shoeing)	$1,400,000	$1,400,000
Participant Subtotal	*$54,600,000*	*$54,600,000*
Off-Track Visitor Activities		
Lodging	$8,400,000	$24,100,000
Meals and Drinks Out	$47,700,000	$55,600,000
Groceries	$2,300,000	$2,700,000
Retail	$13,900,000	$16,200,000
Entertainment/Attractions	$800,000	$1,000,000
Gasoline	$4,900,000	$5,700,000
Local Transportation	$1,600,000	$1,900,000
Visitor Subtotal	*$79,600,000*	*$107,200,000*
Total	*$186,200,000*	*$213,700,000*

Source: Economics Research Associates

Note: Totals may not sum due to rounding.

Figure 62: Summary of Regional Economic Impacts on Employment Attributable to Saratoga Race Course Racing

Expenditure Type	Total Impact on the Study Region Low	High
Saratoga Race Course Operations		
Facilities Costs	420	420
Administration and Security	60	60
Utilities	4	4
Advertising	10	10
Benefits and Insurance	20	20
Food Services (Concessions)	150	150
Operations Subtotal	*670*	*670*
Participant Activities		
Training Bill	740	740
Veterinary Fees	50	50
Farrier (Shoeing)	20	20
Participant Subtotal	*810*	*810*
Off-Track Visitor Activities		
Lodging	90	250
Meals and Drinks Out	660	770
Groceries	30	30
Retail	160	190
Entertainment/Attractions	10	10
Gasoline	60	70
Local Transportation	30	30
Visitor Subtotal	*1,030*	*1,350*
Total	*2,510*	*2,820*

Source: Economics Research Associates

Note: Totals may not sum due to rounding.

Horse Shows at Saratoga Race Course

The Saratoga Race Course hosts three significant horse shows each year. In May, the two-week St. Clements Horse Show draws world-class horses and participants to compete in hunter and jumper events. Also in May, Saratoga Bridges (previously the Saratoga Association of Retarded Citizens) hosts The Saratoga Festival and Dressage. During the month of June, Skidmore College hosts the Saratoga Classic Horse Show, a high-profile show that draws significant numbers of visitors to Saratoga Springs to watch and participate in hunter and jumper events. While this analysis does not quantify the total economic impact of these shows on the Study Region, the economic significance of these events is discussed qualitatively.

The Saint Clement's horse show dates back to the early 1960's and has grown into a major event held during the first two weeks in May. A professional firm is hired to operate the show in accordance with the United States Equestrian Foundation's standards. Over 650 horses register for the event. According to event organizers, the show draws over 1,600 owners, family members, trainers, and grooms to the Saratoga Region from areas throughout the U.S. and Canada. Saint Clements utilizes nearly 800 stalls provided by NYRA for a recently instituted fee of approximately $30,000. After expenses, the St. Clements Regional Catholic School nets close to $100,000. Show proceeds are used to fund capital improvements and a financial aid program.

The Saratoga Festival and Dressage, hosted by Saratoga Bridges, is a three-day event held during May. This prestigious event is recognized by the U.S. Equestrian Federation, the U.S. Dressage Federation, and the Federation Equestrian Internationale. Approximately 225 horses registered for the 2006 Festival and Dressage. The event sponsors utilized approximately 300 NYRA stalls and paid a facility usage fee of approximately $16,000. Over 500 participants came from states throughout the east coast, including Canada. According to event organizers, the total operating costs associated with the three day dressage show were $125,000.

The Saratoga Classic Horse Show, sponsored by Skidmore College, is held each June. The nationally-recognized event is sanctioned by the U.S. Equestrian Federation, receiving its highest ranking of AA. The "Classic" is one of only twenty world championship Hunter Rider Events held each year in the United States. Participants travel from all over the U.S. for the event. According to event organizers, there were 1,600 active event participants in 2006.

This year, a total of 625 horses registered the Skidmore College event, which was held from June 12 through June 24. Skidmore rents approximately 500 stalls from NYRA, with a direct fee for services and facility usage of $35,000. Skidmore also erects an additional 200 temporary stalls for the two week show. According to event organizers, 200 horses were not registered for the event due to space constraints.

Skidmore employs two full-time professionals and an additional 40 to 50 part-time employees for the two week event period. After expenses, the college nets approximately $300,000, which funds an academic scholarship providing financial assistance to Capital District residents.

In sum, the three events together represent a total of about thirty event days. Each event brings non-residents into the Study Region where they spend money on themselves and, in the case of show participants, their horses. Visitor and participant expenditures include spending on lodging, food, and incidental goods. Participants are also likely to spend on horse supplies and services, including food, bedding, farrier services, and veterinary services.

