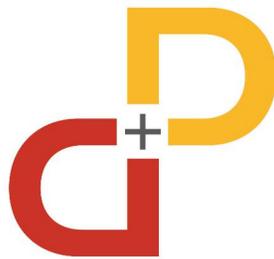


Economic Impact Study

Steamboat Springs Winter Sports Club

12/21/2012

Yampa Valley Data Partners
(Updated 01/03/2013)



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Executive Summary

The Steamboat Springs Winter Sports Club (SSWSC) will soon begin its 100th season. It has helped train 79 Olympic athletes and has a long tradition of being one of the area's most valuable youth development organizations. The club's contribution to the social, educational and civic fabric of the communities in and surrounding Steamboat Springs is priceless and cannot be measured in dollars in cents. Also, the organization has a local economic impact that can be reasonably estimated.

The purpose of this study is to assess the club's local economic impact in three primary areas:

- I. Visitors that travel to the area to participate in events sponsored by SSWSC
- II. As an employer in Routt County and the impact of its direct/indirect employment
- III. Families (households) that move into the area for a time primarily for the SSWSC training and coaching for their athlete.

On an aggregate basis, these three areas of economic impact are generating \$4.1 million local household income, \$1.5 million in local spending, and \$381,000 in state and local sales taxes. The SSWSC is responsible on a direct and indirect basis for more than 110 jobs.

Introduction and Overview

An area's economy is driven by local residents and visitor consumption or final demand which includes businesses that meet those demands. There are two basic ways economic impact is often assessed. One approach is to use economic multipliers such as those developed by IMPLAN[®], a well established marketing firm. Although useful in some situations, the use of IMPLAN[®] multipliers often overstates the economic impact associated with an activity because the multipliers do not take into account the extensive leakage that occurs with both businesses and consumers in the Yampa Valley.

Yampa Valley Data Partners (YVDP) uses an input/output model that recognizes the economic linkages between job creation and household income by industry sector in terms of purchases and expenditures. This input/output model also recognizes the high degree of leakage that occurs in the Yampa Valley and assigns a percentage of local spending by consumer category. The amount of leakage that is assigned is based on local consumer preference studies.

For the purpose of this analysis, the economic impact is separated into direct and indirect impacts:

Direct

Economic impact that is directly attributable to the initial economic activity. For example, an establishment with 10 full time employees would be identified as creating 10 direct jobs. These jobs would result in a contribution to household income and corresponding spending associated with that income.

Indirect

These are economic activities undertaken within the supply chain of goods and services as a result of the direct economic activity. For example, an employee of the direct establishment will spend their pay check on local groceries. This activity results in economic benefits that are manifested as increased sales taxes collected by the grocery store, and potentially increased grocery store employment. The grocery store increased employment also manifests in increased household income.

Yampa Valley Data Partner's approach assesses only activities that have a tangible impact in employment, household income and sales tax collected. This approach results in a very realistic and accurate assessment of the economic impact (footprint) that an organization has in the community. Although YVDP acknowledges that there would likely be increased federal/state income tax collections, we did not include them in the report.

This report provides the economic impact of the Steamboat Springs Winter Sports Club (SSWSC) has on the local economy of Steamboat Springs, Routt County. This report estimates the impacts associated with the following categories:

- Visitors that travel to the area to participate in events sponsored by SSWSC.
- Employment provided by SSWSC which includes the employment associated with the operations of the Alpine Slide and Steamboat Tubing.
- The families (households) that move to the area specifically for the winter sports athlete training.

For each of the categories listed above, the report analyzes the economic impact associated with:

- Sales tax generation by taxing entity.
- Direct and indirect employment.
- Direct/indirect household income.
- Estimate of local spending associated with both direct/indirect household spending.

Visitor Spending

YVDP used data obtained from SSWSC's survey of event participants and their families. This data proved very useful because it accurately depicts the visitors attending SSWSC hosted events. The SSWSC survey provided visitor spending data typically associated with a stay in the area of 6.15 days.

Spending Categories	Dollars Spent During Stay	Percent of Total
• Lodging	\$1,264.77	44.2%
• Entry Fees/Lift Tickets	\$781.00	27.3%
• Food	\$448.44	15.7%
• Retail	\$185.08	6.5%
• Other Activities/Miscellaneous	\$182.57	6.4%
TOTAL	\$2,861.86	100.0%

Source: Chad Bowdre, SSWSC Event Participant Survey

(survey findings: \$2,861.86 spending per stay, divided by 6.15 days = \$465.34 family days. 7,480 athletes days at \$465.34 family days = \$3,480,743 estimated direct spending.)

The level of participant/family spending during their stay resulted in an estimate of \$3,480,743 associated solely with SSWCS activities.

The spending survey conducted by SSWSC is very consistent with results obtained by the Steamboat Ski and Resort Company on spending patterns of visitors to the area during the winter and serves to validate the data obtained by the SSWSC survey.

