



**Day Lodge Renewal Project  
Economic Impact Study - Update**

**Prepared for:**  
Sovereign Lake Nordic Club  
Vernon, BC

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## Executive Summary

This study was commissioned by the Sovereign Lake Nordic Club (SLNC), Canada's largest cross country ski club, based in Vernon, British Columbia. Its purpose was to determine the economic impacts of SLNC's current operations, the proposed Day Lodge Renewal project, and the tourism activities generated by the club's guests, many of whom are from outside the region and province.

The estimated economic impacts are based on construction cost estimates and operating data provided by SLNC and tourism data from Destination BC and the Thompson Okanagan Tourism Association. These data were used as inputs to Statistics Canada's input-output model for BC to determine the economic impacts.

The economic impacts are quantified for the following three separate events.

- **Day Lodge construction.** This would be a one-time event likely occurring over a two-year period sometime once funding is secured. The spending on construction generates economic impacts by way of employment, employment income and tax payments to all three levels of government.
- **SLNC operations.** Every year, SLNC earns revenue from seasons pass sales, day ticket sales, merchandise and food sales, ski schools, and events. It spends those revenues on labour, utility purchases, and various other goods and services to keep the club and the facilities up and running. As with construction, these expenditures generate employment, household income and government tax revenues.
- **Tourism.** SLNC does not just cater to Vernon and North Okanagan residents, it attracts visitors to the region through regular ticket sales, camps and especially competitions and events. When that happens, these guests do not just spend money at the facility, they travel to the region, they usually overnight somewhere, perhaps with friends and relative, but primarily in local hotels and motels and they purchase equipment, supplies, services, food and beverages, gifts and so forth. This spending, as with construction and SLNC operations, results in employment, payroll and government taxes by tourism operators and related businesses.

The economic impact estimates are shown in Table 1 for three indicators, employment income, employment in person years and payments to government. These data are for total impacts, including direct, indirect and induced components.

- The preliminary estimated cost of the new day lodge that was used for this analysis is \$4.7 million (subject to change). Most of the direct employment and payroll created would be in the construction trades, while indirect employment and payroll would be with supply industries (for example the cement plant, the lumber yard and the trucking company). Labour Income amounts to \$2.5 million while employment totals 37 person years. Taxes to all three levels of government are estimated at approximately \$0.7 million. The impacts occur only once, that is when the new lodge is built, and then they cease.
- The combined annual impacts of SLNC operations and associated tourism activity include \$3.3 million in labour income, 78 person years of employment, and \$0.9 million in taxes. The impacts

occur annually if SLNC continues to operate. Readers might note that the average wage used to calculate the annual impacts are less than for lodge construction. This reflects the fact that the construction industry has a much higher average wage than the recreation and tourism service industries.

**Table 1 Total Economic Impacts of SLNC Activities**

	<b>One Time</b> New Day Lodge Project	<b>Annual</b> Operations with New Lodge	<b>Annual</b> Tourism	<b>Total</b>
Expenditures/Revenues (\$)	4,686,250	1,580,500	3,671,301	5,251,801
Labour income (\$)	2,507,144	785,509	2,110,737	3,318,008
Employment (person years)	37	21	48	78
Taxes (\$)	712,310	164,372	557,168	908,990

SLNC operations generate more economic value than those noted above. In this report they were not quantified because of data gaps, but are nevertheless tangible and recognized in outdoor recreation research worldwide:

- **Equipment and supplies expenditures**—some skiers and snowshoers will rent equipment but the majority will purchase, own and maintain their own equipment. Local ski and sports shops will be the recipients of this spending. We estimate annual equipment purchases by BC residents visiting SLNC at between \$334,000 and \$419,000.
- **Non-market impacts**—most SLNC club members and guests place a higher value on skiing and snowshoeing than they actually pay for. If a day pass costs \$24 as a member or guest they might be willing to pay more than that amount to participate in that activity. There is no market transaction for this added amount but it is still a benefit enjoyed by the participant. We estimate \$2,482,000 in non-market benefits attributable to SLNC, which when added to actual expenditures amounts to \$4,194,400 in net economic benefits.
- **Volunteer work**—SLNC has 500 volunteers contributing approximately 6,000 hours annually to management, operations and event hosting. The Conference Board of Canada valued volunteer work at \$27/hour in 2017 (CBOC 2018). Additionally, volunteers make substantial contributions to social and community cohesion. We estimate \$162,000 in benefits accruing to SLNC operations in addition to benefits accruing to the volunteers themselves and the community.
- **Outdoor recreation as an economic development asset**—destination recreation assets like the SLNC facilities are a consideration when businesses and entrepreneurs make decisions about where to locate their facilities and employees.
- **Social and health benefits**—Investments in outdoor recreation infrastructure and programming has a positive effect on crime reduction, educational outcomes for elementary, secondary and post-secondary students, and health outcomes.
- **Contributions to Indigenous relations and reconciliation**—SLNC programs with the Okanagan Indian Band and the Spltasin First Nation have the potential to contribute to the reconciliation process.

