A photograph of two cyclists riding away from the camera on a paved path. The cyclist in the foreground is wearing a black shirt and light-colored shorts, and is pulling a blue cargo bike trailer. The cyclist in the background is wearing a white tank top and dark shorts. The path is surrounded by tall grass and trees, with a house visible in the distance. The text "THE ECONOMIC IMPACT OF NATIONAL HERITAGE AREAS: A CASE STUDY APPROACH" is overlaid in white on a dark grey background in the upper left corner.

THE ECONOMIC IMPACT OF NATIONAL HERITAGE AREAS: A CASE STUDY APPROACH

CACHE LA POUUDRE RIVER
NATIONAL HERITAGE AREA
FALL 2017

Tripp
Umbach

TABLE OF CONTENTS

Introduction	1
Project Overview.....	2
Cache la Poudre River NHA Economic Impact	4
Conclusion.....	10
Appendix A: Glossary of Terms.....	11
Appendix B: Research Methodology.....	12
Acknowledgements.....	18

INTRODUCTION

National Heritage Areas (NHAs) provide economic benefits to communities and regions through their commitment to heritage conservation and economic development. Through public-private partnerships, NHA entities support historic preservation, natural resource conservation, recreation, heritage tourism, and educational projects. Leveraging funds and long-term support for projects, NHA partnerships generate increased economic impact for regions in which they are located.

Since 2012, Tripp Umbach has completed comprehensive economic impact studies for 15 NHA sites across the U.S., including an extrapolation of the economic benefit of all 49 NHA sites on the national economy.

This study seeks to further quantify the economic impacts of individual NHAs. This report specifically focuses on the economic impact of the Cache la Poudre River NHA on its respective region (Larimer and Weld Counties).

The results presented in the NHA economic impact study are generated on an annual basis and are based on data from fiscal years 2014, 2015, and 2016. The economic impact in future years can either be higher or lower based on the visitor or tourist data, number of employees, operational expenditures, and capital expansion. The economic impact of the Cache la Poudre River NHA study shows:

- **Cache la Poudre River National Heritage Area** generates **\$81.6 million** in economic impact, supports **1,067 jobs**, and generates **\$6.9 million** in tax revenue.



PROJECT OVERVIEW

In the Spring of 2017, Tripp Umbach was retained by the Poudre Heritage Alliance (PHA) to measure the economic, employment, and government revenue impacts of the Cache la Poudre River National Heritage Area. The goals of the economic impact study include the following:

1. To quantify the current economic and employment impacts of the Cache la Poudre River NHA's operations in its region.
2. To demonstrate the broader community impact that the Cache la Poudre River NHA has in its region.

Tripp Umbach collected existing NHA visitor estimates, operating budgets, grantmaking, capital project funding, and volunteer hours. The data collection process guided the economic impact analysis using IMPLAN.¹ Key economic impact findings presented within the summary include the economic, employment, and state and local government revenue impact of the NHA in the Cache la Poudre River region. The economic analysis completed for the operational and grantmaking impacts uses actual expenditures and NHA employment to drive estimates of employment, income, tax revenue, and other economic variables.

Visitor and Tourism Expenditures: The economic impact of visitors to the Cache la Poudre River NHA is the **primary source** of economic benefit quantified in this analysis. The direct consequence of visitor expenditures become business receipts, which in turn, are used to pay wages, salaries, and taxes. The initial, direct round of spending ripples through the regional economy supporting additional economic benefits. Given the unique challenges of capturing visitor data by NHAs, the economic model includes local visitor estimates within the analysis.² The visitor benefit analysis model clearly states an explicit relationship to overall visitor estimates reported by the NHA and its regional partners to create the analysis of the visitor segments and their spending patterns. The model also estimates visitor expenditures.

Operational Expenditures: These expenditures are the economic impact of Cache la Poudre River's organizational spending and staff. This refers to the day-to-day spending of the NHA; wages, rent, and professional fees paid by the NHA on an annual basis are included in this segment.

Grantmaking and Capital Expenditures: NHA-secured federal funding in the form of grantmaking to specific sites within the region primarily allows for the creation and development of projects

¹ This analysis requires the use of IMPLAN3 software and geographic data representative of the NHAs' local and state region. Additional information on IMPLAN can be found at <http://implan.com>.

² The analysis of visitor spending includes local spending estimates.

and initiatives that further add to the historic, cultural, and recreational offerings of the NHA region. Funding focused on capital and construction development is quantified as well.

