

ECONOMIC IMPACT OF THE NEW YORK STATE OLYMPIC REGIONAL DEVELOPMENT AUTHORITY (ORDA)

2007-2008 FISCAL YEAR



Prepared by the
Technical Assistance Center (TAC) at the
State University of New York at Plattsburgh



September 22, 2008

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Acknowledgements

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The authors of this report would like to acknowledge the extensive cooperation of Olympic Regional Development Authority staff in providing the financial data and other resources needed to conduct this review, particularly Kathy Bushy, Director of Finance at the Authority, who served as liaison between the authors of this report and ORDA staff, and with its affiliated organizations.

The findings in this report are based entirely on the validity of the data provided by ORDA.

Executive Summary

New York State's Olympic Regional Development Authority's (ORDA) economic impact is defined through this report as the overall change in the regional and State-wide economy resulting from the operations of the Authority. This impact is made through the acquisition, operations, development and uses of ORDA's athletic and recreational facilities and services. These activities, in turn, generate visitor spending, public spending, employment opportunities and tax revenue.

The Technical Assistance Center used data provided by the Authority and complementary sources in conjunction with IMPLAN software, an input-output modeling system developed by the Minnesota IMPLAN group to generate economic multipliers for the relevant study areas. This included estimating the direct, indirect, induced and additional labor income economic impacts of ORDA's operational activities for the 2007-2008 fiscal year. The applied multipliers measure the "ripple effects" of ORDA expenditures in the region and in the State. It is important to note that throughout the report, researchers consistently used a subset of data to reflect best estimates of non-local visitation to ORDA venues, as well as calculated margins to allow for the "leakage" of retail impacts which do not stay within the local economy. These efforts are described further throughout the report.

The study thereby measured economic impacts of the Authority within what was determined to be the "primary study area" (the four county area of New York State including Clinton, Essex, Franklin and Warren Counties) and the "Statewide" impacts. Both dollar and employment flows were measured through four major impact areas: 1) ORDA facility visitors, 2) athletic events, 3) special events, 4) employee expenditures, and 5) Authority expenditures.

The economic impact model shows the cumulative impacts of ORDA operations in the primary study area was \$271,754,122 in 2007-2008. The overall economic impact of ORDA operations statewide in this fiscal year is estimated by the model as \$347,303,494.

The model depicts the creation of 1,283 jobs in the four-county study area as the result of ORDA's operations (over and above those directly employed by the Authority). Statewide, the model shows 1,390 additional jobs created as a result of ORDA operations. These figures are the result of only non-local visitors to the area, so as to be consistent with the researchers' conservative analysis. If local visitors were included in the estimates, the visitor impacts would nearly double (creating up to another \$200 million in impacts). These figures were not included in the analysis however, as impact analysis typically does not measure local spending as it is considered "re-directed spending" (which would have occurred in the area anyway). An argument about some of the unique facilities that ORDA operates, particularly its ski areas, could certainly be made - as to whether locals would instead spend this money outside of the area if the Authority did not exist.

It is important to note that economic impact assessments are narrow in scope and do not assess economic efficiencies or produce estimates of the fiscal costs of an action. Such endeavors would require a fiscal impact analysis. Previous economic studies were completed for the Authority in 2005, 2002, 1997 and 1994. Where applicable, comparisons have been made. Because of the differences in approach and methodology, however, one should not directly compare the results of this study with prior studies. The Technical Assistance Center worked with the Authority to define the most conservative approach to this study, in order to reach the most reliable analysis.

The largest areas of growth in comparison to the 2005 economic impact analysis are the hockey tournament business, which according to these analyses grew from a \$13.5 million impact to over \$19 million in the last several years. Stronger impacts both locally and statewide were measured through the Authority's capital investments and expenditures. ORDA capital expenditure impacts in the four county region more than doubled (from \$2.8 million in 2005 to \$7.9 million in 2008), while statewide impacts in this area increased by nearly 400% (from \$8.5 million in 2005 to \$37 million in 2008). Appendix A at the end of the report provides a comparison of fiscal years 2004-2005 to 2007-2008 impact numbers.

In 2007-2008, nearly \$28 million in capital projects were ongoing, with 70% of this spending occurring within New York State. ORDA has tracked a consistent amount spending within the region and State, providing substantial impact through these projects.

In addition to the specific impacts used to determine ORDA's overall economic contributions, the report researchers have addressed other fiscal and non-monetary benefits that also represent significant, if unmeasured, benefits to the community. These include the publicity value of the world-class sporting events that take place at ORDA facilities, and the intangible on the quality of life of the region. An example is the high level of national and even world-wide publicity that ORDA venues receive, bringing attention the region as value of these facilities and events a whole. In 2007-2008 there were over 2,000 mentions of these events in print publications, with over 200 million circulation. These non-quantified measures are discussed at the end of the report.

The economic impact of ORDA facilities, operations and visitation is summarized in the following chart:

ORDA Overall Economic Impact (2007-08)		
	Study Area	NYS
Total Visitor Spend Impact:	\$ 248,104,773	\$ 290,484,012
Total Employee Impact:	15,667,287	19,515,920
Total Expenditure Impact:	7,982,062	37,303,562
Total Impact	\$ 271,754,122	\$ 347,303,494

Employment Impact		
<i>From Visitor Spending:</i>	1058.9	925
<i>From Employee Spending:</i>	148.4	159.6
<i>From ORDA Spending:</i>	75.6	305
Total Employment Impact	1,282.9	1,389.6

Introduction/Background

The Olympic Regional Development Authority (ORDA) was created by the State of New York in 1981 to operate, maintain and promote the facilities of the 1980 Winter Olympics in Lake Placid. Lake Placid holds a rich Olympic tradition, having hosted the 1932 and 1980 Winter Olympic Games. The 1980 Olympic Games focused the world's attention on the Adirondacks for a few weeks and changed the course of sports history (the U.S. Olympic Hockey Team's "Miracle on Ice" has persevered as enduring legend). The legacy of those Olympics, however, could have very well been limited to great memories, a good movie, a new prison, short-term improvements in infrastructure, and little else, if not for the creation of ORDA in 1981 to manage and promote the sports facilities used to host the 1980 Games.

The Authority was created by the State to most efficiently use and promote the facilities which were owned by New York State (including Whiteface Mountain Ski Center and the bobsledding, luge, cross-country skiing, and biathlon facilities of the Olympic Sports Complex) and those built and owned by the Town of North Elba (the Olympic Center, the Speedskating Oval and the Olympic Jumping Complex). In 1984, New York State-owned Gore Mountain Ski Center in North Creek was added to the Authority, and in 1990, the U.S. Olympic Training Center was added. In 1994, the 1932 and 1980 Lake Placid Winter Olympic Museum was added to ORDA's facility list.

The financial history of Olympic venues has shown that the economic benefits of hosting the Games are not guaranteed. In fact, the 1976 Olympics in nearby Montreal, Quebec proved financially disastrous and placed a tax burden on its citizens for decades. State politicians and people throughout the North Country have long recognized that the stewardship of Olympic venues by ORDA has been key part of Lake Placid's status as a "Winter Sports Capital" and a boon to the economy of the Adirondack-North Country region.

The Authority has hosted more than 300 major national and international events and competitions since its inception. The events and competitions have included 11 World Championships and over 75 World Cup competitions in bobsled, luge, skeleton, biathlon, alpine racing, ski jumping, speedskating and freestyle skiing. The Olympic Center hosted the NCAA Division III Ice Hockey Championships in March 2008, setting an attendance record for this event. World Cup Freestyle and World Cup Snowboarding events were held in 2008.

The Olympic Authority also produces premier summer season events. ORDA hosted the first three annual ESPN Great Outdoor Games during the summers of

2000, 2001 and 2002. The Olympic Center hosts a growing, nationally renowned figure skating school year-round. June and July 2007 saw a successful I Love New York Barbecue festival, with thousands in attendance, while the Oktoberfest festival draws thousands of visitors in the fall.

The Olympic Authority and its affiliated organizations manage, produce, and promote events and competitions through a highly organized system that provides comprehensive support for its activities. The Authority is a major promoter of tourism in the region, using its Olympic clout and the publicity achieved through its sporting events to help Lake Placid and surrounding communities evolve from a summer/winter resort into more of a year-round destination attracting people from around the globe.

ORDA is closely allied with New York State's Department of Economic Development and its facilities play a key role in the Paterson administration's strategy of promoting tourism as a tool for economic development in the North Country. The State has invested substantially in upgrading facilities to continue to draw high numbers of athletes and visitors to the Lake Placid region. These investments have helped make the region a world-class tourist destination which has contributed to Lake Placid becoming an economic engine that helps drive the entire North Country.

ORDA's economic impact – defined in terms of dollars flowing into and re-circulating through the local economy – is extensive. This sizeable, long-term economic impact is the true legacy of Lake Placid's Olympic venues. This report will measure the benefits generated by the substantial community and state investment in these areas.

Methodology

An economic impact analysis reflects the overall economy, and measures cash flow to the private sector¹. The economic impact analysis that follows traces the flows of spending associated with ORDA's operations in the region to identify changes in sales, expenditures, income and jobs. The principal methods used include the measurement of visitor expenditures, analysis of secondary data from government and other economic statistics, the development of economic base or input-output models and the application of appropriate multipliers from these models.

