

This Section discusses the potential impacts that the proposed action and the alternatives may have on the socioeconomic characteristics of the two affected counties and New York State, as a whole.

**A. ALTERNATIVE 1: PROPOSED ACTION**

Under this alternative, the Nation's land in the Village of Union Springs, and the Towns of Springport and Montezuma in Cayuga County, and the Town of Seneca Falls in Seneca County, would be taken into and held in trust by the United States.

The Nation would continue use of its properties for multiple purposes, involving the continuation of previous and existing uses, including convenience store and gas station operations, gaming facilities, a car wash and related activities. The Nation presently has no plans for further development of the subject properties.

Under the Proposed Action, the Nation's two LakeSide Entertainment gaming facilities will be reopened at sites of their former locations at the Nation's Seneca Falls and Union Springs properties. In Seneca Falls, the gaming business occupies the rear portion of the convenience store at the Nation's existing LakeSide Trading business. The Union Springs gaming facility is located in a stand-alone approximately 2,300 square foot building that formerly housed an auto parts store.

It is anticipated that the LakeSide Entertainment facilities would resume operations as they existed prior to October 2005, when the gaming operations were temporarily suspended. As during their previous operation, the facilities will be small-scale Type II gaming operations consisting of electronic bingo machines. Consistent with federal regulations, the LakeSide Entertainment Class II gaming facilities will not be "casinos" with table gaming (e.g., poker, blackjack, or roulette) or slot machines.<sup>1</sup>

Due to the small size and small scale of the LakeSide gaming facilities, and due to lack of entertainment venues or food and beverage services, it is the Nation's experience from having formerly operated these facilities that patrons are drawn from the localized Cayuga and Seneca County areas.

**DEMOGRAPHIC TRENDS***CAYUGA COUNTY*

The Proposed Action is not expected to result in any increases or decreases in the population, and it is not expected to result in any changes to the demographic composition or characteristics

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<sup>1</sup> See 25 CFR Part 502.

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of Cayuga County, and in particular, the Towns of Montezuma and Springport, and the Village of Union Springs.

To the extent that the Proposed Action would create additional employment opportunities, these 19 jobs would be filled by those former employees of the Nation's Enterprises that were laid off when gaming operations at the Nation's two Lakeside Entertainment facilities were temporarily suspended.

It is not expected that the Proposed Action would increase or decrease the seasonal population of the area.

### *SENECA COUNTY*

Similar to Cayuga County, the Proposed Action is not expected to cause any increases or decreases in the population, and it is not expected to result in any changes to the demographic composition or characteristics of Seneca County or the Town of Seneca Falls.

To the extent that the Proposed Action creates additional employment opportunities as a result of reopening the gaming facility, it is expected that it would result in the employment of local workers. It is not anticipated that members of the Cayuga Nation would relocate to the Project area.

It is not expected that this alternative would increase or decrease the seasonal population of the area.

### **CAYUGA NATION**

The Proposed Action is intended to further the lifestyle, cultural values and objectives of the Nation by advancing the Nation's goal of reestablishing tribal presence in its former homeland. This former homeland holds cultural and religious significance for its people. In addition, by enabling the Nation to continue operating and resume operations at businesses which were created to generate a source of revenue to be used to better the life of the Nation's membership, the Proposed Action will further the Nation's goal of economic self-sufficiency.

In 2003, a four-year plan was created by the Nation to lay out a guideline for the development of Nation businesses (known as the Nation's Enterprises) on the Nation's ancestral lands in Seneca and Cayuga Counties. The goal of this guideline was to utilize Enterprise profits to fund expansion and growth and to begin passing on revenues from the Enterprises to the Nation's membership. The Nation's plan included the purchase and operation of convenience stores/gas stations in Union Springs and Seneca Falls on the open market as well as two Class II gaming facilities, all within the 64,015 acres guaranteed to the Nation. The Nation purchased these properties in arm's length transactions for fair market value from willing sellers. The properties were neither taken by condemnation nor given to the Nation by any government.

The Nation's development plan is coming to fruition. Through its business arm, LakeSide Enterprises, the Nation now operates two convenience stores and gas stations, LakeSide Trading in Union Springs, and a LakeSide Trading enterprise in Seneca Falls. Both of these convenience stores sell cigarettes and other tobacco products to Indians and non-Indians.

On or about November 12, 2003, the Nation adopted a Resolution authorizing and adopting a Class II Gaming Ordinance authorizing Class II gaming on Indian land pursuant to regulations promulgated by the National Indian Gaming Commission ("NIGC") and in accordance with the provisions of the Indian Gaming Regulatory Act ("IGRA"). Shortly thereafter, the Nation

opened two Class II gaming facilities at their Union Springs and Seneca Falls properties, known as LakeSide Entertainment 1 and 2. Operations at these gaming facilities were suspended in September and October of 2005 due to threats of litigation from local governments. The Nation intends to re-open these gaming facilities under this Proposed Action, upon the fee-to-trust transfer. The revenues from the gaming Enterprises are critical to the Nation's plan to establish economic self-sufficiency as well as its desire to maintain a strong tribal government, both of which are among the goals reflected by Congress in IGRA.