NHAs also provide intangible benefits that are not able to be quantified. Knowledge sharing, facilitating collaborative partnerships, and increasing the quality of life are elements that each NHA brings to its community. While these critical concepts are not quantified within the context of this report, they are highlighted through qualitative data that was collected.



CACHE LA POUDE RIVER NHA

A. OVERVIEW OF CACHE LA POUDE RIVER NATIONAL HERITAGE AREA

Originating in the Rocky Mountains and dropping some 7,000 feet to the Great Plains, the Cache la Poudre River runs 125 miles eastward through diverse geographic settings. In many locations, one can see head gates, flumes, water measurement devices, and an intricate network of ditches as a reminder that humans are able to modify the river's flow. These structures symbolize the long struggle to sustain a viable agricultural economy and to meet the water needs of urban development for the people of northern Colorado.

The Poudre River is significant for its contribution to the development of Western U.S. water law and the evolution of complex water delivery systems. The Poudre has also played a crucial role in regional economic development and has become a focal point for recreation.



In 2009, the federal government designated the lower 45 miles of the Cache la Poudre River as a National Heritage Area to recognize the significant role its history with western water law has played both locally and nationally. Today, the Poudre Heritage Alliance (PHA) diligently works to share this story³ with as many residents and visitors as possible so that they can celebrate the struggle and success of those that came before to manage this precious resource.

B. OVERALL ECONOMIC IMPACT

The economic impact of Cache la Poudre River NHA is **\$81.6 million annually**. This economic impact consists of tourism driven by the presence of Cache la Poudre River (\$80.8 million), operations of the NHA (\$628,644), grantmaking (\$97,920), and capital projects (\$37, 486) (See Figure 1 and Table 1).⁴

³ As a result of deliberate efforts to increase their web presence, the PHA has seen an increase of 154% of website traffic from 2016 to 2017 and a 471% increase of Facebook views between 2015 and 2017.

⁴ All data used to calculate impacts was based on a three-year average –2014, 2015, and 2016. Data was collected to reflect the Cache la Poudre River NHA.

