

Remsen-Lake Placid Corridor: Potential Tourism Visitation Impact Analysis

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Prepared for:

Empire State Development



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About Camoin Associates

Camoin Associates has provided economic development consulting services to municipalities, economic development agencies, and private enterprises since 1999. We specialize in economic and fiscal impact analysis to help clients evaluate the cost-benefit of particular projects. Through the services offered, Camoin Associates has had the opportunity to serve EDOs and local and state governments from Maine to Texas; corporations and organizations that include Lowe’s Home Improvement, FedEx, Volvo (Nova Bus) and the New York Islanders; as well as private developers proposing projects in excess of \$600 million. Our reputation for detailed, place-specific, and accurate analysis has led to projects in twenty states and garnered attention from national media outlets including *Marketplace (NPR)*, *Forbes* magazine, and *The Wall Street Journal*. Additionally, our marketing strategies have helped our clients gain both national and local media coverage for their projects in order to build public support and leverage additional funding. The firm currently has offices in Saratoga Springs, NY, Portland, ME, and Brattleboro, VT. To learn more about our experience and projects in all of our service lines, please visit our website at www.camoinassociates.com. You can also find us on Twitter @camoinassociate and on Facebook.



Executive Summary

Introduction

In an effort to help New York State plan for the future of the state-owned Remsen-Lake Placid Travel Corridor (the “Corridor”), Empire State Development (“ESD”) hired a third party to conduct a tourism focused economic impact analysis of three different proposals for the use of the Corridor. Camoin Associates was commissioned to work with ESD to complete the analysis. The purpose of the impact analysis is to estimate what positive benefits would occur from each of the three proposals in terms of new jobs, earnings, and sales for New York State.

In 2014 the New York State Department of Environmental Conservation (DEC) and the Department of Transportation (DOT) announced that they were considering a revision to the 1996 Unit Master Plan (UMP) that governs the use and development of the 119-mile Corridor. In addition to the public comment, Empire State Development, in cooperation with DEC and DOT, wanted assistance from a third party to consider the economic implications of various reuse scenarios of the Corridor. Specifically, the reuse scenarios include:

- **Scenario 1: All Rail.** Rehabilitation and expansion of the existing railroad infrastructure to allow continuing operation of the Adirondack Scenic Railroad on the entire Remsen to Lake Placid Corridor.
- **Scenario 2: All Trail.** Removal of the existing rails and conversion of the railroad bed from Remsen to Lake Placid into a year-round recreational trail corridor.
- **Scenario 3: Combination.** Rehabilitation and expansion of the existing railroad infrastructure from Remsen to Tupper Lake and removal of the existing rails and conversion of the railroad bed from Tupper Lake to Lake Placid into a recreational trail.

Camoin Associates was hired by Empire State Development to provide the State with a tourism economic impact analysis that would consider how each of the three scenarios would in turn impact total sales, jobs, and earnings in New York State. This impact analysis is one of many factors to be considered in preparation of the revisions to the UMP. The following is a summary of the economic impact of the three proposals, with more detail available in the full report.

Findings

Total Direct Spending

Camoin Associates conducted significant research to estimate the total net new visitation and spending that would occur in New York State under each of the three proposals. These estimates were based on previous research, interviews, literature reviews, and discussions with Empire State Development, the Department of Environmental Conservation and the Department of Transportation. The following table shows the total net new visitation and spending that would occur under each of the three scenarios. This information was used as the direct input for the economic impact analysis. More information on methodology and assumptions can be found in the full report.

Scenario 1 Direct Spending: All Rail						
	Current Visitation	Projected Visitation	Change	Percent Net New	Net New Visitation	Net New Spending
Rail Riders	59,409	136,046	76,637	21%	15,769	\$ 762,583
Snowmobilers	30,931	61,863	30,931	17%	5,196	\$ 576,530
Total	90,340	197,908	107,568	0%	20,965	\$ 1,339,113
Scenario 2 Direct Spending: All Trail						
	Current Visitation	Projected Visitation	Change	Percent Net New	Net New Visitation	Net New Spending
Northern Segment Trail Users	-	73,215	73,215	27%	20,090	\$ 791,357
Southern Segment Trail Users	-	29,984	29,984	11%	3,157	\$ 170,463
Snowmobilers	30,931	61,863	30,931	17%	5,196	\$ 576,530
Rail Riders	59,409	-	(59,409)	14%	(8,317)	\$ (402,225)
Total	90,340	165,062	74,721	0%	20,126	\$ 1,136,125
Scenario 3 Direct Spending: Combination						
	Current Visitation	Projected Visitation	Change	Percent Net New	Net New Visitation	Net New Spending
Rail Riders	59,409	80,155	20,746	**	(55)	\$ (2,672)
Trail Users	-	73,215	73,215	27%	20,090	\$ 791,357
Snowmobilers	30,931	61,863	30,931	17%	5,196	\$ 576,530
Total	90,340	215,233	124,892	0%	25,231	\$ 1,365,215

** See explanation under Net New Visitation on p. 19.

Source: Camoin Associates

Economic Impact

Using the direct spending reported above, Camoin Associates utilized EMSI Economic Modeling Software to calculate the indirect and total impact of the three scenarios on New York State.

Annual Economic Impact of Scenario 1: All Rail			
	Direct	Indirect	Total
Spending	\$ 1,339,113	\$ 1,312,863	\$ 2,651,976
Jobs	\$ 17	\$ 8	\$ 25
Earnings	\$ 496,894	\$ 477,019	\$ 973,913
Annual Economic Impact of Scenario 2: All Trail			
	Direct	Indirect	Total
Spending	\$ 1,136,125	\$ 1,162,443	\$ 2,298,568
Jobs	\$ 15	\$ 7	\$ 22
Earnings	\$ 411,298	\$ 419,524	\$ 830,822
Annual Economic Impact of Scenario 3: Combination			
	Direct	Indirect	Total
Spending	\$ 1,365,215	\$ 1,454,389	\$ 2,739,881
Jobs	\$ 17	\$ 8	\$ 25
Earnings	\$ 497,944	\$ 497,944	\$ 995,887

Source: EMSI, Camoin Associates

- The “all rail” scenario would result in 25 net new jobs, \$2.65 million in new spending, and \$974,000 in new earnings for New York State.
- The “all trail” scenario would result in 22 net new jobs, \$2.3 million in new spending, and \$830,800 in new earnings for New York State.
- The combination scenario would result in 25 net new jobs, \$2.74 million in new spending and \$996,000 in new earnings for New York State.
- When considering all new activity associated with the scenarios (not just net new activity), the North Country will see new sales ranging from \$5 million to \$7 million annually.

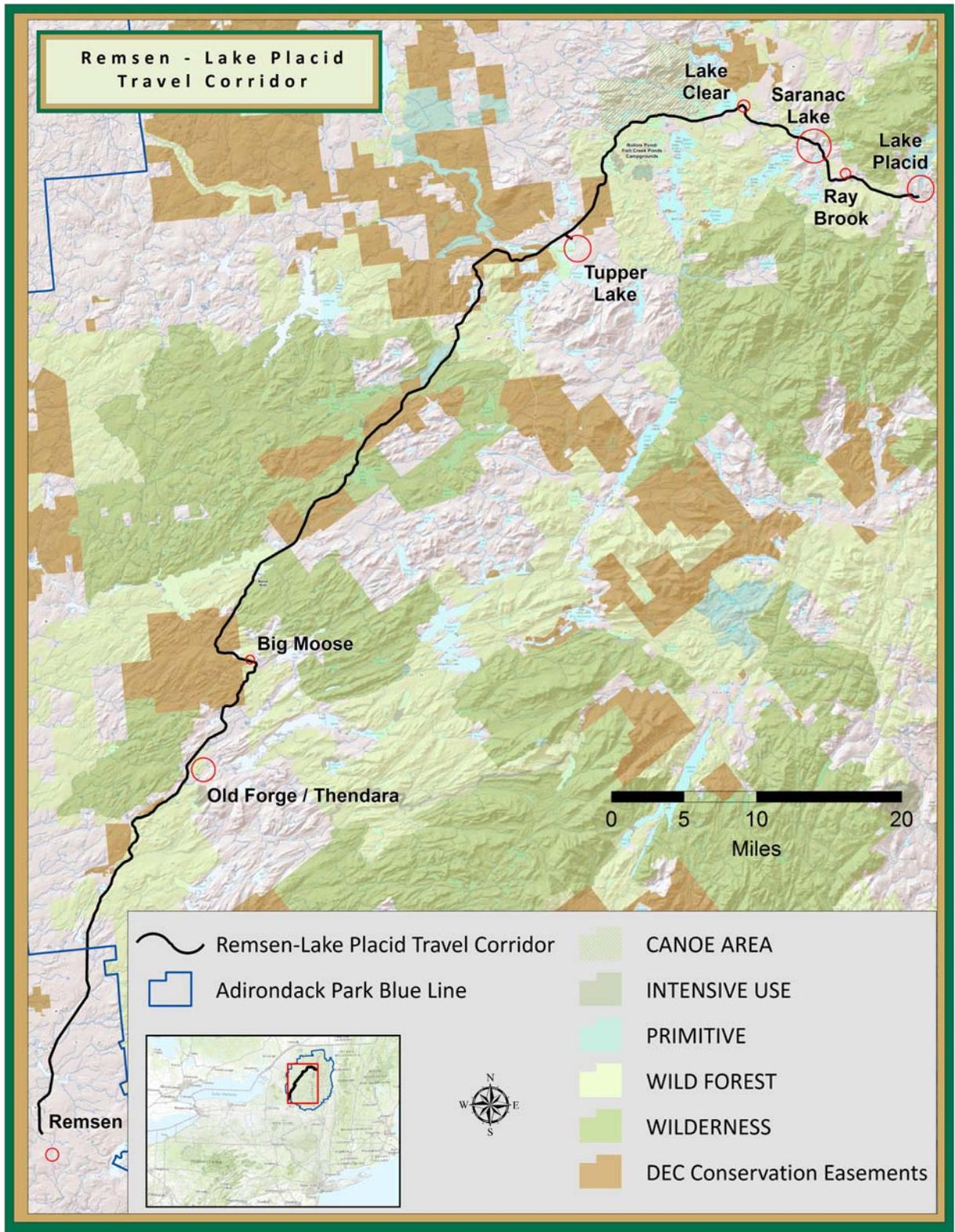
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Introduction