Gaming revenue has already enabled the Cayuga Nation to make a substantial investment in the future of the Cayuga people. The Nation has awarded approximately \$10,000 in scholarships to Nation members pursuing higher education and projects that once its economic development plan is complete in the next few years, these revenues would go predominantly to providing tribe-member services as well as a steady stream of income to better the lives of the Cayuga people.

The Nation's lifestyle and cultural values receive critical financial support from its gaming enterprise revenues. The Proposed Action will enable the Nation to resume operations at these gaming facilities, and thereby reinstate this revenue source.

#### **FISCAL EFFECTS**

The Proposed Action would place six tax lot parcels in Cayuga County and three parcels in Seneca County into trust. As a result, the Nation's property would not be subject to state or local taxation. This section discusses the property taxes affected by this action.

##### *CAYUGA COUNTY*

The Proposed Action would result in a net loss of \$16,792.17 in property tax revenue for Cayuga County (see Table 4.8-1). Of this loss, \$7.93 would be from the parcel in the Town of Montezuma, representing less than one ten-thousandth of one percent of the county's revenue from property taxes, and \$16,784.24 would be from the parcels in the Town of Springport (including the four parcels in the Village of Union Springs), representing 0.06 percent of the total county revenue from property taxes. The majority of the loss of county revenue would come from the parcels located in the Village of Union Springs. The net loss of \$16,489.15 from the four parcels in the Village of Union Springs would represent 0.06 percent of the total county revenue from property taxes.

##### *Town of Montezuma*

The Proposed Action, for the land parcel in the Town of Montezuma, would result in a net loss of \$36.17 in property tax revenue for Cayuga County, the Town of Montezuma, Community College, the Port Byron School District, and the Montezuma Fire District (see Table 4.8-1). By removing this land parcel from the tax rolls, property tax revenues for Cayuga County would be reduced by \$7.93, representing less than one ten-thousandth of one percent of the county's revenue from property taxes. Property tax revenues for the Town of Montezuma would be reduced by \$3.43, representing less than one hundredth of one percent of the town's revenue from property taxes. The Proposed Action would reduce the property tax revenue of the Port Byron School District by \$24.81, representing less than one thousandth of one percent of the school's revenue from property taxes.

**Table 4.8-1**

**The Nation's Property Tax Payments as Percentage of Total County/Municipal Property Tax Collections**

	Town of Montezuma	Town of Springport (includes the Village of Union Springs)	Town of Seneca Falls <sup>1</sup>
<b>County</b>			
Total Property Taxes Collected	\$29,565,821	\$29,565,821	\$8,827,518
The Nation's Property Tax	\$7.93	\$16,784.24	\$3,740.12
<b>Nation's Percent of Total</b>	<b>0.00002%</b>	<b>0.05677%</b>	<b>0.0423%</b>
<b>Town/Village</b>			
Total Property Taxes Collected	\$96,303	\$313,173	\$90,625
The Nation's Property Tax	\$3.43	\$8,173.42 <sup>2, 3</sup>	\$377.54 <sup>2</sup>
<b>Nation's Percent of Total</b>	<b>0.00356%</b>	<b>2.60987%</b>	<b>0.4165%</b>
<b>School (including Library)</b>			
Total Property Taxes Collected	\$4,679,784	\$6,767,703	\$9,301,887
Total Nation Property Tax	\$24.81	\$36,222.16	\$13,978.76
<b>Nation's Percent of Total</b>	<b>0.00053%</b>	<b>0.53522%</b>	<b>0.15028%</b>
<b>Notes:</b>			
1 Figures for Town of Seneca Falls provided by Seneca County in "Supplemental Seneca County Volume," letter from Joseph D. Picciotti, Harris Beach PLLC, to John Feingold, AKRF. See Appendix J.			
2.Town/Village figures for the Town of Springport and Town of Seneca Falls were provided per Note #1, above. The provider stated that the Town of Springport figure does not include tax amounts for college chargeback, fire districts, water districts or sewer districts.			
3.Includes Town of Springport taxes and Village of Union Springs taxes.			
<b>Sources:</b> <a href="http://www.orps.state.ny.us">http://www.orps.state.ny.us</a> Accessed June 14, 2006. Town of Springport Fiscal Budget General Fund—Townwide for 2006 "Estimated Revenues."			
<a href="http://www.uscsd.info/departments.cfm?sublevel=8869&amp;subpage=25&amp;subsubpage=576">http://www.uscsd.info/departments.cfm?sublevel=8869&amp;subpage=25&amp;subsubpage=576</a> . Accessed June 14, 2006.			
Village of Union Springs Fiscal Budget General Fund for 2005-2006 "Estimated Revenues." <a href="http://www.emsc.nysed.gov/mgtserv/2005_property_tax.htm">http://www.emsc.nysed.gov/mgtserv/2005_property_tax.htm</a> . Accessed June 14, 2006.			

