

APPENDIX 2

Cumulative Economic, Growth & Fiscal Impact Analysis

**For:
Gore Mountain Interconnect
& Related Projects in
Johnsburg, New York**

**Completed for:
Gore Mountain Ski Center**

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Introduction

The following report summarizes the findings of a cumulative impact analysis intended to assess the impacts of development projects concurrently being planned in Johnsbury, New York. While the projects have been proposed separately, their geographic proximity and mutual interdependence are felt to pose the potential for cumulative impacts locally and regionally. As such, their combined impacts have been addressed in background studies – and summarized in this report. The projects are:

1. The Gore Mountain Interconnect – proposed by Gore Mountain/New York Olympic Regional Development Authority – this project will create a skiing link between the existing ski area and the historic Ski Bowl and result in an expanded ski operation;
2. Ski Bowl Village at Gore Mountain – proposed by Front Street Mountain Development, LLC, - this project will create a seasonal/recreation oriented residential/lodging village with a direct link to the to be resurrected Ski Bowl recreational facility, and;
3. Several residential projects oriented toward the seasonal/recreational market in the North Creek/Johnsbury area – although these projects are not directly linked to either Gore Mountain or the proposed Ski Bowl Village, it is apparent that their market orientation is toward buyers/renters who will be attracted to the area because of Gore Mountain. The impacts of these projects are expected to be minor in comparison to the two ‘major’ projects listed above.

Significantly, the potential impacts of the Gore Mountain Interconnect and Ski Bowl Village projects have been assessed in great detail by their proponents. Existing documents cover the full range of potential impacts of both of these projects. To our knowledge, no growth impact analyses have been completed for the individual residential projects proposed in the North Creek/Johnsbury area. While these major projects have already been assessed in great detail, the New York DEC determined that their combined potential for generating cumulative impacts - over and above their individual potential for creating impacts - warranted an assessment that would take all projects into account.

The major focus of the analytical components of this cumulative impact assessment involves:

- Economic Impacts – the potential for the projects to generate dollar flows and regional economic impacts of the completed projects – focus on the private sector.
- Growth Impacts – the potential for the projects to cumulatively generate growth (population, housing, etc.) both locally and regionally.
- Fiscal Impacts – the potential, cumulative impact of the projects on the public sectors; An assessment of the potential for the projects to generate new tax revenues and the costs associated with the projects’ demands on local service systems.

While the primary focus of the cumulative assessment is on economic, growth and fiscal impacts, the assessment also addresses several other impact issues via a review of previously completed studies. These issues include:

- Traffic;
- Energy;
- Solid Waste;
- Affordable Housing.

Cumulative Impact Approach

The cumulative impact assessment is primarily oriented toward assessing the potential cumulative growth and fiscal impact related effects of the proposed projects – as follows:

1. Growth Impacts – potential impacts on local/regional population, housing and other indicators of community change. In addition, assessment of the projects’ cumulative impact on the local/regional economy;
2. Fiscal Impacts – the projects’ cumulative impact on the local *public* economy in terms of prospective impacts on tax revenues and public services costs.

While the primary emphasis of the cumulative impact assessment is on growth and fiscal impacts, the assessment also summarily addresses the following issues:

- Traffic Impacts;
- Solid Waste;
- Energy and;
- Affordable Housing.

Cumulative Analysis Process

The cumulative impact analysis was addressed as follows:

- Review of all project proposals in terms of development components and potential phasing;
- A complete review of available documents addressing the potential impacts of the projects including a critical review of impact analysis methodologies utilized; data bases and; other documentation;
- Collection of additional/updated data to augment the available information;
- Independent assessment of the potential *cumulative* impacts of the combined projects, and;
- Development of this summary document.

This summary document does not replicate the full body of data and analyses already produced in connection with these project proposals. Rather, the summary assessment *incorporates major sections of these documents by reference*. The review of existing documents indicates that the potential impacts of the Gore and Ski Bowl Village projects have already been addressed in substantial detail. Moreover, a number of the potential cumulative impacts of the two major projects are already addressed in these documents.

The primary goals of the cumulative impact assessment are:

- Review and commentary on existing documents;
- Provision of updated/augmented background data regarding growth and fiscal indicators;
- Commentary and – where warranted – alternative analyses of potential impacts and;
- Findings regarding the cumulative impacts of the projects.

As noted, a substantial body of data and analyses have been produced regarding the Gore Mountain and Ski Bowl Village projects. Our cumulative analysis included a summary review of all of these materials. However, given the primary analytical focus on cumulative growth and fiscal impacts, the majority of the review - and commentary – is directed toward three documents:

- ***Economic Impact of the N.Y. Olympic Regional Development Authority, 2004-2005 Fiscal Year¹*** - this analysis was completed to estimate the ‘total economic contribution’ of all of the facilities operated by the N.Y. Olympic Regional Development Authority (ORDA). Gore Mountain is one of a number of recreation-oriented facilities owned and operated by ORDA. Although the study is not focused specifically on the potential impacts of Gore Mountain’s expansion program, it does provide background information on the type and scope of economic impacts generated by recreational facilities in the Adirondack region.
- ***Economic Impact Study of the Gore Mountain Interconnect²*** - this analysis was completed to ‘evaluate the economic impact of the construction and development of the ski lifts and trails that will, in effect, “interconnect” the Hamlet of North Creek, N.Y. with the main trail network of Gore Mountain Ski Center.’ This study is focused on the monetary impacts of the Gore Mountain project; but gives consideration to the impact that the development of the Ski Bowl Village could have on skier visits at Gore – and provides a range of data and findings with respect to the regional economic impact of the potential for additional visitation at Gore. To the extent that the report addresses the interrelationship between Gore and Ski Bowl Village, there are cumulative elements to the study.
- ***Economic and Fiscal Impact Analysis Ski Bowl Village at Gore Mountain³*** - this document is a broad ranging assessment of the full range of growth, economic and fiscal impacts projected to be generated by the Ski Bowl Village project. In addition, we note that the document addresses many of the impacts of the Gore Mountain

¹ Prepared by Technical Assistance Center, SUNY Plattsburgh, February 28, 2006.

² Prepared by Office of the New York State Comptroller, Division of Local Government Services & Economic Development, Undated.

³ Prepared for: Front Street Mountain Development, LLC, Prepared by: the LA Group, March 2006 and *Revised* March 2007.

Interconnect project – and thus represents a cumulative assessment of these two major projects. Much of the background data for *this* cumulative assessment – as well as the commentary regarding potential impacts – is directed toward this document.

Methodology

A growth/economic impact assessment includes the following major items:

1. Identification of appropriate geographic impact area(s).
 - Local
 - Regional
2. Summary of Recent, Current and Projected Growth Trends
 - Populations – Year-Round, Seasonal, Schools
 - Housing
 - Economy
3. Definition of project(s) and estimation of inputs to local economy
 - Short-Term – Development/Construction of Projects
 - Long-Term – Operation of Projects
4. Estimation of Impact Using Appropriate Methodology
 - Dollar Inputs to Local/Regional Economy
 - Resultant Growth-Related Impacts – Population/Housing/Schools

Overall, the three Growth/Impact reports cited in the introduction above effectively addressed the items listed in the outline above – with respect to the Gore Mountain and Ski Bowl Village projects. In particular, the report prepared for Front Street Mountain Development, LLC addresses *both* the Ski Bowl Village and Gore Mountain projects from a cumulative perspective. None of the cited reports address the additional residential projects planned/under development in the Town of Johnsbury. However, the impact of these projects is minor in comparison to the Gore Mountain and Ski Bowl Village projects.

Again, the full body of data previously addressing growth/economic impacts is incorporated by reference in this cumulative impact assessment. The cumulative impact assessment builds on the existing range of data by:

1. Providing commentary on methodologies and findings;
2. Providing updated/expanded data where appropriate and;
3. Addressing the added impact of the residential projects planned/under development in the Town of Johnsbury.

The review and analyses follow:

Geographic Impact Levels

The three growth/economic/fiscal impact reports address the issue of geographic impact area as follows:

- The ORDA report’s stated purpose is 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.”⁴
- The New York State Comptroller’s report does not specifically identify an impact area – although it appears clear that its authors feel that the estimated economic impacts will be experienced on a ‘regional’ basis.
- The Ski Bowl Village (Front Street) report defines the impact region(s) to include: 1) Town of Johnsbury/Hamlet of North Creek for local service-based and fiscal impacts and; 2) Warren and Essex Counties as the regional impact area with respect to broader economic impacts.

The regional and local geographic impact area(s) defined in the Ski Bowl Village report are appropriate for assessing the cumulative impact of all projects. The following points are noted:

1. U.S. Bureau of the Census data indicates that 88 percent of the persons who work in the Town of Johnsbury live in either Warren County (77 percent) or Essex County (11 percent). A significant number of other locations account for the final 12 percent.⁵
2. A review of residential zip codes for Gore Mountain employees indicates that the great majority live in either Warren or Essex Counties.⁶
3. The ORDA study indicates that Warren and Essex Counties account for 57 percent of *all* ORDA employees’ places of residence – including all ORDA facilities.
4. It is apparent that the preponderance of the cumulative service/fiscal impacts of the projects will be felt within their host town – the Town of Johnsbury. The Town will supply the majority of services to the projects and, to the extent that secondary growth occurs in response to the projects – will capture a significant segment of this group.

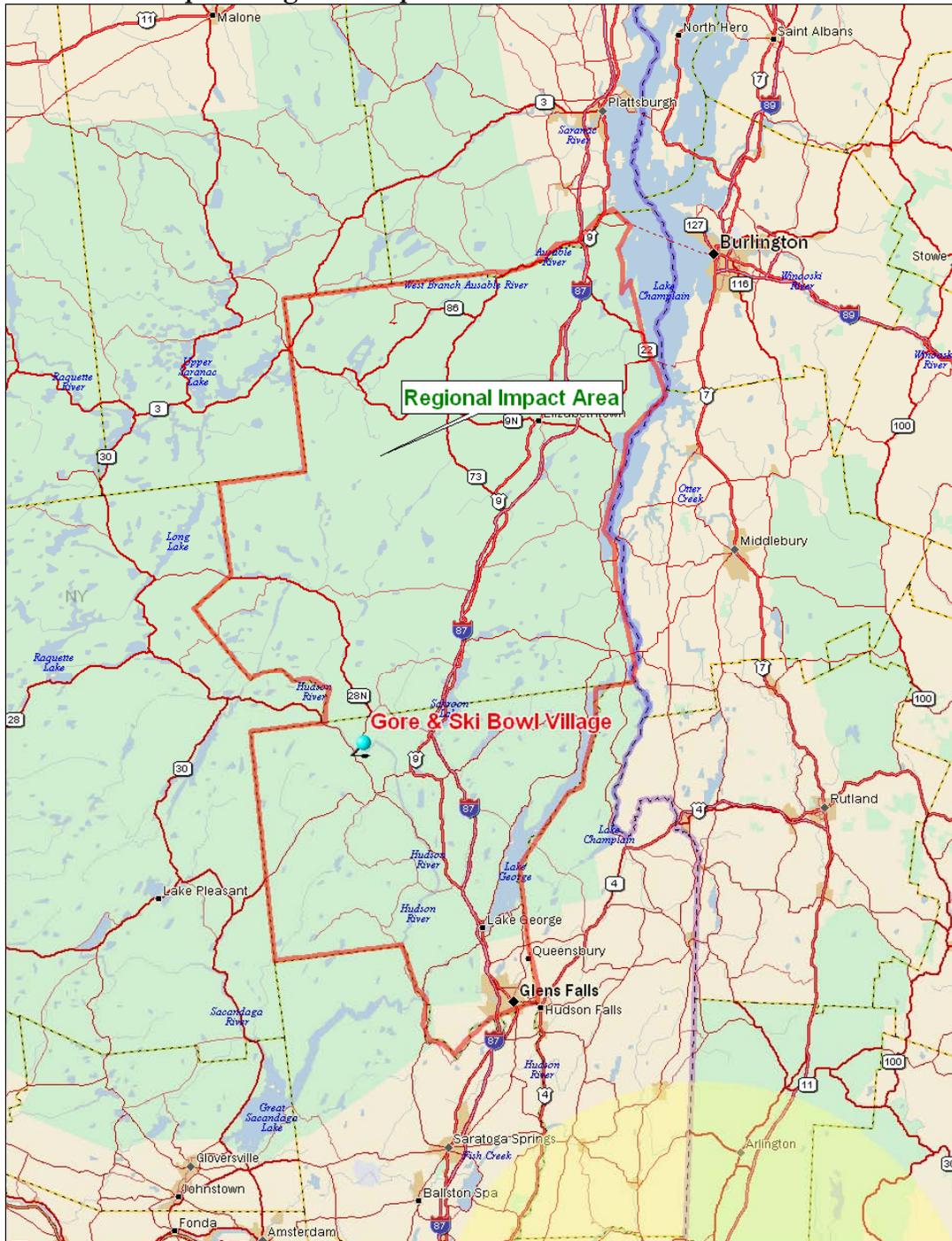
⁴ See ORDA report, page 3.

⁵ Source: U.S. Bureau of the Census, 2000 detailed commuting data. We note that Hamilton County, NY is located close-by, but that it only accounts for four percent of Johnsbury workers. Further, Hamilton County has a small population and relatively little economic activity.

⁶ Source: Gore Mountain – review of peak period employment data.

The regional impact area is shown in the following graphic.

Cumulative Impact: Regional Impact Area



Background Growth – Local & Regional Trends

Recent and ongoing growth trends serve as a benchmark in growth impact studies. A solid understanding of ongoing and expected trends is an aid in assessing the subject project proposal(s) in the context of growth that would occur with or without the proposed projects. The growth/economic/fiscal impact reports address the issue of background local/regional growth as follows:

- The ORDA study provides minimal data regarding the economy of Warren, Essex, Clinton and Franklin Counties, with an emphasis on tourism as a percentage of the economy.
- The New York State Comptroller’s report is focused on skiing industry activity in the region – rather than background community growth.
- The Ski Bowl Village (Front Street) report contains extensive data and text profiling the local/regional area as well as indicators of growth/change over time. It is noted that the report contains extensive chapters regarding: 1) Socio-economic characteristics from demographic, housing and employment perspectives at the local and regional levels, as well as; 2) Socio-economic characteristics of the business community, at the local and regional levels.

Updates and Supplementary Data – Local/Regional

The following data is provided to augment the existing database and analyses, as summarized above:

Population and ‘Effective’ Population

The table below summarizes historic population change for: New York State, Warren & Essex County, the combined impact region and the Town of Johnsbury. Percentage change is shown in each instance.⁷

⁷ Sources: New York State, U.S. Bureau of the Census.

