

ADIRONDACK SCENIC RAILROAD

North Country Regional Economic Impact Analysis

2011 Operating Season including Utica-Lake Placid Projections



Sponsored by:

*North Country Chamber of Commerce, Mohawk Valley Chamber of Commerce &
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Project Scope and Purpose

During 2011, several alternatives for the Remsen-Lake Placid Travel Corridor have been proposed and discussed to determine the best ongoing public use of the corridor for the future. One of the most complex issues in this debate is to be able to develop a comparative analysis of benefits, and a common language used to describe those benefits to the visitors, residents, and stakeholders involved. The “Economic Impact Analysis” was developed by measuring things with a consistent methodology and a desirable outcome – number of jobs created.

In order to justify ongoing and future public investment in any project, benefits to the public at large has to be determined using the best available data. That data has to be expressed in a way consistent with past efforts, other new alternatives, and considered against no action at all. The difficult part is that even within economic impact analysis studies, key differences can still exist inside the input data, assumptions, and conclusions. They deserve the attention to detail for how they are generated, and particularly how many levels of downstream indirect benefits are projected against direct spending inputs.

The last Economic Impact Study specific to the railroad corridor for railroad impacts was performed by the Adirondack Scenic Railroad in 2007. It was strictly limited to the existing economic impacts at the time and did not include the potential addition of full Utica-Lake Placid services. As the debate has intensified over the potential untapped economic impacts of Saranac Lake to Big Moose alternatives, the railroad’s potential in that portion has not been previously included.

The Case for the Railroad as a Primary Corridor Alternative

What makes the Adirondack Scenic Railroad useful for economic impact analysis purposes is that for the most part, these numbers are not based on a theoretical project at some future time. They can already be finitely measured by actual attendance figures and financial statements. The current railroad is already in operation and has been since its inception in 1992. It started as a four-mile demonstration project, and expanded to Utica-Carter, and Saranac Lake to Lake Placid. **The results of both existing visitation and investment are recognized as an economic engine through the corridor.** Operating costs and ridership segments are identified.

The remaining potential – and still untapped – opportunity of this option is the ability to link the now disconnected nodes of operations end-to-end from Utica to Lake Placid, a distance of 141 miles. While periodic equipment moves are done to ferry equipment between Carter and Saranac Lake, track conditions do not currently meet Federal standards for actual passenger service without upgrading. Closing the gap would enable a long-distance rail potential from Lake Placid to Utica and to all points on the national rail system as a long-distance attraction. In 1999, for example, a long-distance Amtrak charter originating from Albany was operated to Thendara, demonstrating the potential for seasonal specials to also connect Lake Placid directly to the national rail system. A long-distance excursion and seasonal passenger operation into the Central Adirondacks has no existing regional market competition or equal – it is the definition of a new market to be developed by rail. As such, it is an undeveloped opportunity.

The long distance alternative, while now being ‘new’ in concept, was market-tested during Summer 1980 in conjunction with the Winter Olympics. The physical condition of the railroad as the result of an incomplete rehabilitation led to its shutdown rather than an underlying decline in attendance. But, those results and projections can still be conservatively added to existing operations as a basis for potential impact. In addition, the key strength of fall excursions (a standard for railroad operations) had been demonstrated by advance bookings that were never operated.



Rail Operating Budgets and Impact

The second most significant factor exclusive to the railroad role is its spending. To produce the existing annual ridership/visitation of 50,000, the railroad has local and regional direct spending– in fuel, supplies, payroll, purchasing, gift shop, utilities, and all manner of typical small-business activity. It is also involved in heavy construction and periodic rehabilitation projects that have local impacts from contract workers. Although heavy construction and rehab projects produce jobs that are one-time in nature, they are also typically included in economic impact analysis. This purchasing (both ongoing operating and construction) is primarily in the immediate areas of the railroad and from communities along the corridor. That spending produces direct economic impacts, and for the purposes of this analysis generates the most significant jobs-related benefits that are a direct-calculated jobs result. The railroad is a full-fledged local business, one that also happens to attract visitors, rather than a relatively passive visitor site that has no regular operating budget unto itself. **Economic impacts are not limited to estimates of visitors and what they may spend, but also determined by the very real – and historically proven – business expenditures that keep the operation going.** While indirect and visitor economic impacts have to be estimated, the actual operating budget of the railroad is known – and it directly ripples through the local economies. An attraction that has an operating budget will have more economic impacts than a passive attraction, even with identical visitation numbers.

The railroad budget already includes state support for corridor maintenance, rather than a locally-supported taxation amount for corridor maintenance. The significant and ongoing items of bridge maintenance, brush cutting, and roadbed drainage are already part of the existing rail program. This maintenance spending also directly benefits the winter snowmobile markets. Indirectly, the rail project already subsidizes the snowmobile activity in the winter and has defined and resolved the maintenance responsibility roles. Meanwhile, the regular operating budget is self-supported by its own ticket revenues, and the railroad does not receive a direct operating subsidy.

In the case of the Adirondack Scenic Railroad, another unique impact is the staffing nature of the railroad. There are over 200 volunteers that make the backbone of the train staff and operating crews, and those volunteers may come from significant distances into the region. Analysis of the 2011 operating season indicates that 39% of the volunteers came from far enough away that they had to do an overnight stay. Given the 13,850 volunteer hours donated during 2011, and that 39% 'volunteer-visitor' factor, another **675 estimated overnight stays were generated simply by those donating their time to operate the railroad.** Those volunteer nights are a unique feature to this project and have been largely ignored in past analysis.

Rail vs. ?

The third key difference of the Adirondack Railroad economic impacts is that unlike other corridor use alternatives – it is not exclusive to rail-only use. This is a key point when examining corridor alternatives, projected economic impacts and projected jobs results. The railroad corridor is already used as a winter snowmobile trail. Current rail operations are seasonal and depending on the 'on the ground' snow conditions, may end as early as October 31 or as late as December 1, but in any case – snow conditions that are ideal for snowmobiles are the very worst for the railroad. The current excursion operation has never attempted to operate in heavy snow conditions. Therefore, any economic benefits of snowmobile usage of the corridor must take this into account, as the known economic



benefits of snowmobile activity are equally well-known, as they already exist. The only valid new economic impacts are those that can be calculated as some additional factor totally subject to shoulder-seasonal snow conditions during a relatively narrow time period when snowpack does not yet adequately cover the ties and rail. Predicting economic impacts for that potential shoulder market is therefore, directly equivalent to predicting the weather.

