

# Olympic Regional Development Authority Economic Value Report



## 2016/17 Fiscal Year Final Report

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(ORDA)*

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## Introduction

This report summarizes the findings from the 2016/17 Economic Impact Study for the Olympic Regional Development Authority (ORDA). The economic impact is defined as the overall contribution to the regional and statewide economy resulting from the presence of ORDA and its operations. ORDA facilities draw visitors, athletes, and spectators who spend money and therefore generate economic activity, including direct spending impact, indirect impact, and induced impact. The presence of ORDA facilities generates revenues, jobs, wages/personal income, profits, and tax revenues, among other impacts.

## Executive Summary

This section provides an overview of the key highlights from the report. Please refer to the main body for more detailed discussion of these and other issues.

The study presents the economic value of three key segments of tourism attributable to ORDA: winter visitors, summer visitors, and competitors/spectators at events and competitions at ORDA facilities. The economic value of these three segments was analyzed separately, and then added together to determine ORDA's total economic value for the 2016/17 fiscal year. As well, the number of jobs directly and indirectly attributable to the presence of ORDA, as well as the wages/personal income from those jobs, is presented in this report.

- **Total Output Effect.** The cumulative economic value of the level of tourism generated by ORDA was **\$156.0 million** for the 12-month period covering the 2016-17 fiscal year.

**Table 1**  
**Total Economic Output, Direct and Secondary, 2016/17**

	Aggregate Effect
Total direct ORDA visitor expenditures	\$104,895,838
<i>Direct output ratio (margin adjustment)</i>	0.85
Direct output effect	\$89,161,463
<i>Secondary output ratio (statewide)</i>	0.75
Secondary output effect (statewide)	\$66,871,097
<b>Total output (direct and secondary)</b>	<b>\$156,032,560</b>

- Direct Spending. Aggregate direct spending of visitors to ORDA facilities and venues totaled **\$104.9 million**, a figure that includes visitor spending both at ORDA facilities and spending at other businesses and establishments.
  - Winter visitor direct spending is estimated at \$83.6 million, representing the bulk of the total direct spending.
  - Direct spending from competitors/spectators is \$13.8 million
  - Summer visitors at ORDA facilities generate \$7.5 million.
- Employment. Total FTE jobs attributable to ORDA and related businesses are 3,121.
- Wages/Income. Personal income resulting from ORDA's presence is \$54.6 million.

The impact ORDA has on the region is extensive and significant by many different measures. This report documents ORDA's economic value, which is the overall contribution to the economy resulting from ORDA's operations and facilities. Another way of thinking of economic value is that it represents the amount that the regional economy would suffer if ORDA did not exist.

The economic value figures above quantify only the most direct impacts, and do not include social, environmental, or cultural impacts, which can be significant but are more difficult to quantify and have thus been excluded from this analysis. See the section titled "Other Economic Benefits" for a discussion of some of these additional quantitative and qualitative effects.

## Methodology

An economic value analysis documents the impacts to the overall economy and the cash flow to private sector businesses. This report traces the flow of visitor spending generated as a result of the presence of ORDA's facilities. The primary inputs into the analysis are visitor expenditures, visitor counts and revenues at ORDA facilities, secondary data from government statistics, the generation of input-output models, and reasonable multipliers applied to the figures.

Tourism is an important generator of economic activity, with direct tourism spending contributing to revenue, jobs, profits, wages/personal income, and tax revenues in a given geography. The primary tourism sectors of the economy are generally lodging, restaurants, transportation, amusements, and retail. Secondary impacts of tourism spending effect most other sectors of the economy.

Beyond direct tourism expenditures, a ripple effect is a critical, but hard to measure, outcome of tourism. By way of example, when a tourist buys a souvenir t-shirt at a local retail store, the **direct impact** is the \$18 paid to the store itself. Additionally, part of that \$18 pays for the store's operating costs and overhead, including rent, payroll, and utilities. All of these impacts are a secondary impact of tourism spending, called **indirect impact**. Finally, the employee will spend a portion of wages on food at the local grocery store, or the building owner will use the rent payment to make improvements to the building. This type of spending, among others, is called **induced impact**.

As described above, the economic activity associated with ORDA facilities can be segmented into two major areas:

1. Direct economic activity associated with ORDA visitor spending: i.e. economic activity derived from visitor purchases during their trips, e.g. lift tickets, lessons, rentals, retail sales, dining, lodging, gasoline, etc. This direct economic activity includes visitor expenditures both at ORDA facilities and at other businesses and establishments in the area.
2. Indirect and induced economic activity associated with ORDA visits/trips: i.e. the "secondary" or "multiplier" effects attributable to the re-spending of dollars generated by skier spending, e.g. purchases by businesses that directly serve tourists from their suppliers (indirect effects), and the re-spending of income earned by employees working for businesses that directly or indirectly serve skiers (induced effects).

Estimates of economic activity are provided below, for visitor expenditures, industry output (sales), employment, and income. For industry sales, employment and income, estimates are generated for both direct and secondary economic effects.

### Sources of Information

The estimates of economic activity described below utilize information from three primary sources:

- 1) Consumer (skier and snowboarder) expenditure information for the winter season collected via **National Ski Areas Association** (NSAA) research. This data source is used for the winter season consumer expenditure information.
- 2) The **Lake Placid CVB ROOST** (Regional Office of Sustainable Tourism) visitor surveys of individuals who inquired to receive tourism information about the area, including reason for the visit and spending amounts. This data source is used for the summer season consumer expenditure information.
- 3) **ORDA** information about revenues and expenses, attendance at its venues, athletes participating at its competitors, spectators at these athletic events, and other key information are used in the economic value projections.

Additionally, to derive output, employment, income, and secondary effects, generalized ratios and multipliers were used, based on published norms in the tourism economic impact literature.<sup>1</sup>

While it might seem easy to measure tourism impact, it can be subjective, particularly when it comes to what is included and what is excluded from the overall study. The choice of which inputs to use in the model is critical to the overall outcome of the economic impact analysis.

