

Economic Impact Analysis

Afrim's Adirondack Sports Park

By:

Sciocchetti Taber, PLLC

March 2024

INTRODUCTION

This analysis is respectfully submitted to the Warren/Washington Industrial Development Agency (the “IDA”) on behalf of Afrim Sports, Inc. (the “Applicant”), to illustrate the significant positive economic impact that the purchase and operation of the Adirondack Sports Complex (the “Dome”) by the Applicant (the “Project”) will have on the Queensbury, NY area, in support of the Applicant’s application to the IDA for certain financial benefits which will make the Project possible.

The Dome is a multi-sport facility located just outside of Glens Falls with 108,000 square feet of climate-controlled space and over nine (9) acres of outdoor sports fields for baseball, softball, soccer, field hockey, flag football, ultimate frisbee and lacrosse. The Applicant owns and operates several comparable facilities throughout the Greater Capital Region of New York and has entered into a contract for the purchase of the Dome, expecting to increase the offerings at and performance of the facility.

SUMMARY OF CHANGES

Facility

The Dome is and will continue to be a premiere multi-purpose field complex serving local residents and attracting non-local visitors for tournaments and events. Located on 21 acres off of Sherman Road, the Dome features 95,000 square feet of convertible playing surface enclosed within a state-of-the-art air-supported dome, as well as batting cages, and nine (9) outdoor sports fields for softball/baseball and soccer/lacrosse/field hockey. The Applicant intends to convert one (1) of the outdoor grass fields into a turf field, allowing for an extended period of use during the year and a better quality playing surface, attracting local school and club sports teams who want to practice in conditions that their own facilities cannot accommodate. The Applicant is also replacing the batting cages within the air-supported dome with an additional basketball/volleyball court, which the Applicant estimates will draw up to 300 visitors a week, rather than the roughly 50 that used the batting cages each week. By enhancing the facilities and better tailoring them to the needs of the community, the Applicant will offer greater value than the Dome currently presents and will thereby attract greater use. To accommodate the greater use, the Applicant intends to add an additional 100 parking spaces at the Dome.

Programs

Lessons for children are currently offered at the Dome, with about 100 students. The Applicant will implement its famous youth program, Soccer Kidz, at the Dome, open to children ages 2-9, and expects to have 750-1,000 students participating. Increased enrollment and use of the facilities will lead to the need for additional employees at the Dome, with the Applicant intending to have approximately 8-10 full-time equivalents (up from the three (3) individuals currently working at the Dome) (which will include seasonal and part-time employees during tournaments and the summer season).

Tournaments

The Dome currently hosts 16 annual softball tournaments, which generate at least \$3,171,084 in total economic impact. See [Appendix A](#). The Applicant will continue to host these 16 softball tournaments annually and will also add four (4) soccer tournaments each year.

Merchandise/Concessions

The Dome does not have custom merchandise available for sale currently. The Applicant, with its locally well-known brand, anticipates \$50,000 in annual revenue from the sale of merchandise at the Dome, generating sales tax for the state and municipality. Additionally, the increased use of the facilities, and the increased enrollment of students with parents watching or waiting for their children at the Dome, the Applicant expects sales of food and drink at the clubhouse attached to the air-supported dome to increase by approximately twenty-five percent (25%), to total about \$200,000 per year.

LOCAL AND REGIONAL MARKET

For purposes of this economic analysis, local (within a 30-minute drive time) and sub-regional (within a 60-minute drive time) participants and attendees of tournaments and events hosted at the Dome are not assumed to generate new spending in the market. However, local and sub-regional participants and attendees will play a critical role in creating economic impact because, as the regular users of the Dome facilities, they will account for a majority of the revenue generated by the facility and must provide a base large enough to support the continued operations of the Dome. Additionally, in order to attract non-local teams, there must be enough local and sub-regional teams to create a competitive draw. Non-local teams (beyond a 60-minute drive time) choose tournaments in part based on the level of competition they will face, and seek to play against teams they do not regularly face in local tournaments. As such, there must be enough local and sub-regional teams in different sports in different age groups and at different skill levels to create an attractive base of teams for non-local teams to play against.

Using data from NASA's SEDAC Population Estimation Service, the area around the Dome is a well-populated, primarily suburban market. While the Town of Queensbury only has about 28,000 residents, an analysis of the larger market of potential participants using drive times from the Dome shows that the facility will have a large local and sub-regional population base to draw from, which will be capable of supporting the updated facility. See [Table A](#). Median household incomes levels within all drive time distances are higher than the national average, which is another positive indicator that the local and sub-regional base will be able to afford fair-market rates to use the fields and participate in programs.