Similar to the snowmobile activity, the economic benefits of summer-seasonal trail activity is not unique, either for the corridor or within the entire region. Unlike a rail-to-trail conversion in an area that has no comparable activity, the Adirondack Park region currently boasts of *"More than 2,000 miles of trails wind along forested paths, skip along waterfalls, leading to summits with 360 degree views that extend as far as the eye can see"*¹ The region already has so many trail miles that it would be a challenge to see them in a single lifetime. Opportunities for trail recreation already abound. For the bicyclist, similar park and regional opportunities also exist on improved trails.



On one biking website alone, there are listed 60 road bike loops; 40 rides on bike paths, and 55 mountain bike rides.² Even developing a finite list of the existing mileage and trail opportunities is difficult, as so many locally-managed and listed trails exist on various local websites.

This point serves to clarify that projected economic impacts from non-rail usage of the corridor are somewhat forced to be competing with other already existing trails within the system. Projections of economic impacts must not only be tempered against existing seasonal corridor use, but the competitive trail alternatives already available within the region targeted at the same market. Simply relocating many visitors from one trail to another would have minimal overall net regional gain. No claim has ever been made that the existing non-mountain trail systems are at capacity. "Overuse" trail issues have developed in specific areas of high erosion, trail compaction (drainage), or introduction of overnight camping to existing wilderness areas. But, a new trail introduction into existing wilderness areas will have impacts that are not economic, and must be appropriately documented to the DEC in a new master plan. Railroad use of the corridor is in the existing corridor management plan and EIS.

Historically, the Utica-Lake Placid railline was by no means the only railroad corridor into the Central Adirondack region. It simply remains the only corridor with track still in place. But the other mainline, shortline, and logging railroads left their abandoned right-of-ways behind, and the mileage of abandoned railroad roadbeds remaining in unimproved or unmaintained condition is significant within the Park boundaries. A partial list of such already-abandoned rail corridors is included in the Appendix, and there are likely more. Much of the proposed economic benefits from trails can still be achieved by re-examining these corridors without necessarily focusing on the Utica-Lake Placid rail corridor as the only available choice for trail growth.

Finally, trail conversion cannot easily or inexpensively be reverted *back* to rail use if the benefits do not materialize, and would be a near-irreversible decision within any person's lifetime. It is our observation that the current 'three legged stool' of the Adirondack Scenic Railroad is a combination of special events, Utica-Carter, and Saranac Lake to Lake Placid operations and resulting revenue. Each of the three legs contributes

¹ <http://visitadirondacks.com/what-to-do/recreation/hiking.html>

² www.bikethebyways.org

significantly to the sustainability and stability of the other, and each is a significant revenue portion not easily replaced. Preserving all three legs is still key to the success of the sustainability as a whole. The existing situation preserves the potential and promise of through operations to Lake Placid.

Compared to, or Combined with?

The economic impacts of any choice can be legitimately compared between alternatives, but in the end analysis, would best be encouraged to those that operate without necessarily excluding the other by default. Multiple, and mutually beneficial, relationships can, and have developed. The existing multi-use nature of the Remsen-Lake Placid rail corridor is one of its true advantages, and it remains the only such multiple use recreational corridor of its type in the United States. **Nowhere else do excursion rail, snowmobile and pedestrian activities formally coexist under state ownership and management.** This makes analysis far more complex, but it is due to the abundance of opportunities, not the lack of them.

Similar 'rail vs. trail' debates are not unique to the Adirondacks. The three-year public debate over the rail vs. trail operation of the Western Maryland Scenic Railroad into Frostburg now has resolved into an effective rail *and* trail solution that partners the railroad as a seasonal bicycle ferry service as part of the biking system map for the "Great Allegheny Passage"³.

Partnerships have been developed in the Cuyahoga National Recreational Area by the extensive use of the Cuyahoga Valley Scenic Railroad (CVSR) as a bicycle ferry service to and from trailhead connections, and that service has expanded significantly since begun in 2007.



The National Park Service has formally pursued a policy of using rail corridors as a preferred alternative to bring long-distance visitors into areas to remove unnecessary car traffic, and wherever possible, encouraging bicycle transportation on board the train to the park interior.⁴ CVSR includes this long-distance bicycle service operation as part of regular scheduling over their 51 miles of track.⁵ The object is to develop bicycle usage within the park without adding automobile traffic –and using the railroad to accomplish it. This is a relatively new concept, but one already tested in the market. This is an ideal example of using the railroad to leverage the economic impact of trail usage, to the benefit of both.

Other railroads as diverse as the White Pass and Yukon⁶ and Grand Canyon Railroad⁷ have seen interest in combining the long-distance travel of rail for transporting bicycles either one-way, or into a recreational area

³ <http://www.wmsr.com/attraction.php?attraction=18=132=18,132>

⁴ http://blog.cleveland.com/metro/2008/08/cuyahoga_valley_scenic_railroa.html

⁵ <http://www.cvsr.com/bikeaboard.aspx>

⁶ <http://www.cyclealaska.com/white-pass-train-and-bike-tour>

<http://bikegrandcanyon.com/packagesanddeals.htm>

⁷

without involving vehicles. This has become a steadily growing rail market potential that is directly comparable to the Adirondacks, given an even longer-distance connection to the interior. The railroad has also developed a rather unique kayak and canoe ferry service that serves a river area otherwise inaccessible by motor vehicle. The key then to the Adirondack corridor and the railroad role is that while the railroad has established and new potential impacts of its own, it can – if given the chance – also help sustain and leverage non-rail projects along the entire corridor for even greater benefits to multiple interest groups. This is only possible by maintaining and expanding its role of the rail line, including the long-anticipated passenger operations from Utica to Lake Placid.