**Historic Population Change:
New York State, Warren County, Essex County, Impact Region,
Town of Johnsburg**

	1960	1970	1980	1990	2000	2005	Change
New York	16,782,304	18,236,967	17,558,072	17,990,455	18,976,457	19,254,630	1960-'05
% Change		+8.7%	-3.7%	+2.5%	+5.5%	+1.5%	14.7%
Warren County	44,002	49,402	54,854	59,209	63,303	65,548	
% Change		+12.3%	+11.0%	+7.9%	+6.9%	+3.5%	49.0%
Essex County	35,300	34,631	36,176	37,152	38,851	38,676	
% Change		-1.9%	+4.5%	+2.7%	+4.6%	-0.5%	9.6%
Impact Region	79,302	84,033	91,030	96,361	102,154	104,224	
% Change		+6.0%	+8.3%	+5.9%	+6.0%	+2.0%	31.4%
Johnsburg			2,173	2,352	2,450	2,639	
% Change				+8.2%	+4.2%	+7.7%	

The data makes it clear that Johnsburg and the broader impact region have been growing at a faster rate than New York as a whole. Between 1960 and 2005, the Impact Region grew by 31.4 percent, while the state grew by only 14.7 percent. Growth in Warren County occurred at a faster pace than in Essex County. While Johnsburg remains a small community, population growth has been occurring at a solid pace.

Available population projections call for the Impact Region's population to continue to grow at a faster pace than New York as a whole. This is show in the table below.⁸

⁸ Source: New York State Statistical Information Data.

**Projected Population Change:
New York State, Warren County, Essex County,
Impact Region**

	2005	2010	2015
New York	19,254,630	19,506,205	19,726,343
% Change		+1.3%	+1.1%
Warren County	65,548	66,037	66,891
% Change		+0.7%	+1.3%
Essex County	38,676	40,142	40,629
% Change		+3.8%	+1.2%
Impact Region	104,224	106,179	107,520
% Change		+1.9%	+1.3%

Projections call for the Impact Region to continue to grow at a faster pace than the state. However, the projections show the rate of growth declining and the gap between Impact Region and statewide growth narrowing.

Year-round population data tells only part of the growth story in a community like Johnsburg. With a substantial stock of seasonal homes and lodging facilities, Johnsburg’s population can vary significantly from season to season. While seasonal residents don’t show up on local population statistics, they do create a demand for services in the host community. As such, ‘destination’ communities like Johnsburg must provide services to a larger group of persons than that represented in population statistics.

Thus, Johnsburg has both an official population (as represented by census statistics) and an ‘effective’ population, which includes both year-round and seasonal residents. Most notably, the number of persons in the community peaks at certain times of the year. Conversely, at off-peak periods (April-May, November-Early December), Johnsburg’s population very closely approximates census figures.

The Ski Bowl Village report estimates Johnsburg’s seasonal population to be 1,250 persons. From an impact perspective, it may be more effective to view this population from ‘effective’ perspectives: the average number of persons in the community over the course of a year and the peak population of the community. Current estimates are shown below for the Town of Johnsburg.⁹

⁹ *Effective Population* is a concept that attempts to provide a more realistic estimate of the real population of a travel/resort oriented community, particularly as it pertains to service levels that are required

**Effective Population Estimates;
Average and Peak Annual Levels**

	Average Level	Peak Level
	Effective Population	Effective Population
Year-Round Residents	2,639	2,639
Seasonal Residents	511	2,279
Total Effective Population	3,150	4,918

While Johnsbury’s year-round population is 2,639 persons, its average ‘effective’ population is estimated at 3,150 persons. During peak periods (10 to 15 times annually), the town’s population expands to approximately 4,900 persons.

School Enrollment

Education is a major public cost. As such, school enrollments are significant fiscal indicators. Recent trends in enrollment for the Johnsbury Central School District are shown in the table below.¹⁰

because of the presence of additional persons. Note that the figures in the table estimate the average number of persons in Johnsbury on a: year-round basis and; during peak periods. Effective population combines year-round residents and estimated average occupancies of second homes and lodging beds to derive an estimate of the average number of persons residing in a town during the course of a year and the peak period of persons residing in a town during the course of a year. The estimates assume the following: Average Annual Basis – Lodging beds have 40 percent occupancy rate with 50 percent of capacity utilized; Seasonal homes occupancy 25 percent by an average of 3.0 persons; Peak Period Basis – Lodging beds at 95 percent occupancy rate with 80 percent of capacity utilized; Seasonal homes 80 percent occupied by an average of 4.25 persons. The calculation is oriented toward estimating the number of persons staying overnight in the community – day visitor volumes (including many skiers) exceed these levels.

¹⁰ University of the State of New York. State Education Department. Elementary, Middle, Secondary, Continuing Education (NYSDEC EMSC) – via the LA Group.

School Enrollment Trend: Johnsborg Central School District

	1985	1995	2000	2005	% Change	% Change
					1985-'05	1995-'05
Johnsborg Central School District Enrollment	513	417	407	432	-15.8%	3.6%
Change		-96	-10	25		
% Change		-18.7%	-2.4%	6.1%		

Overall, enrollment in Johnsborg schools declined during the past 20 years. However, total enrollment increased between 2000 and 2005.

Housing

The table below contains updated housing data for New York State, Warren and Essex Counties and the Impact Region. The table shows change in total housing units, occupied housing units and seasonal housing units.¹¹

¹¹ Sources: New York State, U.S. Bureau of the Census.

Housing Stock: New York State, Warren County, Essex County, Impact Region

	New York State			Warren County			Essex County			Impact Region		
	1990	2000	2005	1990	2000	2005	1990	2000	2005	1990	2000	2005
Housing Units	6,639,322	7,679,307	7,853,020	31,737	34,852	36,713	21,493	23,115	24,054	53,230	57,967	60,767
Total % Change		15.7%	2.3%		9.8%	5.3%		7.5%	4.1%		8.9%	4.8%
Annual Change		103,999	34,743		312	372		162	188		474	560
Occupied Units	6,051,753	7,056,860	7,216,493	22,559	25,726	27,100	13,721	15,028	15,638	36,280	40,754	42,723
Total % Change		16.6%	2.3%		14.0%	5.3%		9.5%	4.1%		12.3%	4.8%
Annual Change		100,511	31,927		317	275		131	122		447	394
As % of Total		91.9%	91.9%		73.8%	73.8%		65.0%	65.0%		70.3%	70.3%
Seasonal Units	212,625	235,043	240,360	6,942	7,234	7,620	5,929	6,118	6,367	12,871	13,352	13,997
Total % Change		10.5%	2.3%		4.2%	5.3%		3.2%	4.1%		3.7%	4.8%
Annual Change		2,242	1,063		29	77		19	50		48	129
As % of Total	3.2%	3.1%	3.1%	21.9%	20.8%	20.8%	27.6%	26.5%	26.5%	24.2%	23.0%	23.0%

Note: 2005 figures for Occupied and Seasonal Units estimated based on year 2000 ratios.

Not surprisingly, seasonal housing accounts for a substantial portion of the total housing stock in the Impact Region. However, it is significant to note that seasonal housing increase has fallen well below the rate of occupied housing change in recent years – in the Impact Region.

Similar, updated data is shown for the Town of Johnsbury in the table below.¹²

¹² Sources: New York State, U.S. Bureau of the Census.

Housing Stock: Town of Johnsburg

	1980	1990	2000
Housing Units	1,304	1,467	1,714
Total % Change		12.5%	16.8%
Annual Change		16	49
Occupied Units		860	999
Total % Change			16.2%
Annual Change			28
As % of Total			58.3%
Seasonal Units	202	526	604
Total % Change		160.4%	14.8%
Annual Change		32	16
As % of Total		35.9%	35.2%

Seasonal housing accounts for 35 percent of Johnsburg's housing stock, indicative of its role as a destination community. During the 1990 to 2000 period, the number of seasonal housing units in the community increased at an annual rate of approximately eight units. Between 1980 and 1990, the number of seasonal units increased at an annual rate of 32 units.

Residential building certificates are a good measure of recent housing development activity. These are shown for Warren and Essex Counties and the combined Impact Region in the table below.¹³

¹³ Source: HUD State of the Cities. Data not available for Town of Johnsburg. 2006 data through November only.

Residential Building Permits: Warren County, Essex County, Impact Region

Residential Building Permits Authorized												% of	
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006*	Totals	Total	
Warren County													
Single-Family	232	278	287	321	250	408	428	442	451	306	3,403	85%	
Multi-Family	46	25	29	57	32	54	74	88	83	130	618	15%	
Totals	278	303	316	378	282	462	502	530	534	436	4,021		
Essex County													
Single-Family	96	96	166	136	246	282	193	292	292		1,799	98%	
Multi-Family	0	0	4	12	6	6	6	0	0		34	2%	
Totals	96	96	170	148	252	288	199	292	292		1,833		
Impact Region													
Single-Family	328	374	453	457	496	690	621	734	743	306	5,202	89%	
Multi-Family	46	25	33	69	38	60	80	88	83	130	652	11%	
Totals	374	399	486	526	534	750	701	822	826	436	5,854		

Overall, the Impact Region averaged 585 residential building permits annually during the past 10 years, with the great majority being in single family units. This is consistent with a generally rural region. 2006 data (through November) strongly suggests that the well publicized national housing slowdown has been a significant factor in the Impact Region.

Economy and Business Environment

Combined, the three growth/impact reports provide a thorough profile of the region, both in terms of major economic indicators and in terms of the current business environment. In particular, the Ski Bowl Village report provides significant detail on these topics. As noted in that report:

“The characteristics of the regional business environment are primarily influenced by their location within the Adirondack Park. The businesses are primarily associated with the tourism and seasonal activity stemming from the abundant recreation and tourism attractions of the natural setting. Other service-oriented businesses and light manufacturing provide goods, services, and employment opportunities for the year-round population. The majority of

manufacturing-oriented businesses are concentrated in southern Warren County outside the Adirondack Park boundary.”¹⁴

Additional background data is provided below to provide updated indicators and additional depth to the database.

The table below shows employment and unemployment rate trends in the Impact Region.¹⁵

Employment & Unemployment: Warren County, Essex County, Impact Region

	2000	2001	2002	2003	2004	2005	2006	% Change 2000-'06
Warren County								
Employment	31,900	32,000	32,100	32,800	33,400	33,900	34,283	+7.5%
% Change		+0.3%	+0.3%	+2.2%	+1.8%	+1.5%	+1.1%	
Unemployment Rate	4.1%	4.5%	5.0%	5.1%	4.9%	4.6%	4.6%	
Essex County								
Employment	17,700	17,900	17,800	17,400	17,600	17,800	17,767	+0.4%
% Change		+1.1%	-0.6%	-2.2%	+1.1%	+1.1%	-0.2%	
Unemployment Rate	4.7%	4.6%	5.2%	5.3%	5.5%	5.3%	5.6%	
Impact Region								
Employment	49,600	49,900	49,900	50,200	51,000	51,700	52,050	+4.9%
% Change		+0.6%	+0.0%	+0.6%	+1.6%	+1.4%	+0.7%	
Unemployment Rate	4.3%	4.5%	5.1%	5.2%	5.1%	4.8%	4.9%	

While Warren County has shown solid growth in recent years, the employment situation in Essex County has been relatively stable.

Current employment by industry and average annual wages by industry are shown in the table below – for the Impact Region.¹⁶

¹⁴ From; *Economic and Fiscal Impact Analysis, Snow Bowl Village*, the LA Group, p. III-1.

¹⁵ Source: New York State Department of Labor.

¹⁶ Source: New York State Department of Labor.

Employment & Wages by Industry: Warren County, Essex County, Impact Region

Industry	Warren County			Essex County			Impact Region			
	Reporting Units	Average Employment	Average Wages	Reporting Units	Average Employment	Average Wages	Reporting Units	Average Employment	% of Total Employment	Average Wages
Total, All Industries	2,442	37,183	\$30,924	1,283	15,155	\$29,225	3,725	52,338	100%	\$30,432
Total, All Private	2,370	32,368	\$30,195	1,201	10,571	\$26,241	3,571	42,939	82%	\$29,222
Agriculture, Forestry, Fishing & Hunting	22	99	\$33,217	29	115	\$25,561	51	214	0%	\$29,103
Mining				5	138	\$41,834	5	138	0%	\$41,834
Utilities				4	19	\$65,174	4	19	0%	\$65,174
Construction	233	1,376	\$39,597	139	819	\$33,443	372	2,195	4%	\$37,301
Manufacturing	76	4,096	\$41,565	44	1,109	\$49,588	120	5,205	10%	\$43,274
Wholesale Trade	89	773	\$56,902	18	88	\$27,940	107	861	2%	\$53,942
Retail Trade	444	5,665	\$22,179	219	1,926	\$20,945	663	7,591	15%	\$21,866
Transportation & Warehousing	37	490	\$23,276	19	116	\$21,055	56	606	1%	\$22,851
Information	31	991	\$39,386	25	194	\$36,970	56	1,185	2%	\$38,990
Finance and Insurance	104	1,369	\$45,826	35	190	\$34,488	139	1,559	3%	\$44,444
Real Estate, Rental & Leasing	76	336	\$24,874	35	97	\$19,517	111	433	1%	\$23,674
Professional and Technical Services	165	1,014	\$40,687	68	250	\$32,289	233	1,264	2%	\$39,026
Management of Companies	21	240	\$55,589	4	109	\$24,582	25	349	1%	\$45,905
Administrative and Waste Services	84	1,647	\$24,060	39	213	\$17,859	123	1,860	4%	\$23,350
Educational Services	14	381	\$17,759	20	222	\$24,887	34	603	1%	\$20,383
Health Care and Social Assistance	237	5,945	\$35,852	95	1,791	\$26,560	332	7,736	15%	\$33,701
Arts, Entertainment & Recreation	100	1,241	\$15,483	58	413	\$21,146	158	1,654	3%	\$16,897
Accommodation & Food Services	379	4,920	\$16,314	205	2,255	\$17,195	584	7,175	14%	\$16,591
Other Services	186	1,458	\$17,352	117	492	\$17,862	303	1,950	4%	\$17,481
Total, All Government	72	4,815	\$35,826	82	4,584	\$36,106	154	9,399	18%	\$35,963
Unclassified	70	54	\$26,239	24	15	\$17,001	94	69	0%	\$24,231

Note that Arts, Entertainment & Recreation and Accommodation & Food Services combine to account for 17 percent of the region's employment – a reflection of the influence of recreation and destination travel in the Impact Region.

For purposes of comparison, current employment by industry and average annual wages by industry are shown in the table below – for the Capital Region, North Country and combined region.¹⁷

¹⁷ Source: New York State Department of Labor.

