

ECONOMIC IMPACT OF THE N.Y. OLYMPIC REGIONAL DEVELOPMENT AUTHORITY

2004-2005 FISCAL YEAR

**Prepared by
Technical Assistance Center
SUNY Plattsburgh**



February 28, 2006

Table of Contents

Executive Summary.....	Page 3
Introduction	Page 4
Methodology	Page 6
Profile of Study Area	Page 8
What Is ORDA?	Page 10
ORDA Activities	Page 11
ORDA Facilities	Page 11
Highlights of 2004-2005 Season	Page 13
Comparison of Operating Revenues	Page 15
Visitor Impact Analysis	Page 16
Employee Expenditure Impact Analysis	Page 27
ORDA Operations Expenditures Impact Analysis	Page 28
Other Impacts	Page 29
Bibliography	Page 36
About the Technical Assistance Center.....	Page 37

Acknowledgements

This report was prepared by Senior Research Associate Mr. John Parmelee, a lecturer in SUNY Plattsburgh's Hotel, Restaurant, and Tourism Management Program, in the School of Business and Economics (SBE), and Jim Murphy, Economic Development Specialist at the Technical Assistance Center (TAC) at SUNY Plattsburgh, under the direction of Howard Lowe, SUNY Plattsburgh Director of Economic Development. The report was reviewed by Robert Christopherson, Ph.D., chair of the Economics and Finance Department (SBE) at SUNY Plattsburgh.

The authors of this report would like to acknowledge the cooperation of ORDA 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 the staffs at ORDA and its affiliated organizations.

Executive Summary

The New York State Olympic Regional Development Authority's (ORDA) economic impact is defined as the overall change in the economy resulting from the operations of the Authority. This change is caused by activity involving the acquisition, operation, development and the use of its recreation facilities and services. These, in turn, generate visitors' spending, public spending, employment opportunities and tax revenue.

Using data provided by ORDA and other relevant sources, TAC assessed the direct, indirect, induced and additional labor income economic impacts of ORDA's economic activity for the 2004-2005 fiscal year. IMPLAN (Impact Model for Planning) software, an input-output modeling system developed by the Minnesota IMPLAN Group, was used to generate a series of spending patterns and economic multipliers for the relevant study areas. These multipliers measure the ripple effects of ORDA related expenditures. Further detail is in "Methodology."

The study attempted to ascertain the total economic contribution of ORDA to the primary study area (defined as Essex, Warren, Franklin and Clinton counties) and throughout New York State, considering both dollar and employment flows.

The overall economic impact of ORDA facilities and operations in the primary study area was \$323,709,866 in 2004-2005, and \$356,179,578 in New York State over the same period.

ORDA's presence in the four-county study area additionally led to the creation of 1,138.5 local jobs (over and above the people employed by ORDA). Statewide, 1,487 additional jobs were created as a result of ORDA operations.

It is important to note that these types of economic impact assessments are narrow in scope and do not assess economic efficiency nor generally produce estimates of the fiscal costs of an action. Environmental, social, and fiscal impacts are often equally important concerns in a balanced assessment of impacts.

Comparisons, where possible, were made to results from other economic impact studies performed in 2002, 1997 and 1994. Each succeeding study has revised and extended the methodology used previously to produce more reliable and accurate data and economic impact estimates. Because of the differences in approach and methodology, however, one should not directly compare the results of this study with prior studies.

In addition to the specific impacts used to determine ORDA's overall economic contributions, the authors of this report have addressed other fiscal and non-monetary benefits that also represent significant, if unmeasured, benefits to the community.

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

ORDA Overall Economic Impact		
	Study Area	NYS
Total Visitor Spend Impact:	\$ 310,111,940.60	\$ 332,254,400.80
Total Employee Impact:	\$ 10,714,240.08	\$ 15,331,393.00
Total Expenditure Impact:	\$ 2,883,686.00	\$ 8,593,785.00
Total Impact	\$ 323,709,866.68	\$ 356,179,578.80
Employment Impact		
From Visitor Spending:	1,056.6	1,373.0
From Employee Spending	67	77.5
From ORDA Spending:	14.9	37.2
Total Employment Impact:	1,138.5	1,487.7

Introduction/Background

The Olympic Regional Development Authority (ORDA), the village of Lake Placid and the entire nation celebrated the 25th anniversary of the famed “Miracle on Ice” in 2004-2005. For a few weeks, Lake Placid basked in its past glory and celebrated a special moment never to be forgotten by anyone who witnessed it. Eighteen members of the gold-medal winning 1980 Olympic Hockey Team, the family of legendary “Miracle” team coach Herb Brooks, New York Governor George Pataki and a host of luminaries from the worlds of politics and sports were on hand for the festivities.

The 1980 Olympic Games focused the world’s attention on the Adirondacks for a few weeks and changed the course of sports history. They also created an economic legacy that has reshaped the region’s economy ever since.

The legacy of those Olympics, however, could have very well been limited to some great memories, a good movie, a new prison, some 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 financial history of Olympic venues has shown that the economic benefits of hosting the Games are not guaranteed. In fact, the 1976 Olympics in neighboring Montreal 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 the key to Lake Placid’s status as “The Winter Sports Capital of the World” and to the economic success 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 60 World Cup competitions in bobsled, luge, skeleton, biathlon, alpine racing, ski jumping, speedskating and freestyle skiing and the first-ever Winter Goodwill Games.

The Olympic Authority not only hosts winter events but summer ones as well. ORDA hosted the first three annual ESPN Great Outdoor Games during the summers of 2000, 2001 and 2002. In the summer of 2004, ORDA partnered with the City of Hope, I Love NY and others to host the inaugural Songs at the Lake music festival. This outdoor festival featured a wide variety of musicians, from country to zydeco. A portion of the ticket sales benefited cancer research, treatment and education at the world-renowned City of Hope, based in greater Los Angeles, Calif. City of Hope is one of the world's leading research and treatment centers for cancer, diabetes, HIV/AIDS and other life-threatening diseases. Warren County feels the effects of Gore Mountain's summer and fall operations as well.

The Olympic Authority and its affiliates manage, produce, and promote events and competitions through an organization that provides comprehensive support for its activities. The Authority has proven to be a major promoter of tourism in the region, using its Olympic clout 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 important to the Gore region as a four season, family oriented destination, providing employment opportunities to more than 450 families during the peak season and full-time employment to a number of local residents,” noted Bill Thomas, Johnsbury Town Supervisor. “The re-creation of rail services to North Creek and the Gore region, combined with connecting Gore to the North Creek Ski Bowl, will make the whole region a tourist destination area.”

North Elba Town Supervisor Shirley Seney added, “local residents could never afford to maintain Olympic venues without the governor's support of ORDA”, which has been a benefit for the entire North Country, she noted.

ORDA facilities have played a key role in the Pataki administration's strategy of promoting tourism as a tool for economic development in the North Country. Since 1980, ORDA has received and spent about \$60 million from the state, over and above the state's annual \$8 million contribution to ORDA's operating budget.