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# 1 Introduction

## 1.1 Background

The Sovereign Lake Nordic Club (SLNC) is a non-profit society dedicated to leadership in cross-country ski promotion, training, and venue-operations. Under a Park Use Permit with BC Parks, it operates a world-class Nordic skiing and snowshoeing venue in Silver Star Provincial Park for the recreational, social, and economic benefit of Vernon and the North Okanagan Region. This core function has expanded, and the Sovereign Lake trails have become a destination for visitors from outside the region, including Nordic skiers from across Canada, the US, and internationally.

## 1.2 Purpose

SLNC is beginning an initiative to replace its existing day lodge in Silver Star Provincial Park. SLNC is also updating its strategic plan. In support of the Day Lodge Upgrade Project and the strategic planning process, SLNC commissioned Lions Gate Consulting to prepare an economic impact analysis of the following:

- direct and indirect economic benefits of SLNC’s current operations;
- direct economic benefits of the lodge construction project; and
- the added benefit that the new lodge will provide for the club’s operations.

## 1.3 Methodology

The bulk of the work effort in this study went into scoping and quantifying the direct economic impacts of the proposed new day lodge and future anticipated operations. This entailed reviewing internal reports, documents and financial statements, and conducting personal interviews and communications as necessary to identify and address data gaps.

Day lodge costs (order-of-magnitude, concept stage) were provided by SLNC. Historical financial statements and projections for 2022-23 were reviewed and were the primary source of direct impacts for revenue, output, employment and labour income. SLNC also provided estimates of the geographic origin of ticket and program revenues—these were in turn used to estimate the number of guests considered “tourists” and who thereby contributed to the visitor economy in Vernon and the North Okanagan. Tourism coefficients and industry allocations were based on Destination BC research. The indirect impacts were based on Statistics Canada input-output multipliers for the Province of BC (2018).

The documents used and the persons contacted in this study are noted in Chapter 4.

## 2 Baseline

### 2.1 Sovereign Lake Nordic Club

SLNC, founded in 1938, is Canada's largest cross-country ski club by membership, operating the Sovereign Lake Nordic Centre in Silver Star Provincial Park under a park use permit with BC Parks. It is adjacent to Alpine and Nordic ski operations at Silver Star Mountain Resort. The combined trail system (SLNC and Silver Star) of 105 km is North America's largest daily groomed Nordic ski centre. The Club is run by a volunteer board of directors elected by members.

SLNC employs a full-time General Manager, two full-time, year-round coaches and more than 20 employees during the ski season. There is a considerable volunteer effort at the club especially in the hosting of events.

### 2.2 Membership and User Days

SLNC has approximately 3,000 members who typically ski between about 15 and 75 days each season. Recent data indicate an annual total of 45,000-50,000 person-days of skiers and snowshoers using the SLNC trails (members and visitors combined).

### 2.3 Location

Silver Star Provincial Park is a 5,573-hectare park lying 22 kilometres to the northeast of the City of Vernon, in the territories of the Okanagan Indian Band and the Splotsin First Nation. This rounded mountain is a typical feature of the Okanagan – Western Shuswap Highland regional landscape. A combination of slope and snow conditions make this an ideal area for winter recreation. Dependable snow depths and mild winter temperatures encourage activity throughout the winter in a variety of activities including cross-country skiing, snowshoeing, and snowmobiling. (Note: the alpine ski area at Silver Star Mountain Resort is located outside but adjacent to the provincial park).

With its elevation change from the valley floor, Silver Star Provincial Park offers a refreshing break from the summer heat that is typical of the Okanagan. Hiking on wide, moderate grade trails offer both views of the Okanagan Valley as well as the Monashee Mountain Range to the east and provides an easy access to hike into some sub alpine meadows awash with wildflowers. The Park was established in 1989. (BC Parks 2022)

### 2.4 Services and Programs

SLNC operations include the provision of member services, program delivery and event hosting.

- Most are on site at the main facility, though some programming is virtual. Individual and family ski season passes, individual snowshoe season passes, rentals, waxing services, lessons and club merchandise represent the services offered.
- There are youth/adult ski and biathlon programs, the Nordic Dev Academy and programs for the disabled, Indigenous participation in the Sovereign Lake S'Cool Ski Program and financial assistance for low-income youth for equipment rentals, tickets/passes and bussing through the Jessica Eaman Ski Scholarship 4 Kids.