Employment & Wages by Industry: Capital Region, North County, Broad Region

Industry	Capitol Region			North County			Regional			
	Reporting Units	Average Employment	Average Wages	Reporting Units	Average Employment	Average Wages	Reporting Units	Average Employment	% of Total Employment	Average Wages
Total, All Industries	27,778	503,950	\$38,084	10,271	153,269	\$30,842	38,049	657,219	100%	\$36,395
Total, All Private	26,798	385,331	\$36,414	9,552	107,791	\$28,029	36,350	493,122	75%	\$34,581
Agriculture, Forestry, Fishing & Hunting	225	2331	\$26,849	210	1766	\$25,447	435	4,097	1%	\$26,245
Mining	36	826	40915	23	362	\$41,898	59	1,188	0%	\$41,215
Utilities	27	1802	83851	46	789	\$71,246	73	2,591	0%	\$80,013
Construction	2832	20,248	\$43,786	947	5684	\$35,426	3,779	25,932	4%	\$41,954
Manufacturing	888	32,522	\$51,085	356	14,289	\$44,161	1,244	46,811	7%	\$48,971
Wholesale Trade	1367	16799	\$53,308	331	3018	\$35,404	1,698	19,817	3%	\$50,581
Retail Trade	4029	60,900	\$23,731	1787	21,022	\$20,328	5,816	81,922	12%	\$22,858
Transportation & Warehousing	526	11279	\$34,225	319	3874	\$30,966	845	15,153	2%	\$33,392
Information	459	12093	\$51,952	177	1956	\$35,654	636	14,049	2%	\$49,683
Finance and Insurance	1580	22,188	\$53,077	437	2789	\$34,504	2,017	24,977	4%	\$51,003
Real Estate, Rental & Leasing	973	6341	\$33,063	370	1453	\$20,533	1,343	7,794	1%	\$30,727
Professional and Technical Services	2696	27,614	\$57,862	517	2789	\$30,604	3,213	30,403	5%	\$55,362
Management of Companies	182	6762	\$57,954	33	742	\$40,046	215	7,504	1%	\$56,183
Administrative and Waste Services	1175	21,137	\$26,105	282	3512	\$19,189	1,457	24,649	4%	\$25,120
Educational Services	331	14582	\$37,872	74	2885	\$32,633	405	17,467	3%	\$37,007
Health Care and Social Assistance	2714	66,809	\$34,339	1039	21,485	\$31,126	3,753	88,294	13%	\$33,557
Arts, Entertainment & Recreation	560	6,791	\$18,176	254	1516	\$17,344	814	8,307	1%	\$18,024
Accommodation & Food Services	2577	34,918	\$14,397	1136	12,830	\$12,441	3,713	47,748	7%	\$13,871
Other Services	2590	18,355	\$24,767	997	4856	\$18,238	3,587	23,211	4%	\$23,401
Total, All Government	980	118,619	\$43,509	719	45,478	\$37,508	1,699	164,097	25%	\$41,846
Unclassified	1034	1034	\$24,315	221	174	\$16,341	1,255	1,208	0%	\$23,166

Arts, Entertainment & Recreation and Accommodation & Food Services combine to account for only eight percent of the broad region’s employment.

Updates and Supplementary Data – Gore Mountain Ski Center

Gore Mountain Ski Center has evident economic, growth and fiscal impacts – both at the local and regional levels:

- Skier expenditures generate significant economic activity – both at Gore and at supporting businesses.
- Gore employment and expenditures generate local/regional secondary activity.
- Gore’s presence in Johnsbury is clearly one of the reasons why the town hosts substantial vacation housing and lodging activity.
- The ‘effective’ population generated by Gore and area lodging/vacation housing has fiscal implications for the Town of Johnsbury.

Background

A brief summary of Gore Mountain Ski Center is provided below:¹⁸

“Located in the Adirondack Park, the largest protected wilderness area in Continental United States other than Alaska, Gore Mountain Ski Center has brought skiing to the southern Adirondack region for the past 40 years. Opened in 1964 and initially operated by the DEC, Gore Mountain has been operated by ORDA since 1984. Under State legislation enacted in 1981, ORDA was mandated to operate and market the resort facilities used to host the 1980 Olympic Winter Games including the Olympic Center, Whiteface Mountain, and the Verizon Sports Complex at Mt. Van Hoevenberg; the Ski Jumping Complex; the ORDA store; and in 1984, Gore Mountain.

Investments since the 1995 UMP have enabled Gore to vastly improve the ski area. Under the 1995 UMP, Gore installed a new high-speed eight-passenger gondola. The new gondola likely contributed to the 26.2 percent increase in skier visits and the 14.7 percent increase in skiing revenue in the 2000-01 ski season. As a follow-up, Gore expanded its skiing terrain in the fall of 2002, which allowed for more efficient use of the mountain. It also included a number of new trails, which decreased the congestion on the mountain, resulting in improved skiing conditions and increased safety.

Another notable improvement to the mountain was the installation of the Hudson River Pipeline. The new pipeline, which runs directly from the river to Gore, provides the resort with nearly 100 percent snowmaking coverage, giving Gore a competitive advantage over other Northeast ski resorts. Since weather has been an unpredictable factor for the ski industry and

¹⁸ From; *Economic and Fiscal Impact Analysis, Snow Bowl Village*, the LA Group, p. V-1.

presents a constant challenge to ski resorts across the nation, unlimited access to snowmaking water hedges the risk of insufficient snowfall.”

Capacity

Ski facility capacity is often defined in terms of ‘Skiers At One Time’ (SAOT) or ‘Comfortable Carrying Capacity’ (CCC). While there are some minor technical differences between the two terms, they both describe number of skier that a ski facility can handle with adequate service level on a given day. The calculation of the capacity figure includes all elements of the ski area, including: Parking; Base/On-Mountain Buildings and Services and Lift/Trail systems. Typically, ski areas only meet or exceed SAOT/CCC values during peak periods.

Based on a review of the available data and discussions with ski area management, Gore’s SAOT/CCC recent capacity progression is summarized as follows:

- Previous to 1995 – the ski area’s capacity was 5,000 persons.
- The 1995 UMP planned for an expansion of the facility’s capacity to 7,000 persons.
- All of the actions planned in the 1995 UMP are not complete – the ski area indicates that the capacity of the lift/trail system now exceeds the capacity of base service buildings.
- Currently, the ski facility management indicates that the facility handled up to 6,990 persons on a peak day. Since peak days typically exceed designed SAOT/CCC, it is assumed that the current SAOT/CCC level is approximately 6,500 persons.
- The 2002 UMP envisions an expansion of capacity to 9,000 persons – under current planning, this will be the ultimate capacity goal.

Ski Area Expansion and Utilization

The ski industry has recognized that facility expansion typically generates increases in visitation. Increased capacity, along with new skiing opportunities and experiences draws additional skiers to a ski mountain – in the great majority of instances.

We note several case studies that illustrate this point:

Okemo, Vermont – the current owners of the Okemo Mountain Resort purchased the ski area in the early 1980s. At that time, the ski area was a minor player in the Vermont market. The ski area hosted approximately 90,000 skier-visits on an annual basis and had a daily capacity of approximately 2,700 skiers. The ski area held only three percent of the Vermont ski market. In the intervening years, resort ownership embarked upon a regular pattern of major capital improvements, including: enhanced snowmaking, improved trail network, new lifts, new grooming equipment, improved skier services

and accommodations. The skiing public responded positively to these capital improvements. With a current daily capacity of nearly 11,400 skiers, Okemo now hosts over 600,000 skier-visits on an annual basis – a 578 percent increase over the early 1980s level. Further, the ski area holds a 14 percent market share in Vermont and is now regarded as one of the state’s market leaders.

Belleayre, New York – Belleayre is owned by the State of New York and operated by the state’s Department of Environmental Conservation in the Catskill region. During the 1996/97 ski season, the ski area hosted approximately 71,000 skier-visits and held a 2.2 percent share in the New York statewide ski market. In early 1998, the state announced that it had secured funding for a number of major capital improvements at the ski area, including: new lifts; new trails; enhanced snowmaking; expanded lodge and; new parking. Further improvements have occurred since then, including new trails and other capital facilities. Most recently, the state announced funding for a new, detachable quad chairlift - constructed in 2006. Belleayre’s capital improvements have had a significant impact on skier-visits. Skier-visits increased from the 70,000 level in 1996/97 to a high of 175,661 skier-visits during the 2002/03 season – an increase of 147 percent over eight years. The ski area’s market share in New York increased from 2.2 percent in 1996/97 to 4.4 percent in 2003/04.

Sugarbush, Vermont - During the four ski seasons from 1990/91 through 1993/94, skier-visits at this ski area averaged just over 301,000. In 1994, new ownership promised major changes to the facility. A widely publicized \$28 Million improvement program followed these changes in 1995, including a lift connection between Sugarbush’s two mountains. Skier-visits during the 1994/95 and 1995/96 seasons averaged almost 353,000, amounting to an absolute increase of almost 52,000 skiers, and a 17+ percent increase over the period previous to the improvements.

Attitash, New Hampshire - During the four ski seasons from 1990/91 through 1993/94, skier-visits averaged just about 150,000. Following the purchase of the area in 1993, new management moved forward with expansion of the ski area - constructing trails and a major new lift in the ‘Bear Peak’ area, which debuted during the 1994/95 season. Skier-visits during the 1994/95 and 1995/96 seasons averaged almost 190,000, amounting to an absolute increase of over 38,000 skiers, a 25+ percent increase in business activity over the period previous to the improvement.

As detailed in the available record and summarized above, Gore has already completed a number of expansion/improvement projects that have both increased its capacity and enhanced skier service levels. Gore’s skier visits *have* increased in recent years in response to these improvements, as documented in the available record. The table below summarizes year-by-year skier visits, for the ski seasons 1986/87 through 2006/07.¹⁹

¹⁹ Source: Mike Pratt, Gore Mountain Ski Center.

Gore Skier Visits; 1986/87 to 2006/07

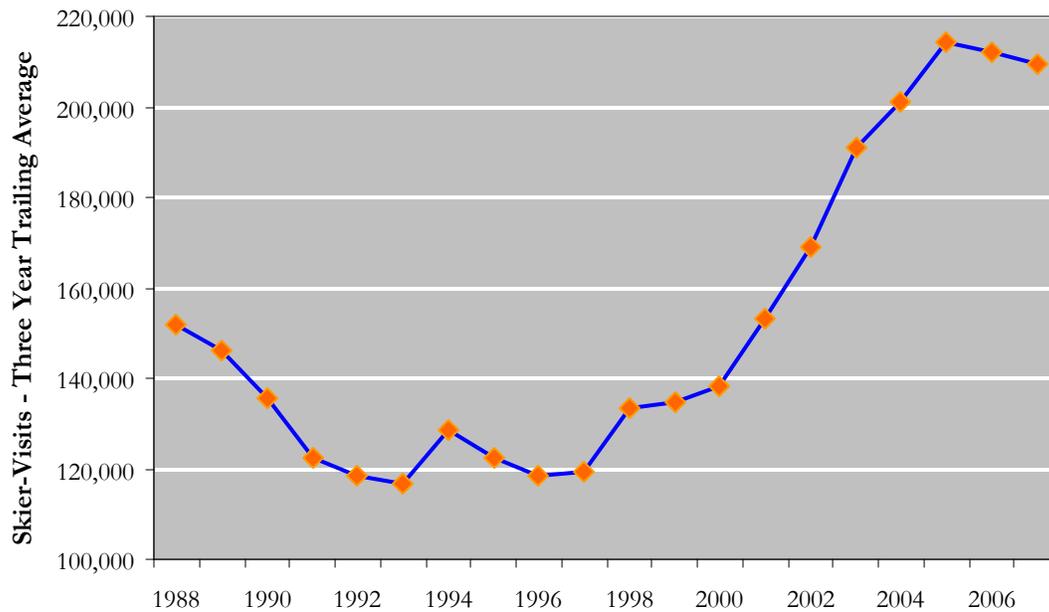
		Skier Visits									
		1986/87	1988	1989	1990	1991	1992	1993	1994	1995	1996
Gore/ Skier-Visits		171,484	138,424	128,553	139,921	99,428	116,522	134,796	133,756	99,201	121,803
% Change Year-to-Year			-19.3%	-7.1%	+8.8%	-28.9%	+17.2%	+15.7%	-0.8%	-25.8%	+22.8%

		1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Gore/ Skier-Visits		137,258	141,449	125,868	147,332	186,098	173,530	213,929	215,707	212,703	207,299	208,924
% Change Year-to-Year		+12.7%	+3.1%	-11.0%	+17.1%	+26.3%	-6.8%	+23.3%	+0.8%	-1.4%	-2.5%	+0.8%

Because of significant year-to-year variations in skier-visits (typically due to variations in natural snow and weather), trend analyses typically look at trailing averages – over a period of three to five years. Trend skier-visits at Gore (Three year trailing average) are shown in the graphic below.²⁰

²⁰ Gore's *annual* visitation has exceeded skier visit values by approximately 25,000 persons in recent years. Non skier visits include: Tubing; Summer Gondola Rides; Mountain Biking; Event Admissions and Hiking/Sight-Seeing (Non-Ticketed). Realistically, there are also a number of winter visitors who are non-skiers. Source: Gore Mountain Ski Center.

Gore Skier Visits: Three Year Trailing Average



The graphic (and the values in the supporting table) make it clear that Gore’s skier visits have been on a relatively steady upward trend in recent years. While the skier visit trend was negative between 1988 and 1997, there has been a strong positive upswing since 1997. Gore’s skier visits increased at an annual rate of 5.4 percent between 1996/97 and 2006/07. In contrast, U.S. skier visits increased at an annual rate of 1.3 percent between 1996/97 and 2005/06.²¹

Rate of utilization is a benchmark used by the ski industry to compare ski area capacity with skier visits. Seasonal capacity is represented by:

$$\text{Daily Capacity (SAOT/CCC)} \times \text{Number of Operating Days} = \text{Annual Capacity}$$

$$6,500 \text{ (Estimated SAOT/CCC)} \times 130 \text{ (Avg. Operating Days)} = 845,000 - \text{Annual Capacity}$$

Theoretically, Gore could achieve a 100 percent ‘Utilization Rate’ - 845,000 skier visits over the course of the season. In practice however, ski areas do not approach a 100 percent utilization rate.

Comparing Gore’s skier visits over the past five seasons with annual capacity indicates that Gore’s recent Utilization Rate averaged 25.1 percent.

²¹ U.S. skier visits source – National Ski Areas Association.

Visitor Characteristics

Ski area visitors can be broadly characterized into two major categories:

1. Day Visitors – skiers who drive (or are otherwise transported) to *and* from the ski facility in one day. Daily expenditures can include ski tickets, rentals, lessons, food and other sundry items at the ski area as well as travel costs, food and other items outside of the ski area.
2. Destination Visitors – overnight ski visitors who spend at least one – and often multiple nights – at or in the vicinity of the ski area. Expenditures can include ski tickets, rentals, lessons, food and other sundry items at the ski area as well as travel costs, lodging costs, house rental costs, meals, entertainment ancillary recreation and other items outside of the ski area.