Of particular interest is the decision whether to include the spending and associated impact of local residents of the study area. Some argue that the spending of local residents would have occurred anyway, but just in other venues – if they don't go skiing, they would go to a basketball game instead; if they don't attend a hockey tournament, they would go to a movie theater instead. This phenomenon is typically called "redirected" spending. Many studies exclude economic contributions of local residents, only using visitor spending.

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<sup>1</sup> Stynes, D.J. (2010), as quoted in Crompton, J.L. (2010), *Measuring the Economic Impact of Park and Recreation Services*, National Recreation and Park Association, Ashburn, VA, p. 37.

In the case of the ORDA facilities, this report includes local resident spending at the three ski areas, Whiteface, Gore, and Belleayre, but, to the extent possible, excludes them from other sectors such as lodging, restaurants, retail, and other spending outside the ski area itself. Including resident spending at ski areas is reasonable because the presence of these facilities retains local resident's spending on skiing recreation; otherwise, a large portion of this economic activity would occur in other areas (also called "leakage"), such as Vermont.

This economic value analysis focuses on visitor spending and the various additional outputs associated with those expenditures. However, certain components of ORDA's operations are not directly included in this report, most notably capital expenditures and operational expenditures by the Authority. Such expenditures are impacts that are accounted for in the output multipliers; including such expenditures separately would effectively be double-counting those dollars.

## Historical Background of the Olympic Regional Development Authority

The New York Olympic Regional Development Authority (ORDA) was established in 1981 under legislation enacted by the State of New York to operate, maintain and promote the facilities that were utilized during the 1980 Winter Olympic Games in the Lake Placid region.

The concept was to combine facilities owned by the State of New York - Whiteface ski area in Wilmington and the bobsled, skeleton, luge, cross country and biathlon facilities of the Olympic Sports Complex - with those owned by the Town of North Elba - the Olympic Center, the Olympic Speed Skating Oval and the Olympic Jumping Complex - for efficient and effective management. Gore Mountain ski area in North Creek was added in 1984 along with the Lake Placid United States Olympic Training Center in 1990. The 1932 & 1980 Lake Placid Winter Olympic Museum, now the Lake Placid Olympic Museum and located in the Olympic Center, was added in 1994.

The Authority has hosted over 370 major national and international events and competitions since its inception. The events and competitions have included 14 World Championships and over 81 World Cup competitions in bobsled, skeleton, luge, biathlon, speed skating, ski jumping, freestyle skiing, alpine skiing, snowboarding and the Winter Goodwill Games in 2000. In January of 2005, ORDA hosted the first-ever Geoff Bodine Bobsled Challenge. This event saw ORDA team with NASCAR driver Geoff Bodine, the Bo-Dyn Bobsled Project and other NASCAR drivers in this charity made-for-TV bobsledding event. All proceeds from the Challenge went to the Bo-Dyn Bobsled Project, which builds bobsleds for the U.S. Olympic Bobsled Team at no cost to the

athletes. In 2010 the project paid off as the world witnessed USA Bobsled pilot Steve Holcomb and crew claimed the gold medal in the 2010 Vancouver Winter Games men's fourman bobsled event, the first Olympic gold medal in the four-man event for the US since 1948.

In February 2009 ORDA hosted the world when the FIL World Luge Championships came to Lake Placid and again in 2009 and 2012 with the FIBT Bobsled and Skeleton World Championships. The Olympic Regional Development 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.

During the summer of 2004, ORDA partnered with the City of Hope and I Love New York among others to host the inaugural Songs at the Lake music festival. This outdoor festival featured a wide variety of musicians, which ranged 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 Los Angeles, California.

In 2011 one of three inaugural qualifying races for the famous Leadville Trail 100 MTB Race in Leadville, Colorado was held at Whiteface Mountain. This race, known as the Wilmington Whiteface 100K returned to the area on June 17, 2012. Recently, ORDA and its associated facilities have spent time and money upgrading the facilities to modern standards and finishing deferred maintenance projects to further support the local area and its visitors.

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.

Beyond management of events and initiation programs, such as the Sports Development Program, which promotes education and participation in Olympic sports, the Authority has significantly expanded and improved its facilities over the years with assistance from the State of New York and the federal government. ORDA is also a major promoter of tourism in the Adirondack Region of Upstate New York. From figure skating shows at the Olympic Center to international competitions in winter sports, the Authority has enabled Lake Placid to proudly carry on the tradition of the "Winter Sports Capital of the World."

## ORDA Facilities

### *Olympic Center*

The Olympic Center includes three ice surfaces: the 1932 Rink Jack Shea Arena, the 1980 Rink Herb Brooks Arena (home of the “Miracle on Ice”) and the USA rink (a NHL regulation ice surface). It is a world-class, year-round training facility for speed skating, figure skating and ice hockey. The Olympic Center is also available for recreational skating, conventions and concerts. In 1994, the 1932 & 1980 Lake Placid Winter Olympic Museum (recently renamed the Lake Placid Olympic Museum) opened in the Olympic Center.

### *Olympic Speed Skating Oval*

This outdoor skating 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 during the 1980 Lake Placid Winter Olympic Games. It is open during the winter months - December through March - for competitive training, events, and recreational skating.

### *Olympic Jumping Complex*

This complex is home to winter and summer ski jumping and freestyle skiing. The large (K120) and normal (K90) jumps were used for the 1980 Winter Olympic Games. In addition, there are two (K40 and K15) training 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 Freestyle Sports Park, completed in 1988, is America’s foremost water ramp training and competitive facility for freestyle aerial skiing. Summer aerialists practice their moves by landing in an aerated 750,000-gallon pool. During winter months, launching ramps and a steep landing hill are utilized for training and world-class events in freestyle aerials.

