

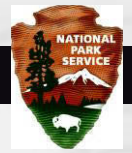
# Merced River Plan Socioeconomic Workshop February 27, 2013

Steven E. Spickard, AICP, LEED AP

Managing Principal

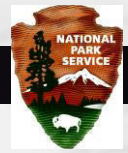
Land Economics Consultants, LLC





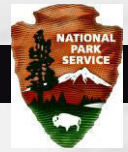
# Range of Alternatives

| Actions                              | No Action     | Alt 2         | Alt 3         | Alt 4         | Alt 5         | Alt 6         |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Acres Restored                       | 0             | 347           | 302           | 223           | 203           | 170           |
| <b>Peak East Valley Visitation</b>   | <b>20,900</b> | <b>13,900</b> | <b>13,200</b> | <b>17,000</b> | <b>19,900</b> | <b>21,800</b> |
| Day Visitors                         | 14,800        | 9,400         | 8,500         | 10,500        | 12,800        | 13,700        |
| Overnight Visitors                   | 6,100         | 4,500         | 4,700         | 6,500         | 7,100         | 8,100         |
| <b>Yosemite Valley Lodging Units</b> | <b>1,034</b>  | <b>556</b>    | <b>621</b>    | <b>823</b>    | <b>1,053</b>  | <b>1,248</b>  |
| <b>Yosemite Valley Campsites</b>     | <b>466</b>    | <b>450</b>    | <b>477</b>    | <b>701</b>    | <b>640</b>    | <b>739</b>    |
| Parking Spaces for East Valley       | 5,200         | 4,000         | 4,300         | 4,905         | 5,600         | 6,099         |
| <b>Total Project Cost (\$M)</b>      |               | <b>\$263</b>  | <b>\$187</b>  | <b>\$223</b>  | <b>\$235</b>  | <b>\$418</b>  |



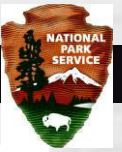
# Introduction

- Need for a Socioeconomic Analysis
- Analysis Approach
- About the Author
- Outline of Presentation Topics

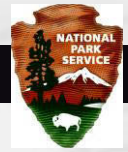


# Outline of Presentation Topics

1. Socioeconomic Market Overview (the “Affected Environment”)
2. Methodology for Estimating Economic Impacts
3. Visitation and Visitor Spending
4. Baseline Economic Model (“No Action”)
5. Impacts Common to All Alternatives
6. Comparison of the Action Alternatives



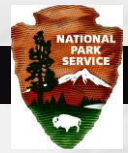
### 4-County Region of Economic Impact



# Regional Economic Overview

## 4 County Regional Perspective

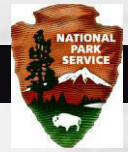
- Population
  - Historical
  - Projected Future
- Incomes
  - Per-Capita
  - Median Household
- Economic Output
- Taxable Retail Sales
- Employment



## 2010 Employment by County and Major Industry Sector

| Industry Sector     | Individual Counties |              |               |               | Total<br>Study Area |
|---------------------|---------------------|--------------|---------------|---------------|---------------------|
|                     | Madera              | Mariposa     | Mono          | Tuolumne      |                     |
| <b>Total</b>        | <b>58,309</b>       | <b>8,037</b> | <b>10,608</b> | <b>25,319</b> | <b>102,273</b>      |
| Agriculture         | 12,701              | 294          | 105           | 519           | 13,619              |
| Mining              | 88                  | 79           | 24            | 118           | 310                 |
| Construction        | 2,258               | 478          | 687           | 1,692         | 5,115               |
| Manufacturing       | 2,990               | 175          | 113           | 764           | 4,043               |
| Transp. & Utilities | 1,468               | 128          | 110           | 368           | 2,074               |
| Trade               | 5,593               | 619          | 938           | 3,164         | 10,314              |
| Service             | 21,816              | 4,755        | 6,493         | 12,905        | 45,970              |
| Government          | 11,393              | 1,509        | 2,136         | 5,789         | 20,828              |