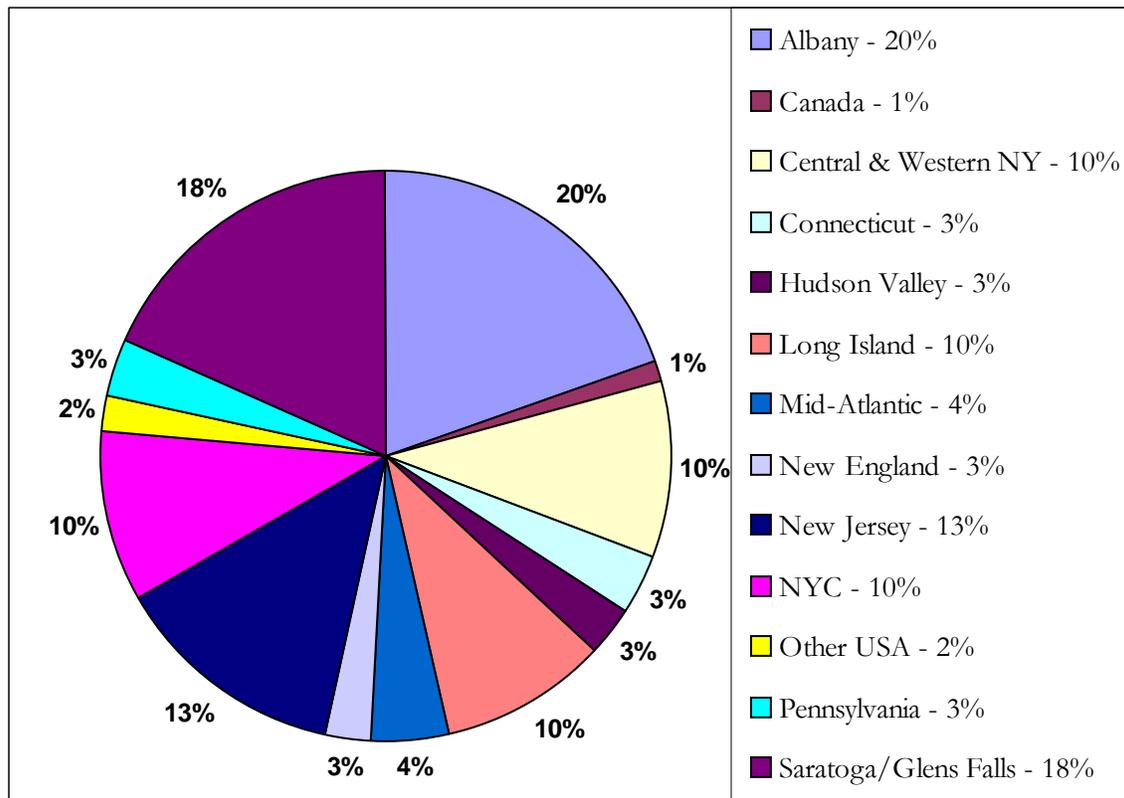
Ski areas vary in their relative attraction to day versus destination skiers. Generally, larger facilities – and particularly those in remote locations – tend to attract a higher proportion of destination skiers. The distinction is significant from a local/regional economic perspective, as destination skiers tend to spend significantly more on a per day, per capita basis than do day skiers.

In 1995, Gore estimates that their skier mix was 35 percent destination skiers and 65 percent day skiers. In comparison, the ski facility currently (2007) estimates that the mix is 65 percent destination skiers and 35 percent day skiers. As such, Gore’s economic impact has increased not only in response to higher ski visit numbers, but also in response to increasing numbers of destination skiers.

The graphic below shows the geographic distribution of Gore skiers in recent years.²²

²² Source: Gore Mountain Ski Center.

Geographic Distribution: Gore Skiers



Ski Area Employment

By necessity, Gore's expanded capacity and increased skier visits have resulted in increases in employment at the ski facility. The table below shows increases in Gore's employment, including: Full-Time/Year-Round Employees; Full-Time Seasonal & Part-Time employment. In addition, peak period employment is shown.²³

Gore Employment Change

	1985	1997	2006
Full-Time YR	15	28	39
Full-Time Seasonal	191	294	456
Part Time			
Peak Season	206	322	495

²³ Source: Gore Mountain Ski Center.

Gore's peak season employment level increased by 101 percent between 1985 and 2006. Increases in employment have both growth and economic impacts, as assessed at a later point in the report.

Project Summaries and Impact Implications

The proposed projects (Gore Mountain Interconnect, Ski Bowl Village, Johnsburg Residential projects) have a number of implications from growth and fiscal impact perspectives. These major points are summarized below – for each project:

Gore Mountain Interconnect

The Gore Mountain interconnect is described in great detail in a number of documents already entered into the record, both with respect to Gore and the Ski Bowl Village. As such, this cumulative assessment focuses on the elements of the proposal – and its effects, that have the most bearing on potential impact. Overall, it is expected that completion of these projects (from a construction perspective) will occur over a five year period.

Gore’s planned expansion can be viewed as a primary generator of growth, economic and fiscal impacts. In simple terms, these impacts can be expressed sequentially as follows:

Short-Term

- The construction activities associated with implementing the interconnect plan will create a short-term economic impact as a result of expenditures for goods and construction-related employment.

Long-Term

- The expansion of the ski facility can be expected to draw additional visitation to the ski area.
- New visitors make expenditures at the ski area – supporting increased employment and business related expenditures by the ski area.
- New visitors also make expenditures at other local/regional businesses (lodging establishments, restaurants, gas, etc.) thereby supporting increased employment and business related expenditures by these businesses.
- Employment and business expenditures supported by increased ski area visitation have secondary economic impacts locally and regionally.
- Locally – the expanded ski area and the increased activity it produces generate additional tax revenues and generate need for public services.

The potential impacts of Gore’s expansion proposal are interrelated with those of the Ski Bowl Village and the other proposed vacation/residential projects in Johnsburg. For instance, a number of the added skier visits at Gore will be persons staying overnight in the Ski Bowl

Village and other projects. However, both the Ski Bowl Village and other projects can be expected to generate visitors (and expenditures) unrelated to skiing.

Ski Bowl Village

The major elements of the Ski Bowl Village project are summarized in the table below. The table also shows the projected 'market value' of the project.²⁴ Overall, it is expected that completion of these projects (from a construction perspective) will occur over an eight to ten year period.

Ski Bowl Village – Project Summary

Type of Improvement	Number of Units	Estimated Aggregate Market Value	
Residential Components:			
Single Family Units	17 Mountain Lots 1 Owner's Lodge		
Townhouses	131 Units in 2 and 3 unit structures		
Workforce Housing	10 Units		
Artist's Apartments	4 Units		
Residential Summary	163 Total Units <i>@ \$550,000/ unit avg. cost</i>	\$89,650,000	
Non-residential Components:			
Lodging Components:			
Luxury Hotels (2 @ 40 rooms each)	80 Rooms		
Inn	34 Rooms		
Boutique Hotel	60 Rooms		
Hotel	120 Rooms		
Lodging Summary	294 Rooms		
Other Components:			
Restaurant w/Tavern	150 Seats		
Hudson Lodge			
Owner's Clubhouse			
Retail Facility			
Spa/Pool Complex			
Equestrian Center			
Warming Hut			
Sewer Treatment Plant			
Facilities & Storage Buildings			
Total Nonresidential Cost:		\$ 73,984,365*	
Total:		\$163,634,365	

²⁴ From; *Economic and Fiscal Impact Analysis, Snow Bowl Village, Revised*, the LA Group, p. V-4.

Effectively, Ski Bowl Village will operate as a small resort village, offering a variety of lodging, vacation unit ownership and, on a small scale, year-round living opportunities. Further, the project will offer a number of on-site recreational, service and commercial facilities, designed to provide activities for resort village visitors and owners. Most significantly, the expansion and direct link with the North Creek Ski Bowl will provide village visitors with direct access to the expanded Gore/North Creek Ski Bowl skiing facility. It is apparent that the project's location is directly related to the presence of the North Creek Ski Bowl and the proposed Gore Interconnect.

The construction and operation of Ski Bowl Village can be viewed as a primary generator of growth, economic and fiscal impacts. In simple terms, these impacts can be expressed sequentially as follows:

Short-Term

- The construction activities associated with implementing the Ski Bowl Village plan will create a short-term economic impact as a result of expenditures for goods and construction-related employment.

Long-Term

- The creation of the village will generate additional visitation: 1) Unit owners/renters utilizing the housing units; 2) Lodging visitors and; 3) Recreational visitors. A significant segment of these visits would also be included in projected increases in ski area visitation.
- New visitors make expenditures within the village – supporting increased employment and business related expenditures by village management.
- New visitors also make expenditures at other local/regional businesses (lodging establishments, restaurants, gas, etc.) thereby supporting increased employment and business related expenditures by these businesses.
- Employment and business expenditures supported by increased village visitation have secondary economic impacts locally and regionally.
- Locally – the creation of the village and the increased activity it produces generate additional tax revenues and generate need for public services.

The potential impacts of the Ski Bowl Village proposal are interrelated with those of Gore. Ski Bowl Village visitors will be Gore skiers. Similarly, Gore skiers will use Ski Bowl Village for lodging and alternative recreation. Ski Bowl Village will have no direct link with other, proposed vacation-oriented residential projects in Johnsbury. However they will, to some extent, compete for the same market.

Johnsburg Vacation-Oriented Residential Projects

The vacation-oriented residential projects are summarized in the table below. It is important to stress that this data is not definitive and that the metrics of the individual project could change. This is particularly true for the projects that remain in the approval process.²⁵ Given the number of individual project involved, there is no clear timeline for completion. As such, the analysis assumes that the projects would be completed over an eight to ten year period – similar to Ski Bowl Village.

Johnsburg Vacation-Oriented Residential Projects – Summaries

Project	Location	Description/Status	Total Units at Completion
Top Ridge	Peaceful Valley Rd. - Adjacent to Gore	3BR Townhouse Units in three phases. Close to final approvals	62 Units
The Preserve	Peaceful Valley Rd. - Three miles from Gore	Three phase project - first phase complete, on-site amenities.	55 Units
Beaver Townhouses	North Creek	Subdivision, Early Stages of planning.	Unknown
River's Edge	North Creek/in Chester	Permitted, 3-4BR Townhouses.	24 Units
Parrazzo Subdivision	Peaceful Valley Rd.	Approved - single family subdivision.	8 Units
Tall Timbers	North Creek	In permitting process - Subdivision, Townhouses, Inn.	73 Units 25 Inn Rooms
Burton-Ward Hill	Ward Hill	Single Family Subdivision.	11 Units
Approximate Total -			258

Based on available plans, the combined projects could result in approximately 258 additional housing units/inn rooms in Johnsburg. It should be stressed that this is likely to take place over a number of years – and that the pace of development will be dependent on market conditions. Because the orientation of the projects is toward the vacation/seasonal market, it is expected that occupancy will occur only on a seasonal/sporadic basis. Realistically, the number of units that are actually constructed in most projects is typically smaller than the number of units initially envisioned in project plans. As such, it is estimated that the number of vacation-oriented units that will eventually result from these seven project plans will be approximately 200 to 225 units.

²⁵ Based on data from Mike Pratt and project developers.

The construction and operation of the projects will have growth, economic and fiscal impacts. In simple terms, these impacts can be expressed sequentially as follows:

Short-Term

- The construction activities associated with implementing the projects will create a short-term economic impact as a result of expenditures for goods and construction-related employment.

Long-Term

- Project operations will generate additional visitation. A significant segment of these visits would also be included in projected increases in ski area visitation.
- New visitors also make expenditures at other local/regional businesses (lodging establishments, restaurants, gas, etc.) thereby supporting increased employment and business related expenditures by these businesses.
- Employment and business expenditures supported by the projects will have secondary economic impacts locally and regionally.
- Locally – the development of the projects and the increased activity they produce will generate additional tax revenues and generate need for public services.

Cumulative Growth/Economic Impact Analysis

The approaches and results of the three extant growth/economic impact analyses are critically reviewed below, both in terms of methodology and in terms of their applicability for use in a cumulative analysis of the combined projects. This is followed by summary findings regarding potential growth and economic impacts.

Economic Impact of the N.Y. Olympic Regional Development Authority, 2004-2005

Fiscal Year - The ORDA assessment is focused on an estimation of the *current*, combined economic and employment impact of all of ORDA's facilities and events – both from direct and secondary perspectives. As such, the analysis does not directly address the prospective impact of the Gore Interconnect, Ski Bowl Village or Johnsbury Residential projects. However, the methodological approach is an appropriate for measuring the direct and secondary economic/employment impacts of recreational/resort facilities on a regional basis – and thus provides a number of indicators and multiplier values that can be utilized in estimating the cumulative impact of the three subject projects:

- The analysis measures the *direct* impact of the ORDA facilities/events by documenting total visitation and multiplying this figure(s) by an assumed daily per capita spending value. Significantly, the daily per capita spending values are from a well-documented study of visitor/tourist behavior in the Adirondack region.²⁶ As such, this approach is appropriate for estimating the impact of visitors to Gore, Ski Bowl Village and the Johnsbury residential projects – who are primarily visitors/tourists in the Adirondack region.²⁷
- The analysis used a well-accepted and rigorous input-output model – IMPLAN – for estimating the total (Direct and Secondary) impacts of the ORDA facilities/events, both from dollar flows and employment perspectives. IMPLAN is a broadly accepted model for making projections regarding employment and economic impacts and is commonly used in Environmental Impact Statements prepared as part of the NEPA process. Further, a number of analyses of New York tourism use IMPLAN as a modeling base.²⁸ Most significantly the IMPLAN model used in the ORDA reported is specific to the Adirondack area economy. Thus, the calculation of secondary (reported as 'Indirect' and 'Induced' impact in the report) impacts is based on realistic 'multipliers' for the area economy. The model provides:

²⁶ Data from the April 2004 Northern New York Travel and Tourism Research Center.

²⁷ The exception would be day skiers at Gore – per capita expenditures by day skiers are typically less than those by destination skiers and tourists.

²⁸ IMPLAN Professional is a product of MIG and is an economic impact assessment modeling system. IMPLAN allows the user to build economic models to estimate that impacts of economic changes in their states, counties or communities.

- Estimates of the direct impact of visitor expenditures – both in terms of dollar flows and employment. In this instance, employment includes the jobs supported by visitor expenditures at ORDA facilities as well as the jobs supported by visitor expenditures at other area businesses.
 - Estimates of the ‘indirect’ and ‘induced’ impacts of visitors’ expenditures – both in terms of dollar flows and employment. When combined, ‘indirect’ and ‘induced’ impacts are typically referred to as secondary impacts. Employment in this instance includes both the jobs supported by the expenditures completed by ORDA facilities and the additional jobs supported by the expenditures made by the persons whose jobs are supported by direct expenditures.
- Using the IMPLAN input/output model analyst calculated multipliers at the study area (Adirondack) and statewide (New York) levels – both in terms of dollar flows and employment. The multiplier ranges are shown in the table below:

**Dollar Flow/Employment Multipliers:
ORDA Study**

	ORDA Multiplier Ranges	
	Study Area	New York
Dollar Flows	1.35 - 1.40	1.45 - 1.50
Employment	1.10 - 1.15	1.15 - 1.25

In simple terms, the multipliers indicate that: for every job supported by direct expenditures in the Study Area, an additional 0.15 to 0.25 job is created by secondary impact. Because the Adirondack regional economy is relatively limited in scope, multipliers tend to be relatively small. Statewide multipliers are bigger because direct dollars are ‘recycled’ in the statewide economy longer than they are ‘recycled’ in the regional economy.