These investments have helped make the region a world-class tourist destination and have turned the tiny village of Lake Placid into an economic engine that helps drive the entire North Country. Its economic impact – defined in terms of dollars flowing into and re-circulating through the local economy – continue to be significant.

This is the true legacy of Lake Placid's Olympic venues, which will be further explained and, when possible, measured in this report. This report on ORDA's economic impact is *not* a "net measure" that weighs benefits against costs, but is useful in developing an appreciation of the benefits generated by these substantial community investments.

Methodology

An economic impact analysis of this type traces the flows of spending associated with an organization's operations in a region to identify changes in sales, expenditures, income and jobs. The principal methods used in these studies 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.

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

It is important to note that every dollar that is spent in one economic sector has an effect on all other sectors. For example, when a visitor purchases a cup of coffee, 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, it does not stop there. That shop will use that money to cover its operating costs. It will use a portion of that dollar to pay the wholesaler, another portion will go to the utility bill, and a portion will go to 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 line, and perhaps the employee will use a little of it to purchase a new shirt. These expenditures are called the *induced effect*, which is the further spending that is 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 sectors within a region's economy. 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 go to wage and salary income, proprietor's income and taxes. Multipliers can be estimated from input-output 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 to generate a series of spending

patterns and economic multipliers for the relevant study areas. These multipliers measure the ripple effects of ORDA-related expenditures, and range from 1.2 to 1.4.

The study of economic impacts and the methodology used to measure them have evolved over the years and can be very subjective in what is included – and left out – of the analysis. While some of ORDA’s impact numbers are significantly higher than past studies, the authors of this report have taken a conservative approach. For example, the authors have chosen not to include the economic impact of affiliate organizations as part of ORDA’s overall economic impact, as had been done in the 2002 study. This impact is addressed later in this report.

The authors were also very conservative in their approach to estimating the impact of visitor spending. While previous studies were forced to use spending estimates based on secondary data sources, this report uses visitor expenditure data developed through two recent Return on Investment Conversion Rate Analyses conducted by TAC in 2003 and 2004 for the Lake Placid/Essex County Visitor’s Bureau. TAC also utilized similar data created by the Northern New York Travel and Tourism Research Center and other data that was not available for prior studies. This provided better estimates of visitor spending patterns, based on recent surveys, a key component of any economic impact analysis.

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 – although 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 these people were all included, it would add just over \$50 million to 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, a factor that does not appear to have been considered in prior studies. Some expenditures, like spending on food and services, is completely retained and re-circulated at the local level. For expenses like gasoline and retail purchases, only a portion of the impact is local. The bulk 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.

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 authors have been careful to only use local (or New York State) spending in the analysis, rather than overall operational budget numbers.

The authors have also included labor income impacts as well as job impacts in this study because a literature review of economic impact studies 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, to determine total economic impact:

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

Direct Spending = Total Visitor Spending + Total Local Administrative Operations Spending + Total Employee Spending

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

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 including Essex, Warren, Clinton and Franklin counties. The same definition was used in prior economic impact studies of ORDA.

ORDA Employees' Place of Residence			
County	Employed	% of total	Cum %
Essex	498	39%	39%
Warren	222	18%	57%
Clinton	156	12%	69%
Franklin	143	11%	80%
Other	251	20%	100%
Total	1270	100%	

With the ORDA region’s proximity to major markets and its broad variety of historical, cultural and recreational assets, tourism has traditionally held a prominent place in the

local economy. Tourism is universally recognized as a significant contributor to the region’s visibility, development and overall quality of life.

The Buffalo Branch of the Federal Reserve Bank of New York noted in its 2004 report, *Tourism’s Role in the Upstate New York Economy*, “As the tourism industry has expanded nationwide, it has also grown into a regional economic asset. Tourists buy local products, patronize neighborhood establishments, create tax revenues, and support area amenities. Accordingly, tourism is frequently cited as a vital component of regional economic development strategies.

According to the 2000 Census*, tourism jobs make up a significant part of the local economy, as reflected in the following chart:

County	Total Employment	Tourism Employment*	% Of Tourism Jobs
Clinton	36,182	2,608	7.2%
Essex	16,538	2,188	13.2%
Franklin	20,104	1,411	7.0%
Warren	30,071	3,553	11.8%
Total	102,895	9,760	9.5%

* The Arts, Entertainment, and Recreation sector (NAICS sector 71) includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure time interests. It should be noted that tourism jobs are hard to accurately define, since many – particularly in the retail trade sector – cater to both tourists and residents alike.

ORDA’s presence and contribution to the region’s quality of life may also have helped to stabilize the population of the study area. While much of rural New York continues to lose population, this has not been the case in the Olympic region, with the exception of the Plattsburgh area, which suffered the loss of nearly 5,000 military personnel with the closing of the Air Force base. 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%) between 1990 and 2000. 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 between 1990 and 2000.

This trend is expected to continue through 2015, according to Census projections. While New York State's rural counties are expected to increase by just 1.47% between 2000 and 2015, counties within the ORDA study area are expected to see much higher increases (Essex, home of Whiteface, + 4.58%; Warren, home of Gore, + 5.67%; Clinton + 9.15%, Franklin + 13.44%).

It is impossible to accurately quantify to what level ORDA has influenced these changes. But it is interesting to note that the jump in local population seemed to coincide with the 1980 Olympic games.

What Is ORDA?

Established by the New York State legislature (Article 8, Title 28, NYS Public Authorities Law) on July 3, 1981, 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 ORDA. New York State had contributed \$44 million to the construction and operation of the 1980 Olympic facilities while the federal government and the organizing committee provided an additional \$150 million investment. In 1984 the ORDA statute was amended to add Gore Mountain Ski Area, in Warren County.

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 Warren County 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. 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 Activities

The Olympic Authority and its partners manage all events and competitions with its communications, corporate marketing, engineering, events, finance, marketing, sports development and timing and scoring departments.

The concept behind ORDA was to create an umbrella organization to efficiently and effectively manage facilities owned by the State of New York — Whiteface Mountain Ski Center in Wilmington and the bobsled, luge, cross country and biathlon facilities of the Verizon Sports Complex (formerly Mt. Van Hoevenberg) — and those owned by the Town of North Elba — the Olympic Center, the Olympic Speed Skating Oval and the MacKenzie-Intervale Ski Jumping Complex. Gore Mountain Ski Center in North Creek, N.Y., was added in 1984 along with the United States Olympic Training Center in 1990. The 1932 & 1980 Lake Placid Winter Olympic Museum was added in 1994.

The ORDA management team provides the following support functions: 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.

Beyond management of events and initiation programs, such as Sports Development, which promotes education and participation in Olympic sports, the Authority has significantly expanded and improved its facilities over the years.

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 Sheffield 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 recreational skating.

MacKenzie-Intervale 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 aerals.

Verizon Sports Complex, near Lake Placid

This complex, formerly know as the Mt. Van Hoevenberg Sports Complex, was renamed the Verizon Sports Complex in the fall of 2001. 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 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. 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 easy 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 mountain biking, hiking and other summer activities. Gore is in North Creek, located in Warren County, an hour from Lake Placid. The mountain put in the new Northwoods Gondola, a heated, eight-passenger gondola. It transports skiers to the summit of Bear Mountain and also used as a summer attraction.

