City of Benson
City Council Communication

Regular Meeting **May 12, 2014**

To: Mayor and Council Agenda Item # 6

From: William D. Stephens, City Manager

Subject:

Presentation on the Economic Impact of Parks and Recreation Services

Discussion:

In 2010, the National Recreation and Park Association published a study "Measuring the Economic Impact of Park and Recreation Services." This report defines the value of Parks and Recreation as a key contributor to the economics of our communities.

Laura Parkin will present the presentation.

Staff Recommendation:

Information only

Parks and Recreation

ECONOMIC IMPACT

Attractions

WHAT IS THE PRIMARY REASON FOR LEISURE TRAVEL?

Primary Attractions

- Sports Tournaments
- Festivals
- Parks – National, State, Local
- Major Recreation Facilities

How do we Benefit?

Kartchner Caverns' Visitor Expenditures 2007

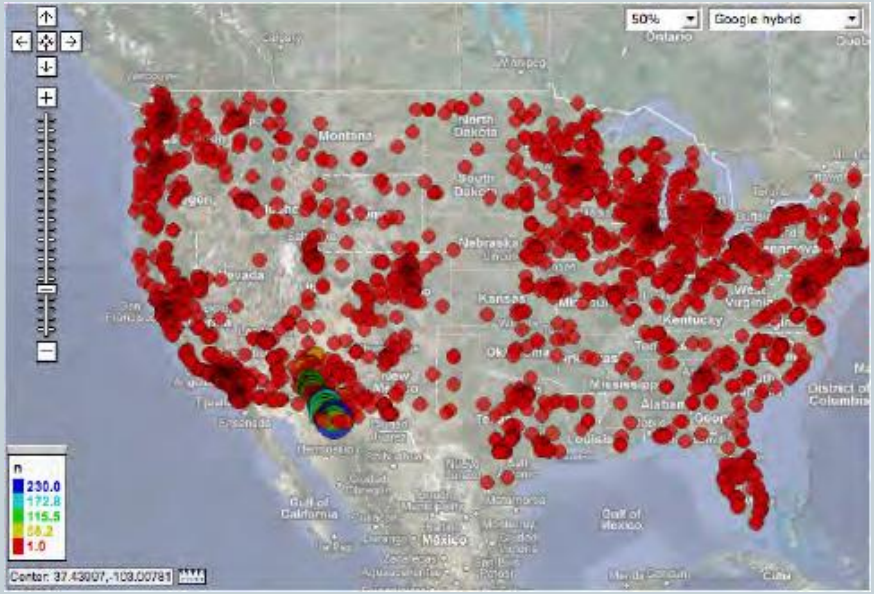
- In-park expenditures $2,879,841
- Admission $796,737
- Camping $523,141
- Groceries $448,578
- Food & Beverages $1,706,521
- Recreation Equipment Supplies $60,131
- Retail Shopping $1,258,544
- Lodging $363,793
- Personal Auto Expenditures $1,105,210
- Tourist Services $162,955
- Other Expenses $309,675
- Total direct expenditures $9,615,128

Indirect and Induced County Income 2007

- Indirect Income $1,358,426
- Induced Income $1,359,645
- Total Indirect and Induced County Income $2,718,071

2007 Kartchner Caverns Tax Impacts

- Federal Government Non-Defense $666,004
- State and Local Government $984,215
- Total Taxes $1,650,219



Parks and Recreation Funding

THE CYCLE

Funds & Revenues

The History of Park Development

Grants

Railroad

Motor and Tourist Travel

Grants

In 1864, the federal government gave a grant to the state of California for it to acquire and manage Yosemite Valley and Mariposa Grove.

Fredrick Law Olmsted's Yosemite and Mariposa Grove: A Preliminary Report, 1865

- Attractive to travelers
- Resources of wealth
- Benefit outweighs cost
- Enjoyment of natural scenery

Railroad

"Like Yellowstone, parks such as Sequoia, Yosemite, Mount Rainer, and Glacier were to a large degree the result of the railroads political pressure" (Sellers, 1997, p. 12).

- Northern Pacific, Southern Pacific, Great Northern Railroad
- Appendage of the Railroads
- A net earning
- Increase in attendance
- Emphasis on tourism
- Justification
- Perpetual motion

Motor and Tourist Travel

Stephen Mather the first Director of the National Park Service proposed a goal of establishing a state park every 100 miles from coast to coast in order to stimulate tourism (Conrad, 1997).

