

GROWTH INDUCEMENT

Affected Environment

The purpose of this section is to disclose whether the alternatives of the *Merced River Plan/DEIS* is likely to foster additional growth, either directly or indirectly. The fact that a project may result in additional growth does not imply that such growth is either detrimental or beneficial. For example, actions that advance the purpose and need of the plan would likely be considered beneficial. Conversely, a project that fosters growth that would conflict with the goals and policies would likely be considered detrimental.

This section evaluates the potential growth inducement consequences of the management actions contained in each alternative and how the alternatives could affect the regional economy. As documented in the “Visitor Experience/Recreation” section of this chapter, there were 3.9 million annual visitors to Yosemite National Park in 2010 and 3.95 million in 2011, slightly fewer than the all-time record of 4.0 million in 1996. Yosemite visitors spend millions of dollars on entrance fees, campgrounds, hotel lodging, meals, transportation, and other goods and services both inside the park and in gateway communities outside the park. As a result, visitor spending is an important source of income and employment for the park, the primary park concessioner, and the gateway communities. In addition, the National Park Service (NPS) operating budget pays employees and contractors to perform duties and provide services within the park, which, like visitor spending, provides revenue to support the economy of the surrounding region.

The region affected by the park includes the four surrounding counties: Madera, Mariposa, Mono, and Tuolumne. As part of the socioeconomic analysis, economic and statistical profiles were developed for each county to assess the importance of tourism and NPS spending to the region. The profiles provide an economic baseline with detailed information on the size of each county’s principal economic sectors in terms of economic output, employment, and other relevant economic indicators.

Regional Economy

The region evaluated in the socioeconomic analyses below includes all the gateway communities immediately adjacent to Yosemite National Park and the four counties that house them: Madera, Mariposa, Mono, and Tuolumne. The four main access roads to the park pass through the four gateway counties; Highway 41 passes through Madera and Mariposa counties, Highway 140 passes through Mariposa County, Highway 120 east passes through Mono County, and Highway 120 west passes through Tuolumne County.

Yosemite National Park is located primarily in Mariposa and Tuolumne counties, with a small southern portion in Madera County. The developed areas along the main river corridor and the South Fork Merced River, including Yosemite Valley, the El Portal Administrative Site, and Wawona are located within the jurisdiction of Mariposa County. Merced, Stanislaus, San Joaquin, and Fresno Counties were excluded from the affected region because, in these much more populous and urbanized counties, it is difficult to distinguish the portions of the tourist economies that are associated with

Yosemite versus other tourist destinations. Also, tourism is a relatively small component of these counties' overall economies.

Regional Comparison

Population

In 2010 the population of the region of economic study was almost 240,000. The socioeconomic section of this chapter provides details of the historical growth rates for this region during the past 40 years. The region containing the gateway communities to Yosemite National Park has been growing much more rapidly than the state of California as a whole, though it is important to note that this regional growth percentage is relative to the small baseline of four counties that are largely rural in character.

As described in the Socioeconomic section, substantial growth is projected to continue into the future, both in the region of impact and in the state as a whole. However, incomes in all four of the counties are less than the average for California as a whole. Per-capita incomes are lowest in Madera County, though household sizes tend to be larger; therefore, with more potential workers per household, household incomes in Madera are comparable to those in the neighboring counties. The poverty rate is also the highest in Madera County.

Employment

As further described in the Socioeconomics section of this section, the total employment was approximately 102,000 in the four-county area in 2010. Madera County, with the largest and most urbanized population, had the largest employment base in the region, accounting for approximately 57% of total employment. Mariposa County, which includes Yosemite Valley, El Portal, and Wawona, accounted for approximately 8% of total employment in the affected region. The Service sector, which includes most of the businesses most directly impacted by tourism and visitor spending, accounts for 45% of the total region, and 59% of Mariposa County, which includes Yosemite Valley.

According to the Local Area Unemployment Statistics program of the U.S. Bureau of Labor Statistics, in 2010 the total civilian labor force in the four-county region was 106,429, of which 90,509 were employed. The statewide unemployment rate in California at the time was 12.4%. Only Mariposa County was slightly better off with an unemployment rate of 12.1%. The other three counties were between 14.0% and 15.6% (with the highest in the most populous county, Madera). The region's average unemployment rate in 2010 was 14.8%.

