



Chapter 3. RECREATION MEANS BUSINESS

Parks, open space, trails and recreational opportunities are important community amenities that help to spur economic development. From home owners choosing to live along a trail to tourists who choose their destinations based on the availability of recreation, the Town of Snowmass Village's parks, trails and recreation center are important community facilities that attract both people and dollars. The economic effects of

these assets are sometimes readily apparent (as in the case of trailside businesses) and are sometimes more subtle, like when a company decides to move to a particular community because of recreational amenities, but mounting new evidence shows an almost universal positive connection between well-designed parks, trails, and recreation facilities and important economic development indicators.

Why recreation? Because:

- Recreation improves quality of life and supports the TOSV lifestyle
- Recreation contributes to tourism and economic development
- Recreation increases tax revenues
- Recreation increases property values and make homes easier to sell
- Recreation attracts residents, businesses and a high-quality workforce

Tourism-Oriented Recreation Opportunities Assessment

Snowmass Tourism is a Town Department and acts as the official Destination Marketing Organization (DMO) for the Town, with a mission “to support the town’s economy through activities, events and programs that attract visitors and the associated spending.” As the Town has acknowledged, tourism is the basis of the Snowmass Village economy. The tourism industry is Snowmass Village’s largest employer, providing more than half the jobs in the town, and that industry is largely based upon recreation (U.S. Department of Commerce, 2015). Parks, trails, and the access to the outdoors and nature they provide, are a large factor in the decision for tourists to visit Snowmass Village. As demonstrated in the 2014 Snowmass Summer Visitor study, all of the top 6 reasons for visiting Snowmass Village are related, at least in part, to the parks, trails, and recreational amenities provided by the Town’s Parks, Trails and Recreation Department. These reasons include:

- 1) **Scenic Beauty**, which is enhanced and preserved by the Town’s parks and open space program.
- 2) **Mountain Getaway**. The mountain resort lifestyle Snowmass Village is known for is supported by the trails and recreation opportunities provided here.
- 3) **Arts, Music and Cultural Activities**, many of which take place on the Town’s park lands, such as the Jazz Aspen Snowmass Festival.
- 4) **Rest and Relaxation**. The Town’s parks, trails and open spaces help support a world class destination for rest and relaxation.
- 5) **Recreational or Sports Activities**. Clearly directly related to the Town’s provision of these activities through the Parks, Trails and Recreation Department.
- 6) **Special Events**, again many of which take place on the Town’s park lands.

While winter primarily focuses on the skiing product, the Town markets the community in the summer largely based on recreation offerings that are provided by Aspen Skiing Company, other providers, and the Parks, Trails and Recreation Department including sports and recreation activities like mountain biking (Bike Snowmass), hiking, rock climbing and kids camps. Many events promoted by the Town also utilize the department’s resources, such as the Ragnar Trail Race. The Town also partners with Aspen Skiing Company on the “Bike Snowmass” initiative to promote Snowmass as an international bicycle destination. The summer initiative was originally created to showcase the biking improvements in Snowmass, but has since been expanded to promote various mountain bike races and promotions throughout the summer. The Town Parks, Trails, and Recreation Department has also contributed to this effort and could play a bigger role in helping to develop Snowmass as a world-class bicycle destination moving forward.



DEVELOPING TOURISM-ORIENTED RECREATION OPPORTUNITIES

The strategic framework for this POSTR Plan seeks to fully consider the tourism-oriented recreation opportunities for the Town that could attract visitors in concert with satisfying the recreation needs of local residents. As a mountain community, Snowmass exists within a larger mountain tourism destination, encompassing Aspen and the wider Roaring Fork Valley. Aspen Skiing Company's resorts, originally conceived as venues for skiing, have evolved over time



to become epicenters for year-round recreation. The communities have also evolved, resulting in increased full-time residency in the region as well as second home ownership and annual visitation. . The Town's parks, recreation and trails offerings have also evolved over time and are now an important component of the overall tourism destination of Snowmass and the Roaring Fork Valley.

Snowmass Village has an effective population that is much larger than simply its year-round residents. Each group, and the varying demographics within each group, have a wide range of recreational needs, and the numerous activities, programs and events offered throughout the region will appeal to different audiences. The Town has already carved out a niche for itself in the regional economy. Snowmass offers a more rural lifestyle and aesthetic among some of the world's best recreational opportunities and scenic vistas. This POSTR Plan seeks to build upon that identity to provide unique opportunities for new recreational development.