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 2004-2005 Season

The Olympic Center served as host to a wide variety of entertainment and sporting events in 2004-2005. The center was home to the USA Women’s Hockey Team, Smucker’s Stars on Ice, Kenny Rogers, Disney on Ice, Holiday Hoopfest, numerous hockey games and clinics and figure skating training and competitions. It was also a training site for Olympic hockey players and figure skaters, including the U.S. National hockey teams.

On February 23, 2005, the Olympic Center was the site of a special evening entitled, Miracles, Memories & Magic - a Tribute to the Athletes of 1980. Olympians and fans alike celebrated the legacy of the 1980 Games. Athletes Scott Hamilton, Phil Mahre, Linda Fratianne, Tai Babilonia & Randy Gardner, Jozef Sabovcik and more were on hand as Lake Placid once again became the center of the winter sporting world.

Figure Skating

The 73rd annual Miracles of Gold Summer Program saw several hundred figure skaters enrolled in the program. This event offers students an opportunity to participate in a wide variety of on and off-ice activities. The Skating Club of Lake Placid is still flourishing and has seen an increase in enrollment in its winter activities. Smucker’s Stars on Ice opened their season once again in Lake Placid. Lake Placid also hosted the 2004 Adult Ice Skating Nationals, Ice Skating Institute (ISI) Figure Skating Competition, the 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 is still going strong. The center is now home to eight hockey teams along with the teams of the Lake Placid Pee Wee Association. The CAN/AM Hockey group hosted many weekends of hockey schools and tournaments, which brought over 6,500 hockey players to the Lake Placid community. Other hockey camps, clinics and games have taken place, including Canadian Hockey Enterprises events and college hockey games.

The Olympic Center’s relationship with USA Hockey continues to be strong with USA Hockey hosting Women’s Hockey Festival Developmental Camps for women players ages 15-19 years old, the U.S. Jr. Men’s National team along with training camps for the Women’s National Team. The USA Hockey Men’s National Team also made a stop in Lake Placid for training en route to the World Championships this spring.

Other Events

The Olympic Center also played host to the Songs at the Lake Music Festival on the Olympic Speed Skating Oval. This two-day event featured a wide variety of music from country to zydeco to alternative. Proceeds from this event went to the City of Hope, an organization that provides funding for cancer research. The Olympic Center also hosted

the first annual Holiday Hoopfest, a basketball tournament that featured local teams playing in tournament format. The proceeds from this event benefited the FitzPatrick Cancer Center at the Champlain Valley Physicians Hospital (CVPH) in Plattsburgh.

Major Events, 2004-05

25th Anniversary of 1980 Winter Olympic Games Gala - Miracles, Memories & Magic
Lake Placid Synchronized Skating Classic
2004 Adult Nationals Figure Skating Championships
ISI Figure Skating Competition
Disney on Ice
Smucker's Stars on Ice
USA Hockey Festivals/Camps
Ice Dance Championships
CAN/AM Hockey Camps/Tournaments
Canadian Hockey Enterprises Camps/Tournaments
Holiday Hoopfest
Kenny Rogers Christmas Celebration

An array of events took place throughout the season in alpine, freestyle and snowboarding disciplines. The highlights of the season included the traditional 2005 Nature Valley Freestyle World Cup Mogul Competition, which was held during Martin Luther King Jr. weekend, and featured the best mogul skiers in the world. This event was successfully conducted despite mild, adverse weather conditions.

Perhaps the most exciting snowboard event to ever hit Whiteface was the first-ever Freestyle Snowboard World Cup. This early March, 2005 event at Whiteface included snowboard parallel giant slalom, superpipe, and the newest event of snowboard cross (SBX), which debuted in the 2006 Olympic games in Torino, Italy. The event went off very well, and will return to Whiteface next year. This event was televised nationally on NBC and other networks, giving the area tremendous publicity.

Miscellaneous Notables

Whiteface was rated the #1 ski resort in the Eastern United States by Ski Magazine readers for three consecutive seasons, 2001-2002, 2002-2003 and 2003-2004.

Whiteface has been rated the #1 Resort in North America for off-hill activities by readers of Ski Magazine for 13 years running.

Whiteface won the National Ski Area Association's Silver Eagle Award in 2002 in recognition of Environmental Excellence in Fish and Wildlife Habitat Protection.

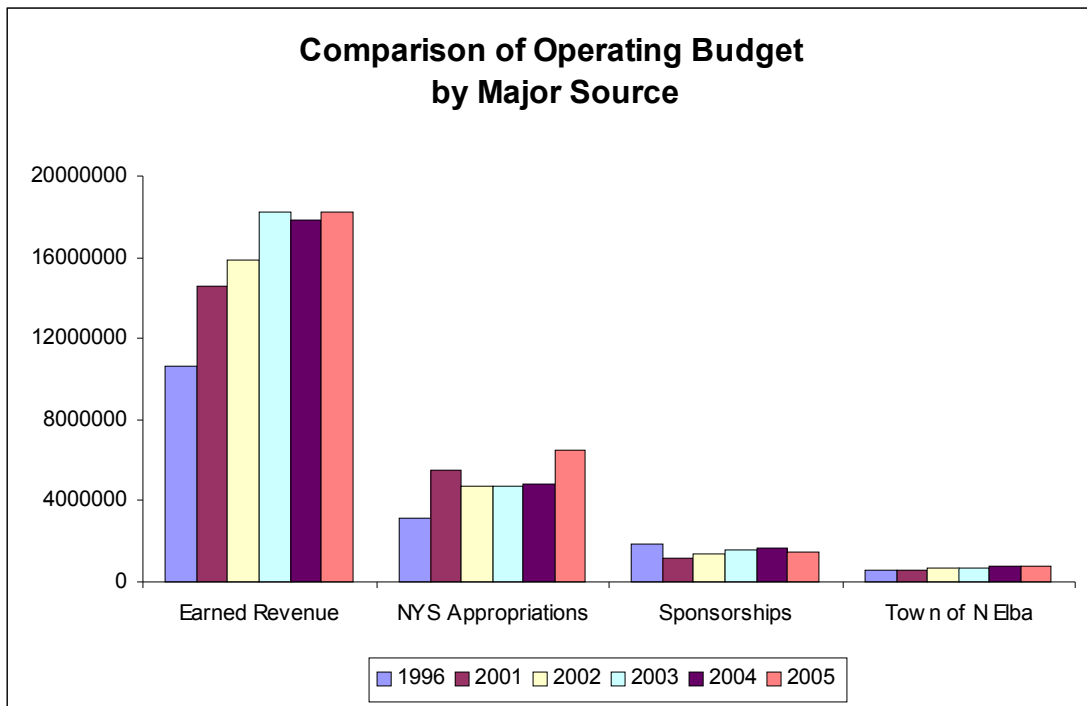
Gore Mountain has won two National Ski Area Association's Silver Eagle Awards, one in 2000 for Excellence in Environmental Group Relations, and one in 2005 for Excellence in Environmental Education. Gore is also a finalist in the 2006 award for Excellence in Visual Impact.