### *Olympic Sports Complex*

During the winter months this complex offers the combined bobsled/skeleton/luge track, which was completed in January 2000, 50-kilometers of cross country skiing (a network built for the 1980 Winter Olympic Games), and a biathlon center. This is a year-round training facility for U.S. and international athletes. The public can visit the complex and take a bobsled or skeleton ride, join a guided tour of 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 on the 1980 Winter Olympic bobsled track, as well as, a cross country mountain biking center and a summer biathlon training facility.

### *Whiteface Ski Area*

Whiteface has the greatest vertical drop east of the Rockies at 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 11 lifts and 87 trails ranging from beginner to expert with out-of-bounds skiing and riding, commonly known as “The Slides.” In non-winter months, Whiteface operates as a downhill mountain biking center and hosts a variety of festivals and events. Tourists can enjoy a summer gondola ride to the summit of Little Whiteface or drive the Whiteface Veterans Memorial Highway where they can experience the spectacular views from 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 Area*

Gore has a wide variety of terrain, from easy beginner slopes to challenging expert trails. There are 14 lifts, including the Northwoods Gondola, and 121 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, approximately an hour from Lake Placid.

### *Belleayre Mountain*

The New York State Forest Preserve declared Belleayre Mountain, located in Highmount, New York, “Forever Wild” in 1885. Construction began in 1949 and began its premier winter season with five trails, an electrically powered rope tow, New York’s first chairlift, With 55 trails, parks and glades, eight lifts, including the new High Speed Quad, Belleayre now stands as a model in the ski industry as one of the original trailblazers of skiing in New York State. In 2017/18, Belleayre adds the “Catskill Thunder” gondola, comprised of 60 cabins.

## **Highlights of the 2016-17 Season**

The 2016/17 season was a return to normal after a down season in 2015/16 due to extreme weather conditions. Facilities attracted a high volume of visitors, numerous improvement projects began, and steps were put in place for ORDA and its facilities to become a more competitive year-round package for travelers and residents alike.

### ***Olympic Center***

The Olympic Center continues to be a hub for hockey at Lake Placid. From the Division 3 and ECAC Championships to Can/AM/CHE Tournaments, the Olympic Center was a busy venue in

the 2016/17 season attracting 23,231 visitors. Events such as the Harlem Globetrotters brought in a new batch of spectators and event goers to the facility too. The 2018 South Korean Winter Olympics reignite the story of the “Miracle on Ice” with the Olympic Center serving as the home of this memory for the upcoming season. In the fall of 2017, the Olympic Center welcomed a new roof, an \$800,000 improvement to the arena. The venue looks to continue hosting hockey and events year-round.

### ***Olympic Jumping Complex / Olympic Sports Complex***

The Olympic Jumping Complex attracted over 100,000 visitors in 2016/17, marking strong visitation. In comparison, the Olympic Sports Complex hosted 16,000 bobsled rides and 42,000 visitors. The two complexes together make up just over 12% of all visitors to ORDA facilities. With the Winter Olympics gearing up for 2018, the facilities saw increased use through qualifying events among other attractions. With 2015/16’s winter lacking in snowfall and warm temperatures staying, 2016/17 proved to be more successful for the Olympic Jumping Complex (as well as most other ORDA facilities). The ski jumps are slated to receive new in-run refrigeration along with electoral infrastructure, lift replacement, and regrading of landing hills. This process will allow for more events, including the Olympic team trails, to be hosted at the event in coming years.

### ***Whiteface Mountain***

In 2016/17 Whiteface Mountain attracted over 340,000 visitors, with 201,000 visiting in winter and 139,000 during the summer season. The mountain continues to host a variety of events, which attracts skiers and non-skiers alike. In addition to a strong winter season, Whiteface received a \$20 million budgetary addition to create new state-of-the-art skiing, lodging, dining, and retail facilities to support year-round activities at both Gore and Whiteface. These major upgrades include expanding the Bear Den Lodge and adding a learning center and restaurant, expanding and renovating the Adirondack Base Lodge and parking lot, installing a line connecting the Bear Den Learning Center to the Mid Station, building one of the longest zip lines in North America, and the longest mountain coaster in the U.S. These improvements set the stage for Whiteface and the surrounding area to capitalize on the Northeast’s winter and summer tourism industry.

### ***Gore Mountain***

Gore Mountain hosted just over 212,000 visitors in 2016/17, with 203,000 visiting during the winter. Compared to Whiteface’s 139,000 visitors in the summer, Gore’s summer season is considerably smaller at under 9,000. With Governor Cuomo’s allocation (stated above), the mountain looks to be a more competitive experience with new areas to increase revenue, private investments, and internal growth. Upgrades at Gore include expanding the seating

capacity and modernizing the Saddle Lodge, a third story addition to the Base Lodge, and restoring the original gondola station into a summit facility and overlook.

***Belleayre Mountain:***

Belleayre was not included in the 2012/13 economic results, but boasted a visitation of 142,000 in 2016/17, with 124,000 visiting in winter and 18,000 visiting in summer. Its inclusion brings to light the full reach of ORDA and its existing facilities. In the summer/fall of 2017, Belleayre completed the addition of the “Catskill Thunder” gondola, which is slated to seat 60 cabins, travel 1,000 feet per minute, and allowing cross-country skiing across the summit, year round scenic rides, lift serviced mountain biking, and event rentals. Belleayre was busy last season too expanding terrain, loading areas, the Discovery Lodge, and glades. Additions of a new restaurant, pedal boats, and the return of the Belleayre Music Festival were welcome additions to the mountain year-round.