Figure 1. Overall Economic Impact

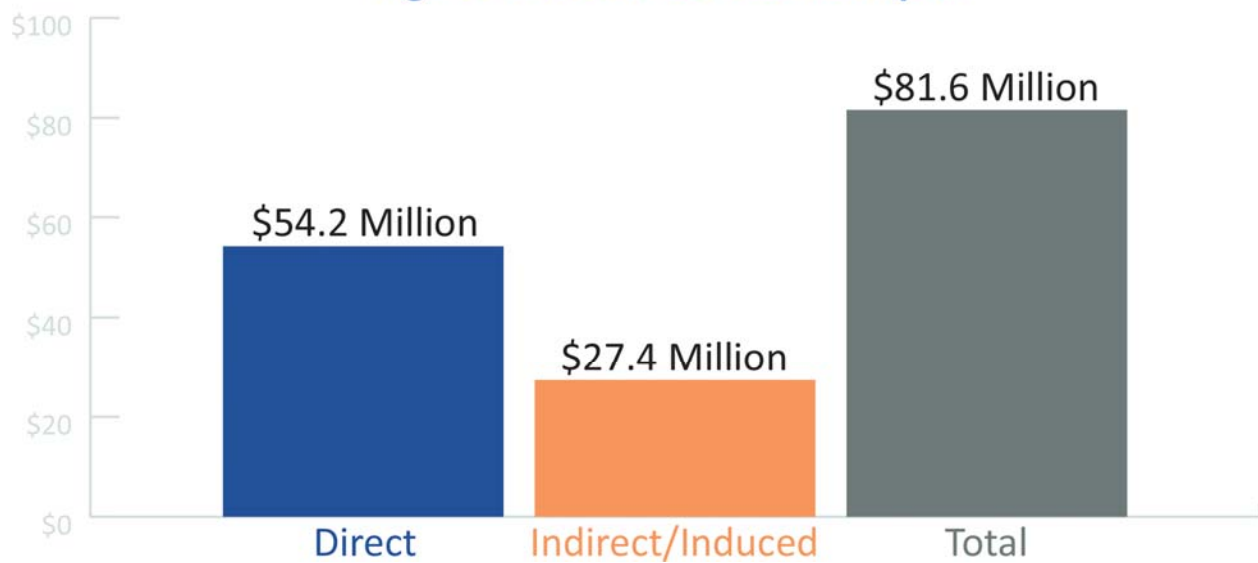


TABLE 1. OVERALL ECONOMIC IMPACT

	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Economic Impact	\$54,240,251	\$14,813,104	\$12,522,669	\$81,576,026
<i>Tourism</i>	<i>\$53,793,270</i>	<i>\$14,607,006</i>	<i>\$12,411,700</i>	<i>\$80,811,976</i>
<i>Operations</i>	<i>\$359,176</i>	<i>\$176,537</i>	<i>\$92,929</i>	<i>\$628,644</i>
<i>Grantmaking</i>	<i>\$61,129</i>	<i>\$24,487</i>	<i>\$12,304</i>	<i>\$97,920</i>
<i>Capital Projects</i>	<i>\$26,676</i>	<i>\$5,074</i>	<i>\$5,736</i>	<i>\$37,486</i>

The following table shows the top 10 sectors in the NHA region impacted by PHA activities and visitors (See Table 2).

TABLE 2. TOP 10 ECONOMIC IMPACT SECTORS

Industry	Economic Output
Hotels and motels, including casino hotels	\$22,367,197
Full-service restaurants	\$13,077,314
Limited-service restaurants	\$6,134,460
Other amusement and recreation industries	\$4,525,055
Retail - Miscellaneous store retailers	\$4,166,814
Real estate	\$3,463,524
Owner-occupied dwellings	\$2,192,830
Transit and ground passenger transportation	\$1,878,160
Retail - Food and beverage stores	\$1,461,171
Retail - Gasoline stores	\$1,313,151

The components of the economic impact are broken out below.

C. TOURISM IMPACT

The effects of visitation and tourism have the greatest economic benefit for the regions in which NHAs operate. NHAs play a substantial role in supporting and encouraging tourism within their regions. Tourism numbers are calculated and are comprised of both Cache la Poudre’s and its regional partners’ tourism figures. The three-year average total of visitors and tourists to the NHA region is over 545,000 visitors.⁵ These visitors spend money in the state, creating a positive ripple effect on the economic structure. Based on the annual average number of visitors to the NHA region and its partner sites, \$80.8 million in economic benefit was supported annually within the state through tourism (See Table 3).

TABLE 3. ANNUAL ECONOMIC IMPACT OF TOURISM AND VISITATION

Visitor Segment	% of Total Visitation*	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Local Day	19%	\$2,573,438	\$683,423	\$509,572	\$3,766,434
Non-Local Day	41%	\$8,712,921	\$2,378,961	\$1,734,107	\$12,825,990
Overnight	40%	\$42,506,910	\$11,544,621	\$10,168,021	\$64,219,552
Total	100%	\$53,793,269	\$14,607,005	\$12,411,700	\$80,811,976

The economic spending analysis demonstrates that within the region, visitors traveling from outside the state and staying overnight represent the largest economic benefit to the economy of the NHA region. Although overnight visitors only comprise an estimated 40 percent of NHA visitation, overnight visitors⁶ account for close to 80 percent of the economic benefit of NHAs. This is primarily driven by the increased amount of fresh dollars from outside the state spent on lodging, accommodations, restaurants, transportation, etc.

D. OPERATIONAL IMPACT

In addition to attracting visitors and promoting tourism in the region, the analysis quantifies the economic benefit of the Cache la Poudre River NHA through its operating activities. This impact is represented by the spending of the organization and the employees it supports (See Table 4).

TABLE 4. ANNUAL ECONOMIC IMPACT OF OPERATIONS

	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Operations	\$359,176	\$176,537	\$92,929	\$628,644

E. GRANTMAKING

The Cache la Poudre River NHA is active in the region with its partners through grantmaking efforts that support projects and programs that are aligned with the educational, cultural,

⁵ Annual tourism impacts were calculated using data from fiscal years 2014, 2015, and 2016.

⁶ Overnight visitors are attributable to both the efforts of Cache la Poudre River NHA and its regional partners.

promotional, and economic development missions of the heritage area. Similar to how tourism, operations, and capital project funding support economic activity within the region, grantmaking provides an infusion of funds to assist with the development of the heritage area (See Table 5).

TABLE 5. ANNUAL ECONOMIC IMPACT OF GRANTMAKING

	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Grantmaking	\$61,129	\$24,487	\$12,305	\$97,921

F. CAPITAL PROJECTS

Capital investment of Cache la Poudre NHA supports the creation of projects and sites within the NHA that allow for the further development and revitalization throughout the region. Similar to how tourism and operations support economic activity within the region, capital projects provide an infusion of funds to assist with the development of buildings, sites, and projects within the heritage area (See Table 6).