The readers of Capital Region Magazine voted Whiteface Mountain “Best Ski Area in New York” for 2005.

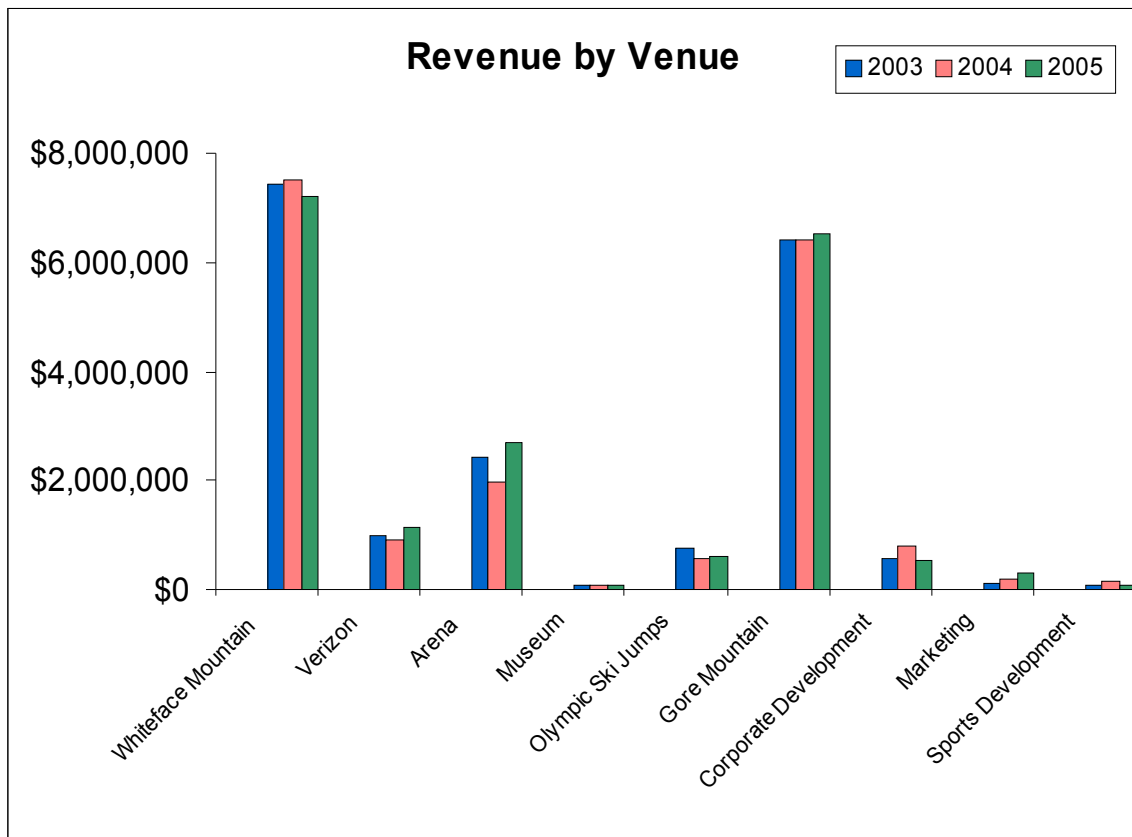
Gore Mountain’s “The Rumor” was featured as “One of the All-Time, Undisputed Absolute Best Trails” by Ski Magazine in October 2004. Gore Mountain was listed in the Top 10 in the East for “Value and Weather” by Ski Magazine in October 2004.

Comparison of Operating Revenues

The authors 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, especially the 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.



	<u>1996</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Earned Revenue	\$10,669,311	\$14,615,306	\$15,882,472	\$18,266,405	\$17,880,048	\$18,231,140
NYS Appropriations	\$3,154,911	\$5,532,000	\$4,765,900	\$4,765,500	\$4,778,731	\$6,468,133
Sponsorships	\$1,877,664	\$1,195,198	\$1,367,326	\$1,535,644	\$1,715,257	\$1,467,011
Town of N Elba	\$600,284	\$630,134	\$645,904	\$690,630	\$755,951	\$778,630



	<u>2003</u>	<u>2004</u>	<u>2005</u>
Whiteface Mountain	\$7,448,338	\$7,521,818	\$7,205,842
Verizon Sports Complex	972,446	897,671	1,141,653
Arena	2,421,780	1,982,632	2,688,561
Museum	57,974	56,925	57,888
Olympic Ski Jumps	756,402	567,865	614,994
Gore Mountain	6,422,619	6,393,249	6,515,536
Corporate Development	558,050	786,449	545,346
Marketing	112,832	177,244	301,467
Sports Development	93,508	141,148	79,550

Visitor Impact Analysis

Every study of the economic impact of tourist attractions should focus on visitor spending. These are the dollars left behind by those persons who come to the region because of ORDA.

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

While the effect of visitor spending is the most critical element in this type of economic impact analysis, it can also be the most difficult and subjective component to measure. This is primarily due to difficulties in defining who and what to include in the analysis.

Hotels, motels, restaurants, car rental agencies, 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 way to identify tourism sales in the existing economic reporting systems, which is why visitor surveys are required to truly estimate tourist spending.

The following formula – *number of people x nights x dollars per day* – forms the basis for the bare minimum projection of visitor spending. In reality, the computation of visitor spending is more complex. The following factors have been addressed in this 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 environs 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. By definition, visitor spending does not include spending by 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, the presence of ORDA prevents these local funds from leaking to other regions. The most conservative approach has been used in this analysis by attempting, 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 go to more than one venue or facility in a single day.

ORDA Visitors, by Venue and Season

	SUMMER	WINTER	TOTALS	% ORDA TOTAL
GORE MTN.				
Gondola rides	8,939			
Mountain Biking	487			
Ski Center		125,882	135,308	23%
WHITEFACE MOUNTAIN				
Gondola rides	50,661			
Highway	63,018			
Mountain Biking	1,261			
Ski		176,838	291,778	50%
VERIZON SPORTS COMPLEX				
High Peaks Mountain Biking	1,672			
Bobsled Rides	11,139	10,069		
Biathlon Shooting	1,065			
Cross-country		10,310		
Luge		3,630		
Area Admissions	12,615		50,500	9%
MVH AREA ADMISSIONS				
		6,909	6,909	1%
OLYMPIC CENTER				
Skating/Arena/Ice Rentals	6,487	2,414		
Oval Skating		10,499		
Museum	15,270	7,021	41,691	7%
JUMPING COMPLEX				
Ski Jumps	44,537	16,254	60,791	10%
TOTALS	217,151	369,826	586,977	100%

Of the 586,997 total visits to ORDA facilities in 2004, approximately 74,000 visits were by season pass holders, which were presumed to be primarily local residents. These were eliminated, leaving 512,997 total visits. The authors of this report used demographic data collected by ORDA for marketing purposes and the authors' judgment to estimate that 65% of visitors stayed overnight. Assuming that all overnight visitors were from out of town, one can establish the number of nonresident visitors to ORDA facilities at 333,535.

