



Economic Development Report

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WINTER TOURISM AND LAND DEVELOPMENT IN GUNNISON, COLORADO: EXECUTIVE SUMMARY ¹

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- *Tourism directly accounts for 1/3 of the Gunnison County economy and 40% of the job base*
- *Gunnison's public open space and private working landscapes contribute to the quality of winter tourism experience*
- *Wholesale conversion of local ranch lands to tourism infrastructure and second homes may reduce winter tourism by as much as 40%*
- *The impact of such a change could reach \$14 million and 350 jobs per year*

Overview

Current Gunnison County landowners and leaders face a decision regarding the potentially irreversible intensification of private land use in the county. At the crux of the issue is whether the private decision to convert agricultural lands into higher intensity land uses and built infrastructure is in the best interests of the county at large. Whether more tourism services at the loss of working farms and ranches and a more open landscape would result in more or less economic development and an improved or deteriorated quality of life in Gunnison County remains a central and open question.

The purpose of this study is to measure the economic benefit of ranch open space to winter tourism. Ranching and ranch lands clearly and directly contribute to demand for Gunnison County vacations in the summer, but it is somewhat less clear what contribution the county's working landscapes provide for winter ski tourists. Winter tourists do not often directly use private farm and ranch lands. But private lands may provide important winter habitat for wildlife that tourists value for passive use (viewing) or existence value, may contribute to the overall atmosphere in the Gunnison Valley, and may provide a desirable viewscape that is attractive (adds value) to the winter tourism experience.

Our approach is two-fold: First, visitors reveal their preferences for winter tourism in Gunnison County through expenditure behavior observed in actual visits and the travel costs associated with these visits; In addition, visitors to Gunnison County are asked to state their preferences and intention to pay to vacation in Gunnison County contingent on changes in the quality and quantity of extant ranch landscape.

Data Collection Methods

All data were collected via written surveys. The final survey consisted of four sections: 1) Features of Gunnison County that may attract visitors; 2) Actual

¹ The full study report (EDR 04-09) can be found at <http://dare.agsci.colostate.edu/pubs> under Economic Development.

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participation in outdoor recreation activities, trip expenditures and travel group characteristics; 3) Predicted response to potential changes in the Gunnison County landscape; And 4) demographic information.

Surveys were completed in and around the towns of Gunnison, Crested Butte, and Mount Crested Butte, Colorado. The overwhelming majority of surveys were completed on the premises of the Crested Butte Mountain Resort located in Mt. Crested Butte, CO. The surveys were conducted by personal interview by Colorado State University graduate students and Western State College undergraduate students between March 9, 2003 and March 15, 2003. The survey can be classified as a stratified random sample—it represents a random group, from all socioeconomic classes and it excludes Gunnison County residents.

Respondent's willingness to pay for Gunnison County vacations contingent on rising travel costs was then computed. Respondents were asked whether they would still vacation in Gunnison County if their travel costs increased by a specified amount of money and bid amounts were randomized throughout the entire survey population. Respondent's willingness to visit Gunnison County contingent on higher percentages of developed ranch land was also obtained by asking whether the respondent would still visit, knowing that there was less ranch open space. Visitors were asked if they would still visit if 25%, 50%, 75%, or all ranch lands were converted to higher density residential and commercial development and by how many days they would change their visit.

Results

- There are two intriguing demographic facts about the sample: 74.6% of respondents completed a four-year college degree or higher; and 51.7% of respondents earn over \$100,000 annually.
- Features of the natural landscape are the most important criteria in the choice of Gunnison County for a vacation destination. Tourism infrastructure features rank second in importance, followed by social and cultural aspects of Gunnison County and farm and ranch attributes of the landscape.
- In our sample, 91.7% of respondents participated in alpine skiing or snowboarding, 41.8% participated in sightseeing/photography, 29.3% drove for pleasure, 23.7% hiked, and 20.7% viewed wildlife on their Gunnison County vacation, all of which are dependent on the scenic beauty of the area whether on public or private land.