TABLE 6. ANNUAL ECONOMIC IMPACT OF CAPITAL PROJECTS

	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Capital Projects	\$26,676	\$5,074	\$5,736	\$37,486

G. OVERALL EMPLOYMENT IMPACT

Cache la Poudre River NHA supports a substantial number of jobs in the state. The total employment impact is **1,067 jobs** (849 direct jobs and 218 indirect/induced jobs). Direct jobs are based on business receipts which in turn are used to pay wages and salaries within industries such as food services, retail, and lodging.

Indirect or induced jobs are supported by local businesses spending part of their receipts on goods and services they require to serve customers, including investment in new equipment and structures. This is the ripple effect of economic activity attributed to NHAs (See Figure 2 and Table 7).

Figure 2. Overall Employment Impact

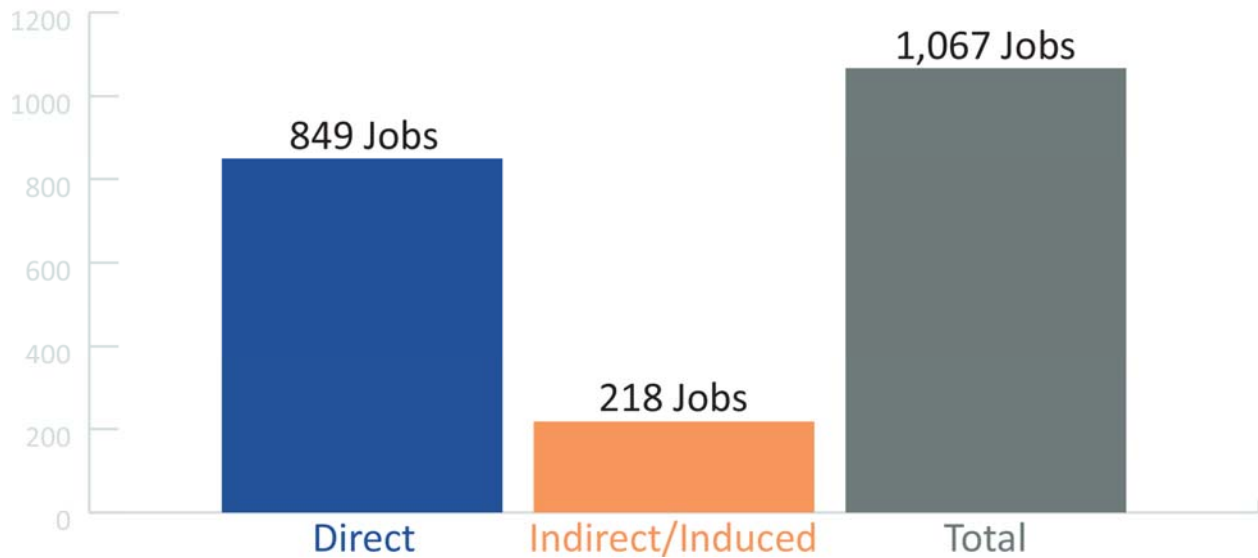


TABLE 7. OVERALL EMPLOYMENT IMPACT

	Direct Effect	Indirect Effect	Induced Effect	Total Effect
Economic Impact	850 jobs	115 jobs	102 jobs	1,067 jobs
<i>Tourism</i>	<i>846 jobs</i>	<i>113 jobs</i>	<i>101 jobs</i>	<i>1,060 jobs</i>
<i>Operations</i>	<i>2 jobs</i>	<i>1 jobs</i>	<i>1 jobs</i>	<i>4 jobs</i>

**Capital Funding and Grantmaking did not contribute any jobs to the overall employment impact. Due to rounding, the above figures do not add completely to the totals.*

The “Top Employment Sectors” table illustrates the sectors with the largest number of jobs (includes direct, indirect and induced) supported by Cache la Poudre NHA (See Table 8). Industries such as food services and hotels represent the largest number of jobs while the ripple effect illustrates that jobs in real estate and retail are also supported by the spending attributable to Cache la Poudre NHA.