- The report does not address the short-term (Construction) impacts of the subject projects.

Overall, these multipliers are regarded as highly useful for estimating the cumulative, short and long-term impact of the subject projects.

Economic Impact Study of the Gore Mountain Interconnect – The State Comptroller report also assesses the potential long term economic impact of the Gore Interconnect in three major steps:

1. Projecting increases in skier visits at Gore in response to the expansion/improvement of the facility. Notably, the analysis includes an estimation of the impact of the development of Ski Bowl Village on skier visits – although no direct assessment of the Ski Bowl project. The estimation of incremental increases in skier days – both in response to facility expansion and Ski Bowl Village is useful for this cumulative impact assessment.
2. Calculated direct expenditures resulting from additional skier visits by assuming an average daily per capita expenditure level.
3. Calculated secondary dollar impacts by applying a simple multiplier value supplied by the “Ski Area of New York.”

While the report’s basic approach is sound – estimation of impacts based on new visitor expenditures – is sound, there are two major problems with the report’s assumptions:

1. The report assumes an average daily per capita spending value of only \$25, based on estimated ski area revenues. This figure *underestimates* per capita spending by a substantial amount, by failing to include expenditures outside of the ski area. For instance, the 2004 New York Travel and Tourism Research Center data referenced in the ORDA report shows an average daily per capita expenditure for visitors to Adirondack Counties of \$179.71.
2. Although the report indicates that it used a “conservative approach” by reducing the “typical” multiplier used by ski resorts from 1:5 to the Ski Area of New York suggested 1:4, it is apparent that a 1:4 ratio *far* overstates the secondary impact of dollars spent in the Adirondack region. The IMPLAN derived multipliers used in the ORDA report are a far more accurate estimate of potential secondary impacts.
3. The report does not address the short-term (Construction) impacts of the subject projects.

Economic and Fiscal Impact Analysis Ski Bowl Village at Gore Mountain – The Ski Bowl Village report addresses both the potential short and long term economic impacts of the Ski Bowl Village and Gore Interconnect projects in a cumulative manner. The report does not address the third component of this cumulative impact assessment – the Johnsburg Residential projects. In essence, the report is a ‘Case Study’ approach to the impacts of the Ski Bowl Village and Gore projects – relying on a detailed assessment of potential impacts at the construction and operational levels. With the exception of the omission of the Johnsburg residential projects, report findings represent a strong assessment of the potential cumulative impacts of the Gore and Ski Bowl Village projects, both in the short and long-terms. The following points are noted:

- The report references the multiplier value used in the New York State Comptroller report – which is regarded as a significant overstatement of potential impact. However, findings are more reliant on a multiplier developed through the Regional Industrial Multiplier System (RIMS) – a well regarded and rigorous input/output modeling system. As such, the estimates of secondary economic impacts are reasonable.
- Based on data received directly from Gore, the report contains several – relatively minor – statistical discrepancies with respect to Gore’s current capacity and prospective employment following the Interconnect project.
- The report relies on visitor expenditure estimates drawn from a State of Michigan study. Clearly the 2004 New York Travel and Tourism Research Center visitor expenditure estimates for the Adirondack region are far more appropriate for all of the projects under consideration.

Cumulative Economic and Growth Assessment – Short & Long Term

Short Term Impact – Construction Activity

The projects will generate economic and growth impacts during their construction phases. As noted above, construction of all elements of the Gore Mountain Interconnect is expected to take five years, while completion of Ski Bowl Village and the Johnsbury Residential projects is expected to take eight to ten years. Because all three of the projects are phased, there will be some overlap between short-term (Construction) and long-term (Operations) impacts. Expanded operations will occur at all three projects even as further facility, residential and commercial development takes place.

From employment and growth perspectives, project impacts are measures on two levels:

Direct – the direct impacts of project construction – construction and support employment as well as dollars spent on the purchase of construction materials.

Secondary – additional jobs created both by expenditures on construction materials and the expenditures of construction workers.

Significantly, construction impacts are short-term; once construction is complete, the dollar inputs and resultant additional employment ceases. In the instance of the three subject projects, these impacts will be stretched out over a period of eight to ten years, the period during which the projects are expected to be phased-in.

Short-term impacts of the three projects are assessed below:

Direct Short-Term Impacts

Gore Mountain Interconnect – Gore’s facility expansion plan is described in great detail in documents that are already on the record. The project includes two phases, with Phase 1 to be constructed in years one and two, while Phase 2 is expected to be constructed in years three and four. Remaining trails/projects will be completed in year five.²⁹ The table below summarizes projected total construction costs, by category. Highlighted items involve major purchases of equipment (lifts, grooming vehicles, etc.) that are manufactured well outside the impact region and which will have minimal local economic/growth impact.³⁰

²⁹ Gore Mountain Ski Center notes that the current capital budget is sufficient to complete the projects programmed for years one through four. Year five projects will require additional capital expenditures.

³⁰ Source: Mike Pratt, Gore Mountain. Note that table values differ slightly from those reported in the Ski Bowl Village impact report. Grooming vehicles, snowmobiles, etc. involve simple purchases of non-local goods with virtually no local impact. Lift installation involves a major purchase of non-local goods *and* installation of the lift facility on-site. Experience with past lift installation projects indicates that approximately 20 percent of the total installation cost is allocated to local construction activity.

Gore Interconnect: Estimated Construction Costs

Item	Total Cost
Phase 1	
North Creek Ski Bowl Upgrade	
Burnt Ridge Detachable Quad	\$4,000,000
Electrical	\$250,000
Grooming Vehicle	\$280,000
Trails	\$480,000
Snowmaking Equipment	\$930,000
Bridge	\$150,000
Code & Industry Req. Items	\$40,000
Phase 1 Sub-Total =	\$6,130,000
Phase 2	
Ski Bowl Trails, Lift, Snowmaking	
Snowmaking Installation	\$710,230
Maintenance Building	\$320,000
Fuel Storage	\$50,000
Snowmobiles	\$21,000
Ticketing	\$18,000
Communication Infrastructure	\$25,000
Grooming Vehicle	\$200,000
Electrical Service	\$300,000
Trail Construction	\$343,770
Lift, Installed, 3600' Detachable Quad	\$3,156,400
Code & Industry Req. Items	\$37,385
Upgrade Pipeline Trail From Gore To Ski Bowl	
Snowmaking Installation	\$160,336
Trail Work	\$92,009
Widen Existing Bridge	\$30,000
Code & Industry Req. Items	\$1,229
Phase 2 Sub-Total =	\$5,465,359
Project Total =	\$11,595,359
Note: Construction element with significant out-of-area purchase element.	

In total, the project construction cost will be approximately \$11.6 million, spread out over five years.

Interconnect construction costs have been broken down as follows below: 1) Costs allocated to hard goods purchased outside the impact region; 2) Construction costs expended locally/regionally – in two categories: a) labor costs – estimated at 60 percent of the local total and; b) material purchases (construction materials) - estimated at 40 percent of the local total.³¹ The figures are also broken down by phase.

Gore Interconnect: Breakdown of Construction Costs

Construction Cost Categorization (\$Millions)				
	Out-of-Area Expenditures	Regional/ Local Construction Total	Regional/ Local Labor	Regional/ Local Material Purchases
Phase 1	\$4.22	\$1.91	\$1.14	\$0.76
Phase 2	\$2.81	\$2.65	\$1.59	\$1.06
Project Totals	\$7.04	\$4.56	\$2.74	\$1.82

The Ski Bowl Village *Economic and Fiscal Impact Analysis* includes analysis of the average cost of supporting one construction job full-time for one year (1 FTE). This figure is estimated at \$44,773.³² On this basis, it is possible to estimate the total and phased/annual FTEs to be generated *directly* by the Gore Interconnect project. This is show in the table below.

³¹ The Ski Bowl Village report indicates that typical breakdown of construction costs is: 60 Percent – Labor and; 40 Percent – Material Purchases.

³² See page VI-1.

Gore Interconnect: Phased Local Construction Costs and Estimated FTEs

Year	1	2	3	4	5*	Totals
Local/Regional Construction Material Purchases						
Phase 1 Material Purchase Costs	\$353,899	\$353,899			\$353,899	\$1,061,696
Phase 2 Material Purchase Costs			\$381,200	\$381,200		\$762,400
Totals	\$353,899	\$353,899	\$381,200	\$381,200	\$353,899	\$1,824,096
Local/Regional Construction Labor Costs						
Phase 1 Labor Costs	\$530,848	\$530,848			\$530,848	\$1,592,543
Phase 2 Labor Costs			\$571,800	\$571,800		\$1,143,600
Totals	\$530,848	\$530,848	\$571,800	\$571,800	\$530,848	\$2,736,143
Convert Labor Costs to FTEs						
Phase 1	12	12	0	0	12	36
Phase 2	0	0	13	13	0	26
Totals	12	12	13	13	12	61
Note: Year 5 projects not currently budgeted.						

The project is expected to generate a total of 61 FTEs – at an average annual rate of 12 to 13 FTEs.

Ski Bowl Village – the Ski Bowl Village *Economic and Fiscal Impact Analysis* contains a complete assessment of the potential short-term/construction impacts of the project, employing a methodology quite similar to that utilized for the Gore Interconnect above. In brief, the entire project is projected to generate 2,193 construction FTEs. Because the project is expected to take eight to ten years to complete, it is expected that construction activity will generate an average of 244 construction FTEs on an annual basis (assumes a nine year phase-in period.).

Johnsburg Residential Projects – the construction related impacts of the residential projects would be similar in nature to those for the residential component of the Ski Bowl Village project. Lacking project specifics, it has been assumed that construction costs for these 294 units will be similar to those at Ski Bowl Village. Short-term impacts were estimated as follows:

- Estimate per unit construction cost – construction cost for the residential component of Ski Bowl Village (163 units) are estimated at \$89.65 million. Dividing the total construction figure by the number of units yields a per unit construction cost of \$550,000. However, per unit construction costs for the Johnsburg project units will be lower for several reasons:

- The Ski Bowl Village total figure includes infrastructure costs for the entire project – including the non-residential components.
- The Ski Bowl Village project includes an above average level of on-site amenities (services, recreation, etc.).
- Ski Bowl Village has a prime location – with direct access to skiing. This is typically reflected in higher quality, higher priced residential units.

Based on these factors, the projected per unit construction cost was reduced by 40 percent – to \$330,000 per unit.

- Total construction costs were estimated by multiplying the total number of units (Approx. 294) times the per unit construction cost. Total estimated construction costs (in today's dollars) are \$97.02 million.³³ Under the assumption that the projects would be phased-in over a period of eight to ten years – the average annual construction figure would be approximately \$10.78 million (Based on a nine year schedule).
- The table below shows the estimated short-term/construction impact of the projects, using assumptions developed in the Ski Bowl Village report. Specifically, the estimates assume that 60 percent of construction costs will be allocated to labor and that one construction FTE is equal to \$44,773.

³³ 294 (Units) X \$330,000 (Per Unit Construction Cost) = \$97,020,000.

**Johnsburg Residential Projects:
Total and Annual Short-Term/Construction Impacts**

	Construction Costs (\$Millions)		
	Totals	Labor Costs	Material Purchase Costs
Project Totals	\$97.02	\$58.21	\$38.81
Estimated Annual	\$10.78	\$6.47	\$4.31
	Construction FTEs		
Project Totals	1,300		
Estimated Annual	144		

The projects are projected to create a total of 1,300 FTEs – an average of 144 FTEs annually over a presumed nine year phase-in schedule.

Secondary, Combined and Cumulative *Short-Term* Impacts

The Ski Bowl Village impact analysis uses a Regional Industrial Multiplier System (RIMS) multiplier to estimate the secondary impacts of short-term construction activity. The RIMS multiplier – 1.66 – was used to estimate the *statewide* secondary impact of construction activity. RIMS is a widely used and well-respected input-output model and is appropriate for use in this instance.

The cumulative direct and secondary FTE employment impacts of the projects are summarized in the table below, on a phased basis. The table shows annual, direct FTEs generated by each project, secondary FTEs (statewide) estimated to be generated by this activity and cumulative totals (statewide) for each year.

Subject Projects: Direct, Secondary and Total Short-Term FTE Impacts

Year	FTEs in Year								
	1	2	3	4	5	6	7	8	9
Direct Employment Impact - Construction									
Gore Interconnect	12	12	13	13	12	0	0	0	0
Ski Bowl Village	244	244	244	244	244	244	244	244	244
Johnsbury Projects	144	144	144	144	144	144	144	144	144
Totals	400	400	401	401	400	388	388	388	388
Secondary (Multiplier) Impact - FTEs									
Statewide Totals	264	264	265	265	264	256	256	256	256
Cumulative Impact - Statewide FTEs									
FTEs Statewide	664	664	665	665	664	644	644	644	644

The combined projects are projected to generate an average of 656 FTEs annually during the construction period. These jobs will cease following the completion of construction activity.

Long Term Impacts – Economic and Employment

A cumulative assessment of the potential long-term economic and growth impacts of the three projects follows. In the context of this assessment, *long-term* refers to the point at which all projects are complete and operational. The cumulative assessment draws upon elements of the three extant analyses as well as updated and revised analytical steps. The major methodological steps are as follows:

- Estimate the net increase in total visitation. Economic and growth impacts will be primarily based on the economic activity generated by new visitors to the area. Visitation was also broken down by type: Destination (Overnight) Visitors and; Day Visitors. Destination Visitors' per capita expenditures is significantly higher than Day Visitors' spending.
- Estimate per capita expenditures, in four categories: Destination In-Resort; Destination Outside Resort; Day In-Resort and; Day Outside Resort. Expenditures in the resort will *directly* support resort-based employment, while expenditures outside the resort will *directly* support employment at other local/regional businesses.³⁴

³⁴ For purposes of this analysis 'in-resort' is defined to include: Spending at Gore; Spending within the Ski Bowl Village project and; Spending within the Johnsbury Residential projects.