In an effort to help New York State plan for the future of the state owned Remsen-Lake Placid Travel Corridor (the “Corridor”), Empire State Development (“ESD”) hired a third party to conduct an economic impact analysis of three different proposals for the use of the Corridor (see map on following page). Camoin Associates was commissioned to work with ESD to complete the analysis. The purpose of the impact analysis is to estimate what positive benefits would occur from each of the three proposals in terms of new jobs, earnings, and sales for New York State.

The following report has been developed to help ESD, and partner agencies of the Department of Transportation (“DOT”) and Department of Environmental Conservation (“DEC”) in New York State, better understand the economic implications of the three proposals and assist New York State in determining how to best use the Remsen-Lake Placid Travel Corridor moving forward. The report includes project background, a summary of work completed, outline of methodology, and conclusions regarding the impact of the three scenarios.



Project Background

Project Purpose

In 2013 the New York State Department of Environmental Conservation (DEC) and the Department of Transportation (DOT) announced that they were going to review the 1996 Remsen-Lake Placid Travel Corridor Unit Management Plan (UMP) that governs the use and development of the 119-mile Corridor. As part of the planning process the state agencies held four public comment sessions and requested feedback on how to best meet the goals and vision for public recreation along this corridor. In addition to the public comment, Empire State Development, in cooperation with DEC and DOT, wanted assistance from a third party to consider the economic implications of three potential reuse scenarios of the Corridor. Specifically, the reuse scenarios to be considered include:

- Scenario 1: All Rail – Rehabilitation and expansion of the existing railroad infrastructure to allow continuing operation of the Adirondack Scenic Railroad on the entire Remsen to Lake Placid Corridor.
- Scenario 2: All Trail – Removal of the existing rails and conversion of the railroad bed from Remsen to Lake Placid into a year-round recreational trail corridor.
- Scenario 3: Combination – Rehabilitation and expansion of the existing railroad infrastructure from Remsen to Tupper Lake and removal of the existing rails and conversion of the railroad bed from Tupper Lake to Lake Placid into a recreational trail.

Camoin Associates was hired by Empire State Development to provide the state with an economic impact analysis that would consider how each of the three scenarios would in turn impact total sales, jobs, and earnings in New York State. This impact analysis is one of many factors to be utilized in preparation of the revisions to the UMP.

History of the Corridor

The history of the Remsen-Lake Placid Corridor is a long and complicated one. It was constructed by William Seward Webb in 1892 in part to transport wealthy New York City residents (and other goods) to their Great Camps located throughout the Adirondacks. Built in only 18 months, the rail line travels up 1,135 feet in altitude to its highest point in Big Moose Lake and includes 17 bridges. The corridor was operated continuously by the New York Central Railroad and then the Penn Central Railroad until 1972 when freight service ceased. In 1974 the State of New York purchased the abandoned line which was later leased to the Adirondack Railway Corporation in 1977. Following bankruptcy of the Adirondack Railway Corporation the State acquired the remainder of the lease in 1991 and formed an Interdepartmental Task Force to begin the process of developing a UMP. As part of the original UMP process the State held three public forums with more than 500 people in attendance who spoke in favor of (1) resumption of full passenger rail service between Remsen and Lake Placid and (2) recreational use of the Corridor, particularly by snowmobiles. Upon review of the public comments, and meetings with a 24 member Citizen Advisory Committee and representatives of the impacted counties and key stakeholders from all sides of the debate, the UMP Final Plan was approved in 1996. The question



Example of an Adirondack Great Camp. Source: Adirondack Museum

to reopen the UMP came up again in 2013, resulting in four public meetings and opportunities for comment via mail and email.^{1,2}

Current Use of the Corridor

Currently the majority of the Corridor is used by the Adirondack Scenic Railroad (“ASR”), which is operated by the Adirondack Railway Preservation Society, Inc., a 501(c)(3) not-for-profit corporation run by a few full- and part-time employees and 150 volunteers. As a designated preservation society the ASR operates as a moving museum with an educational mission. The ASR offers scenic rail tours along two segments of the Corridor, the southern segment of which includes trains from Utica (outside the Corridor) and Thendara and the northern segment of which runs between Saranac Lake and Lake Placid. The connection of the ASR to the Utica Station is unique as not many other scenic rail operations have such a seamless transition between a more traditional passenger service (Amtrak) and a scenic rail operation (ASR).

The ASR offers special theme excursions like an Easter Bunny Train, Beer & Wine Tasting Train, fall foliage tours, and their most popular event, the Polar Express. Current ridership of the train is nearly 70,000 per year which is approximately 59,500 unique passengers.

The Corridor is also utilized by snowmobilers who are allowed access to the Corridor between December 1 and April 30 each year. With adequate snow cover the Corridor provides a fast and safe route, however the metal tracks both require more snow to adequately cover and cause the snow to melt more quickly, which reduces the period of time in which riding is safe and feasible. On average the snowmobilers are able to safely utilize the Corridor for 6-8 weeks per year.

2014 Ridership - Adirondack Scenic Railroad	
Point of Origin	FRA Ridership
Utica	41,265
Thendara	12,194
Placid/Saranac	16,434
Total FRA Ridership*	69,893
% Return trips	15%
Unique Passenger-Trips	59,409

Adirondack Scenic Railroad (ASR)

*Ridership presented in accordance with the reporting system of the Federal Railroad Administration. A passenger on a round-trip excursion is counted twice if he/she gets off and then reboards train. ASR estimates that 15% of passengers are double-counted.

Previous Research

Over the last 5-10 years a significant amount of research and analysis has been done on the topic of what to do with the Remsen-Lake Placid Corridor and what the subsequent economic impact would be under the different use scenarios. This is an important topic for many living in the Adirondacks and throughout New York State, and it has generated significant debate and controversy. The following is a summary of the research that has been done to date on the topic, all of which was reviewed as background information in preparation for this analysis.³

Adirondack Scenic Railroad – North Country Regional Economic Impact Analysis

Completed by Stone Consulting in March 2012, this analysis was developed to estimate the impact of alternatives for the Remsen-Lake Placid Travel Corridor including the economic impacts of rail travel from Saranac Lake to Big Moose. This analysis was based on fiscal year 2010-2011 ridership and budget information provided by the Adirondack Scenic Railroad. The analysis, using RIMS II modeling, found that

¹ New York State Department of Environmental Conservation, n.d.

² Adirondack Scenic Railroad, n.d.