Economic Impact Modeling

Input-output analysis is a key component of most regional economic modeling of the employment, output, and income impacts of transportation infrastructure investments. Input-output analysis quantifies the multiple economic effects resulting from a change in the final demand for a specific product or service. For example, a person being paid to work on a transportation project will spend some of those wages to buy goods and services. The money he or she spends shows up as sales and wages to other parties, who spend the money elsewhere, and so on. This chain of effects, known as the "multiplier," captures the distributive effects of transportation capital spending and operating benefits across a broad range of industries. Typically, the input-output multipliers are driven by the initial, direct benefits and costs of the project as determined during engineering and/or feasibility analysis. In this analysis, this is an operating entity over several years, and input numbers are developed from actual expenditures, budgets, and attendance.

The simplest regional economic models are direct applications of input-output models. These applications are "static" in the sense that they provide an all-at-once view of economic effects, without a time component that is necessary for understanding when the effects will be realized. More sophisticated applications of regional economic models supplement input-output relationships with simulation techniques to forecast the year-to-year effects of projects on economic and demographic patterns. The most complex EIA models are those that integrate travel demand models, land use models, dynamic simulation economic models, and input-output models.

RIMS II Economic Analysis Methods

The standard method for determining the total economic impact a project or program will have on state and local levels is known as the RIMS II (Regional Input-Output Modeling System") multipliers. The original RIMS method for estimating impacts was developed in the mid-1970s by the U.S. Department of Commerce's Bureau of Economic Analysis. It has since been updated and refined and is now known as RIMS II.

RIMS II is based on an accounting framework called an I-O table. For each industry, an I-O table shows the distribution of the inputs purchased and the outputs sold. A typical I-O table in RIMS II is derived mainly from two data sources: US Bureau of Economic Analysis (BEA) national I-O table, which shows the input and output structure of nearly 500 U.S. industries, and BEA's regional economic accounts, which are used to adjust the national I-O table in order to reflect a region's industrial structure and trading patterns.

Using RIMS II for impact analyses has several advantages. RIMS II multipliers can be estimated for any region composed of one or more counties and for any industry or group of industries in the national I-O table. The cost of estimating regional multipliers is relatively low because of the accessibility of the main data sources for RIMS II. According to empirical tests, the estimates based on RIMS II are similar in magnitude to the estimates based on relatively expensive surveys.



To effectively use the multipliers for impact analysis, geographically and industrially detailed information is entered for the initial direct changes in output, earnings, or employment that are associated with the project or program under study. The multipliers can then be used to estimate the total impact of the project or program on regional output, earnings, or employment.

Because of the widespread and recommended use of RIMS modeling methods, comparative projects can often be compared for relative economic impacts, as a standard measurement framework has been used. RIMS II multipliers are used extensively by the federal government, most states and counties.

Adirondack Scenic Railroad Data

The Economic Impact Analysis was performed using FY 2010-11 data for budgets, revenues, and expenditures, as supplied by the Adirondack Scenic Railroad. Ridership data was supplied by the railroad for the 2010 and 2011 season, broken into month, along ridership summaries, detailed expense statements by vendor, and data on volunteer hours and origins. Additional operating and budget costs for projected Lake Placid operations were developed with a projected single daily through train to Lake Placid, at standard existing costs for equipment, crews, supplies, and fuel.

The ridership analysis now includes the "Polar Express", which operated late in the season (December) out of the Utica area at train capacity/sellout conditions. The 2011 Polar Express topped over 10,800 riders, a new high record from 2006, and a 6.2% increase over 2010.

The Adirondack Scenic Railroad operates three separate operations from three separate departure points; the longer-distance 'all-day' excursions departing from Utica to Thendara and return, the shorter-distance Thendara-originated trains to various north and south intermediate points, and the Lake Placid to Saranac Lake operation. All three operations are summarized in the same data, financials, and zip code analysis.

The added impact of Lake Placid operations remains subjective, and has been conservatively estimated. Directly after the summer 1980 Olympics, typical summer-season Utica-Lake Placid through ridership averaged 200 per day. Based on a 90-day peak summer season, plus 30 additional days of peak fall foliage, this has at least the potential to be as high as 24,000 riders based on historic data. Two factors decrease our estimates; one being the promotional factor of the Olympics during 1980 (even though it was the following summer) and second the existing Utica-Thendara ridership which would likely extend, rather than necessarily add, to the existing totals. For impact analysis on secondary impacts, we used a projected figure of 7,000 new riders per season.

The Overnight Stay Impact

One of the most significant statistics of any excursion railroad is the impact of the overall program on creating a destination attraction, producing a measurable effect on local businesses through the generation of overnight stays. That is most significant when the overnight stay involved hotel or motel lodging, generating additional business in food, secondary attractions, and support services for the Adirondack region. This impact creates the most identifiable, and most visible, result of the excursion railroad of direct interest to every occupant of the six-county area.

Exactly what this overnight stay percentage is computed to be is one of the key issues of economic impact analysis. With the three operations separated by as much as 100 miles of distance, specific out-of-state and out-of-region analysis needs to be isolated by departure station, but is not now available in that manner. The



extreme length and separation of this railroad is nearly unique as a single operating/reporting entity, however, which tends to retain visitors at the distant points.

The reality of the impact on overnight stays is best evaluated in terms of the rail activity within its own distinct three markets:

- Utica has a mixed component of regional / local draw, but the Utica-Thendara operation summer ridership has an all-day duration including the layover in Thendara. Because of the relatively early AM departure time and late-afternoon arrival back to Utica, any non-Utica residents are most likely overnight stays, usually the day before. But the other major Utica component is the Polar Express. It has entirely different short-trip mechanics; targeted more to local/regional customers, but again, a relatively late departure creates an arrival situation back in Utica with young children (and possibly December weather) that helps create an overnight stay situation after the train unless you are within an easy 1-2 hour drive. Utica events therefore tend to be destination activities actually created by the train.
- Thendara and Lake Placid, as shorter-trip origination points, do not by themselves create an overnight stay. Visitors are more likely to be from a further distance (including national and international), but are already staying overnight in the Adirondacks for a variety of activities. The railroad contributes to at least an additional half-day activity for passengers, adding to some overnight stays, but do not necessarily create a destination activity. They are more likely to be an 'impulse buy' based on available time, weather, and unplanned factors.
- The addition of the economic impact of a new through Utica-Lake Placid long-distance market is unknown by actual measurement, but the intent is to build overnight stays at least to the departing train on the following day. Elapsed time on such a train trip lends itself to developing that market.

