

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. As discussed in Section 3.8, Socioeconomic Conditions, the parcel in the Town of Montezuma that was included in the original fee-to-trust application has been withdrawn from consideration, and is therefore no longer part of the Proposed Action or its alternatives. An analysis of this parcel was included in the DEIS, however this analysis has been removed from this FEIS.

A. ALTERNATIVE 1: PROPOSED ACTION

Under this alternative, the Nation's land in the Village of Union Springs and the Town of Springport 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 in effect at the time of the fee-to-trust application, 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.

The Nation's two temporarily closed 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 at the time of the Nation's fee-to-trust application. As during their previous operation, the facilities will be small-scale Type II gaming operations consisting of 119 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.¹

Due to the small size and small scale of the LakeSide gaming facilities, and due to lack of entertainment venues or food and alcoholic 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.

¹ See 25 CFR Part 502.

DEMOGRAPHIC TRENDS

CAYUGA COUNTY

The Proposed Action is not expected to result in any significant increases or decreases in the population, and it is not expected to result in any significant changes to the demographic composition or characteristics of Cayuga County, and in particular, the Town of 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 anticipated that members of the Cayuga Nation would relocate to the Project area in sufficient numbers to significantly alter the demographic composition or employment base of Cayuga County.

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 significant increases or decreases in the population, and it is not expected to result in any significant 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 in sufficient numbers to significantly alter the demographic composition or employment base of Seneca County.

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

CAYUGA NATION

To generate revenues to fund tribal programs and services, the Nation operates two convenience stores/gas station businesses in Union Springs and Seneca Falls ("Enterprises"). As further discussed below, the Nation had generated additional revenues at these sites through the operation of two Class II gaming facilities. These Enterprises are operated through the Nation's business arm, LakeSide Enterprises. The overall businesses are referred to as LakeSide Trading #1 in Union Springs, New York and LakeSide Trading #2 in Seneca Falls, New York. Both of these convenience stores sell cigarettes and other tobacco products to Indians and non-Indians.

On July 20, 2003, the Nation adopted a Resolution authorizing and adopting a Class II Gaming Ordinance (see Appendix K of the DEIS). The Ordinance authorized 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").¹ Shortly

¹ The IGRA is available at <http://www.gpoaccess.gov> under 25 USC, Chapter 29.

thereafter, the Nation opened its two Class II gaming facilities in Union Springs and Seneca Falls, known as LakeSide Entertainment 1 and 2. At that time, the gaming facilities, gas stations, car wash, and cigarette sales comprised the Nation's primary revenue sources. In September and October 2005, subsequent to the Nation's fee-to-trust application, dated May 25, 2005, operations at these gaming facilities were temporarily suspended due to threats of litigation from local governments. Upon suspending the gaming operations, the Nation was left to depend on revenues from its convenience store sales, car wash, and gas and cigarette sales to fund all tribal programs and activities.

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.

As the Nation has publicly stated, the Nation intends to re-open these gaming facilities upon the fee-to-trust transfer, as the revenues from its 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 of IGRA. The reestablishment of gaming facilities as a revenue source is critical to the Nation's fiscal and cultural well-being.

The Proposed Action, then, is the fee-to-trust transfer of the Nation's approximately 125± acres of land, including its Enterprise operations. The Nation wishes to continue use of its properties for multiple purposes, involving the continuation of previous and existing uses. Existing and previous uses include 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 properties subject to this application.

Transfer of lands into trust is a real estate transaction which would convey title to the subject properties to the United States. If the Nation's fee-to-trust application is approved by BIA, the subject properties will be held by BIA for the use and benefit of the Nation to ensure the cultural preservation, expression and identity, self determination, self-sufficiency and economic independence of the Nation as a federally recognized Indian tribe.