- Calculate the total, net annual increase in direct expenditures attributable to the *completed* projects.
- Estimate *direct* employment to be supported by visitor expenditures. In the instance of Gore, management has supplied this figure. Similarly, the Ski Bowl Village analysis contains estimates of long-term employment within this project. Direct employment within the Johnsbury Residential project has been estimated based on expenditures and data regarding typical employment at vacation-oriented residential projects as well as by referencing the data provided for Ski Bowl Village. The calculation also includes *direct* employment at local/regional businesses – as supported by net increases in visitor expenditures.
- Estimate *secondary* dollar flows and employment generated by project activity. These calculations were completed using the economic multipliers developed in the ORDA report.
- Estimate area growth – in terms of population and school enrollment - resulting from the projects.

The cumulative economic/growth impact assessment follows:

Net Visitation Increase – The net visitation increase will include: Day and Destination skiers at Gore; Overnight stays by owners/guests at Ski Bowl Village and the Johnsbury Residential projects. Significantly there is crossover between the two – a substantial segment of the increase in Destination skiers at Gore will also be person staying overnight at Ski Bowl Village and the Johnsbury Residential projects:

- As noted, Gore’s current annual capacity is 845,000 persons (6,500 CCC X 130 Operating Days) and, over the past five years, operated at an average utilization rate of 25.1 percent. Following the implementation of the 2002 UMP, the ski facility’s annual capacity will be 1,170,000 (9,000 CCC X 130 Operating Days). Total skier visits will increase both in response to the expanded and improved ski facility and in response to the increased accommodation capacity in close range (Ski Bowl Village, Johnsbury Residential projects). At the completion of all projects, Gore will effectively function as a destination mountain resort with a base village composed of Ski Bowl Village and North Creek.

Given these significant improvements, it is estimated that Gore’s utilization rate will increase, from the present 25.1 percent to 26.8 percent, resulting in total annual skier visits in the range of 310,000 to 315,000 – a net annual increase of approximately 108,000 skier visits.³⁵ Gore’s current Destination/Day ratio is 65 Percent/35 Percent.

³⁵ 9,000 (SAOT/CCC) X 130 (Operating Days) X 26.8% (Utilization Rate) = 313,560 Skier Visits.

A substantial segment of the net increase in skier visits will be accounted for by Destination skiers. The future Destination/Day ratio is estimated at 70 Percent/30 Percent. On this basis, net annual increases in skier visits are as follows:

Destination Skier Visits -	88,060
Day Skier Visits -	22,615

- Combined, the Ski Bowl Village and Johnsbury Residential projects will result in approximately 360 new vacation-oriented housing units in the community, as well as 294 lodging units.³⁶

The Ski Bowl Village report estimates that vacation-oriented units are likely to be occupied 86 days annually (23 percent occupancy rate) by 2.6 persons.³⁷ Based on a variety of data from other mountain resort oriented projects in the northeast – these appear to be quite reasonable estimates and are assumed to be equally applicable to the Johnsbury Residential projects units.

The Ski Bowl Village report also estimates that annual occupancy in the lodging units will be 65 percent. However, this figure is more typical of occupancy levels of lodging facilities in metro markets and is far out of line with typically occupancies at lodging facilities located in mountain resort environments. Based on actual occupancies at mountain resort lodging facilities in the northeast, annual occupancy is likely to be approximately 40 percent.

Combined (Ski Bowl Village, Johnsbury Residential) annual visitation is estimated at 159,169 visitor nights – all destination visitors.

- It is estimated that 60 to 65 percent of the net increase in Gore’s Destination visitors will be generated by Ski Bowl Village and the Johnsbury Residential projects.
- Estimated, annual, net increase in visitors – by category – are summarized below:

Ski Day Visitors -	22,615
Ski Destination Visitors Source: Ski Bowl Village/Residential Projects -	50,138
Ski Destination Visitors Source: Other Area Accommodations -	35,904
<u>Other Destination – Summer Occupancy, etc.</u>	<u>109,031</u>
Total Net Increase -	217,688

³⁶ Ski Bowl Village will also include 15 units likely to be occupied on a year-round basis. Johnsbury Residential project unit total is an estimate.

³⁷ This figure includes use by owners and renters.

Per Capita Expenditures – The surveyed daily per capita expenditures included in the ORDA report (for Essex County) are most appropriate for use in this assessment. These figures are generally consistent with other surveys of a similar nature completed in recent years.³⁸ The 2004 survey figures and CPI adjustments to 2007 levels are shown in the table below.³⁹ Note that table figures refer to Destination Visitors.

**Estimated Daily Per Capita Expenditures:
Essex County, New York**

Expenditure Category	Destination Visitors - Daily, Per Capita Spending		
	2004 Survey Essex County	X Inflation Factor	2007 Adjusted Values
Attractions	\$20.47	108.7%	\$22.25
Entertainment	\$21.36	108.7%	\$23.22
Transportation	\$19.15	108.7%	\$20.82
Lodging	\$87.68	108.7%	\$95.32
Meals	\$52.93	108.7%	\$57.54
Souvenirs	\$27.36	108.7%	\$29.74
All Other	\$14.45	108.7%	\$15.71
Total	\$243.40	108.7%	\$264.60

- Day visitor expenditures are considerably less than those by destination visitors. Based on the survey data cited above, Day visitors are estimated to spend approximately 32 percent of the Destination value. As such, it is estimated that daily per capita spending for Day visitors is approximately \$85.
- Finally, the daily per capita expenditure data has been broken down between expenditures in the resort (Includes Gore, Ski Bowl Village and Johnsbury Projects) and expenditures outside the resort. Resultant daily per capita expenditures are detailed in the table below.

³⁸ Surveys include:

- Okemo Mountain Resort, Vermont Expenditure data.
- *Impact of Tourism Sector on The Vermont Economy*, Prepared by Vermont Tourism Data Center, School of Natural Resources, The University of Vermont.
- *Economic Impact of the Ski Industry in Maine*, Research by Davidson-Peterson Associates, Inc.
- *The New Hampshire Ski Industry, Its Contribution to the State Economy*, Prepared for Ski New Hampshire Inc.
- *Utah Skier Surveys*, Wikstrom Economic & Planning Consultants.
- *Whistler Summer Visitor Data*.

³⁹ Sources: ORDA Economic Impact Report and U.S. Bureau of Labor Statistics.

**Estimated Daily, Per Capita Expenditures by;
Visitors to Gore, Ski Bowl Village, Johnsbury Residential Projects**

Daily, Per Capita Expenditures		
	Destination Visitors	Day Visitors
Total Daily Expenditures	\$264.60	\$84.72
- In Resort	\$165.49	\$58.39
- Outside Resort	\$99.11	\$26.34

Net Increase in Direct Expenditures – The cumulative, annualized, net increase in *direct* visitor expenditures attributable to the projects was calculated by multiplying net increases in annual visitation (by category) by the per capita daily figures shown above. This is shown in the table below.

**Net Increase in Visitor Expenditures:
Cumulative Annual Impact of Three Projects**

Estimated Net Increase in Annual Expenditures (\$Millions)			
	In-Resort	Outside Resort	Totals
Destination Visitors	\$31.69	\$18.98	\$50.67
Day Visitors	\$1.30	\$0.58	\$1.88
Totals	\$32.99	\$19.56	\$52.55

In total, it is estimated that the cumulative impact of the three projects will be additional expenditures in excess of \$52 million. The great majority of these expenditures will be made by Destination visitors.

Cumulative Direct Employment Impact – The cumulative direct employment impact will include: New jobs at Gore; Ski Bowl Village and the Johnsbury Residential projects as well as: New jobs created by visitor expenditures at other area businesses.

- Gore Mountain Ski Center – Gore management indicates that the Interconnect project will result in the creation of 58 new positions at the ski facility – broken down into three categories: Full-Time Year-Round; Full-Time Seasonal and; Part-Time Seasonal.

This is show in the table below – along with a conversion into Full-Time Equivalents (FTEs).⁴⁰

Net Direct Increase: Gore Employment

Employment Positions - Net Increases		FTE Equivalents	
Full-Time YR	4	Full-Time YR	4.0
Full-Time Seasonal	38	Full-Time Seasonal	7.7
Part Time	16	Part Time	1.5
Peak Season	58	Total FTEs	13.2

- Ski Bowl Village – it is estimated that Ski Bowl Village will employ a total of 250 persons.⁴¹

Ski Bowl Village will create 250 new employment positions. Unfortunately, the Ski Bowl Village employment projections do not break down positions by type (Full-Time, Part-Time, etc.), nor include a calculation of FTE equivalents. Because Ski Bowl Village will operate year-round, it is reasonable to expect that the FTE:Position ratio will be higher for the Village than for Gore. Nevertheless, a number of positions in any resort environment are always of a part-time or seasonal nature. It is estimated that Ski Bowl Village will create approximately 110 FTEs.

- Johnsburg Residential Projects – the individual projects will operate solely as vacation-oriented residential neighborhoods, with virtually no on-site commercial activity. Further, with some minor exceptions, these projects will not offer significant on-site recreational amenities. As such, it is quite reasonable to assume that the employment demands – per unit - generated by these projects will significantly less than those at the Ski Bowl Village. Nevertheless, the projects will generate need for administration, maintenance, services, etc. It is estimated that the combined projects will create approximately 85 new employment positions – and approximately 25 FTEs.
- Direct Employment Outside at Other Local/Regional Businesses – the cumulative economic impact estimate above indicates that approximately 37 percent (\$19.56 million) of the new visitor expenditures will be spent outside the resort – at businesses other than Gore, Ski Bowl Village or the Johnsburg Residential projects. These additional dollar flows will have a positive impact on area businesses, and likely result

⁴⁰ Source: Mike Pratt, Gore Mountain Ski Center. One FTE is sufficient work to keep one person employed for one year. Thus, it takes a number of seasonal or part-time job positions to add up to one FTE.

⁴¹ Source: *Economic and Fiscal Impact Analysis, Ski Bowl Village, Revised*, p. VI-5. It is assumed that the projections include maintenance personnel related to the vacation homes.

in some additional employment. The direct impact of these expenditures on area employment was calculated as follows:

- Total expenditures (\$19.56 million) were broken down by major spending category (Lodging, Transportation, Meals, etc.) for both Destination and Day visitors.⁴²
- Total spending by category (with the exception of lodging) was converted to demand for square feet of commercial building space using the conversion factors shown in the Ski Bowl Village impact report.⁴³
- Lodging expenditures were converted to demand for new rooms using the survey data for per diem lodging expenditures and assumptions regarding reasonable capacity and occupancy. Calculations indicate a demand for 56 additional lodging rooms based on direct spending – equating to a demand for approximately 17,000 square feet of lodging space.
- Square footage demands were converted to new employment using conversion rates based on national surveys.⁴⁴
- Total employment was converted to FTEs based on assumption regarding part-time and seasonal employment.

A summary of the calculations and resultant FTEs is shown in the table below.

Direct Employment Impact: Expenditures Outside Resort(s)

	Direct Expenditures- Outside Resort(s) (\$Thousands)			Sales Per Sq. Ft.	Sq. Ft. Demand	Employment Conversion	
	Destination Visitors	Day Visitors	Totals				
Entertainment	\$536.9	\$0.0	\$536.9	250	2,148	2.8	
Transportation	\$929.1	\$19.0	\$948.2	250	3,793	5.0	
Lodging	\$3,411.9	\$0.0	\$3,411.9				
Meals	\$5,951.7	\$341.7	\$6,293.4	250	25,174	32.9	
Souvenirs	\$4,676.1	\$77.3	\$4,753.4	250	19,014	24.8	
All Other	\$3,472.8	\$146.8	\$3,619.6	250	14,478	18.9	
Totals	\$18,978.6	\$584.8	\$19,563.3		64,606	84.3	
						+ Lodging Employment	12.9
						= Total Employment Positions	97.3
						Conversion to FTEs	36.6

⁴² Spending distributions based on survey data from New York Travel and Tourism Research Center.

⁴³ See p. VI-8.

Direct visitor expenditures outside of the three projects will generate 35 additional FTEs.

Total dollar flows and FTEs generated by direct visitor expenditures are summarized in the table below.

**Direct Impact Summary:
Dollar Flows and Employment (FTEs)**

	Direct Impacts (Cumulative)
Direct Visitor Expenditures (\$Millions)	\$52.55
Employment (FTEs) Generated by Visitor Spending	
Gore	13.2
Ski Bowl Village	112.8
Johnsburg Projects	24.8
Other Area Businesses	36.6
Total FTEs	187

Secondary & Total Economic Impacts - Dollar Flows and Employment – The principle of secondary impact is well established. The three extant impact reports all address this issue – using varying approaches. As noted above, the ORDA report methodology is the most rigorous of the three and provides reliable multipliers for use in this cumulative assessment. The ORDA multipliers are repeated in the table below.

**Dollar Flow/Employment Multipliers:
ORDA Study**

	ORDA Multiplier Ranges	
	Study Area	New York
Dollar Flows	1.35 - 1.40	1.45 - 1.50
Employment	1.10 - 1.15	1.15 - 1.25

⁴⁴ Source: Energy Information Administration, Office of Energy Statistics, U.S. Government. For all commercial building, there is one employee per 766 square feet of building space.

The ORDA multipliers have been applied to the direct dollar flow and employment impacts shown above in order to estimate secondary (and total) impacts at the Study Area and statewide levels. This is shown in the table below.

**Estimated Direct, Secondary and Total Dollar Flow & Employment Impacts:
Cumulative Bases at Study Area and Statewide Levels**

	Direct Impacts (Cumulative)	Study Area Multiplier	Study Area Secondary Impact	Study Area Total Impact
Direct Visitor Expenditures (\$Millions)	\$52.55	1.375	\$19.71	\$72.26
Employment (FTEs) Generated by Visitor Spending	187	1.125	23	211
	Direct Impacts (Cumulative)	Statwide (New York) Multiplier	Statwide Secondary Impact	Statwide Total Impact
Direct Visitor Expenditures (\$Millions)	\$52.55	1.475	\$24.96	\$77.51
Employment (FTEs) Generated by Visitor Spending	187	1.175	33	220

Cumulatively, it is projected that the long-term (following completion) impacts of the project at the Study Area level will be: 1) Over \$72 Million in annual additional dollar flows and: 2) The equivalent of a 211 job increase. At the statewide level, cumulative impacts will include: 1) Over \$77 Million in annual additional dollar flows and: 2) The equivalent of a 220 job increase. Because the projects will be phased, these dollar flow and employment impacts will occur over a period of years. For instance, the Ski Bowl Village project envisions an eight to ten year phase-in period.⁴⁵

Cumulative Growth Impacts

There is a positive relationship between increases in employment and growth. New jobs can be expected to draw households to a region, with resultant population growth. However, a small segment of new jobs are filled by persons who move expressly for that purpose. The regional labor force can be expected to provide the majority of the required workers. New jobs typically go to unemployed persons, persons taking on a second job or persons entering the work force. For purposes of this analysis the *migration rate* is the percentage of total new FTEs that will be occupied by persons who move to the area expressly for that purpose

⁴⁵ p. VI-2.

