

North Lake Tahoe Resort Association

Investing in Heritage Tourism: Ensuring Placer County's Place in Olympic History



Western Ski Sport Museum

Economic Impact of the Olympic Heritage 2010 Event & Olympic Heritage Museum

**Submitted by Streamline
Consulting Group
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The information contained in this report is based upon a partnership effort between Streamline Consulting Group, North Lake Tahoe Resort Association staff, the Olympic Heritage Committee and the Olympic Museum Board members.

This report quantifies the economic impact of the 2010 Olympic Heritage event and the planned Olympic Heritage Museum. In summary, this report details the importance of supporting Olympic heritage in the North Tahoe region.

Streamline Consulting Group is a Truckee-based consulting firm specializing in strategies for organizations that have a lasting, positive community impact. Streamline supports the non-profit, government, business and foundation communities by offering communications, community outreach, fund and program development, business and strategic planning services.

For a detailed description of the work of Streamline please visit www.streamlineconsultinggroup.com



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Introduction

In June 2008, Streamline Consulting Group was hired by NLTRA to conduct an economic impact report of the 2010 Olympic Heritage Celebration Event and the planned Olympic Museum. Streamline garnered input from the Olympic Heritage Committee, Olympic Museum Board members, NLTRA staff as well as numerous outside stakeholders to create the case for supporting local Olympic heritage activities.

This study includes both a business analysis of the Olympic Heritage Event and a set of key recommendations for moving forward. A particular emphasis is placed on the impact of this event on the planned Olympic Museum.



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Methodology

Interview Key Stakeholders

As part of this process, Streamline interviewed key participants/stakeholders of the Olympic Heritage Event Committee and the Olympic Museum Board. Additionally, we interviewed former Olympians and athletes, local Museum Directors and the CA Department of Travel and Tourism. All of these interviews assisted in the assumptions and data included herein.

Comparable Winter Olympic Venues

Streamline interviewed other winter Olympic officials at the Lake Placid Olympic Region Development Agency and the Utah Olympic Park. These former Olympic hosts provided valuable insight as to the impact and importance of Olympic heritage in their communities.

Travel and Expenditure Patterns

Streamline utilized information provided by the 2004 NLTRA Master Plan and the Dean Runyan report of the Economic Significance of Travel to the North Lake Tahoe Area 2003 in order to estimate travel and expenditure patterns. The figures in these reports were adjusted modestly for inflation to provide year to date numbers. Current expenditure patterns were then applied to the estimated number of locals and visitors to the event to assess the expenditure impact.

Transient Occupancy Tax Contributions

Using estimated overnight visitor projections to the Olympic Heritage event and facilities, Streamline applied an average cost/night to obtain TOT contribution.

Value of Olympic Heritage

Lastly, Streamline describes the key benefits of Olympic heritage and the lasting value on the regional economy.

Executive Summary

The Vision

The vision is to ensure a lasting legacy of Olympic History in Placer County. Starting with the a season long celebration of the 50th anniversary of the Winter Olympics in 2009/2010, the Olympic Heritage Museum Board intends to coordinate a series of events that will increase the awareness of our winter sports pioneering history and celebrate our Olympic past. These events, supported across the region by local businesses, ski resorts and residents, will lay the foundation for the planned Olympic Heritage Museum thus ensuring a lasting impact of Olympic heritage in our region. Lastly, the vision includes identifying North Tahoe as the “birthplace of the Modern Winter Olympics”. The greater impacts of this identification will expand heritage tourism and ultimately generate significant long-term economic results.

A Unique Marketing Opportunity

There is a significant opportunity in the North Tahoe region to reignite the Olympic Heritage flame by leveraging our natural Olympic Heritage and winter sports history. This area is unique in its ski pioneering history. The West is where skiing began with local Gold Rush miners and prospectors taking out the long boards to hit the slopes. These early days are captured in a rich history of memorabilia that has yet to be fully shared with the public. The 1960 Olympics was also a unique time in post World War II history where television first captured Olympic athletes in competition and shared it with the World.

The timing is right to strengthen the brand of the North Tahoe area as one of the great Olympic heritage regions in North America. With the nexus of the 50th anniversary of the 1960 Winter Olympics, the 60th anniversary of Squaw Valley opening, the 2010 Vancouver Winter Olympics and the planned Olympic Museum, there is a significant momentum



Western Ski Sport Museum

Executive Summary

gathering to support Olympic heritage in the region that would attract significant visitors from near and far who want to experience our unique winter sports history.

Investment in Olympic Heritage Yields Significant Economic Impact

This report points out that, in comparison to other Winter Olympic venues in the United States, little has been invested in Squaw Valley to reinforce and continue the Olympic heritage, yet over 150,000 visitors each year visit either the temporary Olympic Museum at High Camp in Squaw Valley or the Western Ski Sport Museum at Boreal.¹ This signifies that there is a heritage tourist market that has yet to be tapped at Squaw Valley, the West Shore and North Tahoe area in general. Additionally, recent economic impact reports from comparable geographic areas point to significant economic benefits from investments in Olympic Heritage facilities and events. Lake Placid, host of 2 Winter Olympic Games, for example, has invested over \$67 million in infrastructure over the last 10 years to continue to promote and grow the Olympic fever. It is estimated that the economic impact of the Lake Placid Olympic Regional Development Agency efforts is approximately \$356 million per year.²

Projections of Economic Impact

Our research suggests that the estimated economic impact of the planned 2010 Olympic Heritage Celebration event, along with the current support for the existing museums and facilities, will be close to one-third of the estimated \$400 million in economic impact generated in annual tourism in the region. As outlined in this report, we see significant gains coming from the 2010 Olympic Heritage Celebration event and



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¹ Estimates provided by Squaw Valley Ski Corp. and Western Ski Sport Museum.

² Economic Impact of the NY Olympic Regional Development Authority, 2004-2005

Executive Summary

planned Olympic Heritage museum. The expected 50,000 in additional visitors to the region for the 10-day celebration event will generate over \$40 million. The Olympic Heritage Museum, will contribute to another \$73 million in economic impact when open.

Additional Benefits

Aside from the numerous economic benefits, the case can be made that promoting the history of the North Tahoe region is a winning strategy for promoting a sustainable, diversified, non-resource based future. By investing in our Olympic history we are teaching our young people to strive for world-class excellence, we are encouraging people to volunteer at events and facilities that showcase our uniqueness and lastly we are forever anchoring ourselves into the hearts and minds of our visitors as a world-class Olympic destination.

Government Role is Key

Finally, the role that government plays in supporting North Tahoe's Olympic heritage cannot be underestimated. Former Olympic areas such as Lake Placid get substantial financial and political investment from the local City, and County governments. Governments see not only significant positive economic returns, but experience a sense of pride and honor in being known as an Olympic caliber region. With a moderate level of investment in Olympic Heritage, the North Tahoe area can deliver substantial economic return to Placer County. Continued support and investment in Placer's crown jewel will ensure continued economic returns in the region and the County as a whole.

1960 Winter Olympics

Making History

The 1960 Winter Olympics (VIII Olympic Winter Games) was celebrated between February 18 -28 in Squaw Valley, California with the Nordic races held at Homewood on the West Shore of Lake Tahoe. Alex Cushing, an early pioneer and owner of Squaw Valley since 1949, submitted a bid for the Olympics in 1954 and after close evaluation by the Federation Internationale de Ski (FIS), Squaw Valley secured the Olympic bid in 1955.

At the time, Squaw Valley was a small mountain valley with one ski resort with one chair lift, two rope tows and fifty-room lodge. In fact, Alex Cushing was the only resident in the whole area at the time.³ This tiny resort was selected amongst reputable candidates such as St. Moritz, Garmisch-Partenkirchen and Innsbruck, Austria.

Although the area had yet to be developed to fulfill the Olympic dream, Olympic evaluators could see the tremendous potential of the area. Once the award was given, Squaw Valley and the surrounding community began a four and half year blitz to construct roads, hotels, restaurants, ice arena, speed skating track, ski jumping hill, etc.