- A typical year at SLNC would see between 20 and 25 events, from courses for officials, instructors and coaches, to instructional workshops, social events and races. International Ski Federation (FIS) and International Biathlon Union (IBU) races are regularly held at Sovereign Lake, drawing in hundreds of participants and spectators annually. A World Cup race has been held in the past.
- Due to SLNC's reliable early season and late season snow, it serves as a training centre for ski teams from around North America and has hosted European teams preparing for events like the winter Olympics in Vancouver and Salt Lake City.

## 2.5 The Existing Day Lodge

The current lodge is a two-storey, wood frame, flat roofed structure, built on a side hill so that one enters from the 2<sup>nd</sup> floor from the parking lot and exits from the first floor on to the snow. There is a balcony across the length of the 2<sup>nd</sup> floor with a men's and women's washroom on the 1<sup>st</sup> floor and a small unisex washroom on the 2<sup>nd</sup> floor. It has two small offices, a counter for ticket sales and space for rentals. Water is sourced from an adjoining well, with wastewater going to a septic tank and field at the location. Total floor space is approximately 386 square metres (4,160 square feet). (Hamilton 2022, pers. comm.)

The existing day lodge at Sovereign Lake is badly in need of an upgrade or replacement to meet the needs of a growing cross-country and snowshoeing community. It is too small to meet the needs of the local skiing and snowshoeing communities and visitors who come from around the world to ski at Sovereign Lake. Other considerations include:

- The current lodge was built by volunteers as a local facility and never meant to accommodate current use levels;
- The growing popularity of XC skiing, snowshoeing and related programs, which in turn have attracted new membership and attendance levels, exceed capacity utilization, especially during major events;
- The internal competition for space means some services like rentals are compromised, creating congestion and safety hazards within the building;
- The lodge is not well suited for hosting major and international events when there is a full complement of staff and volunteers on site--although SLNC has hosted numerous races including a World and North American Cup races, the master's World Cup, and regional and local races, it could be even more successful bidding on national, continental and world-scale events;
- Accessibility features are substandard and not best practice therefore use by the disabled community is constrained;
- Snowshoeing has exploded in popularity and created demand for different floor space uses and rentals;
- Food services are rudimentary, limited to self-serve hot drinks and a few snacks, whereas visitors are increasingly demanding (and willing to pay for) cafeteria and full food service options; and
- The demand for outdoor recreation like skiing and snowshoeing is on a long-term uptrend—a new, larger lodge will help SLNC and BC Parks to promote skiing and snowshoeing as part of the region's healthy lifestyle objectives.

## 2.6 The Day Lodge Upgrade Project

A new or expanded day lodge has been considered by SLNC members for many years. In 2014 a design commissioned by BC Parks was based on putting significant additions around the existing technical (race timing) building. The current vision is for a new facility that would be in the range of 10,000 square feet (929 square metres). The recent cost estimates for the building are based on a revised and simpler design than was originally considered in the 2014 concept work. The current design will be a rectangular two-storey building with washrooms and better separation between the tickets/rentals area and areas where people can sit, change their boots and relax. It will meet BC Parks' standards and create a welcoming space that is consistent with the Provincial and National Parks experience in western Canada.

Under the current vision, the new lodge will include ample space for guest changing, socializing, and eating, a small café, comfortable washrooms, ski and snowshoe rental space, ticket sales, storage, a meeting room, and space for staff and volunteers. It will be constructed to enable easy access by disabled skiers and expanded use by families and school groups. Large windows will look out onto the stadium area and provide good natural light. Several fireplaces will provide natural gathering locations.

The lodge will be LEED certified, heated with renewable energy (wood and electricity) and constructed to be energy efficient. Water supply will be from an existing groundwater well and wastewater will be treated by an upgraded in-ground septic system. Some modifications to the existing parking lots will be made to improve access for disabled persons and busses, and to avoid congestion during busy days and major events (e.g., North American Cup races).

## 2.7 Climate Change Considerations

Climate change is projected to have a significant effect on winter recreation worldwide and creates an element of risk for proposed investments in winter recreation facilities. Although winter temperatures are predicted to be warmer than in the recent past and there will be less snowfall on average Silver Star is still predicted to have winters that support skiing, thanks to its high elevation and location at the south edge of the Revelstoke snow belt. As many other Nordic ski areas, especially in more southern regions, face a higher risk from a changing climate, Sovereign Lake could become an even more attractive destination for winter sports enthusiasts. Another consideration is the option of accommodating more summer activities to the site (in keeping with the park use permit) so the updated lodge can become a year-round facility.