The economic impact of day-visitors and of the approximately 55,000 special events visitors is included as a separate calculation to provide an upper range of visitor impact.

Spending by day visitors and special events visitors would increase the overall impact of visitor spending by \$50,181,486. This includes indirect and induced benefits.

One should note, however, that it is impossible to determine how much of this spending actually represents new money coming into the economy and how much is simply redirected spending.

Visitor Spending Profile

A spending pattern profile was developed for this analysis by utilizing information collected in 2003 and 2004 for two leisure travel studies performed by TAC for the Lake Placid/Essex County Visitor Bureau. Respondents in the 2004 survey were asked to report their total expenditures, while in 2003 daily expenditures were reported. Visitors stayed an average of 3.2 days, according to both surveys, and this figure was used in the visitor spending calculations for this report.

Visitor Spending Profile

CATEGORY	2004 Mean Expenditure Essex County per Visitor/per Day	2003 Mean Expenditure Essex County per Visitor/per Day	Mean Expenditure Ten Adirondack Counties per Visitor/per Day*
ATTRACTIONS	\$20.47	\$17.81	\$15.16
ENTERTAINMENT	\$21.36	\$24.95	\$17.96
TRANSPORTATION	\$19.15	\$13.62	\$12.72
LODGING	\$87.68	\$70.00	\$43.44
MEALS	\$52.93	\$44.11	\$44.68
SOUVENIRS	\$27.36	\$22.38	\$22.81
ALL OTHER	\$14.45	\$30.38	\$22.94
AVERAGE DAILY EXPENDITURE	\$243.40	\$223.25	\$179.71

* Data from the April 2004 Northern New York Travel and Tourism Research Center report.

As noted in the table above, the mean expenditures for Essex County per visitor per day in the years 2003 and 2004 were considerably higher in most expenditure areas than the average leisure visitor expenditure for the ten Adirondack counties (Clinton, Essex, Franklin, Hamilton, Herkimer, Jefferson, Lewis, Oswego, St. Lawrence, Warren).

This is due, in some measure, to the presence of ORDA in Essex County. ORDA facilities are not only drawing hundreds of thousands of visitors to the region each year, 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 country. The largest percentage of Whiteface visitors (13.0%) in 2004 earned between \$100,000 and \$149,999.

Other demographic data captured about visitors to Whiteface in the 2004-2005 season included:

Average age: 37.5 years

82% of visitors came from Middle Atlantic region (N.Y., N.J., Pa.).

Most Whiteface participants are intermediate or advanced skiers who average 14.9 days on the slopes per season, as compared to 13.8 days for other resorts.

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 71.9% of skiers stay overnight, compared to 44% at other resorts surveyed. Only 28.1% of Whiteface skiers were single day visitors, compared to 56% at other resorts.

Those visitors surveyed also indicated an interest in swimming, hiking, physical activity, sightseeing, touring and traveling.

**From: Customers First Data Stream Registration Program for Whiteface 04-05*

Addressing Leakages

In the broadest sense, it is essential to understand that the money flowing into the area because of ORDA may just as quickly leave. Economic impact depends not on the money spent in total, but rather on the total amount of money spent that remains and is re-circulated in the local economy.

Another factor in determining the impact of visitor spending is to take into consideration the fact that everything that a visitor spends in a community does not generally stay there. 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.

Generally, only 60 to 70% of tourist spending appears as final demand in a local region. While all tourist purchases of services will accrue to the local region as final demand, only the margins on goods purchased at retail stores should be counted as local final demand. These margins were calculated and incorporated in our input-output model.

Visitor Spending Impact (Major Venues)		
	Study Area	NYS
Direct Impact:	\$ 226,299,187.20	\$ 226,299,187.20
Indirect Impact:	\$ 31,618,892.80	\$ 46,894,249.60
Induced Impact:	\$ 5,772,696.60	\$ 8,068,480.00
Total Labor Income Impact:	\$ 22,850,247.00	\$ 25,075,872.00
Total Impact	\$ 286,541,023.60	\$ 306,337,788.80
Direct Employment		
Impact:	707.10	948.6
Indirect:	106.9	117.1
Induced:	23.2	22.5
Total Employment Impact:	837.20	1,088.20

This assumes 333,435 nonresident visitors staying an average of 3.2 days, both conservative numbers.

Additional Visitors – Special Events, Conferences and Tournaments

In addition to its major venues, ORDA’s Olympic Center also hosts several special events, conferences and hockey tournaments throughout the year, which brought an additional 151,637 visitor days to its facilities. These “hallmark events” are a major contributor to the regional economic impact derived from travel and tourism.

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 of the general absence of venues like ORDA throughout the region, ORDA facilities generally draw from a wider geographic area than similar venues in more urban areas.

The authors of this report used the same basic methodology in determining the economic impact of these visitors that was used for visitors to Whiteface, Gore and other major 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.

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 visitors in 2004-2005 are broken down in the following chart:

Olympic Center Visitor Days - Fiscal Year 2004-2005 <i>(In addition to daily visitor counts)</i>			
Description	Visitor Days:		
	Summer	Winter	Total
CAN-AM Hockey			72,772
Saturday Night Ice Shows	1,471		1,471
Skating Lessons	12,043		12,043
US Figure Skating Adult Nat'l Champs	2,715		2,715
Soccer America Indoor Soccer Festival	2,400		2,400
NYS Lions Club Convention	4,500		4,500
Tops Convention	2,000		2,000
Lake Placid Summer Free Skating Championships	1,884		1,884
Songs at the Lake Music Festival	1,979		1,979
Women's Hockey	585		585
Lake Placid Ice Dance Championships	2,490		2,490
Summer Ice Show	1,232		1,232
Eastern Outdoor Reps	1,113		1,113
Order of Eastern Star Convention	2,400		2,400
Public Employees Federation Convention	7,500		7,500
Smucker's Stars on Ice		5,329	5,329
Four Nations Hockey		1,401	1,401
Kenny Rogers Concert		2,380	2,380
Coronation Ice Show		1,290	1,290
Boston College Hockey		611	611
Lake Placid Synchronized Skating Classic		2,500	2,500
25th Anniversary Celebration		4,218	4,218
Disney on Ice		16,824	16,824
Total	44,312	34,553	151,637

Economic Impact of Hockey Tournaments

An important generator of economic impact from ORDA facilities comes from several hockey tournaments, including those sponsored by CAN/AM Youth Hockey, Canadian Hockey Enterprises and the Empire State Games, held for two days in March. These tournaments, which primarily draw people from outside the study area, generate well over \$4 million in hotel package bookings alone and represent a significant source of tourist revenue for the greater Lake Placid region.

The authors of this report used elements from an economic profile developed by CAN/AM Youth Hockey for its 11 tournaments in 2004-2005, 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:

Hockey Tournament Spending Profile	
(Per Weekend)	
Lodging	\$78
Meals (Plan & Other)	\$140.52
Tourney Expenditures	\$39.56
Retail Purchases	\$66.66
Transportation (Gas)	\$32
Total	\$357

CAN/AM Youth Hockey, Canadian Hockey Enterprises and the Empire State Games generated nearly 30,000 visitors to the region during 19 weekend tournaments. The direct spending of these visitors was approximately \$10.5 million. When accounting for the percentage of this spending that leaked out of the region, the overall direct spending from tournament participants and their families totaled \$8,749,518 in 2005.