Spending Percentage Allocation by Category

Lodging	44.0%
Fees/Lift Tickets	27.0%
Food Services	16.0%
Retail	7.0%
Entertainment/Other	6.0%

On a direct and indirect basis visitor spending at the level of \$3,480,743 will result in the creation and support of 39 jobs on an FTE basis, \$915,000 million in household income and \$425,000 in local spending on a direct/indirect/induced basis and \$288,000 in sales tax collections allocated by entity as follows:

Sales Tax Collecting Entity	Estimated Sales Tax Collections as a result of Direct and Indirect Activity
• State of Colorado	\$80,229

• Routt County	\$27,665
• City of Steamboat Springs	\$113,197
• Steamboat Springs School District Education Fund Board	\$14,150
• Local Marketing District	\$30,766
• Accommodation Tax	\$15,383
• Airline Program Support	\$7,075
TOTAL	\$288,464

(See Appendix Table B)

This calculation estimate takes into account the business establishments as they respond to increased activity associated with providing good and services to the visitors. These numbers are in addition to the operations and direct employment the SSWCS visitor activity would create.

SSWCS Employment

According to SSWSC, they have a total of 174 employees serving in year round, seasonal and part-time positions. This employment generates \$1,629,000 in payroll. Using Colorado Labor Market information for Routt County, the wage/salary for the industry sector identified for SSWSC's operations (Arts/Entertainment and Recreation), YVDP estimates this payroll translates to 68.5 employees on an FTE basis.

It is estimated that a payroll of \$1,629,000 results in \$610,000 of local household spending on goods and services. Moreover, the indirect level of local household spending results in an additional 2.3 FTE jobs and \$73,000 of household income and \$33,000 of added local spend.

This will result in \$49,000 of sales tax collections allocated by entity as follows:

Sales Tax Collecting Entity	Estimated Sales Tax Collections as a result of Direct and Indirect Activity
State of Colorado	\$14,914
Routt County	\$5,143
City of Steamboat Springs	\$24,407
Steamboat Springs School District Education Fund	\$3,051

Board	
Airline Program Support	\$1,525
TOTAL	\$49,041

(See Appendix Table C)

Households that Moved to Routt County Primarily because of SSWCS

SSWCS provides a level of winter sports athletic training that is known worldwide. As a result of the club's scope and quality of athletic training, families (households) move to the area. Using IRS Master Data it is possible to measure the impact of net migration into Routt County for the period 2001 to 2010. On a net gain basis this data indicates that 970 families moved into the Routt County over this 10 year period. The average in migration annual household income is estimated at \$150,000.

For estimation and projection purposes and with SSWSC staff discussions, YVDP is estimating that at any given point in time there are between 9 and 10 households clearly identified as moving to the area specifically for SSWCS winter sports athletic training.

7.5 households with \$150,000 of annual household income (\$1.2 Million) will result in \$421,000 of local household spending on goods and services. This result is an additional 1.7 FTE jobs on a direct and indirect basis, \$50,000 of household income and \$24,000 of added local spend.

In addition, this level of local spending will result in \$34,000 of sales tax collections allocated by entity as follows:

Sales Tax Collecting Entity	Estimated Sales Tax Collections as a result of Direct and Indirect Activity
State of Colorado	\$10,300
Routt County	\$3,552
City of Steamboat Springs	\$16,856
Steamboat Springs School District Education Fund Board	\$2,107
Airline Program Support	\$1,053
TOTAL	\$33,868

(See Appendix Table D)

Summary

SSWCS has a sizable economic footprint in the economy of Steamboat Springs, Routt County. On a direct/ indirect basis the SSWCS supports over 110 expressed jobs on an annual FTE basis, \$4.1 million in household Income, \$1.6 million in local spending and \$381,000 in state and local sales tax revenues.

For comparison purposes the household income being directly and indirectly generated by SSWSC at \$4.1 million is about 40% the size of Routt County's farm/ranch earnings for 2011. (Source: Bureau of Economic Analysis).

On an aggregate basis across all sources, SSWSC on a direct and indirect basis is responsible for generating locally \$160,000 in city sales tax, \$37,000 in Routt County sales taxes, \$20,000 for the school district, and \$10,000 for the airline support program, \$31,000 for the Local Market District and \$15,000 for the Accommodations tax. All totaled SSWSC is responsible for the generation of \$273,000 in local sales tax collections in addition to over \$108,000 paid to the State of Colorado.