Economic Output

Economic output is a measure of productivity. Measures of economic output vary, depending on the Industry sector. For the Agricultural and Trade sectors, output is measured by the value of products sold. In the Manufacturing sector, output is a measure of the value added by the manufacturer or the value of shipments. In the Service sector, output is measured as receipts in dollars. In 2010, the estimated total output of goods and services for the four-county region was approximately

\$12.5 billion. Madera and Tuolumne counties, which are more urbanized with cities such as Madera and Sonora, produce the majority of the region's economic output. The almost entirely rural counties of Mariposa and Mono contributed only 16% of the output. However, 57% of Mariposa's output was generated in the tourism-heavy services sector.

Madera County

According to the California Employment Development Department, almost a quarter of Madera County employment (23%) was on farms in 2010. When the Food Processing, Service, and Trade sectors of the economy are considered as well, agriculture's dominance in Madera County is obvious. The Leisure and Hospitality sector of the economy accounted for a little more than 6% of the jobs. Federal employment amounted to 300 jobs, or approximately 0.7% of county employment. In terms of fiscal resources, the transient occupancy tax only accounts for approximately 1% of Madera County's General Fund.

Madera County reaches from the crest of the Sierra Nevada range to the San Joaquin River on the Central Valley floor. The majority of the county's population and employment are concentrated along the Highway 99 corridor in the Central Valley. None of the developed parts of Yosemite National Park are in Madera County, but the county includes the headwaters of both the South Fork and the main stem of the Merced River in the high country at the southern end of the park. Because of its large geographic size and diversity of the economy of Madera County, tourism associated with the park is not particularly important to the county as a whole. On the other hand, the eastern communities in the county, specifically Oakhurst and Bass Lake, are much more dependent on Yosemite tourism.

Mariposa County

According to the Employment Development Department, tourism is Mariposa County's main industry and the area's largest employer, with more than a third (37%) of all jobs in the Leisure and Hospitality sector in 2010. The county's primary recreation area/tourist attraction is Yosemite National Park, much of which lies within the county, including the developed areas of Yosemite Valley, Wawona, and El Portal Administrative Site. Other major recreation areas in Mariposa County include Stanislaus National Forest and Sierra National Forest, as well as the U.S. Forest Service/Bureau of Land Management recreation areas along the Merced River. Other recreation resources in Mariposa County include Lake Don Pedro, Lake McSwain, and Lake McClure where camping is available.

Mariposa County's economy is very different than Madera County's. Less than 1% of Mariposa employment is on farms. In contrast, with the national park and forests, federal employment is much more important, accounting for approximately 800 jobs or 16% of county employment in 2010.

From a fiscal standpoint, Mariposa is the most dependent on tourism of the four counties. Almost a quarter of the \$42 million Mariposa County General Fund is derived from the Transient Occupancy Tax (TOT), or approximately \$10 million in the most recent fiscal year. The TOT is levied at the rate of 10% of the room rate and is collected from Bed and Breakfasts and transient rentals (e.g., Vacation Rentals by Owner), as well as from traditional hotels and motels. In addition, there is another 1% tax on transient rooms in the form of a Tourism Business Improvement District Assessment (TBID). All of

the accommodations in Yosemite Valley, as well as those in Wawona, contribute to Mariposa's General Fund through the TOT and generate money for the TBID, as well.

Another way to look at it is Mariposa County collects 62% of the entire TOT generated within the four-county region.

Mono County

Mono County is one of the least populated counties in California and is the gateway county for visitors entering through the eastern park entrance. Park access via this entrance is limited in the winter because the entrance is typically closed from November to late May as a result of snowfall. Lodging, food, beverage, and other services are central to Mono County's economy, which is also bolstered by extensive natural resources and recreational opportunities.

According to Employment Development Department data for 2010, the Leisure and Hospitality sector accounted for almost half (49%) of all employment in Mono County. Federal employment constituted approximately 200 jobs or about 3% of all employment.

Mono County only collects about \$2 million per year in Transient Occupancy Taxes, but because it is such a small county, that amount constitutes 7% of the county's General Fund.