On the Squaw Valley grounds an Olympic Village was built to house up to 750 athletes (the first ever) and the Tower of Nations (now located at the entrance of the Valley and holds the five Olympic rings and torch). The design of the torch was created by Walt Disney artist John Hench and was used as a model for all future Olympic torches.⁴

This was the first return of the Olympic games to North America in 28 years. They were the largest ever held up to that date with 30 nations competing in 15 alpine



Western Ski Sport Museum

³ Olympic.org

⁴ Olympic.org

1960 Winter Olympics

and ski jumping events, 8 speed skiing contests, 3 figure skating competitions, 28 hockey matches and 8 Nordic events.

This first American post-World War II Olympics shaped the future of modern games. For the first time, live television coverage brought the games into the homes of millions of Americans. CBS paid \$50,000 for the right to broadcast across the nation.⁵ “Instant replay” was invented by CBS at the Squaw Valley games in response to an official’s request to review a videotape of a skier who may have missed a gate.

This was a time for many firsts in the Olympics. It was the first time state-of-the-art grooming was used on the Olympic cross-country trails. In fact, it was the first time trails were constructed specifically to accommodate the needs of the cross-country events. It was the first time for women’s speed skating and the men’s biathlon. It was the first time artificial refrigeration was used for speed skating events. And, the most exciting of all, was the first time the US hockey team won the gold medal. The “miracle on ice” was truly an upset as the underdog U.S. team beat the Russians and Canadians in the last 3 games to clinch the title.

Squaw Valley typically averages over 20 feet of snow pack per year. However, the winter of 1960 brought a massive rainstorm that washed most of the early winter snow pack away. Fortunately, days before the game started, 12 feet of snow fell saving the winter events.

North Lake Tahoe Today

Since the Winter Olympic Games in 1960, Squaw Valley and the surrounding area has undergone significant change. Today, in North Lake Tahoe, there are 5 world-class ski resorts, over 8,000 lodging units, numerous restaurants, improved roadways and



1960 Squaw Valley Olympics/ Western Ski Sport Museum

⁵ To put in perspective of today’s media market, \$831 million was paid for broadcast rights of the 2006 Winter Olympics in Turin. Source: International Olympic Committee, Olympic Marketing Fact File, 2008 edition.

1960 Winter Olympics

public transportation options. This infrastructure, primarily fueled by the 1960 Winter Olympic games, has allowed North Lake Tahoe to become one of the top travel destinations in the world.

North Tahoe was recently nominated the #1 destination area in North America and #10 in the world⁶. Over 2.5 million visitors come to the North Lake Tahoe area every year to experience the unparalleled recreational opportunities and outdoor environment that the area offers. Community members and visitors can take advantage of the world class alpine and Nordic skiing, mountain biking, road riding, and hiking along the varied trails and roadways that the North and West Shore offer.

Preserving History

To keep the Olympic flame alive in North Lake Tahoe, the Western Ski Sports Museum (WSSM), open since 1969, provides a world-class collection of memorabilia and documentation of the 1960 Olympics and winter sport's past. The current collection boasts one of the most extensive ski history collections in the world, including winter sports artifacts dating back to the 1850's. The collection includes photographs, periodicals, books, films, scrapbooks, and numerous private and personal collections that have been donated.

According to Bill Clark, Director of the Museum, "skiing began in the West during the Gold Rush days. Early pioneers coming from Norway and Sweden took up the long board sport that brought them a taste of their home countries."

Photos and artifacts of this period fill the museum, yet as Bill aptly points out, there are close to 50 personal collections of early winter sports and Olympic history and no central repository to house them. "We need a larger central museum that combines all the fabulous history we have and celebrates our pioneering history in winter sports."

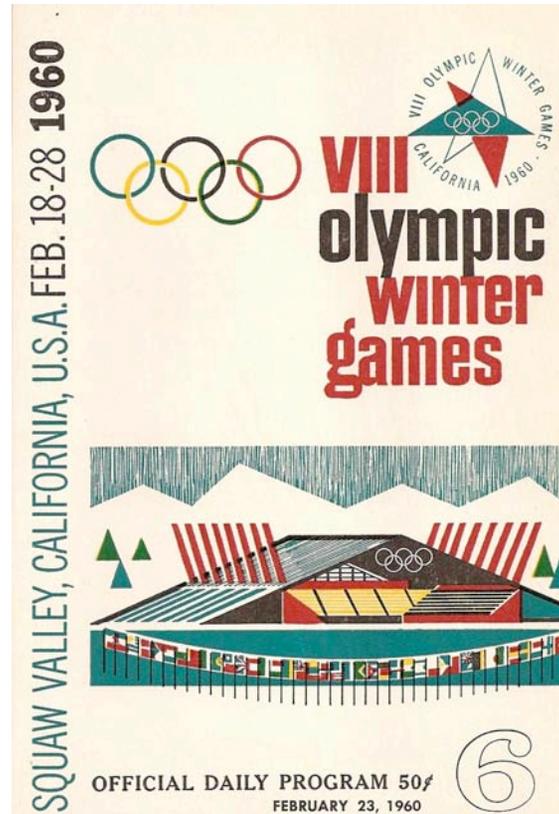


Western Ski Sport Museum

⁶ North Lake Tahoe Resort Association.

1960 Winter Olympics

In addition to the Western Ski Sports Museum there is also a small “temporary” Olympic Museum at High Camp that was built in 2000 at a cost of less than \$50,000. The museum is about 1,500 square feet and currently contains artifacts of the 1960 Winter Olympics. Combined the two museums draw close to 150,000 visitors each year.⁷

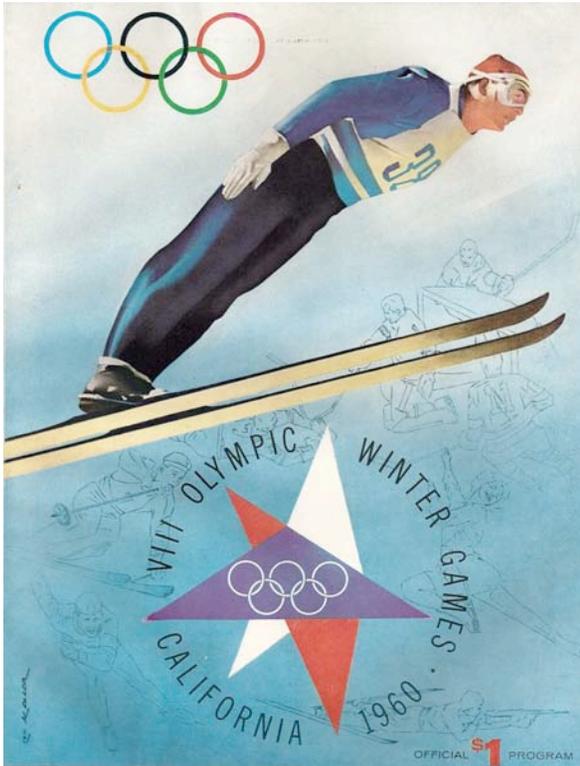


1960 Squaw Valley Olympics/Western Ski Sport Museum

⁷ Estimates provided by Squaw Valley Ski Corp. and Western Ski Sport Museum.

Olympic Heritage Museum

To respond to the increasing need for a central place to contain our western ski sports and Olympic heritage, the Olympic Heritage Museum Organization was founded in 2007. This group is currently applying for 501(c) 3 status. They are working closely with the Western Ski Sport Museum to develop a facility with programs, artifacts and assorted memorabilia that celebrate the heritage of the 1960 Winter Olympics. The museum will likely be located at Squaw Valley, home of the 1960 Winter Olympics. Current plans include 5,000(+) square feet of exhibit space and a potential meeting room for 100 to 150 people. The museum is hoping to use one of the original structures built for the 1960 Olympics.



Western Ski Sport Museum

The Board of the Olympic Heritage Museum is the driving force behind the planned 2010 Olympic Heritage Celebration Event. As the organization is in the formative stages, the thought is to strengthen the regional Olympic and winter sports heritage so that when the museum facility opens in 2012, it can provide the necessary outlet for the myriad of visitors that want to revisit, relive and explore winter sports and Olympic history.