Snowmass Village strives to provide outstanding parks, open space, trails and recreation to its residents, first and foremost. Parks and recreation can also draw visitors into a community, for specific activities and events that cost money to participate in, or for

activities that are free but encourage people to spend time in-town at restaurants and shops. The Town also realizes the potential economic development benefits that may come from drawing in visitors, and that those benefits can help offset the cost of providing resources and facilities to locals. The goal is to have Snowmass Village's parks, open space and trails provide an outstanding recreation resource for its residents as well as attract visitors to the region.

The process of identifying tourism-oriented recreational opportunities within the Town's parks, open space and trails, involves an evaluation of a number of interconnected factors. These factors are listed below:

- Residents and Stakeholders: The Town must first and foremost provide outstanding parks, open space and trails to its residents. To do this, it is critical to understand the needs, desires and concerns of the local community.
- The Recreation Marketplace: This includes understanding the population volumes and demographics of residents and visitors, as well as what is already being offered throughout the Roaring Fork Valley that would appeal to the various user groups.

- Positioning and Brand Identity: In a competitive environment all players strive to present an experience that differentiates them within the marketplace. All opportunities must in some way reflect what makes Snowmass Village different and unique within the Valley.
- Land Use Considerations: Future opportunities must exist within the context of Snowmass Village. This requires an understanding of the Town's existing and future parks, open space, trails and recreation, but also circulation and land use patterns, and the community's vision and goals for future development.
- Economic Impacts: Future opportunities must consider the balance between capital costs, community value, and revenue opportunity. This includes a realistic evaluation of visitation potential.

Economic Case Studies

As mentioned previously, the Town's recreational assets make up a small part of the overall world-class recreational environment of the Roaring Fork Valley that includes the Aspen-Snowmass resorts as well as public recreation opportunities on other municipal, BLM and USFS lands. This overall recreational environment is a primary draw for tourism and visitation in the region. Economic impact analyses of the Rim Bike Trail, the JAS Event, and the Snowmass Doubles Volleyball Tournament have been conducted as part of the POSTR plan to better understand the economic implications of recreational development that both serves locals needs and draws in visitors and to ensure these assets are properly leveraged for the greatest benefit to the community.

WHY CONDUCT AN ECONOMIC IMPACT ANALYSIS?

While *economic impact* analyses have been widely used in the fields of economic development and tourism, the tradition in parks and recreation planning has always been to provide *financial reports* for an agency's projects and operations. The difference between these two reporting methods is significant, and illustrates a fundamental divide between the way recreational and tourism assets are being considered and developed in many communities around the country. Financial reports focus on capital and operational costs compared against the revenues generated by the recreation agency, while economic impact analyses consider these same costs and benefits while also acknowledging the role these resources play in drawing additional visitors and tourism revenues into the broader community.

While the same holds true for parks and recreation facilities, trails are a perfect example of how financial reporting fails to capture the true benefits of a recreational resource. Trail development and maintenance can be costly, and often trail user fees are minimal (they can often be higher for Recreation Centers, etc.). As a result, financial reports often show trails as relatively high-cost centers in communities' annual budgets because operational costs generally exceed revenues. However, trails are absolutely critical attractors for tourists and can be a powerful tool for economic development, especially in mountain communities like Snowmass Village. While the recreation agency often receives little or no direct revenue from trail users, the local economy benefits immensely from bringing these new visitors into the community. Trail users may not always pay to be on the trail, but they typically buy goods, gas, food, and

lodging. It is this visitor spending that is tracked in an economic impact analysis.

To better understand the role recreational resources play in the economic fabric of the Snowmass Village, an *economic analysis* of the Rim Trail, the JAS Event, and the Snowmass Doubles Volleyball Tournament was conducted as part of this POSTR planning process. A *financial model* considering the costs and revenues of the total existing and proposed POSTR system was also generated in this process. These financial and economic analyses provide insight into the implementation and phasing strategies, and can greatly increase the competitiveness of projects for grants and other funding opportunities by demonstrating the immense return on investment these projects can provide.

ECONOMIC IMPACTS

A computer-based model—the Money Generation Model (MGM2)—was used to project the economic impact of the Rim Trail, the JAS Event, and the Snowmass Doubles Volleyball Tournament. MGM2 is a broadly accepted model that was developed by the National Park Service and is used to analyze the economic impact of all 58 National Parks, as well as hundreds of other local parks and recreation facilities across the country. The model demonstrates the immense value of recreation as an economic engine in Snowmass Village, by estimating the economic impact of spending associated with trail use on the Rim Trail and visitation to the two events in terms of changes in jobs, tax impacts, and sales (gross regional product).