- Public and political support
- Generate revenue
- Economic impact
- Local communities
- Acquisition of land
- State Parks
- Attract tourists
- Stimulate local economies

Central Role of Economics in Launching Public Recreation

- Reduction in Crime
- Engines of Tourism
- Inter-relationship
- Taxonomy of Tourist Attractions
- Government Shutdown

Reduction in Crime

1912, the President of the Juvenile Protection Association, "Recreation is the antitoxin of delinquency and the sooner it is administered the milder will be the disease and the better it will be for all the children" (Crompton and Witt, 1999).

- Rationale of Investment of Public Funds
- Three Billion Dollar Loss
- Five Million Dollars Invested in Prisons
- Two Million Dollars in Annual Maintenance Costs
- Six Hundred Dollars per Year to Care for One Juvenile in a Reformatory
- Annual Cost of Recreation Per Juvenile Seven and One-Third Cents.

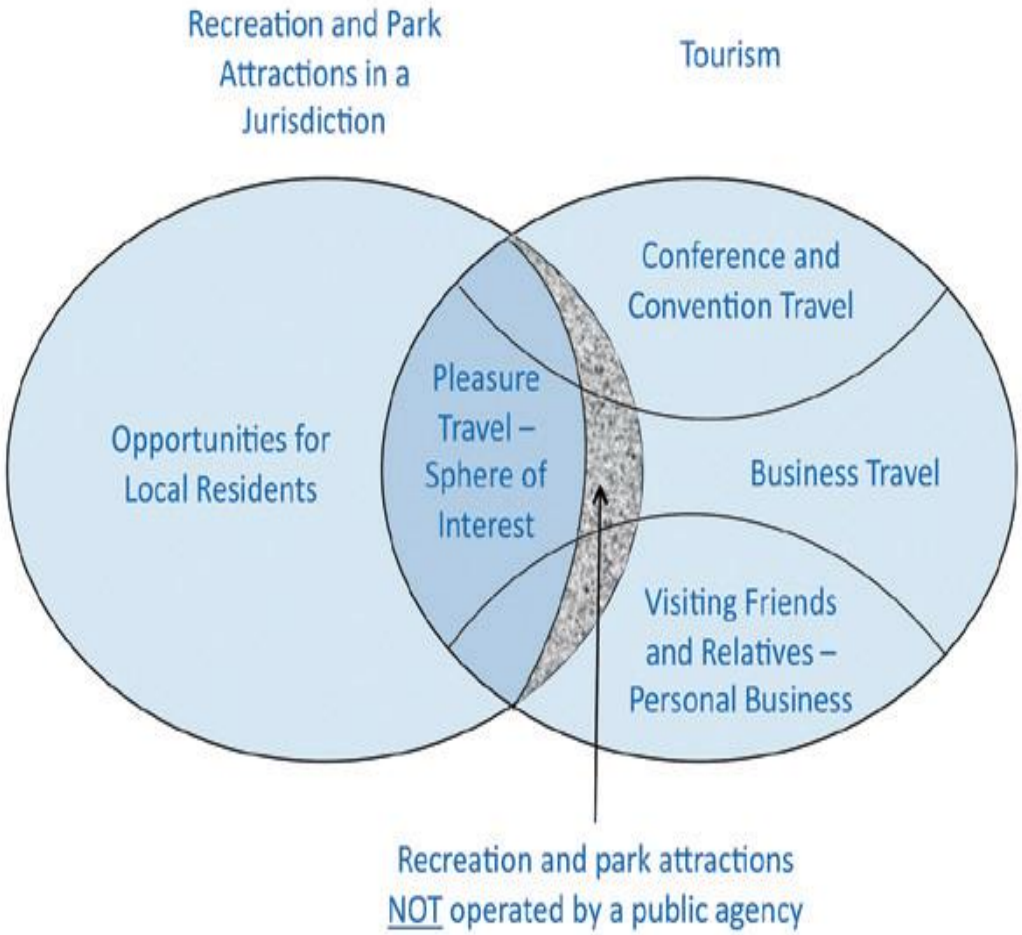
Engines of Tourism

The conceptualization of tourism as an integrated “industry” is a post 1970 phenomenon. It lacks the long and distinguished pedigree of the park and recreation field. Nevertheless, in the eyes of elected officials in many communities, it has surpassed this field in importance.