³ It is important to note that all three of these studies use different study areas, different assumptions regarding the use of the Corridor, different Corridor segment focuses, and different modeling software. All of these differences can lead to the analyst having different conclusions regarding total impact.

the impact of the rail operations would result in a total of 338 temporary jobs (to construct the connection between Saranac Lake and Big Moose) and 225 full-time permanent jobs.⁴

Adirondack Rail Corridor – Economic Impact Study

This analysis, completed by Camoin Associates, was prepared in 2010 for ADKAction.org to estimate the relative costs and economic impacts of upgrading the 34-mile rail bed between Tupper Lake and Lake Placid to expand the Adirondack Scenic Railroad’s offerings versus converting the rail bed to a multi-use recreational trail. The analysis included three potential scenarios including upgrading the rail line, a permanent conversion of the rail line to a recreational trail and a temporary conversion of the rail line retaining the ability to re-install the rails in the future. The analysis includes both the costs of construction and the potential benefits in terms of temporary and permanent jobs, earnings, and sales. The analysis found that the impact of the rail upgrade would result in 13 permanent jobs, \$307,000 in earnings and \$758,014 in sales while the trail (under either scenario) would result in 20 jobs, \$489,000 in earnings and \$1.2 million in sales. The largest difference in the scenarios is related to initial capital costs ranging from \$10 million for the rail to \$18 million for the temporary trail scenario.⁵

The Adirondack Rail Trail – Lake Placid to Old Forge

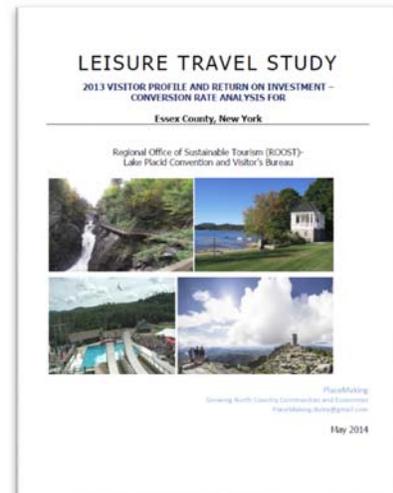
This study, prepared by the Rails-to-Trails Conservancy in July 2012, evaluated the 34-mile rail corridor between Lake Placid and Tupper Lake in what was considered a first step towards a 90-mile trail connecting Lake Placid to Old Forge. This analysis finds that the trail would attract between 75,000 and 800,000 visitors per year spending an average of \$86.02 per day. This analysis also considers the impact associated with construction of the trail and benefit of salvaging the track.⁶

Literature Review

In addition to reviewing the reports and documents that have been prepared specific to the Adirondacks, Camoin Associates also completed a review of previous research on the economic and fiscal impacts of tourism to gain additional information and data points. Some of the key reports reviewed are summarized below, with all references for this report included as an appendix.⁷

Leisure Travel Study: 2013 Visitor Profile and Return on Investment – Conversion Rate Analysis for Essex County, NY

Completed in May 2014 by PlaceMaking for the Regional Office of Sustainable Tourism (ROOST) - Lake Placid Convention and Visitors Bureau, this report summarized findings of a 2013 survey of leisure visitors to Essex County. This survey received nearly 3,000 responses, including nearly 250 that were collected via social media and analyzed separately. Key findings of this survey include visitor spending information, location of origin information, and most common outdoor activities. This report is an update of a similar analysis completed in May 2013 on visitors to Essex County in 2012.



⁴ Stone Consulting, 2012

⁵ Camoin Associates, 2010

⁶ Rails-to-Trails Conservancy, 2012

⁷ Note that many other reports and documents were reviewed in developing assumptions for this analysis but were not directly cited.

American Express Spending & Saving Tracker

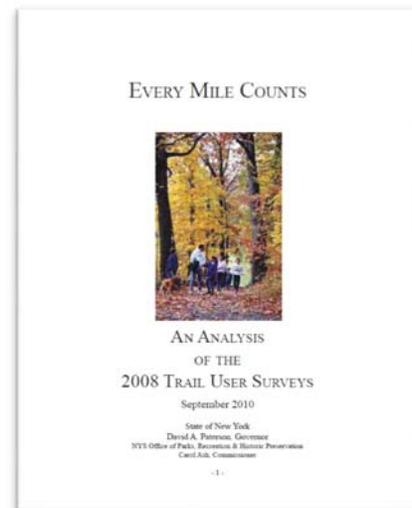
This report was conducted by Ebiquity for American Express and summarizes findings of a survey conducted in October 2014 of consumers regarding their spending habits as they relate to vacations and specifically holiday travel. Of particular interest in this study was the information regarding how many people travel with a budget and how many actually stay “on-budget” during their travels. A key finding of the study is that consumers are finding ways to balance their need to maintain a budget while still splurging when they can during travel.⁸ This analysis helped us understand whether access to amenities and attractions that cost money would increase the visitors’ potential to increase their vacation spending basket or whether they would accommodate those increased costs by decreasing spending elsewhere.

Heritage Tourism Handbook: A How-to-Guide for Georgia

Prepared in 2010 with a focus on growing heritage tourism in Georgia, this report also provides good general background information about characteristics of a “heritage traveler”. Heritage travelers tend to be well educated, older, influenced by women (in planning of the trip), cosmopolitan, accountability-driven, generous in spending, more likely to visit a diversity of sites and regions, wanting high quality service, interested in authenticity, and wanting easy-to-do, accessible quality travel experiences.⁹ These characteristics describe a good portion of the visitors who would likely ride the Adirondack Scenic Railroad. Of particular interest is the higher average spending of heritage travelers compared to other tourists.

Every Mile Counts: An Analysis of the 2008 Trail User Surveys

Prepared for the NYS Office of Parks, Recreation and Historic Preservation (“OPRHP”), this report characterizes users of eight trails in New York State. While the trails vary in their surface and use, all were built on abandoned railroad corridors or canal towpaths and supported similar recreational activities. The surveys collected information on location of origin, primary use, spending, and frequency of use.¹⁰



New York State 2011-2012 Snowmobile Owners Survey

Completed by the Potsdam Institute for Applied Research, this survey randomly sampled 6,000 of 90,000 households with registered sleds and also emailed 69,000 New York State Snowmobile Association Members. This survey and subsequent report provided information about demographics, club activities, type of sled owned, average number of snowmobile days and other information about snowmobilers’ habits. The findings of the survey were also used to provide a direct economic impact figure of snowmobiling in New York State.¹¹ Information from this report was used to gain an understanding of how the three scenarios would impact snowmobile use in New York State.

The Great Allegheny Passage Economic Impact Study (2007-2008)

This study summarizes the results of an intercept survey conducted at eight different locations along the Great Allegheny Passage by Campos Inc. The study included surveying both businesses and trail users to

⁸ Ebiquity, 2014

⁹ Georgia Department of Natural Resources, 2010

¹⁰ New York State Office of Parks, Recreation and Historic Preservation, 2010

¹¹ New York State Snowmobile Association, 2012

estimate the economic impact that the completion of the trail has had on towns that the trail intersects and adjacent local business. The survey provided characteristics for location of origin, spending, type of use, and other information for users of this 150 mile hiking and biking trail between Cumberland, MD and Pittsburgh, PA.¹²

¹² Campos Inc, 2009

Methodology

Camoin Associates employed the following methodology to calculate the economic impact of the three scenarios on New York State.¹³ More detail about the assumptions utilized can be found under each of the three scenarios modeled below.

1. **Quantify visitation.** Using previous studies, projections provided to us, and various assumptions for each scenario as detailed below, we quantified the number of rail and/or trail users that would result from the implementation of each scenario.
2. **Estimate percent net new.** Next, we estimated the percent of rail and/or trail user spending that would be “net new” to the New York State economy. Net new spending is spending that would not occur but for the implementation of each scenario. We assumed that any spending by New York State residents would not be net new because it is likely that this spending would occur elsewhere in the state even if the scenario in question were not implemented. Only spending by out-of-state visitors is considered to be net new to New York State.
3. **Estimate net new visitor spending.** Based on data from various visitor surveys, we estimated the average spending per net new user, based on the amount of additional time the average user will spend in New York State as a result of the implementation of each scenario. Average spending varied by type of user (rail riders, trail users, snowmobilers, etc.) as detailed under each scenario below.
4. **Model economic impacts.** Using visitor spending amounts as inputs, we modeled the indirect impacts—in terms of jobs¹⁴, earnings, and sales—of each scenario on New York State. Economic multipliers were provided through the EMSI software package.
5. **Calculate total impacts.** We arrived at total economic impacts for each scenario as the sum of direct and indirect impacts.

Modeling Software

Economic Modeling Specialists, Intl. (EMSI) designed the input-output model used in this analysis. The EMSI model allows the analyst to input the amount of new direct economic activity (spending, earnings, or jobs) occurring within the study area and uses the direct inputs to estimate the spillover effects that the net new spending, earnings, or jobs have as these new dollars circulate through the study area’s economy. This is captured in the indirect impacts and is commonly referred to as the “multiplier effect.” See Attachment A for more information on economic impact analysis.

Total Activity

This economic impact analysis focuses only on the “net new” tourism activity that will occur in New York State as a result of the three proposed scenarios. However, it is also important to note that all three of the proposed scenarios will have a positive impact on the North Country as completion will result in more amenities, activities, and reasons to visit. The increased tourism activity that will result from any of the scenarios will benefit communities in the North Country as more people are drawn to the Adirondacks to spend time and money.

¹³ Note that unlike previous studies, this study focuses on determining the economic impact on New York State overall, not on the Adirondack region or other county based geography.

¹⁴ A “job” is equal to one person employed for some amount of time (part-time, full-time, or temporary) during the year.

