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## **Summary of Area Impact for The Friends of Elmira Prison Camp Reconstruction Project**

PREPARED FOR:



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# Methodology

This report attempts to put the Friends of Elmira Camp's (Elmira Camp) construction project in a new light because it quantifies the value of outcomes it produces. This often moves the discussion of the project's funding from a purely emotional appeal to one of investable outcomes. This methodology also positions the project as an economic asset, which can increase the number of possible motivations for people and businesses to invest.

This report extensively uses economic multipliers to quantify the cumulative "ripple effects" of an economic activity. The multipliers used in this analysis are RIMS II multipliers supplied by the Bureau of Economic Analysis, U.S. Department of Commerce, using 2021 regional input-output economic accounts for Chemung County, NY, where Elmira Camp is located. Three types of multipliers are used: output, earnings, and employment. The multipliers vary by each industry discussed and are specific to the geographic area.

Some impacts in the report are based on something other than earnings and employment. Sources for these impacts are cited in the report.

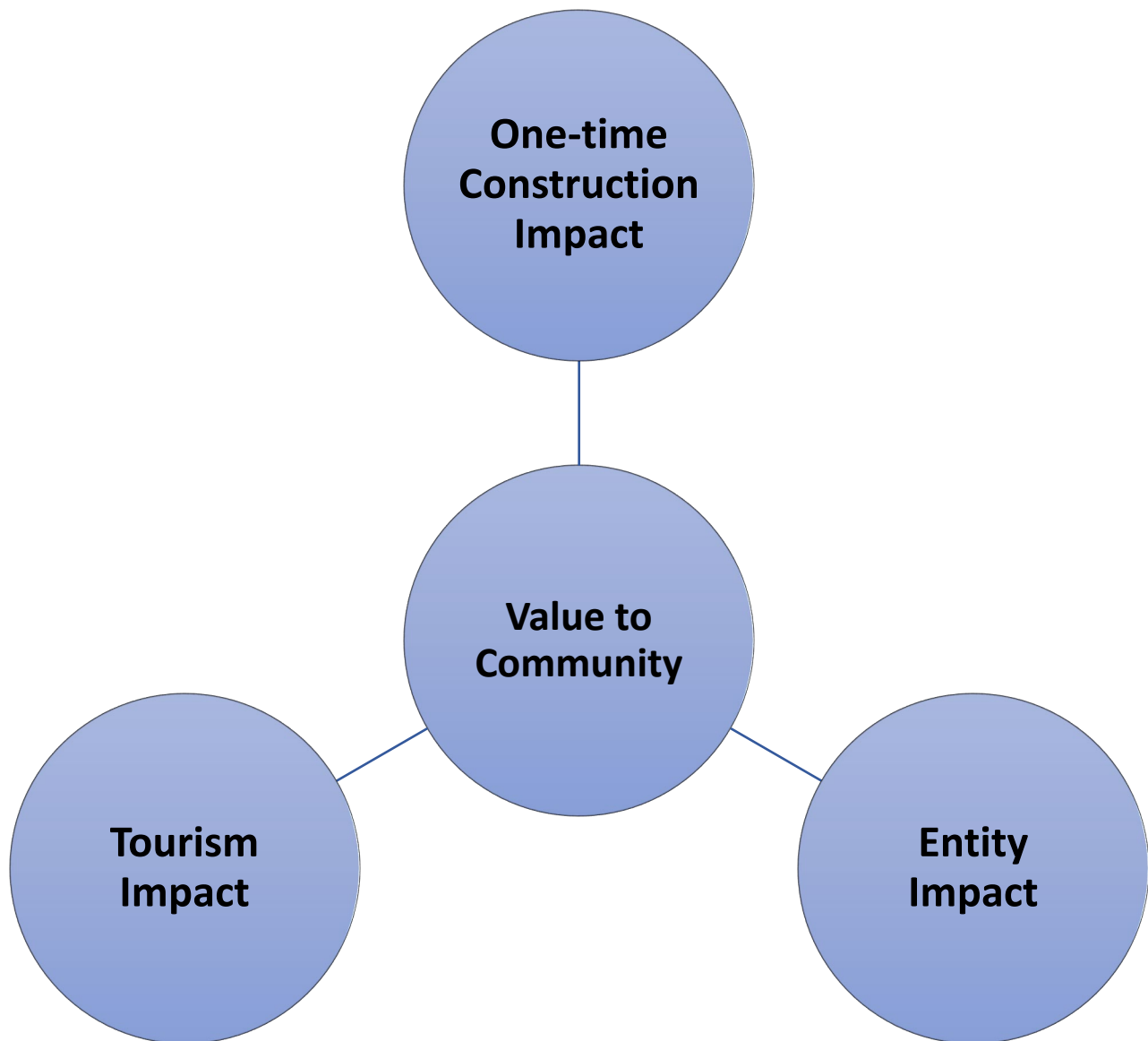
Unless otherwise noted, Elmira Camp provided data inputs used in this report. Data includes projected entity expenditures, jobs created, wages, and membership projections.

The result of this analysis is termed an Organizational Value Proposition<sup>®</sup>, which is broader in scope than the phrase "return on investment." An Organizational Value Proposition<sup>®</sup> first defines the broad areas of value and then uses the best information available to put that value in understandable terms.

Some of the values presented may be attributable to more than just the efforts of Elmira Camp. In other words, the values presented may be only partially due to the efforts or programs of Elmira Camp.

## Areas of Value

This report intends to elevate Elmira Camp's possibilities and positive community impact. The graphic below illustrates the wide range of values Elmira Camp expects to deliver because of the campaign.