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

Visitor Spending Impact (Hockey Tournaments)		
	Study Area	NYS
Direct Impact:	\$ 8,749,518	\$ 8,749,518
Indirect Impact:	\$ 1,452,143	\$ 2,256,237
Induced Impact:	\$ 247,952	\$ 367,713
Total Labor Income Impact:	\$ 3,135,943	\$ 3,661,261
Total Impact	\$ 13,585,556	\$ 15,034,729
Direct Employment Impact:	117.7	151.2
Indirect:	16.0	16.7
Induced:	3.4	3.1
Total Employment Impact:	137.1	171.0

Economic Impact of Conferences

ORDA facilities hosted four conferences in 2004-2005, including:

- Public Employees Federation Convention, three days, 2,500 participants
- NYS Lions Club Convention, three days, 1,500 participants
- Take Off Pounds Sensibly (TOPS) Convention, two days, 1,000 participants
- Order of the Eastern Star Convention, three days, 800 participants

One of the challenges of calculating the economic impact of these conferences is determining how many people came from the study area and how many came from outside the region. Unlike other ORDA events, one cannot make the assumption that overnight guests generally come from outside the area, since it is presumed that many conference participants may stay onsite regardless of where they reside. Some conferences draw a statewide audience, while others attract a more regional audience. The report authors chose to use a conservative estimate that 60% of all conference-goers came from the four-county study area, while 40% came from outside the region.

Tourism research and recent local visitor studies conducted by TAC and others suggest that the spending pattern of conference participants will be somewhat lower than people who come to the region to ski or to partake in other leisure activities. Using data collected in TAC's Economic Impact Study of the 2005 Ironman event, a spending pattern of \$188 per day per participant was applied to the visitor numbers, which the authors feel are at the low end of the expenditure spectrum.

Public Employees Federation Convention Direct Spending
 = 1,000 nonlocal participants x \$188 daily spending x 3 days = \$564,000

NYS Lions Club Convention Direct Spending
 = 600 nonlocal participants x \$188 daily spending x 3 days = \$338,400

OES Convention Direct Spending
 = 320 nonlocal participants x \$188 daily spending x 3 days = \$180,480

TOPS Convention Direct Spending
 = 400 nonlocal participants x \$188 daily spending x 2 days = \$150,400

Total Estimated Conference Spending by nonlocals = \$1,233,280

If all participants were included in the above calculations, the direct spending derived from ORDA conferences would be approximately \$3.1 million.

Visitor Spending Impact (Conferences)		
	Study Area	NYS
Direct Impact:	\$ 1,233,280	\$ 1,233,280
Indirect Impact:	\$ 224,194	\$ 327,765
Induced Impact:	\$ 46,873	\$ 78,179
Total Labor Income Impact:	\$ 593,818	\$ 777,218
Total Impact	\$ 2,098,165	\$ 2,416,442
Direct Employment Impact:	16.1	28.5
Indirect:	2.8	3.2
Induced:	0.7	0.6
Total Employment Impact:	19.6	32.3

Economic Impact of Concerts, Ice Shows and other Special Events

Concerts, ice shows and other special events generated an additional 62,465 visitor days at ORDA’s Olympic Center in 2004-2005, over and above the visitation generated by conferences and various hockey tournaments. These include a wide variety of events including the Smucker’s Stars on Ice and Disney on Ice exhibitions, figure skating, ice dancing and synchronized skating championships, the Songs of the Lake Music Festival and Kenny Rogers concert, and others. 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 authors of this report 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. While the origin of these visitors is not generally tracked, a zip code analysis that was available for the Disney on Ice series indicated that roughly 60% of those who bought tickets to this event were from the four-county study area and 40% came from outside the region. Applying these percentages, if only the visitors from outside the area were included in the analysis, the total visitor days generated by these events would be approximately 24,986. Using the 2004 Essex County Visitor Spending Profile (see Page 19) direct spending for these visitors would be \$6,081,592.40.

If all visitor days were counted in this analysis, the direct spending for these events would be more than \$15.2 million. The report authors have consistently tried to “zero out” local spending because of the debate over whether this is simply redirected spending and not new dollars coming to the region. Guidelines have been followed that 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.

Using IMPLAN to calculate margins, indirect and induced impacts, the following economic impacts associated with these Olympic Center special events can be determined:

Visitor Spending Impact (Other Olympic Center Events)		
	Study Area	NYS
Direct Impact:	\$ 5,299,301	\$ 5,299,301
Indirect Impact:	\$ 740,427	\$ 1,098,134
Induced Impact:	\$ 135,181	\$ 188,942
Total Labor Income Impact:	\$ 1,712,287	\$ 1,879,064
Total Impact	\$ 7,887,196	\$ 8,465,441
Direct Employment Impact:	16.1	28.5
Indirect:	2.8	3.2
Induced:	0.7	0.6
Total Employment Impact:	19.6	32.3

Total Estimated Visitor Impact – All Sources

	Study Area	NYS
<i>Major Venues</i>	\$286,541,023.60	\$306,337,788.80
<i>Hockey Tournaments</i>	\$ 13,585,556.00	\$ 15,034,729.00
<i>Conferences</i>	\$ 2,098,165.00	\$ 2,416,442.00
<i>Other Olympic Ctr. Events</i>	\$ 7,887,196.00	\$ 8,465,441.00
Total	\$310,111,940.60	\$332,254,400.80

Total Employment Impact of Visitor Spending (# of Additional Jobs)

	Study Area	NYS
<i>Major Venues</i>	837.2	1,088.2
<i>Hockey Tournaments</i>	137.1	171.0
<i>Conferences</i>	19.6	32.3
<i>Other Olympic Ctr. Events</i>	62.7	81.5
Total	1,056.6	1,373.0

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 could be excluded from impact on the local area, since taxes are sent out of the area and savings, by definition, are not spent. Savings provide investment funds for local businesses. Approximately 70% remains as disposable income.

With respect to monetary injections or stimuli, effective direct expenditures will usually be smaller than actual direct expenditures because there are non-local components to local spending. For instance, most retail merchandise offered for sale in local department stores is produced elsewhere throughout the world.

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. Retirees generally have a higher propensity to consume because they have fewer deductions from their income (e.g., no retirement deduction).

ORDA Jobs; Conversions to FTEs		
Position Type	# Of Positions	FTE's*
Full-Time	207	207
Full-Time Seasonal	81	40.5
Part-Time Seasonal	203	76.1
Part-Time Temporary	779	194.8
Totals	1270	518.4

*Based on the following conversions (from 2004 study):

Full Time = 1.0 FTE

Full-time Seasonal = 0.5 FTE

Part-Time Seasonal = 0.375 FTE

Part-Time Temporary = 0.25 FTE

ORDA employees received \$14,008,843 in total labor income, with 80% or \$11,207,074 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, pay off principle and interest on loans, make credit card payments, or purchase new residential housing (classified as an investment). Some labor income also goes toward savings.