SOURCE: Minnesota IMPLAN Group, Inc. data; Land Economics Consultants analysis

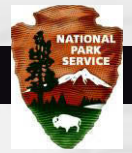


# Regional Economic Overview

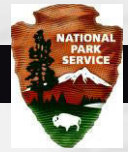
## County by County Perspective

- Economic Structure:
  - Agriculture?
  - Federal Employment?
- Fiscal Importance of Transient Occupancy Tax (TOT)
- Importance of Leisure and Hospitality Sector
- Identity of Gateway Communities



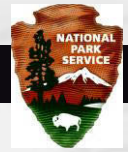


## Gateway Communities within the 4 Counties



# Socioeconomic Methodology

- Use of the best available data:
  - Recent visitor spending data (2009) by the Visitor Services Project (VSP)
  - Academic literature based on IMPLAN for analyzing socioeconomic impacts of National Parks
  - Unique IMPLAN multipliers for the 4-County Region
  - The Money Generation Model 2 (MGM2) also used



# Two Primary Economic Drivers

## 1. Visitor Spending:

- Number of Visitors per Year in the Park, times
- Average Spending per Visitor (by type).

## 2. NPS Spending:

- NPS Employment (salaries & wages & benefits), plus
- Spending on Contractors for Restoration & Construction Projects, plus
- One-Time Spending to Implement Plan Elements