# 3 Economic Impact Assessment

## 3.1 Economic Impacts Evaluated

Impacts are assessed for three events as follows:

- The new day lodge project, a one-time event to be undertaken at an undetermined date in the near future;
- SLNC operations, annual basis, the revenue and expenditures the society makes which generate employment, employment income and taxes in the region and BC; and
- Tourism impacts, annual basis, guests of SLNC and their families who spend money in the region and the province in addition to expenditures directly made to SLNC.



## 3.2 Methodology

As noted in the Introduction, the impact estimates in this study are derived from Statistics Canada's input-output tables (Statistics Canada 2022a, 2022b).

- Impacts for the day lodge are based on the estimated construction and related costs of building the facility. The key input to the model is construction expenditures.
- SLNC operating impacts are based on projected revenues and expenses, employment (seasonal and person years) and labour income as per financial statements. The key input to the model is SLNC revenues.
- Tourism impacts were estimated according to guest geographic origin furnished by SLNC, which was then extrapolated to quantify what an average guest would spend during their trip to the region and BC over and above what they spent at SLNC. The assumption here is that SLNC guests coming from the Lower Mainland, Alberta, Washington State or from anywhere outside the North and Central Okanagan behave like an average tourist, with the same party size, accommodation preferences, length of stay and average spend. The respective coefficients were taken from Destination BC (DBC 2022, 2017) and Thompson Okanagan Tourism Association (2020) research. The key input to the model is industry revenue (the flip side of visitor expenditures).

The expenditure and revenue inputs to the model were deemed equivalent to domestic output. The outputs generated were gross domestic product (GDP), labour income, employment and government taxes. GDP is a value-added measure defined as output less material inputs (i.e., purchases). GDP is the **direct** contribution of the activity to the economy. A sizable portion of GDP comes in the form of labour income (i.e., wages and salaries), which are associated with employment.

The material inputs represent payments to downstream supplying industries, which constitute the **indirect** impacts, which themselves include labour income and employment. The labour income from direct and indirect workers generates **induced** impacts through spending on consumer goods and services.

Readers are reminded that the input-output model is for BC. The direct component would accrue to the region, defined as the North and Central Okanagan, whereas the indirect and induced components accrue to all of BC. However, it is reasonable to assume that many if not most indirect impacts are occurring in the region as well; for example, goods, supplies and services purchased by SLNC in a normal operating year would be mostly through local suppliers and contractors.

The input-output model is a linear one to the extent that construction expenditures for the day lodge more than those estimated in this report would generate proportionately more benefits.

## 3.3 Discussion of Impacts

Table 2 shows the aggregated impacts for day lodge construction, SLNC operations and tourism activity, respectively. Construction impacts are a one-time event, whereas impacts for SLNC operations and tourism occur annually. Detailed tables are presented in Appendix A.

**Table 2 Total Economic Impacts of SLNC Activities**

	One Time Day Lodge	Annual		
		Operations	Tourism	Total
<b>Expenditures/Revenues (\$)</b>	4,686,250	1,580,500	3,671,301	5,251,801
<b>Output (\$)</b>	8,121,271	4,096,561	6,372,973	10,469,534
<b>GDP (\$)</b>	4,044,234	2,124,571	3,455,915	5,580,485
<b>Labour income</b>	2,507,144	1,207,271	2,110,737	3,318,008
<i>Wages and Salaries</i>	2,090,068	1,037,351	1,815,072	2,852,423
<i>Mixed Income</i>	201,509	53,406	91,375	144,780
<i>Employer's Social Contributions</i>	215,568	119,621	205,385	325,006
<b>Employment (person-years)</b>	37	29	48	78
<b>Taxes (\$)</b>	712,310	351,822	557,168	908,990
<i>Federal</i>	295,234	161,797	258,435	420,232
<i>Provincial</i>	360,841	158,581	234,501	393,081
<i>Municipal</i>	56,235	31,444	64,233	95,678