- Tourists spent an average of \$1550 on their vacation in within Gunnison County, but a substantially lower median of \$1250. A sum of just under \$500,000 was spent in Gunnison County by our sample of 313 respondents. A majority (59%) of those surveyed spent a mean of \$825 on lodging in Gunnison County; this means that most Gunnison County visitors are destination tourists. A large proportion (80%) of people surveyed spent money on ski passes during their time in Gunnison County with a mean response of \$340. Answers ranged from \$39 for the single, one-day user, to \$2000 for the family that stayed for the week. Many visitors (81%) visited restaurants and bars while in Gunnison County, spending a mean amount of \$313.
- Total travel expenditures had a mean of just under \$2,000 and a median of \$1,600. A majority (61%) of respondents spent a mean amount of \$121 on gasoline and other auto-related expenses. Approximately one-third (30%) of respondents chose airlines as their preferred mode of travel, spending a mean of \$880 and a median of \$600 on airline tickets, implying Gunnison County attracts people from just across county lines to people from across oceans.
- The mean time spent in Gunnison County is 5.47 days. The mean one-way travel time to Gunnison County is 11.8 hours in transit. The mean one-way travel distance to Gunnison County is 1085.5 miles and approximately 66% of visitors to Gunnison County comes from within 1000-1200 miles away. The mean response for the distance to the next best recreation area if Gunnison County were not available is 508.9 miles.
- Asked if all Gunnison farms and ranches were converted to higher density development (condos, resorts, etc.) would affect future visits, more than half (58.4%) say they would decrease their visits to Gunnison County. Essentially, nearly 60% of respondents would not come to Gunnison County if all farm and ranch lands were developed. Nearly 4 out of 10 (39.5%) say the development would have no impact on their visitation, and a small minority (2.1%) would be attracted to such changes.
- Respondents were sensitive to the degree of ranch land conversion. A majority (54.3%) chose the most sensitive ranchland conversion option (25%) to begin to change their visitation choice. The overwhelming majority (97.2%) indicating that their choice of Gunnison County for their winter recreation experience is highly sensitive to its current, relatively undeveloped and open, rural and agricultural characteristics.

- Our survey indicates that the decline in open space will lead to a 42% decrease in skier days to Crested Butte Mountain Resort, from a level of 342,416 to 197,913, a loss of 144,503 total skier days.
- Average spending per skier day are found in the following categories: Eating and Drinking Establishments (\$3.67), Food Stores (\$5.95), Amusement and Recreation Services (\$40.99) (includes ski lift tickets, snowmobile outfitters, etc.), Gas/Service Stations (\$2.55), Hotels and Lodging (\$15.35), and Miscellaneous Retail Merchandise (\$4.00).
- The output multipliers for most of the directly affected industries range between 1.2 and 1.4, which indicates that \$200,000-\$400,000 in additional income is lost in Gunnison County for each million dollars of direct export sales.
- The direct estimated loss to the Gunnison County economy due to the conversion of ranch working landscapes to tourism infrastructure or second homes due to the predicted loss in skier days is \$10.5 million. Including multipliers, the total anticipated economic loss is about \$14.6 million.
- The employment estimated employment loss that will result from the open space development is estimated to be between 350 jobs.
- Almost 2/3 of the adverse economic impact will be felt in the Amusement and Recreation services sector, Hotels and Lodging places and in the Food stores sector.

Conclusion

The purpose of this study is to investigate whether winter tourists value ranch open space even if they do not directly use it for recreation. The econometric results show that winter tourists do value private ranch lands, even in the presence of substantial public open space, and that they would decrease their visitation were all ranch open space converted to residential and commercial tourism infrastructure. This decrease in visitation is shown to have substantial and potentially serious impacts that span across the much of the Gunnison County local economy. Our estimates indicate that this effect is on the order of \$14.5 million and 350 jobs per year.

It is important for a rural area with a wealth of natural amenities, like Gunnison County, to understand the

potential economic and ecological tradeoffs between preservation and development when evaluating how to address community objectives with regard to economic development and welfare. In many cases, the tradeoff in question is not “jobs OR the environment,” rather it is “jobs AND the environment.” The natural landscape is a major factor that draws both residents and visitors, and therefore exports, to Gunnison County, and it is imperative to discover how to find an amicable solution among the potentially competing land uses. Economic information such as is provided in this study can help to inform local decision making regarding the potential implications of their public and private land use decisions and development strategies.

It should be clarified that this analysis reflects the anticipated changes in visitation to Gunnison County due to a change in open space given the current profile of visitors. The analysis does not take into account potential influences on winter tourism visitation to the county such as weather, income change, population change, or the effects of potential changes in substitute sites, for example. As such, this analysis should not be considered a cost-benefit analysis of economic development alternatives. It can be expected, perhaps, that appealing to a different cadre of ski tourists might mitigate these effects were the built tourism infrastructure to be increased. However, whether or not this is true is beyond the scope of this analysis.

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