*Town of Springport*

For the five parcels in the Town of Springport (including the four parcels in the Village of Union Springs), the Proposed Action would result in a net loss of \$61,179.82 in property tax revenue for Cayuga County, the Town of Springport, the Village of Union Springs, and the Union Springs School District (see Table 4.8-1)<sup>1</sup>. As discussed above, the County would lose \$16,784.24 in property tax revenue, representing 0.06 percent of the County's total revenue from property taxes. The property tax revenue for the Town of Springport would be reduced by

<sup>1</sup> This total does not include tax amounts for Fire District, Sewer District, Water District, College Chargeback, or Returned School Tax.

\$8,173.42, representing 2.61 percent of the total Town revenue from property taxes. The property tax revenue for the Union Springs School District would be reduced by \$36,222.16, representing 0.535 percent of the total school district's revenue from property taxes.

*SENECA COUNTY*

The Proposed Action would place the one land parcel in the Town of Seneca Falls, located in Seneca County, into trust. As such, the Proposed Action would result in a net loss of \$18,096.42<sup>1</sup> in property tax revenue for Seneca County, Seneca Falls, and the Seneca Falls School District (see Table 4.8-1). Seneca County property tax revenues would be reduced by \$3,740.12, representing less than one tenth of one percent of the county's revenue from property taxes. Property tax revenue for the Town of Seneca Falls would be reduced by \$377.54, representing 0.42 percent of the town's revenue from property taxes. The Seneca Falls School District property tax revenue would be reduced by \$13,978.76, representing 0.15 percent of the school district's revenue from property taxes.<sup>2</sup>

*Summary of Fiscal Effects*

Based on the above analysis, the Proposed Action will have an insignificant effect on the fiscal conditions of the effected jurisdictions.

The Proposed Action would include the reopening of the Nation's gaming facilities at the Seneca Falls and Union Springs LakeSide Entertainment locations. These gaming facilities are small-scale operations consisting of 33 electronic bingo machines at the Seneca Falls location, and 86 such machines at the Union Springs site, for a total of 119 electronic gaming machines. By contract, the Oneida Nation of New York's Turning Stone Resort and Casino has 2,400 instant win machines, electronic bingo seating capacity of 1,400, as well as table gaming with positions at 80 tables. The Seneca Niagara Casino has 2,200 electronic gaming machines and 40 tables, the Akwesasne Mohawk's casino has 800 electronic machines and 25 tables, and the gaming facility at Saratoga Raceway has 1,300 video gaming machines. The direct relationship between casino gambling and increases in local crime rates and corresponding potential increases in costs of law enforcement and related services, including mental health and family services, however, has not been definitively established. Research and literature on this matter suggest that further study is needed, but overall, the literature shows that communities with legalized gambling at casinos are as safe as communities without casinos.<sup>3</sup> Nonetheless, the Nation recognizes that gaming should be conducted in a responsible manner and would provide information to its patrons regarding gambling addiction counseling services available in the area.

The Cayuga Nation of New York, as a federally recognized Indian tribe, is a sovereign governmental entity that exists to provide for the health and welfare of its constituent members. The Proposed Action would result in positive fiscal benefits to the Nation as a result of revenues generated from the reestablished gaming operations at its LakeSide Entertainment gaming facilities. These revenues would enable the Nation to further its goals of cultural preservation,

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<sup>1</sup> See Note #2 in Table 4.8-1, above.

<sup>2</sup> Figures were based on information provided Seneca County in "Supplemental Seneca County Volume," letter from Joseph D. Picciotti, Harris Beach PLLC, to John Feingold, AKRF. See Appendix J.

<sup>3</sup> See National Gambling Impact Study Commission Report, *Gambling's Impact on People Places*" June 1999; and National Research Council, *Pathological Gambling: A Critical Review*, April 1999.

expression and identity, self determination, self-sufficiency and economic independence as a federally recognized Indian tribe.

### **ECONOMIC EFFECTS**

Under the Proposed Action, the Nation's LakeSide Trading operations at its Seneca Falls and Union Springs properties would continue current gas station, convenience store, and car wash (at Union Springs) operations. As discussed above, the two temporarily closed LakeSide Entertainment gaming facilities at these locations would reopen. The reopening of these two gaming facilities would increase the Nation's economic activities as a result of increasing the number of employees at these two business sites. As a result, the Nation's operations would further generate economic benefits for the town and village, the two counties, and New York State, as a whole.

