NOTES
Conversation with Research Triangle Institute (RTI International)
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Background: RTI is a non—profit that does primarily consulting for government agencies. It has 2,500 employees and has expertise in a wide variety of disciplines, including environmental economics, engineering, science, surveys, and risk assessment. They have done work for such agencies as the National Park Service, the U.S. EPA, and many others. They have familiarity working with local communities and advisory groups.

Modelling: Analysis would involve first gathering data to profile baseline conditions in the affected communities. A list of the features of the dredging operation impacting the local economy and quality of life would then be developed (for example, jobs from construction, closure of the marina, etc.). For each item on the list, we would determine (or estimate) which sectors of the economy would be affected and how. Then we would contact entities such as local businesses and governments expected to be directly affected by the dredging operation. We would use a structured interview with each entity (or a subset) to gather information on how they would be affected and an estimate of these impacts. These would be used to develop a quantitative estimate of overall impacts (specified as changes in revenue) on specific groups of businesses/governments/citizens or sectors of the economy, most likely creating multiple scenarios. The estimates of direct monetary impacts would be used as inputs to macroeconomic impact models to estimate overall impacts on the regional economy. Examples of macro models are IMPLAN and REMI.

RTI would likely use one or two models, either a basic regional input-output model known as IMPLAN, very well known commercially, or a more refined and costly regional economic impact model known as REMI. REMI tends to be used to look at economic impacts of policies on gross domestic product, output, and so forth over time. IMPLAN is loaded with data by state and county. IMPLAN is loaded with data by state and county on some 500 industries/sectors. Though REMI is more sophisticated, it is more expensive and many policy makers are not familiar with it, thus requiring far more explanation as to its outputs and conclusions. Typically, these types of modelling are only one part of overall impact analysis. There is a great deal of data gathering needed as well as other kinds of analysis outside of the modelling.

In addition to the IMPLAN or REMI analysis, the information on dredging impacts would be used to characterize changes in quality of life for local residents, quantifying and monetizing these impacts when possible.

Outputs: The analysis would look at a variety of impacts, from impacts on and associated costs of increased road traffic, to drivers shopping elsewhere due to increased road or train traffic to tourism impacts due to direct river traffic to the economic impacts of the perception of actions on potential users of the resource. Outputs from economic models such as IMPLAN or REMI typically include some or all of the following variables: county-level changes in jobs (by sector), business revenue (by sector), personal income, impacts on local wages, and changes in revenues (tax and private) due to any decreased or increased economic activity from dredging. The analysis would need to include from where workers are supplied – differing sources of labor would have differing kinds of impacts (out-of-town contractors spend money on local lodging but in-town contractors may buy more at the grocery store, shop at the local hardware store, etc.). One might look at impacts of sales of produce and other agricultural products from the Hudson River area during dredging. It might consider the impacts to property values.

Scope: The scope of such a study would have to be determined. The scope might include economic impacts during design, phase I dredging, and dredging overall, or might be focused solely on Phase I given that this design is better known at this time. The scope might include predicting economic impacts of Phase I dredging prior to actual work and then testing those predictions by gathering data before, during, and after Phase I. The scope would need to consider geographic scope, from the most directly affect communities (Ft. Edward and surround) to secondary and other affects from Waterford to Whitehall.

Rigor of Study: The purpose of the study needs to be made clear. It might be simply for information, to persuade policy makers and elected officials, and/or to be used in potential litigation. If litigation is anticipated, this changes both the depth of thoroughness of the study as well as the time that would be needed to defend such a study in court.

Costs: The cost of such a study is likely to be between $100K and $300K, depending on the scope, scale, and detail. If surveys were desired (i.e., conducting a formal, randomized survey of recreational users of the river) in addition to gather existing date, this cost would likely be greater than $300K.

Administration: Depending on the sources of funding, a local economic development entity from either Saratoga or Washington County could manage the funds and oversee the contractor with input on the scope, selection, and on-going work from the CAG or its subcommittee.