This mix of trips, destinations, and customer bases makes the precise determination estimate of overnight stays difficult. The combination of a destination attraction (Utica) and a secondary attraction (Thendara/Lake Placid) are less likely to be an additional overnight, but simply being in Lake Placid or Thendara creates overnight stays by definition. The railroad simply adds to it, or on the proverbial 'rainy day at the campground' keeps visitors in the area that might have otherwise left for home with nothing to do. Previous analysis by the Adirondack Scenic has generally found that the railroad is a preferred activity in the summer season during poor weather, and ridership typically increases on bad weather days.

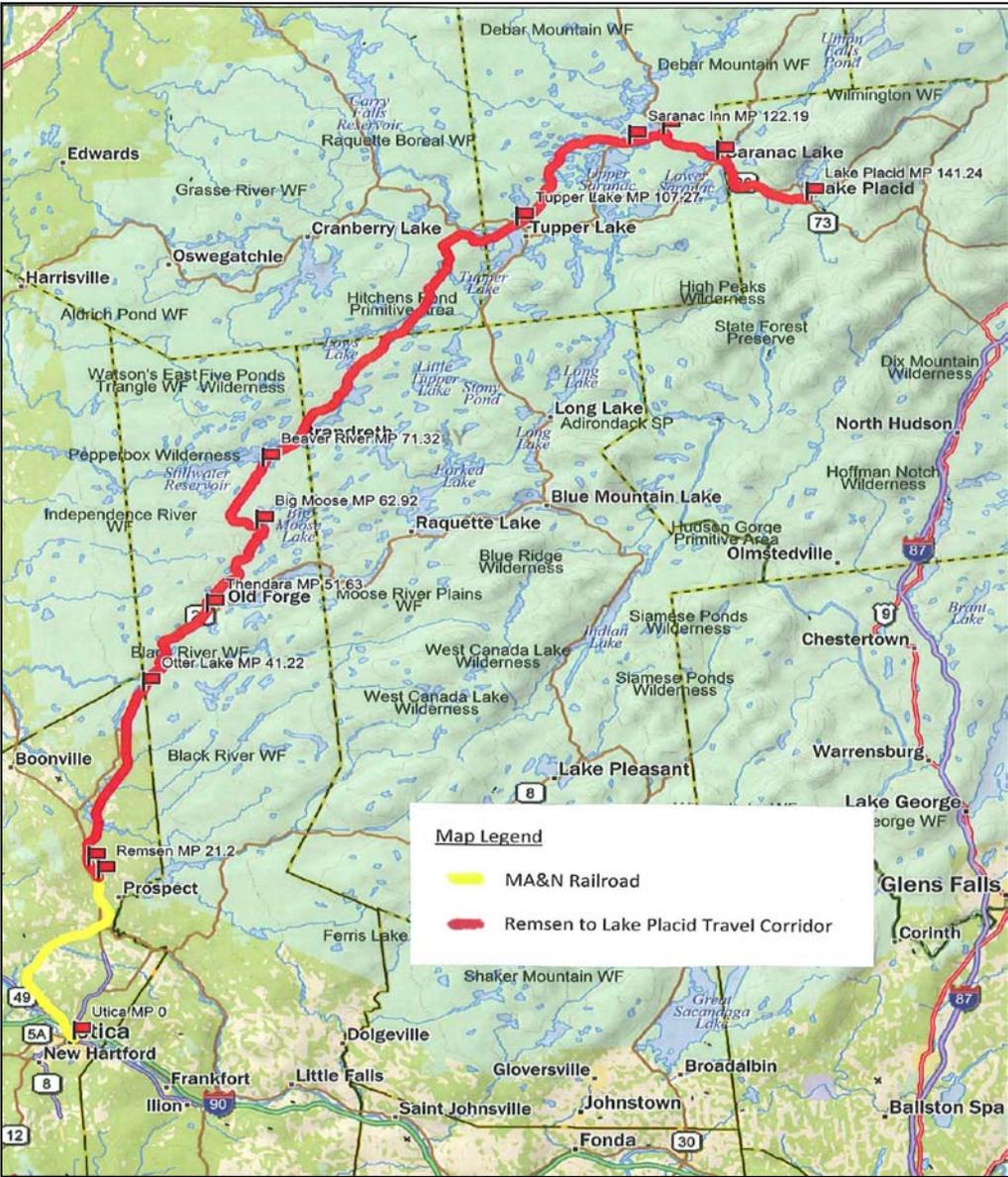
Highway conditions to both Utica and Lake Placid also contribute to overnight stays. The likelihood of customers staying over at both distant locations is significantly higher simply due to the elapsed drive time, when Utica passengers may rapidly move on the Thruway.

The following tables calculate the impact in two distinct sections:

- 1) Direct economic impact of the operating and capital budgets of the railroad.
- 2) Secondary economic impact of the customers of the railroad based upon overnight stays including lodging, food, and other regional impacts.

Third-level impacts, such as the service industries that supply the suppliers, are not included. While many economic impact analysis studies may choose to include and estimate this third-stage employment impact

level, it is generally considered to be speculative at best. This is an important element when examining comparative economic impact analysis calculations.