- **Day Lodge construction.** The preliminary estimated cost of the day lodge is \$4.7 million, which would generate \$4 million in GDP, \$2.5 in labour income, and 37 person years of employment. The model estimates employment by taking labour income and dividing it by an average wage. Taxes to all three levels of government are estimated at approximately \$0.7 million. As noted in the previous section, if construction ends up costing more than that estimated above, output, GDP, employment, employment income and taxes would increase accordingly.
- **SLNC operations.** Every year, SLNC earns revenues and makes expenditures to keep the club and its facilities operating. As with construction, these expenditures generate GDP, employment, household income and government tax revenues. Estimated revenues once the new day lodge is built are \$1.58 million, generating total output of \$4.1 million (which includes direct, indirect and induced components). Payroll is \$1.2 million creating 29 person-years of employment. Payments to government are \$351,822. All impacts occur annually. Like the construction impacts, the economic impacts of annual operations are approximately linear. If the upgraded lodge enables operational growth, the economic benefits will grow proportionally.
- **Tourism.** SLNC does not just cater to Vernon and North Okanagan residents, it attracts visitors to the region through regular ticket sales, camps and especially competitions and events. Over the last three operating seasons, 32% of all ticket sales were from outside the North and Central Okanagan. Eight percent was from the rest of Canada and 7% was international. The proportion of non-residents is even higher for events at 68% and higher still when measured as a percent of revenue (77%). These guests do not just spend money at the facility, they travel to the region, they usually overnight somewhere, perhaps with friends and relative, but primarily in local hotels and motels and they purchase equipment, supplies, services, food and beverages, gifts and so forth. This spending, as with construction and SLNC operations, results in employment, payroll and government taxes by tourism operators and related businesses. Incremental visitor expenditures are estimated at \$3.67 million, generating \$3.46 million in GDP, labour income of \$2.11 million and 48 person years of employment. Payments to government amount to \$0.56 million. As with SLNC operations, all impacts are annual.

SLNC activities and the tourism demand it creates makes an important contribution to the Vernon and area economy. In BC, labour income represents a significant share of GDP for the industries evaluated, namely construction, non-profit recreation organization and tourism, which means a major portion of value added is going into payroll and therefore into household incomes in the North Okanagan.

### 3.4 Other Socio-Economic and Community Impacts

The focus of this assessment is on the economic impacts associated with construction of the proposed new day lodge, SLNC operations and related tourism activity. There are other socio-economic and community impacts that were not quantified but are noted following to illustrate the many ways in which an outdoor recreation organization like SLNC can positively influence a local community.

#### 3.4.1 Recreation Equipment and Supplies

The above economic impacts (Section 3.3) do not fully capture equipment expenditures that membership and guests make in order to participate in activities at Sovereign Lake. Some are captured in SLNC rental operations but the vast majority flow to ski retailers and shops inside and outside the community.

While research on expenditures is available it is limited by factors of attribution. First, expenditures specific to cross-country skiing are not available and second many purchases can be used for multiple recreation activities and may not be solely attributed to Nordic activities. Kux and Haider (2014) do not report equipment expenditures by activity, but they do report expenditures individuals made on all outdoor recreation activities and winter recreation activities. In this analysis we use average equipment expenditures per SLNC member for winter recreation activities, with adjustments between 2012 and 2022 for BC's Consumer Price Index of recreation goods. As seen in Table 3, we estimate SLNC membership equipment purchases of between \$334,000 and \$419,000 annually.

**Table 3 Estimate of Average Equipment Expenditures by BC Residents Visiting Sovereign Lake, 2023**

	<b>Low</b>	<b>High</b>
<b>Average one-time expenditure (per decade)</b>	\$1,169	\$1,466
<b>Average annual expenditure</b>	\$117	\$147
<b>Annual expenditure by BC guests</b>	\$334,000	\$419,000

Source: Kux and Haider (2014)

#### 3.4.2 Non-market Impacts of Recreation

In 2012 Canadians spent \$41.3 billion on outdoor recreation, which represent the costs of recreation, but not the economic benefits which are recorded in economic accounts or other commonly collected data (Federal, Provincial, and Territorial Governments of Canada 2014). A recent study of the total value of outdoor recreation in Canada found that expenditures represent only a portion of economic benefits, and that when non-market effects are included the total economic benefits were \$101 billion (Lloyd-Smith 2020). The non-market portion of willingness to pay acknowledges theoretically correct measures grounded in welfare economics.

Table 4 shows the non-market benefits associated with recreation expenditures by SLNC members and guests (i.e., the organization's operating revenue) plus estimated annual equipment expenditures noted in the preceding section. The \$1.7 million in total expenditures generates \$2.48 million in non-market

benefits, that is what participants would be willing to pay over and above their actual out-of-pocket expenses, for total economic benefits of \$4.19 million, annually.

**Table 4 Estimate of Total Economic Benefits of Recreation Expenditures at SLNC, 2023**

<b>SLNC Expenditures</b>	<b>Non-Market Benefits</b>	<b>Total Benefits</b>
\$1,712,000	\$2,482,000	\$4,194,400

Note: SLNC expenditures include operating revenues and expenditures on equipment

### 3.4.3 Value of Volunteer Work

As noted in Table 5, volunteerism confers benefits in three different ways: first to the organization, second to the volunteer, and third to the community.