Municipal Data Collection Costs: It was noted that each municipality that must provi de data to such efforts bears a cost for gathering and providing that information, and thus, any overall cost to such a study should include these local government transaction costs.

ROUGH DRAFT SCOPE OF WORK

Title: Economic Impact Analysis of Phase I Dredging of the Hudson River

Purpose: The purpose of this analysis is to provide a professional, independent analysis of the economic impacts of Phase I dredging in order to: 1) help affected communities anticipate economic impacts of Phase I; and, 2) to potentially build a case for compensation of unmitigated impacts from appropriate parties, whomever they may be. It is not expected that this study will be part of any anticipated litigation. However, the subject of economic impact of Superfund activities is a controversial topic and any study may be questioned about its methodology, assumptions, and conclusions. Thus, the analysis should be rigorous, follow accepted standards of professional practice, and be defensible in public forums and by professional reviewers from any number of private or public entities.

Temporal Scope: The study shall include the direct and indirect economic impacts (both costs and benefits) of the Phase I Dredging activity under Superfund as detailed in the Intermediate Design Report (issued in August 2005, with comments from the public to EPA and EPA to GE to be taken into consideration as well) from the initial construction of the dewatering facility to the conclusion of dredging and shipping of that contaminated dredge material from Phase I out of Washington and Saratoga Counties.

Spatial Scope: The study shall analyze the direct and indirect economic impacts from the areas surrounding Waterford, New York to those around Whitehall, New York, recognizing that the most direct impacts of Phase I dredging will occur in the Village and Town of Ft. Edward and surrounds.

Impacts: The analysis should consider the impacts of Phase I, including but not limited to: increased river traffic, increased use of rail, increased use of local roads, increased demands on local emergency services, the tons of material processed, the tons of clean material needed for refill, the hours of operation, the barge docking and unloading, the use of Lock 7, and the closure of the Yacht Basin. Anticipated impacts include, but are not limited to, damage and accelerated wear on local roads, closure of small businesses in the Yacht Basin, decline in tourist river traffic and its economic activity due to both the actual dredging and the perception of boaters more generally, creation of jobs for construction and other work as well as the possible destruction of jobs in other sectors (i.e. tourism for example), changes in municipal tax revenues, decline in riverfront property values during dredging, and other such impacts.

Data Collection: The analysis should be based on the collection of data from local, county, state, and national sources. It is expected informal surveys of local businesses,

municipalities, and others may be needed. It is not expected that formal visitor surveys and other more costly and formalized surveys will be needed at this time.

Administration: It is anticipated that the analysis will be administered through a county economic development agency. This includes contracting, funding, and management. In addition, the Hudson River Community Advisory Group, the affected Counties, and the affected municipalities will wish to advice the administrator on the final scoping of the analysis, its on-going preparation, its draft results, and its final results. Thus, the contractor should anticipate, in addition to typical contractor oversight, on-going interaction with the above mentioned entities.

Deliverables: The written deliverables shall include:

- A refined, final draft scope of work, including project timeline;
- A final scope of work;
- A listing of data needs and from whom that data will be collected;
- An annotated outline of a report, once work is underway;
- On-going progress reports;
- A draft final report for comment;
- A final report suitable for printing and distribution.

Cost: It is anticipated that the cost will not exceed $275,000. These costs do no include the costs for municipalities to take personnel time and other resource expenditures to collect, organize, and provide local data.

Timeline: It is expected that a draft of the impact study could be completed within 6-8 months of contract signing. In any case, the study should be completed no later than January 2007 in order to anticipate the dredging actually expected during the summer of 2007.

Additional Estimates: As part of the draft final scope, please provide an estimate of the additional cost, purpose, and need for formal visitor surveys for the Hudson River and for data collection during the actual dredging to compare the predictions in the study against actuality.