**Media Highlights for ORDA facilities in 2016/17**

- Multiple articles covered the Governor’s \$30 million allocation to Gore, Whiteface, and ORDA.
- Ski Magazine’s ratings for the upcoming 2017/18 season highlighted Whiteface among its rankings:
  - Whiteface ranked 8<sup>th</sup> in the East for best character, 8<sup>th</sup> in terrain variety, and the 13<sup>th</sup> best resort.
- Gore Mountain, with support from ORDA, the NY State Energy Research and Development Authority and Borrego Solar, completed the largest solar project dedicated to a ski resort, highlighted by sites such as Solar Industry.
- In February of 2017, press for Belleayre’s \$8 million budget allocation was well reported among local and regional outlets.
- Olympic events received a large volume of articles throughout 2017 for all ORDA facilities.
- Multiple articles covered snow conditions in 2016/17 after the season prior’s extremely dry conditions. Articles discussed how low snow conditions can negatively affect NY’s tourism industry as a whole.

## Direct Visitor Spending Analysis

Documenting the impact of visitors on the economy of the Lake Placid area is the primary purpose of this report. The following section presents the detail and logic behind the analysis,

which is broken up into three major components of visitation to ORDA facilities: **winter visitors, summer visitors, and event athletes/spectators**. Each of these three segments will be profiled in detail below, as they are each important to the annual economic value to the region.

One key driver of the calculation of the economic value is **whether or not the visitor's primary reason for the trip was to participate in or visit one of the ORDA facilities**. If the visitor would have come anyway, then the value of the visit cannot be entirely attributable to the presence of ORDA facilities.

At the same time, those who visit or participate in ORDA facilities during their visit, even if it is not their primary purpose for the trip, still have an economic value to the area. Those who stop in to the Olympic Sports Center, or visit the Olympic Museum, or take a drive on the Whiteface Highway, still have an economic value even if that specific activity was not the sole reason for their visit to the High Peaks region. The ORDA venues contribute to the wide variety of activities and attractions that draw visitors to the area, which is one of the key tourism strengths of the region. Whether or not tourists have a primary reason for visiting, the ORDA facilities contribute to the overall appeal of the region as a destination.

## Economic Value Inputs

The Lake Placid CVB ROOST (Regional Office of Sustainable Tourism) conducts visitor surveys of individuals who inquired to receive tourism information about the area. The results of these annual surveys were one of the key information sources contributing to the summer economic value analysis.

Additionally, the National Ski Areas Association (NSAA) funds and produces an annual National Demographic Study of skiers and snowboarders in the United States. Several key pieces of data from that study, including ski area visitor spending and visitor type (day or overnight), were used as inputs to the winter economic value analysis of the study. Expenditures from the NSAA includes lift tickets, lodging, food and beverage, and other additional spending.

ORDA provided information about attendance at its venues, athletes participating at its competitors, spectators at these athletic events, and other key information used in the economic value projections. Some of ORDA's information was used to validate assumptions or to cross-check results.

Finally, input-output model ratios and figures from *Measuring the Economic Impact of Park and Recreation Services*, by National Recreation and Park Association, were used in the final calculations of the economic value of ORDA facilities.

## Winter Visitor Economic Value

In winter, the primary tourism draw at ORDA facilities is downhill skiing and snowboarding. The figures for total attendance at Whiteface, Gore, and Belleayre were provided by ORDA, along with numbers of visitors on a day trip only or on an overnight trip away from home.

Other winter visitors at ORDA facilities include cross country skiers at the Olympic Center trails of Mt. Van Hoevenberg, skaters on the speed skating oval and the Olympic rinks, bobsled riders, and visitors to the Olympic Jumping Center.

### Total Winter Visitors

The **total number of winter visitors at ORDA facilities was 611,244 in the 2016/17 winter**. The majority of that number is downhill skiers and snowboarders at Gore (33.3 percent), Whiteface (32.9 percent), or Belleayre (20.3 percent).

**Table 2**  
**Total Visitors to ORDA Facilities**  
**2016/17 Fiscal Year**

2016-17 Season ORDA facilities	Summer Visits	Winter Visits	Annual Visits
Olympic Jumping Center visitors	44,240	21,644	65,884
Olympic Sports Complex bobsled rides	7,356	8,782	16,138
Olympic Sports Complex visitors	9,720	8,671	18,391
Olympic Center / Oval*	5,681	17,550	23,231
XC visitors	0	10,823	10,823
Whiteface	139,320	200,996	340,316
Gore	8,761	203,596	212,357
Belleayre	18,306	124,282	142,588
Museum	22,948	14,900	37,848
<b>TOTAL</b>	<b>256,332</b>	<b>611,244</b>	<b>867,576</b>

\*Note: Visits do not reflect special events/festivals which are included in the economic impact figures.

Note that the visit figure does not mean unique individuals. In fact, the same person can ski or snowboard, or visit the bobsled track, or other ORDA venues, multiple times in one winter season. Still, the number of visits, not the number of unique individuals, is what counts in determining the economic value.

It is important to note that visits at ORDA facilities are the focus of this report, and not the remainder of the total days on the overall trip. For example, if a visitor on a four-day trip skis at Whiteface one day, and participates in other non-ORDA activities the other three days of the trip, then only the one day at Whiteface, and not the additional three days in the overall trip, is included in the overall economic value, as calculated in this report. As such, the report isolates the direct impact associated with ORDA facilities, and not with overall tourism in general in the High Peaks region.

#### Day or Overnight Visitor

Because the majority of winter visits are attributable to downhill skiing and snowboarding, statistics about visitors to Gore and Whiteface are used in the economic value calculation. According to the ski areas, 43 percent of visits were from those skiing or snowboarding for the day only, and the other 57 percent of visits were attributable to those staying overnight in the area. Because day and overnight visitors have different expenditure patterns, the distinction is an important one for the purpose of this analysis.

#### Overnight Visitor Accommodations

Overnight visitors were segmented further into those staying in commercial lodging (hotel, motel, inn, B&B, etc.) and staying in private/non-paid accommodations (second home, with family or friends, etc.). Based on statistics from National Ski Areas Association, the 57 percent of overnight visitors at ORDA facilities were separated into these two groups. Overall, 33 percent of winter visitors were staying in commercial lodging, and 24 percent were staying in private/non-paid accommodations.