Although the Nation's gaming facility is significantly smaller in scale than the other Upstate gaming operations, there is considerable research showing that Indian casinos in rural and poorer markets have a net positive economic impact on the surrounding non-Indian communities.<sup>1</sup> In fact, research indicates that gross incomes rise, public assistance payments and unemployment rates decline, and certain crime rates fall when Indian casinos are introduced near non-Indian communities.<sup>2</sup>

This section discusses the economic benefit that would result from reopening the gaming facilities at the Nation's current business operations in Seneca Falls and Union Springs. Because the gaming operations will supplement existing business operations, this analysis builds on the analysis presented in Section 3.8, "Socioeconomic Conditions," and considers benefits to both Seneca and Cayuga Counties, and to the wider New York State economy.

As discussed in Section 3.8, the principal model used to analyze the economic effects of the Nation's business operations was IMPLAN. The analysis of the Proposed Action also uses this approach to estimate the total economic effect of the Nation's business operations. For a discussion of the IMPLAN model and definitions of the terms used in the discussion below, please see Section 3.8, pages 17-24.

### **DIRECT ECONOMIC EFFECTS**

As discussed below, the Proposed Action would result in direct economic effects in the form of employment by the Nation at its LakeSide Trading and Entertainment locations, as well as spending by the Nation to operate and maintain its facilities.

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<sup>1</sup> Numerous studies and analyses are evaluated and presented in Taylor, Jonathan B., Matthew B. Krepps, and Patrick Wang, *The National Evidence on the Socioeconomic Impacts of American Indian Gaming on Non-Indian Communities*, Harvard Project on American Indian Economic Development, John F. Kennedy School of Government, Harvard University, April 2000.

<sup>2</sup> See National Opinion Research Center at the University of Chicago, Report to the National Gambling Impact Study Commission – Chapter 5: Impacts of casino proximity on social and economic outcomes: 1980-1997, April 1999; and National Research Council, *Pathological Gambling: A Critical Review*, April 1999.

*SENECA COUNTY*

Under the Proposed Action, the Nation's Seneca Falls LakeSide Trading operations, which consist of a gas station and convenience store, as well as the Nation's business office, will continue to operate. In addition, as discussed above, the Nation's LakeSide Entertainment gaming operation will resume operations.

*Direct Investments in the Seneca County Economy*

Under the Proposed Action, the Nation would increase the existing number of employees at its Seneca Falls location from 20 to 26 workers. These new jobs represent an increase in the Nation's investment of wages and salaries in the local economy.

In addition to providing employment, the Nation's Seneca businesses make substantial expenditures to purchase of goods and services necessary for daily business operations. Many of these purchases are made locally and therefore support local businesses. These expenditures amount to approximately \$295,227 per year. These expenditures would continue to occur under the Proposed Action, and are detailed in Table 3.8-20 (see Section 3.8).

*CAYUGA COUNTY*

Under the Proposed Action, the Nation would increase the existing number of employees at its Union Springs location from 17 to 30 workers. These new jobs represent an increase in the Nation's investment of wages and salaries in the local economy.

In addition to providing employment, the Nation's Seneca businesses make substantial expenditures to purchase of goods and services necessary for daily business operations. Many of these purchases are made locally and therefore support local businesses. These expenditures amount to approximately \$440,176 per year, and would continue to occur under the Proposed Action. These expenditures by the Nation are detailed in Table 3.8-21 (see Section 3.8).

*NEW YORK STATE*

The Nation's business operations also make substantial annually recurring purchases from New York State vendors of goods and services outside of Seneca and Cayuga Counties. As discussed in Section 3.8, the expenditures made for the purchase of goods and services from vendors outside the two affected counties amount to nearly \$1 million annually, and are detailed in that Section, in Table 3.8-22. These expenditures would continue to occur under the Proposed Action.

**INDIRECT AND INDUCED ECONOMIC IMPACTS**

Increasing the number of employees at each of the Nation's business locations would result in an increase in the economic benefits resulting from the Nation's operations. The estimated economic and fiscal benefits that will result from the Nation's Seneca Falls and Union Springs business operations under the Proposed Action are presented in Table 4.8-1 and 4.8-2, and as summarized below.

*SENECA COUNTY*

*Employment.* The Nation's existing Seneca Falls businesses directly provide 20 permanent full- and part-time jobs. Under the Proposed Action, the Nation would add additional 6 employees, to create a total workforce of 26 employees. Based on the IMPLAN model's economic multipliers

for Seneca County, the Nation’s Seneca Falls operations would generate an additional 7 permanent jobs within the Seneca County region, bringing the total number of direct, indirect, and induced jobs from the annual operation of the Nation’s Seneca Falls LakeSide Trading operations to 33 jobs, as shown in Table 4.8-2, below.