- Industry
- Expansion of Research
- Accountability Benchmarks

Segments of Travel and Their Inter-relationship with Parks and Recreation

Parks and Recreation Agencies provide opportunities for both local residents and visitors.



Taxonomy of Tourist Attractions

In most Communities, pleasure travel is a business that the public and non-profit sectors drive, and Park and Recreation agencies are central to that business.

- Arts: Theaters, Art Galleries, Museums, Performing Groups, Music Concerts
- Heritage Places: Ethnic Cultural Places, Shrines/Churches, Historical Sites and Structures, Educational Institutions, Industry Factory Tours
- Parks National, State, Regional, Local, Beaches, Theme Parks
- Arenas: College Sports, Professional Franchises, Concerts, Exhibitions

Government Shutdown

The economic impact of parks on local economies was vividly demonstrated in the shutdown of the Federal Government at the end of 1995.

- Twenty-six day closure of all National Parks
- Acute economic negative impact
- Public outcry

Repositioning Parks and Recreation

ECONOMIC IMPACT
"AN ARMS RACE"

Annual Visitor Days

Park and Recreation Agencies are one of the few “businesses” in a Community that is likely to bring in “new money”.

- Disney World and Disneyland; 31 million visitors
- Top 20 Theme Parks; 120 million visitors
- Corps of Engineer; 372 million visitors
- National Park Service; 274 million visitors
- U.S. Forest Service; 176 million visitors
- BLM; 55 million
- State Parks; 730 million

The Last Decade

At the local level, economic impact has been the driving force behind what is sometimes termed “an arms race” in the development of youth athletic complexes.

- Amenities
- Money generating tourism magnets
- Investments
- Economic return

Economic Impact Studies

Expenditures by those who reside in the community do not contribute to an event's economic impact because these expenditures represent a recycling of money that already existed.

- Local supplies and revenues
- Leakage of money
- Money from community residents
- Not spent locally

Generating New Revenue

PARKS AND RECREATION
BENEFITING OUR COMMUNITY

Expenditures from Sports Tournaments Non-local Participants Surveyed

Number of Teams	38
Number of Participants	570
Number of Nights	2
Participants	534
Surveyed	128
Total Expenditure per Participant	$271.01
Total Expenditure	$144,719.43

Men’s ASA State Softball Tournament

As a result of one Softball Tournament in College Station, Texas $144,719.34 new revenue was added to the local economy.

Festival and Spectator Events

Hosted by the Park and Recreation Department Festivals and Spectator events have the potential of an economic impact on the local economy.

- 3 day Pro Golf Tournament - $65,856,795; based on 251,333 out of town visitors.
- 1 day 4th of July Celebration - $74,793; based on 3,997 out of town visitors.
- 3 day Annual Arts Festival – 1,037,867; based on 45,048 visitors.

Abstract

APPLY IT LOCALLY

National Amateur Fast Pitch Association

1 Regulation Ball Field	2 Regulation Ball Fields
2 Day Tournament	2 Day Tournament
1 Local Team; 10 Out of Town Teams	1 Local Team; 15 Out of Town Teams
150 Out of Town Players	330 Out of Town Players
$271.01 per player	$271.01 per player
$40,651.50	$89,433.30

Little League All Stars Tournaments

2 Fields Limited to District	3 Fields Opportunity to host Regionals
5 Day Tournament	10 Day Tournament
1 Local Team; 9 Out of Town Teams	1 Local Team; 20 Out of Town Teams
Average 4 Teams a Day - 1 Local Team	Average 8 Teams a day – 1 Local Team
$108.42 per family	$271.01 per family
$17,889.30 for the week.	$208,677.70 over a 10 day period

Parks and Recreation

An asset to our Communities

Quality of Life

Health and Wellness

Reduction in Crime

Increase in Tourism

Generate New Revenue

Credits

- Crompton, J.L. (Research Series 2010) “Measuring the Economic Impact of Park and Recreation Services”, National Recreation and Park Association
- Economic Impact of Arizona State Parks, AHRRC-NAU