In modeling the economic impact of each scenario, net new visitor spending on entertainment, food, retail, lodging, and transportation are the “Direct Impact.” “Indirect Impacts” occur as visitor-oriented business, such as restaurants, hotels, gift shops, and others, make purchases from second-tier suppliers, those second-tier suppliers make purchases from third-tier suppliers, and so on, back through the supply chain. Another component of indirect impacts are induced impacts—those impacts that occur as employees, both those working directly for visitor-oriented businesses as well as for those businesses that supply to them—spend their wages in the economy. Together, direct, indirect, and induced impacts comprise the total economic impact of each scenario on New York State.

It is important to note that this analysis focuses only on the tourism aspect of the three proposed scenarios and does not include the temporary impacts that would be generated as a result of construction (track removal and salvage, track installation, trail construction, etc.). These temporary impacts would create additional jobs, earnings, and sales for New York State and the North Country but are outside the scope of this analysis.

Economic Impact Analysis

The following sections outline the assumptions used in developing the model for each of the three scenarios and estimates the direct, indirect, and total economic impact.

Scenario 1: All Rail

Introduction

Under Scenario 1, the entire length of the Remsen–Lake Placid Travel Corridor would undergo improvements to make possible uninterrupted passenger rail service from Utica to Lake Placid. This would involve upgrading much of the existing rail infrastructure along the Corridor to allow trains to travel at speeds greater than what is currently possible. The Adirondack Scenic Railroad (“ASR”) would expand its scenic rail operations to serve the entire Corridor. In addition to running more trains on existing excursions, it would also offer new excursions that would transport passengers between Utica and Lake Placid, as well as Thendara and Lake Placid. There would be no trail uses under this scenario.¹⁵

Rail Riders

Net New Visitation

The charts below show projected passenger counts as estimated by Adirondack Scenic Railroad under the all-rail scenario. ASR projects ridership increases on its existing excursions, as shown in the first chart. The second chart shows ridership projections for new routes that the railroad plans to operate under the all-rail scenario. Counts for existing excursions were provided in accordance with the reporting system used by the Federal Railroad Administration (“FRA”). A passenger on a round-trip excursion is counted twice if he/she gets off and then re-boards train. ASR estimates that about 15% of passengers are double-counted, and we have adjusted the totals accordingly to estimate total number of unique passenger-trips.

In 2014, there were approximately 59,409 unique passenger-trips on the Adirondack Scenic Railroad. The number of passenger-trips on already-existing excursions is projected to increase to 98,546 under the all-rail scenario.

¹⁵ Completion of the entire Corridor for rail access could lead to additional use beyond that of the ASR including the potential for overnight Pullman Service and Rail Explorers. Iowa Pacific Holdings (IPH) has expressed interest in offering overnight luxury Pullman sleeping car accommodations between New York City and Lake Placid in the future. Similarly, ASR believes that completion of the Corridor would lend itself to activities like Rail Explorers, pedal rail bikes. However, given that plans for these types of services are tentative and in the interest of providing a conservative analysis, the potential impact of Pullman service or the Rail Explorers will not be considered in the study.

Passenger-Trip Projections - Existing Excursions		
	Current (2014)	Projected
Utica*	41,265	67,000
Thendara**	12,194	16,800
Placid/Saranac†	16,434	32,136
Total FRA Ridership‡	69,893	115,936
% Return trips	15%	15%
Unique Passenger-Trips	59,409	98,546

Source: Federal Railroad Administration (FRA) and Adirondack Scenic Railroad (ASR)

*Projection based on 20% increase over 2014 ridership plus addition of Thomas Train excursion and trips to Big Moose. Track washout precluded excursions to Big Moose in 2014.

**Thendara - projection based on 15% increase over 2014 ridership plus trips to Big Moose.

†Placid/Saranac - projection based on 20% increase over 2014 ridership plus excursions to Tupper Lake, and the addition of Thomas Train and Santa Train excursions.

‡Current and projected counts presented in accordance with the reporting system of the Federal Railroad Administration. A passenger on a round-trip excursion is counted twice if he/she gets off and then reboards train. ASR estimates that 15% of passengers are double-counted.

In addition to passenger-trip increases on existing excursions, ASR plans to implement existing excursions between Lake Placid and Thendara, as well as Lake Placid and Utica. These new excursions are estimated to result in an added 37,500 passenger-trips.

Passenger-Trip Projections - New Excursions	
Excursion	Projected Ridership*
Thendara to Placid	12,000
Placid to Thendara	15,000
Utica to Placid	10,500
Unique Passenger-Trips	37,500

Source: ASR

*Round-trip rides

In total, ASR projects a total of 136,046 unique passenger-trips as a result of the all-rail scenario. This is an increase of 129% over the number of passenger-trips counted in 2014.¹⁶

Passenger-Trip Projections - Total	
Existing Excursions	98,546
New Excursions	37,500
Total Unique Passenger-Trips	136,046

As described in the Methodology section of this report, we assume spending only from out-of-state riders to be net new to New York State. We approximated out-of-state ridership using credit card address data provided by ASR. While the overall proportion of riders from out-of-state was 14%, the share differed considerably between excursions originating in Lake Placid/Saranac, where 42% of riders were from outside the State, and those originating from Utica and Thendara on the southern segment of the line, where a much lower 8% were from out-of-state. We assumed that these proportions would remain similar

¹⁶ Note that information provided by the ASR to Camoin Associates was reviewed for consistency with other reports that estimate ridership on similar scenic rail excursions and based on this review the information provided by ASR was deemed reasonable.

under the all-rail scenario, and applied them appropriately to arrive at a total of 15,769 net new out-of-state riders.

Net New Passenger-Trips			
	Originating Placid / Saranac	Originating elsewhere	Total
Projected Passenger-Trips	42,316	93,730	136,046
Current (2014) Passenger-Trips	13,969	45,440	59,409
Change in Passenger-Trips	28,347	48,290	76,637
Percent of Passengers from Out-of-State*	42%	8%	
Net New Passenger-Trips	11,906	3,863	15,769

* Based on passenger credit card address data obtained from ASR

We acknowledge that through access from Utica (and even New York City using Amtrak) to Lake Placid under the all-rail scenario may change the percentage of out-of-state riders boarding at various locations; however, the existing breakdown is the most reliable estimate available and therefore it is utilized to provide a conservative estimate for the analysis.

Visitor Spending

We assume that each net new visitor will, on average, extend his or her stay in New York State by a half day in order to ride the rail, understanding that excursions can range from a few hours to daylong rides. The table below uses visitor spending data from the 2013 Essex County Leisure Travel Study to estimate the annual net new base spending by rail riders that would result from the rail scenario.

The second half of the table considers the additional spending that would occur as a result of access to the ASR. While some NYS visitors will have a fixed budget and accommodate the cost of the ASR ticket within their overall “vacation budget,” there will also be visitors who will spend beyond the average vacation budget simply as a result of there being additional spending opportunities, such as a train excursion offering. A report conducted by Ebiquity for American Express found that 61% of travelers have a fixed budget and spend at or below budget, but 39% of travelers have no budget or end up spending more. The table shows the net new spending that will occur as 39% of net new riders increase their spending as a result of the access to the train. We use an average ticket price of \$23, derived from ticket purchase data provided by ASR. This slightly higher spending rate for rail riders is also supported by studies conducted on heritage tourism in New Jersey¹⁷ and Georgia,¹⁸ which found that heritage tourists (which accurately characterizes a significant portion of ASR riders) spend more on average than other types of tourists.

We estimate that \$621,137 in net new spending will occur as visitors extend their length of stay in the state, plus an additional \$141,446 in net new spending on rail tickets resulting from the presence of an additional spending opportunity. This is a total of \$762,583 in direct net new spending.