FISCAL EFFECTS

The Proposed Action would place five tax lot parcels in Cayuga County and three parcels in Seneca County into trust. As a result, these tax lots 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 \$16,784.24 in property tax revenue for Cayuga County (see Table 4.8-1). Of this loss, \$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 (six-one hundredths of one percent) of the total county 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 Springport (incl. the Village of Union Springs)	Town of Seneca Falls ¹
County		
Total Property Taxes Collected	\$29,565,821	\$8,827,518
The Nation's Property Tax	\$16,784.24	\$3,740.12
Nation's Percent of Total	0.05677%	0.0423%
Town/Village		
Total Property Taxes Collected	\$313,173	\$90,625
The Nation's Property Tax	\$8,173.42 ^{2, 3}	\$377.54 ²
Nation's Percent of Total	2.60987%	0.4165%
School (including Library)		
Total Property Taxes Collected	\$6,767,703	\$9,301,887
Total Nation Property Tax	\$36,222.16	\$13,978.76
Nation's Percent of Total	0.53522%	0.15028%
<p>Notes:</p> <p>1. Figures for Town of Seneca Falls provided by Seneca County in "Supplemental Seneca County Volume," letter from Joseph D. Picciotti, Harris Beach PLLC. See Appendix J of the DEIS.</p> <p>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.</p> <p>3. Includes Town of Springport taxes and Village of Union Springs taxes.</p> <p>Sources: http://www.orps.state.ny.us Accessed June 14, 2006. Town of Springport Fiscal Budget General Fund—Townwide for 2006 "Estimated Revenues." http://www.uscsd.info/departments.cfm?sublevel=8869&subpage=25&subsubpage=576. Accessed June 14, 2006. Village of Union Springs Fiscal Budget General Fund for 2005-2006 "Estimated Revenues." http://www.emsc.nysed.gov/mgtserv/2005_property_tax.htm. Accessed June 14, 2006.</p>		

Town of Springport

For the five parcels in the Town of Springport (including the four contiguous 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)¹. As discussed above, the County would lose \$16,784.24 in property tax revenue, representing 0.06 percent (six-one hundredths of one percent) of the County's total revenue from property taxes. The property tax revenue for the Town of Springport would be reduced by \$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

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

would be reduced by \$36,222.16, representing 0.535 percent (e.g., just over one-half of one 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 \$18,096.42¹ 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 (e.g., less than one-half of one 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.²

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 and reestablishing the baseline environmental conditions which included the full operation of these gaming facilities. 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 contrast, 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.³ 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

¹ See Note #2 in Table 4.8-1, above.

² Figures were based on information provided Seneca County in "Supplemental Seneca County Volume," letter from Joseph D. Picciotti, Harris Beach PLLC. See DEIS, Appendix J.

³ 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.

facilities. These revenues would continue to enable the Nation to pursue and 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 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 that were in full operation at the time of the fee-to-trust application would reopen. The reopening of these two gaming facilities would represent the environmental baseline condition, and in comparison to the period when the gaming facilities were temporarily closed, 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.¹ 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.²

This section discusses the potential economic benefits that could result from reinstating the environmental baseline condition by 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 the possible fiscal and financial 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 estimate the potential 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 21-28.

¹ 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.

² 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.

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.

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 to their environmental baseline levels of operation.

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

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

Employment	Existing Conditions	Alternative 1: The Proposed Action
Employment (Permanent Jobs)		
Direct (on-site)	20	26
Indirect (jobs in support industries)	4	4
Induced (jobs from household spending)	2	3
Total	26	33
Employee Compensation		
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
Total	\$ 676,371	\$ 924,229
Output (2007 dollars)		
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
Total	\$ 1,285,484	\$ 1,943,740

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
Employment (Permanent Jobs)		
Direct (on-site)	17	30
Indirect (jobs in support industries)	2	4
Induced (jobs from household spending)	3	5
Total	22	39
Employee Compensation		
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
Output (2007 dollars)		
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
Employment (Permanent Jobs)		
Direct (on-site)	37	56
Indirect (jobs in support industries)	7	11
Induced (jobs from household spending)	9	14
Total	52	81
Employee Compensation		
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
Output (2007 dollars)		
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.

TAXPAYER EFFECTS

To assess the potential impacts on taxpayers, this analysis considers how individual households would be affected if they alone bore the entire burden of tax increases resulting from the loss of property taxes now levied on the Cayuga Nation's proposed land-to-trust properties. The households considered are owner-occupied homes in the affected county, town, and village locations. Table 4.8-5, below, shows the amount of county, town, and village property taxes generated by the Nation's properties, and estimates the tax increases for each such homeowner in the affected jurisdictions.