As this report will illustrate, Lake Placid and Salt Lake, the only other states in the US to host a Winter Olympics, are not only equipped with tremendous sports facilities, each have museums (two in fact) that are central to providing a window into the Olympic history. The lasting value of this type of facility can be quantified in terms of economic benefit, however it also provides a sense of community pride in local Olympic heritage and strengthens the overall branding and perception of the North Shore area as a world-class winter sports destination.

2010 Olympic Heritage Celebration Event

Olympic Heritage Committee

During the Winter Olympic Games of 1960 a true Olympic spirit was sparked—one of cooperation, camaraderie, community and respectful competition. Today, that spirit and the legacy of the 1960 Olympic Games lives on in the communities of North Lake Tahoe.

As mentioned earlier in this report, February 2010 marks the 50th anniversary of the 1960 Games and the 60th anniversary of the opening of Squaw Valley. Resorts, businesses, individuals, and communities around the region are planning to “Share the Spirit” and celebrate the legacy of winter sports and the Olympics. To prepare for this historic event, an Olympic Heritage committee was formed in late 2007, to begin initial planning efforts for the event.

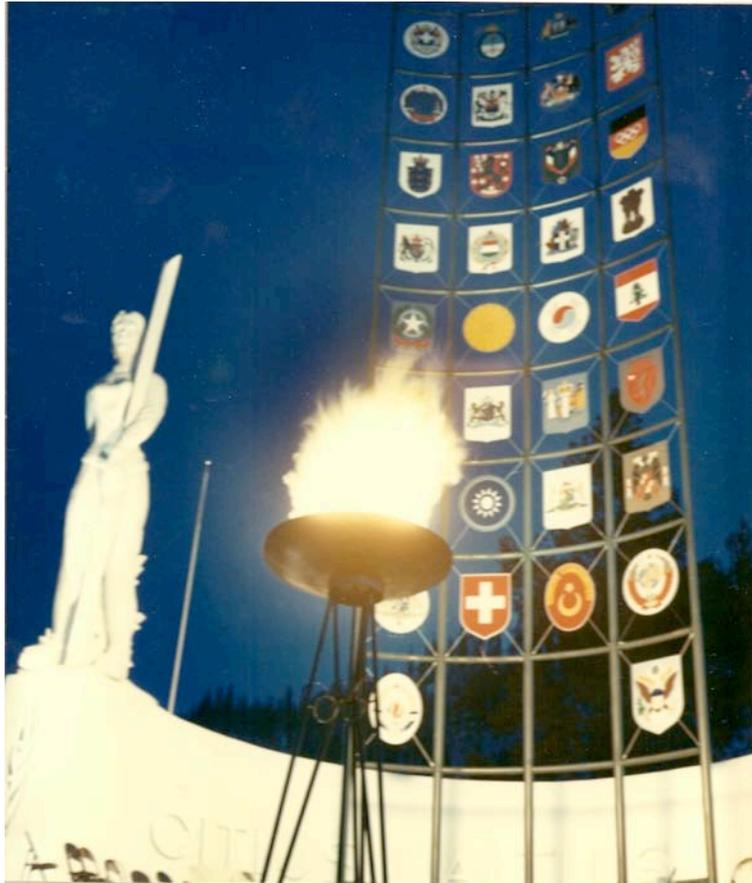
The committee intends to share the “spirit” of the 1960 Games, as emulated by those who remember and cherish them. This spirit spans many themes: Olympic, Community, Competition, Pioneering, Mountain and Cooperative--all encompass the intent of the celebration.

The Olympic Heritage Celebration will include a series of season long events culminating upon a grande finale in early January of 2010. This finale includes a 10-day period from January 7 to January 17, 2010 and will offer an extended stay opportunity as the event spills into the Martin Luther King weekend. The thought is to hold the event annually to celebrate and promote Olympic Heritage and drive tourism to the area during a traditionally “off-peak” time.



2010 Olympic Heritage Celebration Event

The Celebration will recognize the region's Olympic heritage through a combination of events, races, special programs, parties and receptions. The Olympic Heritage Celebration will invite the entire community and visitors to the region to "Share the Spirit", the unique Olympic Heritage and legacy of the 1960 games that has helped make the North Lake Tahoe area what it is today.



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The Olympic Heritage Committee is a subcommittee of the Olympic Museum Board. The committee's goal is to ignite the flame of Olympic Heritage in the North Shore and build upon a legacy rich in Olympic history. As the launch pad for Olympic Heritage awareness, this event will stimulate and drive support to the planned Olympic Museum in 2012.

Current Olympic Heritage Committee members include:

- Squaw Valley Ski Corp.
- US Forest Service
- CA State Parks
- West Shore Association
- Tahoe City Downtown Association
- North Lake Tahoe Resort Association
- Community members
- Local business owners
- Auburn Ski Club/Western Ski Sports Museum

The committee is working to create the first Winter Olympic Heritage Celebration in North Lake. Plans are to continue this 10-day event annually (though in a smaller fashion). An annual Olympic Heritage event will ensure a continued Olympic focus in the area, as well as establish this traditionally off-peak time as a key period for the heritage/ski tourist.

2010 Olympic Heritage Celebration Event

It must be noted that this event and all events that explore and create Olympic Heritage will only serve to increase visitation to the area from the heritage tourist and positively impact the economy.

Vision for the 10-day Event

The vision for the Event is for regional series of coordinated, cooperative promotions, activities and programs held to commemorate and celebrate the history and legacy of the 1960 Olympic Winter Games and the 60th Anniversary of Squaw Valley's opening in 1949. The primary purpose is to increase overall visits and enhance the visitor and community experience in North Lake Tahoe.

The primary objectives of this event are to:

- Capture media and public attention for Squaw Valley and North Lake Tahoe during the 2009/2010 anniversary season and the 2010 Winter Olympics in Vancouver, BC;
- Reinforce and re-establish the area's legendary history; raise awareness of the historic significance of the 1960 Games in Squaw Valley and North Lake Tahoe;
- Establish the North Lake Tahoe area as the epicenter of Western Winter Sports History;
- Provide a vibrant, memorable celebration to visitors during the anniversary season;
- Capture, promote and regenerate the spirit of Olympic, competition and pioneering;
- Further the support for ongoing sustainable cultural and heritage tourism in the area;
- Increase attention to the North Lake Tahoe region as a historic and cultural recreation destination.



Western Ski Sport Museum

2010 Olympic Heritage Celebration Event

Event schedule

The committee is currently firming up event details and logistics. The goal is to have several events across the north shore and west shore to maximize visitor attendance and regional participation and impact. Current plans include:



Western Ski Sport Museum

- Opening ceremony, party and fireworks at Squaw Valley
- Free Style Mogul race
- Olympic Museum Unveiling (temp)
- Historic presentation of Nordic trails on West Shore
- Receptions and dinners throughout the event
- Half pipe event
- Nordic ski tours
- Video showings
- Hockey
- Slopestyle event
- Demo biathlon
- Olympic Scavenger hunt
- Concert
- Winter sports expo
- Closing ceremonies

Squaw Valley – A Key Player

Naturally, Squaw Valley Ski Corp. is a key player in the Olympic Heritage event and 60th anniversary of the opening of Squaw Valley. Current estimates indicate that Squaw Valley will be contributing significantly to the event. It is projected that they will contribute roughly \$125,000 in 2008/2009 and \$410,000 in 2009/2010 in support of the event. Most of this contribution will come in the form of media sponsorship and event support.

2010 Olympic Heritage Celebration Event

Marketing Elements

Current plans include the development of a logo or graphic symbol that will identify the celebration. It will be used consistently throughout the celebration.

A website will be dedicated to promoting the celebration as well as provide links to other key sites such as www.squaw.com, www.nltra.org, www.gotahoenorth.com. Maps, brochures and other collateral will be developed to support the celebration and inform the visitor. Additionally, extensive media and PR is expected to raise awareness of the event and link to early coverage of the 2010 Winter Olympics in Vancouver.