Tuolumne County

The Tuolumne River watershed portion of Yosemite National Park is in the southeastern portion of Tuolumne County. The county also contains significant national forest lands and the Emigrant Wilderness, with recreation destinations scattered throughout. In addition to Yosemite, other recreational attractions in Tuolumne County include Columbia State Park, Stanislaus National Forest, Dodge Ridge Ski Area, and Pinecrest Lake.

The bulk of Tuolumne County's economy is clustered on private lands along Highways 49 and 108, as well as centered in the town of Sonora. According to the Employment Development Department, the Leisure and Hospitality sector accounted for about 12% of the jobs in Tuolumne County in 2010. Federal employment was approximately 400 jobs at that time, or about 3% of county jobs. The TOT in Tuolumne County generates about \$2 million per year, representing approximately 4% of the General Fund.

Trends in Visitation to the Park

Visitation grew explosively at the beginning of the 20th century, only to crash along with the economy in the early 1930s. Then, growth began again, only to be halted by World War II. The post-war era showed strong, long-term growth, peaking in 1996. In 1987, when the Merced was designated a Wild and Scenic River, visitation to the park stood at 3.2 million. The effects of the flood in early 1997, which dramatically reduced the inventory of overnight accommodations in Yosemite Valley, can be seen over the subsequent decade. The strong growth trend observed prior to 1997 can be seen again in recent years.

Growth-Inducing Impacts

While not required under NEPA, the California Environmental Quality Act (CEQA), section 15126.2(d), requires a discussion of the potential for a proposed plan to foster economic or population growth, including ways in which a project could remove an obstacle to growth. Specifically, Section 15126.2(d) requires that plans discuss “the ways in which the proposed project could foster economic development or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment . . . [and also] discuss the characteristics of some projects which may encourage and facilitate other activities that could substantially affect the environment, either individually or cumulatively. It must not be assumed that growth in any area is necessarily beneficial, detrimental or of little significance to the environment.”

A growth-inducing project would directly or indirectly

- foster economic or population growth or additional housing
- remove obstacles to growth
- tax community services or facilities to such an extent that new services or facilities would be necessary
- encourage or facilitate other activities that cause significant environmental effects

Proposed management actions for Alternatives 2–6 will be evaluated in terms of the context, intensity, and duration of socioeconomic impacts and whether impacts were considered beneficial or adverse to the socioeconomic environment.

- **Context.** The context of the impact considers whether the impact would be local or regional. Like the analysis under socioeconomic, the analysis of growth inducement differs from other resource areas in that even “local” impacts are not confined to any one river segment. For purposes of this analysis, local impacts would be those that occur parkwide within Yosemite National Park. Regional impacts would be impacts in the four-county area around the park (Tuolumne, Mono, Mariposa, and Madera), including all gateway communities. Growth Inducement will be discussed under the heading of “All River Segments.”
- **Intensity.** The intensity of the impact considers whether effects would be negligible, minor, moderate, or major.
 - *Negligible* impacts are considered not detectable and are expected to have no discernible effect on growth.
 - *Minor* impacts are slightly detectable and are not expected to have an overall effect on the character of the social and economic environment and on local or regional growth.
 - *Moderate* impacts are detectable, without question, and could have an appreciable effect on the character of the social and economic environment and on local or regional growth.

- *Major* impacts are considered to have a substantial, highly noticeable influence on the social and economic environment and local or regional growth altering the environment over the long run.

In addition, impacts are recognized as indeterminate if the intensity of their effects on the on local or regional growth could not be readily identified (especially when compared with the potential influence of other social and economic factors and/or when data limitations exist).