Tourism, including recreation and leisure activities, has a variety of economic impacts. Tourists contribute to sales, profits, jobs, tax revenues and personal income in an area. The most direct effects occur within the primary tourism sectors - lodging, restaurants, transportation, amusements and the retail trade. Through secondary effects, tourism impacts most economic sectors².

It is important to note that every dollar that is spent in one sector of the economy has an effect on all other sectors. For example, when a visitor purchases a cup of coffee

for a dollar, the money spent will initially go to the business where the coffee was purchased. This is the *direct effect* of buying a cup of coffee.

However, the impacts do not stop there. The shop will use that money to cover its operating costs. It will use a portion of that dollar to pay the wholesale vendor, another portion will go toward the utility bill, and a portion will pay the employee who sold the cup. All of these secondary expenditures are the *indirect effects*.

The wholesaler, in turn, will use a portion to pay the shipping company. The utility company will use a portion to pay for a new power transmission line, and the employee may use some of this pay to purchase a new shirt. These expenditures are called the *induced effects*, which represent the further spending that caused by the initial purchase. All of these subsequent actions are collectively known as the “ripple effect”.

An input-output model (I-O model) is a mathematical model that describes the flows of money between a region’s economic sectors. Flows are predicted by knowing what each industry must buy from every other industry to produce a dollar’s worth of output. Using each industry’s “production function”, I-O models also determine the proportion of sales that are attributed to wage and salary income, proprietor’s income and taxes, et cetera. Multipliers can be estimated from I-O models based on the estimated re-circulation of spending within the region.

IMPLAN (Impact Model for Planning) software, an input-output modeling system developed by the Minnesota IMPLAN Group, was used in this report to generate a series of spending patterns and economic multipliers for the relevant study area and for New York State as a whole. These multipliers measure the ripple effects of ORDA-related expenditures, and range from roughly 1.2 to 1.5.

The study of economic impacts and the methodology used to measure them have evolved over the past several decades, and can be subjective dependent upon what is included – and left out – of the analysis. The project researchers have applied a conservative approach to the economic impact analysis. For example, the researchers chose not to include the economic impact of affiliated organizations (such as concession impacts) as part of ORDA’s overall economic impact, as had been done in a 2002 study. The impacts of these partnerships are addressed in the latter section of the report, and not quantified.

The authors were also cautious in their approach to estimating the impact of visitor spending. While many economic impact studies, including past economic studies for ORDA, used spending estimates based on secondary data sources, this report uses visitor expenditure data developed through two recently completed surveys, a “Return on Investment Conversion Rate Analysis” conducted by TAC in 2006 for the Lake Placid/Essex County Visitor’s Bureau³ and Whiteface Ski Area’s 2007 visitor’s survey⁴. Using this primary, recent data on visitor spending patterns provides a more accurate basis for the modeling used to create the economic impacts.

The authors were also careful to exclude, to the best extent possible, the economic contributions of local residents. Local spending is “redirected” spending and, as such, generally should not be included. This is a conservative approach since for instance a case could be made that local skiers would not give up their sport in the absence of ORDA facilities, but merely travel elsewhere. The presence of ORDA, therefore, prevents the “leakage” of these dollars to other places. **If local users were all included, it would nearly double the visitor impact numbers.**

It is also important to note that the proportion of direct spending “retained” in the area will not equal 100% of direct spending. Some expenditures, like spending on food and services, is nearly completely retained and re-circulated at the local level. For expenses like gasoline and retail purchases, only a portion of the impact is local. Much of this impact goes to the location of the plant that originally produced the product. The authors have taken these “margins” into account in the Input-Output analysis. These margins range from 10% to 40%, with an average of 20%.

Other economic impacts, such as budget dollars generated by appropriations and corporate sponsorships have also been addressed separately and not included in the overall economic impact numbers. This was done to avoid “double counting” these funds, which are also reflected in ORDA’s direct spending numbers, and to avoid questions about whether these funds represent “new” dollars coming from someplace else or simply redirected dollars.

The zip code analysis of ORDA’s direct spending gives a more accurate picture of where money is being spent and the researchers were careful to only use local (or New York State) spending in the analysis, rather than overall operational budget numbers. **The researchers also included labor income impacts as well as job impacts in this study because economic literature indicates that income generated, rather than the number of jobs created, provides a more accurate projection of overall economic impact.**

The following basic formulas were used, including margins where appropriate, to determine total economic impacts:

Total Visitor Spending = Number of Out-of-Town Visitors x Average Spending per Day x Number of days

Direct Spending = Total Visitor Spending + Total Authority Operations Spending + Total Employee Spending

Total Economic Impact = Direct Spending x Regional Multiplier (from IMPLAN software)

Profile of Study Area

The study area was defined by the primary residences of ORDA employees, as illustrated in the following chart, as well as by determining the primary counties in which ORDA produced its greatest monetary contributions, in terms of operational and visitor spending. For the purposes of this study, “local” is defined as inclusive of Clinton, Essex, Franklin and Warren counties. The same definition was used in prior ORDA economic impact studies.

ORDA Employees' Place of Residence		
County	# Employed	% of total
Essex	352	40%
Warren	192	22%
Clinton	127	14%
Franklin	92	10%
Other	125	14%
Total	888	100%

With the region’s proximity to major markets and its broad variety of historical, cultural and recreational assets, tourism has held a prominent place in the local economy. Tourism is recognized as a significant contributor to the region’s visibility, development and overall quality of life. As most economies become increasingly oriented toward service industries, tourism accordingly has played a stronger role. The World Travel and Tourism Council indicates that the tourism industry is world-wide the largest employer, creating 11% of the world’s gross domestic product, employing over 10% of workers, and leading the world’s industries in production of tax revenues.⁵

According to New York State Department of Labor data, tourism jobs comprise a significant part of the local economy, as reflected in the following chart:

County	Total Employment	Tourism Employment*	% Of Tourism Jobs
Clinton	34,506	1,280	3.7%
Essex	15,019	1,950	13.0%
Franklin	18,462	940	5.1%
Warren	37,353	3,920	10.5%
Total	104,890	8,090	7.7%

* The above comprises employment numbers from the Department of Labor Quarterly Census of Employment and Wages for 2006, for the State Travel and Tourism Sector ⁶

While there is an overall employment impact of tourism facilities across the region - clearly this industry has its stronghold in Essex and Warren Counties, locations of Lake Placid and Whiteface and Gore Mountain Ski Areas.

Much of upstate New York continues to lose population, but the Olympic region has thus far been fairly spared. Population levels throughout the study area remained relatively flat from the 1950s to about 1980, at which time the region experienced a significant growth spurt. The population of Essex County increased by more than 1,500 between 1970 and 1980, nearly 1,000 between 1980 and 1990 and by 1,699 (4.6% growth) between 1990 and 2000. It is very likely that the exposure of the area from Olympic events and continued publicity have played a role in this growth.

Population levels experienced a similar pattern in Franklin and Warren counties. Between 1990 and 2000, Franklin County's population increased nearly 10%, adding 4,594 people, while Warren County's population increased by 4,094 (6.9%) over the same period. These increases were well above the 2.0% increase experienced in New York State's 44 rural counties (outside of the metropolitan New York region) between 1990 and 2000. Although early State projections call for the area to have an overall stable to slightly declining population by 2020, the higher quality of life opportunities available will provide an environment to perhaps improve this outlook.

What Is ORDA?

Established by the New York State legislature (Article 8, Title 28, NYS Public Authorities Law) on July 3, 1981, the Olympic Regional Development Authority (ORDA) was given the mandate to manage and promote the sports facilities used to host the 1980 Olympic Winter Games. State and local government cooperatively created a long-term solution to protect the public's investment in the Lake Placid Olympic facilities through the establishment of the Authority. New York State has contributed \$226 million to the construction, operation and administration of the 1980 Olympic facilities, the federal government has contributed over \$11 million, and the U.S Olympic Committee has provided approximately \$10 million in investment. In 1984 the ORDA statute was amended to add Gore Mountain Ski Area, in Warren County. In 1990, the U.S. Olympic Training Center was added to ORDA's facility list, and in 1994, the 1932 and 1980 Lake Placid Winter Olympic Museum was added⁷.

ORDA's legislative mandate is to:

1. Institute a comprehensive, coordinated program of activities utilizing the Olympic facilities in and around Lake Placid, New York, in order to insure optimum year-round use and enjoyment of these facilities to the economic and social benefit of the Olympic Region and to minimize the financial burden on state and local government by maximizing revenue opportunities.

2. Improve the physical fitness and recreational education of the people of New York and the United States.
3. Develop, implement and supervise a comprehensive, coordinated program for the management, promotion and scheduling of a wide range of national and international athletic training and competitive opportunities that maximize the utilization of the Olympic facilities.
4. Manage, maintain and improve Gore Mountain recreational facilities in the Town of Johnsbury, Warren County, New York.
5. Develop, construct, operate, manage and maintain facilities for the training and housing of amateur athletes in connection with the United States Olympic Committee's training center program and ORDA's conduct of national and international sports events.

ORDA Structure and Activities

The Olympic Authority and its partners manage all events and competitions through a highly structured system. The Authority carries out its legislative mandate through its communications, corporate marketing, engineering, events, finance, marketing, sports development and timing and scoring departments.

The ORDA management team guides general administration, event management, finance, personnel, engineering, purchasing, sales and marketing, advertising, corporate marketing and sponsorships, public relations, and computer and information systems.