Table 4.8-5
Homeowner Tax Increases Resulting from Taking Cayuga Fee-to-Trust Lands off the Tax Rolls

	Cayuga County	Town of Springport (incl. Village of Union Springs)	Seneca County	Town of Seneca Falls
Median Household Income	\$ 37,487	\$43,785	\$37,140	\$37,245
Number of owner-occupied housing units	22,031	971	9,320	2,455
Cayuga Nation's Property Tax Bill (County, Town or Village Taxes)	\$16,792	\$8,173	\$3,740	\$378
Increase in Property Taxes per Household Under Proposed Action	\$0.76	\$8.42	\$0.40	\$0.15
Notes:	U.S. Census Bureau 2000 (2007 estimates are available for counties but are not available for affected towns or village). See DEIS Chapter 3.8 for data tables.			

As can be seen in the above table, the tax increases experienced by individual homeowners would, in most cases, be less than one dollar per year, with Springport/Union Springs residents expected to experience a potential increase of \$8.42 per year. To provide perspective and help assess the effect of increased taxes on household incomes, the table above also includes the median household incomes of the affected jurisdictions. These tax increases represent insignificant percentages of median household incomes.

However, it should be noted that for analytical purposes, this evaluation presents a worst-case scenario that overestimates the effect on taxpayers. This analysis considers the effect on households if they were to bear the entirety of any potential tax increases resulting from the Proposed Action. In actuality, any such increases would be spread more broadly among many classes of taxpayers, including commercial and non-residential properties, as well as owners of multi-family dwellings, such as apartment buildings. Further, it should be noted that property taxes in New York State levied on an *ad valorem* basis, meaning that they are value-based taxes. The basis of this system of taxation is the assessed monetary value of real property, specifically the value of land and improvements to land, such as buildings. As such, those taxpayers with higher property values and presumably a higher ability to pay taxes would be expected to pay a greater proportional share of taxes than those with lower property values.

SCHOOL DISTRICT EFFECTS

If placed in trust, the Cayuga Nation's tax lots would no longer be subject to local property and school taxes. The amount of reduction in property tax revenues collected by the three affected school districts is shown in Table 4.8-6, below.

The affected school districts would be expected to see decreases in property tax revenues of less than one-half of one percent, with such decreases in school district tax revenues ranging from a low of 0.15 percent to 0.54 percent, as more fully discussed below.

Looked at another way, the Proposed Action would result in minimal increases in an already significant number of properties that are not taxed for school district (and in most cases, for any municipal) purposes. The school district tax bases are comprised of taxable as well as tax-

exempt land. Examples tax exempt land includes school district properties, and town, village, county, and New York State lands (e.g., parks, public works properties, public road rights-of-way, etc.). In addition, land owned by not-for-profit organizations is also given tax exemptions. These lands include, for example, religious institutions, scouting organizations, and land conservancies.

Also as shown in Table 4.8-6, below, between 63 and 70 percent of the parcels comprising the affected school districts are exempt from paying school taxes. There are 2,797 tax exempt parcels in the Seneca Falls School District, and 837 parcels are off the tax rolls in the Union Springs School District. The Cayuga Nation fee-to-trust application includes only eight tax lots that would become tax exempt under the Proposed Action.

**Table 4-8.6
Tax Exempt Lots per School District and the Nation’s Property Tax Payments as
Percentage of Total School District Property Tax Collections**

	Union Springs School District	Seneca Falls School District
Total Number of Tax Lots in District	1,332	3,997
Number of Tax Lots Exempt from School District Taxes (non-Cayuga Nation parcels)	837	2,797
Percentage of Tax Lots that are Exempt from School Taxes	63%	70%
Value of Existing Tax-exempt Tax Lots	\$54,831,000	\$209,803,000
Total Property Taxes Collected by District	\$6,767,703	\$9,301,887
Cayuga Nation’s School Tax Bill for Subject Tax Lots	\$36,222	\$13,979
Cayuga Nation’s Percentage of District’s Total School District Property Tax Revenue	0.54%	0.15%

Source: NYS Office of Real Property Services (see: http://www.orps.state.ny.us/cfapps/MuniPro/muni_theme/county/sumextax.cfm?roll_yr=2007&wis=05; and http://www.orps.state.ny.us/cfapps/MuniPro/muni_theme/county/sumextax.cfm?roll_yr=2007&wis=45); 2005-2006 Union Springs School Tax Bill for fiscal year beginning 7/01/2005 and ending 6/30/2006; “Supplemental Seneca County Volume,” letter from Harris Beach PLLC (see Appendix J of DEIS); and 2005 Town of Seneca Falls and County of Seneca Tax Bills as paid February 14, 2005.