¹⁷ New Jersey Heritage Tourism Plan – Economic Impact Data and Analysis, which cites a 2009 study conducted by Mandala Research entitled “U.S. Cultural and Heritage Tourism Study”

¹⁸ Heritage Tourism Handbook: A How-To-Guide for Georgia, March 2010

Net New Spending by Rail Riders				
	Daily Spending per Visitor Party*	Daily Spending per Visitor†	Half-Day Spending per Visitor	Total Net New Spending (half-day spending * 15,769 passenger-trips)
Food	\$ 69.00	\$ 16.83	\$ 8.41	\$ 132,689
Retail	\$ 34.00	\$ 8.29	\$ 4.15	\$ 65,383
Lodging	\$ 138.00	\$ 33.66	\$ 16.83	\$ 265,377
Transportation	\$ 37.00	\$ 9.02	\$ 4.51	\$ 71,152
Attractions & Entertainment	\$ 45.00	\$ 10.98	\$ 5.49	\$ 86,536
Total Base Spending	\$ 323.00	\$ 78.78	\$ 39.39	\$ 621,137
Total Net New Passenger-Trips				15,769
Percent Going Over Budget**				39%
Net New Riders Going Over Budget				6,150
Average Price of a Ticket‡				\$ 23
Total Additional Spending				\$ 141,446
Total Net New Spending: Rail Riders				\$ 762,583

* 2013 Essex County Leisure Travel Study

† Assumes 4.1 persons per visitor party

** American Express/Ebiquity

‡ Determined from ticket purchase data provided by ASR

Snowmobilers

While under Scenario 1 the railroad tracks would remain in place for the length of the Corridor, additional snowmobile trails have been proposed that will connect the rail corridor to some of the small communities along the way as well as their individual snowmobile trail systems. The appeal of the Corridor for snowmobilers is the connectivity it provides to these various trail systems. Currently, snowmobilers can only use the Corridor when snow cover is deep enough to ensure that their sleds are not damaged by the underlying tracks. Based on feedback from the interviews conducted, the snow cover is sufficiently deep for about 6 weeks in the average year. With the provision of these new trails, snowmobilers will no longer have to rely on the Corridor for connectivity and will induce additional out-of-state snowmobilers to use the trails. This will allow connectivity for the entire duration of the snowmobiling season, which is about 12 weeks on average. This doubling of the length of time that snowmobiling is possible will similarly double the number days spent by out-of-state snowmobilers in New York State.

We estimate that currently there are about 30,931 snowmobile-days spent on the Corridor. The Corridor accounts for about 6.6% of all trail-miles in the Adirondacks, and we assume that the Corridor accounts for a similar share of snowmobile-days. We expect this number to double with the provision of the new snowmobile trails. The table below shows this calculation.

Total Trail Users: Snowmobilers			
	2010–11 Season	2012–13 Season	Average
Average Days per Snowmobiler*	22.04	13.08	
Total Registered Households*	90,000	90,000	
Total Snowmobile-Days in NYS	1,983,600	1,177,200	1,580,400
Percent in Adirondacks*	24.8%	37.7%	
Snowmobile-Days in Adirondacks	491,933	443,804	467,869
Total Trail Mileage in Adirondacks			
			1,800
Length of Corridor†			
			119
Length of Corridor as a Percent of Total Trail Mileage			
			6.6%
Current Snowmobile-Days on Corridor			
			30,931
Percent Increase in Length of Season from 6 to 12 Weeks			
			100%
Total Snowmobile-Days on Corridor after Track Removal			
			61,863

* NYSSA 2013 Snow mobile Owners Survey

†Snow mobile Plan for the Adirondack Park/FGEIS. NYSDC & NYSSOPRHP. 2006.

Of the new snowmobile-days induced by the new snowmobile trails, out-of-state (i.e. net new) snowmobilers will account for 16.8%. This is based on a 2013 New York State Snowmobilers Association survey that asked snowmobile owners who were registered in the New York State whether they were state residents. Note that snowmobilers must be registered in New York State in order to ride in the state.

Net New Trail Users: Snowmobilers	
Projected Total Snowmobile-Days on Corridor	61,863
Current Snowmobile-Days	30,931
Increase in Snowmobile-Days	30,931
Percent of Snowmobilers from Out-of-State*	16.8%
Net New Snowmobile-Days	5,196

* Based on state of resident of respondents to NYSSA 2013 Snow mobile Owners Survey

Spending per snowmobile-day is detailed in the table below. Spending estimates were derived from a number of snowmobiler surveys conducted across the U.S. We estimate that \$576,530 in net new spending will occur as a result of the new trails.

Net New Visitor Spending: Snowmobilers		
Spending Category	Spending per Snowmobile-Day	Total Spending (spending * 5,196 net new snowmobile-days)
Food	\$ 32.45	\$ 168,608
Retail	\$ 11.51	\$ 59,829
Lodging	\$ 38.73	\$ 201,242
Transportation	\$ 28.26	\$ 146,852
Total Net New Spending	\$ 110.95	\$ 576,530

Derived from several snow mobiler surveys conducted across the U.S.

Summary of Direct Spending

The table below summarizes direct net new spending by rail riders and snowmobilers under Scenario 1. We estimate spending to total \$1,339,113 under the all-rail scenario.

Summary of Scenario 1 Direct Spending						
	Current Visitation	Projected Visitation	Change	Percent Net New	Net New Visitation	Net New Spending
Rail Riders	59,409	136,046	76,637	20.6%	15,769	\$ 762,583
Snowmobilers	30,931	61,863	30,931	16.8%	5,196	\$ 576,530
Total	90,340	197,908	107,568		20,965	\$ 1,339,113

As shown above, Scenario 1 will result in a total change of 107,568 new visitors (either extended stay of existing visitors or new visitors all together) that will spend money in the North Country at local restaurants, businesses and retailers. Since a majority of these visitors live in New York State they are not considered as part of this economic impact analysis but it is important to recognize that their spending will be positive for the Adirondack region. Using the assumptions developed for this analysis it is estimated that these 107,568 visitors would spend approximately \$7 million in the North Country on an annual basis.

Economic Impact

The total direct spending amount calculated above was used as the input into the EMSI input-output model in order estimate the total impact of this scenario on spending, jobs, and earnings on New York State. As shown in the following table, the direct spending of \$1.34 million equates to \$2.65 million in total spending, 25 total jobs, and \$974,000 in total earnings.

Annual Economic Impact of Scenario 1: All Rail			
	Direct	Indirect	Total
Spending	\$ 1,339,113	\$ 1,312,863	\$ 2,651,976
Jobs	17	8	25
Earnings	\$ 496,894	\$ 477,019	\$ 973,913

Source: EMSI, Camoin Associates

Scenario 2: All Trail

Introduction

Under Scenario 2, the entire length of the Remsen–Lake Placid Corridor would be converted to a recreational trail with a crushed stone surface. All rail infrastructure would be removed, and no rail service would exist north of Remsen. The Adirondack Scenic Railroad (ASR) would cease to operate, even outside the Corridor south of Remsen.¹⁹

Given the significant variation in the features and landscape of the Corridor across its length, we decided to consider the trail as comprised of two distinct sections in our projections of the number of non-winter trail users (walkers, runners, hikers, and cyclists).²⁰ The distinct features of the two sections will appeal to different types of users with varying spending patterns.

While there would be some economic benefit to salvaging the rail track and selling it as a result of the all-trail scenario, this benefit was not considered for this analysis.

Northern Segment Trail Users

Net New Visitation

The northern segment, extending 34 miles from Lake Placid to Tupper Lake, is characterized by relatively short segments between communities: the Lake Placid–Saranac Lake segment measures about 10 miles, and the Saranac Lake–Tupper Lake segment is about 24 miles. Moreover, these communities are established tourist destinations with many shopping, dining, and lodging options (especially Lake Placid which is a major national and international tourist destination). The northern segment is likely to attract leisure hikers and cyclists interested in a shorter-distance excursion. A cyclist traveling at a very leisurely speed of 10 mph could make the trip from Lake Placid to Tupper Lake in about 3 ½ hours and would be able to make a return trip the same day if desired. A round-trip ride from Lake Placid to Saranac Lake would take just 2 hours. Hikers and runners would more likely take short-distance, half-day-or-less round trips leaving from the tourist hubs of Lake Placid and Saranac Lake.

Interviews with trail advocates and tourism professionals indicate that visitors of all types would likely utilize the trail, from families with small children to empty nesters to expert cyclists. Users of the northern segment are likely to be representative of the typical Tri-Lakes Region visitor.

To estimate the potential number of trail users, reports for 19 multi-use trails located throughout the United States were reviewed. Once the usage data were compiled, it was clear that use, spending, and local vs. non-local users varied significantly from trail to trail. To narrow down the case studies that we would use as benchmarks, we applied the following five criteria. The trail must:

1. Be primarily rural in nature
2. Direct users into downtown areas and not divert users around communities
3. Provide scenic views
4. Be located proximate to major urban markets (within approximately 4 hours)
5. Be open for a similar period of the year

¹⁹ Based on interview with Adirondack Scenic Railroad representatives.

²⁰ Note that the trail will also be accessible during the winter for snowshoeing and cross country skiing. These types of uses were not quantified as the analysis is focused primarily on the “heavy use” months of spring through fall. There is potential that the trail could be used by the U.S. Nordic Team, Olympic Regional Development Authority, and other teams/organizations for training and hosting of events during the winter months. These impacts were not quantified as enough detail is not yet available about these potential events to estimate the impact they would have on visitation and/or spending in the community.