The events department of the Olympic Regional Development Authority is responsible for soliciting international, national and regional sporting events to maximize the use and exposure of the 1980 Olympic Winter venues in Lake Placid. The sports development department promotes education and activity in Winter Olympic sports in a manner unparalleled in the nation. It carries this mission out through offering sports clinics with relevant experts, a summer day camp (Gold Medal Adventure Program), and exciting field trips to classes, youth and activity groups.

Beyond management of events and initiation programs, the Authority has significantly expanded and improved its facilities over the years including significant investment into equipment and planning of new facilities at both Whiteface and Gore Mountain. The Authority has established cutting edge technology at its facilities for both athletic advantage and recreational enjoyment, and continues to develop unique Adirondack experiences such as "mountain top yoga".

Comprehensively, ORDA has been one of the key promoters of tourism in the Adirondacks. The successful banner of the “Winter Sports Capital of the World” carries a global recognition that has brought significant resources to the region.

ORDA Facilities

The Olympic Center, Lake Placid, N.Y.

The Olympic Center includes four ice surfaces: the 1932 Rink Jack Shea Arena, the 1980 Rink Herb Brooks Arena (location of the “Miracle on Ice”) and two practice areas, the Lussi and USA rinks. It is a world-class year-round training facility for speed skating, figure skating and hockey. The Olympic Center is also available for recreational skating, conventions and concerts. In 1994, the 1932 & 1980 Lake Placid Winter Olympic Museum opened in the Olympic Center.

The Olympic Speed Skating Oval, Lake Placid

This outdoor oval is one of three refrigerated 400-meter skating ovals in the United States and the site of Eric Heiden’s record five gold medals in 1980. It is open December through March for competitive training, events, and is popular for recreational skating.

Olympic Ski Jumping Complex, near Lake Placid

This complex is home to winter and summer ski jumping and freestyle skiing. The large (120-meter) and normal (90-meter) jumps were used for the 1980 Olympic games. In addition, there are three smaller hills used for development programs. A combination of ceramic tiles and plastic mats allow the jumpers to train and compete in the non-snow months. The Kodak Sports Park, completed in 1988, is America’s foremost water ramp training and competitive facility for freestyle aerial skiing. Summer aerialists land in a heated 750,000-gallon pool. In winter, launching ramps and a steep landing hill are utilized for training and world-class events in freestyle aerials.

Olympic Sports Complex, near Lake Placid

This complex was formerly known as the Mt. Van Hoevenberg Sports Complex. The attractions include the combined bobsled/luge/skeleton track that was completed in January 2000; a 50-kilometer (31-mile) cross-country skiing network built for the 1980 Winter Games, and a biathlon target range. Athletes train year-round at the facility. The public can visit the complex and take a bobsled ride, tour the complex, or ski the extensive cross-country network of groomed and set track trails. In the summer months wheeled bobsled rides are also available, as well as a mountain biking center and a summer biathlon training facility.

Whiteface Mountain Ski Center, Wilmington, N.Y.

Whiteface Ski Area has the greatest vertical drop east of the Rockies, 3,430-feet. In addition to being a favorite among recreational skiers and snowboarders, all of the

race courses are fully sanctioned for international competition. There are 73 trails ranging from beginner to expert and out-of-bounds skiing and riding seasonally. In the non-winter months, Whiteface operates as a mountain bike center and hosts a variety of festivals and events. Visitors can enjoy a summer gondola ride to the summit of Little Whiteface or drive the Whiteface Veterans Memorial Highway to the summit of Whiteface. The Cloudsplitter Gondola, North America's fastest gondola, whisks passengers from the base lodge to the summit of Little Whiteface in just over seven minutes and is used year-round.

Gore Mountain Ski Center, North Creek, N.Y.

Gore has a wide variety of terrain, from beginner slopes to challenging expert trails. There are 58 trails spread over three distinct ski areas at Gore. Gore also boasts one of the steepest headwalls in the East. During the non-winter months, Gore offers hiking and other summer activities. Gore Mountain is located in Warren County, an hour from Lake Placid and an hour and a half from Albany. A new chairlift was installed at the historic North Creek Ski Bowl to provide aerial access to family-friendly skiing and a terrain park. The Northwoods Lodge, highlighted by Lincoln Logs construction, was also built and opened to provide all services needed for families to enjoy their skiing or riding day.

1932 & 1980 Lake Placid Winter Olympic Museum, Lake Placid

Lake Placid's Olympic Winter Games are recalled in the exhibits of the Museum, operated by ORDA. In addition, there is a Museum Board of Directors, which, by virtue of the charter of the State of New York, is responsible for collecting, preserving and storing artifacts and memorabilia pertinent to the Museum's mission. Except for items on loan to the Museum, ORDA contracts with this group to use and display articles and memorabilia from the town of North Elba archives. The Museum, which opened in 1995, focuses on three main topics: The 1932 and 1980 Winter Olympics; perpetuating and updating the "ongoing" history and heritage of Lake Placid's Olympic venues and winter sports legacy; and "hometown heroes," those Olympic athletes from the Lake Placid region, which has sent competitors to every Olympic Winter Games.

Highlights of the 2007-2008 Season

The Olympic Center served as host to a wide variety of entertainment and sporting events in 2007-2008. The center was home to the NCAA Division III Ice Hockey Championships, the International Skating Union (ISU) Junior Grand Prix of Figure Skating event, the Harlem Globetrotters, the Lake Placid Festival of Cars, Smuckers Stars on Ice, the Holiday Hoopfest Basketball Tournament, numerous hockey games, clinics and tournaments, figure skating training and competitions and the Olympic Center School of Ballet.

The sliding tracks at the Olympic Sports Complex once again set the record for the longest season world-wide (early October 2007 to late April 2008). Whiteface Ski

Area celebrated the 50th anniversary of its January 26, 1957 opening with a sell-out crowd at a “Ski Sweater Ball”⁷.

Figure Skating

The Summer Figure Skating Program saw increased enrollments, with over five hundred participants in 2007. This event offers students an opportunity to participate in a wide variety of on and off-ice activities. A smaller number skate year-round, five days a week. Numerous families have relocated from outside of the area, even internationally, to take advantage of the renowned coaching during the summer and year-round. The Skating Club of Lake Placid is still active and has seen an increase in enrollment for its winter activities. Smucker’s Stars on Ice opened their season once again in Lake Placid after two weeks of rehearsal. The Olympic Center Skating School continues to gather strength with members competing at the national and junior national levels. The Olympic Center hosted the Lake Placid Figure Skating Competition, the Lake Placid Ice Dance Championships, the Citizens Bank Saturday Night Ice Show summer skating series, as well as assorted figure skating competitions, clinics and camps.

Hockey

The Olympic Center’s hockey business continues to grow. The center is now home to a number of local hockey teams. The CAN/AM Hockey group hosted many weekends of hockey schools and tournaments, which brought over 17,000 hockey participants to the Lake Placid community for multi-day events. Other hockey camps, clinics and games have taken place, including Canadian Hockey Enterprises events (which brought over 8,571 participants) and college hockey games. Most notably, the Olympic Center hosted the NCAA Division III Ice Hockey Championships, which set record attendance levels.

Major Events, 2007-08

- World Championship Junior Luge
- World Cups Bobsled, Skeleton and Luge
- U.S Snowboarding Cup
- Alpine North American Cup series
- NCAA Division III Ice Hockey Championships
- Biathlon North American championships
- Ladies Continental Cup Ski Jump
- Smucker’s Stars on Ice
- USA Hockey Festivals/Camps
- Figure Skating Championships
- Ice Dance Championships
- CAN/AM Hockey Camps/Tournaments
- Canadian Hockey Enterprises Camps/Tournaments
- Long Track Speed Skating Championships

- Holiday Hoopfest (benefiting the Fitzpatrick Cancer Center at Champlain Valley Physicians Hospital, Plattsburgh)
- Harlem Globetrotters
- Lake Placid Festival of Cars
- Whiteface Oktoberfest

Alpine Skiing and Snowboarding

An array of events took place throughout the season in alpine and snowboarding disciplines. The highlights of the season included the Alpine North American Cup series, on the circuit for aspiring World Cup skiers, and the U.S Snowboarding World Cup. The March 2008 World Cup event at Whiteface included snowboard parallel giant slalom, superpipe, and snowboard cross (SBX), which debuted in the 2006 Olympic games in Torino, Italy. This event was televised nationally on NBC and Versus, giving the area tremendous publicity.