Project impact is closely related to the state of the economy. In a growth economy, with accompanying low unemployment rates, it is reasonable to expect an above average migration rate. Conversely, in a recessionary economy, with high unemployment rates, it is reasonable to expect a below average migration rate, as the local/regional labor force will supply the workers.

Short-Term Growth – Construction Related

As noted in the Ski Bowl Village impact report, construction jobs are not ‘created’ in the same sense that new operational jobs increase employment. The great majority of construction workers simply move from one job site to the next. At the completion of a contract, they move on to the next job. As such, jobs created by construction projects are far less likely to have secondary growth impacts in a community, as workers are unlikely to change their permanent place of residence for any single job. However, steady construction activity in one location over a period of years will induce some workers to move to that area.

Contractors consistently report that the number of jobs on any project that are taken by persons who move for that purpose is negligible. Virtually all contractors maintain a list of local job applicants who they can call upon if necessary for single jobs. Contractors contacted over a period of years indicate that even in the instance of construction jobs that last longer than the construction season, not more than two to six percent of the jobs can be expected to be taken by persons who move to the area for that purpose. The following points are significant:

- Major projects entail the hiring of a series of sub-contractors, each of which is typically on the site for only 30 to 60 days. As such, there is insufficient continuity for workers to be tempted to move to the area.
- The number of *major* construction projects in northern New York at any one time is small. As such, there is insufficient stability in the market to keep the required workers in the market. As a result, most of the individual contractors on *major* jobs are from out-of-state. In general, the persons working for these contractors tend to fall into one of three categories: 1) Non-local workers housed temporarily near the site (Rental Houses/Apartments, Motels, etc.) – accounting for 50 percent of the workforce; 2) Workers who travel into the area on a daily basis – accounting for 30 to 35 percent of the workforce and; 3) Workers hired locally for the job – accounting for 15 to 20 percent of the workforce.
- Although migration from town to town or region to region is clearly low, regional growth in the construction industry will result in the creation of new jobs and eventually, some migration. Thus, it is reasonable to project some migration even in the face of evidence that suggests little or none occurs.

Summary – a migration rate of four percent is reasonable for FTEs created by Phase II construction – reflecting the impact of the relatively small number of construction positions that would create steady, year-round employment. This impact would be phased in over time. Further, it is assumed that secondary employment created by construction activity would also draw new households to the area.⁴⁶ Cumulative, projected growth impacts – base on short-term construction activity – are summarized in the table below.

Short-Term Growth Impacts: Generated by Direct & Secondary Employment

Year	Short-Term Growth Impact - Workers Drawn to Impact Region								
	1	2	3	4	5	6	7	8	9
Cumulative Growth (Workers Moving to Impact Region)	3	5	7	10	12	14	16	18	21

The cumulative impact of short-term construction activity will be to draw approximately 21 workers (and their households) to the impact region. Once construction activity is completed, it is reasonable to expect that a portion of these households would move out of the impact region.

Based on 2000 data, the average Warren County household included 2.41 persons.⁴⁷ At completion the 21 households drawn to the area by short-term construction activity would have the potential to house approximately 50 persons, at the peak level.

The average number of school-aged children per household in the northeast region has declined in recent years. Recent studies indicate the average number per household is currently 0.45±. As such, households moving to the area have the potential to generate nine to ten new school-aged children at completion – or less than one new student annually over the phase-in period, throughout the impact area.

The combined growth impact of short and long-term project activity is considered below.

⁴⁶ The analysis assumes that 70 percent of the secondary employment generated by construction activity would be located in the impact area. The remainder of these jobs would be distributed throughout New York State.

⁴⁷ Source: U.S. Bureau of the Census.

Long-Term Growth – Operations Related

The potential for cumulative local/regional growth (population, school enrollment, etc.) as an impact of the projects could come from two direct and one secondary source:

1. 15 of the units in the Ski Bowl Village project are planned for year-round occupancy – Direct impact.⁴⁸
 2. The potential for some of the units among the Johnsborg residential projects, or the vacation-oriented units in Ski Bowl Village to be purchased or – at a future point – converted to year-round use – Direct impact.
-
3. The potential for a portion of the new jobs resulting from the projects to be filled by persons (and their households) who move to the Study Area for that purpose – Secondary impact.

These growth potentials are assessed below:

Ski Bowl Village: Year-Round Units – At completion the 15 units have the potential to house approximately 36 persons (based on 2.41 persons per household). Assuming an eight year phase-in period, the annual population impact would be approximately five persons.

Based on 0.45 school-aged children per households, the households living in the year-round units have the potential to generate six to seven new school-aged children at completion – or less than one new student annually over the phase-in period.

Purchase or Conversion of Johnsborg Residential or Ski Bowl Village Vacation Units to Year-Round Use – experience throughout the northeast indicates that only a *small* percentage of residential units marketed for seasonal/vacation use *at mountain resorts* are occupied on a year-round basis. This is true both in the short and long-term. As such, the potential for year-round occupancy in these units is insignificant. Nevertheless, it is reasonable to project that a small percentage of the 363 vacation units will be used year-round, whether on an ownership or rental basis.⁴⁹

For purposes of the cumulative analysis, it has been assumed that up to five percent of the units could be occupied on a year-round basis – a total of approximately 18 units. Using the demographic factors outlined above – this could result in a population increase of 43 persons and eight school-aged students.

⁴⁸ Includes: 1 – Owner’s Lodge; 10 – Workforce Housing Units and; 4 – Artists’ Apartments. p. V-4.

⁴⁹ Assumes 148 vacation units in Ski Bowl Village and 215 vacation units in all Johnsborg Residential projects.

Secondary Impact of Job Creation - The creation of new, permanent jobs – as detailed above – has the potential to generate secondary growth in the region. There is a positive relationship between increases in employment and growth. A substantial employment increase can be expected to draw workers and their households to a region and create population growth. However, only a small segment of new jobs are filled by persons who move expressly for that purpose, as the local/regional labor force can be expected to provide the majority of the required workers. New jobs typically go to unemployed persons, persons taking on a second job or persons entering the work force. The *migration rate* is the percentage of total new FTEs that will be filled by persons who move to the area expressly for that purpose. Workers who make these moves are defined as *migrants*.

A number of detailed studies of mountain resort environments in the northeast and other locations in the U.S. indicates that even with sustained growth and development at the resort, a relatively low percentage of new jobs are filled by ‘migrants,’ typically on the order of 7 to 12 percent.⁵⁰ As noted in the Ski Bowl Village report:

“The ski area draws its labor force from a broad geographic area. All of the ski areas’ employees reside in New York. The ski area is able to draw from a fairly wide geographic region for its employment base due to the good highway access afforded by the State’s transportation network. This dispersion of the ski area’s labor base indicates that the facility provides employment opportunities within a number of labor markets. It also serves as a source of employment for students that are seeking temporary employment during the school year.”⁵¹

Employee zip code data from Gore validates this assumption – employee home zip codes are distributed over a broad geographic area. This suggests that any migrants who relocate for new jobs in the Study Area would also be distributed over a broad geographic region.

Based on the evidence presented above, it appears likely that of the 211 FTEs projected to be generated in the Study Area, 10 to 15 percent could be filled by persons who move to the area for that purpose. Thus, 20 to 30 workers (and their associated households) can be expected to move to the Study Area - over a period of eight to ten years. This level of growth (two to three new households annually) would be consistent with ongoing growth rates in the region. Total impact would be a population increase of approximately 60 persons (8± on an annual basis) and 11 to 12 new school-aged children (one to two on an annual basis).

⁵⁰ Studies by completed by Douglas J. Kennedy & Associates and Douglas Kennedy while employed by SE Group and LandVest, including: Okemo Mountain Resort-Vermont; Hunter Mountain-New York; Bristol Mountain-New York; Copper Mountain-Colorado; Arizona Snowbowl-Arizona; Spruce Peak/Stowe-Vermont; Mount Snow-Vermont; Breckenridge-Colorado; Stratton Mountain-Vermont.

⁵¹ From: *Economic and Fiscal Impact Analysis, Revised*, p. III-8.

The table below summarizes the long-term projections regarding the potential cumulative growth impacts of the projects, both in terms of population and school enrollment. This includes both direct and secondary impacts.

Long-Term Growth Impact Summary

	Number of Units	Population Impact		School Enrollment Impact	
		Total	Annual Impact During Phase-In	Total	Annual Impact During Phase-In
Ski Bowl Village-Year-Round Units	15	36	5	7	0.8
Johnsburg Residential & Ski Bowl Village Units Year-Round Use	18	43	5	8	1.0
Migration' to Study Area for Employment	25	60	8	11	1.4
Totals	58	140	17.5	26	3.3
Direct Impact-Local		Secondary Impact-Regional			

Overall, it is projected that over a nine year phase-in the cumulative impact of the projects would be to increase Study Area-wide population by 17 to 18 persons annually and Study Area-wide school enrollments by three to four students annually. While direct impacts would be experienced in the Town of Johnsborg, secondary impact would be distributed throughout the region.

Cumulative Growth Impacts

The table below summarizes the growth related impacts (in terms of population and school enrollments) for all project elements – including both short and long terms impacts.

Cumulative Growth Impacts; All Projects

		Cumulative Impact - Population Growth in Impact Region									Future Years
Year		1	2	3	4	5	6	7	8	9	
Short Term Impacts		6.3	11.9	17.6	23.2	28.8	33.3	38.9	44.4	49.8	Impact will decrease going forward.
Long-Term Impacts											No further growth.
	Ski Bowl V. YR Units	4.0	8.0	12.1	16.1	20.1	24.1	28.1	32.1	36.2	
	YR Use Ski Bowl & Johnsburg Residential Units	4.8	9.6	14.5	19.3	24.1	28.9	33.7	38.6	43.4	
	Employment Impact	6.7	13.4	20.1	26.8	33.5	40.2	46.9	53.6	60.3	
Combined Population Impact		22	43	64	85	106	127	148	169	190	

		Cumulative Impact - School Enrollment Growth in Impact Region									Future Years
Year		1	2	3	4	5	6	7	8	9	
Short Term Impacts		1.2	2.2	3.3	4.3	5.4	6.2	7.3	8.3	9.3	Impact will decrease going forward.
Long-Term Impacts											No further growth.
	Ski Bowl V. YR Units	0.8	1.5	2.3	3.0	3.8	4.5	5.3	6.0	6.8	
	YR Use Ski Bowl & Johnsburg Residential Units	0.9	1.8	2.7	3.6	4.5	5.4	6.3	7.2	8.1	
	Employment Impact	1.3	2.5	3.8	5.0	6.3	7.5	8.8	10.0	11.3	
Combined School Enrollment Impact		4	8	12	16	20	24	28	31	35	

The cumulative growth impacts – throughout the Study Area/Impact Region - of the projects are estimated to be: 1) population increase of approximately 190 and; 2) school enrollment increase of approximately 35. Projections call for the population of the Study Area/Impact Region to increase by approximately 3,300 persons between 2005 and 2015. Project related growth would not have a significant impact on this rate of growth.

Cumulative Fiscal Impacts

Fiscal impact analyses are typically oriented toward assessing the balance of revenues and costs generated by a new, incoming project – from a public/municipal perspective. In this instance, the issue in question is the comparison between the project generated public revenues with the costs that will be incurred in order to provide adequate municipal services to the projects. In most instances, fiscal impact analyses are locally oriented – as the major burden of providing services to a new project are borne by the host community. In this instance, the Town of Johnsbury will bear the majority of the service burden of the project proposals. While the primary focus is on local impact, it is also important to note that new projects generate revenues at regional (county) and statewide levels. Further, regional and state services may be required.

While the results of fiscal impact analyses are usually presented in terms of dollars and cents, the more critical findings are as follows:

- What impact will the project have on service systems?
- Is there sufficient capacity to handle the impacts?
- What is the overall balance of projected revenues versus costs?: 1) Positive – projected revenues exceed projected service costs by a significant order of magnitude (in excess of 15 percent) – in this instance the project will likely have fiscal benefits for local taxpayers; 2) Neutral - projected revenues service costs fall within the same order of magnitude (within 15 percent) - in this instance the project will likely have little fiscal impact on local taxpayers; 3) Negative - projected service costs exceed projected revenues by a significant order of magnitude (in excess of 15 percent) – in this instance the project will likely have fiscal costs for local taxpayers.

Only one of the three extant growth/economic impact analyses addresses fiscal impacts:

- ***Economic and Fiscal Impact Analysis Ski Bowl Village at Gore Mountain*** – this analysis provides service and fiscal impact analyses both with respect to the Gore Interconnect and the Ski Bowl Village project. In both instances, the report includes detailed assessments of existing municipal and regional service systems and the likely impacts of both the Gore and Ski Bowl Village projects on those systems. Further, the report includes a detailed analysis of the projected fiscal impact of the Ski Bowl Village project in terms of dollar impacts on revenues and costs. Overall, the report indicates that the fiscal impact of the Ski Bowl Village project will be highly positive – revenues will exceed costs by a significant order of magnitude.

The report does not address the service or fiscal impacts of the Johnsborg Residential projects.

Cumulative Fiscal Impact Assessment

While project generated municipal revenues are directly related to market values, project generated costs – for virtually any project – are related to ‘people activity.’ In simple terms, an increase in the number of persons living, visiting or recreating in a community will result in increased service costs. Vacant land or unoccupied real estate generally has minimal service costs. With this in mind, the following can be inferred regarding the three project proposals:

- Gore Interconnect – the project will generate an increase in visitors to Johnsborg and can be expected to generate an increase in service costs. As noted in the *Ski Bowl Village* report, “The primary demand for municipal services related to the ski area and the resort development are emergency services such as police, fire and EMS.”⁵² Because the existing Gore facility already generates service needs in these areas, systems are already in place to provide for these needs. It is reasonable to expect that an increase in visitation will create more demand.

Because Gore is exempt from local property taxes, the Interconnect project will not generate an increase in local property taxes. In strictly direct terms then, the local fiscal impact of the project will be negative – costs will exceed revenues. From a broader perspective however, Gore’s (both existing and expanded) positive impact on the local/regional economy (jobs and dollar flows) is generally thought to significantly outweigh its public service costs.

- Ski Bowl Village – resort projects oriented toward use by non-residents typically have significant positive fiscal impacts at the local level: 1) both the lodging accommodations and the residential units in the project will only be occupied on part-time basis – as noted previously, annual occupancy rates of 40 percent for the lodging facilities and 23 percent for the residential units are expected. By comparison, a year-round housing unit is occupied 95± percent of the time and generates relatively more ‘people activity.’ As such, vacation/seasonal units are relatively less costly to serve than year-round units; 2) Because Ski Bowl Village’s users will be – for the most part – non-residents, they will generate relatively few school-aged children on a per unit basis – yet pay full school taxes.

⁵² See p. VI-11.