Advertising and promotion opportunities will be significant.

Additionally, a portion of the merchandise sales from the event will go towards the support of the planned museum.

Sponsors

It is believed that this event can garner significant sponsorship support. The Olympic Heritage Committee is currently developing a sponsorship package and targeting sponsors such as Kodak, Disney and Google. Additionally, sponsors in the vehicle, travel wholesaler and airline businesses will be tapped for support. Other targets include: the ski industry, local businesses, individuals, State Tourism Department, Sierra Nevada Conservancy, the local airports of Reno and Sacramento, as well large San Francisco

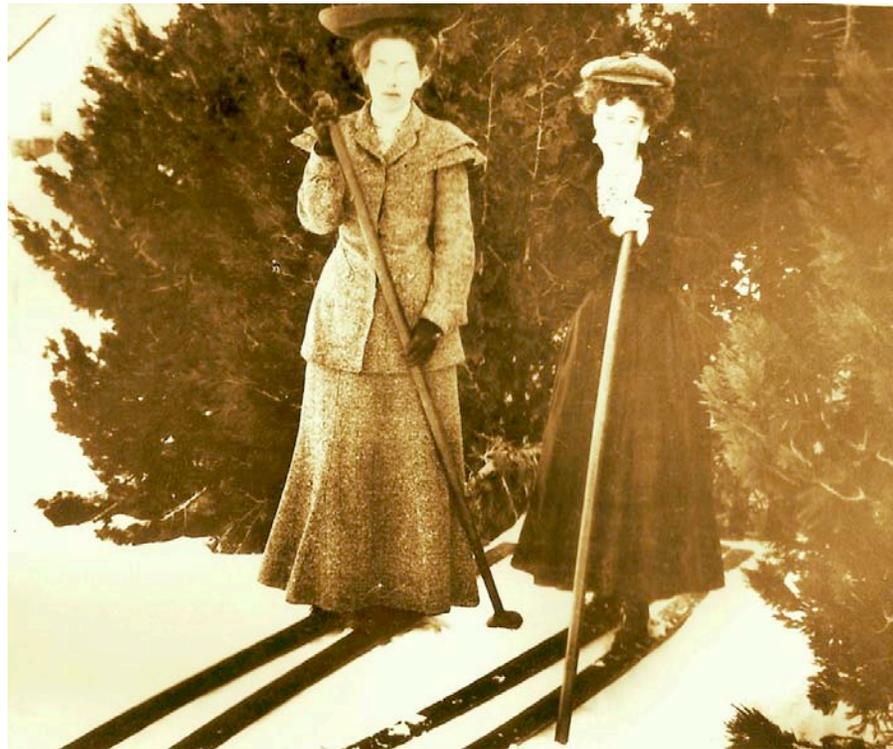
establishments such as Ghirardelli and Macy's Union Square. The thought is that many of the out of area travelers will hit San Francisco first and then travel onwards to North Tahoe.



2010 Olympic Heritage Celebration Event

Visitor Projections

Based on visitation to similar types of events, it is expected that 50,000 visitors will attend the event over the 10-day period in 2010. In subsequent years, the event is planned to be more moderate in nature, yet full of Olympic heritage and entertainment. Estimates are that in subsequent years, the event will draw 35,000 visitors per year. For more information on visitor projections see the Economic Impact of North Tahoe Olympic Heritage section of this report.



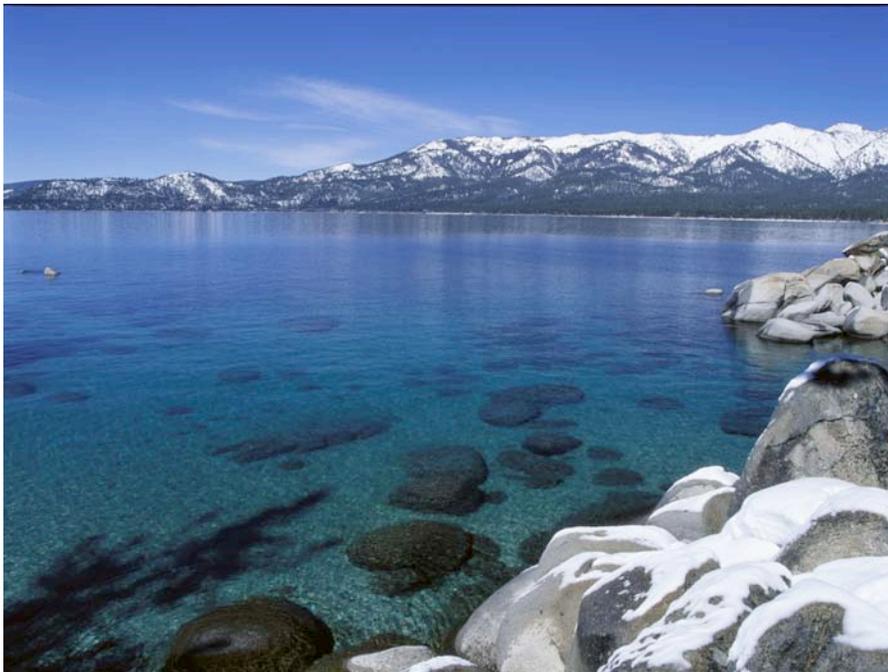
Western SkiSport Museum

Regional Market

Local Population

The population of the North Lake Tahoe area was estimated at 15,000 in the 2000 census and grew at an average annual rate of approximately 3.2 percent from 1990 to 2000.⁸ This rate was slightly lower than Placer County as a whole (3.7%). Since that time, it is estimated by local sources that the population in the North Lake area has stabilized or in fact declined somewhat as rising home prices force out local residents who can no longer afford to live there. The neighboring town of Truckee's population was approximately 14,000 at the 2000 census and estimates indicate a current growth rate of about 3 percent.

Using the current growth rates and estimated 2000 Census figures, the combined total area population for 2008 (North Lake Tahoe + Truckee) is estimated at about 31,000.



Visitor Population

North Lake Tahoe's visitors have changed dramatically over the course of the last decade. The majority still come from the Bay Area, Reno and Sacramento regions, however, recent marketing strategies have strengthened visitation from nearby fly markets such as Los Angeles, San Diego and Chicago, and international markets such as Germany, the UK and France. According to the 2004 Master Plan, visitation has been hovering at about 2.5 million visitor days each year.⁹ Below is an illustration of visitors by geographic area to the North Lake Tahoe region per the NLTRA Master Plan.