TABLE 8. TOP EMPLOYMENT IMPACT SECTORS

Industry	Jobs
Full-service restaurants	277
Hotels and motels, including casino hotels	237
Retail - Miscellaneous store retailers	113
Other amusement and recreation industries	78
Limited-service restaurants	77
Transit and ground passenger transportation	40
Real estate	26
Retail - Food and beverage stores	21
Retail - Gasoline stores	21
Other accommodations	10

H. GOVERNMENT REVENUE IMPACT

NHAs also support state and local governments with the generation of government revenue or tax revenue. As a result of Cache la Poudre River's attraction of visitors, operations, grantmaking, and capital funding, the NHA generates over **\$6.9 million** in tax revenue annually (\$5.6 million in direct taxes) (See Table 9).

TABLE 9. STATE AND LOCAL TAX IMPACT

Description	Employee Compensation	Tax on Production and Imports	Households	Corporations
Dividends				\$10,928
Social Ins Tax- Employee Contribution	\$22,728			
Social Ins Tax- Employer Contribution	\$45,922			
Tax on Production and Imports: Sales Tax		\$2,929,320		
Tax on Production and Imports: Property Tax		\$2,710,992		
Tax on Production and Imports: Motor Vehicle License		\$72,451		
Tax on Production and Imports: Severance Tax		\$118,437		
Tax on Production and Imports: Other Taxes		\$152,629		
Tax on Production and Imports: S/L NonTaxes		\$120,179		
Corporate Profits Tax				\$81,739
Personal Tax: Income Tax			\$461,050	
Personal Tax: NonTaxes (Fines- Fees)			\$159,350	
Personal Tax: Motor Vehicle License			\$25,873	
Personal Tax: Property Taxes			\$9,365	
Personal Tax: Other Tax (Fish/Hunt)			\$28,048	
Total	\$68,650	\$6,104,008	\$683,686	\$92,667

I. VOLUNTEER IMPACT

It is estimated that volunteers at sites throughout the NHA generate more than **\$100,000 annually** as a result of their volunteer services.⁷ Volunteers at Cache la Poudre River have given their time to specific projects and initiatives of the NHA and related sites within the heritage area. These benefits are in addition to the **\$81.6 million annual impact** generated by the NHA.

CONCLUSION

NHAs are valuable economic contributors to the regions in which they operate. The partnerships they create and facilitate, and the efforts put forth by each NHA to attract visitors, create economic development, and preserve the culture, history, and assets of their regions truly make a difference in local communities. The Cache la Poudre River has historically proven to be essential to the lives of the more than a half-million people in the northern Colorado Front Range.

The Cache la Poudre River NHA serves as a vital driver in the Colorado economy, contributing millions of dollars annually and sustaining thousands of jobs.

- **Cache la Poudre River National Heritage Area** generates **\$81.6 million** in economic impact, supports **1,067 jobs**, and generates **\$6.9 million** in tax revenue.

"Spotlight" Project – Heritage Culturalist Program

The Heritage Culturalist Program (HCP) is an ambassador program that educates volunteers in the rich history and recreation opportunities of the Cache la Poudre River National Heritage Area through interactive presentations and site visits in Weld and Larimer Counties. Volunteers provide interpretation and expertise to the public at Poudre Heritage Alliance (PHA) programs and events with a focus on the Poudre River's integral role in the birth of western water law, and its impact on the agriculture, recreation, and environment of the Northern Colorado community.

Once certified, HCP volunteers share their expertise with the public to educate and increase awareness of the Cache la Poudre River NHA by leading bike tours along the Poudre Trail, engaging the public at community events, organizing speakers' bureaus at local libraries, and more. Volunteers also create professional documentation of Heritage Area resources and enhance heritage tourism opportunities for the Northern Colorado region.

⁷ Primary data about number of volunteers and hours volunteered was provided to Tripp Umbach by Cache la Poudre NHA. A conservative assumption of \$23.56 per hour was used to calculate the value of volunteer services. This amount was calculated independently by the Points of Light Foundation.