Economic modeling requires the estimation of annual trail traffic volume, event attendance, and visitor spending in order to simulate the effect of these activities on the economy. While economic modeling utilizes observed industry interdependencies calibrated

to the local and regional economy of the Roaring Fork Valley, the results of any economic model are only as accurate as the data used to describe the modeled activity (i.e., trail use and event attendance). Therefore, certain estimations and assumptions related to these trails and events were made.

First, annual trail traffic volume was estimated using data collected by the Town using TrafX automated trail counters. The trail counter was placed on the Rim Trail between July and August 2015. Counts from this period were used to extrapolate an estimate of annual trail traffic volume following the extrapolation methodology of the National Bicycle and Pedestrian Documentation Project (NBPD). Event attendance was supplied by the Town and Snowmass Tourism documents.

Second, an assumption of trail traffic volume and event attendance by user type (Local/Day User and Non-Local Overnight User) is necessary for this analysis because, on average, these user types

spend significantly different amounts in connection with their trail visits and event attendance. While some economic analyses consider spending by both locals and visitors, to provide the most conservative estimates—and to ensure all economic impact figures consider only “new money” being brought into the local RFV economy—only spending by visitors was considered in this analysis. Based on input from the Town, 30 percent of Rim Trail users are estimated to be non-local visitors to the region and 85 percent of both JAS and Snowmass Double attendees are estimated to be non-local visitors.

Finally, Visitor Spending Profiles must be estimated for non-local visitors. For visitor spending this analysis utilized the average per capita daily expenditures calculated by RRC Associates for the 2014 Snowmass Village Summer Visitor Study. The Visitor Study was commissioned by Snowmass Tourism with the objective of providing information on tourism in Snowmass Village and represents the best estimate of tourism spending in the community.

The spending profile of the typical Snowmass Village visitor is presented below. Visitor’s largest spending category is lodging, followed by restaurants and bars, entertainment/amusement, and then shopping/retail.

With reasonable estimates of annual trail traffic volume and event attendance, traffic/attendance by user type, and visitor spending profiles, the MGM2 model can be completed and run. The model utilizes input-output modeling and industry relationship data from the US Census to estimate total economic impacts. Purchases for final use (i.e. trail user and event attendee spending) drive the model. Industries that produce goods and services for visitor consumption must purchase products, raw materials, and services from other companies to create their product. These vendors must also procure goods and services. This cycle continues until all the money is leaked from the region’s economy. There are three types of effects measured within an MGM2 model: the direct, the indirect, and the induced effects. The direct effect is the known or predicted change in the local economy that is to be studied (i.e. the visitor spending). The indirect effect is the business to business transactions required to satisfy the direct effect. Finally, the induced effect is derived from local spending on goods and services by people working to satisfy the direct and indirect effects. Total impacts reflect the total changes to the economy as the result of trail user spending (i.e. Direct effects + Indirect effects + Induced effects = Total Impacts).

In this analysis, jobs are discussed as “Full-Time-Equivalents” (FTEs). An employment position may be a year-round or seasonal job and either full-time or part-time, whereas one FTE provides sufficient work to keep one person employed full-time for one year. In seasonal industries, one FTE may represent several employment positions. It is important to note

Spending Category	Visitors
Lodging	\$103
Restaurants/bars/food concessionaires	\$49
Entertainment/amusement	\$38
Shopping/retail purchases	\$37
Recreation	\$11
Local transportation	\$10
Other (spa, incidentals, etc.)	\$7
Sightseeing	\$6
Total	\$261

that job creation estimates do not necessarily translate to any single job at a local business. Rather, visitor spending supports fractions of jobs at many hundreds of businesses in the RFV. For example, very few employment positions are likely created to deal only with the JAS event, but the event does support fractions of many hundreds of employees working at hotels, restaurants, etc. which when combined add up to full FTEs.

While this analysis demonstrates the spending associated with visitors using the Rim Trail or attending the JAS and Snowmass Doubles events, it is important to note that the availability of the Rim Trail or the two events are likely only part of the reason these visitors decided to come to the RFV. They may have chosen to visit the valley absent of the trail or the events, but the availability of such activities and opportunities likely contributed to drawing these visitors to the region.