(See Table A for complete summary data)

Appendix

Summary of Impacts	Table A
Visitor Impacts	Table B
Employment Impacts	Table C
Migrating Households	Table D

Steamboat Springs Winter Sports Club Economic Impact

Exhibit A - Steamboat Springs Winter Sports Club Summary of Economic Impacts by Type

Employment Expressed in Annual in FTEs

Source	Direct	Indirect	Total
Visitors	36.7	1.4	38.2
SSWCS	68.5	2.3	70.8
Migrating Households	1.6	0.1	1.7
Sub Total	106.8	3.8	110.6

Household Income

Source	Direct	Indirect	Total
Visitors	\$ 884,627	\$ 30,660	\$ 915,288
SSWCS	\$ 1,629,000	\$ 72,958	\$ 1,701,958
Migrating Households	\$ 1,125,000	\$ 50,385	\$ 1,175,385
Sub Total	\$ 3,964,127	\$ 154,004	\$ 4,118,131

Local Spending

Source	Direct	Indirect	Total
Visitors	\$ 402,222	\$ 22,450	\$ 424,673
SSWCS	\$ 610,325	\$ 33,348	\$ 643,673
Migrating Households	\$ 421,495	\$ 24,289	\$ 445,784
Sub Total	\$ 1,434,042	\$ 80,087	\$ 1,514,130

Sales Tax Collections by Entity (Direct & Indirect)

Source	State of Colorado		Routt County		City of Steamboat Springs		Steamboat Springs School District	Airline Support Program	Local Marketing Dist.	Accommodation Tax	Total
Visitors	\$ 80,229	\$ 27,665	\$ 113,197	\$ 14,150	\$ 7,075	\$ 30,766	\$ 15,383	\$ 288,464			
SSWCS	\$ 14,914	\$ 5,143	\$ 24,407	\$ 3,051	\$ 1,525	N/A	N/A	\$ 49,041			
Migrating Households	\$ 10,300	\$ 3,552	\$ 16,856	\$ 2,107	\$ 1,053	N/A	N/A	\$ 33,868			
Sub Total	\$ 108,423	\$ 37,387	\$ 159,337	\$ 19,917	\$ 9,959	\$ 30,766	\$ 15,383	\$ 381,172			

Note: For simplicity and ease of reading charts, numbers have been rounded

Steamboat Springs Winter Sports Club Economic Impact

Exhibit C - Economic Impacts As a Result of SSWSC Employment

SSWSC Payroll (Full/Seasonal/Part-time)	\$	1,629,000
Direct Household Disposable Income	\$	1,335,246

Estimate of Local Spending of SSWSC Employees

\$ 610,325

Sales Tax Collections by Entity as a Result of Local Spending

State of Colorado	\$	14,102
Routt County	\$	4,863
City of Steamboat Springs	\$	23,077
Steamboat Springs School District	\$	2,885
Local Marketing District		N/A
Lodging Accommodation Tax		N/A
Airline Support Program	\$	1,442
Sub Total	\$	46,369

Estimate of Indirect Employment & Indirect Household Income as of result of Local Household Spending

Impacted Industry Sector	Indirect Employment Expressed in FTEs	Indirect Household Income
Retail Trade	0.86	\$ 24,323
Arts, Entertainment & Recreation	0.21	\$ 4,974
Health and Social Services	0.43	\$ 21,121
Professional and Technical Trade	0.15	\$ 8,688
Utilities	0.05	\$ 3,692
Food Services	0.60	\$ 10,160
Sub Total	2.28	\$ 72,958

Estimate of Local Spending by Indirect Households

\$ 33,348

Sales Tax Collections by Entity as a Result of Indirect Household Spending

State of Colorado	\$	813
Routt County	\$	280
City of Steamboat Springs	\$	1,330
Steamboat Springs School District	\$	166
Airline Support Program	\$	83
Sub Total	\$	2,672

Note: For simplicity and ease of reading charts, numbers have been rounded

Steamboat Springs Winter Sports Club Economic Impact

Exhibit D - Economic Impact of Households that Moved to Routt County Primary Because of SSWSC

Estimated Aggregate Household Migration Income	\$	1,125,000
Direct Household Disposable Income	\$	922,131

Estimate of Local Spending by Households that Moved Primarily Because of SSWSC

\$ 421,495

Sales Tax Collections by Entity as a Result of Local Spending

State of Colorado	\$	9,739
Routt County	\$	3,358
City of Steamboat Springs	\$	15,937
Steamboat Springs School District	\$	1,992
Airline Support Program	\$	996
Sub Total	\$	32,023

Estimate of Indirect Employment & Indirect Household Income as of Move Primarily Because of SSWSC

Impacted Industry Sector		Indirect Employment Expressed in FTEs	Indirect Household Income
Retail Trade	0.59	\$	16,798
Arts, Entertainment & Recreation	0.14	\$	3,435
Health and Social Services	0.30	\$	14,586
Professional and Technical Trade	0.10	\$	6,000
Utilities	0.03	\$	2,550
Food Services	0.41	\$	7,017
Sub Total	1.58	\$	50,385

Estimate of Local Spending by Indirect Households \$ 24,289

Sales Tax Collections by Entity as a Result of Indirect Household Spending

State of Colorado	\$	561
Routt County	\$	194
City of Steamboat Springs	\$	918
Steamboat Springs School District	\$	115
Airline Support Program	\$	57
Sub Total	\$	1,845

Note: For simplicity and ease of reading charts, numbers have been rounded