**Table 4.8-2**

**Economic Benefits from Operation of the Nation’s Seneca County LakeSide Trading and LakeSide Entertainment Businesses**

Employment	Existing Conditions	Alternative 1: The Proposed Action
<b>Employment (Permanent Jobs)</b>		
Direct (on-site)	20	26
Indirect (jobs in support industries)	4	4
Induced (jobs from household spending)	2	3
<b>Total</b>	<b>26</b>	<b>33</b>
<b>Employee Compensation</b>		
Direct (on-site)	\$ 510,900	\$ 695,500
Indirect (earnings in support industries)	\$ 91,426	\$ 118,706
Induced (earnings from household spending)	\$ 91,546	\$ 110,023
<b>Total</b>	<b>\$ 676,371</b>	<b>\$ 924,229</b>
<b>Output (2007 dollars)</b>		
Direct (on-site)	\$ 952,871	\$ 1,473,079
Indirect (output in support industries)	\$ 181,251	\$ 239,110
Induced (output from household spending)	\$ 151,361	\$ 231,552
<b>Total</b>	<b>\$ 1,285,484</b>	<b>\$ 1,943,740</b>

*Employee Compensation.* The Nation’s current direct employee compensation from annual operation of the Seneca Falls LakeSide Trading operations is approximately \$510,900. In the future, under the Proposed Action, the Nation would increase its payroll to approximately \$695,500, an increase of approximately \$185,000. The total direct, indirect, and induced employee compensation resulting in Seneca County from the annual operations under the Proposed Action is estimated at \$924,229, an increase of approximately \$253,000 over existing operations.

*Total Annual Effect on the Local Economy.* Under current conditions, the existing direct effect on the local economy from the Nation’s Seneca Falls activities, measured as economic output or demand, is estimated at approximately \$952,871 annually. Under the Proposed Project, the Nation would increase the economic effect by approximately \$520,000, to an estimated \$1.5 million per year. Based on the IMPLAN model, the total annual economic activity that would result in Seneca County from the Nation’s operations under this Alternative is estimated at \$1.9 million.

**CAYUGA COUNTY**

*Employment.* The Nation’s existing operations in Union Springs directly provide 17 permanent full- and part-time jobs. Under the Proposed Action, the Nation would add additional 13 employees, to create a total workforce in Union Springs of 30 employees. Based on the IMPLAN model’s economic multipliers for Cayuga County, the Nation’s Union Springs



operations would generate an additional 9 permanent jobs within the Seneca County region, bringing the total number of direct, indirect, and induced jobs from the annual operation of the Nation’s Seneca Falls LakeSide Trading operations to 39 jobs, as shown in Table 4.8-3, below.

**Table 4.8-3**

**Economic Benefits from Operation of the Nation’s Cayuga County LakeSide Trading and LakeSide Entertainment Businesses**

Employment	Existing Conditions	Alternative 1: The Proposed Action
<b>Employment (Permanent Jobs)</b>		
Direct (on-site)	17	30
Indirect (jobs in support industries)	2	4
Induced (jobs from household spending)	3	5
Total	22	39
<b>Employee Compensation</b>		
Direct (on-site)	\$ 334,360	\$ 592,085
Indirect (earnings in support industries)	\$ 68,807	\$ 126,088
Induced (earnings from household spending)	\$ 69,764	\$ 137,974
Total	\$ 472,931	\$ 856,147
<b>Output (2007 dollars)</b>		
Direct (on-site)	\$ 864,398	\$ 1,579,571
Indirect (output in support industries)	\$ 172,414	\$ 290,917
Induced (output from household spending)	\$ 197,759	\$ 352,542
Total	\$ 1,234,571	\$ 2,223,030

*Employee Compensation.* The Nation’s current direct employee compensation from annual operation of the Union Springs LakeSide Trading operations is approximately \$334,360. In the future, under the Proposed Action, the Nation would increase its payroll to approximately \$592,085, an increase of approximately \$258,000. The total direct, indirect, and induced employee compensation resulting in Cayuga County from the annual operations under the Proposed Action is estimated at \$856,147, an increase of approximately \$383,000 over existing operations.

*Total Annual Effect on the Local Economy.* Under current conditions, the existing direct effect on the local economy from the Nation’s Union Springs business activities, measured as economic output or demand, is estimated at approximately \$864,398 annually. Under the Proposed Project, the Nation would increase the economic effect by approximately \$716,000, to an estimated \$1.6 million per year. Based on the IMPLAN model, the total annual economic activity that would result in Seneca County from the Nation’s operations under this Alternative is estimated at \$2.2 million.

**NEW YORK STATE**

As shown in Table 4.8-4, below, in the larger New York State economy, the IMPLAN model estimates that the Nation’s business operations currently generate 37 jobs resulting from the effects of direct, indirect and induced employment. Under the Proposed Action, the Nation

would increase the number of jobs that its operations support to 56, an increase of 19 employees. These 19 additional jobs are jobs that were eliminated when operations at the Nation’s Class II gaming facilities were suspended. The Nation plans to hire back the same 19 individuals, all of whom were and have remained area residents. When the indirect and induced effects of this employment increase is considered, New York State, as whole, would gain an additional 29 jobs, bringing the total employment effect of the Nation’s operations to 81 jobs in New York State.