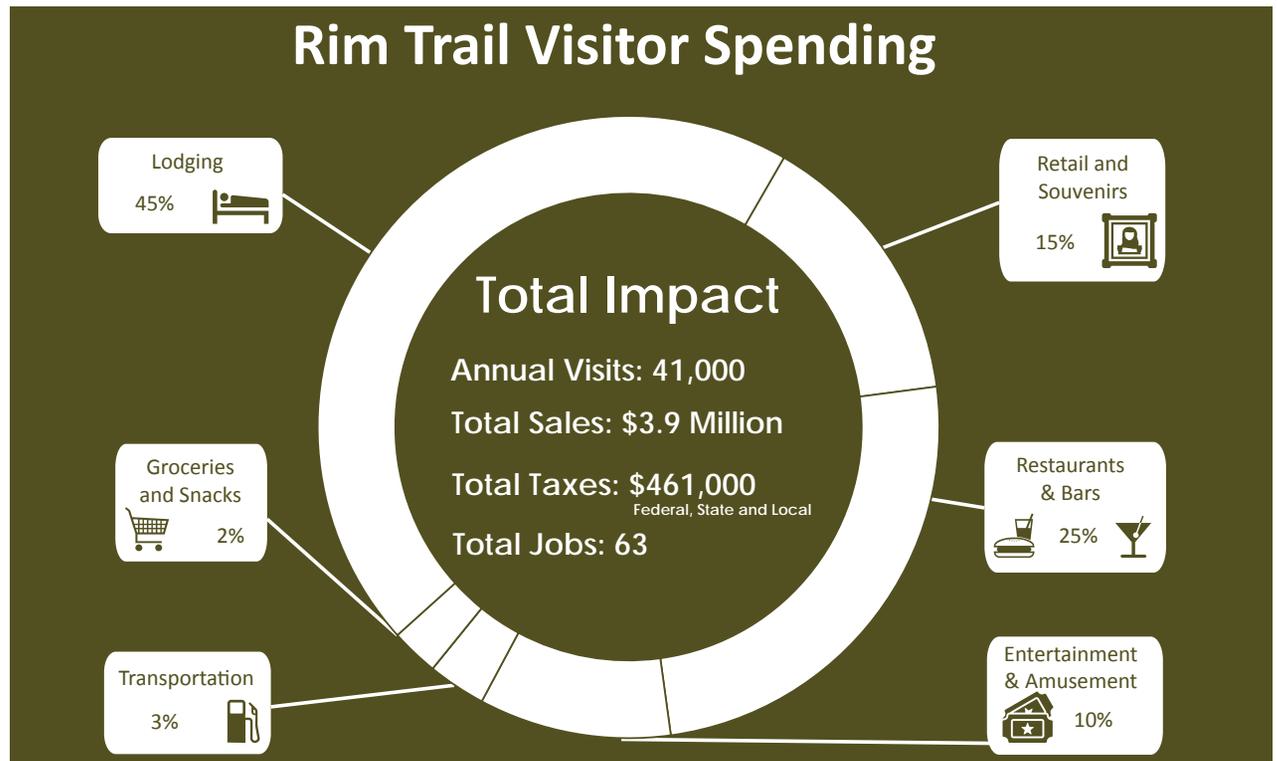


Economic Impact of the Rim Trail

The Parks, Trails and Recreation Department utilizes TrafX automated trail counters to understand the traffic volume of trails within the POSTR system. In 2015, the Rim Trail, including both the north and south sections, is estimated to have an annual trail traffic volume of approximately 41,000 trail visits. For the purposes of this analysis, 30% of trail visits were allocated to visitors, estimating about 12,300 visitor days.

The *economic analysis* of the Rim Trail demonstrates the powerful role trails play in the economic fabric of Snowmass Village. Visitor spending associated with the Rim Trail generates approximately \$2.9 million