POPULATION WITHIN __ MINUTES	(TABLE A)
15 Minutes	80,157
30 Minutes	182,741
60 Minutes	752,835

In order to further understand the opportunity to draw non-local visitors for tournaments and events, we must examine the regional market (within 250 miles, or roughly four (4) hours driving) to analyze the number of players in the region. The regional market must demonstrate that it has enough players and teams to create a high volume of competitive travel teams. Regionally, there are nearly 2,500,000 soccer players (although, it must be noted, that not all participants play soccer at a competitive level and therefore not all participants take part in tournaments and regional events), more than enough to support the additional tournaments planned by the Applicant at the Dome and the assumption that such tournaments will draw a high percentage of non-local teams.

ECONOMIC IMPACT ANALYSIS

Factors Not Included in Analysis

This analysis focuses primarily on the economic impact of the new soccer tournaments that the Applicant intends to host at the Dome each year, which contributes the most to Applicant's economic impact. However, it is worth briefly noting those factors which are not including in this analysis, including the incalculable benefits of increased offerings of recreational sports and activities for the local youth, the additional opportunities for youth employment at the Dome, and the spillover spending for the local economy from even local and sub-regional participants and attendees increasing their number of visits to the Dome each week, month and year.

As described above, the Applicant believes it will sell about \$50,000 worth of merchandise at the Dome, based on its strong local brand name, which will generate \$3,500 annually in additional sales tax. The Applicant expects to increase food and drink sales by a similar amount, generating another \$3,500 in additional sales tax. Payroll for the 8-10 employees that the Applicant intends to hire for the Dome is expected to be over \$250,000, generating state income taxes of over \$10,000 each year, plus the induced spending (recirculation of employees' wages) in the local economy from each of these employees.

It has also been assumed, for purposes of this analysis, that the softball tournaments that currently take place at the Dome will continue to be substantially the same in the future, although it can reasonably be expected that, based on the increased participation anticipated at the Dome following the Applicant's acquisition thereof, and the improved reputation and better-skilled teams and players created thereby, that this would all feed back into increased participation at the existing softball tournaments in the future, generating greater economic impact.

Economic Impact of New Tournaments

Based on the data above and the Applicant's experience-based plans and assumptions for the Dome, we can predict a significant economic impact on the local community from increased participants, tournaments and events at the Dome.

The primary driver of increased economic impact is the addition of four (4) major regional soccer tournaments, which draw non-local visitors who stay in hotel rooms and buy meals in the local market. Typically, a large regional tournament involves at least eight (8) age-group brackets with at least four (4) teams per bracket, for a total of 32 teams. With an average of 15 athletes per team, each tournament can be expected to draw at least 480 athletes and their coaches, along with an average of two-and-a-half (2.5) affiliated spectators per athlete, or over 1,680 attendees. If both boys and girls are competing, these numbers would be doubled. Typically, about 70% of tournament attendees are non-local visitors, meaning each tournament would attract over 1,176 non-local visitors to the area. With four (4) new tournaments planned, this means that Queensbury will receive over 4,704 new non-local visitors for the period of the tournament each year following the Applicant’s acquisition of the Dome. See [Table 1](#).

SOCCER TOURNAMENTS – U8 AND UP		(TABLE 1)
Number of Events		4
Teams Per Event		32
Total Teams		128
Athletes Per Team		15
Total Athletes		1,920
Affiliated Spectators Per Athlete		2.5
Total Affiliated Spectators		4,800
Total Visitors		6,720
Percent Non-Local		70%
Total Non-Local Visitors		4,704
Days Per Event		2
Total Non-Local Days-in-Market		9,408

Based on the Applicant’s experience and data available from similar markets, it can be expected that non-local visitors will stay in hotels for two (2) nights at each tournament, with an average of three (3) people sleeping in each room, generating an additional 3,136 room nights per year. See [Table 2](#).

SOCCER TOURNAMENTS – U8 AND UP		(TABLE 2)
Total Non-Local Visitors Per Event		1,176
People Per Room		3
Room Nights Per Event Night		392
Nights Per Event (Length)		2
Room Nights Per Event		784
Events Per Year		4
Total Room Nights		3,136

Based on the Applicant’s experience and analysis of the local market, and an analysis of the cost of staying in the market and trends in the youth and amateur travel sports industry based on surveys from the Sports Facility Advisory, we can project the amount of money that each non-local visitor will spend per day. The following table illustrates the expected per-person average daily expenditure when attending a soccer tournament at the Dome. See [Table 3](#).

AVERAGE DAILY EXPENDITURES		(TABLE 3)
	Amount	Percent of Total
Lodging/Accommodations	\$72.67	41.86%
Dining/Groceries	\$45.75	26.35%
Transportation	\$10.17	5.86%
Entertainment/Attractions	\$4.39	2.53%
Retail	\$25.80	14.86%
Miscellaneous	\$14.82	8.54%
Total Average Daily Expenditure	\$173.60	100%

As shown in this table, each non-local visitor is projected to spend \$173.60 per day based on local market data and reasonable estimates. Each person will spend \$72.67 per day on lodging (based on an average daily rate of \$218¹ and three (3) people per room) and over \$100 per day on dining/groceries, transportation, entertainment/attractions, retail, and other miscellaneous expenses in the local market.