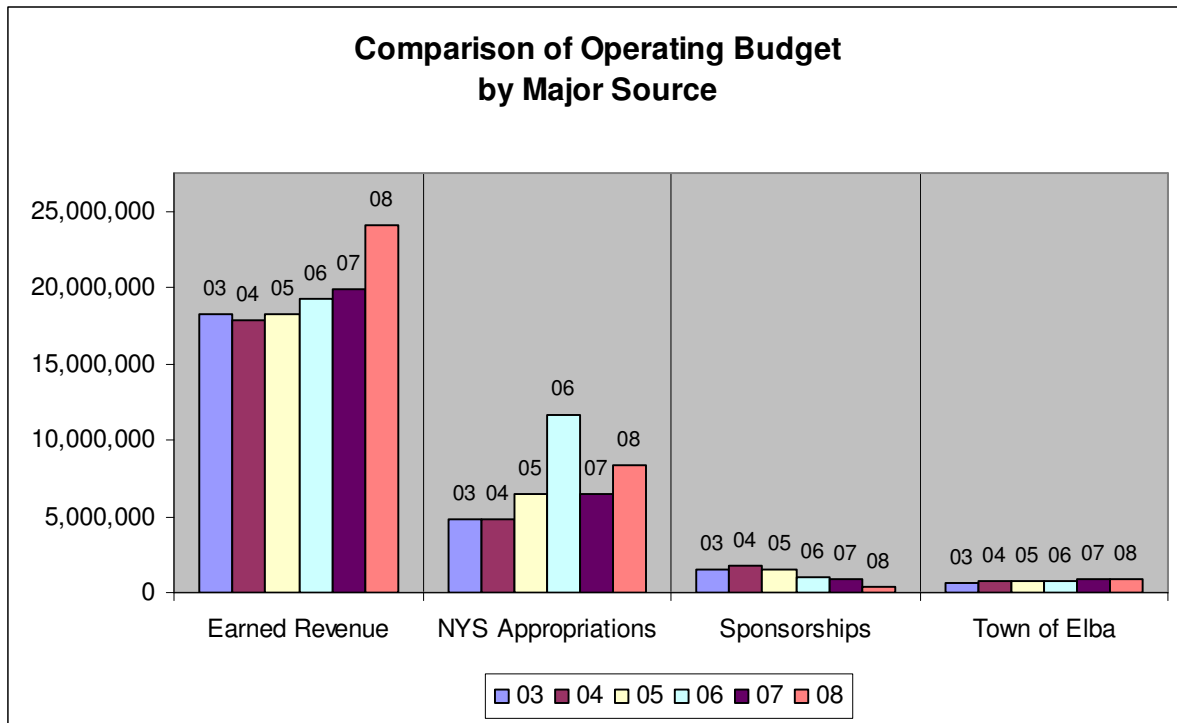
Notable Awards

- Whiteface was rated the #2 ski resort in the Eastern United States by Ski Magazine readers, and third in Eastern North America.
- Conde Naste Travelers Magazine rated Whiteface #4 for all ski areas in North America.
- Whiteface won the National Ski Area Association's Silver Eagle Award in 2002 in recognition of Environmental Excellence in Fish and Wildlife Habitat Protection.
- Whiteface Mountain was recognized for its Bicknell's Thrush Habitat Protection fund and plan to conserve habitat for this endangered species.
- Gore Mountain has won three National Ski Area Association's Silver Eagle Awards for environmental stewardship.
- Gore Mountain was ranked by SKI Magazine as a "Top 10 Mountain in the East" for Value (for the ninth consecutive year).
- Gore Mountain was voted "Best Terrain in the Northeast" by the 1.2 million visitors of OnTheSnow.com.

Comparison of Operating Revenues

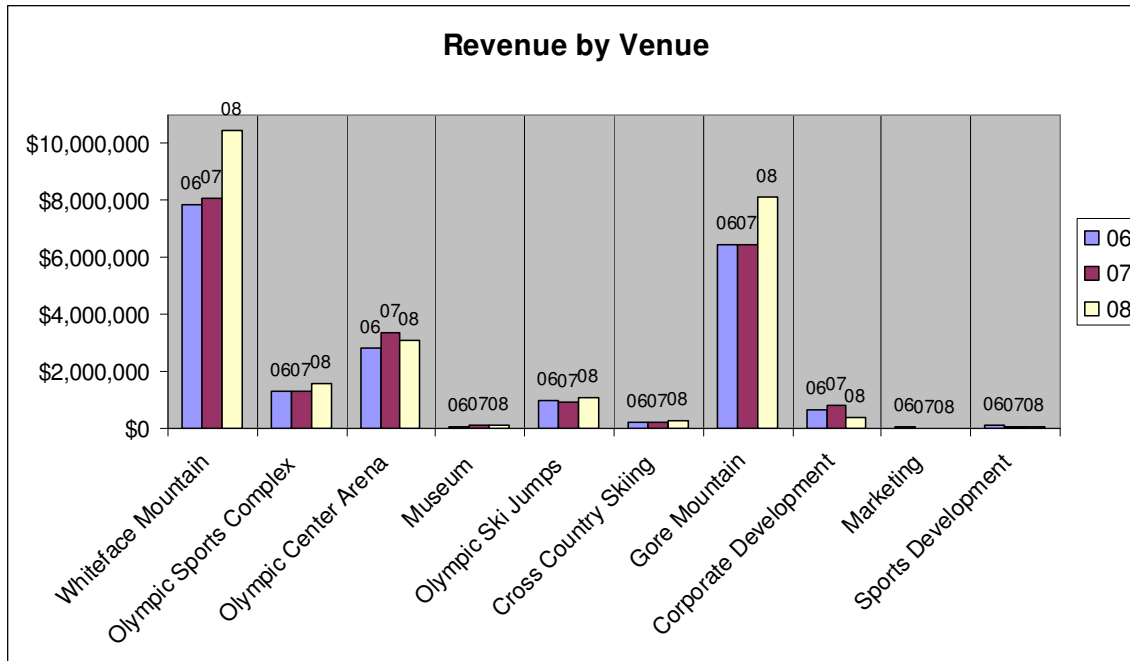
It is important to caution against putting too much emphasis on year-to-year fluctuations in ORDA revenues because of the Authority's dependence upon temporary factors beyond its control, including weather. When looking at overall

revenues over several years, as indicated in the following charts, one can see the general upward trend in revenues from all sources however.



	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Earned Revenue	\$18,266,405	\$17,880,048	\$18,231,140	\$19,200,755,	\$19,927,185	\$24,096,632
NYS Appropriations	4,765,500	4,778,731	6,468,133	11,639,414	6,478,523	8,305,216
Sponsorships	1,535,644	1,715,257	1,467,011	974,449	857,479	396,936
Town of N Elba	690,630	755,951	778,630	801,988	826,048	850,830
Totals	\$25,258,179	\$25,129,987	\$26,944,941	\$32,616,606	\$28,089,235	\$33,649,614

One notable increase, which is an anomaly in 2006, represents a \$5 million loan from the State for the building of the U.S. Olympic Training Center. It should also be noted that the "Olympic Spirit" store on Main Street, Lake Placid opened in 2006.



	<u>2006</u>	<u>2007</u>	<u>2008</u>
Whiteface Mountain	\$7,836,130	\$8,052,882	\$10,469,788
Olympic Sports Complex	1,294,741	1,327,568	1,558,718
Olympic Center Arena	2,824,917	3,350,784	3,091,924
Olympic Museum	67,472	113,880	99,314
Olympic Ski Jumps	983,335	943,014	1,060,045
Cross Country Skiing	239,729	225,543	264,401
Gore Mountain	6,446,719	6,441,724	8,103,325
Corporate Development	647,480	801,918	359,440
Marketing	35,087	7,962	544
Sports Development	89,746	45,068	29,122

While most areas of operation are increasing revenue, Whiteface and Gore Ski Areas have realized particular gains.

Visitor Impact Analysis

A critical piece of every study of the economic impact of tourist attractions is a focus on visitor spending. Visitor spending is defined as the dollars left in the local economy by those persons who come to the region because of ORDA.

The most direct effects occur within the primary sectors such as lodging, restaurants, transportation, amusements and retail trade. Through secondary effects, tourism impacts most economic sectors². An economic impact analysis of tourism activity normally focuses on changes in sales, income, and employment in a region resulting from visitor activity.

While the effect of visitor spending is one of the most important elements in this type of economic impact analysis, it can also be the most difficult and subjective component to measure. Hotels, motels, restaurants, car rental agencies or other transportation functions, tourist attractions, shopping and entertainment generally get the bulk of visitor dollars. While hotels are a relatively pure tourism sector, restaurants, retail establishments and amusements sell to both visitors and local customers. There is therefore no simple manner by which to identify tourism sales in existing economic reporting systems, which is why visitor surveys are used to provide accurate estimates of tourist spending.

The following formula – ***number of people x nights x dollars per day*** – forms the basis for a minimum projection of visitor spending. In reality, the computation of visitor spending is more complex. The following factors have been addressed in this section of the report:

- Differences in spending by day-trippers vs. overnight visitors.
- Spending by local residents – Should local spending be included?
- How much of the event-related spending stayed within the region and how much "leaked out"?

Visitor Numbers and Characteristics

Local impact generally depends on the extent to which spending and re-spending occurs by those residing outside the area where the activity takes place, or by local citizens who spend money on local sports activities as opposed to spending their discretionary income outside their neighborhood (taking their business elsewhere).

By definition, visitor spending does not include spending by area residents, although a good argument can be made that local skiers would not give up their sport in the absence of ORDA facilities, but travel someplace else to ski. Thus, ORDA's existence and investment into these facilities prevents much of these local funds from leaking to other regions. The most conservative approaches however have been used in this analysis by ensuring, to the greatest extent possible, to remove local residents from the impact analysis.

The following table summarizes total annual visitation at each ORDA facility. Note that facilities such as the Olympic Center offer a variety of venues and activities. Visitation is shown separately for each venue, as visitors may attend more than one venue or facility. These repeat visitors are estimated to be a small percentage however and are roughly accounted for by the removal of all season pass holders (a number of which are not local residents).