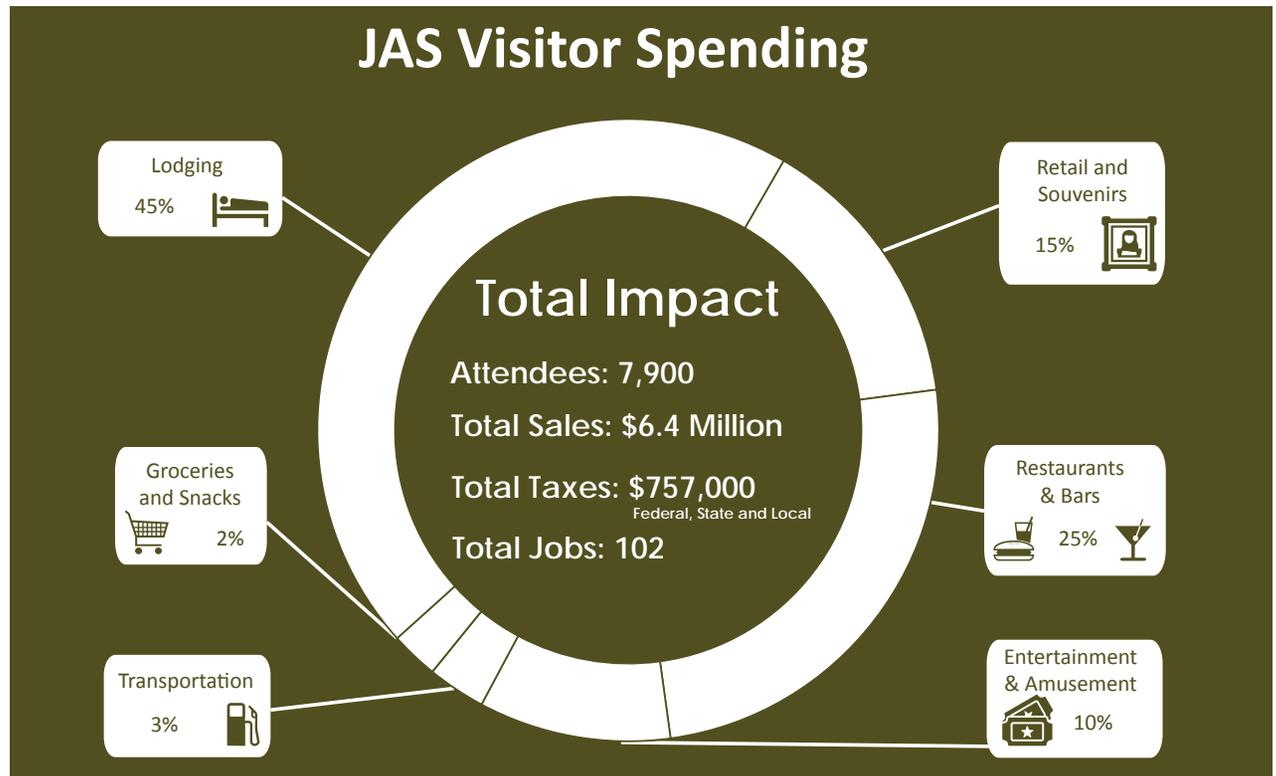
in direct sales and supports 53 FTEs each year. With an estimated multiplier of approximately 1.34, this direct impact then creates approximately \$3.9 million in total sales, supports 63 total FTEs, and generates approximately \$461,000 in federal, state and local taxes. This total impact includes direct, indirect and induced impacts.



Economic Impact of Jazz Aspen Snowmass Event

The Labor Day Experience of the JAS Jazz Aspen Snowmass event takes place at Town Park and hosts three days of world-class performances on multiple stages, with eclectic food and beverages, vendors and more. JAS has been running for 25 years and is a staple of the summer events in the region. Snowmass Tourism tracks the number of attendees to the JAS Labor Day Experience, and reports approximately 23,700 attendees over the three day event in 2015 (as the model is based on daily spending profiles we are interested in “visitor-days” rather than the 7,900 “unique visitors”). Based on data from Snowmass Tourism, 85% of these attendees are assumed to be visitors.

The *economic analysis* of this event helps to demonstrate the immense role that large events such as JAS play in the local economy of the region. Visitor spending associated with JAS generates approximately \$4.7 million in direct sales and supports 86 FTEs each year. With an estimated multiplier of approximately 1.34, this direct impact then creates approximately \$6.4 million in total sales, supports 102 total FTEs, and generates approximately \$757,000 in federal, state and local taxes. This total impact includes direct, indirect and induced impacts. . Albeit the largest, this is only one of the events that take place on park lands managed by the Town. To provide a frame of reference, a smaller event – the Snowmass Doubles Volleyball Tournament – has also been modeled.



Economic Impact of Snowmass Doubles Volleyball Tournament

The Snowmass Doubles Volleyball Tournament is in its third year and generally takes place in July. It offers men’s, women’s and coed teams in sand and grass divisions with an AVP Huntington Beach slot open to the top men and women’s teams. Currently limited to 270 teams, Snowmass Doubles is termed a “boutique” mountain tourney. Snowmass Tourism tracks the number of attendees to Snowmass Doubles, and reports approximately 400 attendees (1,200 visitor days) in 2015. Based on estimates from the Department, 85% of these attendees as assumed to be visitors.

The *economic analysis* of this event helps to demonstrate the smaller, but important role that minor events such as Snowmass Doubles play in the local economy of the region. Visitor spending associated with Snowmass Doubles generates approximately \$242,000 in direct sales and supports 4 FTEs each year. With an estimated multiplier of approximately 1.34, this direct impact then creates approximately \$324,000 in total sales, supports 5 total FTEs, and generates approximately \$38,000 in federal, state and local taxes. This total impact includes direct, indirect and induced impacts.. This impact demonstrates that even small events can have a big effect on the economy of the region.