As described in detail in the Ski Bowl Village report, the project’s potential revenues will exceed costs by a substantial order of magnitude – thus having a positive fiscal impact.⁵³

- Johnsburg Residential Projects – these projects are oriented toward seasonal/vacation owners/users and thus have much in common with the Ski Bowl Village project in terms of potential fiscal impact. Relatively low occupancy will result in lesser ‘people activity’ than that for year-round units. Further, ownership by non-locals will result in minimal impact on school enrollments. Because the projects are distributed geographically through the town and because the individual projects are smaller than Ski Bowl Village – they will provide fewer economies of scale in terms of service provision. As such, per unit service costs may be somewhat higher than those for Ski Bowl Village. Nevertheless, it is very reasonable to expect that the public revenues generated by these projects will exceed public service costs by a significant order of magnitude.

Fiscal Impact Analysis

Updated fiscal data for the Town of Johnsburg is shown in the table below.⁵⁴

⁵³ See p. VI-13 and Appendix A, p. 10.

⁵⁴ Sources: Ski Bowl Village Economic and Fiscal Impact Analysis and New York Office of the Comptroller – Local Government Finance.

Revenues and Expenditures: Town of Johnsburg (FY2001 – 2005)

	FY 2001	FY 2002	FY 2003	FY 2005	Annual % Change
Expenditures					
General Government	\$336,700	\$335,500	\$375,600	\$463,791	+8.3%
Police	\$500	\$500	\$600	\$660	+7.2%
Fire	\$154,800	\$169,000	\$171,400	\$192,321	+5.6%
Other Public Safety	\$6,300	\$5,000	\$4,500	\$36,247	+54.9%
Health	\$41,600	\$133,700	\$156,400	\$79,513	+17.6%
Transportation	\$774,600	\$765,500	\$867,500	\$1,043,436	+7.7%
Econ. Assistance	\$13,900	\$13,300	\$14,600	\$15,165	+2.2%
Culture Recreation	\$177,400	\$213,400	\$203,600	\$205,769	+3.8%
Home & Community Services	\$340,600	\$365,400	\$365,300	\$402,727	+4.3%
Debt Payments	\$7,000	\$7,000	\$7,600	\$8,163	+3.9%
Totals	\$1,853,400	\$2,008,300	\$2,167,100	\$2,447,792	+7.2%
Revenues					
Real Property Tax	\$659,900	\$701,300	\$732,500	\$834,342	+6.0%
Sales Tax	\$654,700	\$732,200	\$704,500	\$760,865	+3.8%
Other Taxes	\$3,300	\$3,400	\$4,100	\$30,367	+74.2%
Inter-Governmental	\$327,800	\$222,500	\$330,900	\$246,815	-6.8%
Interest	\$47,900	\$20,300	\$13,300	\$11,402	-30.2%
Other	\$192,600	\$204,800	\$221,000	\$312,440	+12.9%
Totals	\$1,886,200	\$1,884,500	\$2,006,300	\$2,196,231	+3.9%

Using the Ski Bowl Village fiscal impact assessment as a base, a cumulative analysis of the combined fiscal impact of the three projects was developed, as follows:

Gore Interconnect – this project will not generate town, fire or school district tax dollars, but will generate local service costs. Annualized service costs were estimated using the ‘proportional valuation’ methodology, a well-accepted model for estimating the service costs of incoming, non-residential projects.⁵⁵ Costs were broken down in terms of public

⁵⁵ The Proportional Valuation methodology also estimates the portion of the municipal budget that is expended providing services to residential properties. The methodology then estimates the cost of providing services to the incoming non-residential property by comparing the value of that property to the average value of existing non-residential properties in the community. Larger value properties are

safety and other costs. The Interconnect project will have no direct impact on school enrollment; however, secondary impacts of employment were taken into account in the cumulative assessment of school revenues/costs.

Ski Bowl Village – the impact report contains a detailed accounting of the project’s prospective fiscal impact. However, project-related fire district costs were not calculated. These costs were estimated by applying a per capita, per night service cost to the person-nights to be generated by the completed project.⁵⁶ The project will generate 112,736 person nights – resulting in an estimated annual fire district cost of \$18,866. School costs were addressed on a cumulative basis.

Johnsburg Residential Projects – project(s) revenues were based on projected market values and the tax rates used in the Ski Bowl Village report. As reported above, average per unit construction value is estimated at \$330,000. Average per unit market value is estimated at \$379,500. This value was multiplied by total units (200 to 225) to estimate total market value - \$111.573 million. This value was applied to the tax rates shown in the Ski Bowl Village report to estimate annualized town, fire district and school revenues.

Service costs were estimated on a per person per night basis as derived from the Ski Bowl Village analysis.⁵⁷ The combined residential projects are projected to generate 46,382 person nights in Johnsburg – yielding an annualized town cost of \$30,775. Fire costs were based on the person night factor shown above – yielding an annualized fire district cost of \$7,758. School costs were addressed on a cumulative basis.

School Costs – the cumulative growth impact analysis (above) projects that the combined impact of the projects will be to generate 35 school-aged children, on a regional basis. This figure includes both direct and secondary impacts. Realistically, a relatively small portion of these children would reside in the Town of Johnsburg. Only year-round residents in Ski Bowl Village or the Johnsburg Residential projects (estimated at 15±) would necessarily reside in Johnsburg. Households drawn to the area for employment opportunities would choose among a broad range of communities within commuting range of their place of employment. For purposes of analysis, it is assumed that 24 of the 35 total school-aged children would reside in Johnsburg – this is likely an overstatement of impact.

assumed to have relatively lower service costs while smaller properties are assumed to have relatively higher service costs.

⁵⁶ Based on Johnsburg's current 'effective' population of 3,150 persons, there are 1,149,750 person-nights annually. Dividing annual fire costs (\$192,321) by total person-nights yields a per person, per night cost of \$0.1673. This approach overstates actual person night costs – as it does not account for day-visitors and non-local employees.

⁵⁷ The Ski Bowl Village report estimates \$74,834 in annualized town service costs based on 112,786 person nights; the calculations indicate a per person per night service cost of \$0.6635.

The cumulative, annualized impacts of the projects are summarized in the table below. The table shows impacts broken down by: 1) Revenues and Costs; 2) Category – Town, School, Fire and; 3) Project and Cumulative.

Cumulative Fiscal Impact – Annual Basis

		All Values Annualized			
		Gore Interconnect	Ski Bowl Village	Johnsburg Res. Projects	Cumulative
Town	Revenues	\$0	\$437,765	\$298,487	\$736,252
	- Costs	\$5,328	\$74,834	\$30,775	\$110,937
	= Net Fiscal Impact	(\$5,328)	+\$362,931	+\$267,712	+\$625,315
Fire	Revenues	\$0	\$182,531	\$124,458	\$306,989
	- Costs	\$15,985	\$18,866	\$7,758	\$42,610
	= Net Fiscal Impact	(\$15,985)	+\$163,665	+\$116,699	+\$264,379
Schools	Revenues	\$0	\$2,642,244	\$1,801,596	\$4,443,840
	- Costs		\$418,625		\$418,625
	= Net Fiscal Impact		\$4,025,215		+\$4,025,215

The cumulative fiscal impact of the projects will be a clear positive in the three service categories – Town, Fire and Schools. The net, fiscal negative of the Gore Interconnect is far outweighed by the significant positive impacts of Ski Bowl Village and the Johnsburg residential projects.

Related Impacts

Several other areas of potential impact are briefly addressed below:

Traffic and Highway System

Traffic and highway system issues area addressed in depth in materials submitted on behalf of both the proposed improvements to the Gore Mountain Ski Center and for the proposed Ski Bowl Village project.⁵⁸ In both instances, a thorough assessment of the following has been accomplished:

- Review of Existing Traffic System Facilities;
- Assessment of Current Traffic Flow and system utilization;
- Projected future traffic levels with and without the project proposal;
- Assessment of impacts of project-generated traffic;
- Impact on Traffic system and proposed mitigation.

Traffic impact studies are not available for the individual Johnsbury Residential projects.

The Ski Bowl Village traffic impact study generally indicates that the highway system in the area of the project has sufficient capacity and is adequately designed to accommodate the traffic that will be generated by the project. However, the study notes that the one exception is the intersection of Peaceful Valley Road and NY Route 28 – and recommends that this intersection be further studied.

This concern is addressed in the UMP materials. As noted in the UMP application:

“The Proposed Ski Center improvements in the 2002 UMP will result in reductions in the level of service at the intersection of the Gore Mountain Access Road and Peaceful Valley Road and Peaceful Valley Road and NY Route 28 during peak ski visitor arrival and, especially, departure times. This impact is proposed to be mitigated by construction of a turning lane on Peaceful Valley Road at its intersection with NY Route 28 as approved in the 1995 UMP when the goal of 7,000 SAOT is realized. The 2005 Amendment improvements will result in the 7,000 SAOT goal still not being reached and will not trigger the need for intersection improvements approved in the 1995 UP.⁵⁹”

⁵⁸ See: Gore Mountain Ski Center 2002 UMP – 2005 Amendment and Ski Bowl Village at Gore Mountain, General Information and APA Permit Application, Volume 3 – Attachment Q, Traffic Impact Study, Prepared by Creighton Manning Engineering.

⁵⁹ See page 11.

The Johnsbury Residential projects will also generate added traffic on the area highway system. However, these projects are distributed through the community and will have not single major impact on any roadway or intersection.

Overall, the submitted application materials adequately assess Traffic/Highway issues.

Solid Waste

The following briefly summarizes the solid waste system currently in effect for businesses/residences in the Town of Johnsbury:

- Solid waste is hauled to the regional transfer station located in North Creek. This is accomplished either by the business/resident, or by commercial haulers;
- The Town of Johnsbury then transports refuse to the Adirondack Resource Recovery Facility in Hudson Falls. This facility is operated jointly by Warren and Washington Counties. Refuse is burned at this facility – resulting in power generation.

Both the regional transfer station and the Adirondack Resource Recovery Facility are operating at levels well within their respective design capacities. Increases in solid waste generation as a result of the Gore Interconnect, Ski Bowl Village and the Johnsbury Residential projects will not exceed capacities levels nor create service issues.

Energy/Electrical Service

Regional electrical service is supplied by the Niagara Mohawk Power Corporation (National Grid). A regional substation distribution facility is located in North Creek – electrical power for the Gore Interconnect, Ski Bowl Village and the Johnsbury Residential projects. According to recent data provided by an official representing the power company, the regional distribution facility is currently operating at a level well under capacity – the ‘bank’ is rated for 19mVA, while peak power loads currently only reach 9mVA – approximately 47 percent of capacity.⁶⁰

It is apparent that the regional distribution system has more than adequate capacity to handle the cumulative power demands of the Gore Interconnect, Ski Bowl Village and the Johnsbury Residential projects.

⁶⁰ Email from John J. Murphy C.E.M. Key Account Manager/Business Services, National Grid to Mike Pratt of the Gore Mountain Ski Center, November 30, 2006.

Affordable Housing

Affordable housing is a complex regional and national problem, one which becomes particularly severe during periods when the housing market is in a boom – like that which occurred between 2001 and 2005. During these periods, rapid increases in pricing for both ownership and rental housing make it more difficult for low and moderate income households to secure quality housing. While the acute nature of the issue is somewhat moderated during downturns in the housing market – when pricing stabilizes and vacancy rates increase – it is apparent that the shortage of affordable housing solutions remain. In particular, rising land values and rapid increases in the cost of construction materials have made it more difficult to successfully develop affordable housing in recent years.

Resort-oriented communities in the northeast face the same affordable housing issues as other communities and, because of the unique nature of their local economies, often face issues that are not common in other communities. In particular:

- Resort-oriented communities attract non-local homebuyers seeking vacation/seasonal residences. While a substantial portion of these buyers purchase units that were constructed with seasonal use in mind, the demands generated by these buyers can tend to drive up pricing in both the seasonal and year-round markets.⁶¹
- The facilities (ski areas, recreation attractions, etc.) that are found in resort-oriented communities generate significant employment. These employees often seek housing close-by, creating demand/supply imbalances.
- For facilities like ski areas, employment can be highly seasonal – peaking during mid-winter periods. While a large segment of this seasonal workforce is typically drawn from the local population (or seasonal residents), there are often a number of seasonal workers who need to find temporary housing.

While the unique nature of resort-oriented communities can make exacerbate affordable housing issues, this does not appear to be the case in Johnsbury. The Gore Mountain Ski Center reports the following:

- The ski area has not faced any difficulty in securing its seasonal workforce. The ski area reports that the seasonal workforce is primarily composed of local residents and persons using seasonal housing units in the area.
- Ski area employees – including both year-round and seasonal personnel – have never requested that the ski area provide them with assistance in locating or affording housing. Ski area employees have been able to secure housing without significant difficulty.

⁶¹ Between 1990 and 2000, seasonal housing actually *decreased* as a percentage of the housing stock in the impact area, an indication that the year-round market was more significant in terms of creating demand.

- While residential pricing has increased in the area market, it is noted that pricing in the year-round market remains at a moderate level when compared with most markets throughout the northeast.

There are efforts in place to address affordable housing needs in the impact area:

- Comlinks is a ‘Community Action Partnership’ that is involved in a number of efforts to assist low and moderate income households both with day-to-day life and with securing quality, affordable housing. This includes on-site management to help families focus on the life skills necessary for self-reliance.
- Comlinks recently developed an affordable rental housing project oriented toward low/moderate income households in North Creek (Johnsburg). The 21 unit project is located at the intersection of Peaceful Valley Road and Route 28, in close proximity to both the Gore Mountain Ski Center and the proposed Ski Bowl Village.

The project was developed as a ‘tax credit’ rental which, in this instance, is limited to households earning less than 50 or 60 percent of the Warren County median income level. Initial occupancy occurred in late February of 2007 and, as of this writing (June 2007), the project is 50 percent occupied. The project’s developers note that the rate of absorption for this project is slower than the typical for other projects they have developed in the region. Nevertheless, they are hopeful that the project will be fully occupied by September of 2007.⁶²

- North Country Ministries provides short-term housing in Johnsburg for low income individuals. The facility is a remodeled motel building off Route 28. Typically, rent is \$75 per week and it is reported that there is typically unoccupied rooms available.⁶³

Overall, it appears that the severity of affordable housing issues in the Johnsburg area is far less critical than that being experienced at many other resort-oriented communities in the northeast. This appears to be related to local/regional housing pricing that is in the low/moderate range compared with many other regional markets. However, as in any market, it is important to monitor and address housing issues as they arise. The recent development of an affordable rental project in the immediate vicinity of the subject projects – along with the presence of a facility designed to meet short term rental needs - are clearly a proactive measures.

⁶² Source: Interview with Brian Cassini, Director, Housing & Community Development, Comlinks, June 2007.

⁶³ North Country Outreach Center operate a remodeled restaurant next door as a food pantry, recycled clothing/furniture center, firewood for needy and counseling center for low income households and individuals. This facility is open on Tuesdays and Thursdays.