Section 5: Fiscal Impacts

The regional economic impacts attributable to the Saratoga Race Course generate significant tax revenues for local municipalities (i.e., Saratoga County and the City of Saratoga Springs) and New York State. For the purposes of this analysis, ERA estimated personal income taxes to New York State, sales taxes to New York State. In addition, ERA presents real estate tax, admission tax, and other statutory payments reported by NYRA.

Personal Income Tax

Figure 63 describes the estimated effective New York State personal income tax (PIT) rates relied upon by this analysis. To calculate income tax liability attributable to the Saratoga Race Course, these rates are applied to estimates of direct and indirect earnings attributable to the Saratoga Race Course. Because the most recent data from New York State Department of Taxation reflects 2001 tax rates, ERA increases the effective tax rates by 10 percent across all income classes to account for the recent increase in tax rates.

Figure 63: Average New York State Personal Income Tax Rates by Income Class

Income Class	Average PIT Rate [1]
Under $5000	0.0%
$5000 - $9,999	0.0%
$10,000 - $19,999	0.0%
$20,000 - $29,999	2.0%
$30,000 - $39,999	3.4%
$40,000 - $49,999	4.0%
$50,000 - $59,999	4.3%
$60,000 - $74,999	4.7%
$75,000 - $99,999	5.0%
$100,000 - $199,999	5.9%

Source: New York State Department of Taxation and Finance; Economics Research Associates

[1] 2001 NY State PIT tax rate data inflated by 10%

To estimate direct personal income tax revenues, ERA first analyzes employment by average salary. Then, average income tax rates for individual income classes are applied to total earnings within each income class to estimate tax liability by income class. As shown in Figure 64, ERA estimates that approximately $1.44 million to $1.47 million in annual personal income tax is attributable to the Saratoga Race Course.

Figure 64: Personal Income Tax Revenues

Scenario	Total Annual Payroll	Total Number of Jobs	Average Income	Aggregate Income Tax Revenue
Low	$61,496,000	2,510	$24,500	$1,440,000
High	$69,862,000	2,830	$24,800	$1,470,000

Source: Economics Research Associates

Sales Tax

Sales taxes attributable to the Saratoga Race Course accrue to the City of Saratoga Springs, Saratoga County, and New York State. Figure 65 provides an overview of sales tax rates in the City of Saratoga Springs. ERA analyzes sales tax revenues from on-track sales and off-track sales attributable to Saratoga Race Course visitors. Sales tax revenues from participants at the Saratoga Race Course are not analyzed by this analysis, as much of this spending is likely to be on wholesale purchases and services.

Figure 65: Saratoga Springs Tax Rates

Sales Tax	
State Sales Tax	4.0%
County Sales Tax	1.5%
City of Saratoga Springs Sales Tax[1]	1.5%
Total	*7.0%*
Room Tax	
Saratoga County Room Tax	1.0%
Saratoga County Convention and Tourism Bureau Room Tax	2.0%
City of Saratoga Springs Room Tax	1.0%
City of Saratoga Springs City Center Tax	2.0%
Total	*6.0%*

Source: Saratoga County; City of Saratoga Springs; Economics Research Associates

[1] Saratoga County sales tax rate is 3 percent outside of the City of Saratoga Springs.

ERA estimates that taxable on-track spending by spectators is approximately $7.8 million. This spending yields annual tax revenue of about $311,000 accruing to New York State and $234,000 accruing to the City of Saratoga Springs and Saratoga County.

Figure 66: On-Track Sales Tax Revenues

Revenue Source[1]	Revenues (2006$)	Sales Tax Revenue: New York State	Sales Tax Revenue: Saratoga Springs / Saratoga
Food Services (Concessions)	$5,886,950	$235,478	$176,609
Program Sales	$744,120	$29,765	$22,324
Newsstand Sales	$275,790	$11,032	$8,274
Parking Revenues	$310,450	$12,418	$9,313
Retail Revenues	$571,514	$22,861	$17,145
Total	*$7,788,824*	*$311,553*	*$233,665*

Source: NYRA; Economics Research Associates

[1] Sales tax on group sales are not included here as these sales include admissions which are not subject to sales tax.

Taxable off-track direct spending by non-study-region visitors is estimated at between $42 million and $57 million. This direct spending yields between $1.7 million and $2.3 million in sales tax revenue accruing to the State of New York and between $1.5 million and $2.5 million in sales tax revenue accruing to the City of Saratoga Springs and Saratoga County.