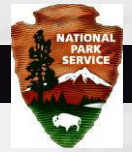


# Average Spending for Visitor Groups (per Day/Night, 2010 Dollars)

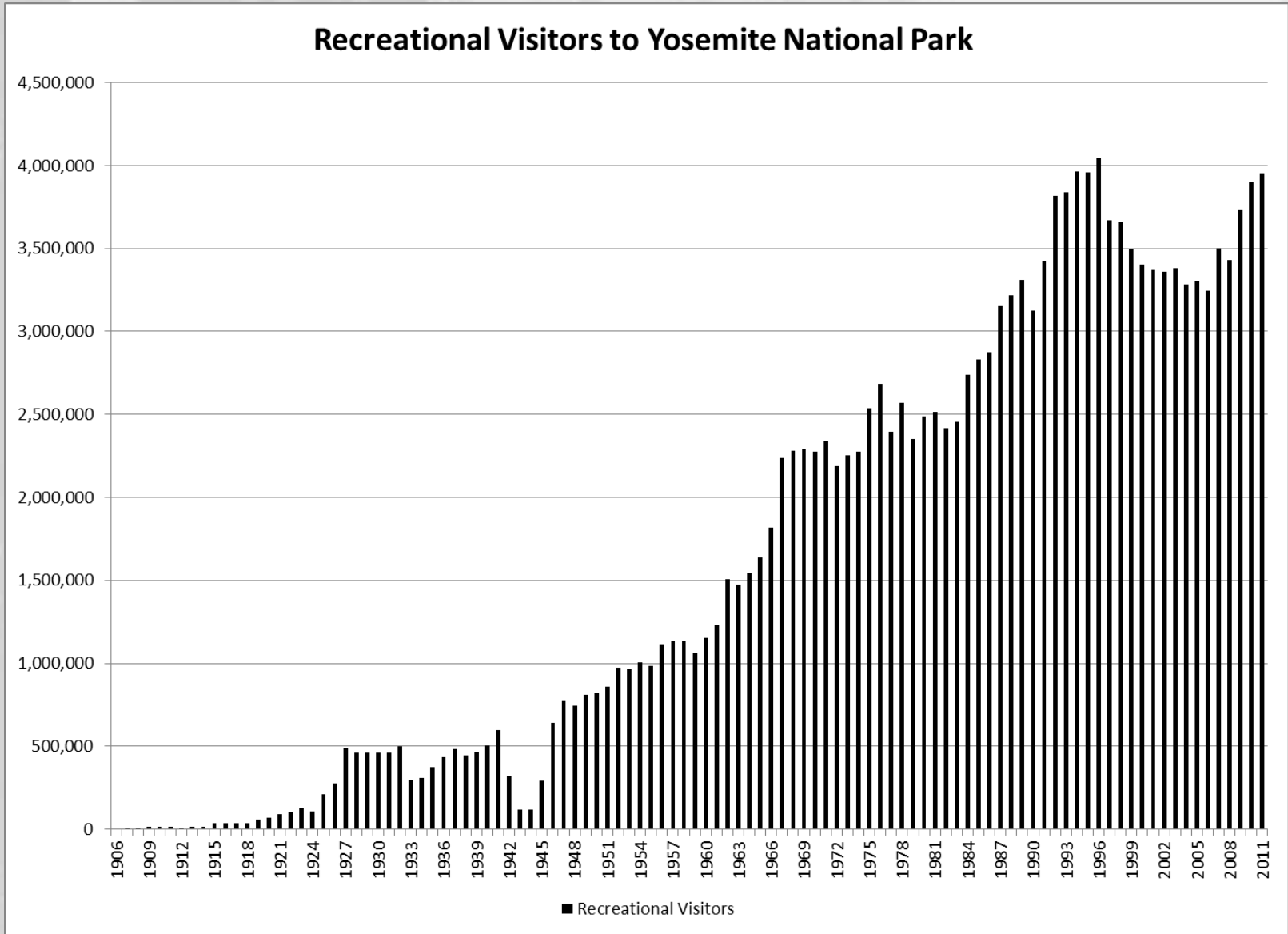
| Spending Category              | Average Spending per Day/Night for Visitor Groups in 2010 Dollars <sup>a</sup> |             |              |              |              |              |                 |
|--------------------------------|--|-------------|--------------|--------------|--------------|--------------|-----------------|
|                                | Local  | Day trip    | Motel-in     | Camp-in      | Motel-out    | Camp-out     | Other Overnight |
| Motel, hotel, cabin or B&B     | \$0  | \$0         | \$214        | \$3          | \$145        | \$0          | \$0             |
| Camping fees                   | \$0  | \$0         | \$2          | \$34         | \$1          | \$29         | \$0             |
| Restaurants & bars             | \$22   | \$17        | \$61         | \$23         | \$49         | \$24         | \$12            |
| Groceries & takeout food       | \$19   | \$11        | \$19         | \$21         | \$17         | \$16         | \$5             |
| Gas & oil                      | \$17   | \$17        | \$19         | \$30         | \$26         | \$31         | \$10            |
| Local transportation           | \$0  | \$4         | \$10         | \$1          | \$31         | \$4          | \$2             |
| Admission & fees               | \$12   | \$24        | \$25         | \$38         | \$23         | \$13         | \$6             |
| Souvenirs & other expenses     | \$5  | \$14        | \$22         | \$20         | \$21         | \$13         | \$4             |
| <b>Total per Visitor Group</b> | <b>\$75</b>  | <b>\$87</b> | <b>\$371</b> | <b>\$170</b> | <b>\$313</b> | <b>\$131</b> | <b>\$38</b>     |

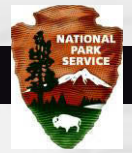
<sup>a</sup> Adjusted from the 2009 Visitor Services Project survey results using the CPI for All Urban Consumers, by industry category.

SOURCE: Cook, Philip S., *Impacts of Visitor Spending on the Local Economy: Yosemite National Park, 2009*, February, 2011.



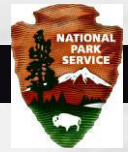
# Long-Term Historical Trend in Visitation





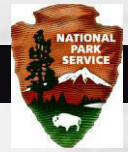
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# Characterization of Impacts for NEPA

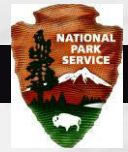
- Context
  - Local = Within the Park (All River Segments)
  - Regional = 4 Counties
- Duration
  - Short-Term
  - Long-Term
- Intensity
  - Negligible < 2.5%
  - Minor 2.5% - 5%
  - Moderate 5% - 10%
  - Major > 10%
- Type of Impact
  - Adverse
  - Beneficial



## No Action Alternative: Baseline

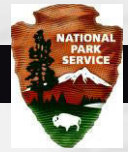
- 3,951,393 Annual Visitors
- 1,801,506 Visits in Party-Days (or Nights)
- \$381 Million in Visitor Spending
- 5,357 Jobs Created from Visitor Spending
- 1,186 Jobs Created by NPS Payroll Spending
- 357 Jobs Created by NPS Contractor Spending