Visitors to Essex County have attended ORDA venues in the following levels, in 2007-2008:

ORDA Visitors, by Venue and Season

	SUMMER	WINTER	TOTALS	% of TOTAL
GORE MTN.				
Gondola Rides	8,917		8,917	
Ski Center		229,550	229,550	33%
WHITEFACE MOUNTAIN				
Gondola Rides	39,756		39,756	
Memorial Highway	71,448		71,448	
Mountain Biking	1,430		1,430	
Ski Center		214,851	214,851	45%
OLYMPIC SPORTS COMPLEX				
Bobsled Rides	8,418	12,541	20,959	
Biathlon Shooting	928		928	
Cross-country Skiing		14,502	14,502	
Luge Track		9,015	9,015	
Area Admissions	9,240		9,240	7%
MT. VAN HOVENBURG AREA ADMISSIONS				
		4,786	4,786	<1%
OLYMPIC CENTER				
Skating/Arena/Ice Rentals	185	372	557	
Oval Skating	5,283	16,893	22,176	
Museum	9,644	9,197	18,841	6%
JUMPING COMPLEX				
Ski Jumps	41,412	20,903	62,315	9%
TOTALS	196,661	532,610	729,271	100%

Of the 729,271 total visits to ORDA facilities in fiscal year ending 2008, approximately 99,324 visits were by season pass holders. Examining zip codes of season pass holders demonstrates that 27% of these pass holders are from entirely outside of the area, and may be assumed to be likely overnight visitors. The remaining 73% of passholders visits (76,479) were eliminated within visitor counts for the purposes of the economic impact study, leaving 652,792 total visits. The researchers used survey data collected by ORDA for marketing purposes⁶ to estimate that 59% of all facility visitors stayed overnight. Presuming that overnight

visitors were from out of town, one can establish the number of nonresident visitors to ORDA facilities from the above numbers at 385,147.

The economic impact of the over 300,000 annual day-visitors is included in the qualitative information at the end of the report to provide supplementary information regarding the upper range of visitor impacts. These day visitors are not included in the economic impact.

Visitor Spending Profile

A spending pattern profile was developed for this analysis utilizing information collected by TAC for leisure travel carried out in 2005 and 2006 for the Lake Placid/Essex County Visitor's Bureau⁴ and complemented by ORDA facility survey information³. TAC has completed research for the Visitor's Bureau for five successive years, with the report for the 2007 year now in process.

Respondents to the 2006 survey were asked to report their total expenditures and time spent in the area. Researchers determined that the spending patterns indicated in this survey were valid, however that the average length of stay, 5.7 days was longer than the median stay measured for a typical ORDA facility visitor. ORDA visitor survey information indicates a median stay of approximately three days. Therefore, an average of the two surveys, or 4.45 days is used by the researchers to measure economic impact of visitor days. This was found to best represent the nearly equal blend of athlete visitors and general tourist visitors to ORDA facilities. It should be noted that the survey indicates an average visitor party size of four persons. The figures below are divided accordingly to obtain a per visitor profile of just over \$81 per person per day.

The above profiles are consistent with other visitor surveys of the broader Adirondack region. For instance the 2007 New York State Regional Profile survey results by Empire State Development⁸, states that the largest percentage of visitors to the region (51%) stay longer than a weekend, but less than a week. It should be noted that Empire State Development data shows that the Adirondack Region demonstrates longer stays than average across all State regions (with nearly double the percentage who stay a week and a higher percentage of those who say longer than a weekend but less than a week than found statewide).

Visitor Spending Profile

Categories	2006 Mean Expenditure Essex County per Visitor Party per Day	2005 Mean Expenditure Essex County per Visitor Party per Day
Attractions	\$26.44	\$28.15
Entertainment	63.68	32.80
Transportation	31.50	32.10
Lodging	122.98	103.75
Meals	62.80	69.18
Souvenirs	43.00	50.50
All Other	43.00	15.50
AVERAGE	\$405.45	\$331.98

DAILY EXPENDITURE

ORDA facilities assist significantly in drawing people to the region, by not only drawing hundreds of thousands of visitors to the region each year, but they are also attracting tourists with mean incomes that are higher than the average resort visitor. Demographic data captured about visitors to Whiteface in the 2004-2005 season indicated that the mean income of visitors was \$138,576, higher than the \$104,791 average income for other ski resorts around the country³.

- Most of the highest visitor revenue at Whiteface comes from out of the area—particularly Westchester County, Long Island and Metropolitan New York, International visitors, Central New York, and New England.
- Over half (52%) of Whiteface visitors responding were traveling with children
- Most Whiteface participants are intermediate (36%) or advanced (60%) skiers
- Whiteface skiers averaged 12.1 previous visits. The vast majority of skiers surveyed (82.7%) stated that they would definitely or probably return again.
- More people who ski at Whiteface stay overnight in the community than at the average resort. A total of 59% of skiers stay overnight, compared to 44% at other resorts surveyed. Only 37% of Whiteface skiers were single day visitors, compared to 56% at other resorts.
- Those visitors surveyed that they would also most likely participate in the following activities beyond skiing while in the area: cross country skiing, bob sledding and skating on the Olympic Oval.

A survey of nearly 2,000 general visitors to Essex County confirmed that Olympic sites are important attractions to regional visitors⁴. **The “Olympic sites” were considered important attractions to 41% of the respondents in this 2006 survey- only three of the twenty attraction categories ranked higher.** Skiing and riding, with its shorter season, was measured separately and was ranked as an important attraction to 25% of the respondents.

Addressing Leakages

In the broadest sense, it is essential to understand that the money flowing into the region as a result of ORDA’s existence may just as quickly exit. Economic impact depends on the total amount of money spent that remains in the area and is re-circulated in the local economy. Similarly, another factor in determining the impact of visitor spending is to take into consideration the fact that every dollar that a visitor spends in a community generally does not remain. In most cases the factory that produces the good bought by a tourist lies outside of the local region, creating an immediate “leakage” in the first round of spending and therefore no local impact from production of the good.

Approximately 70% of tourist spending may remain in a region². Tourist purchases of services will accrue to the region as final demand, but only the *margins* on goods purchased at retail stores should be counted as local final impact. These margins, were incorporated within the input-output model applied in this analysis, reducing the

raw spending dollars from the visitor spending profile. The following tables present spending impacts for visitor venues and special events.

Visitor Spending Impact (Major Venues)		
	Study Area	NYS
Direct Impact:	\$ 138,894,793	\$ 138,894,793
Indirect Impact:	27,251,119	45,081,037
Induced Impact:	38,204,420	54,310,363
Total Labor Income Impact:	16,576,516	20,376,589
Total Impact	\$220,926,848	\$ 258,662,782
Direct Employment Impact:	561.6	467.4
Indirect:	72.3	72
Induced:	106.2	110.2
Total Employment Impact:	740.1	649.6

This assumes 385,147 nonresident visitors staying an average of 4.45 days, both conservative numbers which factored out most (73% of) season pass holders and used only a percentage of those remaining who were likely to have been overnight visitors.

Impacts of Athletic Events and Tournaments

In addition to its major venues, ORDA’s Olympic Center also hosts a number of special events, conferences and hockey tournaments throughout the year, which brought an additional over 100,000 visitor days to its facilities. These “hallmark events” are a contributor to the regional economic impact derived from travel and tourism in the region.

By serving as a center for cultural and recreational events, ORDA also enhances the region’s overall quality of life by providing a local venue for concerts and other special events that would not otherwise be available locally to people in the North Country region. Because there are few venues like ORDA’s throughout the region, these facilities generally draw from a wider geographic area than similar venues in more urbanized areas. There is generally a smaller private and public investment in cultural events centers in the North Country region than one might find in other areas with larger tax bases.

The same basic methodology was used in determining the economic impact of these recreational visitors that was used for visitors to Whiteface, Gore and other major sports-oriented ORDA venues. The impacts are calculated separately because the spending patterns and length of stay of those who come for a concert or special event are obviously different than those who come to ski for the weekend. This impact, including indirect and induced impacts, was added to the venue visitation figures to provide an estimation of overall visitor impact. It should be noted, however, that there might be some overlap in this case, as people who attended a special

event may also have visited one or more ORDA venues during their stay. This was accounted for mostly by using most conservative estimates (removing percentages) throughout all tabulation. It is important to stress that the following analysis only captures a portion of the overall economic impact of these visitors, because efforts were made to “zero out” local visitors and day-trippers who may have simply redirected their spending to ORDA events.

Olympic Center and other athletic event visitors in fiscal year 2007-2008 are broken down in the following chart:

<i>Olympic Center & Athletic Event Venue Visitors (In addition to daily visitor counts)</i>			
<i>Description</i>	<i>Visitor Days</i>		
	<i>Summer</i>	<i>Winter</i>	<i>Total</i>
<i>CAN-AM Hockey*</i>			70,269
<i>Canadian Hockey Enterprises*</i>			25,713
<i>Empire State Games</i>		3,849	3,849
<i>ISI Winter Open</i>		2,000	2,000
<i>World Cup Freestyle</i>		1,377	1,377
<i>ICC Skeleton</i>		50	50
<i>Junior Luge World Championships</i>		100	100
<i>Lake Placid Loppet</i>		350	350
<i>World Cup Snowboard</i>		300	300
<i>Nor Am Alpine Championships</i>		200	200
<i>NCAA DIII Mens Hockey Championship</i>		10,595	10,595
<i>Americas Cup Bobsled</i>		150	150
<i>Chevy 90 M Ski Jump</i>	1,011		1,011
<i>Free Skating Competition</i>	1,121		1,121
<i>Summer Figure Skating Program</i>	1,855		1,855
<i>Ice Dance Championships</i>	1,963		1,963
<i>USA Hockey Jr. Men*</i>	1,066		1,066
<i>USA Women’s Hockey*</i>	466		466
<i>USA Hockey Under 22 Men*</i>	837		837
<i>Women’s COCJ Ski Jump</i>	812		812
<i>ISU Jr. Grand Prix</i>	1,538		1,538
<i>Flaming Leaves Ski Jump</i>	2,297		2,297
<i>World Cup Luge</i>	1,252		1,252
<i>World Cup Bobsled & Skeleton</i>	1,369		1,369
<i>New Year’s Master Ski Jump</i>	1,684		1,684
Total	17,271	18,971	132,224

* These hockey events are tabulated separately within hockey tournament impacts and therefore excluded from Olympic Center and Athletic Event Venue impact table

These include a wide variety of events including the numerous high profile athletic events such as the World Cup Freestyle, World Cup Snowboard events, Empire State Games and World Cup Bobsled and Skeleton.