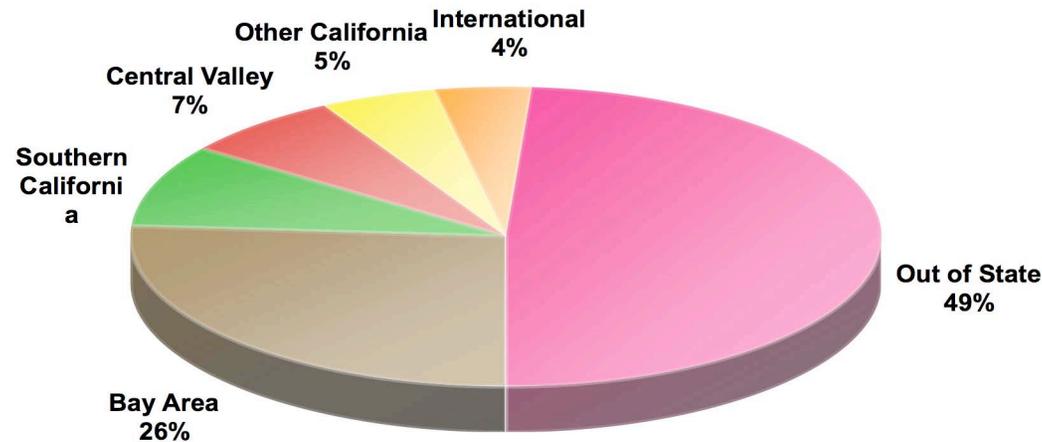
*North Lake Tahoe Resort
Association*

⁸ US Census

⁹ NTRA 2004 Master Plan

Regional Market

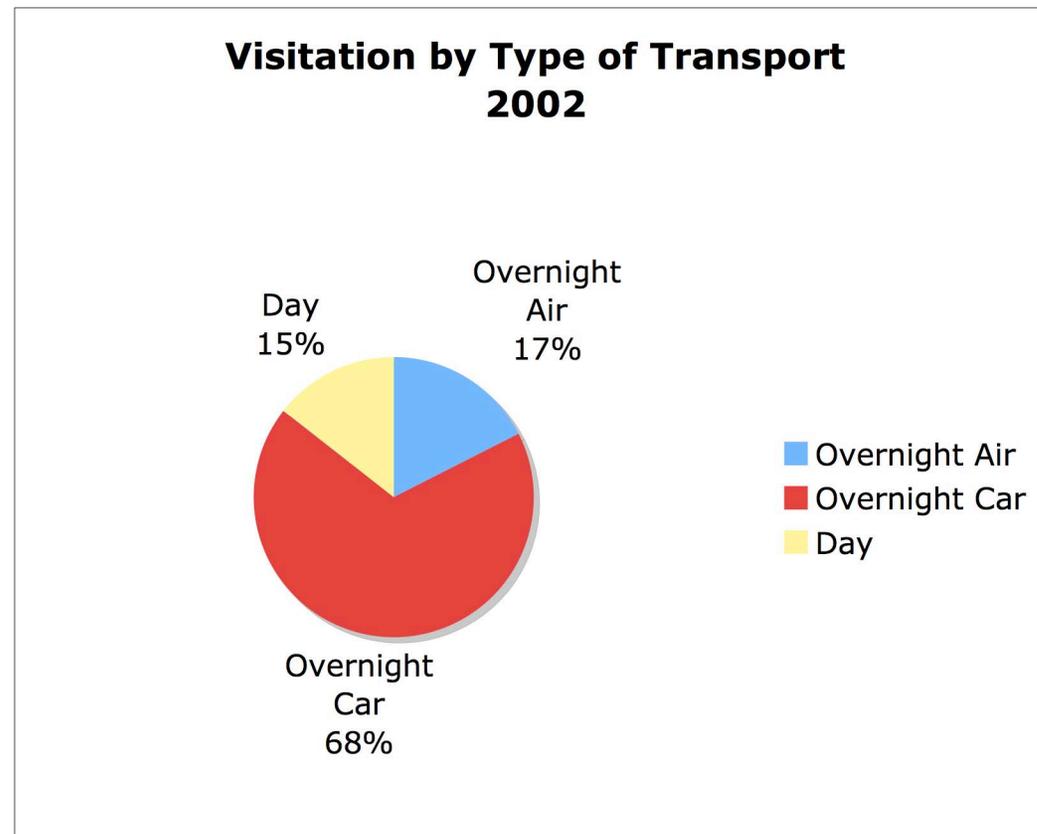
Geographic Origin of Visitors to North Lake Tahoe Area
*North Lake Tahoe Tourism and Community Investment Master Plan



As the graph above illustrates, most of the visitors come from out of state. International visitation is approximately 4 percent. It is believed that greater promotion of Olympic heritage and world-class caliber of the area could drive international visitation and out of state visitation higher. These visitors spend more and stay longer, thus having more time to visit the cultural heritage of the area. For example, both Salt Lake and Lake Placid both have significantly greater international visitation at 25 and 13 percent respectively. This market penetration is tied strongly to their Olympic heritage offerings and promotions.

Regional Market

Although many visitors come from out of state, most continue to come by car, as the following chart illustrates. Only 17 percent of visitors are estimated to fly into the North Lake Tahoe market. Again, this seems to be an area where promoting Olympic heritage and getting media exposure to these fly markets about the world-class caliber of the area, could increase overall tourism of the fly in market.¹⁰



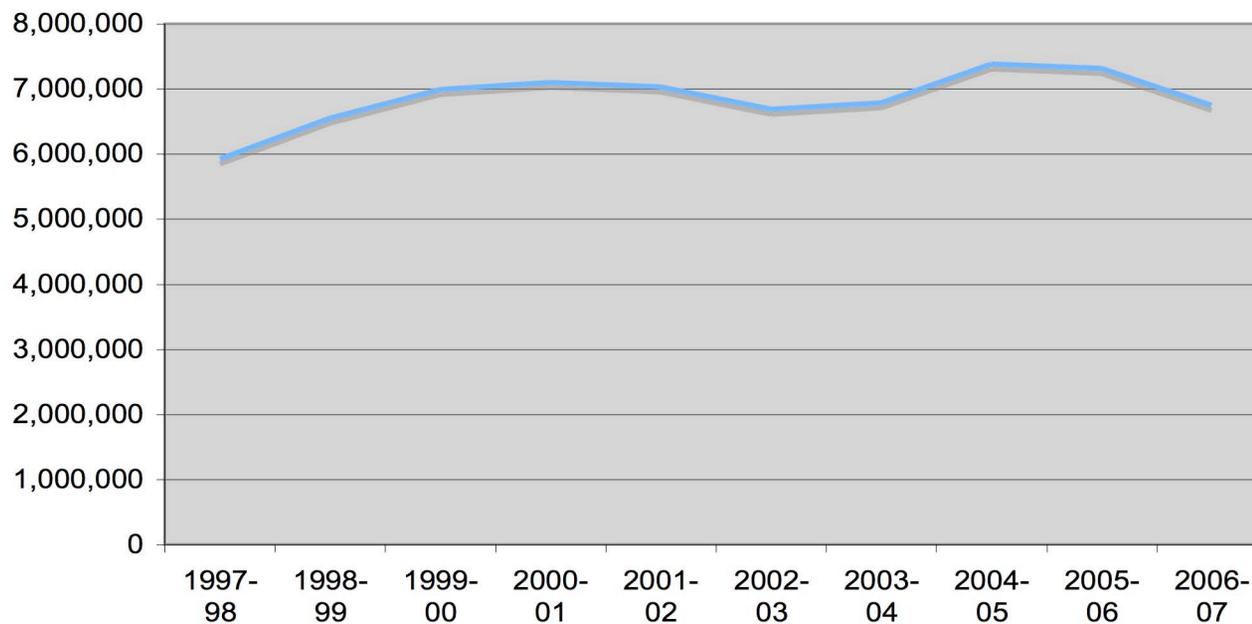
¹⁰ Dean Runyan Report, The Economic Significance of Travel to North Lake Tahoe Area, 2003

Regional Market

Total Visitor Expenditures

Annual changes in visitation can best be tracked by looking at historical trends in the Placer County Transient Occupancy Tax (TOT). The chart below illustrates trends in TOT collections since 1996/1997. As one can see, much like annual visitation, TOT has been relatively flat/stable over the last decade, with the exception of a slight decline which occurred after 9/11/2001.

Summary of Tahoe Area Transient Occupancy Tax (TOT) 1997-2007



Regional Market

Average Daily Spending

Average daily spending per capita per visitor type is estimated as follows¹¹:

Visitor Type	Percent of Travel Market	Daily per capita expenditure 2002	Daily per capita expenditure 2008
Local - Day	15%	\$111	\$128.68
Bay Area/Sacto/Drive	68%	\$130	\$150.71
Out of Area/Air	17%	\$197	\$228.38

These figures coincide with a recent California Dept. of Tourism report that suggests that per capita daily leisure visitor expenditures in California in 2007 averaged \$92, excluding transportation-related costs. These figures will be used in the economic impact section of this report.

Skier Days

As with most western mountain sports communities, North Lake Tahoe area has experienced a relatively stable number of annual skier days for the past several years at about 2 million per year.¹² The ski industry as a whole is experiencing flat growth and resorts are shifting their focus from winter skiing to a year round multi-purpose resort experience to capture a wider range of visitor spending.