Ultimately, we relied on usage data from the following six trails meeting the above criteria:

Northern Segment Benchmark Trails						
Trail	State	Miles	Annual Users	Heavy Use Months	Monthly Users	Monthly Users per Mile of Trail
Sugar River Trail	WI	23.5	47,566	8	5,946	253.01
Red Cedar Trail	WI	14.5	40,000	8	5,000	344.83
Pine Creek Trail	PA	62.6	125,000	8	15,625	249.60
Virginia Creeper Trail	VA	35.0	130,172	12	10,848	309.93
Elroy-Sparta Trail	WI	32.0	50,000	8	6,250	195.31
Ghost Town Trail	PA	36.0	75,557	8	9,445	262.35
Average			78,049		8,852	269.17

Multiplying the average figure of 269.17 monthly users per mile by 34 miles (the length of the northern segment) and again by 8 months (the estimated number of heavy use months), we arrive at a total of 73,215 annual users on the northern segment.

Total Trail Users: Northern Segment	
Average Users Per Mile*	269.17
Northern Segment Miles	34
Heavy Use Months	8
Total Annual Trail Users, Northern Segment	73,215

*Based on average for six similar trails nationwide.

The table below shows the estimated number of users that should be considered net new. While many of the trail users on the northern segment will be hikers, walkers, and runners, there are already many miles of recreational trails available to these users in the Adirondacks region. If a new trail were to be constructed, it might prove popular among these users, but it would essentially be diverting them from other trails in the Park. In other words, construction of the trail would not be offering anything materially different to these users that would entice them to extend their stay in the state and make additional purchases.

The trail would, however, offer something new to cyclists since there is a lack of facilities for these users in the region. The trail would offer cyclists an uninterrupted ride on relatively flat terrain that they would not have to share with cars and trucks. Existing cycling facilities in the region are generally limited to mountain biking courses and on-road cycling. The uninterrupted trail starting in Lake Placid would be a great asset particularly considering the community’s long tradition of athletic training including hosting the Olympics 2 times, home of the Olympic Regional Development Authority, the annual Ironman competition and countless other athletic events. Because the trail would be a unique offering to cyclists, we will consider the spending associated with these users to be net new. In 2010 the New York State Office of Parks, Recreation, and Historic Preservation completed an analysis of trail user surveys that documented the percentage of users who used bicycles for each of eight trails throughout the state. Averaging these percentages, we estimated that roughly 56% of New York State trail users were cyclists.

After adjusting for cyclists, the number of users will be further reduced to include only out-of-staters. It is assumed that even without the trail, in-state users would spend the same dollars elsewhere in the state. According to the 2013 Essex County Leisure Travel Study, 49% of visitors to Essex County—which includes Lake Placid and part of Saranac Lake—were from outside New York State.

Net New Trail Users: Northern Segment	
Total Annual Trail Users, Northern Segment	73,215
Percent Cyclists*	56%
Percent of Users from Out-of-State†	49%
Net New Trail Users, Northern Segment	20,090

* NYS OPRHP 2010 Analysis of 2008 Trail User Surveys

† 2013 Essex County Leisure Travel Study

Multiplying the total estimate of annual trail users on the northern segment by the percent that would be cyclists, and again by the percent who would be from out-of-state, we arrived at 20,090 net new visitors.

Visitor Spending

We assume that each net new visitor will, on average, extend their stay in New York State by a half day in order to recreate on the trail. The typical bike ride on the northern segment of the trail is likely to last about half a day, acknowledging that some users might take longer rides and others might take shorter rides. The table below uses visitor spending data from the 2013 Essex County Leisure Travel Study to estimate the annual net new spending on the northern segment that would result from the trail scenario.²¹ We estimate \$791,357 in net new spending by northern segment trail users under this scenario.

Net New Spending by Northern Segment Trail Users				
	Daily Spending per Visitor Party*	Daily Spending per Visitor†	Half-Day Spending per Visitor	Total Net New Spending (half-day spending * 20,090 net new trail users)
Food	\$ 69.00	\$ 16.83	\$ 8.41	\$ 169,052
Retail	\$ 34.00	\$ 8.29	\$ 4.15	\$ 83,301
Lodging	\$ 138.00	\$ 33.66	\$ 16.83	\$ 338,103
Transportation	\$ 37.00	\$ 9.02	\$ 4.51	\$ 90,651
Attractions & Entertainment	\$ 45.00	\$ 10.98	\$ 5.49	\$ 110,251
Total	\$ 323.00	\$ 78.78	\$ 39.39	\$ 791,357

* 2013 Essex County Leisure Travel Study

† Assumes 4.1 persons per visitor party

Southern Segment Trail Users

Net New Visitation

In contrast, the southern segment, which extends 85 miles between Tupper Lake and Remsen, is relatively remote and consists of rather long segments between communities. The Tupper Lake–Big Moose segment measures 44 miles and offers very few opportunities for a pit stop along the way. Beyond Big Moose, the trail would extend another 12 miles to Thendara/Old Forge, followed by a final haul of 29 miles to Remsen. These long distances would appeal to cyclists interested in daylong or multiple-day trips during which they

²¹ Note that the spending information provided in the Essex County Leisure Travel Study was compared to other park and trail specific studies to estimate whether the spending basket was reasonable, and based on a review of existing studies it was deemed to be a reasonable representation of trail user spending. Studies reviewed included: Walkway Over the Hudson pedestrian bridge survey conducted by Camoin Associates; The NYS Park System: An Economic Asset to the Empire State completed by PERI; and, The Economic Impact of the Erie Canalway Trail completed by Parks and Trails New York. All of these reports utilized different spending baskets for the visitors in order to establish an economic impact, but the figures reported in the Essex County Leisure Travel Study fall within a reasonable range to characterize trail user spending.

could camp or stay at other accommodations available along the way. In the winter when there is sufficient snowfall, the southern segment would be especially attractive to snowmobilers, who currently use the Corridor only on a limited basis due to the potential for damage as a result of the existing rail infrastructure making contact with their snowmobiles.

The southern segment will likely be less heavily used due to its remote nature and lack of services and destinations. However during our discussions with trail advocates and tourism professionals it was clear that there are some people who would want to use a long-distance, crushed-stone trail. We followed a similar methodology as described for the northern segment to estimate the annual use of the southern segment of the Corridor by bikers. Our criteria for which case studies to focus on for the southern segment were that the trail must:

1. Be primarily rural in nature
2. Not connect major communities or destinations
3. Not be 100% paved
4. Be longer than 30 miles

We ultimately relied on usage data for four trails, as detailed below:

Southern Segment Benchmark Trails						
Trail	State	Miles	Annual Users	Heavy Use Months	Monthly Users	Monthly Users per Mile of Trail
Greenbrier River Trail	WV	77.0	60,000	8	7,500	97.40
Hennepin Canal Parkway	IL	65.0	9,126	8	1,141	17.55
Tunnel Hill State Park	IL	47.0	16,717	8	2,090	44.46
C.J. Ramstad/North Shore State Trail	MN	70.0	9,500	8	1,188	16.96
Average			23,836		2,979	44.09

Multiplying the average figure of 44.09 monthly users per mile by 85 miles (the length of the southern segment) and again by 8 months (the estimated number of heavy use months), we arrive at a total of 29,984 annual users on the southern segment.

Total Trail Users: Southern Segment	
Average Users Per Mile ¹	44.09
Southern Segment Miles	85
Heavy Use Months	8
Total Annual Trail Users, Southern Segment	29,984

1. Based on average for three similar trails nationwide.

To estimate the percent of southern segment trail users that are net new to New York State, we used the same percent of cyclists used for the northern segment. To estimate the percent of southern segment trail users that will be from out of state we use data collected by the Department of Environmental Conservation. DEC collects trail users characteristics for the trails that they maintain and provided data on all the trail-heads within a 15-mile buffer of the Corridor to estimate location of origin characteristics of people who are using trails in this region. The DEC data shows that approximately 18.8% of the trail users are from outside of NYS.

Net New Trail Users: Southern Segment	
Total Annual Trail Users, Southern Segment	29,984
Percent Cyclists*	56%
Percent of Users from Out-of-State†	19%
Net New Trail Users, Southern Segment	3,157

* NYS OPRHP 2010 Analysis of 2008 Trail User Surveys

† DEC Trailhead survey of location of origin

Visitor Spending

Cyclists on the southern segment are likely to spend significantly less than those on the northern segment, who are more representative of the typical visitor to the region. This is primarily due to the overall lack of opportunities to make purchases along the trail south of Tupper Lake. Southern segment users will be more likely to camp instead of stay in hotels, and will have access to only a handful of attractions, restaurants, and shops as they travel along the trail.

Traveling the 85 miles between Tupper Lake and Remsen by bicycle could take about 6 to 9 hours depending on speed. Factoring in breaks and stops for meals, the one-way trip would likely fill an entire day. Considering that some riders will choose to cycle the entire round-trip distance, which would take at least 2 days, while the majority may choose to cycle shorter segments, it is reasonable to assume that the average southern segment user will spend about one full day on the trail.

We estimate average daily spend of \$54 by trail users based on a survey detailing spending habits on the Great Allegheny Passage, a comparable long-distance trail. Total net new spending on the southern segment is estimated at \$170,463.