**IMPACT OF ADIRONDACK RAIL OPERATION ON TOTAL REGIONAL BUSINESS OUTPUT – PROJECTED
OPERATING EXPENSES – DIRECT EXPENDITURES**

Category of Expenditure	Direct Expenditures	Output Multiplier a/	Impact on Total Output b/
EXPENDITURES			
Equip. Leases	\$20,833	1.8368	\$38,266
Wages	\$494,080	1.0755	\$531,383
Payroll Overhead	\$106,308	0	0
Interest Expense	\$10,674	2.0126	\$21,482
Staff Meals/Travel	\$34,278	1.9650	\$67,356
Fuel	\$337,728	1.9119	\$645,702
Gift Shop Purchases	\$36,220	1.7730	\$64,218
Parts & Supplies	\$93,076	2.0153	\$187,576
Repairs	\$270,953	1.9160	\$519,146
Rent	\$15,969	1.3424	\$21,437
Insurance	\$81,425	2.5330	\$206,250
Food, Drink Purchases	\$8,622	1.9443	\$16,764
Supplies	\$4,495	2.0153	\$9,059
Advertising	\$189,644	1.7650	\$334,722
Christmas on Main St.	\$4,298	1.7650	\$7,586
Contributions	\$552	2.1378	\$1,180
Prof. Fees	\$111,600	1.9799	\$220,957
Dues/Subscriptions	\$1,261	2.1378	\$2,696
Office Equip. Leases	\$2,910	1.8366	\$5,345
Licenses/Fees	\$16,270	2.0126	\$32,745
O. Supp./Postage	\$13,188	2.0153	\$26,578
Telephone/Internet	\$9,544	1.7650	\$16,845
Utilities	\$44,513	1.4212	\$63,262
Car Mileage, Movement Fees	\$20,064	1.9799	\$39,725
Vehicle Maint.	\$5,483	1.9119	\$10,483
TOTAL DIRECT	\$1,933,988		\$3,090,761

a/ Each entry represents the total dollar change in output from all industries for each dollar of output delivered to final demand.



REHABILITATION / REPAIR OF RAIL LINE TO PASSENGER STANDARDS

REPAIR OF RAIL LINE – Class III

Category of Expenditure	Direct Expenditures	Output Multiplier a/	Impact on Total Output b/
Ties (New)	\$12,747,790	1.7822	\$22,719,111
Crossings (Rehab)	\$605,500	1.9160	\$1,160,138
Ballast (New)	\$572,628	1.7233	\$986,809
All Other Repair	\$973,263	1.9160	\$1,864,771
Engineering/Professional Services	\$1,634,734	1.9799	\$3,236,609
TOTAL	\$16,533,915		\$29,967,548

This estimate is based on 2012 estimated costs of bringing the Saranac Lake – Big Moose portion of the railroad to meet FRA Class III passenger track tie standards suitable for end-to-end scheduled operations at 30-40mph (equivalent to the 1998 program Remsen-Thendara upgrade). For the purposes of economic impacts, this is a 'one time' project equivalent in scope to efforts for conversion of the corridor to non-rail use.

Non-Rail Activities – Indirect Impacts

In estimating the non-rail economic impact on the area, we reviewed sample reservation data supplied by the Adirondack Scenic Railroad's and reviewed the websites and promotional materials of Utica, Thendara, Saranac Lake and Lake Placid to ascertain other potential tourist draws in the immediate area. We estimate that roughly 20 percent of ASR's tracked traffic generates an overnight lodging, the majority being inter-state travelers. While we are very much aware that a percentage of the intra-state traffic may generate overnights within the area, for this study we are treating all intra-state traffic as day trippers. We are also estimating that overnight visitors spend only one night in the area. So, to establish a base impact, we are projecting 20 percent of riders are overnight visitors and 80 percent are day-trippers.

Also, in estimating the total impact on the area, we factored in increased costs of operating a Utica-Lake Placid (via Thendara and Tupper Lake) service. Based on available through-service seating, seasonal length of service, travel patterns of visitors to Saranac Lake/Lake Placid, we estimate 9,000 to 11,000 travelers annually. Of that number, we project that 2,000 – 4,000 would be diversion traffic, not new, and, therefore should not be counted of being generated by the rail service. Therefore, we are projecting 7,000 seasonal travelers in new traffic strictly resulting from the Lake Placid operations through to Utica.

Estimated non-rail related tourism expenditures by visitors in 2010:

Day Trippers	45,019	(\$75/per party/day ^c)	\$1,089,169
Overnight Visitors	11,254	(\$287.35/per party/day ^d)	\$1,043,081
<i>New Overnight Traffic</i>	<i>7,000</i>	<i>(\$287.35/per party/day)</i>	<i>\$648,836</i>
Total Estimated Non-Rail Specific Spending			\$2,781,086

c Day/overnight visitors estimated at 3.1 per party

d Lodging - \$85
Gas/Oil \$23

<i>Food/Drink</i>	<i>\$30/per person/day, plus tips --</i>
	<i>\$79.35</i>
<i>Miscellaneous</i>	<i>\$100</i>
<i>Total</i>	<i>\$287.35/party</i>

Total Estimated Economic Impact – Indirect

\$2,781,086	x	1.9650 multiplier	\$5,464,834
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TOTAL ECONOMIC IMPACT

	\$ IMPACT ON TOTAL OUTPUT	INCREMENTAL JOB CREATION ^{a, b}
OPERATING BUDGET (<i>Table A</i>)	\$3,090,761	
WAGES AND PAYROLL (<i>Table A</i>)	\$531,383	
PAYROLL TAXES OVERHEAD (<i>Table A</i>)	\$106,308	
TOTAL DIRECT ECONOMIC IMPACT – RAILROAD OPERATIONS	\$3,728,452 3.7 Million	92.1 92 full-time jobs
TOTAL DIRECT ECONOMIC IMPACT – RAILROAD REPAIR/CONSTRUCTION TO FRA III	\$29,967,548 30 Million	338.63 339 Jobs
TOTAL INDIRECT ECONOMIC IMPACT VISITATION ACTIVITIES	\$5,464,834 5.5 Million	132.79 133 full-time jobs
<i>Totals</i>		
TOTAL TEMPORARY JOB SUPPORT		338.63
TOTAL ON-GOING JOB SUPPORT		224.90 225 full-time jobs
TOTAL JOBS IMPACT- temporary and ongoing		563 Jobs

a/ *Equivalent full-year jobs.*

b/ *Projection of jobs supported is based on the RIMS II models for the State of New York. The actual number of jobs supported may be higher, but the numbers shown here are equivalent of full-time employment. Job creation for the railroad operation does not necessarily mean employment with the railroad, but rather employment with those firms servicing and selling goods and services to the railroad operation.*

