

Executive Summary

The Economic Impacts of Outdoor Recreation on Grand County

Prepared for:

Grand County

Headwaters Trails Alliance

2021

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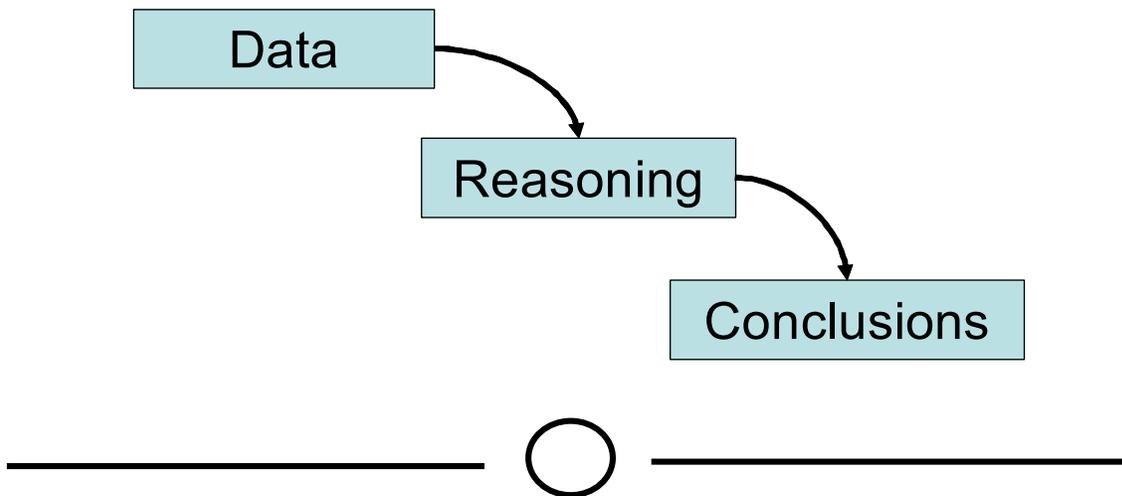
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The economy and growth of Grand County has always been driven by, and dependent upon, its abundant natural recreation assets and the tourism those assets attract. This study, completed for Grand County and the Headwaters Trails Alliance, was commissioned to **“(d)ocument the size and types of tourism, and the economic and fiscal impacts of outdoor recreation-based tourism on Grand County”** in today’s economy. This is in order to better **“inform the community on the value of outdoor recreation to tourism, the local economy, and tax base of the County”** and **“(a)ssist with tourism and economic development activities of the public and private sectors.”**

Key findings include:

- An estimated **2,001,656 visitors** to Grand County in 2019 and **4.5 million visit-days** resulting in **\$589,859,780 in spending** in the local economy.
- This **outdoor recreation tourism** accounts for approximately **61% of the Grand County economy**.
- Overall impacts from **outdoor recreation assets** accounts for approximately **78% of the Grand County economy**.
- These impacts generate **8058 of the county’s jobs**.
- Tourist spending accounts for an estimated **73% of the county’s sales tax revenues**.
- Outdoor tourism sales taxes contributed **\$1.25M to County’s ‘Open Lands, Rivers, and Trails’ Fund in 2019**.
- **Second homes account for 75% of residential property value** in the county and most of the construction industry.
- Homes closer to outdoor recreational assets show a **58% greater \$ per square foot value**.
- **Over 75% of Grand County Tax receipts (Sales, property, and lodging)**

The contribution of the county’s outdoor recreation sector is, unsurprisingly, significantly larger than that of any other industry in the county and continues its historical role of being the main driver behind the economy and growth of Grand County.

Lessons from COVID-19

Mirroring national trends, Grand County saw a precipitous drop in visitation during the early days of COVID-19, undermining the economy and leading to significantly reduced business and tax receipts. However, by April, the county had already begun to see a turn-around with an increase in visitation to its outdoor recreation assets. This drove an increase in sales taxes even while hotels, ranches, and overall Grand County visitation was still down.

Despite the decrease in visitation seen in February and March, and the continued lag in lodging, **by June, county collections of sales taxes were 10% higher, year-to-date, than the previous year. This was led by trail and water activities**, as these were the only two areas to see growth prior to June.

Looking Toward the Future

- **Grand County** has grown rapidly, with **378% growth** over the past 50 years. This has outpaced the population growth in the US, at 162% over the same period, and Colorado, at 261%. Growth is forecasted to continue for the foreseeable future in Grand County, the US, and Colorado.
- As more baby boomers retire and can live wherever they chose, as more people have the freedom to work remotely, and as access to outdoor recreation continues to grow as a priority for much of the population, Grand County should see growth in these areas as well.
- **71% of Coloradans engage in outdoor activities** (50% of Americans).
- Between 2012 and 2017, **total days engaged in outdoor recreation is up 25%, led primarily by trail-based activities** (hiking, mountain biking, trail running, snowshoeing, etc.).

All of these factors are expected to lead to an increase in tourism visitation and spending, which could **drive greater economic growth**. However, the same can also lead to **increased demands on Grand County's recreation assets**.

Maintaining Asset Value

Any asset will see a diminishment of its value without sufficient efforts to maintain it. Degradation of outdoor recreation assets are susceptible as well and tend to arise from three threats:

- Overcrowding
- Overuse / insufficient maintenance
- Natural causes, such as beetle kill or wildfires

These threats could undermine the economic and fiscal value derived from, and the future economic growth afforded by, Grand County's outdoor recreation assets, if not addressed.

Conclusion

The economy and growth of Grand County has always been driven by its abundant natural recreation assets and the tourism and residents those assets attract. The **continued growth**, and attractiveness of Grand County as a place to live, **offer substantial economic opportunities** for the future of Grand County. However, **with growth the stresses on the County's economic assets increase** as well.

Given the contribution of the county's outdoor recreation sector, economically and fiscally, compared to other industry sectors, **it is necessary that the assets supporting the local economy receive the support necessary to maintain, or improve, their value**. Otherwise, the overuse and/or lack of investment can result in a degradation of the asset, undermining its value, and a reduction in the benefits gained by Grand County's economy and community. With proper care of its assets, the County is well-positioned to continue to grow and flourish as a result of its natural beauty and recreation opportunities.