Net New Visitor Spending: Southern Segment	
Net New Trail Users	3,157
Average Daily Spending per User	\$ 54
Total	\$ 170,463

* Great Allegheny Passage Impact Study

Snowmobilers

Under the trail scenario, it is assumed that snowmobile use of the Corridor will be a continued allowable use. As such, net new spending by snowmobilers would be the same in the trail scenario as estimated under the rail scenario. Whether or not the tracks are removed, snowmobilers will have the new snowmobile trails that will provide connectivity and access and induce out-of-state visitation. As in Scenario 1, we estimate net new spending to be \$576,530.

Foregone Rail Riders

Under the trail scenario, all Adirondack Scenic Railroad excursions would be discontinued. Therefore, the existing net new visitor spending associated with that ridership must be netted out and no new visitor spending would occur.

Adirondack Scenic Railroad ridership totaled 59,409 in 2014. Based on credit card address data provided by ASR, 14% of all ASR riders are from out-of-state. Multiplying these values, we estimated that 8,317 riders should be considered net new. In other words, under the all-trail scenario the spending in New York State associated with these riders would be lost.

Foregone Rail Ridership	
Total Rail Riders	59,409
Percent of Riders from Out-of-State†	14%
Foregone Rail Riders	8,317

* Percent of riders from out-of-state on all excursions based on credit card address data

Source: Adirondack Scenic Railroad

Assuming the same half-day spending amounts as applied for users of the northern segment of the trail, we calculated the total spending of rail riders that would be lost as a result of the closure of the Adirondack Scenic Railroad. As shown in the table below, that amount of spending that would be lost is equal to \$402,225.

Foregone Spending by Rail Riders				
	Daily Spending per Visitor Party*	Daily Spending per Visitor†	Half-Day Spending per Visitor	Spending Lost (half-day spending * 8,317 rail riders)
Food	\$ 69.00	\$ 16.83	\$ 8.41	\$ 69,987
Retail	\$ 34.00	\$ 8.29	\$ 4.15	\$ 34,486
Lodging	\$ 138.00	\$ 33.66	\$ 16.83	\$ 139,974
Transportation	\$ 37.00	\$ 9.02	\$ 4.51	\$ 37,529
Attractions & Entertainment	\$ 45.00	\$ 10.98	\$ 5.49	\$ 45,644
Total Base Spending	\$ 323.00	\$ 78.78	\$ 39.39	\$ 327,619
Lost Passenger-Trips				8,317
Percent Going Over Budget**				39%
Riders Going Over Budget				3,244
Average Price of a Ticket‡				\$ 23
Total Additional Spending				\$ 74,606
Total Foregone Spending: Rail Riders				\$ 402,225

* 2013 Essex County Leisure Travel Study

† Assumes 4.1 persons per visitor party

** American Express/Ebiquity

‡ Determined from ticket purchase data provided by ASR

Summary of Direct Spending

The table below summarizes direct net new spending by trail users and snowmobilers, as well as foregone rail rider spending, under Scenario 2. We estimate spending to total \$1,136,125 under the all-trail scenario.

Summary of Scenario 2 Direct Spending						
	Current Visitation	Projected Visitation	Change	Percent Net New	Net New Visitation	Net New Spending
Northern Segment Trail Users	-	73,215	73,215	27.4%	20,090	\$ 791,357
Southern Segment Trail Users	-	29,984	29,984	10.5%	3,157	\$ 170,463
Snowmobilers	30,931	61,863	30,931	16.8%	5,196	\$ 576,530
Rail Riders	59,409	-	(59,409)	14.0%	(8,317)	\$ (402,225)
Total	90,340	165,062	74,721		20,126	\$ 1,136,125

The table above shows that Scenario 2 will result in a total change of 74,721 new visitors (either extended stay of existing visitors or new visitors all together) that will spend money in the North Country. Since a majority of these visitors live in New York State they are not considered as part of this economic impact analysis but it is important to recognize that their spending will be positive for the Adirondack region. Using the assumptions developed for this analysis it is estimated that these 74,721 visitors would spend approximately \$5 million in the North Country on an annual basis.

Economic Impact

The total direct spending amount calculated above was used as the input into the EMSI input-output model in order estimate the total impact of this scenario on spending, jobs, and earnings in New York State. As shown in the following table, the direct spending of nearly \$1.14 million equates to \$2.30 million in total spending, 22 total jobs, and \$831,000 in total earnings.

Annual Economic Impact of Scenario 2: All Trail			
	Direct	Indirect	Total
Spending	\$ 1,136,125	\$ 1,162,443	\$ 2,298,568
Jobs	15	7	22
Earnings	\$ 411,298	\$ 419,524	\$ 830,822

Source: EMSI, Camoin Associates

Scenario 3: Combination

Introduction

Scenario 3 is a combination rail-and-trail alternative that would involve upgrading the rail bed between Remsen and Tupper Lake to allow for through scenic rail operations between Utica and Tupper Lake. From Tupper Lake to Lake Placid, the Corridor would be converted to a recreational trail with a crushed stone surface, and rail infrastructure would be removed. The current Adirondack Scenic Railroad (ASR) operation between Saranac Lake and Lake Placid would be discontinued.

At no point along the Corridor would both rail and trail exist side-by-side under this scenario. The NYS Department of Transportation (DOT), the NYS Department of Environmental Conservation (DEC), and the Adirondack Park Agency (APA) have concluded that engineering and constructing a parallel trail is not feasible. Such an endeavor would require costly trail construction through wetlands or on adjacent Forest Preserve lands, which would be non-conforming in Wild Forest.²²

Rail Riders

To estimate rail ridership under this scenario, we must estimate the increase in riders that would occur as a result of the ASR operation being extended from its current terminus at Big Moose to a new terminus at Tupper Lake. We must also net out the ridership that will be lost between Saranac Lake and Lake Placid when the Corridor is converted to trail.

Net New Visitation

The table below shows current and projected ASR ridership for excursions departing from Utica and Thendara. After adjusting for double-counted passengers, ridership under the combination scenario is expected to rise from 59,409 to 80,155, an increase of 35% or 20,746 riders.

Passenger-Trip Projections		
	Current (2014)	Projected
Excursions from Utica	41,265	67,000
Excursions from Thendara	12,194	16,800
New excursions to/from Tupper Lake	-	10,500
Placid/Saranac excursions	16,434	-
Total FRA Ridership	69,893	94,300
% Return trips‡	15%	15%
Unique Passenger-Trips	59,409	80,155
Change in Ridership		20,746

‡Current and projected counts presented in accordance with the reporting system of the Federal Railroad Administration. A passenger on a round-trip excursion is counted twice if he/she gets off and then reboards train. ASR estimates that 15% of passengers are double-counted.

Multiplying the change in ridership projected under the combination scenario by the appropriate percentage of riders from out-of-state, depending on where the passengers board the train, we arrive at the number of net new riders. While the number of passengers overall is projected to increase, the number of net new passengers will decline slightly from current levels. This is a result of the fact that a significantly higher proportion of passengers boarding along the northern segment of the line are from out-of-state. While 42% of passengers currently boarding in Lake Placid or Saranac Lake are from out-

²² Remsen-Lake Placid Travel Corridor Fact Sheet. New York State Department of Environmental Conservation, http://www.dec.ny.gov/docs/lands_forests_pdf/rlptc2014fs.pdf

state, just 8% of passengers on the southern segment are from out-of-state. We assume that 42% of passengers boarding at Tupper Lake will be from out-of-state because of its location in the Tri-Lakes Region and proximity to Saranac Lake and Lake Placid tourist destinations.

Net New Passenger-Trips			
	Originating Tupper / Placid / Saranac	Originating elsewhere	Total
Projected ASR Rider Trips	8,925	71,230	80,155
Current (2014) Corridor Rider Trips	13,969	45,440	59,409
Change in Ridership	(5,044)	25,790	20,746
Percent of Riders from Out-of-State*	42%	8%	
Net New Riders	(2,118)	2,063	(55)

All figures adjusted to account for double-counted passengers

* Based on passenger credit card address data obtained from ASR

Visitor Spending

The loss of 55 net new riders will result in a loss in New York State spending of \$2,672.