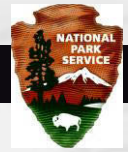
## Economic Impacts: All Action Alternatives

- Demand for lodging focuses on the Valley, then radiates out to gateway communities
  - Building new campsites or lodging units in the park can decrease demand outside the park
  - Restrictions on supply of accommodations in the park can increase demand in gateway communities



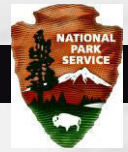
# Economic Impacts: All Action Alternatives

- “Substitution effects” are likely:
  - When unable to secure their first choice in lodging type, people will often substitute a second choice
  - When unable to secure overnight accommodations in the park, some may substitute a lodging unit in a gateway community
  - Willingness to use a gateway hotel/motel instead may be affected by ability to have day-use access



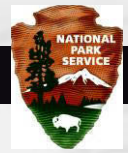
## Economic Impacts: All Action Alternatives

- “Displacement” or “time-shift” effects are also forms of economic adaptation:
  - If unable to secure reservations for a peak weekend, some will shift to a lower demand time period
  - Increasing demand over time can increase visitation in fall, spring, and winter



## Economic Impacts: All Action Alternatives

- All action alternatives include restoration, construction and rehabilitation projects:
  - Spending for projects would employ people in the 4-county region and beyond
  - Multiplier effects would increase incomes throughout the four counties