APPENDIX A: GLOSSARY OF TERMS

Study Year	Three Year Average of 2014, 2015, and 2016
Total Economic Impact	The total economic impact of an NHA includes the direct, indirect, and induced impact generated in the economy as a result of the institution's presence.
Direct Economic Impact	<p>Direct impact includes items such as operational spending, spending by visitors to the NHA, and grantmaking/capital expenditures.</p> <p>For example, the economic impact of visitors to NHAs is the primary source of economic benefit to the regions in which NHAs operate. The direct consequence of travel expenditures become business receipts which in turn are used to pay wages and salaries and taxes.</p>
Indirect Economic Impact	<p>Indirect impact, also known as the multiplier effect, includes the re-spending of dollars within the local economy by vendors and suppliers.</p> <p>For example, indirect impacts are related to local businesses spending part of their receipts on goods and services they require to serve customers, including investment in new equipment and structures. In turn, their suppliers must purchase certain items from others. This is the multiplier effect of economic activity attributed to visitor spending to NHAs. Each level of impact creates salaries, employment, and tax revenues.</p>
Induced Economic Impact	Induced impact measures the effects of the changes in household income. For example, this impact includes the household spending of the wage and salary income generated by the visitors to the NHA. Induced effects refer to money recirculated through the economy as a result of household spending patterns generating further economic activity.
Direct Employment	Total number of jobs created in the economy as a result of operations, tourist spending and grantmaking activities.
Indirect Employment	Indirect employment is the additional jobs created as a result of the institution's economic impact. Local companies that provide goods and services to an institution increase their number of employees as purchasing increases, thus creating an employment multiplier.
Multiplier Effect	The multiplier effect is the additional economic impact created as a result of the NHA's direct economic impact. Local companies that provide goods and services to an institution increase their purchasing by creating a multiplier. Multipliers in this study are derived through IMPLAN.
Government Revenue Impact	Government revenue that is collected by governmental units in addition to those paid directly by an institution, including taxes paid directly by employees of the institution, visitors to the institution and vendors who sell products to the institution.

APPENDIX B: RESEARCH METHODOLOGY

The study and analysis within utilizes recommendations from previous research to establish a procedure and baseline analysis of how NHAs impact the economy. The research protocol established utilizes existing NHA data collection processes to streamline efforts required by an NHA to complete the analysis.

The estimates made in this analysis are intentionally conservative as not to inflate the results. In fact, the estimates are conservative in that many types of visitor spending are not counted due to limitations of data collection and trip purpose. In most cases, visitor counts and trip purpose are not quantified with existing data sources. All sites utilized visitor counts prepared for the National Park Service, with a majority relying on partners and visitor counts from the primary attractions and visitor centers in their area.

A three-year average of visitor counts to the NHA regions was utilized to provide a data-driven estimate of the annual number of visitors and accounts for spikes in visitor activity that can occur due to special circumstances. The final visitor impact estimates are substantial and demonstrate the importance of heritage tourism to a local economy. We must be aware that within economic analysis, the results are dependent on the data sources utilized to conduct the analysis.⁸ Day visitors were more likely to make the trip specifically to visit the heritage area attraction than visitors on overnight trips. The report identifies these limitations and the effect they have on the analysis. Collecting visitor data is a challenge to the existing resources of NHAs. Approximations of visit data for different facilities may not be completely consistent and vary considerably. As with all economic impact assessments, data utilized and estimates should be viewed as estimates based on the best information presently available.

Tripp Umbach based visitor and general tourist spending patterns on National Park Visitor Spending estimates established in 2015.⁹ The use of a secondary source provides the analysis with a research-based assumption that can be readily duplicated in future years for additional impact studies.

The bulk of economic activity supported by NHAs is accounted by the spending of visitors to NHAs. The type of visitor can be segmented into specific groups consistent with those identified in previous impact studies conducted for the NPS. The segments identified as NHA visitors were local day-trip, non-local day-trip, and overnight hotel/motel guests. This analysis utilizes the

⁸ In most cases, we lack a clear definition of which visitors to the destination should be considered “heritage area visitors” and there are questions about the accuracy and consistency of visitation statistics reported by some facilities. In a previous study, Stynes et. al. research identified that on average, 57% of visitors to an NHA reported that one or more of the attractions in the heritage area was the primary purpose of their trip.

⁹ Thomas, Catherine C. and Lynne Koontz. 2015 National Park Visitor Spending Effects: Economic Contributions to Local Communities, States, and the Nation. April 2016.

spending patterns of these three distinct NHA visitor segments. Visitor spending estimates rely on reported visitors to each NHA, followed by breaking down visits into segments with distinct spending patterns and applying spending averages based on existing spending trends.