#### Per Person Per Day Expenditures

Expenditure figures for these three groups of visitors were determined from NSAA statistics for the Northeast region of the US. These figures show that day visitors spend on average \$97 per person per day, overnight in commercial lodging spend \$194 per person per day, and overnight visitors in private/non-paid lodging spend \$129 per person per day.

It is important to note that the expenditures associated with the winter visit occur both at the ORDA facility and in the broader community. The per person per day expenditure figures cited above include spending at restaurants, retail stores, lodging properties, and other businesses not owned by ORDA. This additional spending amount beyond the expenditures at ORDA facilities alone is a key finding of this analysis and a critical component of the overall economic value of ORDA facilities to the larger region.

### Purpose of Visit

A final critical consideration is the ***extent to which the visit to the ORDA facility was the primary driver of the visit to the area***. If the visit was motivated by the presence of the ORDA facility and would not have occurred otherwise, then the expenditure impact of the visit can be attributed to ORDA. If the attendance at the ORDA facility was part of a wider visit to the area and was not the specific motivating factor for the trip, then the economic impact of the visit is only in part attributable to the presence of the ORDA facility.

The vast majority of winter visits were for downhill skiing and snowboarding, and it was therefore assumed that this activity was the primary driver of the winter visit, whether a day or overnight visit. Therefore, 100 percent of the economic value during the winter is attributable to the presence of ORDA facilities where these activities take place.

### Total Winter Visitor Economic Value

Multiplying the number of winter visitors by the percent of the primary reason for the visit by the per person per day expenditures results in total direct expenditures attributable to ORDA winter visitors.

As discussed previously, the total winter visitors of 611,244 is broken down into three visitor groups: day visitors, overnight in private/non-paid accommodations, and overnight in commercial lodging. The three groups have different spending patterns, as illustrated in Table 3 below. The ***total direct spending attributable to ORDA visitors for the 2016/17 winter season is \$83,563,167***. As noted earlier, this amount is spread across different businesses and establishments in the broader region, and not solely spent at ORDA facilities.

**Table 3**  
**Winter Direct Spending Attributable to ORDA Facilities**

Winter Visitors to ORDA facilities	Number of Visits	Percent of Visits	Estimated Spending per person per day	Percent Primary Reason for Visit	Aggregate Direct Spending: Winter
Day visitors	261,001	42.7%	\$96.75	100%	\$25,251,847
Overnight visitors -- second home or friends/family	147,310	24.1%	\$129.00	100%	\$19,002,990
Overnight visitors -- commercial lodging	203,141	33.2%	\$193.50	100%	\$39,307,784
<b>TOTAL WINTER VISITORS</b>	<b>611,244</b>	<b>100.0%</b>	<b>\$136.71</b>		<b>\$83,563,167</b>

## Summer Visitor Economic Value

### Total Summer Visitors

The ***total number of summer visitors at ORDA facilities was 256,332 in 2016***. The majority of that number is visitors to Whiteface (54.4 percent, or 139,320) for the gondola or the scenic highway drive, or at the Olympic Jumping Center (17.3 percent, or 44,240 visits).

### Day or Overnight Visitor

Similar to the winter visitor mix, documenting the day and overnight components of the summer visitor pool is critical to determining the overall economic value of summer visitors at ORDA facilities. Survey research from the Lake Placid CVB ROOST (Regional Office of Sustainable Tourism) shows limited numbers of day visitors captured in the research (largely due to the methodology of sending questionnaires to those who had requested information from the CVB). As such, the proportion of all visitors in the summer that are visiting for the day only was assumed to be 10 percent. This figure is lower than the winter day visitor proportion (43 percent) in large part because Gore Mountain plays a smaller role in the total summer visitor mix, but also because of the CVB Leisure Travel Study statistic that indicate 17 percent of visitors live in Albany or north of Albany. It is assumed that some proportion, but not all, of this 17 percent spend the night as part of their visit.

In sum, the proportion of all visitors that are visiting for the day only is 10 percent. The remaining 90 percent of summer visitors were spending the night.

### Overnight Visitor Accommodations

Like the winter overnight visitor breakout, this group was segmented into those staying in commercial lodging and those staying in private/non-paid lodging. From the CVB Leisure Travel Study, 15 percent of visitors were RV/camping and 7 percent were staying with friends/family. Thus, 22 percent of overnight visitors were staying in private/non-paid lodging (even though some RV and other camping is not technically “non-paid,” this entire group was categorized as such for the purposes of this study). The other 78 percent of overnight visitors were staying in paid/commercial lodging, including 32 percent in a hotel/resort, 16 percent in a motel, 14 percent in a cottage/cabin, 7 percent in a house rental, and 5 percent in a B&B/Inn.

### Per Person Per Day Expenditures

Expenditure figures for these three groups of visitors were determined from Lake Placid CVB statistics from the Leisure Travel Study, inflated to 2017 dollars. These figures show that day visitors spend on average \$33 per person per day, overnight in commercial lodging spend \$83

per person per day, and overnight visitors in private/non-paid lodging spend \$50 per person per day.

It is important to note that the expenditures associated with the summer visit occur both at the ORDA facility in question and in the broader community. The per person per day expenditure figures cited above include spending at restaurants, retail stores, lodging properties, and other businesses not owned by ORDA. This additional spending amount beyond the expenditures at ORDA facilities alone is a key finding of this analysis and a critical component of the overall economic value of ORDA facilities to the larger region.

### Purpose of Visit

A final critical consideration is the ***extent to which the visit to the ORDA facility was the primary driver of the visit to the area***. If the visit was motivated by the presence of the ORDA facility and would not have occurred otherwise, then the expenditure impact of the visit can be attributed to ORDA. If the attendance at the ORDA facility was part of a wider visit to the area and was not the specific motivating factor for the trip, then the economic impact of the visit is only in part attributable to the presence of the ORDA facility.