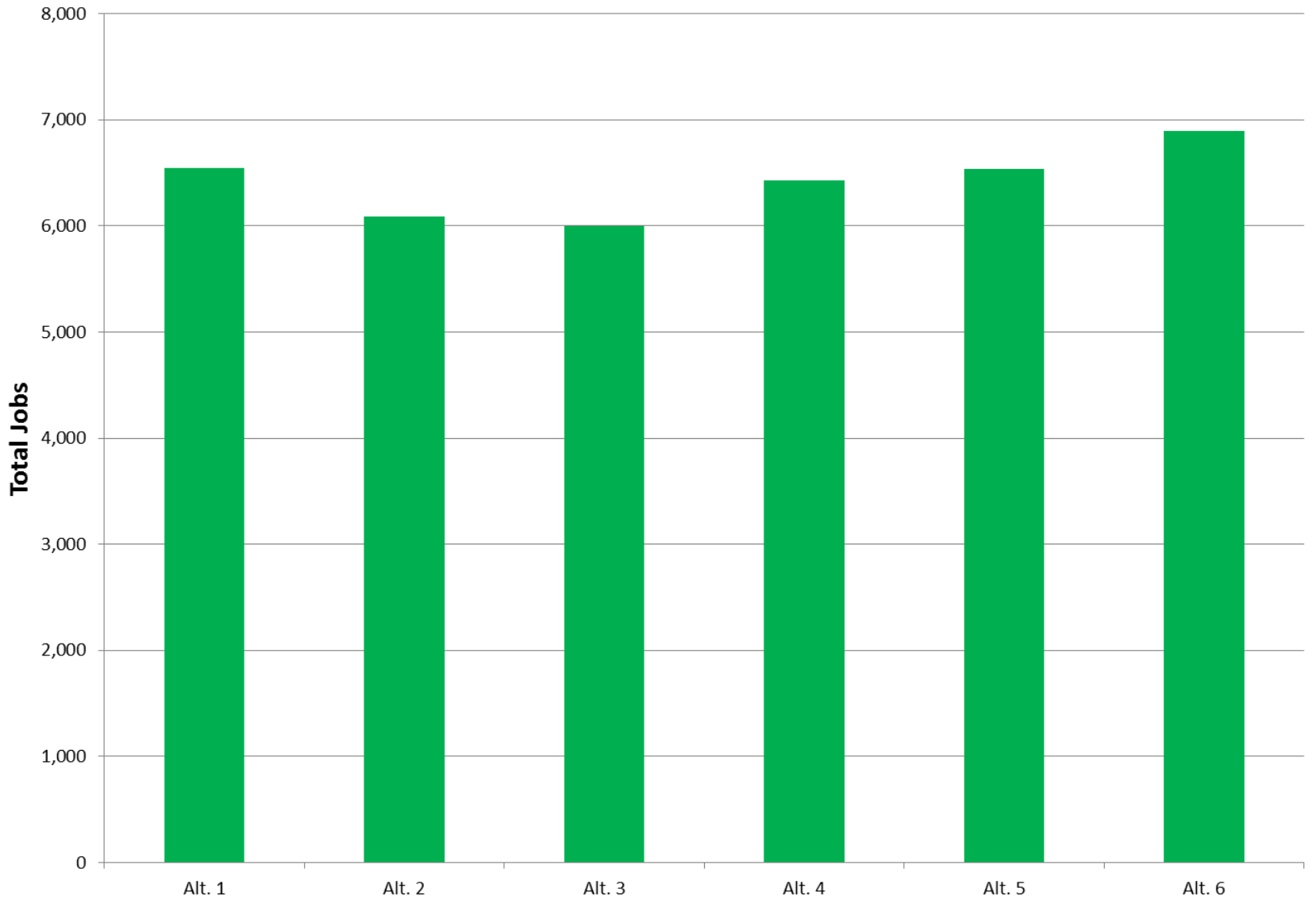


# Action Alternatives: Quantitative Impacts

- Job creation is the summary quantitative statistic
- Jobs are correlated with business revenues, profits, salaries and wages, etc.
- Impacts are presented as the theoretical maximums:
  - Actual impacts are likely to be lower due to substitution effects, displacement and time shifting effects