Regional Input-Output Modeling System (RIMS II)



**ADIRONDACK SCENIC RAILROAD AREA ECONOMIC IMPACTS --
RAILROAD ACTIVITIES**

ADCX Ridership – 2007-2011 (Federal Railroad Administration submitted data)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010**</u>	<u>2011**</u>
April	0	662	1,062	822	1,053
May	754	870	946	799	1,661
June	3,254	2,455	2,353	2,358	3,772
July	8,304	7,765	7,472	6,227	10,037
Aug	10,568	10,426	8,285	11,882	10,763
Sept	7,253	4,151	4,817	7,579	9,001
Oct	8,324	7,558	6,442	13,182	15,297*
Nov	2,704	2,544	3,062	5,244	6,738
Dec	6,487	7,287	8,345	8,121	7,569
Total	47,648	43,718	42,784	56,214	65,891*

Note: October 2011 FRA data reported corrected by ADCX in Feb. 2012.

***Note: FRA methodology change: As of 2010, a passenger that gets off at a destination and later reboards a second or returning train is counted as a second ride, even if a round-trip ticket was purchased. This applies consistently to all passenger-carrying railroads – intercity or excursion.*



Appendix 1 - Adirondack Scenic Railroad: 2010 Vendor Listing – Purchasing

1000 Islands International Tourism
ABC Fire Extinguisher Co., Inc.
Ace Hardware Co. of Rome
Adirondack Bank
Adirondack Computers
Adirondack Daily Enterprise
Adirondack Express
Adirondack Machine Tool, Inc.
AFCO
Aldi Market
American Fireworks
AT&T Mobility
AUSA Life Insurance Co.
Avico Distributing, Inc.
Barbara Piersma
Bause, Richard
Benchmark Printing, Inc.
Benefit Specialists of NY
Big Apple Music
Birnie Bus Tours
BJ's Wholesale Club
Black, Helen
Blue Flag Restaurant
Bogdan, Dan
Born Aviation Products, Inc.
Brochures Unlimited
Brooker's True Value Hardware*
Bruce Young
Brunet, Adam
Bud Holloway
Buffalo Head Restaurant
Campus Inn
Casella Waste Systems
Cathedral Corp.
Central Adirondack Assoc.
Central Auto Electric
Chargo Earthworks, Inc.
Charles Products, Inc.
Charles Rowlee
Chaudruc, Don
Chester's Flower Shop
Chicago Kid Enterprises
Christman, Danielle



Christmas on Main Street
CNY Chap. NRHS
CNY Summer Guide
COMDOC, Inc.
Compass Printing Plus
Cranesville Block Co, Inc.
Croniser, Chris
Davies, Bernard
Davis, Andy
Deluxe Business Products
Denton Publications, Inc.
DiOrio's Supermarket
Dober Chemical Corp.
Don Parsons
Don W. Stannard Jr
Douglas Masters
Dowhaniak, Conrad
Durox Co.
Eggan Excavating & Equipment
Electro Wire, Inc.
Ellison, Linda
Engelbrecht, Don
Erena, Paul
ESCO Equipment Service
Evans, John
Fairway Manufacturing
Fasprint of Malone
Fastenal Company
Feher Rubbish Removal, Inc.
Fischer, Martin
Flower Designs by Tracey
Free Flow Creations
Frontier
G5 Engraving
Gary Falchi's Carpet & Furniture Cleaning
Gatehouse Media
Gems Along the Mohawk
General Lumber & Hardware
Genesee Valley Transportation Co., Inc.
Graham's Refuse Service
Graham-White
Grainger
Greater Binghamton Chamber
Green Arrow Products USA



Griffiss Utility Services Corp.
Grimaldi & Nelkin, CPAs, PC
GTS-Welco
GU Markets
H. C. West
Ha-Pe-De, Inc.
Hale, Dan
Hanover Insurance
Harbor Point Fuel Services, LLC
Haun Welding Supply, Inc.
Helmert's Fuel & Trucking, Inc.
Holiday Lights of Syracuse
Hotel Utica
Hulbert's Tri-Lake Supply
Hummel's Office Plus
Huther Advertising LLC
Hyde Fuel Co.
Industrial Battery & Charger
Intuit
Jack Spaeth
James Meade
Jay-K Lumber
Jim Okey
JMF Publishing, Inc.
Joe Angerosa
Joe Fanelli
John J. Piseck
Kallfelz, Albert J.
Kaman Industrial Technologies Corp.
Karam Produce
Kinsman, Virginia
Kiwanis Club of Lake Placid
Kline Publications
Knock Out Pizza
LaFountain, Corky
Lake Placid-Essex County Visitors Bureau
Lake Placid-North Elba Historical Society
Lake Placid Community Beautification Asso
Lake Placid Rental & Supply, LLC
Lake Placid Village - water
Lake Placid Village, Inc. 1
Lake Placid Village, Inc. 2
Lakeview Deli
Lawson Products, Inc.