In the summer, the driver of the visit is typically more diverse than in the winter. One of the strengths of the High Peaks area is the diversity of activities that draw people for various reasons. Most popular reasons for the visit include outdoor activities (such as hiking, canoeing/kayaking, fishing, boating, and cycling), relax/dine/shop, general sightseeing, and Olympic sites. Note that the way this particular question was phrased on the Leisure Visitor Study, respondents could select more than one reason, and a single primary driver for the visit was not asked.

Nevertheless, 41 percent of all visitors indicated that Olympic sites were part of the reason that attracted them to the area in general. For the purpose of this Economic Value Study, it is assumed that for this group, the Olympic sites were the primary reason for the visit. Therefore, the reason for the trip for 41 percent of visitors to ORDA sites was directly attributable to the presence of those facilities; these visitors would not have come otherwise. The other 59 percent who visited ORDA facilities did so as part of a larger trip purpose and would still have visited the area even without the ORDA venues.

### Total Summer Visitor Economic Value

Multiplying the number of visitors by the percent of the primary reason for the visit by the per person per day expenditures results in total direct expenditures attributable to ORDA summer visitors.

As discussed previously, the total summer visitors of 256,322 is broken down into three visitor groups: day visitors, overnight in private/non-paid accommodations, and overnight in commercial lodging. The three groups have different spending patterns, as illustrated in Table 4 below. The ***total direct spending attributable to ORDA visitors for the 2016 summer season is \$7,470,232***. As noted earlier, this amount is spread across different businesses and establishments in the broader region, and not solely spent at ORDA facilities.

**Table 4**  
**Summer Direct Spending Attributable to ORDA Facilities**

Summer Visitors to ORDA facilities	Number of Visits	Percent of Visits	Estimated Spending per person per day	Percent Primary Reason	Aggregate Direct Spending: Summer
Day visitors	25,633	10.0%	\$32.66	41%	\$343,241
Overnight visitors -- second home, friends/family, RV/camping	50,754	19.8%	\$49.87	41%	\$1,037,752
Overnight visitors -- commercial lodging	179,945	70.2%	\$82.53	41%	\$6,088,853
<b>TOTAL SUMMER VISITORS</b>	<b>256,332</b>	<b>100.0%</b>	<b>\$71.08</b>		<b>\$7,470,232</b>

### **Event Competitors/Spectators Economic Value**

A third primary component of the economic value of ORDA facilities is the contribution from athletic events and competitions, including CAN-AM and CHE hockey tournaments and camps, various ice shows and skating competitions, ski jump events at the Olympic Jumping Center, and bobsled and luge events at the Olympic Sports Complex. As well, some athletes spend extended training periods in the area. The value of this segment is profiled below.

### Total Event Competitors/Spectators

ORDA provided figures for the number of athletes and spectators for various events. For the 2016/17 fiscal year, the total number was 235,116 event goers/spectators/competitors.

### Day or Overnight Visitor

A similar methodology to the summer visitor section was used to determine the distribution of day and overnight visitors for the athlete/spectator group. As such, 10 percent of competitors/spectators are day visitors, 13 percent are overnight in private/non-paid accommodations, and 77 percent are overnight in commercial lodging.

### Per Person Per Day Expenditures

The per person per day expenditures for the competitor/spectator group is similar to the overall summer visitor data provided in the ROOST Leisure Visitor Study (inflated to 2017 dollars), with one exception: the contribution of lodging to the total expenditure figure was reduced by 50 percent, in recognition of the fact that the competitors and athletes often stay in dorms or other discounted lodging accommodations. Thus, the per person per day expenditure figure for overnight visitors in commercial lodging was lowered to \$64 (from \$83), while the numbers for overnight visitors in private/non-paid lodging (\$50) and day visitors (\$33) remained unchanged.

### Purpose of Visit

Similar to the winter visitor segment, those competing in or watching an event are in the area specifically for that event. Absent the competition or event in the ORDA facility, these visitors would not have come to the Lake Placid area. Therefore, 100 percent of their visit, and thus their economic impact, is attributable to ORDA's presence.

### Total Competitor/Spectator Economic Value

For the competitor/spectator segment, similar to the winter and summer visitor segments discussed above, the total direct expenditure figure is derived by multiplying the number of visitors by the percent of the primary reason for the visit by the per person per day expenditures.

As discussed previously, the total competitor/spectator visits of 235,116 is broken down into three visitor groups: day visitors, overnight in private/non-paid accommodations, and overnight in commercial lodging. The three groups have different spending patterns, as illustrated in Table 5 below. The ***total direct spending attributable to ORDA by competitors/spectators for the 2016/17 season is \$13,862,439***. As noted earlier, this amount is spread across different businesses and establishments in the broader region, and not solely spent at ORDA facilities.

**Table 5**  
**Competitor/Spectator Direct Spending Attributable to ORDA Facilities**

Event Competitors/Spectators at ORDA	Number of Visits	Percent of Visits	Estimated Spending per person per day	Percent Primary Reason	Aggregate Direct Spending: Competitors/Spectators
Day visitors	23,512	10.0%	\$32.66	100%	\$767,902
Overnight visitors -- second home or friends/family	30,683	13.1%	\$49.87	100%	\$1,530,161
Overnight visitors -- commercial lodging	180,922	77.0%	\$63.92	100%	\$11,564,534
<b>TOTAL COMPETITORS/SPECTATORS</b>	<b>235,116</b>	<b>100.0%</b>	<b>\$58.96</b>		<b>\$13,862,439</b>

### Summary of Direct Spending

The following table presents a summary of the three visitor segments discussed in the report. Winter visitors generate the bulk of the direct spending attributable to ORDA's facilities, at \$83.6 million, followed by competitors/spectators (\$13.9 million) and summer visitors (\$7.5 million). In total, the aggregate direct spending in the region attributable to the presence of ORDA facilities and venues totals \$104.9 million.