These 132,224 visitors include all attendees /athletes and spectators of the events. For impact calculation purposes below, to be consistent with removal of local visitation, all attendees and only 40% of the spectators within these tallies were included. This is consistent with ORDA athletic event data for out of the area visitation. Hockey tournament impacts are also calculated separately. This leaves 19,932 estimated non-local visitors to these athletic events.

The impacts of these athletic events total over \$2.5 million in the study area and over \$3 million Statewide, as illustrated in the table below.

Visitor Spending Impact (Olympic Center & Other Athletic Events)		
	Study Area	NYS
Direct Impact	\$ 1,397,778	\$ 1,397,778
Indirect Impact	274,244	453,676
Induced Impact	384,473	546,556
Total Labor Income Impact	742,344	912,523
Total Impact	\$2,798,839	\$ 3,310,534
Direct Employment Impact	25.2	19
Indirect	3.2	2.9
Induced	4.8	4.5
Total Employment Impact	33.1	26.4

Economic Impact of Conferences and Special Events

ORDA produced a number of signature special events such as the Barbecue Festival (Speedskating Oval) and Oktoberfest (Whiteface). ORDA facilities hosted one conference, the Civil Service Employees Association (CSEA) convention for three days, with over 800 participants. These special events draw people from the four-county study area and from throughout New York State, Vermont, Canada and beyond.

In determining the economic impact of these visitors, the report authors again faced the challenge of determining how many event patrons came from the North Country region and how many came from outside the four-county study area, which represented new rather than redirected spending. Concerts, ice shows, conferences and other (non-athletic) special events generated an additional 22,753 visitors at

ORDA's Olympic Center and other facilities in 2007-2008, over and above the visitation generated by conferences and hockey tournaments.

Special Events <i>(In addition to daily visitor counts)</i>			
Description	Visitor Days		
	Summer	Winter	Total
Gold Medal Games			1,919
Harlem Globetrotters	5,437		5,437
CSEA Convention	816		816
Lake Placid Festival of Cars	1,000		1,000
Summer Ice Shows	3,000		3,000
Stars on Ice		4,092	4,092
Oktoberfest	6,281		6,281
Total	16,534	4,300	22,753

The researchers have consistently tried to “zero out” local spending because of the issue regarding whether this is simply redirected spending and not new dollars coming to the region. Guidelines followed suggest that local spending should not be included in the analysis, although a case can be made that ORDA is preventing the leakage of entertainment dollars out of the region. It is the researchers’ professional position that a more conservative estimate should be used in these cases, as is done within this report.

To account for non-visitors, or those from the local area, 40% of the totals included within these special events were included within the analysis below. Zip code analysis of such events indicates that approximately this percentage are from outside of the four-county region. This number is likely low for conference participants of which 50-70% are likely from outside of the region, however the researchers used a conservative estimate for all activities. This totals 9,101 visitors used in the modeling for special event impacts.

Using IMPLAN to calculate margins, indirect and induced impacts, the following economic impacts associated with these other special events demonstrates overall impacts of over \$5 million in the study area, and over \$6 million statewide. This is shown in the table below.

Visitor Spending Impact (Special Events)		
	Study Area	NYS
Direct Impact:	\$ 3,282,075	\$ 3,282,075
Indirect Impact:	643,942	1,065,263
Induced Impact:	902,767	1,283,349
Total Labor Income Impact:	391,702	481,498
Total Impact	\$5,220,486	\$ 6,112,185
Direct Employment Impact:	13.3	11.0
Indirect:	1.7	1.7
Induced:	2.5	2.6
Total Employment Impact:	17.5	15.4

Economic Impact of Hockey Tournaments

An important generator of economic impact from ORDA facilities comes from several key hockey tournaments, including those sponsored by CAN/AM Youth Hockey, Canadian Hockey Enterprises, Women, Men’s and Junior USA Hockey. These tournaments, which primarily draw people from outside the study area, generate nearly \$5 million in hotel package bookings alone and represent a significant source of tourist revenue for the greater Lake Placid region. These included a total of 98,351 visitor days in 2007-2008.

The authors of this report used elements from an economic profile developed by CAN/AM Youth Hockey for its 12 (11 youth and 1 adult) tournaments in 2007-2008, as the basis for the spending profile used to determine the economic impact of hockey tournaments hosted by ORDA.

The following spending pattern was defined for hockey tournament participants for a three-day tournament weekend, per visitor:

Hockey Tournament Spending Profile	
Per Weekend/Per Visitor	
Lodging	\$ 96
Meals (Plan & Other)	121
Tourney Expenditures	21
Retail Purchases	69
Transportation (Gas) per vehicle	48
Total	\$355

CAN/AM Youth Hockey, Canadian Hockey Enterprises and other tournaments generated nearly 30,000 visitors to the region during 19 weekend tournaments.

The following impacts were generated for hockey tournament visitation from IMPLAN:

Visitor Spending Impact (Hockey Tournaments)		
	Study Area	NYS
Direct Impact:	\$ 9,441,696	\$ 9,441,696
Indirect Impact:	1,533,699	2,624,372
Induced Impact:	2,794,766	3,869,224
Total Labor Income Impact:	5,388,439	6,463,219
Total Impact	\$ 19,158,600	\$ 22,398,511
Direct Employment Impact:	216.8	181.3
Indirect:	16.9	17.4
Induced:	34.6	34.9
Total Employment Impact:	268.2	233.6

A summary of overall estimated visitor impacts is found in the chart below.

Total Estimated Visitor Impact – All Sources		
	Study Area	NYS
Major Venues	\$220,926,848	\$258,662,782
Olympic Center/ Athletic Events	2,798,839	3,310,534
Special Events	5,220,486	6,112,185
Hockey Tournaments	19,158,600	22,398,511
Total	\$248,104,773	\$290,484,012
Total Employment Impact of Visitor Spending (# of Additional Jobs created)		
	Study Area	NYS
Major Venues	740.1	649.6
Olympic Center/ Athletic Events	268.2	233.6
Special Events	33.1	26.4
Hockey Tournaments	17.5	15.4
Total	1058.9	925

Employee Expenditure Impact Analysis

Not all payroll and fringe benefits are circulated in the local community. Taxes, savings and mandatory retirement deductions included in this report as direct expenditures are excluded from impact on the local area, since taxes are sent out of the area and savings, by definition, are not spent (although savings do provide investment sources for local businesses). Given the above, it can be estimated that approximately 70% of employee income remains disposable.

The number of employees on the Authority's payroll may also understate the impact of ORDA employees on the region, because it does not include retirees. These workers collect retirement benefits, which they spend on goods and services.

ORDA had a full time equivalent payroll of 501 employees during the 2007-2008 fiscal year, as shown below. The number of full time positions has grown in recent years.

ORDA Jobs; Conversions to FTEs		
<i>Position Type</i>	<i># Of Positions</i>	<i>FTE's*</i>
Full-Time	219	219
Full-Time Seasonal	310	155
Part-Time Seasonal	299	112.13
Part-Time Temporary	60	15
Totals	888	501.13

Note- for purposes of chart above:

Full Time = 1.0 FTE*
Full-time Seasonal = 0.5 FTE
Part-Time Seasonal = 0.375 FTE
Part-Time Temporary = 0.25 FTE

*Full time equivalent

ORDA employees received \$11,660,832.15 in total income, with 95.5% or \$11,136,146.72 generated in the local study area. Not all of these dollars, however, are included in the local impact analysis. It is important to measure only disposable income that will re-circulate throughout the local economy. Part of total labor income is not available for spending. It is used to pay personal taxes, or pay off principle and interest on loans. Some labor income also goes toward savings.

Disposable income was calculated by multiplying payrolls, grouped by geography (study area and New York State), by a disposable income factor of 70%. This means that \$7,795,303 in disposable income was spent locally and \$8,162,582 in New York State overall by all ORDA employees.

Indirect and induced impacts were determined by utilizing personal consumption patterns generated by IMPLAN for households in the study area. They are summarized in the following chart:

Employee Spending Impact		
	Study Area	NYS
Direct Impact:	\$ 7,795,303	\$ 8,162,582
Indirect Impact:	1,826,392	3,240,491
Induced Impact:	2,050,422	3,040,740
Total Labor Income Impact:	3,995,170	5,072,106
Total Impact	\$ 15,667,287	\$ 19,515,920
Direct Employment Impact:	101	108.3
Indirect:	22	23.8
Induced:	25.4	27.4
Total Employment Impact:	148.4	159.6

ORDA Operational Expenditures Impact Analysis

ORDA expenditures were determined by measuring overall vendor purchases, sorted by zip code. These expenditures were used because they could be targeted to a specific geographic area and because they included all operational expenditures except for personnel-related expenditures. Using this approach avoided potential duplication or double counting of revenues and expenditures. This methodology, because it dealt with money being spent in a specific community, also presented a more accurate reflection of actual impact.