As shown above, the Proposed Action would only place ±125 acres of land into trust, which would be exempt from property and school taxes. As such, the Proposed Action would reduce property tax revenue by \$36,222 (0.535 percent) for the Union Springs School District, and \$13,978.76 (0.15 percent) for the Seneca Falls School District.

To further assess the potential effect of removing the subject Cayuga Nation parcels from the property tax base this analysis considered the relationship between the Nation’s property tax payments to the school districts and the educational expenditures directly incurred by the districts as reported to New York State Education Department. As shown in Table 4.8-7, below, the percent of overall educational expenditures represented by the Nation’s property tax contributions ranges from virtually zero to one-third of one percent of the district’s total educational expenditure amount.

Table 4.8-7

Cayuga Nation’s Property Tax Payments as Percentage of Total School District Instructional Expenses

	Union Springs School District	Seneca Falls School District
Instructional Expenditures (including special education)	\$11,141,130	\$15,169,116
Cayuga Nation’s School Tax Bill for Subject Tax Lots	\$36,222	\$13,979
Cayuga Nation’s Percentage of District’s Instructional Expenditures	0.33%	0.01%
<p>Notes: Instructional Expenditures for General Education are K-12 expenditures for classroom instruction (excluding Special Education) plus a proration of building level administrative and instructional support expenditures. These expenditures include amounts for instruction of pupils with disabilities in a general education setting.</p> <p>Source: The New York State School Report Card Fiscal Accountability Supplement, 2006-2007. See, for example, http://www.emsc.nysed.gov/irts/reportcard/2008/supplement/051101040000.pdf. Tax data as per notes in Table A.3, above.</p>		

Table 4.8-8, below, presents the estimated property tax increase individual households would be expected to experience if the Cayuga Nation lands were taken off the school district tax rolls per the Proposed Action.

Table 4.8-8

Homeowner School District Tax Increases Resulting from Taking Cayuga Fee-to-Trust Lands off the Tax Rolls

	Union Springs School District	Seneca Falls School District
Median Household Income	44,945	39,501
Number of Owner-Occupied Housing Units in District	3,335	3,869
Cayuga Nation’s School Tax Bill for Subject Tax Lots	\$36,222	\$13,979
Increase in Property Taxes per Household Under Proposed Action	\$10.86	\$3.61
<p>Source: U.S. Census Bureau 2000 (2007 estimates are available for counties but are not available for affected towns or village). Tax data as per notes in Table A.3, above.</p>		

As shown in the above table, taking the Cayuga Nation’s proposed fee-to-trust lands off of the school district tax rolls would result in per-household property tax increases ranging from less than four dollars per year, to nearly \$11.00 per year.

As with the analysis of homeowner effects of potential municipal tax increases presented earlier, this evaluation presents a worst-case scenario that overestimates the effect on taxpayers. This analysis considers the effect on households if they were to bear the entirety of any potential school district tax increases resulting from the Proposed Action. In actuality, any such increases would be spread more broadly among many classes of taxpayers, including commercial and non-residential properties, as well as owners of multi-family dwellings, such as apartment buildings. Further, it should be noted that property taxes in New York State levied on an *ad valorem* basis, meaning that they are value-based taxes. The basis of this system of taxation is the assessed monetary value of real property, specifically the value of land and improvements to land, such as

buildings. As such, those taxpayers with higher property values and presumably a higher ability to pay taxes would be expected to pay a greater proportional share of taxes than those with lower property values.

Although Cayuga Nation members are not anticipated to live on the subject properties, should any tribal members live on trust lands and their children attend public schools, the Federal government has a program to provide funding to schools with Indian children living on tax-free lands.