Lee Pontiac-Buick-GMC Trucks, Inc.
Leon Etienne Magic Productions, Inc.
Lights Auto Parts, Inc. NAPA
Lincoln Transportation Ins Brokers, Inc
Logical Net
Logistics Plus, Inc.
M & T Bank
Maitland, Steve
Maple Landmark, Inc.
Marino, Donald
Market Identity
Markowitz, Jason
Martinelli-Slocum Publishing
McCraith Beverages, Inc.
McFarland, Jay
McMaster-Carr
McQuade & Bannigan, Inc.
Melissa & Doug, LLC
MetTel #1 - SL
MetTel #2 - LP
MetTel #3 - Rome
Mid-State Communications
Mills Electrical Supply, Inc.
Milton Cat
Mirabito Fuel Group
Mitchell, Joe Anne
Mohawk Adirondack & Northern RR
Mohawk Valley Water Authority
Montana, H. M.
Munn Office Supplies
Murphy Safe and Lock
NASE
National Grid 01 - Forge St
Nelson, Steven
New Pig
New York State Insurance Fund
New York State Thruway Authority
New York Susquehanna & Western Railway
New York Wine & Grape Foundation
Newark
NOCO Lubricants, LLC
North Country Distribution Service
North Country Radio
Northern Sanitation



Norton, John
NYS Department of Law
Ohio Valley Railcar
Old Forge Camping Resort Gazette
Old Forge Dept Store - Ace
Old Forge Hardware
Old Forge Parts, Inc. - NAPA
Old Forge Water District
Olympic Auto & Truck (NAPA)
Olympic Auto & Truck Supply
On-Site Testing Services, Inc.
Oneida County Boiler Works, Inc.
Oneida County Dept of Public Works
Oneida County Tourism
Oster, David (Artist)
Oswego Midland, Inc.
Pacemaker Steel & Piping Corp.
Paragon Promotions
Parent Pages
Partridge, Edith
Pat Vaughn
Paychex
PayPal
Perra, Jeanne
Peters Glass Co., Inc.
Pittsburgh Air Brake Co. Inc.
Plattsburgh-North Country Chamber of Comm
Plumley Engineering, PC
Popiel, Peter
Power Rail Distribution Inc.
Progressive
Purple Mountain Press, Ltd
R. E. Michel Co., Inc.
Rail Events, Inc.
Rail Systems, Inc.
Randy Freeman Enterprises
Reflective Images
Regent Broadcasting of Utica, Inc.
Resort Guides
Resort Maps
Richard Peters
Richard Wild
Rig All, Inc.
Robert Walker



Rome City Treasurer
Rome Sign & Display Co.
Rommel Fence LLC
Rulfs Orchard
RV Lawn & Sport
Ryan, Tom
Sansegal Sportswear
Saranac Lake Area Chamber of Commerce
Saranac Lake Area Youth Program
Serianni Signs
Siewert Equipment
Smith, Angie
Snyder Inspections
Society for the Genesee & the Lakes
Southern Wine & Spirits
Spectrum Music Services
Sprague, Catherine
SSA, Inc.
Staples
Sterling
Steve Wyle
Stewarts # 242
Stone Consulting, Inc.
Strand Theatre
Subway of Lake Placid
Susan Bartholomew CPA
Swanson's Blank Ammunition
Swedish Hill Winery
Syntela Conferencing, Inc.
Tartaglia Railroad Services
Tell-Tale Productions
The Jewish World
The Mystery Company, LLC
The Soda Fountain
Time Warner - Lake Placid
Time Warner - Utica
Tom Carver Rail Leasing
Topics Entertainment
Torres, Chuck
Town of Webb UFSD
Triangle Engineered Products
Twitchell Creek, Inc.
UPS
US Postal Service



Utica Auxiliary Police
Utica Valley Electric Supply, Inc.
Van Aukens Inne
Verizon 3
Verizon Wireless
Village of Saranac Lake, Inc.
Wabco Locomotive Products
Wade Tours CNY
Wal-Mart
Walt's Diner
Wilkins, John
Winterton, Diana
WowToyz
WSLP-FM
WVT Communications
Zee Medical, Inc.
Zurich Insurance Co.



Appendix 2: Additional Bike Trail Linkages and Opportunities via Rail

There are many existing and interesting biking opportunities in the Adirondacks and surrounding North Country Region for every level of rider from novice to serious mountain biker. Trails vary from easy town trails such as the short Maple City Trail in Ogdensburg or the TOBIE Trail in Old Forge area to over a thousand miles of unimproved mountainous trails through much of the rugged Adirondacks.

Appendix 3 lists a number of improved or semi-improved trails and riding experiences that mainly utilize abandoned rail corridors. There are approximately 175 miles of trails identified through various sources from internet searches, calling visitors centers, the NYSDEC or Warren County NY. Many of these trails relate to historic interest, link to historic or resort areas or offer access across and through the various regions from Lake Champlain to Canada, the St. Lawrence, Lake George and into the Central Adirondacks and Fulton Chain of Lakes. This does not even count the various designated regional byways that are part of the greater NYS Highway System such as the Olympic Trail Scenic Byway and the Black River Trail Scenic Byway. There could be potentially another 250 miles developed or further developed for almost 425 miles of easy grade improved trails to entice all levels, interests and ages of rider.

More important is that many of these trails can have an interface linkage with a full operation Remsen-Lake Placid rail corridor greatly leveraging the opportunities for multi-use recreation not to be found anywhere else in North America. By using the rail and trail model (where the railroad serves as a non-highway ferry system to the interior, with bicycle) the railroad can offer transportation service from the many Amtrak-served cities including Chicago, Cleveland, Albany, New York City, Philadelphia, Boston and Washington DC, the Mohawk Valley, and points from the Central Adirondack Region to the high peaks and Canadian border. In a climate of ever rising fuel prices this can have a positive environmental impact to promoting tourism in the Adirondacks and enhancing recreational opportunities, not just for bike riders but for hikers, mountaineers, wildlife viewing, kayaking, canoeing and other sports, something a standalone bike trail cannot do.

Since it cannot be expected that a large percentage of bikers would use a 70-mile-plus linear trail that wanders into remote areas with no services, the railroad can be the overhead carrier system that allows bikers to access a multitude of shorter trail networks that stretch across the North Country and into the heart of the Adirondacks. This is also significant as it helps funnel and concentrate the recreationalist into areas where there are vendors and service providers that have a better chance of selling their services and products which will generate more income for the businesses. In essence, this can potentially create more jobs than a trail system leading into the wilderness with only a cursory stop in towns. Some of those who might come to ride deep in the wilderness will need to be primarily self-contained and hence will travel light, even bringing most of their supplies with them, bought from out of the area. The railroad will allow tourist opportunities to get a broader look at all the region has to offer and give greater opportunities for spending, hotel stays, restaurant sales and souvenirs. It will also help mitigate emergency response services, unsupervised access by trespassers, policing and uncontrolled environmental damage to sensitive areas.