**Table 6**  
**Summary of Direct Spending Generated by ORDA Facilities**

Visitor Segment	Aggregate Direct Spending
Total Winter Visitors	\$83,563,167
Total Summer Visitors	\$7,470,232
Total Competitors/Spectators	\$13,862,439
<b>TOTAL VISITOR EXPENDITURES</b>	<b>\$104,895,838</b>

## Total Economic Value (Output)

Economic value has several effects, including direct and secondary (indirect and induced effects). Thus far, this report has focused on the direct value that ORDA facilities and venues generate. To estimate the indirect and induced effects, a multiplier is generally utilized. A multiplier is a figure used to estimate the secondary effects on the statewide economy of a particular industry. For this study, a pair of different multipliers is used, one to estimate the direct output and one to estimate secondary outputs. The sum of the two is therefore the total output, or total economic value of the ORDA facilities in New York State.

Table 7 to follow illustrates the estimated direct, secondary, and total output effects attributable to ORDA's operations. Direct output, estimated at \$89.2 million, is calculated by multiplying visitor expenditures (\$104.9 million) by 0.85 (a generalized adjustment factor which reflects typical retailer margins). This step is necessary to omit the cost of goods sold which are made outside of the High Peaks area of New York, and thus appropriately reflect the actual economic output captured within the region.

Secondary output economic effects, which includes indirect and induced impacts, are roughly estimated at \$66.9 million. Secondary effects are calculated by multiplying direct output by 0.75, a factor which is also based on national averages in the tourism industry. These multipliers combined equal a multiplier of approximately 1.5.

***Total economic value (output) attributable to ORDA operations is estimated as the sum of direct and secondary effects, or approximately \$156.0 million.***

**Table 7**  
**Total Economic Output, Direct and Secondary, 2016/17**

	Aggregate Effect
Total direct ORDA visitor expenditures	\$104,895,838
<i>Direct output ratio (margin adjustment)</i>	<i>0.85</i>
Direct output effect	\$89,161,463
<i>Secondary output ratio (statewide)</i>	<i>0.75</i>
Secondary output effect (statewide)	\$66,871,097
<b>Total output (direct and secondary)</b>	<b>\$156,032,560</b>

Note: Direct output ratio (0.85) and secondary output ratio (0.75) are approximate averages for visitor spending effects at the statewide level of geography, as cited as by Stynes, D.J. (2010), as quoted in Crompton, J.L. (2010), *Measuring the Economic Impact of Park and Recreation Services*, National Recreation and Park Association, Ashburn, VA, p. 37. Actual ratios in New York may differ from these averages.

Several factors impact the size of a multiplier. Industries in large urban areas generally have higher multipliers because more of the spending by the industry stays within the local area. Smaller industries in more rural areas would generally have smaller multipliers because more of their spending leaks out to other regions where the goods are produced. For tourism and other service industries, multipliers might be somewhat higher because the spending is actually for a service, not a product, and thus more value is retained. A multiplier for a state-level analysis would tend to be higher than one for a regional or local analysis. All these factors must be taken into consideration when estimating the multiplier. The reliability of the level of tourism activity and spending should also be taken into account.

It should be noted that, given some of the above factors and the conservative nature of this analysis, a relatively low multiplier has been utilized for this report. While the confidence in the direct spending is high (very reliable tourism visit numbers, day/overnight visitor percentages, and visitor expenditure numbers), the calculation of a multiplier through an Input-Output model or other academic modeling is beyond the scope of this analysis. Rather, comparisons to similar industries and expert judgment were used to derive the multiplier figure.

## Additional Impacts

An important contribution to the economic value of an industry is the number of jobs provided as a result of the presence of the industry (both direct jobs and jobs that are created in part because of that industry). In the case of ORDA, many direct jobs are created through its presence, as well as jobs that exist because of the presence of ORDA.

Basic ratios of total output to employment were used in this analysis. The ratio used is 20 jobs for every \$1 million in sales. For the direct output ratio of sales, the number of jobs created is 1,783 FTE. The secondary output produces another 1,337 FTE jobs, **for a total of 3,121 FTE jobs that are either directly or indirectly attributable to the presence of ORDA facilities.**

Similarly, these jobs produce income for the wage earners, and for the broader economy. Again, a ratio was utilized to estimate the level of income produced because of ORDA. The income to sales ratio was estimated at 35%. The direct output results in \$31.2 million in income, while the secondary output contributes an additional \$23.4 million in income. In total, the direct and indirect **effect on personal income is \$54.6 million**, a figure that would be lost without the presence of ORDA in the region.

The personal income figure is reported separately from the overall economic value from Table 7 above for several reasons. Some portion of the personal income figure is already picked up through the direct and secondary output ratios applied above. Some portion of personal income is saved or invested; depending on the individual bank, this effect might be more local or might be more out-of-region. Finally, some portion of personal income is spent in the local region and some is spent outside the region. The specific tracking of each of these components of personal income is very challenging to document and is therefore beyond the scope of this study.

**Table 8**  
**Jobs and Income Created**

	Direct output effect	Secondary output effect	Total effect
Sales (output)	\$89,161,463	\$66,871,097	\$156,032,560
Jobs / \$1M in sales (approx.)	20	20	20
<b>Jobs</b>	<b>1,783</b>	<b>1,337</b>	<b>3,121</b>
Sales (output)	\$89,161,463	\$66,871,097	\$156,032,560
Income:sales ratio (approx.)	35%	35%	35%
<b>Income</b>	<b>\$31,206,512</b>	<b>\$23,404,884</b>	<b>\$54,611,396</b>

Note: Jobs: sales ratio and income: sales ratio are approximate national averages for rough estimation purposes, as cited as by Stynes, D.J. (2010), as quoted in Crompton, J.L. (2010), *Measuring the Economic Impact of Park and Recreation Services*, National Recreation and Park Association, Ashburn, VA, p. 37. Actual ratios for ORDA may differ from these averages.