In 2007-2008, ORDA vendor purchases totaled more than \$28 million and included purchases in 40 states and in Canada.

ORDA Expenditures, Top 5 States	
New York	\$19,509,127.97
Massachusetts	2,460,681.67
Vermont	1,381,675.17
Kansas	1,122,423.26
Pennsylvania	821,456.06

Statewide, ORDA's expenditures of nearly \$19,509,127.97 million spanned 35 counties, covering virtually every region of New York. 70% of total ORDA spending was done in-state.

Local spending, of nearly \$5 million, is reflected in the following chart:

ORDA's Local Expenditures	
Essex County	\$ 3,029,927.11
Franklin County	292,357.32
Warren County	611,301.19
Clinton County	930,787.58
Total Local Spending	\$ 4,964,373.20

Both local and State impacts through expenditures have increased considerably since this was measured by the 2004-2005 fiscal year economic impact analysis.

As in the case of visitor or employee spending, a portion of local expenditures is spent on value-added elements (wages, profits, indirect business taxes, etc.). Another portion is "lost" to imports, since not all goods and services the company purchases come from local sources. These factors were taken into account as part of the IMPLAN analysis. Indirect and induced impacts were determined by importing a production function as a final demand group in the IMPLAN analysis, which produced the following impacts.

ORDA Expenditure Impact		
	Study Area	NYS
Direct Impact:	\$3,971,498	\$15,607,302
Indirect Impact:	930,497	6,195,983
Induced Impact:	1,044,635	5,805,350
Total Labor Income Impact:	2,035,432	9,694,926
Total Impact	\$7,982,062	\$37,303,562
Direct Employment Impact:	51.5	207
Indirect:	11.2	45.6
Induced:	12.9	52.4
Total Employment Impact:	75.6	305

Other Impacts Not Included In Modeling Figures

As noted previously, this economic impact analysis only expresses some of ORDA's overall impact in the region and across New York State. In particular, there are non-monetary benefits associated with such prestigious large-scale sports recreation facilities. Economists often refer to these as "consumption benefits:" The image of a world class facility, civic pride, community name recognition, are things that have value to the residents and businesses of a region. These items are difficult to measure in dollars, so they are not included within the economic modeling employed within this report, however the value is certainly there and are discussed briefly below. Others, like tax impacts, should be addressed in a separate, stand-alone fiscal impact analysis, which would measure net cash flow to the public sector¹.

Quality of Life Impacts

It is clear that ORDA has enhanced the quality of life of North Country residents, who have the unique opportunity to enjoy the world-class recreational facilities, train to become an elite athlete in their own community, to view national and international sports competitions, enjoy first-rate live entertainment and more. Part of ORDA's mission – to improve the physical fitness and recreational education of the people of New York and the United States – mandates the Authority's role as a cultural, educational and recreational attraction, and represents one of its most significant qualitative impacts.

The Olympic Regional Development Authority's Sports Development Department promotes education and participation in winter Olympic sports year round. Customized programs offer school classes, activity groups, athletic teams and local youth groups the Olympic education field trip of a lifetime. In the summer, the Sports Development Department also runs the Gold Medal Adventure Program, a sports experience day camp for adventurous kids and their families ages 10 and up. The Sports Development Department conducts guided tours of the Olympic venues, which not only offer historical information of the facilities and sports, but beautiful views of the Adirondacks as well. Sports clinics are offered in biathlon, bobsled, canoe/kayak, curling, luge, and freestyle trampoline. Ice skating is also offered on one of the four ice rinks in the Olympic Center, including the 1980 "Miracle on Ice" rink.

The importance of quality of life factors in a region is a factor for business locations. Local economic development agencies have successfully played upon the rich recreational resources of the area, particularly by visitors to the region, to draw future business interests. This becomes particularly relevant with first-rate data capabilities, where companies or branches of a company can easily locate in an area removed from the major metropolis. The ORDA region has seen a housing boom, fueled largely by visitors who decided to make a permanent investment into the area. .

Image/Exposure Impacts

Lake Placid and the surrounding region are known the world over because of the Olympic legacy. This continuing worldwide exposure of international events provides the kind of promotional and branding benefits that the region could never afford if it had to pay for them. The activities of ORDA facilities in the region has brought the study area worldwide attention and visibility that is literally worth millions of dollars year after year. New York State benefits as a whole from this world and national exposure, with a stronger, richer image.

Highlights of media coverage in 2007-2008 included⁴:

1. *World Cup Luge- November 2007*: Covered by European TV; AP Wire and Wire Photos; European Press Agency (photos); Canadian Press (AP of Canada) carried Wire and Wire Photos; CBC Television aired races the following week; races streamed live on mediazone.nbcolympics.com; Adirondack region coverage on TV and print;
2. *Smucker's Stars on Ice – November 2007*: 5,000 in Olympic Center in late November (television show aired on ABC in December 2007)
3. *World Cup Bobsled and Skeleton – November 2007*: AP Wire and Wire Photos; European Press Agency (photos); Canadian Press (AP Of Canada) carried Wire and Wire Photos; CBC Television aired races the following week; races streamed live on mediazone.nbcolympics.com; Adirondack region coverage on TV and print;
4. *Chevrolet Geoff Bodine Bobsled Challenge – January 2008*: 4 hours of coverage on SPEED Channel; AP Stories and photos; New York Times; numerous media from the world of auto racing including nascar.com, racinwest.com, truckseries.com, nhra.com, yahoo.com, espn.com; event had dedicated website (bodinebobsled.com); Adirondack region coverage on TV and print;
5. *World Cup Freestyle Skiing – January 2008*: AP Wire and Wire Photo; Canadian Press; Adirondack region coverage on TV and print; One hour network shows on NBC and Versus; Ski Racing Magazine;
6. *Junior Luge World Championships – February 2008*: Adirondack region coverage in print; European print coverage
7. *Empire State Winter Games – February 2008*: in conjunction with the New York Lottery, event drew statewide coverage in all media
8. *World Cup Snowboarding/Paul Mitchell Progression Session – March 2008*: AP Wire Photo; AP Television highlights package; Canadian Press; Adirondack region coverage on TV and print; One hour network shows on NBC and Versus;
9. *North American Alpine Skiing Finals - March 2008*: Adirondack region coverage in print; skiracing.com
10. *NCAA Men's Division. III Hockey Championships- March 2008*: Championship game aired on CBS College Sports Network; live NCAA webcasts of both semi-finals; Adirondack region coverage on TV and print; AP Stories and Wire Photos; media from New England, New York Southern Tier and Midwest attended

The Authority employs Cision (formerly Bacon's) as a news-clipping service. The results of this press coverage (which only includes print material, without television or internet coverage) is impressive. **The total articles found by the service for ORDA facility mentions in 2007-2008 was 2,646 in publications totaling 201 million circulation.** The peak month was January, with 393 articles published reaching 14.4 million circulation.

Corporate Revenues

Corporate donations, particularly from large corporations located outside of New York State, serve to enhance ORDA's activities and/or offset event costs and represent an influx of new dollars coming into the region. For the fiscal year 2007-2008 ORDA was successful in renewing several contracts with existing sponsors: Anheuser Busch signed a one-year contract extension for \$50,000 cash and \$5,000 value in-kind. The Authority has also successfully re-signed Chevrolet to a one-year contract, for an in-kind donation of 19 vehicles with a value of \$342,000. Coca-Cola remains the "official soft drink" sponsor of ORDA, in the fourth of a seven year contract. The agreement includes an annual commitment of \$97,000 cash, \$12,000 of in-kind product value, and a promotional fund of \$4,000 (base) plus an additional marketing contribution of \$1.00 per case sold at ORDA venues.

ORDA has also successfully worked to grow local corporate sponsorships by signage at ORDA venues and weekly event sponsorships. Two new sponsors, Courtyard by Marriott and North Country Community College signed on as new one year sponsors, for \$10,000 each in this year. Additional revenue in this area totaled \$30,830. A substantial amount of value-in-kind products (\$24,800) were generated from local sponsorships in the year as well.

The Corporate Development department oversaw a Winter Olympic Challenge, Congressional Challenge and Gold Medal Games. These programs are designed for corporations and companies who are looking for an off-site location to host meetings and employee incentive programs while combining Olympic activities with their outing. The department completed 63 of these programs in 2007-2008 (up 35% over the previous year), grossing over \$235,000 in revenue. These programs exposed nearly 2,000 executives and corporate staff to ORDA facilities.

Corporate Impact: Gross Revenues

ORDA Sponsorship	\$251,430.00
ORDA Value In-Kind	644,284.00
Gold Medal Games	234,721.00
Vending commissions	30,252.40
Virtual Reality commissions	15,080.24
Photography concessions	201,401.00
TOTAL	\$1,377,168.64

Affiliated Organizations

It is important to note that a number of affiliated organizations make use of ORDA's facilities and have a complementary economic impact in the region through their expenditures and the jobs that they create.