**Table 4.8-4**

**Economic Benefits from Operation of the Nation’s LakeSide Trading and LakeSide Entertainment Businesses in New York State**

Employment	Existing Conditions	Alternative 1: The Proposed Action
<b>Employment (Permanent Jobs)</b>		
Direct (on-site)	37	56
Indirect (jobs in support industries)	7	11
Induced (jobs from household spending)	9	14
Total	52	81
<b>Employee Compensation</b>		
Direct (on-site)	\$ 1,461,984	\$ 2,081,545
Indirect (earnings in support industries)	\$ 520,176	\$ 834,176
Induced (earnings from household spending)	\$ 538,538	\$ 869,420
Total	\$ 2,520,698	\$ 3,785,140
<b>Output (2007 dollars)</b>		
Direct (on-site)	\$ 2,357,559	\$ 4,188,867
Indirect (output in support industries)	\$ 943,439	\$ 1,551,034
Induced (output from household spending)	\$ 1,090,650	\$ 1,787,104
Total	\$ 4,391,647	\$ 7,527,006

*Employee Compensation.* Based on the IMPLAN model, in the broader New York State economy, the total employee compensation of on-site, indirect and induced workers resulting from the Nation’s current annual operations is estimated at \$2.5 million. Under this Alternative, the net gain in employee compensation would be approximately \$1.3 million, to a total of \$3.8 million.

*Total Annual Effect on the Local Economy.* Based on the IMPLAN model, the total annual economic activity that results from the Nation’s existing operations is estimated at \$4.4 million in New York State. Under this Alternative, the Nation would increase its contribution to the State economy by nearly \$3.1 million, to a total of \$7.5 million in annual economic activity.

*Summary of Economic Effects*

This analysis has identified the following principal economic benefits resulting from the Proposed Action:

- The Nation’s LakeSide Entertainment businesses would add an additional 19 jobs to the Seneca and Cayuga County job pools. As previously stated, these 19 jobs were the jobs previously held by LakeSide Entertainment employees and were lost when the facilities

closed temporarily. Upon the re-opening of the facilities, the Nation intends to hire back these 19 individuals, all of whom are area residents.

- Including the indirect and induced economic activity that will occur off-site as a result of the Proposed Action, the total employment supported in the two counties from the LakeSide Trading operations plus the reopened LakeSide Entertainment facilities is estimated at 72 jobs, an increase over the Nation's current total effect of 24 jobs. Total employment in the broader New York State economy resulting from the Nation's operations under this Alternative is estimated at approximately 81 jobs.
- The annual operations of the LakeSide Trading and reopened LakeSide Entertainment gaming businesses are projected to have direct employee compensation in the two counties equal to about \$1.3 million. Including indirect and induced activity that occurs off-site, the total employee compensation from the operation of the project are estimated at about \$1.8 million in the two counties, and \$3.8 million in New York State.
- Under this Alternative, the direct effect on the local economy, measured as output or demand, from the annual operation of the proposed project is estimated at \$3.1 million, an increase of approximately \$1.3 million over existing operations. Including activity that occurs off-site, the total effect from the annual operation of the proposed project on the two counties' economy is estimated at \$4.2 million. The total effect on the New York State economy is estimated at \$7.5 million annually.

## **B. ALTERNATIVE 2: NO ACTION**

Under this alternative, analysis of which is required under NEPA, the Bureau of Indian Affairs (BIA) would take no action, and the Nation's land would not be taken into trust by the United States. The Nation would continue use of its properties for multiple purposes, including the continuation of existing uses (e.g., convenience store and gas station operations, gaming facilities, a car wash and related activities).

### **DEMOGRAPHIC TRENDS**

As the No Action Alternative would be a continuation of the status quo, it would not have any affect on the existing demographics of the study areas. Under the No Action alternative, the population size, racial distribution, seasonal population, and median household income for Cayuga County, the Town of Montezuma, the Town of Springport, the Village of Union Springs, Seneca County, and the Town of Seneca Falls, would be the same as the existing conditions.

### **CAYUGA NATION**

Under this alternative, the Nation would not have the benefit of revenues from the LakeSide Entertainment gaming enterprises. The Nation considers these revenues to be critical to its goal of becoming economically self-sufficient.

With operations at the Nation's Class II gaming facilities having been suspended since the Fall of 2005, the Nation's primary revenue stream is derived from the sale of cigarettes. While the State of New York has thus far declined to enforce the New York Tax Law against the Nation, it is possible that the State may change its policy and actively take action against the Nation which, after litigation, could result in the Nation being prohibited from selling tax-free cigarettes to non-

Indians. This action by the State would result in the Nation being deprived of its primary source of revenue.