In 2016/17 ORDA employed **1,394 individuals**, including 297 full time and 1,097 part time employees. Combined with the overall employment generation from visitor spending, ORDA facilities and operations is attributable to over 1,300 FTE equivalent jobs in the local economy. The jobs attributable to the local economy contain a variety of benefits that reach beyond the Lake Placid region.

**Table 9**  
**2016/17 ORDA Employment**

	Full Time Employees	Part Time / Seasonal Employees	Total Employment
<b>TOTAL</b>	<b>297</b>	<b>1,097</b>	<b>1,394</b>

From ORDA employees, a total of **\$4.4 million** in taxes are paid out, contributing to the local economy and national funds (Table 10). Employees contributed \$2.2 million in federal income tax, \$1.2 million in Social Security, \$767,000 in NY state income tax, and \$283,300 in Medicare.

These withholdings are additional economic value generated and attributed to ORDA facilities and operations.

**Table 10**  
**Tax withholdings attributable to ORDA employees**

	Tax withholding (from employees)
Federal income tax	\$2,161,867
Social security	\$1,203,017
Medicare	\$283,295
State income tax	\$766,700
<b>TOTAL TAXES PAID BY EMPLOYEES</b>	<b>\$4,414,880</b>

Over the past two seasons, the facilities and visitor services at ORDA facilities have received numerous upgrades and enhancements in the form of capital expenditures (Table 11). During 2016/17 \$10.0 million was spent in capital expenditures to update existing facilities, improve operations, and provide new experiences to visitors. Over a 2-year period, ORDA has spent a combine \$20.0 million in enhancements. These enhancements attract new audiences to ORDA facilities and help maintain the area as a competitive destination.

**Table 11**  
**Capital Expenditures 2015/16 and 2016/17**

	Total Capital Investment
2016/17 Capital Investment	\$10,000,000
2015/16 Capital Investment	\$10,000,000
<b>2-year TOTAL Capital Investment</b>	<b>\$20,000,000</b>

When capital investments, total taxes paid, and total employment value (70% of wages and salaries), ORDA contributes a combined total of **\$26.6 million** in additional economic benefits (Table 12). This includes capital investment, total employment value, and total taxes paid by employees. This figure is significant as it goes beyond visitor spending to contribute to local, state-wide, and national efforts.

**Table 12**  
**Total Additional Economic Benefits 16/17**

	Additional Economic Benefits
Total Capital Investment	\$10,000,000
Total Employment Value	\$12,177,432
Total Taxes Paid By Employees	\$4,414,880
<b>TOTAL ADDITIONAL ECONOMIC BENEFITS</b>	<b>\$26,592,312</b>

## Other Impacts

ORDA contributes many other benefits not included in the direct economic value analysis presented above. This section describes some of these non-monetary benefits, which exist but are difficult to accurately quantify.

### Quality of Life Impacts

Overall, ORDA facilities have a positive impact on the quality of life in the parts of the state in which they operate. They provide a sense of community, civic pride, something that local residents identify with and are a part of, and other intangible benefits.

### Events and Exposure

As touched on earlier in this report, media coverage of events at ORDA facilities provides terrific promotional and branding exposure that is frequently worth much more than the events themselves cost. Some of the larger events which garner significant regional and national media coverage include World Cup alpine racing at Whiteface, major winter carnivals, snowboarding freestyle competitions, and numerous other events and festivals. These events bring new visitors to the regions and provide media exposure to potential customers to visit in the future.

### Health and Wellness Benefits

Many of the ORDA facilities provide opportunities for outdoor recreation during the winter, a season in which many people stay inside and exercise less. All participants, from kids to Baby Boomers and beyond, reap positive health benefits from skiing and snowboarding, and ice skating and hockey are year-round pursuits that provide exercise and mental well-being. The importance of providing opportunities for exercise cannot be overstated, especially as more Americans become overweight and obese.

## Conclusion

The impact ORDA has on the region is extensive and significant by many different measures. This report documents the economic value of ORDA, which is the overall contribution to the economy resulting from ORDA's operations and facilities. Another way of thinking of economic value is that it represents the amount that the regional economy would suffer if ORDA did not exist.

## About RRC Associates

RRC Associates is a multi-disciplinary consulting firm providing market research, consumer intelligence, strategic analysis, and community/land planning services. RRC specializes in collecting and analyzing customer feedback for a variety of public and private clients nationwide and internationally, particularly in the tourism and recreation fields. Research techniques we utilize are customized to clients' needs, but often incorporate web-based surveys; national and regional panels; intercept, telephone, and mail back surveys; and/or focus groups. RRC Associates also operates a full service focus group facility specializing in qualitative research, the Boulder Focus Center.

RRC is the leading consulting and market research firm in the snowsports industry and tracks many statistics and figures for the industry throughout North America. RRC publishes annually on behalf of the National Ski Areas Association (NSAA) the Kottke End of Season Report, the National Demographic Study, and the Economic Analysis of US Ski Areas, three industry reports that track patterns of significance related to operational, demographic, and financial information, respectively. The firm also collects national figures for the ski resort industry in Canada, giving us an unprecedented depth of understanding of the North American snowsports industry.

Principal areas of focus by RRC Associates include the ski and snowboard industry in particular, and the travel, tourism, and recreation industries generally. In these subject areas the firm is considered national experts and are frequently quoted and contacted for information concerning trends and opportunities. RRC also provides consulting services in real estate feasibility and market demand analysis, financial consulting and modeling, data base management, competitive analysis, customer demographic profiling, and customer satisfaction/loyalty assessments. Additionally, RRC provides a wide range of community planning, land planning, public processing, and affordable housing studies for a variety of public agencies and communities as well as private entities.