The New Tahoe

Tourism related facilities have undergone a significant change in the last several years in North Lake Tahoe. Squaw Valley, Northstar and Truckee are developing more competitive destination products that will help improve the overall attractiveness of the North Lake Tahoe area. Additionally, planned improvement projects in the Kings Beach/Crystal Bay corridor will also expand the opportunities for this destination market. It is expected that as these improvements are recognized and promoted, that tourism will grow, particularly from the higher end destination traveler. The heritage tourist, with greater disposable income than most, will benefit from these new accommodations as they seek to explore the winter sports and Olympic heritage that the region has to offer.

¹¹ Dean Runyan Report, the Economic Significance of Travel to the North Lake Tahoe Area, 2003, adjusted for inflation at 3%.

¹² NLTRA, Tourism Master Plan 2004

Comparable Winter Olympic Areas

Lake Placid, NY¹³

Olympic History

Lake Placid is the former host of two Winter Olympics in 1932 and 1980. During 1980, the Lake Placid Olympic Games took place from February 13 to 24 and featured 1,067 athletes from 38 countries. About 625,000 spectators watched the events, filling the area's hotels and motels.

The 1980 Olympic Winter Games were distinguished by two celebrated American victories. One was the famous upset of the Soviet ice hockey team by the U.S. team who eventually went on to win the gold. The other performance was by 21-year-old speed skater Eric Heiden who won five individual gold medals, a total that has yet to be surpassed by any other Olympic athlete.

Situated inside a 2.4-million hectare Adirondack State Park yet within a day's drive of some of North America's major cities, Lake Placid has both rugged Adirondack peaks and two lakes, Mirror and Placid. The village population is less than 3,000 residents and the neighboring township of North Elba has about 5,000 residents.

Lake Placid Today

Shortly after the 1980 Olympics, the State of New York formed the Olympic Regional Development Authority (ORDA) to maintain and operate the facilities and to continue to promote the Olympic Heritage of the region. ORDA currently has an annual operating budget of \$32 million of which the State of NY contributes about \$8.4 million per year.

The Town of North contributes \$800,000 per year. According to Ted Glazer, the Executive Director of ORDA, close to \$23 million is generated each year in earned income through the operations of the winter and Olympic



ORDA / Museum

¹³ Legacies of the Winter Games – Lake Placid 1980, written in preparation for the Vancouver Winter Olympics 2010

Comparable Winter Olympic Areas

facilities. A recent report conducted in 2004-2005 cited that the economic impact of the ORDA facilities and operations was about \$323 million for the primary regional area and \$356 million for the State of New York.¹⁴

Since 1980, investments in Olympic Heritage facilities at Lake Placid have been extensive. They include:

- Olympic Center with 4 ice surfaces (\$23M) - a training facility for speed skating, figure skating and ice hockey and conference center.
 - Includes outdoor skating oval (the site of Eric Heiden's record 5 gold medals)
- Ski Jumping Complex (\$75k) -120 meter and 90 meter jumps and 3 smaller development jumps
- Kodak Sports Park – water ramp training and freestyle aerial skiing (summer aerialists land in a 750k gallon pool)
- Sports Complex (\$24M): includes bobsled/luge/skeleton track, a 50km cross country skiing network and biathlon target range. Used for year round training.
- Olympic Training Center - 90 room athletic and housing facility. One of 3 in nation.
- 2 Ski Mountains (\$20m in recent improvements) – Whiteface Mt. with the greatest vertical drop east of the Rockies (3,430 feet) and 73 trails and Gore Mt. with 58 trails.
- 2 Winter Olympic Museums (1932 & 1980)- which collect, preserve and store artifacts and memorabilia related to the Olympics and perpetuates the ongoing history and heritage of the Olympic venues and heroes as well as other winter sports legacies. – (45,000 visitors/yr.)



Whiteface / ORDA / Shawn Holes

¹⁴ Economic Impact of the NY Olympic Regional Development Authority 2004-2005 fiscal year, Technical Assistance Center, SUNY Partnership.

Comparable Winter Olympic Areas

As a result of its extensive facilities, Lake Placid is home to many major events such as:

- Lake Placid Synchronized Skating Classic
- Junior Nationals Figure Skating Championship
- 4 Nations Cup Ice Hockey Tournament
- World Cup Freestyle Skiing
- World Championships in Luge, Bobsled, Skeleton
- Empire State Winter Games

Lake Placid Heritage Events

In 2005, ORDA hosted the 25th Anniversary of the 1980 Winter Olympic Games Gala Event. The celebration occurred over 10 days from February 12-23. The media coverage was substantial. The opening ceremony was covered by 3 TV stations and fed to CNN and APTV. Nearly 20 TV stations aired coverage of the ceremony. There was also substantial radio coverage from NPR and its affiliates and local communication stations. News clips on Lake Placid just prior to this event appeared in 412 articles reaching 19.3 million readers in January, 563 articles reaching 35 million readers in February and 627 articles reaching 27 million readers in March.¹⁵

Additionally, Lake Placid hosted an Ironman event that included 2,000 competitors over the course of a week. The estimated impact was approximately \$7 million¹⁶.



ORDA

¹⁵ Economic Impact of the NY Olympic Regional Development Authority, 2004-2005

¹⁶ Ibid.

Comparable Winter Olympic Areas

Tourism Summary

Tourism to Lake Placid now numbers about 1 million per year. Approximately 60% of tourists come from the regional NY area (including NJ), about 13% international and the balance from neighboring New England, South and Midwest states. Additionally, almost 90% of US Winter Olympic Team members train in Lake Placid and 33 of the 34 medals awarded at Salt Lake 2002 Olympic Winter Games were won by athletes who trained in Lake Placid.¹⁷

As numerous reports suggest, the Olympics have been the driving force in expanding tourism to the area, enhancing the local economy, and turning this sleepy town into a year round international destination resort.

Ted Glazer puts it this way, “Our whole community is caught up in the Olympic spirit. Our events support that mentality. It leads to tourism and other economic benefits. Our museum tells the story and our venues play it out in the present day format. The Olympic museum is the jumping off point for visiting our centers and it ties together the whole Olympic experience.”



Salt Lake City / Museum

Salt Lake City, UT Olympic History

The 2002 Salt Lake City Olympic Winter Games hosted 78 events, with 77 nations participating with over 2,400 athletes. The events included the return of skeleton and the introduction of women's bobsleigh. Athletes from a record 18 nations earned gold medals. Highlights of this event included speedskater Claudia Pechstein earning her third straight gold medal in the 5000m and 3000m race and Georg Hackle becoming the first person in Olympic history to earn a medal in the same individual event five times in a row. And, Vonetta Flowers became the first black athlete to earn winter gold.¹⁸

¹⁷ Economic Impact of the NY Olympic Regional Development Authority, 2004-2005

¹⁸ www.olympic.org - official website of the Olympic Movement, Salt Lake City, 2002.

Comparable Winter Olympic Areas

Salt Lake is the most populated area to have ever hosted a Winter Olympics. The current population is estimated at over 1.5 million people. The area has a varied geographic climate from an arid, dry desert in the city limits itself, to a mountainous region housing some of the most dramatic slopes in the west.

Salt Lake City Today

As a result of the Winter Olympics, the greater Salt Lake Region was left with a significant legacy of facilities. Its current facilities include: a Utah Olympic Park, Soldier Hollow which offers a 31km trail system, demo center, ski school and ski shop, the Olympic Oval where 10 Olympic and 8 World records were set in 2002, and the Olympic Cauldron Park which holds the Olympic flame.



Each facility is open to the community year round. The public can go cross-country skiing, tubing, ice skating and even take a wild ride on the luge. Additionally, there is the 30,000 square foot Joe Quinney Winter Sports Center that is the home of both the Alf Engen Ski Museum and 2002 Winter Olympic Museum. Together they generate about 160,000 visits per year.¹⁹

According to Director of the Olympic Museum, Connie Nelson, there is a significant endowment that was created after the Winter Olympics (\$80M). This endowment helps to fund approximately 50% of the operations of the Utah Olympic Parks (\$2.5M). The balance of the operating budget is earned from operating the year round facilities and opening them to the public.