**Table 5 Impact Pathways of Volunteers**

<b>Element of contribution</b>	<b>Impact Pathway</b>
<b>Benefit to the organization</b>	hours contributed by volunteer access to skills access to donations
<b>Benefit to the volunteer</b>	benefit from gain of social capital (e.g., networks, social resources) benefit of moving from social exclusion to inclusion benefit of skills enhancement
<b>Benefits to the community</b>	benefit of social well-being

Source: Adapted from Volunteer Canada (2009)

#### 3.4.3.1 Benefit to the Organization

The benefits to SLNC from its volunteer base are obvious. Approximately 500 volunteers contribute approximately 6,000 hours annually to SLNC management, operations, coaching, officiating, and event support. Although these hours are unpaid, they still constitute economic activity through the value of services provided. In 2018, the Conference Board estimated that volunteers added over two billion hours to Canada’s work effort, valued at \$55.9 billion, equivalent to 2.6 per cent of GDP. If volunteering were an industry, it would employ as many people as those currently working in education. (Conference Board of Canada 2018)

The Board’s estimated hourly value of \$27 would place the total value of volunteerism at SLNR at \$162,000. Without these volunteers, SLNC would struggle to meet its mandate to encourage and train new skiers (children and adults), coach aspiring athletes, host specific events, and continue as an on-going operation at the level and with the success they have achieved. Moving forward, the SLNC volunteer base will remain a central component of the club’s overall successful operations and growth.

#### 3.4.3.2 Benefit to the Volunteer

For individual volunteers, volunteer activities can provide several mental health and personal benefits. Further, volunteer work in an outdoor environment can foster even greater benefits for the individual. Specifically, volunteer work outdoors has been connected to four defined benefits, including:

- Reducing Stress – outside in a natural environment has been shown to reduce stress and anxiety. Participating in physical activity in a city doesn't have the same stress-reducing abilities as being active in nature.
- Feel Less Isolated – Connecting with like-minded individuals through volunteering can reduce feelings of isolation.
- Boosting Self-Esteem – Immersing in an activity that requires your time and talents can provide a sense of accomplishment and boost ones' self-esteem.
- Improve A Person's Mood – Volunteering makes you feel better, as you contribute to a cause and community. Research has shown that happy hormones and brain activity increase when volunteering. (Betteridge 2019)

Volunteerism can also bring the individual a sense of purpose and fulfillment. This can be particularly important to those who are in their retirement years. Over the past several decades, the average adult lifespan has increased. According to the American Association of Retired Persons (AARP), research suggest that those that volunteer have lower mortality rates and less depression, along with a greater sense of control over their life and higher rates of self-esteem and happiness. High volunteer rates in seniors have also been connected to lower incidents of heart disease. (SALMON Health 2022)

At the opposite end of the age spectrum, for those starting or building their career, the broader benefits include the life satisfaction of volunteering, business-relevant skills attainment and improved work-related outcomes. Further, it can often be an excellent way to build business and community connections that may support individuals in connecting to businesses and organizations in their community.

#### *3.4.3.3 Benefits to the Community*

For communities, having more volunteers and more diverse and engaged citizens is not the end goal but, rather, a vehicle to and a sign of a strong, healthy, and resilient community. Providing opportunities along the full spectrum of volunteer engagement builds individual and collective capacity and helps to identify and grow community assets, the foundation for most community and neighbourhood development strategies (Torjman 2007). Resilient communities have a shared history and are able to voice common concerns and can create a collective vision for their future. They are also best able to respond to unforeseen circumstances, including health emergencies and natural disasters, work together more cohesively, and leverage their strengths (Speenvak-Sladowski, Hientz, Mackenzie 2013).

Further, place-making is another dimension of community resiliency. According to an American study, cities in which people exhibited a high level of attachment to their place not only had stronger economic growth but their residents were also happier and more productive in their work and contributed more to their communities (Loflin 2012). Volunteering and citizen engagement are variables that helped to measure the level of attachment and the sense of community in this initiative. This is not simply about a correlation between high volunteer rates and stronger communities; it supports the expanding on the base within a broader spectrum of engagement (Speenvak-Sladowski, Hientz, Mackenzie 2013).

#### 3.4.4 Contribution to Economic Development

Beyond the industry itself, outdoor recreation infrastructure is an invaluable asset for economic development offices and destination marketing organizations seeking to attract new employers,

employees and visitors. Towns and cities that invest in their outdoor assets attract employers and employees who value the work-life balance outdoor access provides.

The Outdoor Recreation Council of BC (2023b) states that “Outdoor recreation is a selling point for communities. It helps attract residents, visitors and businesses. It is also used as an economic diversification strategy which helps make rural communities more resilient.”