Bike Trail interfaces with the Remsen-Lake Placid corridor could be made at the following stations:

- **McKeever:** McKeever Logging Railroad Trail and Mountain Bike Trails into Thendara and Old Forge by the Green Bridge / Lock-n-Dam.
- **Thendara:** Connection with the TOBIE Trail and downtown Old Forge and the merchant's row.
- **Carter:** Connection with TOBIE Trail and access to Eagle Bay and Inlet / Fulton Chain of Lakes and Raquette Lake for boat ride or tour Great Camps nearby.

- **Big Moose:** A nice breezy downhill ride from Big Moose Station to Eagle Bay, Fulton Chain, Raquette Lake or just a return to Old Forge via South Shore Road. An alternative is to bike towards Stillwater Reservoir and explore or all the way to Lowville on Number 4 Road for an extended ride. More aggressive riders could access Golden Beach State Campsite or Blue Mountain Lake via Route 28.
- **Childwold / Piercefield:** Interface with a potential Grasse River Trail Areas or access the Olympic Trail Scenic By-Way.
- **Tupper Lake Jct.:** Access the Wild Center at Tupper Lake, Downtown Tupper Lake, The Olympic Trail Scenic By-Way, Fish Creek, Rollins Pond Camping areas, and potential New York & Ottawa Trail to Moira with connectivity with Rutland Trail.
- **Floodwood / Saranac Inn:** Connect with Rollins Pond, Fish Creek Camping Sites and Recreational Area. Bike to Paul Smiths College via highway.
- **Lake Clear Junction:** Bike to Paul Smiths, Bike to Malone and connect with the Rutland Trail to go east to Ogdensburg and the St. Lawrence or West to Rouses Point and Lake Champlain and Vermont or north to Huntingdon, Quebec Canada.
- **Saranac Lake:** Bike into town for food & drink, shopping, Lake Flower waterfront, hotels etc. Potential trail from Saranac Lake to Lyon Mountain via former D&H Railroad right-of-way – connect with Plattsburgh and Lake Champlain.
- **Lake Placid:** Connectivity through town with restaurants, hotels, sites and tourist shops. Mirror Lake, the Equine Center and other regional attractions.



Caltrains bicycle cars 2011: <http://www.caltrain.com/Page845.aspx>

Appendix 3: Existing and Potential Rail-Trail Alternatives

Biking Opportunities in the Greater Adirondack / Northern NY Region

<u>Trail Name</u>	<u>Notes</u>	<u>Location</u>	<u>Miles</u>	<u>Surface</u>
TOBIE Trail		Thendara to Eagle Bay	12	stone, dust, dirt pavement
	<i>Utilizes part of Former Racquette Lake Railroad and can currently connect with Bike Trains from Thendara</i>			
Rutland Trail		Norwood to Moira	21.2	dirt, grass
	<i>Part of the former Rutland Railroad Linking Ogdensburg with Rouses Point and Rutland, VT</i>			
Warren County Bikeway		Glens Falls to Lake George	17	paved asphalt
	<i>Former D&H Railroad Converted to Trail</i>			
Former NYC RR		Lake Clear Junction to Malone	41	gravel
	<i>Former New York Central Railroad extending from rail corridor to Malone and on to Canada (Niagara Mohawk ROW)</i>			
FJ&G Rail Trail		Johnstown to Gloversville	8.2	Asphalt
	<i>Former Fonda, Johnstown & Gloversville Railroad</i>			
Grasse River Railroad		Conifer to Grasse River	21.93	dirt, cinder
	<i>Portion of Grasse River Railroad branches and other trails -near connection with Remsen-Lake Placid Corridor</i>			
NYC Carthage Branch		Watertown to West Carthage	18.1	dirt, gravel, paved highway
	<i>Utilizes parts of the NYC RR Carthage Branch and some highway</i>			
Rivergate Trail		Redwood to Philadelphia	14.45	Multi-Use Trail - Gravel
	<i>Portion of former New York Central Railroad (Utica & Black River RR)</i>			
Rivergate Trail - Clayton Section		Rivergate to Clayton	15.88	Multi-Use Trail - Gravel
	<i>Partly on NYC RR and new alignment - Connects Town of Theresa with Clayton and St. Lawrence River, can also access Cape Vincent via Route 12E for Bike Route across Wolfe Island to Kingston, ON CANADA</i>			
McKeever Logging Railroad Trail		McKeever eastward to old logging camp	4	gravel
	<i>Trail on old logging railroad with interface at McKeever with Remsen-Lake Placid Corridor</i>			
Maple City Trail		Ogdensburg	1.13	paved asphalt
	<i>Short trail along the river in City of Ogdensburg</i>			
Total Miles			174.89	

Other Potential Trails from Old Railroad Beds

D&H Ausable Branch <i>Former D&H Railway</i>	Plattsburgh to Ausable Forks	23.5	conceptual
D&H Lyon Mountain Branch <i>Former D&H Railway</i>	Plattsburgh to Lyon Mountain	36.3	conceptual
D&H Lyon Mountain Branch Ext. <i>Former D&H Railway - Interface with Remsen-Lake Placid Rail Corridor at Saranac Lake</i>	Lyon Mountain to Saranac Lake	39	conceptual
New York & Ottawa <i>Connectivity with Rutland Trail and possibility of circle trip utilizing Rutland and Lake Clear Malone Roadbeds for return to Tupper Lake</i>	Tupper Lake to Moira	54	undeveloped
Rutland Extension I <i>Former Rutland Railroad</i>	Ogdensburgh to Norwood	25	undeveloped
Rutland Extension II <i>Former Rutland Railroad</i>	Moira to Rouses Point	71	undeveloped
Total Miles		248.8	
Total Potential Rail-Trail Miles (exclusive of Remsen-Lake Placid Corridor)		423.69	