B. ALTERNATIVE 2: NO ACTION

Under this alternative, the Nation's properties would not be placed into trust, and the Nation would continue to own the properties in fee. The Nation would continue use of its properties for the multiple purposes in operation at the time of the fee-to-trust application (e.g., gas stations and convenience stores, and a car wash). Under this alternative, the BIA would assume that the Nation would continue to pay property taxes; however, the Nation would have to determine whether or not it would do so. The Nation would also have to determine whether or not it would re-open its gaming facilities, in which case, no changes from the environmental baseline would occur.

DEMOGRAPHIC TRENDS

As the No Action Alternative would be a continuation of the environmental baseline conditions, this alternative 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 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 may not have the benefit of revenues from the LakeSide Entertainment gaming enterprises if the Nation elected not to reopen its gaming facilities. 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 non-gaming source of revenue.

Absent these revenue sources, 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's gaming facilities remain closed, 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 and Alternative 3: Enterprise Properties into Trust 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 Nation's needs would not be met.

FISCAL EFFECTS

If the Nation's property were not placed in federal trust under this No Action Alternative, the BIA would assume that the Nation would continue to pay property taxes; however, the Nation would have to determine whether or not it would do so. If the Nation made a determination not to continue payment of real property taxes, the fiscal and taxpayer effects would be as described under Alternative 1: The Proposed Action.

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. Should the Nation determine to reopen its gaming facilities, the economic effects would be as described under Alternative 1: The Proposed Action,

C. ALTERNATIVE 3: ENTERPRISE PROPERTIES INTO TRUST

Under this alternative, the five tax lots included in the Nation's Land Trust Application that form two distinct contiguous blocks would be taken and held into trust by the United States. The Nation's business enterprises are concentrated on these contiguous blocks. Two tax lots forming a contiguous block are located in Seneca Falls, Seneca County, and three tax lots forming a second contiguous block 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 as per the environmental baseline conditions at the time of the fee-to-trust application.

Under this alternative, the Nation's non-contiguous tax lot in the Town of Springport, in Cayuga County, would not be taken into federal trust.

DEMOGRAPHIC TRENDS

CAYUGA COUNTY

The Enterprise Properties 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 Town of 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 in sufficient numbers to significantly alter the demographic composition or employment base of Cayuga County. 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 anticipated that members of the Cayuga Nation would relocate to the Project area in sufficient numbers to significantly alter the demographic composition or employment base of Seneca County. 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 tax parcels. The remainder of the non-enterprise parcels located in the Town of Springport would remain under the taxing jurisdiction of the relevant authorities. The overall effects of removing the enterprise properties from local real property taxation would be the same as those for the affected properties as enumerated above, under Alternative 1: The Proposed Action, as summarized again below.

CAYUGA COUNTY

The Nation’s continuous 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 4.8-9.

**Table 4.8-9
Village of Union Springs Taxes**

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

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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), as shown in Table 4.8-10, below.

**Table 4.8-10
Town of Springport Taxes**

	Town of Springport
Cayuga County Taxes	\$295.09
Town Taxes	\$636.88
School	\$699.32
Notes: 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 4.8-11
Town of Seneca Falls Taxes**

Seneca County Taxes	
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>
Town of Seneca Falls	
Total Property Taxes Collected	\$90,625
The Nation’s Property Tax ²	\$377.54
<i>Nation’s Percent of Total</i>	<i>0.4165%</i>
School Relevy	
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>
Notes: 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.	
Source: Figures provided by Seneca County in “Supplemental Seneca County Volume,” letter from Joseph D. Picciotti, Harris Beach PLLC. See Appendix J, DEIS.	

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.¹

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. The potential taxpayer effects of this alternative would be similar to those discussed under Alternative 1, although since fewer parcels would be taken off the tax rolls, any potential real property tax increase effects resulting from this Alternative would be commensurately smaller.

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.²

Although the Nation has acquired additional land, this additional land is not part of the current fee-to-trust application subject to this NEPA analysis. Should the Nation desire to place additional land into trust, additional applications would need to be submitted, and their consideration would be subject to review. At this time, the Nation has no plans to expand its businesses or place any additional parcels of land into trust. Therefore, any consideration of these concerns would be hypothetical, and analysis is not required at this time.

¹ Figures provided by the county in "Supplemental Seneca County Volume," letter from Joseph D. Picciotti, Harris Beach PLLC. See DEIS, Appendix J.

² <http://oneidanationtrust.net/>