ECONOMIC ANALYSIS PROCESS

Tripp Umbach's methodology for calculating NHA economic benefits may be utilized for other NHA sites. The intention to develop a protocol requiring minimal resources from NHAs was balanced with the development of a protocol that could be replicated with a basic understanding of economic impact input-output analysis, the data collection process, IMPLAN software, and the purchase of IMPLAN data specific to the geographic footprint of the NHA site. The data collection process primarily consists of data points aggregated by NHAs for their Annual Performance Measure Survey, completed annually for the National Park Service. Additional information regarding the use and purchase of IMPLAN3 software is available through MIG, Inc.¹⁰

It is helpful to think of an input-output model such as IMPLAN as an economic exercise, based on the collection of known data source variables then inputted into the model to simulate how a change in a sector of the economy affects the overall conditions of the economy. An input-output model can simulate the ripple effects of a given sector on the entire economy. The data collection process provides the direct spending effects of a particular sector attributable to the NHA. The model simulates the indirect effects and the induced effects. Summing the direct, indirect, and induced effects provides a reasonable estimate for the impact that a certain sector has on the entire economy.

For example, the economic impact of visitors to NHAs is the primary source of economic benefit to the regions which NHA operates. The **direct** consequence of travel expenditures become business receipts which in turn are used to pay wages and salaries and taxes.¹¹

Indirect or secondary benefits are attributed to local businesses spending part of their receipts on goods and services they require to serve customers, including investment in new equipment and structures. In turn, their suppliers must purchase certain items from others. This is the ripple effect of economic activity attributed to visitor spending to NHAs. Each level of impact creates salaries, employment, and tax revenues.

The other type of secondary benefit is **induced**. This benefit accounts for the consumption spending of the wage and salary income directly generated by the visitors to the NHA. Induced

¹⁰ The analysis requires the use of IMPLAN3 software and geographic data representative of the NHAs local and state region. Additional information on IMPLAN can be found at <http://implan.com>.

¹¹ The analysis does not quantify the direct costs such as visitors utilizing a recreation area that requires expenditures to repair or maintain.

effects refer to money recirculated through the spending patterns of households causing further local economic activity.

For each case study site, the “Top Employment Sectors” table illustrates the sectors with the largest number of jobs (includes direct, indirect, and induced jobs) supported by the NHA. Industries such as food services, hotels, and retail stores represent the largest number of jobs attributable to NHAs, while the ripple effect illustrates that jobs in real estate, healthcare, and other indirect industry sectors also support jobs indirectly attributable to the NHA.

The step-by-step process illustrates the economic impact modeling process.

Step One – Data Collection

The economic impact analysis is quantified from available data sources. NHA sites are asked to complete the data collection form developed by Tripp Umbach. All data points are described within the data collection form. These include visitation numbers, operating expenditures, the number of NHA employees, funding from NHAs specific to capital and construction activities, funding from NHAs for educational and support grants, plus any additional public or private matching dollars associated with the NHA grant. The annual amounts for the three most recent years are inputted and an average of those three years is calculated within the data collection form.

Step Two – Visitation inputs

Visitor expenditures are best viewed as the initial monetary activity that stimulates the production process and initiates realistic measurement of economic benefit or impact. Estimating visitors is perhaps the greatest challenge that NHAs face when developing annual counts. They depend primarily on the working relationships and partnerships that they share among partners, sites, and attractions within their areas to calculate visitor estimates.

Visitor economic impact typically requires three basic inputs: (1) the number and types of visitors, (2) visitor spending patterns, and (3) local economic ratios and multipliers. Multipliers for this analysis were obtained from IMPLAN databases, geographically focused for regions around heritage areas and the state economies.

Annual visitation averages are applied to three specific visitor segments approximated from national NPS visitor information data.¹² The segments identified within qualitative interviews with NHA site directors and stakeholders as the most likely visitors to NHAs are local day, non-

¹² Thomas, Catherine C. and Lynne Koontz. 2015 National Park Visitor Spending Effects: Economic Contributions to Local Communities, States, and the Nation. April 2016.

local day, and overnight visitors. The percentage of the overall visitors and their respective segments are represented in the following table (See Table 10).