Disposable income was calculated by multiplying payrolls, grouped by geography (study area and New York State), by the disposable income factor of 70%. This means that \$7,844,952 in disposable income was spent locally and \$9,806,190 in New York State overall by 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:	\$ 7,844,952.08	\$ 9,806,190.00
Indirect Impact:	\$ 839,182.00	\$ 1,986,431.00
Induced Impact:	\$ 148,698.00	\$ 324,558.00
Total Labor Income Impact:	\$ 1,881,408.00	\$ 3,214,214.00
Total Impact	\$ 10,714,240.08	\$15,331,393.00
Direct Employment Impact:	55.80	60.60
Indirect:	9.30	13.90
Induced:	1.90	3.00
Total Employment Impact:	67.00	77.50

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 approach, because it dealt with money actually being spent in a specific community, also presented a more accurate reflection of actual impact.

In 2004-2005, ORDA vendor purchases totaled more than \$15.8 million and included purchases in 40 states and in Canada.

ORDA Expenditures, Top 5 States	
New York	\$12,125,712.12
Pennsylvania	\$ 1,362,829.29
Utah	\$ 350,363.71
Massachusetts	\$ 322,830.93
Vermont	\$ 236,535.51

Statewide, ORDA expenditures spanned 38 counties and included virtually every region of New York. Local spending is reflected in the following chart:

ORDA's Local Expenditures	
	\$
Essex County	2,528,364.80
	\$
Franklin County	1,454,320.00
	\$
Warren County	627,443.76
	\$
Clinton County	504,062.62
	\$
Total Local Spending	5,114,191.18

As in the case of visitor or employee spending, a portion of local expenditures gets 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:	\$2,231,258.00	\$5,340,353.00
Indirect Impact:	\$ 201,515.00	\$1,096,064.00
Induced Impact:	\$ 35,944.00	\$ 198,855.00
Total Labor Income Impact:	\$ 414,969.00	\$1,958,523.00
Total Impact	\$2,883,686.00	\$8,593,795.00
Direct Employment Impact:	11.90	27.2
Indirect:	2.6	8.2
Induced:	0.4	1.8
Total Employment Impact:	14.90	37.2

Other Benefits From ORDA Not Included In Overall Impact

As noted previously, this economic impact analysis only expresses a portion of ORDA’s overall impact in the region and throughout New York State. There are non-monetary benefits associated with these types of large-scale sports recreation facilities. Economists often refer to these as “consumption benefits.” The image of a “world class city,” civic pride, good feelings, something local that residents can identify with, etc. These things have some value to the residents of a region. Other impacts are cited here but not included in the overall impact numbers because they are either difficult to accurately quantify or may have been already reflected in other expenditures. Others, like tax impacts, should be addressed in a separate, stand-alone fiscal impact analysis.

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 or to view national and international sports competitions, 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 impacts.

The Olympic Regional Development Authority’s Sports Development Department promotes education and participation in winter Olympic sports year round. Custom 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, with skate rentals on hand.

The importance of quality of life in an area is increasingly cited as a major factor in corporate and business location decisions. Quality of life for employees was the third most important factor in locating a business, according to an annual survey of chief executive officers conducted by Cushman and Wakefield in 1989. (The two most important factors were access to domestic markets and availability of skilled labor).

The Joint Economic Committee of the U.S. Congress reports that a city's quality of life is more important than purely business-related factors when it comes to attracting new businesses, particularly in the rapidly growing high-tech and service industries (Scenic America, 1987). One aspect of quality of life is a location with convenient access to natural settings, recreational and cultural opportunities and open space.

Image/Exposure Impacts

Lake Placid, the North Country region and New York State are known the world over because of its Olympic legacy. This continuing worldwide exposure of international events - or a special Olympic anniversary - provides the kind of promotional and branding benefits that the region could never afford if it had to pay for them. The presence of ORDA facilities in the region has given the study area worldwide attention and visibility that is literally worth millions of dollars every year. New York State benefits as a whole from this world and national exposure.

Highlights of media coverage in 2004-2005 included:

1. *Women's Four Nations Cup Hockey Tournament, Nov. 2004*: Media attended from large New England newspapers, including the Boston Globe; AP Wire and Wire Photos; Canadian Press (AP of Canada) carried Wire and Wire Photos; Baltimore Sun; Scandinavian newspapers carried coverage; NBC sent Olympic research staff; local and regional press coverage.
2. *Smucker's Stars on Ice*: full house (6,000) in Olympic Center in late November 2003; television show aired on NBC in December.
3. *World Cup Luge in Dec. 2004*: Verizon Ice 2004 aired from this event on NBC in December; major event on combined track brought coverage from Eurosport (taped); aired on OLN; AP Wire and Wire Photo; Schenectady Gazette; Baltimore Sun; Adirondack region coverage on TV and print; European Press Agency photo coverage.
4. *World Cup freestyle skiing in Jan. 2005*: AP Wire and Wire Photo; AP Television highlights package; Schenectady Gazette; Baltimore Sun; Adirondack region coverage on TV and print; One hour network shows on NBC and ESPN; Ski Racing Magazine.

5. *World Cup men's bobsled and skeleton in Feb. 2005*: major event on combined track brought coverage from Eurosport (live); AP Wire and Wire Photo; AP Television highlights package; Weather Channel pickup Schenectady Gazette; Baltimore Sun; Adirondack region coverage on TV and print; European Press Agency photo coverage; aired on Speed Channel.
6. *World Cup Snowboarding in March 2005*: AP Wire and Wire Photo; AP Television highlights package; Adirondack region coverage on TV and print; APTV highlights: aired on Fox Reports and Weather Channel; One hour network show on NBC.
7. *Empire State Winter Games in Feb. 2004*: in conjunction with the New York Lottery, event drew statewide coverage in all media.
8. *25th Anniversary Coverage*: The pinnacle of this celebration occurred from Feb. 12-23, 2005. It began with an opening ceremony that was carried live by three TV stations and fed to CNN and APTV. Nearly 20 TV stations aired coverage of the ceremony. Print stories and photos from AP appeared in many newspapers in and out of the region. Radio coverage included Mountain Communications, NPR and several of its affiliates around the North Country. Events after February 12 continued to build momentum with "80 Minute Parties", many ORDA venue activities and programs at the Lake Placid Arts Center. All were created with 1980 themes. February 23, 2005 brought the U.S. hockey team to Lake Placid. Live crews came from Minnesota and ESPNNews. CNN provided national coverage of the celebration.

According to Bacon's news clip summary service, Lake Placid and the names of all ORDA facilities appeared in 412 articles reaching 19.3 million readers in January of 2005, 563 articles reaching 35 million readers in February of 2005 and 627 articles reaching 27 million readers in March of 2005.