Absent this revenue, the Nation will no longer be able to fund its scholarship program through which it has offered scholarships to Nation members pursuing higher education. In addition, if the Nation's land is not taken into trust and the Nation continues to be deprived of its gaming revenues, the Nation will be further hampered from providing tribe-member services as well as a steady stream of income to better the lives of the Cayuga people.

The Nation's lifestyle and cultural values receive critical financial support from its gaming enterprise revenues, and this alternative would curtail this support. The Proposed Action will enable the Nation to resume operations at these gaming facilities, and thereby reinstate this revenue source. If the Nation's gaming operations remain closed under this alternative, the status quo would continue, and the Nation's needs would not be met.

### **FISCAL EFFECTS**

Because the Nation's property would not be placed in federal trust under this No Action Alternative, the Nation would continue payment of property taxes to the affected jurisdictions.

### **ECONOMIC EFFECTS**

Under the No Action Alternative, the Nation's LakeSide Trading businesses would continue to operate as discussed in Section 3.8, "Socioeconomic Conditions." The economic effects of the operations would remain as described in that Section.

## **C. ALTERNATIVE 3: ENTERPRISE PROPERTIES INTO TRUST**

Under this alternative, the five parcels of land included in the Nation's Land Trust Application that are contiguous would be taken and held into trust by the United States. Two such contiguous parcels are located in Seneca Falls, Seneca County, and three contiguous parcels are located in Union Springs, Cayuga County. Under this alternative, the Nation's LakeSide Trading commercial enterprises would continue to operate, and the Nation's LakeSide Entertainment Class II gaming facilities would resume full operation.

Under this alternative, the Nation's non-contiguous parcels in the Towns of Montezuma and Springport, in Cayuga County, would not be taken into federal trust.

### **DEMOGRAPHIC TRENDS**

#### *CAYUGA COUNTY*

The Contiguous Parcels into Trust Alternative is not expected to result in any increases or decreases in the population, and it is not expected to result in any changes to the demographic composition or characteristics of Cayuga County, and in particular, the Towns of Montezuma and Springport, and the Village of Union Springs.

To the extent that this Alternative creates additional employment opportunities as a result of reopening the Union Springs gaming facility, it is expected that it would result in the employment of local workers. It is not anticipated that members of the Cayuga Nation would relocate to the Project area.

It is not expected that this Alternative would increase or decrease the seasonal population of the area.

*SENECA COUNTY*

Similar to the effects on Cayuga County, this Alternative is not expected to cause any increases or decreases in the population, and it is not expected to result in any changes to the demographic composition or characteristics of Seneca County or the Town of Seneca Falls.

To the extent that the Contiguous Parcels into Trust Alternative creates additional employment opportunities as a result of reopening the gaming facility, it is expected that it would result in the employment of local workers. It is not anticipated that members of the Cayuga Nation would relocate to the Project area.

It is not expected that this Alternative would increase or decrease the seasonal population of the area.

**FISCAL EFFECTS**

Under this alternative, only the Nation’s enterprise properties would be taken into trust. These properties consist of the Nation’s Union Springs and Seneca Falls parcels. The remainder of the non-enterprise parcels located in the Towns of Montezuma and Springport would remain under the taxing jurisdiction of the relevant authorities.

*CAYUGA COUNTY*

The Nation’s enterprise property in the Village of Union Springs is comprised of four tax lots: Section 134.17, Block 1, Lot 1.121, Lot 1.21, and Lot 1.51, and Section 141.05, Block 1, Lot 3. The assessed values and real property taxes derived from these parcels are discussed in detail in Section 3.8, “Socioeconomic Conditions.” Under this alternative, the taxing authorities would no longer levy taxes on the Nation’s Union Springs parcels. This would result in a decrease on local tax collections from these properties as shown below, in Table 4.8-5.

**Table 4.8-5  
Village of Union Springs Taxes**

<b>Cayuga County Taxes</b>	
Total Property Taxes Collected	\$29,565,821
The Nation’s Property Tax	\$16,489.15
<i>Nation’s Percent of Total</i>	0.05577%
<b>Village of Union Springs</b>	
Total Property Taxes Collected	\$203,173.07
The Nation’s Property Tax	\$6,837.11
<i>Nation’s Percent of Total</i>	3.36517%
<b>Union Springs Central School District</b>	
Total Property Taxes Collected	\$6,767,703
Total Nation Property Tax (includes Library District Tax)	\$35,522.84
<i>Nation’s Percent of Total</i>	0.52489%
<b>Notes:</b> See Table 3.8-23 for more detail and sources.	

**Cayuga Indian Nation Trust Application DEIS**

As a result of placing the Nation’s Union Springs parcels into federal trust, the Village of Union Springs would no longer collect \$6,837.11 per year, representing approximately 3.37 percent of its property tax revenues. The Union Springs Central School District tax revenues would decline by \$35,522.84, or approximately 0.5 percent of its property tax base. The Cayuga County property tax revenues would decrease by approximately \$16,489.15, or 0.06 percent of the total amount of property taxes collected by the County.