TABLE 10. VISITOR SPENDING BY SEGMENT

Visitor Segment	% of Total Visitation	Average Daily Spending
Local Day	19%	\$41.52
Non-Local Day	41%	\$65.70
Overnight	40%	\$238.22

Each of the visitor segments spends varying amounts of money while visiting the NHA region. The spending estimates of these groups are then applied to spending averages from the 2015 National Park Service (NPS) spending study.¹³ The ratio of visitors and spending averages are then calculated to provide total spending estimates for each segment and for each specific type of spending associated with visitation and tourism (See Table 11).¹⁴

TABLE 11. SPENDING ESTIMATES BY VISITOR TYPE

Visitor Segment	Motel, hotel, B&B	Camping fees	Restaurants & Bars	Amusements	Groceries	Gas & Oil	Local transportation	Retail Purchases
Local day-trip spending allocation	0.0%	0.0%	31.6%	11.3%	15.0%	21.4%	1.6%	19.1%
Non-local day-trip spending allocation	0.0%	0.0%	28.2%	13.5%	10.1%	26.8%	2.6%	18.7%
Overnight spending allocation	42.7%	0.9%	24.2%	6.2%	4.4%	9.5%	2.7%	9.4%

Each spending category has an associated IMPLAN code for which it is related to within the IMPLAN software (See Table 12).

Once the spending amounts are calculated for each visitor segment and spending type, the next step is entering the spending amounts into the IMPLAN software. Each visitor segment, local day, non-local, and overnight visitors are created as a unique event within the IMPLAN model.

¹³ Ibid.

¹⁴ The analysis acknowledges the possibility of average spending variance through the utilization of average spending derived from consumer choices, estimates, and average visitor counts.

TABLE 12. SPENDING ESTIMATES BY SECTOR TYPE

IMPLAN Sector	Sector Name	Spending Type
400	Retail – Food and beverage stores	Groceries
402	Retail – Gasoline stores	Gas & Oil
406	Retail – Miscellaneous store retailers	Retail Purchases
412	Transit and ground passenger transportation	Local transportation
496	Other amusement and recreation industries	Amusements
499	Hotels and motels, including casino hotels	Motel, hotel, B&B
500	Other accommodations	Camping fees
501/502	Full-service restaurants/ Limited-service restaurants	Restaurants & bars

Economic impact measures attempt to estimate the likely losses in economic activity to the region in the absence of the heritage site. Should the heritage area and its partners not be available, it is assumed that local residents would spend the money on other local activities, while visitors from outside the region would not have made a trip to the region. Based on visitors sampled at heritage areas, approximately two-thirds of the associated economic impacts would be lost to the regions in the absence of the heritage attractions. The largest impacts result from overnight visitors staying in local lodging establishments. Local resident spending is included in the economic benefits measures, as this captures all economic activity associated with heritage area visits, including local and non-local visitors. Spending by local residents on visits to heritage areas does not represent new money to the region.¹⁵

Step Three – Operational Impacts

The operational impacts of NHAs are estimated from the operational expenditures of the NHA and total number of direct jobs employed by the NHA. Total jobs include full-time and part-time employees. Operational expenditures also may be calculated by entering the actual expenditures of the organization over the annual time period. Again, a three-year average is utilized to eliminate drastic variations (cuts or increases) to annual spending amounts. The employment or spending is entered into the IMPLAN model within Sector 493 – Museums, historical sites, zoos, and parks.

The economic analysis completed for the operational impact analysis uses actual expenditures and NHA employment to drive estimates of employment, income, and tax revenue. Operational impacts refer to the day-to-day management, coordination, and activities executed by the NHA

¹⁵ The economic effect of NHAs is an overall contribution to their regional economies. Though local visitor spending is not considered within a marginal analysis due to the fact local residents have choices on where they spend their money within the region, in a contribution sense, residents of the local area do make choices to spend money in the local NHA region due to the NHAs mission fulfillment of preservation and education. In a contribution sense, this economic effect does benefit the regional economy.

and its staff. It refers to the impact of “doing business” as a non-profit organization that promotes history, culture, and recreation in the region.

Step Four – Grant Funding and Support

NHA-funded grants to regional partners and associated revenue “matches” from regional organizations are tracked by each NHA site annually. Grant funding is calculated in the economic impact model as Sector 514 – Grantmaking, giving, and social advocacy. NHA-secured federal and state funding in the form of grantmaking to specific sites within the region primarily allows for the creation and development projects and initiatives that further add to the historic, cultural, and recreational offerings of the NHA region.

Step Five – Capital Specific Funding

Capital-specific funding is calculated separately. Funding for a specific construction or capital improvement project is assigned as a unique event within the IMPLAN software, categorized under IMPLAN code 58 - Construction of non-residential structures. Additional grant funding focused on capital and construction development also includes the educational mission of NHAs and the role that the staff has in serving as catalysts for economic development opportunities in the regions which they operate.

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