Net New Spending by Rail Riders				
	Daily Spending per Visitor Party*	Daily Spending per Visitor†	Half-Day Spending per Visitor	Spending Lost (half-day spending * 55 rail riders)
Food	\$ 69.00	\$ 16.83	\$ 8.41	\$ (465)
Retail	\$ 34.00	\$ 8.29	\$ 4.15	\$ (229)
Lodging	\$ 138.00	\$ 33.66	\$ 16.83	\$ (930)
Transportation	\$ 37.00	\$ 9.02	\$ 4.51	\$ (249)
Attractions & Entertainr	\$ 45.00	\$ 10.98	\$ 5.49	\$ (303)
Total Base Spending	\$ 323.00	\$ 78.78	\$ 39.39	\$ (2,176)
Total Net New Passenger-Trips				(55)
Percent Going Over Budget**				39%
Net New Riders Going Over Budget				(22)
Average Price of a Ticket‡				\$ 23
Total Additional Spending				\$ (496)
Total Net New Spending: Rail Riders				\$ (2,672)

* 2013 Essex County Leisure Travel Study

** American Express/Ebiquity

† Assumes 4.1 persons per visitor party

‡ Determined from ticket purchase data provided by ASR

Trail Users

Under the combination scenario, the northern segment of the trail would be constructed—the 34-mile portion between Tupper Lake and Lake Placid. Trail usage in this scenario would be identical to that outlined for the northern segment under the trail scenario. Estimated net new visitor spending is summarized in the table below. See *Scenario 2: All Trail* for methodology and assumptions.

Net New Spending by Northern Segment Trail Users	
Total Annual Trail Users, Northern Segment	73,215
Percent Cyclists*	56%
Percent of Users from Out-of-State†	49%
Net New Trail Users, Northern Segment	20,090
Half-Day Spending per Visitor†	\$ 39.39
Net New Visitor Spending	\$ 791,357

* NYS OPRHP 2010 Analysis of 2008 Trail User Surveys

† 2013 Essex County Leisure Travel Study

Snowmobilers

Under the combination scenario, it is assumed that snowmobile use of the Corridor will be a continued allowable use. Net new spending by snowmobilers would be the same as under the Scenarios 1 and 2. Whether or not the tracks are removed, snowmobilers will have the new snowmobile trails that will provide connectivity and access and induce out-of-state visitation. We estimate net new spending to be \$576,530.

Summary of Direct Spending

The table below summarizes direct net new spending by rail riders, trail users, and snowmobilers under Scenario 3. We estimate spending to total \$1,365,215 under the combination scenario.

Summary of Scenario 3 Direct Spending						
	Current Visitation	Projected Visitation	Change	Percent Net New	Net New Visitation	Net New Spending
Rail Riders	59,409	80,155	20,746	**	(55)	\$ (2,672)
Trail Users	-	73,215	73,215	27.4%	20,090	\$ 791,357
Snowmobilers	30,931	61,863	30,931	16.8%	5,196	\$ 576,530
Total	90,340	215,233	124,892		25,231	\$ 1,365,215

** See explanation under Net New Visitation on p. 19.

Scenario 3 will result in a total change of 124,892 new visitors (either extended stay of existing visitors or new visitors all together) that will spend money in the North Country. Since a majority of these visitors live in New York State they are not considered as part of this economic impact analysis but it is important to recognize that their spending will be positive for the Adirondack region. Using the assumptions developed for this analysis it is estimated that these 124,892 visitors would spend approximately \$7 million in the North Country on an annual basis.

Economic Impact

The total direct spending amount calculated above was used as the input into the EMSI input-output model in order estimate the total impact of this scenario on spending, jobs, and earnings in New York State. As shown in the following table, the direct spending of \$1.37 million equates to \$2.74 million in total spending, 25 total jobs, and \$996,000 in total earnings.

Annual Economic Impact of Scenario 3: Combination			
	Direct	Indirect	Total
Spending	\$ 1,365,215	\$ 1,454,389	\$ 2,739,881
Jobs	17	8	25
Earnings	\$ 497,944	\$ 497,944	\$ 995,887

Source: EMSI, Camoin Associates

Conclusions

The following table summarizes the economic impact of the three different proposals. Based on the assumptions described in this analysis, the combination scenario that includes rail from Remsen to Tupper Lake and trail from Tupper Lake to Lake Placid will provide the greatest economic impact to New York State, however all three of the scenarios fall very close in terms of total impact.

Annual Economic Impact of Scenario 1: All Rail			
	Direct	Indirect	Total
Spending	\$ 1,339,113	\$ 1,312,863	\$ 2,651,976
Jobs	\$ 17	\$ 8	\$ 25
Earnings	\$ 496,894	\$ 477,019	\$ 973,913
Annual Economic Impact of Scenario 2: All Trail			
	Direct	Indirect	Total
Spending	\$ 1,136,125	\$ 1,162,443	\$ 2,298,568
Jobs	\$ 15	\$ 7	\$ 22
Earnings	\$ 411,298	\$ 419,524	\$ 830,822
Annual Economic Impact of Scenario 3: Combination			
	Direct	Indirect	Total
Spending	\$ 1,365,215	\$ 1,454,389	\$ 2,739,881
Jobs	\$ 17	\$ 8	\$ 25
Earnings	\$ 497,944	\$ 497,944	\$ 995,887

Source: EMSI, Camoin Associates

With the final total impact falling so close for all of the scenarios it is important to note that with a slight change in the assumptions used in this analysis the results could have come out a different way with any of the scenarios having a larger or smaller total impact. Any of the scenarios will benefit New York State and particularly the North Country as new visitation will occur which will increase spending and support the local economies. Based on the assumptions used in this analysis, completion of any of the projects would result in between 75,000 and 125,000 new visitors (or extended stays) to the Adirondacks to partake in either the rail or trail amenities. These new visitors would spend an average of between \$5 million and \$7 million annually, the majority of which will occur in the North Country supporting local retailers, restaurants, and attractions.

Appendix A: What is An Economic Impact Analysis?

The purpose of conducting an economic impact study is to ascertain the total cumulative changes in employment, earnings and output in a given economy due to some initial “change in final demand”. To understand the meaning of “change in final demand”, consider the installation of a new widget manufacturer in Anytown, USA. The widget manufacturer sells \$1 million worth of its widgets per year exclusively to consumers in Canada. Therefore, the annual change in final demand in the United States is \$1 million because dollars are flowing in from outside the United States and are therefore “new” dollars in the economy.

This change in final demand translates into the first round of buying and selling that occurs in an economy. For example, the widget manufacturer must buy its inputs of production (electricity, steel, etc.), must lease or purchase property and pay its workers. This first round is commonly referred to as the “Direct Effects” of the change in final demand and is the basis of additional rounds of buying and selling described below.

To continue this example, the widget manufacturer’s vendors (the supplier of electricity and the supplier of steel) will enjoy additional output (i.e. sales) that will sustain their businesses and cause them to make additional purchases in the economy. The steel producer will need more pig iron and the electric company will purchase additional power from generation entities. In this second round, some of those additional purchases will be made in the US economy and some will “leak out”. What remains will cause a third round (with leakage) and a fourth (and so on) in ever-diminishing rounds of spending. These sets of industry-to-industry purchases are referred to as the “Indirect Effects” of the change in final demand.

Finally, the widget manufacturer has employees who will naturally spend their wages. As with the Indirect Effects, the wages spent will either be for local goods and services or will “leak out” of the economy. The purchases of local goods and services will then stimulate other local economic activity; such effects are referred to as the “Induced Effects” of the change in final demand. In Camoin Associates’ analyses, these Induced Effects are included in the Indirect Effects category.

Therefore, the total economic impact resulting from the new widget manufacturer is the initial \$1 million of new money (i.e. Direct Effects) flowing in the US economy, plus the Indirect Effects and the Induced Effects. The ratio between Direct Effects and Total Effects (the sum of Indirect and Induced Effects) is called the “multiplier effect” and is often reported as a dollar-of-impact per dollar-of-change. Therefore, a multiplier of 2.4 means that for every dollar (\$1) of change in final demand, an additional \$1.40 of indirect and induced economic activity occurs for a total of \$2.40.

Key information for the reader to retain is that this type of analysis requires rigorous and careful consideration of the geography selected (i.e. how the “local economy” is defined) and the implications of the geography on the computation of the change in final demand. If this analysis wanted to consider the impact of the widget manufacturer on the entire North American continent, it would have to conclude that the change in final demand is zero and therefore the economic impact is zero. This is because the \$1 million of widgets being purchased by Canadians is not causing total North American demand to increase by \$1 million. Presumably, those Canadian purchasers will have \$1 million less to spend on other items and the effects of additional widget production will be cancelled out by a commensurate reduction in the purchases of other goods and services.

Changes in final demand, and therefore Direct Effects, can occur in a number of circumstances. The above example is easiest to understand: the effect of a manufacturer producing locally but selling globally. If, however, 100% of domestic demand for a good is being met by foreign suppliers (say, DVD players being imported into the US from Korea and Japan), locating a manufacturer of DVD players in the US will cause a change in final demand because all of those dollars currently leaving the US economy will instead remain. A situation can be envisioned whereby a producer is serving both local and foreign demand, and an impact analysis would have to be careful in calculating how many “new” dollars the producer would be causing to occur domestically.

Appendix B: References

In addition to the resources listed below, many other rail and trail related online resources were reviewed as well.

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