¹⁹ Life in the Valley.com, Utah's Olympic Parks Keep the Dream Alive

Comparable Winter Olympic Areas

Salt Lake is host of many world-class events in 2008, such as:

- International Federation of all national Bobsleigh and Skeleton Federations
- Organizations (FIBT) Bobsled and Skeleton America's Cup
- FIBT Bobsled and Skeleton Intercontinental Cup
- FIBT Bobsled and Skeleton World Cup
- United States Luge Association (USLA) Luge Youth National Championships
- International Ski Federation (FIS) Nordic Combined/Women's Continental Cup
- United States Ski and Snowboard Association (USSA) Springer Tournee

Tourism Summary

Tourism to the Utah Olympic facilities is about 180,000 per year. Approximately 28% of the visitors come from Salt Lake City, 25% from international markets, 17% from the western US, and the balance comes from other areas in the US.

Although there has not been a recent Olympic Heritage economic impact study done for Salt Lake, one can estimate a significant economic contribution. Suffice to say, there has been a significant investment in Olympic Heritage and it appears that this area will continue to attract visitors who want to explore a recent part of Olympic history.



Alf Engen Museum

Economic Impact of North Tahoe Olympic Heritage

Direct Economic Impact of North Tahoe Tourism

In order to understand the economic impact of Olympic heritage tourism, it is helpful to understand the overall economic impact of tourism in the region. In 2002, it was estimated that the direct economic impact of tourism to the area was \$355 million per year.²⁰ Adjusting for inflation modestly and taking into account the current economic climate, we can assume that the current economic contribution of tourism is approximately \$400 million per year. As the analysis below suggests, the direct economic influence of Olympic heritage is close to one-third of the overall tourism contribution.

Visitor Expenditures

The economic impact of the Olympic Museum and Olympic Heritage Event can be quantified by focusing on visitor expenditures and visitor stay patterns. Visitors spend dollars directly on lodging, restaurants, entertainment, transportation and retail. Using information provided from the Dean Runyan report of 2003 and adjusting for inflation, visitor expenditure patterns for 2010 are estimated as follows:

Visitor Spending Profile

Visitor Type	Percent of Total Visitors	Daily per capita expenditure 2002	Daily per capita expenditure 2010
Local - Day	15%	\$111	\$140.61
Bay Area/Sacto/Drive	68%	\$130	\$164.68
Out of Area/Air	17%	\$197	\$249.55

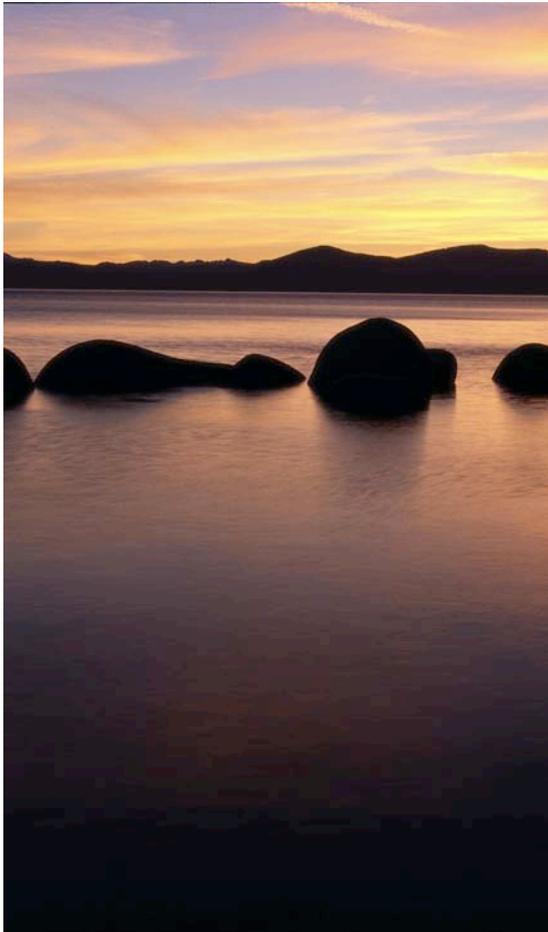
The type of traveler to North Lake Tahoe is currently very heavily weighted on the drive in market. We expect that for Olympic tourism, this will continue, though we do expect that the out of area traveler will be slightly higher. We discuss this more fully in the following pages.

²⁰ Dean Runyan Report, the Economic Significance of Travel to the North Lake Tahoe Area, 2003.

Economic Impact of North Tahoe Olympic Heritage

Visitor Estimates

To derive an estimate of visitors to North Lake Tahoe area Olympic Heritage events/facilities, we interviewed local community experts. Below are some key events and facilities with visitor estimates from which we draw our projections.



- Olympic Torch Relay 2002 – 35,000 visitors to the North Tahoe region
- Snow Fest – a month long event that at its peak drew close to 100,000 visitors to the region
- High Camp Olympic Museum/Western Ski Sports Museum – 150,000 visitors²¹
- Donner Memorial State Park, Emigrant Museum – 130,000 visitors annually²²
- Salt Lake Olympic Museums – 160,000 visitors annually
- Lake Placid Olympic Museums – 45,000 visitors annually

North Lake Tahoe Resort Association

²¹ This includes all tram rides. For truer visitation statistics this figure has been reduced 50 percent visitation table below.

²² Emigrant Museum, Donner Memorial State Park

Economic Impact of North Tahoe Olympic Heritage

Using the information above, the following visitor patterns are projected.

Visitor Estimates²³

Heritage Visitation Projections	2010	2011	2012	2013	2014
Olympic Heritage Event	50,000	35,000	37,000	40,000	42,000
New Olympic Museum			80,000	90,000	100,000
Existing Museums (reduced 50%)	75,000	75,000			
New World Class Events (2/yr.)	20,000	25,000	30,000	33,000	35,000
Total Visitation	145,000	135,000	147,000	163,000	177,000

The projections above include an additional 20,000 visitors through the hosting of at least 2 world-class Olympic caliber events annually. With additional focus placed on Olympic heritage, ski resorts will be able to draw a greater number of these types of events to their areas. The new Olympic Heritage museum is planned to open in 2012 and conservative estimates are that it can draw 80,000 visitors in the first year.

Estimated Olympic Heritage Visitor Impact

Using estimated visitation, expenditure patterns, and average length-of-stay, we can now estimate the direct economic impact that Olympic heritage visitors will have on the North Lake Tahoe region in 2010. We do this simply by calculating: # of visitors x average daily expenditures x average length of stay.

The table below illustrates the results of this impact by type of traveler. As discussed, Streamline has made a slight modification in the visitor distribution and applied a greater weight to out of area heritage tourist.

²³ The visitor estimate to the Museum does not include the potential visitors arising from the Olympic Heritage event to avoid double counting the impact.

Economic Impact of North Tahoe Olympic Heritage

Olympic Heritage Visitor Impact 2010

Visitor Type	Percent of Travel Market	Avg. Length of Stay (days)	Daily per capita expenditure 2010	Direct Economic Impact
Local - Day	8%	1.0	\$140.61	1,631,093
Bay Area/Sacto/Drive	70%	4.7	\$164.68	78,560,647
Out of Area/Air	22%	5.6	\$249.55	44,580,274
Total	100%			\$124,772,014

Olympic Heritage Tourism Impact 2010 to 2014

The table below illustrates the projected economic impact of Olympic heritage tourism from 2010 to 2014 assuming the visitor and spending patterns described above and a modest inflation rate of 3 percent per year. Based on? Projections below are in thousands. As one can see, the economic contribution is over \$125 million per year.

Olympic Heritage Visitor Impact 2010 - 2014

Annual Economic Impact (in 000's)	2010	2011	2012	2013	2014
Local - Day	1,631	1,564	1,754	2,004	2,241
Bay Area/Sacto/Drive	78,561	75,337	84,495	96,502	107,934
Out of Area/Air	44,580	42,751	47,948	54,761	61,249
Total	124,772	119,652	134,196	153,267	171,424

It is interesting to note per the table above that the estimated 2010 Olympic heritage tourism impact of \$126 million will represent close to 30 percent of the projected impact of tourism as a whole (\$430 million by 2010). There is no doubt that Olympic heritage plays a key role in the overall economy.