- **Duration.** The duration of the impact considers whether the impact would occur in the short term or the long term. A short-term impact would be temporary and would be associated with transitional types of activities. A long-term impact would have an ongoing effect on the socioeconomic environment.
- **Type of Impact.** While other impacts were evaluated in terms of whether they would be beneficial or adverse to the socioeconomic environment, it must not be assumed that growth in any area is necessarily beneficial, detrimental or of little significance to the environment

Environmental Consequences of Alternative 2: Self-reliant Visitor Experiences and Extensive Floodplain Restoration

All River Segments

Although the entire regional economy may shrink somewhat due to the actions proposed under Alternative 2, the potential shift of some visitor spending from inside the park to gateway communities could create some pressure for new growth in localized areas outside the park. Growth pressures for new visitor-serving commercial facilities would be strongest in communities offering convenient access to the park. To the extent that additional employment is added due to additional commercial business and/or growth in commercial facilities, there may be an indirect inducement for growth in housing stock to accommodate new workers. Residential growth pressures would be strongest in communities that offer an attractive residential environment within reasonable commute distance of jobs, which may be the same communities that receive the visitor-serving growth. New residents may add additional children to local school districts, increasing the load on the educational system but also provide additional average daily attendance reimbursement revenue from the state to the local districts. Additional resident household spending could further increase the need for grocery stores, gas stations, and other commercial facilities.

While the socioeconomic impacts of Alternative 2 are negligible from a regional standpoint, there is potential for long-term growth-inducing impacts on one or more gateway communities because these communities would likely respond to the potential need for additional accommodations and services no longer provided within Yosemite under this alternative.

Environmental Consequences of Alternative 3: Dispersed Visitor Experiences and Extensive Riverbank Restoration

All River Segments

Although the entire regional economy may shrink somewhat due to the actions under Alternative 3, the shift of some visitor spending from inside the park to gateway communities could create some pressure for new growth in localized areas outside the park. Growth pressures for new visitor-serving commercial facilities would be strongest in communities offering convenient access to the park. To the extent that additional employment is added due to additional commercial business and/or growth in commercial facilities, there may be an indirect inducement for growth in housing stock to accommodate new workers. Residential growth pressures would be strongest in communities that offer an attractive residential environment in reasonable commute distance of jobs, which may or may not be the same communities as those receiving the visitor-serving growth. New residents may add additional children to local school districts, increasing both the load on the educational system, but also providing additional average daily attendance reimbursement revenue from the state to the local districts. Additional resident household spending could further increase the need for grocery stores, gas stations, and other commercial facilities.

While the impacts of Alternative 3 are negligible from a regional standpoint, there is potential for long-term growth inducing impacts on one or more gateway communities as these communities would likely respond to the potential need for additional accommodations and services that are no longer provided within Yosemite under this alternative.

Environmental Consequences of Alternative 4: Resource-based Visitor Experiences and Targeted Riverbank Restoration

All River Segments

Although the entire regional economy may shrink somewhat due to the actions in Alternative 4, the shift of some visitor spending from inside the park to gateway communities could create some pressure for new growth in localized areas outside the park. Growth pressures for new visitor-serving commercial facilities would be strongest in communities offering convenient access to the park. To the extent that additional employment is added due to additional commercial business and/or growth in commercial facilities, there may be an indirect inducement for growth in housing stock to accommodate new workers. Residential growth pressures would be strongest in communities that offer an attractive residential environment in reasonable commute distance of jobs, which may or may not be the same communities as those receiving the visitor-serving growth. New residents may add additional children to local school districts, increasing both the load on the educational system, but also providing additional average daily attendance reimbursement revenue from the state to the local districts. Additional resident household spending could further increase the need for grocery stores, gas stations, and other commercial facilities.

While the impacts of Alternative 4 are negligible from a regional standpoint, there is potential for long-term growth-inducing impacts on one or more gateway communities as these communities would likely respond to the potential need for additional accommodations and services that are no longer provided within Yosemite under this alternative.

Environmental Consequences of Alternative 5: Enhanced Visitor Experiences and Essential Riverbank Restoration

All River Segments

Although the entire regional economy would likely remain about the same as today due to the actions under Alternative 5, this alternative may result in a minor shift of some visitor spending from inside the park to gateway communities. In the long-term, growth-inducement impacts would therefore be similar to those of current conditions, with regional communities providing employment and services similar to current levels.

Environmental Consequences of Alternative 6: Diversified Visitor Experiences and Selective Riverbank Restoration

All River Segments

Given that accommodations for overnight stays in the park would increase under Alternative 6, and day use access would become slightly more constrained, more visitor service could be provided in the park and there would potentially be less demand pressure on facilities in gateway communities. Alternative 6 would not contribute to growth outside of the park.