Figure 67: Sales Tax Revenues from Off-Track Visitor Spending

Spending Category	Direct Spending: Low	Direct Spending: High	Low Estimate of Sales Tax Revenue[1]: New York State	Low Estimate of Sales Tax Revenue[1]: Saratoga Springs / Saratoga County	High Estimate of Sales Tax Revenue[1]: New York State	High Estimate of Sales Tax Revenue[1]: Saratoga Springs / Saratoga County
Lodging	$4,700,000	$13,600,000	$188,000	$423,000	$544,000	$1,224,000
Meals and Drinks Out	$25,400,000	$29,600,000	$1,016,000	$762,000	$1,184,000	$888,000
Groceries[2]	$260,000	$300,000	$10,400	$7,800	$12,000	$9,000
Retail	$7,700,000	$9,000,000	$308,000	$231,000	$360,000	$270,000
Entertainment/Attractions	$400,000	$500,000	$16,000	$12,000	$20,000	$15,000
Gasoline	$2,700,000	$3,200,000	$108,000	$81,000	$128,000	$96,000
Local Transportation	$800,000	$1,000,000	$32,000	$24,000	$40,000	$30,000
Total	*$41,960,000*	*$57,200,000*	*$1,678,400*	*$1,540,800*	*$2,288,000*	*$2,532,000*

Source: Saratoga County; City of Saratoga Springs; Economics Research Associates

[1] The sales tax revenues from lodging expenditures presented here include room tax revenues accruing to Saratoga Springs and Saratoga County.

[2] ERA assumes that 20 percent of grocery purchases are taxable.

NYRA's Statutory Payments

New York State racing and wagering law requires that NYRA make a variety of payments to municipalities and other entities. In particular, NYRA must provide a share of revenues to New York State, the New York State Racing and Wagering Board, the New York State Breeding and Development Fund, and the Finger Lakes Racing Association. In addition, NYRA pays real estate taxes to the City of Saratoga Springs and Saratoga County. NYRA's

statutory payments attributable to the Saratoga Race Course are presented in Figure 68. These statutory payments reflect those reported by NYRA for 2005, adjusted to 2006 dollars.

Figure 68: NYRA's Statutory Payments Attributable to the Saratoga Race Course (2006$)

New York State Parimutuel Commission and Breakage	$2,518,555
New York State Thoroughbred Breeding and Development Fund	$975,966
New York State Racing and Wagering Board	$732,590
Saratoga County Admissions Tax[1]	$425,879
Saratoga County Property Tax	$164,284
City of Saratoga Springs Admissions Tax	$425,879
City of Saratoga Springs Property Tax	$296,243
Payments to Finger Lakes Racing Association , Inc.[2]	$140,623
Total, All NYRA Statutory Payments Attributable to Saratoga Race Course	*$5,680,020*

Source: NYRA; Economics Research Associates

[1] Saratoga County shares fifty percent of admissions tax revenues with the City of Saratoga Springs.

[2] Payments to Finger Lakes Racing Association, Inc. are required by New York State Racing and Wagering Law.

ERA estimates that fiscal impacts attributable to the Saratoga Race Course total between approximately $12.2 million and $13.9 million. These tax revenues are generated from income taxes, sales taxes, room taxes on lodging, property taxes, admissions taxes, OTB surcharges, and NYRA statutory payments to New York State entities. Estimated tax revenues accruing to New York State range between about $7.7 million and $8.3 million. Estimated tax revenues accruing to Saratoga County and the City of Saratoga Springs range from roughly $4.6 million to $5.6 million.

Figure 69: Summary of Fiscal Impacts from Racing (2006$)

	Low Estimate		High Estimate	
Tax Category	**New York State**	**Saratoga Springs / Saratoga County**	**New York State**	**Saratoga Springs / Saratoga County**
Income Tax Revenue	$1,440,000	--	$1,470,000	--
Sales Tax Revenue	$1,989,953	$1,492,465	$2,599,553	$1,949,665
Room Tax Revenue		$282,000		$816,000
Property Tax Revenue	--	$460,527	--	$460,527
Admissions Tax Revenue	--	$851,759	--	$851,759
OTB Surcharge Revenue [1]	--	$1,500,000	--	$1,500,000
NYRA Satutory Payments	$4,227,111	--	$4,227,111	--
Total	*$7,657,064*	*$4,586,750*	*$8,296,664*	*$5,577,950*

Source: Economics Research Associates

[1] Projected. ERA does not include OTB surcharge revenues accruing to the counties in which OTB facilities are located.