In BC a prominent example of a region that has built an economy around outdoor recreation and tourism is the Sea to Sky corridor including Squamish, Whistler and Pemberton. The District of Squamish has targeted outdoor recreation not just as a component of local quality-of-life but as distinct economic development sector. Over the last 20 years it has progressively built an outdoor recreation sector consisting of 188 companies and 364 local workers with specialties in recreation and sports technology, outdoor apparel and adventure-based media and marketing (District of Squamish 2023). Meanwhile, it has attracted clean technology businesses, including major players like Carbon Engineering and Quantum Technology, that value a community spirit that values outdoor activities and environmental health.

One of the goals of the Vernon Economic Development Office is “investing in amenities and facilities supporting efforts to attract young families.” In its Moving to Vernon lure piece on the organization’s website, SLNC (along with Silverstar Mountain Resort) are noted as key contributors to the region’s year-round playground status (City of Vernon 2023). The contribution that outdoor recreation makes to quality-of-life features prominently in the City’s attraction and retention strategies for businesses and workforce.

Further, the value of individual events and recreation infrastructure can contribute significantly to Vernon’s economy. For example, in the fall of 2017, the 55+ BC Games took place over a 5-day period in September in Vernon and Area. While Agency expenditures were almost \$363,000, it resulted in a total of \$1.95 million in direct spending, with a further associated \$1.34 million in indirect and induced spending. This was driven by Games 3,566 participants who spent on average of \$506.40 each on their attendance, with 79% of this expenditure occurring in Vernon. Additional spending of \$127.94 per day came from the 1,305 volunteers involved in the Games to complete the total direct expenditure amount. (Folk, McGillivray, Wasyluk no date)

### 3.4.5 Health and Social Benefits

Investments in outdoor recreation infrastructure and programming has a positive effect on many health and social indicators. The available literature does not quantify the monetary equivalents of these benefits, but they are widely acknowledged and qualitatively documented in the survey research.

B.C. residents are experiencing many serious health and social issues for example obesity, diabetes, heart disease and deteriorating mental health. An increasingly sedentary lifestyle is a major contributor to these factors. Park and recreation lands, facilities and programs play a major role in alleviating these concerns. The BC Alliance for Health Living (2023) has stated that “supports that enhance the built environment by ... increasing access to enjoyable spaces for physical activity and recreation provide universal benefits to the community as a whole.”

Outdoor facilities like SLNC contribute to health and social benefits along the following pathways (State of California Resource Agency 2005, Weinsten 2015):

- physical activity helps to control obesity, boost the immune system, diminish the risk of disease and increase life expectancy;
- participation in outdoor recreational activities is an important contributor mental health and quality of life, reducing depression, relieving stress, and improving self-esteem and personal growth.
- outdoor recreation promotes social bonds and supports all age groups, including youth where additional benefits include enhanced education attainment and deterrence of negative behaviors.
- social bonds are improved when families recreate together and when seniors and individuals with disabilities are actively engaged; and
- research shows a reduction in crime and increased sense of place in communities with access to and in proximity of outdoor recreation facilities.

#### 3.4.6 Indigenous Relations

The contribution that outdoor recreation makes to Indigenous awareness and contributions to reconciliation are widely recognized. In B.C., the Outdoor Recreation Council (2023a) has stated that “outdoor recreation projects, and collaboration with Indigenous communities go hand in hand.” It goes on to list many beneficial partnerships between recreation groups and First Nations in the province, including:

- Memorandum of agreement between the Squamish Off-Road Cycling Association and the Squamish Nation sharing stewardship responsibilities on trails and recreational areas in Squamish territory;
- The leadership shown by the Shuswap Trail Alliance throughout the Shuswap watershed by engaging with Secwépemc peoples in developing their trail strategy and assisting with the Secwépemc Landmarks Project;
- The Lower Fraser Collaborative Table struck between twenty-three First Nations and the angling community to promote collaboration and civil dialogue to prevent further declines of fish stocks in the Fraser River;
- The Indigenous Youth Mountain Bike Program reconnects Indigenous youth with the land by assisting First Nations with trail development and management and promotion of asserted Indigenous rights and title;
- The Simpcw First Nation worked with the Western Canada Mountain Bike Tourism Association to develop trails and recreation plans that support their role as caretakers and stewards. The Nation has a trail building company which supports trails and recreation throughout the region.
- Indigenous Women Outdoors aims to lower barriers to getting into nature for women living on Skwxú7mesh, Lílwat, səlililwətaʔt and x<sup>w</sup>məθk<sup>w</sup>əyəm territories.