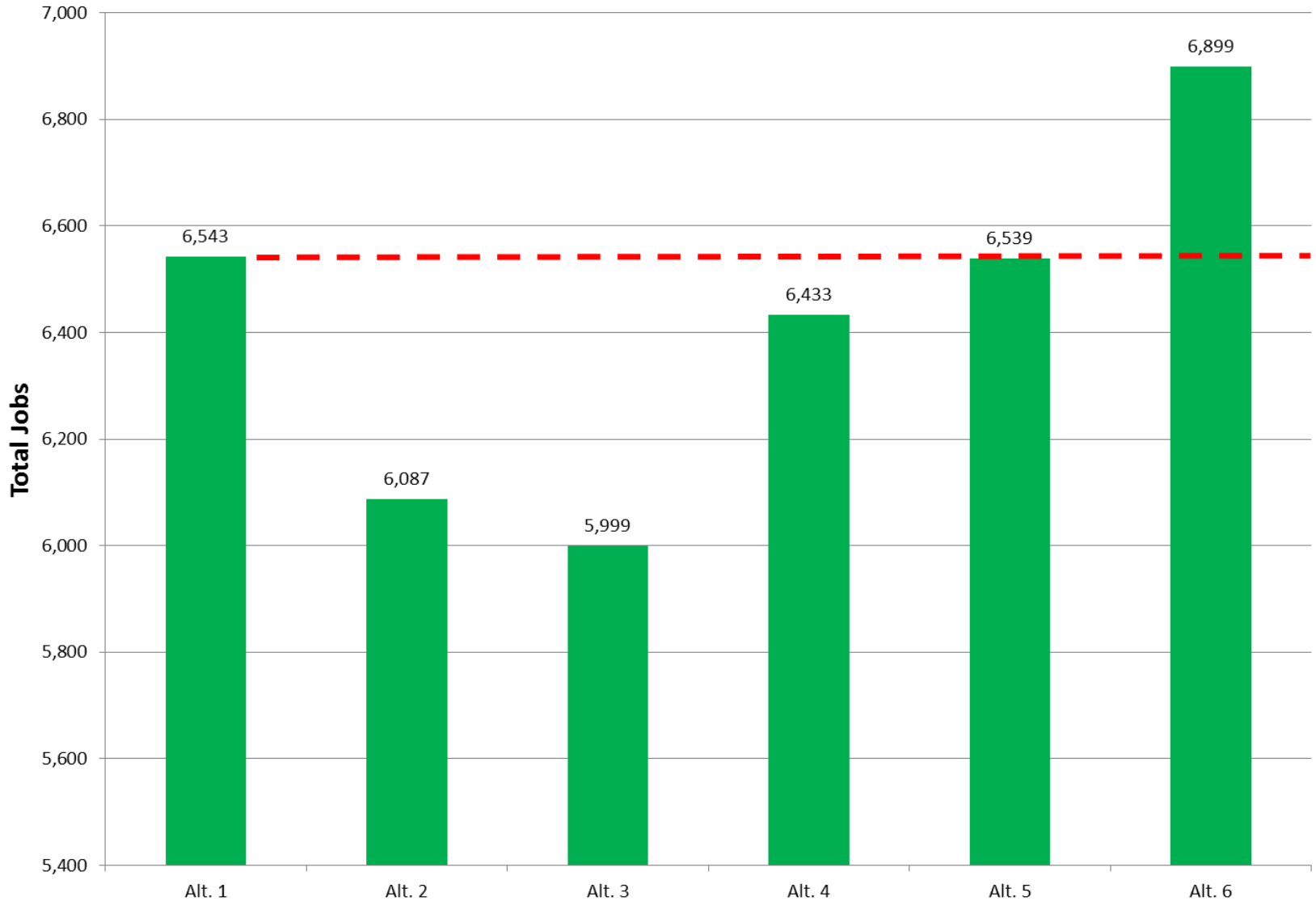


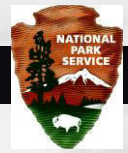
### Total Job Creation in Four Counties





### Total Job Creation with Emphasis on Differences Between Alternatives

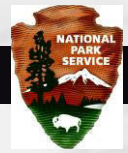




# Overall Socioeconomic Impacts

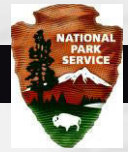
| Total Impacts | Total Jobs in the 4-County Region | Net Impact on Jobs | Impact as % of Total | Characterization of Impact Significance |            |
|---------------|-----------------------------------|--------------------|----------------------|---|------------|
| Alternative 2 | 102,273                           | (456)              | -0.4%                | Negligible                              | Adverse    |
| Alternative 3 | 102,273                           | (544)              | -0.5%                | Negligible                              | Adverse    |
| Alternative 4 | 102,273                           | (110)              | -0.1%                | Negligible                              | Adverse    |
| Alternative 5 | 102,273                           | (4)                | 0.0%                 | Negligible                              | Adverse    |
| Alternative 6 | 102,273                           | 356                | 0.3%                 | Negligible                              | Beneficial |





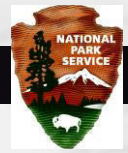
# Socioeconomic Impacts: Lodging Sector Focus

| Impacts on the Lodging Sector Only | Total Jobs in Lodging | Net Impact on Jobs | Impact as % of Total | Characterization of Impact Significance |            |
|------------------------------------|-----------------------|--------------------|----------------------|---|------------|
| Alternative 2                      | 3,637                 | (121)              | -3.3%                | Minor                                   | Adverse    |
| Alternative 3                      | 3,637                 | (144)              | -4.0%                | Minor                                   | Adverse    |
| Alternative 4                      | 3,637                 | (29)               | -0.8%                | Negligible                              | Adverse    |
| Alternative 5                      | 3,637                 | (1)                | 0.0%                 | Negligible                              | Adverse    |
| Alternative 6                      | 3,637                 | 94                 | 2.6%                 | Minor                                   | Beneficial |



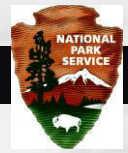
## Preferred Alternative and Cumulative Impacts

- Market economies trend toward self-correction
- Public lodging & camping units in the park are interconnected with private lodging in gateway communities
- Restrictions on supply inside the park, can increase demand outside the park



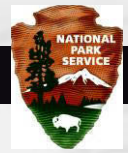
## Preferred Alternative and Cumulative Impacts

- Growth in total visitor volumes can continue:
  - through expansion into shoulder seasons
  - through increased use of lodging outside the park
- Overnight visitors outside the park can become day-use visitors inside the park
- Increased certainty of day-use access can be beneficial



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**Questions?**



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**Thank You for  
Your Time**