ORDA affiliated organizations include:

- U.S. Olympic Training Center
- Centerplate (concessionaire)
- Lake Placid/Essex County Visitors Bureau
- North Country Community College
- Professional Skating Instructors
- U.S. Bobsled and Skeleton Federation
- U.S. Luge Association
- N.Y. Ski Education Foundation
- National Sports Academy
- Northwood School
- CAN/AM Hockey
- Canadian Hockey Enterprises

These affiliated organizations directly employed over 400 full time equivalent positions. There is clearly a complimentary relationship between these affiliate organizations and ORDA.

In 2005, TAC researchers attempted to quantify the percentage of employees, salaries and operating expenditures that could be attributed to ORDA through the use of its facilities or other links through a survey the authors sent to the affiliated organizations. For the most part, these organizations only attributed a small part of their business (0 to 10%) to ORDA, although some acknowledged that they would be doing business someplace else if not for the existence of the Authority. In this way, ORDA's existence has prevented leakage of these dollars from the local economy. Therefore, this relationship and how much impact might be attributable to the Authority remains unclear.

Because of the difficulties involved in accurately quantifying the extent to which affiliates' impact contributes to ORDA impact, as well as incomplete information about affiliate local spending, the geographic location of employees and other questions, the impact of these affiliates was not included in the quantitative impact figures. Clearly, however, affiliated organizations represent a significant contribution to the region's economy and fit in some sense into the larger picture of impacts.

Key Role in Local Tourism Efforts

Tourism is one of New York's largest industries, contributing \$46.6 billion to the state's economy in 2006. This represented a more than 7% increase from the prior year. The increase was led particularly by hotel industry growth, which is twice the national average Statewide⁸. Even in a struggling economy, the tourism industry appears to continue strong, as Statewide the leisure and hospitality job market is one of the fastest growing, according to the Department of Labor. Due in great part to the existence of ORDA facilities, state and local officials have made tourism the

centerpiece of regional economic development efforts – and ORDA remains the linchpin to those efforts. It is important to note that investments in ORDA are fully integrated into a longer vision for development of the region.

The plans for a new convention center will certainly bring significant new potential for business and conference traffic into the Lake Placid area. This facility would allow for increased convention business. CH Johnson consulting estimates an additional 15,000 hotel room nights annually with the modernization of the Olympic Center through the new facility⁹. The Authority is currently planning for this facility, as costs for the bidding of the project came in substantially higher than expected.

ORDA facilities are also central to other regional economic development efforts. Each of ORDA's facilities have had some capital projects in the past year. The cumulative impacts of these capital expenditures are substantially more marketable facilities to the visiting tourist and athlete visitor. **In 2007-2008, over \$16.6 million in capital projects were ongoing.** The major investment into the new North Woods Lodge and North Creek Ski Bowl at Gore Mountain has already created a first-rate family facility. A new chairlift serves family-friendly terrain and a half pipe and terrain park, as well as snow tubing. Whiteface Mountain has undertaken development of new ski trails, called Lookout Mountain, which will be served by a new triple chairlift.

Warren County's Economic Development Office and others are currently working to attract additional restaurants, hotels, lodging accommodations, shops, etc. to North Creek (Town of Johnsbury), which will contribute to transforming the Gore area into a ski-in/ski-out village and resort area. Planners and tourism promoters continue to work on the extension of a passenger rail line from Saratoga Springs to North Creek. The intention is to be able to link to the Saratoga Amtrak Station to provide easy rail access to the metropolitan New York area for ski and resort traffic.

Catalyst for Development and Additional Funding

ORDA's role as a major tourist attraction and its impact on the image of the local community have made the Clinton, Essex, Franklin and Warren County region more attractive in terms of investment and development opportunities. One only has to look at the recent hotel development in the village of Lake Placid to begin to understand the importance of ORDA to local economic development efforts. By improving the economic environment and outlook and acting as a catalyst for additional investment and development in the area, ORDA has helped create an atmosphere which is conducive to improved property valuation over time. The average sales home price for the region (exclusive of Franklin County) is \$168,983 as of April 2008¹¹. While this is lower than the New York State average of \$210,000, it is higher than all of the neighboring Adirondack and North Country counties, and this figure has risen steadily.

Tax Impacts

ORDA's presence in the region also generates several layers of tax revenues for state and local governments, including:

- *Sales tax* on retail purchases by visitors

- *Personal income tax* from direct payroll and indirect earnings
- *Hotel room occupancy tax* from local visitor lodging
- *Liquor tax* (at the wholesale level) from local visitor spending
- *Motor fuels and gross earnings tax* from gasoline purchases associated with visits to ORDA facilities.

These impacts would be measured substantially through a fiscal impact analysis.

In general, there are several other categories of economic impacts that are not typically covered in economic impact assessments of tourist attractions like ORDA, at least not directly. For example:

- *Changes in price:* Tourism can sometimes inflate the cost of housing and retail prices in the area, frequently on a seasonal basis.
- *Changes in the quality and quantity of goods and services:* Tourism may lead to a wider array of goods and services available in an area (of either higher or lower quality than without tourism).
- *Changes in property and other taxes:* Taxes to cover the cost of local services may be higher or lower in the presence of tourism activity. In some cases, taxes collected directly or indirectly from tourists may reduce local taxes for schools, roads, etc. In other cases, locals may be taxed more heavily to cover the added infrastructure and service costs. The impacts of tourism on local government costs and revenues are addressed more fully in a fiscal impact analysis.
- *Economic dimensions of “social” and “environmental” impacts:* There are also economic consequences of most social and environmental impacts that are not usually addressed in an economic impact analysis. These can be positive or negative. For example, traffic congestion will increase costs of moving around for both households and businesses. Improved amenities that attract tourists may also encourage residents to take better care of their natural and aesthetic environment as a greater portion of regional income is reliant upon positive visitor experiences.

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About the Technical Assistance Center at SUNY Plattsburgh

The Technical Assistance Center at SUNY Plattsburgh provides technical assistance to public and private organizations with the goal of enhancing economic and community development across the 16 counties of northern New York. TAC's mission is to increase the region's capacity to stimulate economic growth through technical assistance and applied research services.

TAC addresses the economic revitalization goals of the region by leveraging the resources of SUNY Plattsburgh and its allies and partners, particularly focusing on the economic development process and capacity building at the local and regional levels. TAC draws upon faculty resources at the college to fulfill its mission and has a full-time professional staff with 70 years in the field of community and economic development, strategic planning, information systems, and telecommunications.

TAC partners with faculty at SUNY Plattsburgh's School of Business and Economics, when working on related economic development projects. Hotel Restaurant and Tourism Management faculty within the School have expertise in all aspects of hotel, resort, restaurant operations and management, tourism marketing, and culinary operations.

APPENDIX A: Comparison 2004/2005 & 2007/2008 Fiscal Years

Visitor Impact Comparison

2004-2005 Fiscal Year:
(revised)

Total Estimated Visitor Impact (\$) – All Sources		
	Study Area	NYS
<i>Major Venues</i>	\$92,420,266	\$108,085,718
<i>Conferences</i>	2,098,165	2,416,442
<i>Other Events</i>	7,887,196	8,465,441
<i>Hockey Tournaments</i>	13,585,556	15,034,729
Total	\$115,991,183	\$134,002,330
Total Employment Impact of Visitor Spending (# of Additional Jobs created)		
	Study Area	NYS
<i>Major Venues</i>	441.2	380.6
<i>Conferences</i>	19.6	32.3
<i>Other Events</i>	62.7	81.5
<i>Hockey Tournaments</i>	137.1	171.0
Total	660.6	665.4

2007-2008 Fiscal Year:

Total Estimated Visitor Impact (\$) – All Sources		
	Study Area	NYS
<i>Major Venues</i>	\$220,926,848	\$258,662,782
<i>Olympic Center/ Athletic Events*</i>	2,798,839	3,310,534
<i>Special Events*</i>	5,220,486	6,112,185
<i>Hockey Tournaments</i>	19,158,600	22,398,511
Total	\$248,104,773	\$290,484,012
Total Employment Impact of Visitor Spending (# of Additional Jobs created)		
	Study Area	NYS
<i>Major Venues</i>	740.1	649.6
<i>Olympic Center/ Athletic Events</i>	268.2	233.6
<i>Special Events</i>	33.1	26.4
<i>Hockey Tournaments</i>	17.5	15.4
Total	1058.9	925

* in 2007-2008 analysis, a new category- "Olympic Center/Athletic Events" was created (included in 2004-2005 within "Other Events") and conferences included within "Special Events category"

Overall Impact Comparison

2004-2005 Fiscal Year:
(revised)

ORDA Overall Economic Impact		
	Study Area	NYS
Total Visitor Spend Impact:	\$ 115,991,183	\$ 134,002,330
Total Employee Impact:	10,714,240	15,331,393
Total Expenditure Impact:	2,883,686	8,593,785
	\$129,589,109	\$157,927,508
Total Impact		
Employment Impact		
From Visitor Spending:	660.6	665.4
From Employee Spending	67	77.5
From ORDA Spending:	14.9	37.2
Total Employment Impact:	742.5	780.1

2007-2008 Fiscal Year:

ORDA Overall Economic Impact		
	Study Area	NYS
Total Visitor Spending Impact:	\$ 248,104,773	\$ 290,484,012
Total Employee Impact:	15,667,287	19,515,920
Total Expenditure Impact:	7,982,062	37,303,562
	\$ 271,754,122	\$ 347,303,494
Total Impact		
Employment Impact		
From Visitor Spending:	1058.9	925
From Employee Spending:	148.4	159.6
From ORDA Spending:	75.6	305
Total Employment Impact	1,282.9	1,389.6