¹ Based on the seven nearest chain hotels: Holiday Inn Express & Suites, Super 8 by Wyndham, Days Inn by Wyndham, and Fairfield Inn and Suites by Marriot located near Exit 18 of the Northway, and Home2Suites by Wyndham, Baymont by Wyndham and Econo Lodge located near Exit 19 of the Northway.

Direct spending, a calculation of first dollars spent (the initial transaction) from non-local visitors, represents net new spending from new tournaments/events (i.e., is money that would not be spent but for the additional tournaments/events being held). Based on the information above, the additional soccer tournaments held by the Applicant at the Dome will generate 9,408 non-local visitor days, and each non-local visitor will spend approximately \$173.60 per day, for a total direct spending figure of \$1,633,228.80 per year. See Table 4.

DIRECT SPENDING		(TABLE 4)
Non-Local Visitor Days		9,408
Average Daily Expenditure		\$173.60
Direct Spending		\$1,633,228.80

In addition to direct spending, data in the form of spending multipliers from IMPLAN, the leading organization for economic data and modeling, can be used to estimate the economic impact from indirect spending (the recirculation of money spent locally by businesses that benefit from direct spending) and induced spending (the recirculation of employee payroll within the economy) as a result of the direct spending generated because of the additional tournaments at the Dome. Based on the IMPLAN data, the multiplier for indirect and induced spending in this market is approximately .45; in other words, every \$1.00 spent in the market results in \$1.45 of total economic impact. By combining the direct and indirect/induced spending projections, total economic impact is projected to be \$2,368,181.76 on an annual basis. See Table 5.

TOTAL ECONOMIC IMPACT		(TABLE 5)
Direct Spending		\$1,633,228.80
Indirect/Induced Spending		\$734,952.96
Total Economic Impact		\$2,368,181.76

Attached as Appendix A is a separate economic impact analysis for the existing softball tournaments held at the Dome, which was not prepared by this firm. However, this independent analysis illustrates the reasonableness of the assumptions used above by estimating average daily expenditures of non-local visitors at \$188.56 (and \$120.25 even without an overnight stay), with 71% of teams staying overnight.

In addition to economic impact generally, overnight visitors generate tax revenue through sales and use taxes and occupancy taxes on their hotel room bookings. Currently, the sales tax rate in Warren County is 7% and the occupancy tax rate is 4%. Based on the information above, non-local visitors attending tournaments at the Dome will generate an additional 3,136 room nights per year. Assuming an average daily (weekend) rate of \$218 for local hotels, these bookings total \$683,679.36, which yields \$47,857.56 annually in sales taxes and \$27,347.17 in occupancy taxes, for a total of over \$75,000 in new tax revenue just from overnight bookings. Again, this does not

include the added sales tax generated from sales at the Dome itself or the other approximately \$100 that each non-local visitor will spend each day of their visit in the local economy. See Table 6.

ROOM NIGHTS TAX REVENUE	(TABLE 6)
Additional Room Nights	3,136
Average Daily Room Rate	\$218
Total Cost of Room Nights	\$683,679.36
Local Sales Tax (7%)	\$47,857.56
Local Occupancy Tax (4%)	\$27,347.17
Total Taxes from Additional Room Nights	\$75,204.73

CONCLUSION

As can be seen from the data and analysis above, the Applicant’s plans for the Dome can be expected to have a significant positive economic impact on the surrounding area, especially when considering those factors which were specifically excluded from the analysis above, and would constitute a valuable piece of the local economy and community.

In order to facilitate the acquisition of the Dome and the development of the improvements and new programs described above, the Applicant intends to invest nearly \$3.5 million, and seeks some assistance from the IDA to help make the Project feasible. These benefits, however, are dwarfed by the financial benefits that the local municipalities will receive from the continued operation and expansion of the Dome. For example, the Applicant is seeking \$40,250 in sales tax exemption and \$32,203 in mortgage tax exemption. It can be seen, based on the analysis above, that the Project will generate more tax revenue from additional hotel room bookings alone than these two figures combined *in a single year*. Property tax exemptions pursuant to a PILOT Agreement, ranging from less than \$32,000 in Year 1 down to less than \$12,000 in Year 10, also seem reasonable in light of the economic contributions that the Dome will make to the local community under the Applicant’s ownership, especially the intangible benefits for local youth.

This report is respectfully submitted to the IDA to illustrate these economic benefits offered by the Applicant and to justify the financial assistance that the Applicant is requesting in order to make the Project feasible on its business side. The Applicant and its attorneys are available to discuss any of the above and answer any further questions the IDA may have in order to grant the assistance requested.

APPENDIX A

**2023 Travel Softball Tournaments
Economic Impact Analysis**

[see attached]