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, a key component of economic impact. For the fiscal year 2004-2005 ORDA was successful in renewing several contracts with existing sponsors: In the fall, Anheuser Busch signed a three-year contract extension for \$150,000 cash and \$15,000 budget value in-kind. The Authority was also successful in re-signing Chevrolet to a three-year contract extension, a first for ORDA (This is an in-kind donation of 13 vehicles with a value of \$117,000). Verizon also extended their agreement for an 18-month period in November for \$375,000. ORDA re-signed Coca-Cola as the "official soft drink" sponsor of ORDA for seven years, adding Gore Mountain to the 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.

Another focus for 2004-2005 has been sponsorship opportunities with the ORDA venues and programs aimed at local businesses. Three programs have been developed to date:

signage opportunities at ORDA venues, weekly event sponsorship for the Wet and Wild Wednesdays and Soaring Saturdays programs and a weekly Whiteface ski report sponsorship. An additional \$15,000.00 in revenue was generated from these programs.

The Corporate Development department brought the Gold Medal Games, Winter Olympic Challenge and Congressional Challenge programs into its fold and hired a Corporate Programs Manager to oversee, manage and service these events. In previous years these programs were part of a joint effort between Sports Development and Corporate Development. 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. Working within a company's budget and time constraints, ORDA successfully completed 36 of these programs in 2004-05, introducing almost 1,000 company executives and staff to the ORDA facilities and grossing over \$80,000 in revenue.

Corporate Impact: Gross Revenues

ORDA Sponsorship (including events & 25th Anniversary)	\$870,900.00
ORDA Value In-Kind	\$278,409.00
Gold Medal Games	\$80,553.55
Vending commissions	\$27,622.10
Virtual Reality commissions	\$15,080.24
Photography concessions	\$30,564.68
TOTAL	\$1,303,129.57

Affiliate 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 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

According to the 2002 ORDA Economic Impact Study, these affiliated organizations directly employed 662 persons (400.5 FTEs) and expended \$7.7 million on total payroll and \$12.3 million in other expenditures. This represented a significant portion of ORDA's overall economic impact in 2002.

While these organizations clearly have some complementary economic impact, the relationship between these affiliate organizations and ORDA is often less clear.

In past studies, the affiliate's entire operating budgets and employee expenditures were included as part of ORDA's overall economic impact. In this study, the authors 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.

In 2004-2005, organizations that were dependent to some extent on ORDA operations contributed more than \$8.5 million in local salaries and directly employed approximately 745 persons (450 FTEs).

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 overall impact numbers. Clearly, however, affiliate organizations represent a significant contribution to the region's economy.

Linchpin For Local Tourism Efforts

Tourism is New York's second largest industry, generating over \$37 billion for the state's economy. 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 how investments in ORDA are fully integrated into a longer vision for development of the region.

“We've made major investments in ORDA and Lake Placid venues because we knew it would strengthen the economy, create new jobs, and continue the village's legacy as a premier athletic and recreational destination,” Governor Pataki has said. “Our investments are bringing cutting-edge sports technology to ORDA sites, ensuring that our world-class facilities can attract and host championship sporting events. These latest investments will bring us another crucial step closer to hosting an unprecedented third Winter Olympics.”

ORDA facilities are also central to other regional economic development efforts. Warren County Economic Development Corporation and others are currently working to attract additional restaurants, hotels, lodging accommodations, shops, etc. to North Creek, which will contribute to transforming the Gore area into a Ski-In/Ski-Out village and resort area. In conjunction with the 2002 Unit Management Plan, the extension of a commercial rail line from Saratoga Springs to North Creek is being planned. With the direct line from the Saratoga Amtrak station, Gore Mountain will be more readily accessible to skiers from the New York City metropolitan area via Penn Station. Upgrading Gore to a destination

ski resort will position Gore to more favorably compete with Vermont destination ski resorts, recapturing a portion of the \$100 million spent annually by New York residents at Vermont ski venues.

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 Olympic area 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 home price (not weighted) for the region was \$86,400 in 2000, up from \$67,700 in 1990, an increase of nearly 28%. This rate has increased since 2000.

ORDA's existence, in some part, has helped to bring additional state funds to the region. According to figures in a recent series in the Syracuse Post Standard newspaper on how and where money from Empire State Development and the State Dormitory Fund is allocated, since 1977, Essex County has received more money per capita than any of the other 11 Adirondack counties – about \$243 per person. Franklin County is next at \$169 per person.

Impact of Participants

Another significant source of ORDA'S economic impact comes from the spending of the more than 1,500 athletes and game officials who participated in the events and activities held at ORDA venues through 2004-2005. These individuals are not counted as tourists or leisure visitors, primarily because they were not included in visitor surveys and may not exhibit the same spending patterns. Although a spending pattern for these participants was not available for this report, if one assumed that they did have a similar overall economic impact as ORDA visitors, this could add up to \$250,000 in additional impact.

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.

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 retirees or other kinds of businesses to locate in the area.

Bibliography

The authors of this report relied on a number of outside sources in developing this report. Some of the most prominent follow:

- 1 - *Report on Economic Impact, National Association of Sports Commissions, Jan. 2001*
- 2 - *ORDA a Favorite Target for State Funds, Plattsburgh Press Republican, 11/30/04*
- 3 - *The Start of Something Big, Plattsburgh Press Republican, 2/19/05*
- 4 - *A Review of Economic Impact Studies on Sport Events, The Sport Journal, Spring 2001.*
- 5 - *No State Funds Yet For Convention Center, Adirondack Daily Enterprise, 4/19/05.*
- 6 - *2004-2005 New York Olympic Regional Development Authority Annual Report.*
- 7 - *Approaches to Estimating the Economic Impacts of Tourism; Some Examples Daniel J. Stynes, Updated January 1999.*
- 8 - *The Economic Impact of the Olympic Games, PricewaterhouseCoopers European Economic Outlook June 2004.*
- 9 - *2002 Olympic Winter Games, Economic, Demographic and Fiscal Impacts, State of Utah Governor's Office of Planning and Budget, Demographic and Economic Analysis Section, November 2000.*
- 10 - *Economic Impacts of Michigan Downhill Skiers and Snowboarders, 2000-011, Daniel J. Stynes and YaYen Sun, Department of Park, Recreation and Tourism Resources, Michigan State University, June 2001.*
- 11 - *International Journal Of Tourism Research, Economic Aspects and the Summer Olympics: a Review of Related Research, Evangelia Kasimati, 2003.*
- 12 - *Leisure Travel Information Studies 2003 and 2004, Return on Investment Conversion Rate Analysis and Visitor Profile, prepared by TAC for the Lake Placid-Essex County Convention and Visitors Bureau.*
- 13 - *Economic Impact Study, 2005 Ironman Event, prepared by TAC for the Lake Placid/Essex County Convention and Visitors Bureau.*
- 14 - *Customers First Data Stream Registration Program for Whiteface, 2004-2005, by Division of Leisure Trends Group, Boulder, Colo.*

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 development across the 16 counties of northern New York. TAC's mission is to increase the region's capacity to stimulate economic growth through its technical assistance, applied research and information 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 level. TAC regularly draws upon faculty resources at the college to fulfill its mission.

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