Economic Impact of North Tahoe Olympic Heritage

Further, with the appropriate investment and marketing strategies, there is a significant potential to grow the Olympic heritage expenditure pie so to speak and thus expand the overall direct tourism impact.

Economic Impact of Olympic Heritage Event 2010

As one of the main goals of this report is to assess the direct impact of the Olympic heritage 2010 event itself, we provide the following analysis. The total impact of this 10-day event for 2010 is estimated at over \$40 million.

Economic Impact of Olympic Heritage Event 2010

Visitor Type	Percent of Travel Market	Event Visitors	Event Impact
Local - Day	8%	4,000	562,446
Bay Area/Sacto/Drive	70%	35,000	27,089,878
Out of Area/Air	22%	11,000	15,372,508
Total	100%	50,000	\$43,024,832

After the 50th anniversary celebration in 2010, the Olympic Heritage Committee plans to hold a similar event annually. Although subsequent years will not be as extensive as the first, committee members believe they can continue to draw at least 35,000 additional visitors per year to this 10-day event. This would ensure a continued economic benefit of \$30million per year. And, it must be noted that this contribution is in addition to the current level of tourism impact that is occurring now.

Economic Impact of North Tahoe Olympic Heritage

Economic Impact of Planned Olympic Heritage Museum

To assess the direct impact of the planned Olympic Heritage Museum, we provide the following analysis for 2012.

Olympic Heritage Museum Direct Impact 2012

Visitor Type	Percent of Travel Market	Event Visitors	Event Impact
Local - Day	8%	6,400	954,718
Bay Area/Sacto/Drive	70%	56,000	45,983,443
Out of Area/Air	22%	17,600	26,093,910
Total	100%	80,000	\$73,032,072

Within five years of the opening of the new museum, we could expect the number of visitors to be similar to that of Donner Memorial State Park (130,000). The Olympic Heritage Museum provides continued economic benefit while providing a greater sense of Olympic pride and heritage and history within the community.

Olympic Heritage Benefit to Transient Occupancy Tax

Of the economic benefit of Olympic heritage calculated above, a portion will go directly to Placer County in the form of the Transient Occupancy Tax. According to the Dean Runyan report, an estimated 25% of overnight visitors are a seasonal resident or stay with a friend (do not pay for lodging). We therefore reduced the number of visitors by this amount. This yields slightly more than 100,000 visitors who will need lodging.

The average number of persons per unit of occupancy is 2.0. We therefore divide the visitor number above to get an estimated lodging need. Using a conservative average room rate for 2010 of \$90/nite and rounding the average length of stay down to estimate number of nights, we can then apply the 10 percent Transient Occupancy Tax rate to determine the amount that this tax generates.

Economic Impact of North Tahoe Olympic Heritage

Olympic Heritage TOT Benefit 2010

TOT Calculation (\$90/night)	# of visitors	# of nights	Total Lodging Spend	TOT Generated
Bay Area/Sacto/Drive	76,125	4.0	13,702,500	1,370,250
Out of Area/Air	23,925	5.0	5,383,125	538,312
Total	100,050		19,085,625	\$1,908,562

Regional Sales Tax

The North Tahoe visitor spends approximately 22 percent of his/her average daily expenditure on retail.²⁴ Using this estimate, we project the regional sales tax benefit of the Olympic heritage tourist to be roughly \$390,000.

Regional Sales Tax Contribution 2010

Visitor Type	Percent of Travel Market	Daily per capita expenditure 2010	Estimated Daily Retail Expenditure (22%)	Retail Tax of 7.25% Generated
Local - Day	8%	\$140.61	\$358,840	\$26,016
Bay Area/Sacto/Drive	70%	\$164.68	\$3,677,307	\$266,605
Out of Area/Air	22%	\$249.55	\$1,751,368	\$126,974
Total	100%		\$5,787,515	\$419,595

²⁴ Dean Runyan Report, the Economic Significance of Travel to the North Lake Tahoe Area, 2003.

Economic Impact of North Tahoe Olympic Heritage

Additional Benefits of Olympic Heritage Promotion, Events and Facilities

In addition to the direct economic contribution of heritage spending into the economy, there are other benefits that must be noted.

A World Champion Community

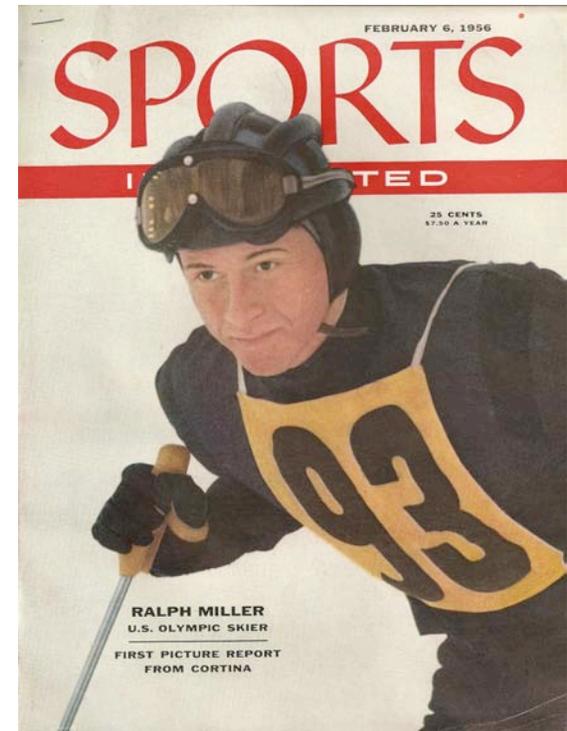
Having world-class Olympic champions and events in the community creates a civic pride that has tremendous value for the community. The children have visible role models to inspire them to greatness. There is already tremendous cooperation with the local schools and world-class athletes in the area. Recently, for example, a school assembly was held where 4 Olympic champions visited to tell their stories of greatness. Children were awed by having Olympic champions at their school and inspired that they too could do great things. The two ski academies, Squaw Valley and Sugarbowl provide the educational opportunities for the elite skiers and riders to become our next Olympic champions.

Volunteerism & In-kind Support

It cannot be underestimated the amount of volunteerism that goes into supporting our Olympic and winter sports heritage. For the Olympic Heritage Event alone, it is estimated that there will be approximately x volunteer hours and x dollars generated in in-kind support from local businesses and community members.

Branding and Awareness of North Lake Tahoe

There are many illustrations of how Olympic heritage can draw significant media attention. At Lake Placid, for example, in the first three months of 2005, the 1980 Olympic Games' 25th-anniversary year, Lake Placid and the names of all the ORDA facilities appeared in 1,602 articles reaching 81.3 million people.²⁵ Plans for the Olympic Heritage Celebration of 2010 are to highlight North Tahoe as the birthplace of the modern winter Olympic games. This idea is to capture the media spotlight before the start of Vancouver Winter Olympics in 2010. Media, looking to build Olympic fever prior to the big event could retell the North Tahoe Olympic history and expose this lasting heritage to audiences around the world.



Western Ski Sport Museum

²⁵ Economic Impact of the NY Olympic Regional Development Authority, 2004-2005

Economic Impact of North Tahoe Olympic Heritage

Economic Diversity

Finally, according to the Sierra Business Council, areas that preserve and market their local heritage stand to gain increased economic diversification as it showcases the assets of a community that new businesses may find attractive. A strong heritage economy becomes one of the tools sustainable communities use to bolster their social, natural and financial capital.



1960 Squaw Valley Olympics/Western Ski Sport Museum

Conclusion

In conclusion, there is a significant opportunity for North Lake Tahoe to reap the economic benefits of Olympic Heritage tourism through the 2010 Olympic Celebration Event and the planned Olympic Heritage museum. With a minimal level of investment, the economic rewards could be great. Additionally, the benefits to the local economy and community cannot be underestimated and the long-term lasting value will add overall sustainability to the region.



North Lake Tahoe Resort Association