## One-time Construction Impact

*Facility construction generates a one-time economic impact on a community.*

The proposed Elmira Camp reconstruction project is estimated to cost \$3,000,000. While several multipliers are used to determine its impact, the construction impact is typically one of the earliest impacts felt by the community. The economic multiplier for construction in Chemung County is .7756, meaning for every dollar spent on construction, another \$.08 in expenditures in the community is generated.

Construction expenditures for Elmira Camp's expansion are expected to generate an **additional \$2,326,800 in expenditures** for a **total impact of \$5,326,800**.

Elmira Camp Reconstruction Project One-time Construction Impact			
Total Cost	Multiplier	Incremental Impact	Total Impact
\$3,000,000	0.7756	\$2,326,800	\$5,326,800

## Entity Impact

*In addition to tourism impacts, the operations of the reconstructed Elmira Camp will impact the community.*

Elmira Camp impacts the area just as any other business entity that employs people and purchases goods and services, often within the community.

The following impacts, reflecting only the hard dollars expended, may underestimate the actual value of the services Elmira Camp provides. Using the current fiscal year budget figures provided by management, Elmira Camp currently has the following annual impacts:

Elmira Camp Reconstruction Project Expected Entity Annual Impact				
	Direct Spending or # of jobs	Multiplier	Incremental Impact	Total Impact
Operating Spending	\$750,000	1.3180	\$238,500	\$988,500
Annual Salary & Wages	\$350,000	1.2613	\$91,460	\$441,460
Jobs	4.5	1.2893	1.3	5.8
Consumer expenditures				\$226,593

### OVERALL ECONOMIC IMPACT

When Elmira Camp becomes operational, the total expenditures of the facility are expected to be \$750,000. Using that number, the estimated economic impact of one year of operational spending is estimated to generate \$238,500 worth of commerce in the region for a total impact of \$988,500 (final demand).

### EARNINGS IMPACT

As the wages paid by Elmira Camp are circulated throughout the area, their impact becomes substantially larger. The projected annual payroll of \$350,000 per year is estimated to have \$91,460 in annual earnings impact for a total impact of \$441,460. Each dollar that the reconstructed Elmira Camp pays in salary causes an additional \$.26 in earnings to be generated in the community.

The Jobs Impact Model is back-tested to make the analysis as realistic as possible to see if the number of indirect jobs anticipated and the indirect wages are realistic. In this case, the original job multipliers indicate one indirect job will be created. The original wage multipliers yield an indirect wage rate of \$39.33 per hour. This number is similar to the direct job pay rate of

\$34.72, so the weighted earnings multiplier is adjusted slightly from 1.3277 to 1.2613, resulting in a more reasonable indirect wage rate of \$31.36.

These earnings result in a projected annual net disposable income for consumer expenditures of \$226,593.

#### **EMPLOYMENT IMPACT**

Each job at Elmira Camp influences the need for other jobs at area businesses. Elmira Camp's estimated current equivalent of 4.5 full-time-equivalent jobs is estimated to stimulate the need for one additional job in the area.

## Tourism Impact

*Tourism attractions bring new dollars and taxes to a community and can create enough demand that new hospitality-based businesses can thrive.*

The primary impact that Elmira Camp will have on the area is the tourism impact. Tourism attractions like Elmira Camp bring new dollars into the local region's economy. Once reconstructed, Elmira Camp is expected to increase tourism to Elmira and Chemung County.

Using 10,000 for the number of expected visitors, we can see the impact of tourism. Based on data provided by Friends of Elmira Camp, 10,000 visitor-days. After calculating lodging, restaurant, and other retail expenditures, the total expenditures are expected to be \$1.65 million, generating another additional \$965,995 in indirect expenditures.

Elmira Camp Reconstruction Project Tourism Impact Scenario of 10,000 Visitor-Days					
	# of overnight stays/# of visitor-days	Expected daily expenditures	Annual expenditures	Multiplier by business sector	Annual Impact
Overnight stays <sup>1</sup>	3,429	\$175	\$600,000	0.8872	\$532,320
Food & beverage <sup>2</sup>	10,000	\$55	\$550,000	0.7885	\$433,675
Retail <sup>3</sup>	10,000	\$50	\$500,000	0.8341	\$417,050
<b>Total</b>		<b>\$280</b>	<b>\$1,650,000</b>		<b>\$965,995</b>

<sup>1</sup> Based on goal of 10,000 visitors annually with an average of 1.75 persons per room per night  
<sup>2</sup> Based on goal of 10,000 visitors annually  
<sup>3</sup> # of visitor days, overnight stays and daily expenditures provided by client

Visitors also generate local and state government revenue through sales and accommodations taxes. Using the above scenario, the expected annual sales tax revenue for state and local governments is \$90,000.

Tourism Impact Scenario - Sales Tax Annual Collections				
	Accommodations	F&B	Retail	Total
Expected annual revenues	\$600,000	\$550,000	\$500,000	\$1,650,000
Annual state taxes expected, total	\$24,000	\$22,000	\$20,000	\$66,000
Local accommodations tax generated	\$24,000			\$24,000
Annual state & local taxes expected, total	\$48,000	\$22,000	\$20,000	• \$90,000

This analysis uses 10,000 visitors as a baseline for example purposes, and this number is not intended to be a projection or a prediction. The impacts illustrated here can be interpreted as relative to these 10,000 visitors only, but can also be scaled easily. For example, if the impacts of 20,000 tourists are requested, the impacts can be multiplied by 2 to yield a relative impact.