SLNC is working to establish joint programs with the Okanagan Indian Band and the Splotsin First Nation in the Spirit North and other programs, promoting participation by First Nations’ people in healthy recreational activities. Indigenous youth have also used the day lodge in the off-season as a base for traditional activities. These initiatives can help build awareness and understanding of broader reconciliation issues across the SLNC user base. This in turn can open new opportunities for recreation and event planning in the future.

### 3.5 Summary

The economic impacts of SLNC's proposed new day lodge are substantial. The estimated costs of construction (\$4.7) would generate employment, household income and tax benefits throughout BC but mostly within the North Okanagan. Local contractors and suppliers would be involved in its construction.

The new lodge would pave the way for SLNC to provide more and better services to its members and other local users and attract more visitors to the region. The combined annual revenues from operations and incremental tourism activity are estimated at \$5.3 million. Seventy-eight jobs earning a payroll of \$3.3 million would be supported on an annual basis.

Just as important the new lodge project would enhance broader socio-community benefits such as outdoor recreation, healthy living and volunteerism that contribute to overall civic and community wellbeing.

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## Appendix A Economic Impact Tables

**Table 6 Economic Impacts of New Day Lodge, Duration of Construction**

	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Expenditures (\$)	4,686,250			4,686,250
Output(\$)	4,686,250	2,010,401	1,424,620	8,121,271
GDP (\$)	2,061,950	1,068,465	913,819	4,044,234
Labour income (\$)	1,433,993	698,251	374,900	2,507,144
<i>Wages and Salaries</i>	<i>1,190,308</i>	<i>585,781</i>	<i>313,979</i>	<i>2,090,068</i>
<i>Mixed Income</i>	<i>135,901</i>	<i>42,176</i>	<i>23,431</i>	<i>201,509</i>
<i>Employer's Social Contributions</i>	<i>103,098</i>	<i>74,980</i>	<i>37,490</i>	<i>215,568</i>
Employment (person-years)	19.4	10.3	7.5	37
Taxes (\$)	384,273	178,078	149,960	712,310
<i>Fed</i>	<i>131,215</i>	<i>98,411</i>	<i>65,608</i>	<i>295,234</i>
<i>Prov</i>	<i>224,940</i>	<i>65,608</i>	<i>70,294</i>	<i>360,841</i>
<i>Mun</i>	<i>28,118</i>	<i>14,059</i>	<i>14,059</i>	<i>56,235</i>

**Table 7 Economic Impacts of SLNC Operations, Annual**

	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Expenditures (\$)	1,580,500			1,580,500
Output(\$)	1,580,500	899,305	1,616,756	4,096,561
GDP (\$)	561,078	523,146	1,040,348	2,124,571
Labour income (\$)	515,243	270,266	421,763	1,207,271
Wages and Salaries	464,667	216,529	356,155	1,037,351
Mixed Income	-	25,288	28,118	53,406
Employer's Social Contributions	48,996	28,449	42,176	119,621
Employment (person-years)	15.8	4.9	8.5	29
Taxes (\$)	96,411	67,962	187,450	351,822
<i>Fed</i>	<i>44,254</i>	<i>33,191</i>	<i>84,353</i>	<i>161,797</i>
<i>Prov</i>	<i>42,674</i>	<i>26,869</i>	<i>89,039</i>	<i>158,581</i>
<i>Mun</i>	<i>9,483</i>	<i>7,903</i>	<i>14,059</i>	<i>31,444</i>

**Table 8 Economic Impacts of Tourism, Annual**

	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Expenditures (\$)	3,671,301	-	-	3,671,301
Output(\$)	3,671,301	1,467,320	1,234,352	6,372,973
GDP (\$)	1,887,285	774,849	793,781	3,455,915
Labour income (\$)	1,326,919	459,789	324,029	2,110,737
<i>Wages and Salaries</i>	<i>1,165,725</i>	<i>377,971</i>	<i>271,376</i>	<i>1,815,072</i>
<i>Mixed Income</i>	<i>35,600</i>	<i>35,068</i>	<i>20,707</i>	<i>91,375</i>
<i>Employer's Social Contributions</i>	<i>125,645</i>	<i>47,161</i>	<i>32,579</i>	<i>205,385</i>
Employment (person-years)	33.8	7.9	6.5	48.2
Taxes (\$)	282,996	139,255	134,917	557,168
<i>Fed</i>	<i>128,717</i>	<i>70,237</i>	<i>59,481</i>	<i>258,435</i>
<i>Prov</i>	<i>117,067</i>	<i>53,012</i>	<i>64,422</i>	<i>234,501</i>
<i>Mun</i>	<i>37,213</i>	<i>16,006</i>	<i>11,014</i>	<i>64,233</i>