The Nation would continue to pay taxes on its parcels in the Town of Springport (Section 150.00, Block 1, Lot 29.1) and Montezuma (Section 85.00, Block 1, Lot 28.1), as shown in Table 4.8-6, below.

**Table 4.8-6  
Town of Montezuma and Springport Taxes**

	Town of Montezuma	Town of Springport
<b>Cayuga County Taxes</b>		
The Nation’s Property Tax	\$7.93	\$295.09
<b>Town Taxes</b>		
The Nation’s Property Tax	\$3.43	\$636.88
<b>School</b>		
Total Nation Property Tax	\$24.81	\$699.32
<b>Notes:</b> The Town tax levy is net of town taxing districts and special taxes. See Tables 3.8-23 and 3.8-24 for more detail and sources.		

*SENECA COUNTY*

The Nation’s enterprise property in the Town of Seneca Falls, New York, consists of three tax lots: Section 36, Block 1, Lots 48.1, 48.2, and 49.

**Table 4.8-7  
Town of Seneca Falls Taxes**

<b>Seneca County Taxes</b>	
Total Property Taxes Collected	\$8,827,518
The Nation’s Property Tax	\$3,740.12
<i>Nation’s Percent of Total</i>	<i>0.0423%</i>
<b>Town of Seneca Falls</b>	
Total Property Taxes Collected	\$90,625
The Nation’s Property Tax <sup>2</sup>	\$377.54
<i>Nation’s Percent of Total</i>	<i>0.4165%</i>
<b>School Relevy</b>	
Total Property Taxes Collected	\$9,301,887
Total Nation Property Tax	\$13,978.76
<i>Nation’s Percent of Total</i>	<i>0.15028%</i>
<b>Notes:</b> See Tables 3.8-20, 3.8-21, and 3.8-22 for more detail and sources. 2. Town tax does not include taxes to Bridgeport Fire, Bridgeport Sewer, and Solid Waste tax jurisdictions.	
<b>Source:</b> Figures provided by Seneca County in “Supplemental Seneca County Volume,” letter from Joseph D. Picciotti, Harris Beach PLLC, to John Feingold, AKRF. See Appendix J.	

As a result of placing the Nation's Seneca Falls parcels into federal trust, the Town of Seneca Falls would no longer collect \$377.54 per year, representing approximately 0.42 percent of its property tax revenues. The Nation's property taxes collected by Seneca County of \$3,740.12, or 0.04 percent of the total county property tax levy, would no longer be collected as a result of this alternative. The school district's tax levy, also representing 0.15 percent of the district's property tax levy, would also no longer be collected.<sup>1</sup>

As with the Proposed Action, this alternative would result in positive fiscal benefits to the Nation as a result of revenues generated from the reestablished gaming operations at its LakeSide Entertainment gaming facilities. These revenues would enable the Nation to further its goals of cultural preservation, expression and identity, self determination, self-sufficiency and economic independence as a federally recognized Indian tribe.

### **ECONOMIC EFFECTS**

Under this alternative, the Nation's existing LakeSide Trading businesses in Seneca Falls and Union Springs would continue operations. As with Alternative 1: The Proposed Action, the Nation would reopen the two LakeSide Entertainment gaming facilities. The economic benefits of increasing business activities and increasing the number of employees at these sites would be the same as discussed above, under Alternative 1: The Proposed Action.

### **CUMULATIVE IMPACTS**

No other tribal applications for bringing land into trust are currently active for Seneca or Cayuga Counties. Therefore no cumulative impacts are anticipated for either county. Pending tribal applications Statewide include a parcel for a 39 acre waste transfer station for the St Regis Band of Mohawk Indians in Franklin County, and the Oneida Indian Nation's application for properties in Oneida and Madison Counties, with a Departmental determination for 13004 acres currently under litigation. The Oneida Nation of Wisconsin also has an active application for 2 acres in Madison County. Statewide cumulative impacts are anticipated to produce a net positive tax benefit to the State due the employment of nearly 5000 persons at various tribal enterprises subject to tribal fee-to-trust applications. At this time the net cumulative benefit is uncertain due to the litigation.<sup>2</sup>

Future fee-to-trust applications from the Cayuga Indian Nation are possible. However, the impact of such applications cannot be analyzed without information on the exact property size and locations that is currently unavailable. Such analyses require information that will not be available until such applications are filed with the BIA. The impact of potential future applications could result in the removal of property from local tax rolls. The potential tax impact is not known at this time.

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<sup>1</sup> Figures provided by the county in "Supplemental Seneca County Volume," letter from Joseph D. Picciotti, Harris Beach PLLC, to John Feingold, AKRF. See Appendix J.

<sup>2</sup> <http://oneidanationtrust.net/>